



# Clackmannanshire Council

[www.clacksweb.org.uk](http://www.clacksweb.org.uk)

**Greenfield, Alloa, Scotland, FK10 2AD (Tel.01259-450000)**

## **Clackmannanshire Council**

**Thursday 12 August 2010 at 9.30 am**

**Venue: Council Chamber, Greenfield, Alloa, FK10 2AD**

---

For further information contact Finance and Corporate Services, Clackmannanshire Council, Greenfield, Alloa, FK10 2AD  
Phone: 01259 452106 Fax: 01259 452230 E-mail: [chiefexecutiveservice@clacks.gov.uk](mailto:chiefexecutiveservice@clacks.gov.uk)

|      |      |
|------|------|
| Date | Time |
|------|------|

## **Clackmannanshire Council**

There are 32 Unitary Councils in Scotland. Clackmannanshire Council is the smallest mainland Council. Eighteen Councillors are elected to represent the views of the residents and businesses in Clackmannanshire. The Council has approved Standing Orders that detail the way the Council operates. Decisions are approved at the 6 weekly meetings of the full Council and at Committee Meetings.

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct. Co-option of religious representatives in respect of Education policy decisions is also a Council responsibility.

The Council has further responsibility for the approval of budgets for capital and revenue expenditure, it also has power to make, alter or cancel any scheme made under statute and to make, alter or cancel any orders, rules, regulations or bye-laws and to make compulsory purchase orders. The Council also determines the level of Council Tax and approves recommendations relating to strategic economic development.

Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

Details of all of our Council and Committee dates and agenda items are published on our website at [www.clacksweb.org.uk](http://www.clacksweb.org.uk)

If you require further information about Council or Committee meetings, please contact Finance and Corporate Services by e-mail at [chiefexecutiveservices@clacks.gov.uk](mailto:chiefexecutiveservices@clacks.gov.uk) or by telephone on 01259 452106 or 452004.

**4 August 2010**

**A MEETING of the CLACKMANNANSHIRE COUNCIL will be held within the Council Chamber, Greenfield, Alloa, FK10 2AD, on THURSDAY 12 AUGUST 2010 at 9.30 am.**

**ELAINE McPHERSON  
Head of Strategy and Customer Services**

**B U S I N E S S**

|  | <b>Page No</b> |
|--|----------------|
| 1. Presentation: The Scottish Awards for Business Excellence 2010: Recognised for Excellence - awarded to Strategy and Performance, Customer Services, IT and Procurement.   | --             |
| 2. Apologies   | --             |
| 3. Declaration of Interests<br>Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer. | --             |
| 4. Confirm Minutes of Meetings (Copies herewith)   |                |
| (i) Minute of Meeting held on 3 June 2010  | 01             |
| (ii) Minute of Special Meeting held on 23 June 2010  | 07             |
| (iii) Minute of Special Meeting held on 8 July 2010  | 09             |

**FINANCE AND CORPORATE SERVICES**

|  |    |
|--|----|
| 5. Clackmannanshire Assurance and Improvement Plan - report by the Chief Executive (Copy herewith)         | 11 |
| 6. Amendments to Council Standing Orders - report by the Chief Executive (Copy herewith)                   | 57 |
| 7. Budget Strategy - report by the Director of Finance and Corporate Services (Copy herewith)              | 63 |
| 8. Membership of Scotland Excel - report by the Director of Finance and Corporate Services (Copy herewith) | 73 |



## Clackmannanshire Council – Councillors and Wards

---

### Councillors

### Wards

|            |                   |   |                          |     |
|------------|-------------------|---|--------------------------|-----|
| Councillor | Eddie Carrick     | 1 | Clackmannanshire West    | LAB |
| Councillor | George Matchett   | 1 | Clackmannanshire West    | LAB |
| Councillor | Tina Murphy       | 1 | Clackmannanshire West    | SNP |
| Councillor | Janis Paterson    | 1 | Clackmannanshire West    | SNP |
| Councillor | Donald Balsillie  | 2 | Clackmannanshire North   | SNP |
| Councillor | John S Biggam     | 2 | Clackmannanshire North   | SLD |
| Councillor | Walter McAdam     | 2 | Clackmannanshire North   | SNP |
| Councillor | Robert McGill     | 2 | Clackmannanshire North   | LAB |
| Councillor | Sam Ovens         | 3 | Clackmannanshire Central | LAB |
| Provost    | Derek Stewart     | 3 | Clackmannanshire Central | LAB |
| Councillor | Gary Womersley    | 3 | Clackmannanshire Central | SNP |
| Councillor | Janet Cadenhead   | 4 | Clackmannanshire South   | LAB |
| Councillor | Kenneth Earle     | 4 | Clackmannanshire South   | LAB |
| Councillor | Mark English      | 4 | Clackmannanshire South   | SNP |
| Councillor | Craig Holden      | 4 | Clackmannanshire South   | IND |
| Councillor | Alastair Campbell | 5 | Clackmannanshire East    | CON |
| Councillor | Irene Hamilton    | 5 | Clackmannanshire East    | SNP |
| Councillor | Harry McLaren     | 5 | Clackmannanshire East    | LAB |

### Religious Representatives

Rev Mairi Lovett

Church of Scotland

Father Michael Milton

Roman Catholic Church





**Clackmannanshire  
Council**

www.clacksweb.org.uk

**THIS PAPER RELATES TO  
ITEM 4(i)  
ON THE AGENDA**

**MINUTE OF MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Greenfield, ALLOA, FK10 2AD, on THURSDAY 3 JUNE 2010 at 9.30 am.**

**PRESENT**

Provost Derek Stewart (Chair)  
Councillor Donald Balsillie  
Councillor John Biggam  
Councillor Janet Cadenhead  
Councillor Alastair Campbell  
Councillor Eddie Carrick  
Councillor Kenneth Earle  
Councillor Mark English  
Councillor Irene Hamilton  
Councillor Craig Holden  
Councillor George Matchett  
Councillor Walter McAdam  
Councillor Bobby McGill  
Councillor Harry McLaren  
Councillor Tina Murphy  
Councillor Reverend Sam Ovens  
Councillor Janis Paterson  
Councillor Gary Womersley  
Father Michael Milton

**IN ATTENDANCE**

Angela Leitch, Chief Executive  
Garry Dallas, Director of Services to Communities  
Elaine McPherson, Head of Strategy and Customer Services  
Deirdre Cilliers, Head of Social Policy  
John Gillespie, Head of Community and Regulatory Services  
Lesley Robertson, Interim Head of Education  
Susan MacKay, Finance Manager  
Barry Dickson, IT Services Manager  
David A Thomson, Legal Services Manager (Clerk to the Council)

**CC.07 APOLOGIES**

None.

**CC.08 DECLARATIONS OF INTEREST**

None

\*\*\*

Councillor Donald Balsillie advised the Council that at the recent SNP Council Group AGM, he had decided to stand down from the position of Group Leader for personal reasons. He stated that he believed the SNP group has a wealth of talent and was happy to support Councillor Gary Womersley as Group Leader and Councillor Mark English as his depute. He also stated that he was keen to develop the Scrutiny Chair's role within the Council and wished to focus on this and Clackmannanshire North ward issues. He thanked the SNP Group and activists for their support and wished Councillors Womersley and English all the best in their new roles.

Councillor Cadenhead thanked Councillor Balsillie for his work as SNP Group Leader and congratulated Councillor Womersley and Councillor English on their new roles.

Councillor Womersley also paid tribute to Councillor Balsillie and thanked Councillor Cadenhead for her comments and the SNP Group for their support.

\*\*\*

#### **CC.09 MINUTE OF MEETING HELD ON 22 APRIL 2010**

A minute of the meeting held on 22 April 2010 was submitted for approval by the Council.

The minute of the meeting held on 22 April 2010 was agreed as a correct record and signed by the Provost.

\*\*\*

#### **CC.10 PROPOSED MERGER OF CLAREMONT PRIMARY SCHOOL AND ST JOHN'S PRIMARY SCHOOL IN A NEW PURPOSE BUILT SCHOOL (ITEM 9 ON THE AGENDA)**

The Chief Executive alerted Members to new legislation that had come into effect and asked Members to consider withdrawal of the report in order to take steps to comply with the legal requirements of the Schools (Consultation) (Scotland) Act 2010.

The Council agreed to withdraw Item 9 "Proposed Merger of Claremont Primary School and St John's Primary School in a New Purpose Built School" from the Agenda.

The Chief Executive advised that further guidance is being sought to ensure the consultation process is fully in keeping with new statutory requirements and it is intended to bring the report back to Council in the Autumn.

The Chief Executive assured Members that forthcoming legislation will be noted at the beginning of each year. The Chief Executive apologised to parents, staff and the community for the delay.

#### **Action**

Interim Head of Education

\*\*\*

#### **CC.11 COUNCIL'S FINANCIAL POSITION 2009/10**

At a Special Council meeting in November 2009, a potential budget shortfall for 2010-11 was brought to the attention of the Council. An undertaking was given to bring a report back to Council explaining the reasons for the situation which had arisen. The paper reported to Council the circumstances which led to the need to secure increased savings; recommendations which have since been made for financial management and administration

as a result of a review of these circumstances; and progress to date in achieving those recommendations.

### **Motion**

That the Council notes the contents of the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Harry McLaren.

### **Voting**

The voting on the motion was as follows:

|                    |                 |
|--------------------|-----------------|
| For the motion     | - 10 votes      |
| Against the motion | - 1 votes       |
| Not voting         | - 7 abstentions |

### **Decision**

On a division of 10 votes to 1 with 7 abstentions, the Council agreed to note the contents of the report.

## **CC.12 AMENDMENTS TO: SCHEME OF DELEGATION, FINANCIAL REGULATIONS, CONTRACT STANDING ORDERS AND NOTICE OF AMENDMENTS TO COUNCIL STANDING ORDERS**

The report sought to obtain Council approval of amendments to the Council's Scheme of Delegation, Contract Standing orders and Financial Regulations and to give notice to the Council of proposed changes to Standing Orders.

### **Motion**

That the Council:

- a) approves an amended Scheme of Delegation as set out in Appendix 3 to the report;
- b) approves amendments to the Financial Regulations as set out in paragraph 6.1 of the report;
- c) approves amendments to Contract Standing Orders as set out in paragraph 6.1 of the report;
- d) notes the amendments to Standing Orders as set out in paragraphs 7.1 to 7.3 of this report will be submitted to the next Council meeting for approval; and
- e) agrees that a comprehensive review of the Scheme of Delegation and Standing Orders takes place by the end of 2010.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Bobby McGill.

*Councillor Carrick withdrew from the Chamber at this point in the proceedings.*

### **Decision**

The Council unanimously agreed:

- a) to approve an amended Scheme of Delegation as set out in Appendix 3 to the report;
- b) to approve amendments to the Financial Regulations as set out in paragraph 6.1 of the report;
- c) to approve amendments to Contract Standing Orders as set out in paragraph 6.1 of the report;
- d) to note the amendments to Standing Orders as set out in paragraphs 7.1 to 7.3 of this report will be submitted to the next Council meeting for approval; and

- e) that a comprehensive review of the Scheme of Delegation and Standing Orders takes place by the end of 2010.

**Action**

Head of Strategy and Customer Services

**CC.13 SERVICES AGREEMENT FOR GEOGRAPHIC INFORMATION SERVICES**

The report sought approval for the Council to extend its current Services Agreement for the provision of Geographic Information Services (GIS) by Forth Valley GIS Limited (FVGIS) for a period of 12 month, from 1 July 2010 to 30 June 2011. The extension would allow the Council, in conjunction with Stirling and Falkirk Councils to procure a new Services agreement for the provision of Geographic Information Services to be effective from 1 July 2011.

*Councillor Carrick returned to the Chamber during questions to this item of business.*

**Motion**

That the Council:

1. Authorise the 12-month extension of the existing Services Agreement for the provision of Geographic Information Services by FVGIS, from 1 July 2010 to 30 June 2011; and
2. Note the procurement process required for the future provision of Geographic Information Services on behalf of the Council.

Moved by Councillor Bobby McGill. Seconded by Councillor Kenny Earle.

**Decision**

The Council unanimously agreed to:

1. Authorise the 12-month extension of the existing Services Agreement for the provision of Geographic Information Services by FVGIS, from 1 July 2010 to 30 June 2011; and
2. Note the procurement process required for the future provision of Geographic Information Services on behalf of the Council.

**Action**

Head of Strategy and Customer Services

- The Finance Manager agreed to provide information to elected members on why Forth Valley GIS Limited does not appear on the register of arms length organisations.

#### **CC.14 HOME TO SCHOOL TRANSPORT POLICY (CAMBUS AMENDMENT)**

The report described an unsustainable anomaly in the Council's Home to School Transport Policy. It recommended that Council should amend its School Transport Policy to remove the anomaly.

##### **Motion**

That Council approve the amendment to the Council's Home to School Transport Policy to read:

"Lornshill Academy: any pupil resident in the catchment areas of Clackmannan PS, Craigbank PS, Fishcross PS or Deerpark PS, or who is resident in the catchment areas of Abercromby PS, Banchory PS or St. Serfs PS and his/her residence is over two miles from the school, or nearest designated transport pick-up point, by the shortest possible walking route will be entitled to free school transport. "

Moved by Councillor George Matchett QPM. Seconded by Councillor Eddie Carrick.

##### **Voting**

Father Michael Milton (Religious Representative), was present and entitled to vote, therefore there were 19 members present and eligible to vote.

The voting on the motion was as follows:

|                    |                 |
|--------------------|-----------------|
| For the motion     | - 9 votes       |
| Against the motion | - 10 votes      |
| Not voting         | - 0 abstentions |

##### **Decision**

On a division, the motion was defeated by 10 votes to 9.

Accordingly, the Council did not approve the Cambus amendment to the Home to School Transport Policy.

- At the request of Councillor Craig Holden, the Director of Services to Communities agreed to investigate the possibility of additional electronic signage on the A907.

#### **CC.15 HOME TO SCHOOL TRANSPORT POLICY (GLENOCHIL)**

The report brought forward actions which it proposed should be taken in relation to the provision of home to school transport from and to Glenochil Village and Coalsnaughton.

##### **Motion**

That the Council approves the actions set out in the report and notes their implications for the provision of home school transport.

Moved by Councillor George Matchett. Seconded by Councillor Eddie Carrick.

*Councillor Walter McAdam MBE withdrew from the meeting at this point in the proceedings.*

##### **Voting**

Father Michael Milton (Religious Representative), was present and entitled to vote, therefore there were 18 members present and eligible to vote.

The voting on the motion was as follows:

For the motion - 9 votes  
Against the motion - 9 votes  
Not voting - 0 abstentions

The Provost used his casting vote to vote for the motion.

### **Decision**

On the casting vote of the Provost, the actions as set out in the report were approved and their implications for the provision of home school transport were noted.

### **Action**

Interim Head of Education

*Councillor George Matchett QPM withdrew from the meeting prior to the following item of business.*

### **CC.16 NOTICE OF MOTION IN TERMS OF STANDING ORDER 31 - "CHARTER OF RIGHTS FOR PEOPLE WITH DEMENTIA AND THEIR CARERS IN SCOTLAND"**

A Notice of Motion in terms of Standing Order 31 was submitted by Councillor Donald Balsillie.

### **Motion**

The Motion to Council read as follows:

"Council notes the recent publication of the "Charter of Rights for People with Dementia and their Carers in Scotland" and congratulates Alzheimer's Scotland for their work relating to the publication of the Charter.

Council fully supports the aims of the Charter to empower people with dementia and their carers to assert their rights in every part of their daily lives, to ensure that those who provide health, social care and other services understand and respect the rights of people with dementia and their carers and to ensure the highest quality of service provision to people with dementia and carers."

Moved by Councillor Donald Balsillie. Seconded by Councillor Janis Paterson.

### **Decision**

The Council agreed unanimously to support Councillor Donald Balsillie's motion.

ENDS 12.35 pm



**MINUTE OF SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Greenfield, Alloa, on WEDNESDAY 23 JUNE 2010 at 9.30 am.**

**PRESENT**

Provost Derek Stewart (Chair)  
Councillor Donald Balsillie  
Councillor John Biggam  
Councillor Janet Cadenhead  
Councillor Eddie Carrick  
Councillor Kenneth Earle  
Councillor Mark English  
Councillor Irene Hamilton  
Councillor Craig Holden  
Councillor George Matchett, QPM  
Councillor Walter McAdam, MBE  
Councillor Bobby McGill  
Councillor Harry McLaren  
Councillor Tina Murphy  
Councillor Reverend Sam Ovens  
Councillor Janis Paterson  
Councillor Gary Womersley

**IN ATTENDANCE**

Angela Leitch, Chief Executive  
Garry Dallas, Director of Services to Communities  
Deirdre Cilliers, Head of Social Policy  
John Gillespie, Head of Community and Regulatory Services  
Susan MacKay, Finance Manager  
Elaine McPherson, Head of Strategy and Customer Services  
David Thomson, Legal Services Manager (Clerk to the Council)

**CC.17 APOLOGIES**

Apologies for absence were received from Councillor Alastair Campbell.

**CC.18 DECLARATIONS OF INTEREST**

None

**CC.19 DRAFT STATEMENT OF ACCOUNTS 2009/10**

A report asking Council to note the Draft Statement of Accounts and agree their submission to the Controller of Audit and also asking Council to note the Annual Assurance Statement was submitted by the Finance Manager.

The report indicated that the Council is required by law to prepare a statement of accounts in accordance with proper practices which set out its financial position at the end of each financial year. The Council is legally obliged to complete the draft accounts and submit them by 30 June 2010 to the Controller of Audit so that they can be scrutinised by the appointed external auditor for accuracy and completeness.

Councillor Holden withdrew from the Council Chamber during debate on this item and was not present during the vote.

### **Motion**

That Council:

- (i) notes the 2009/10 Draft Statement of Accounts and agrees their submission to the Controller of Audit and
- (ii) notes the Annual Assurance Statement.

Moved by Councillor Bobby McGill. Seconded by Councillor Kenneth Earle.

### **Voting**

|                      |   |
|----------------------|---|
| For the motion -     | 9 |
| Against the motion - | 0 |
| Abstain -            | 7 |

### **Decision**

Accordingly, the Council agreed by 9 votes to 0 with 7 abstentions to:

- (i) Note the 2009/10 Draft Statement of Accounts and agree their submission to the Controller of Audit.
- (ii) Note the Annual Assurance Statement.

### **Action**

Chief Executive

ENDS 10.20 am

**MINUTE OF SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Greenfield, Alloa, on WEDNESDAY 8 JULY 2010 at 9.30 am.**

**The Special Meeting was called in terms of Standing Order 6.1, the Head of Strategy and Customer Services having received a Notice signed by Councillors Womersley, English, Balsillie, Paterson and Murphy.**

#### **PRESENT**

Provost Derek Stewart (Chair)  
Councillor Donald Balsillie  
Councillor John Biggam  
Councillor Alastair Campbell  
Councillor Mark English  
Councillor Irene Hamilton  
Councillor Walter McAdam, MBE  
Councillor Bobby McGill  
Councillor Harry McLaren  
Councillor Tina Murphy  
Councillor Reverend Sam Ovens  
Councillor Janis Paterson  
Councillor Gary Womersley

#### **IN ATTENDANCE**

Angela Leitch, Chief Executive  
Nikki Bridle, Director of Finance and Corporate Services  
Garry Dallas, Director of Services to Communities  
Lesley Robertson, Interim Head of Education  
David Thomson, Legal Services Manager (Clerk to the Council)

#### **CC.20 APOLOGIES**

Apologies for absence were received from:

Councillor Eddie Carrick  
Councillor George Matchett, QPM  
Councillor Janet Cadenhead  
Councillor Kenneth Earle

Rev Mairi Lovett, Religious Representative

#### **CC.21 DECLARATIONS OF INTEREST**

None

## **CC.22 PRIMARY SCHOOL PROVISION IN ALLOA WEST - CONSULTATION WITH COMMUNITY**

A report was submitted by Councillors Womersley and English. The report highlighted that a report submitted to Council on 3rd June 2010 on the outcome of a public consultation exercise regarding future primary school provision for the St John's and Claremont catchment areas was withdrawn on advice that the consultation exercise was not legally compliant. The report by Councillors Womersley and English sought to ensure that the consultation exercise is a full, open and non-predetermined engagement to ascertain the views and options preferred by the community.

### **Motion**

- (1) That Council undertakes the latest tranche of consultation regarding the provision of primary education in Alloa West in a full and open manner and not restricted to one option only, ie a new school for a merged St John's and Claremont Primaries to be erected at the current Redwell playing fields in Alloa.
- (2) That such consultation seeks to pursue the community's view on all options stated in the original business case presented to Council and reports such views and any other views/preferences back to Council at a future date to allow Council, at that time, to make a decision, fully informed as to the expressed preferences of the community.

Moved by Councillor Gary Womersley. Seconded by Councillor Reverend Sam Ovens.

### **Decision**

The Council agreed unanimously to support the motion.

### **Action**

Interim Head of Education

ENDS 9.46 am

---

**Report to: Clackmannanshire Council**

---

**Date: 12 August, 2010**

---

**Subject: Clackmannanshire Assurance & Improvement Plan**

---

**Report by: Chief Executive**

---

## **1.0 Purpose**

- 1.1 The purpose of this report is to inform Council of the publication in July of the *Shared Risk Assessment: Improvement & Assurance Plan 2010-13* for Clackmannanshire Council.

## **2.0 Background**

- 2.1 The Assurance and Improvement Plan (AIP) is the product of a collaborative approach adopted by the various scrutiny bodies operating in the Council; it sets out the planned scrutiny activity for the organisation to March 2013.
- 2.2 The summary findings of the Plan, attached as Appendix 1 to this report, are as follows:

*The council's corporate assessment is largely positive with a number of areas of strong performance and good practice. The council faces a particularly acute financial challenge, but is responding well to this with shared officer and member commitment to a programme of change based on prioritised outcomes for people who use services. Although the council still faces some high risk issues, it is well aware of what these are and is managing the risks appropriately. For that reason, the level of scrutiny activity proposed is minimal.*

- 2.3 The planned activity for the Council as a result of these findings will, therefore, be:

### Specific work

#### *Year 1*

- focused activity around risk assessment and management in Social Work Services
- appraisal of the council's self-assessment of its progress against its Improvement Plan for the Housing Service
- targeted work on the council's approach to demonstrating competitiveness in its services

#### *Year 2*

- evaluation of progress that is being made by the council in improving attainment levels through implementation of the improvement strategy for the secondary sector

#### *Year 3*

- assessment of the impact of the Transformation Programme in embedding performance management throughout the council and securing improved services and better outcomes for local people

#### On-going work

- monitoring of finance, governance and accountability matters as part of the annual audit process.

#### *Year 2*

- monitoring and regulatory support in respect of Care Services including monitoring of progress in self-evaluation
- monitoring progress towards local health improvement outcomes and local public service improvement

#### National work

#### *Year 1*

- Ministerially-driven national inspection of prison-based Social Work Services
- fostering and adoption inspection

#### *Year 2*

- mandatory ministerially-directed inspection of Child Protection Services.

2.4 While it is the role of the Scrutiny Committee to review this publication in more detail, given the overarching nature and corporate importance of the AIP, it is considered that the Plan should also be formally submitted to full Council.

### **3.0 Recommendations**

3.1 It is recommended that the Council:

a) notes the recent publication by Audit Scotland of the Shared Risk Assessment: Improvement & Assurance Plan 2010-13 for Clackmannanshire

b) notes the summary findings and summary of planned scrutiny activity to March 2013

c) notes that the Scrutiny Committee will consider the document in more detail and make comment as appropriate.

#### 4.0 Sustainability Implications

NA

#### 5.0 Resource Implications

*Financial Details* N/A

*Staffing* N/A

#### 6.0 Declarations

6.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities 2008 - 2011** (Please double click on the check box )

- |  |                                     |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses         | <input type="checkbox"/>            |
| Our communities are more cohesive and inclusive                          | <input type="checkbox"/>            |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/>            |
| Our communities are safer  | <input type="checkbox"/>            |
| Vulnerable people and families are supported                             | <input type="checkbox"/>            |
| Substance misuse and its effects are reduced                             | <input type="checkbox"/>            |
| Health is improving and health inequalities are reducing                 | <input type="checkbox"/>            |
| The environment is protected and enhanced for all                        | <input type="checkbox"/>            |
| The Council is effective, efficient and recognised for excellence        | <input checked="" type="checkbox"/> |

(2) **Council Policies** (Please detail) N/A

#### 7.0 Equalities Impact

7.1 N/A

#### 8.0 Legality

8.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

#### 9.0 Appendices

9.1 1 - Shared Risk Assessment: Improvement & Assurance Plan 2010-13, Clackmannanshire Council

#### 10.0 Background Papers

None

**Author(s)**

| <b>NAME</b>      | <b>DESIGNATION</b>                   | <b>TEL NO/EXTENSION</b> |
|------------------|--------------------------------------|-------------------------|
| Elaine McPherson | Head of Strategy & Customer Services | 01259 452014            |

**Approved by**

| <b>NAME</b>   | <b>DESIGNATION</b>                    | <b>SIGNATURE</b>   |
|---------------|---------------------------------------|--------------------|
| Nikki Bridle  | Director Finance & Corporate Services | (Signed: N Bridle) |
| Angela Leitch | Chief Executive                       | (Signed: A Leitch) |

# Shared risk assessment: Assurance and improvement plan 2010–13

Clackmannanshire Council





# Contents

|  |          |  |           |
|--|----------|--|-----------|
| <b>1. Introduction</b>                         | <b>2</b> | Self-evaluation                                  | 10        |
| The Assurance and Improvement Plan             | 2        | <b>4. Delivering outcomes for communities</b>    | <b>11</b> |
| Why have we prepared this AIP?                 | 2        | Outcomes   | 11        |
| What do we mean by a scrutiny risk assessment? | 2        | Services   | 15        |
| What does proportionate scrutiny mean?         | 3        | <b>5. Corporate assessment</b>                   | <b>17</b> |
| Baseline scrutiny activity                     | 4        | <b>Appendices</b>                                | <b>19</b> |
| <b>2. Summary</b>                              | <b>5</b> | Appendix 1: Outcome assessment                   | 19        |
| Outcomes                                       | 5        | Appendix 2: Service assessment                   | 25        |
| Services                                       | 5        | Appendix 3: Corporate assessment                 | 30        |
| Corporate assessment                           | 6        | Appendix 4: Outline summary of scrutiny activity | 36        |
| National risk priorities                       | 6        |  |           |
| Summary of planned scrutiny activity           | 7        |  |           |
| <b>3. The council's context</b>                | <b>9</b> |  |           |



# 1. Introduction

## The Assurance and Improvement Plan

1. This Assurance and Improvement Plan (AIP) is the product of a collaborative approach adopted by the following scrutiny bodies operating in Clackmannanshire Council:
  - Audit Scotland
  - Care Commission
  - HM Inspectorate of Education (HMIE)
  - Scottish Housing Regulator (SHR)
  - Social Work Inspection Agency (SWIA)
  - Grant Thornton, the council's appointed auditors.
2. The AIP sets out the planned scrutiny activity for Clackmannanshire Council for the period April 2010 to March 2013 based on our scrutiny risk assessment of the council. The scrutiny activity is proportionate to the assessed scrutiny risks.

## Why have we prepared this AIP?

3. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:
  - Jointly identifying and monitoring key scrutiny risks through the sharing of intelligence and information.
  - Coordinating the timing and approach of our audit, inspection, regulation and improvement support activity.
  - Drawing on, and taking account of each other's work to avoid duplication of effort.
  - Building on each other's work to maximise its value.
4. The AIP draws on a number of sources of information, including:
  - the audit of Best Value and Community Planning in Clackmannanshire Council
  - the annual audit report to the Controller of Audit and elected members for 2008/09
  - the council's own website, self-evaluation and supporting evidence
  - reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).

## What do we mean by a scrutiny risk assessment?

5. All local government scrutiny bodies have agreed the definition of shared risk assessment as:  
  
***'A joint approach using key information about local government to plan scrutiny activity that is proportionate and based on risk'***
6. When we determine 'risk' we mean risk that will trigger scrutiny work and not inherent risk for example as in the risk of harm to an individual. We define risk as:
  - Red, where there are significant concerns which would indicate that we would need to undertake some scrutiny activity in order to provide public assurance.
  - Amber, where there are areas of uncertainty or gaps in the information available to us to determine whether or not we need to undertake some scrutiny activity.
  - Green, where we have no significant concerns.
7. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network (LAN) contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.
8. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

## What does proportionate scrutiny mean?

9. When considering the appropriate level of scrutiny activity for each council we consider the following points to ensure that is proportionate:
  - Is scrutiny activity the best driver for improvement?
  - If so, how can we tailor that activity to the areas where it will have the most impact?
  - How can we tailor that activity in terms of its frequency, intensity and scope?
  - What is the minimum level of scrutiny required to provide assurance to the public?
  - How can we work together to minimise the impact of the scrutiny activity on the council?
10. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:
  - Coordinating the timing and approach of our risk assessment work.

- Helping to identify and monitor key risks through the sharing of intelligence and information.
- Building on each other's work to maximise its value.
- Drawing on, and taking account of each other's work.
- Avoiding duplication of effort.

## Baseline scrutiny activity

11. The focus of the AIP is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements.



## 2. Summary

The council's corporate assessment is largely positive with a number of areas of strong performance and good practice. The council faces a particularly acute financial challenge, but is responding well to this with shared officer and member commitment to a programme of change based on prioritised outcomes for people who use services. Although the council still faces some high risk issues, it is well aware of what these are and is managing the risks appropriately. For that reason, the level of scrutiny activity proposed is minimal. This scrutiny activity will be targeted in those areas assessed as highest risk and these are set out in the remainder of this AIP. The AIP gives an overview of the information that informed the risk assessment and shows how this links to the proposed scrutiny response.

12. The aim of the shared risk assessment process is to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over the next three years.

### Outcomes

13. The council is currently engaged in a major transformation programme covering all services with a focus on improving outcomes for people who use services. Within this framework the council has defined its local outcomes in the Single Outcome Agreement (SOA) and Community Plan. These outcomes clearly reflect the key challenges facing the council including population growth, relatively high levels of deprivation, and the high rate of increase in older people (especially 80 years and over) in the context of a challenging financial outlook.
14. The council has made good progress in defining performance measures, targets and baseline information, and can demonstrate good progress across a range of outcomes, including some areas of good practice. The council has improved its performance year-on-year for the past five years, and records the highest average performance of any council in Scotland as measured by statutory performance indicators (SPIs).
15. Our overall risk assessment in terms of the delivery of its local outcomes is low. As a result we do not intend to undertake any specific scrutiny activity in Year 1 in respect of the council's approach to or progress in delivering outcomes for its communities.

### Services

16. Across all services the council is making good progress in managing and improving performance. Recent SWIA work indicates the overall picture in respect of social work is positive with good practice identified in many areas. However, there are a few services, such as foster care and out of authority placements, which either remain fragile and lack resilience, or face important strategic challenges. Strengthening service capacity is a key development issue which needs to be addressed against a difficult financial backdrop. We therefore propose that in year one of the plan SWIA will carry out an initial scrutiny level assessment of the council's Social Work Services to enable appropriately targeted scrutiny support to be delivered.

17. In respect of Housing, the council has confirmed that it is on track to meet or exceed the Scottish Housing Quality Standard by 2015. The 2007 SHR inspection report was fairly positive although a number of weaknesses were identified as areas for improvement. An Improvement Plan was subsequently agreed with the council. Its reported performance shows a significant improvement over the last year. Early in year 1 SHR will ask the council to submit a self-assessment of its progress against the plan. Following appraisal of this, SHR will liaise with the LAN Lead and discuss with the council the need for any resulting validation or further inspection work.
18. The council's education team are well regarded and the performance is good or improving across this service with primary school education and partnership working a particular strength. However, educational attainment has been identified as an area for improvement as a consequence of the below national average attainment levels in the secondary sector. In response to these scrutiny risks in year 1 of the plan the HMIE local district inspector will provide support to the council in developing an improvement strategy for this sector. In year 2 of the plan the council will be asked to prepare a report setting out progress that is being made in improving attainment levels as a consequence of the improvement actions it has implemented.

## Corporate assessment

19. The council is undertaking a challenging transformation programme ('Growing in Excellence') following the recent appointment of a new chief executive. The council is trying to achieve a wide range of significant changes and improvements through its transformation programme against a difficult financial backdrop. As a consequence of the scrutiny risks that flow from this we propose that Audit Scotland will collaborate with the external auditors to assess the progress and impact of this programme in year three of the plan. This work will both provide public assurance about the progress that is being made and support the council in refining and better targeting its improvement activity.
20. The council is small and able to react quickly and respond effectively to new challenges, however, its scale may limit its capacity and ability to deliver economies of scale. In the past some improvements have been prompted by external drivers such as inspection, rather than internally identified. That is now less evident as a result of the action the council is taking to improve corporate capacity and secure improved service delivery and better outcomes for local people. The council has good performance management systems in place with a number of areas of very strong performance and good practice. As a result we do not plan to undertake any scrutiny work in addition to the routine annual external audit, which will monitor progress of the council's Best Value Improvement Plan.

## National risk priorities

21. A number of core national risk priorities will be applied to all 32 councils. These are:
  - The protection and welfare of vulnerable people, including access to opportunities, which is encapsulated in the council's defined outcomes of 'vulnerable people and families are supported', 'our communities are safer', and 'substance misuse and its effects are reduced'.

Whilst overall we have identified this as an area of low risk in Clackmannanshire, specific scrutiny risks in relation to home care, risk assessment and management in social work services have been identified and we propose undertaking focused work in these areas in Year 1 of the AIP.

- Assuring public money is being used properly, which forms a key strand of the council's approach to excellence. The council has already taken difficult choices in implementing plans to address the financial challenges it faces in delivering a balanced budget. Grant Thornton, the council's appointed auditors, will assess progress in this area as part of the routine annual audit activity.
- The impact of the greater financial pressure faced by all councils associated with the current economic climate. We have assessed this as low risk given the council's track record in making difficult choices to address the financial challenges it faces and its evolving wide-ranging service transformation agenda under the 'Growing in Excellence' banner. Grant Thornton, the council's appointed auditors, will assess progress in this area as part of the annual audit activity.

## Summary of planned scrutiny activity

22. The planned activity for Clackmannanshire Council as described throughout the text is detailed in Appendix 4. In summary this includes:

### *Specific work:*

- Year 1 - SWIA focused activity around risk assessment and management in Social Work Services (including the strategy for the management of 'out of authority' placements), with SWIA carrying out an initial scrutiny level assessment (ISLA) to enable appropriately targeted scrutiny to be identified (paragraphs 40, 42 and 55)
- Year 1 - SHR's appraisal of the council's self-assessment of its progress against its Improvement Plan for the Housing Service (paragraph 57)
- Year 1 – targeted work by Grant Thornton on the council's approach to demonstrating competitiveness in its services (paragraph 64)
- Year 2 – HMIE evaluation of progress that is being made by the council in improving attainment levels through implementation of the improvement strategy for the secondary sector to be prepared by the council in year 1 of the plan. (paragraphs 20 and 54)
- Year 3 – Audit Scotland and the external auditors targeted work to assess the impact of the Transformation Programme in embedding performance management throughout the council and securing improved services and better outcomes for local people (paragraph 65).

### *On-going work:*

- Grant Thornton will continue to monitor finance, governance and accountability matters as part of the annual audit process.

- Year 2 - Care Commission and SWIA monitoring and regulatory support in respect of Care Services<sup>1</sup> including monitoring of progress in self-evaluation through the SWIA link inspector role.
- The LAN will also be monitoring progress towards local health improvement outcomes (paragraph 46) and if sufficient progress is not made will consider undertaking review work in Year 2 of the programme. The same approach will be taken to local public service improvement targets (paragraph 51).

*National work:*

- Year 1 – Ministerially-driven national inspection of prison-based Social Work Services, which includes Glenochil prison in Clackmannanshire (SWIA) (paragraph 40).
- Year 1 – Fostering and adoption inspection (Care Commission)
- Year 2 - Mandatory ministerially-directed inspection of Child Protection Services (HMIE Services for Children Unit) (paragraph 40).

---

<sup>1</sup> Subject to the safe passage of the Public Service Reform Bill, this work will be undertaken by the new body Social Care and Social Work Improvement Scotland (SCSWIS)

## 3. The council's context

23. Clackmannanshire Council is the smallest mainland authority in Scotland, covering an area of 159 square kilometres, with a population of 50,480. Its population is growing rapidly with an increase of 24 per cent expected<sup>2</sup> between 2008 and 2033, the second fastest growth in Scotland, behind Perth and Kinross.
24. The council and its area are in a period of significant change. Recent improvements in transportation links, such as the new Clackmannanshire Bridge, the Stirling-Alloa-Kinross rail link and improved road links are having a positive impact on the local economy and providing a competitive advantage. The area is also benefiting from significant investment in Alloa town centre. There has been a corresponding rise in new housing developments, with young families in particular attracted to the area by relatively lower house prices, good schools and improved transport links.
25. Until recently, Clackmannanshire's 0-15 year old population was expected to decline at a sharper rate than the national average. Revised estimates suggest that the number of young people below the age of 16 will increase by 16.7 per cent (nationally this is expected to decline by 1.5 per cent). Correspondingly, the demographic profile indicates that the 65+ age group is expected to increase by 85.8 per cent by 2033, which is significantly higher than the national figure of 64.5 per cent. The area's success in attracting significant new housing, and therefore families moving into the area, has presented a challenge to the council to respond to the changing demand profile for services. These changes are placing increasing demands on council services such as Education provision, Housing and Social Care.
26. Deprivation is a significant factor. Around a quarter of the population live in areas categorised as amongst the most deprived in Scotland and median gross weekly earnings are just 91 per cent of the Scottish average. Unemployment is higher than average and there are significant health inequalities across the area, from one of the most healthy data zones in Scotland, Dollar and Muckhart, to one of the least healthy data zones in Alloa Mar.
27. These issues, challenges and pressures are reflected in the council's local outcomes detailed in its SOA, and the objectives and priorities described in the corporate plan. Clackmannanshire is currently working on an updated and refreshed community plan due to be published in 2010, to take the area through to 2020. The Community Planning Partnership, Clackmannanshire Alliance, has signed up to the nine priority outcomes articulated in the 2009 – 2012 SOA.
28. Gross expenditure on services in 2008/09 was £160.8 million, or £3,185 per head of population, which is slightly higher than the Scottish average.

---

<sup>2</sup> General Registers Office of Scotland, 2008 Mid-Year Estimates

## Self-evaluation

**The Clackmannanshire Improvement Model, based around the Public Service Improvement Framework (PSIF), provides a clear framework for performance improvement and a strong basis for self-review. There is a clear commitment from management and members to improve performance and implement recommendations for improvement across council services. The available self-evaluation evidence from the council is reliable and accords with the LAN's risk assessment of the authority.**

29. The council has recently adopted the Clackmannanshire Improvement Model, incorporating the PSIF and a focus on external accreditation such as Investors in People and Customer Service Excellence. Most services have self-assessed their performance over the last year. It is too early to assess if self-evaluation is fully embedded across the council, but early signs are that self-assessments have been honest and evidence-based.
  
30. Whilst the council recognises that further development of performance and risk management systems is required to support the efficiency and improvement agenda, we are satisfied that sufficient reliance can be placed on the council's own performance information and improvement plans as part of our assessment as it accords with existing scrutiny evidence and other available performance data. Our use of local self-evaluation evidence has enabled the LAN to focus on those areas where scrutiny activity will add greatest value. This reflects the clear commitment from the council's management team to continue to identify and manage improvement on an ongoing basis, and the council's 'delivery teams' which are driving forward change clearly linked to improvements in service outcomes.

# 4. Delivering outcomes for communities

## Outcomes

**Clackmannanshire Council can demonstrate it is making good progress in delivering across all its outcomes for local communities. Those outcomes clearly relate to the council's context, and to feedback received from the council's citizen's panel. There are no significant areas of concern and therefore in year 1 we do not plan any additional scrutiny work over and above the nationally-driven inspection of prison-based Social Work Services and targeted social work scrutiny activity which will be identified from completing the initial scrutiny level assessment (ISLA). Routine monitoring of progress against outcomes will also be undertaken as part of the annual external audit.**

31. A short summary of performance against each outcome is included below. Further detail is contained within Appendix 1.

### **The area has a positive image and attracts people and business**

32. The council can demonstrate a strong commitment to regeneration, with some notable successes. Significant new build projects have brought more families to the area, and more are planned in a major new development at Forestmill. Although the number of new house completions failed to meet targets, these reflect national statistics as a result of the recession. The council has also successfully applied for BID funding for business parks and is making good progress in improving Alloa Town Centre.
33. Although there are fewer jobs in the area compared to the Scottish average (0.52 jobs per head of working age population compared to 0.84 for Scotland) and median gross weekly earnings are lower, the council and its partners point to increasing business start up rates and better business survival rates, both exceeding the partners' targets. In addition, residents' express high satisfaction levels with the area as a place to live (87 per cent) and their neighbourhood specifically (92 per cent). We do not consider there to be significant risk in this area and so we will not be undertaking any scrutiny activity.

### **Communities are more cohesive and inclusive**

34. The council and its partners have focused on developing approaches to tackle the cause of poverty and improving employability to make communities more cohesive and inclusive. Performance indicators or targets relating to cohesiveness or wellbeing within the SOA or corporate plan remain under development. However, perceptions of community cohesion are high and there has been a significant rise in the proportion of citizen panel members who feel Clackmannanshire has a strong sense of community (from 25 per cent to 47 per cent).
35. Although the standard of council housing has improved as the council has invested to meet the SHQS, the proportion of dwellings in council tax Band A remain higher than the national average. Communities within the area continue to rely on the social rented sector. Targets for local employment have not been met and there has been a 50 per cent increase in the level of benefits claimed as a

result of the recession. We are, however, confident that the council is working to address these areas through, for example, the employability service. The council is managing the risk associated with the financial climate well and so we will not be undertaking any scrutiny activity.

## **People are better skilled, trained and ready for learning and development**

36. Significant progress has been made against the council's targets to improve educational attainment, and to improve adult literacy rates, which are covered in more detail in paragraphs 53 and 54. The council is now the only local authority in Scotland to have all secondary school pupils educated in new buildings. Forth Valley College has also recently commenced work on a new college within Alloa, expected to be completed for the 2011-12 academic year. We do not consider there to be significant risk in this area and therefore we will not be undertaking any scrutiny activity.

## **Our communities are safer**

37. In 2008/09 there were reductions in the number of recorded crimes across all crime groups in Clackmannanshire. Whilst recorded crime and disorder offences are below the national average, performance against SOA targets in 2008/09 were disappointing, with only two out of nine targets achieved. Fear of crime remains an important issue as 75 per cent of local respondents said that they were fearful about becoming a victim of crime in the last year, although only a third had actually experienced crime in the year. There was an increase in the rate of fire incidents both in Clackmannanshire, and in Central Scotland as a whole.
38. Clackmannanshire Alliance has a range of plans in place to tackle the perception of safety within the area, including a new model of community policing and improvements in communication between community police officers and members of the public. The partnership is also increasing its programme of Home Fire Safety checks. Whilst we do not consider there to be significant risk in this area for the council, SWIA will carry out a ministerially-driven national inspection of prison based Social Work Services across all prisons in Scotland, including Glenochil, during 2010. In addition, Criminal Justice Social Work Services will be considered as part of the SWIA ISLA in quarter 3 of year 1 of the AIP.

## **Vulnerable people and families are supported**

39. Significant progress has been made in response to the council's 2007 child protection inspection and the January 2008 multi-agency inspection of services for older people was very positive, with attainment of targets with services for older people rated very good in five areas and good in one. The council continued to demonstrate strong performance in relation to community care referral responses, caring for elderly people in their own home and providing prompt services to those within Adult Care Services where situations are less complicated. However, there is still progress to be made to improve the quality of assessments of some people with more complex needs.
40. The lack of foster care placements and subsequent use of 'out of authority' placements for looked after children continues to represent a significant ongoing financial pressure for the council. The council is

addressing this issue within its corporate parenting strategy where they have set a target to reduce out of authority placements by five per cent. Child Care Services has recruited a worker for the fostering and adoption team whose aim is to recruit new carers. Whilst working towards reducing the number of out of authority placements it is acknowledged that the needs of some young people with more complex needs will continue to be best met by out of authority placements.

41. Recent staffing changes in Social Work Services is one reason for the delays in moving forward recommendations from inspection reports. We propose that SWIA will complete further scrutiny work, in collaboration with HMIE and the Care Commission, in Year 1 Quarter 3 to assess progress in this area and seek assurance that these ongoing risks are being effectively managed.

## **Substance misuse and its effects are reduced**

42. The council's 2008-09 SOA report highlights this as a significant area for the council and its partners. Admissions to hospital for alcohol and substance misuse are below average but the council recognises that the very small numbers involved make it difficult to establish meaningful performance targets.
43. A number of teams provide services for people with substance misuse problems, including an addiction team led by the NHS, a wider network and a recently piloted Youth Addiction Service. All are seen as providing good quality of services, however, a multi-agency procedure and assessment framework to ensure consistency among services supporting children in families affected by substance misuse is not yet in place. In the future, drug and alcohol service performance data will be collected via the new Alcohol and Drugs Partnerships (ADP) at Clackmannanshire and Forth Valley levels. We do not consider there to be significant risk in this area and therefore we will not be undertaking any scrutiny activity.

## **Health is improving and health inequalities are reducing**

44. Despite effective integration of local performance planning on health improvement targets, significant progress is required on this priority. Life expectancy and healthy life expectancy are significantly below the Scottish average. Surveys suggest that adult physical activity remains low, and the council has failed to meet targets on physical education in schools.
45. The Joint Health Improvement Plan is currently being refreshed to better link with targets in the SOA. There are strong and effective relations between the council and its health partners and it is therefore anticipated that the recently launched initiative, Clackmannanshire Healthier Lives, will have a positive impact in this area. We intend to keep a watching brief on this area. If outcomes continue to appear disappointing we may undertake a joint review with scrutiny partners in Year 2 of the programme.

## **The environment is protected and enhanced for all**

46. The council has been successful in reducing their annual carbon emissions, and has plans in place to reduce emissions further. The council has the best recycling rates in Scotland and reduced the amount

of waste sent to landfill by over 1,000 tonnes in 2008-09. We do not consider there to be significant risk in this area and therefore we will not be undertaking any scrutiny activity.

## **Public services are improving**

47. Overall, the council's non-inspected services perform well. It is a top performer in relation to recycling and composting; regulatory services tend to be well managed. A new strategy has been adopted to improve Cultural and Leisure Services and in areas where service performance is more mixed (eg Roads and Street Lighting) plans for improvement are in place. This is reflected in SPIs which are good, and generally improving. Between 2006/07 and 2007/08 the number of SPIs in the top quartile has gone up from 29 per cent to 42 per cent.
48. For 2008/09, some areas of comparatively good performance (eg high ranking) are:
- educational attainment of looked after children
  - adult residential care and respite
  - culture and community services (with exception of museums, levels of borrowers and use of access point terminals)
  - development services (processing of applications)
  - protective services
  - recycling.
49. Some areas of comparatively weaker performance (eg lower ranking) are:
- social enquiry reports, supervision orders and community service
  - waste management in general (with exception of recycling).
50. The 2008/09 SOA progress report indicates that all public service improvement targets were met. However, the council acknowledges that the next round of the SOA will need to incorporate public service improvement targets that are broader than just council services and provide a clearer assessment of the impact of service improvement on local people. We will continue to monitor progress in this area, in particular the impact that the Clackmannanshire Improvement Model has on service performance. We do not intend to conduct any specific scrutiny work in year 1 other than that conducted by local external auditors as part of best value follow-up, and SPI annual work. We will consider looking more closely at this area in year 3 of the plan when undertaking our refresh of the AIP later in 2010.

## Services

**Clackmannanshire Council can demonstrate it is making good progress in managing and improving performance. Services are generally performing well and where performance is less good, this is being actively managed. There are two service areas within housing and social care where we have identified scrutiny risks and will be either undertaking focused scrutiny work or gathering additional intelligence to improve our understanding of performance and progress.**

51. A short summary of performance against each service area is included below. Further detail is contained within Appendix 2.

### Education and children's services

52. Education is seen as a strength of the council. Around 93 per cent of the public in Clackmannanshire rate the primary schools as 'good', with secondary schools achieving 88 per cent. The council has established strong partnerships with the voluntary and private sectors to deliver effective pre-school services. The service has a good understanding of how well its schools are performing, and there is evidence that attainment in reading, writing and mathematics is improving in the primary sector.
53. Attainment within secondary schools remains below the national average, but the gap between the lowest and highest achievers is narrowing. But, direct comparisons with other authorities are difficult because of the small number of schools in the local authority area and as a proportion of pupils attend independent schools, such as Dollar Academy. In response to these scrutiny risks in year 1 of the plan the HMIE local district inspector will provide support to the council in developing an improvement strategy for this sector. In year 2 of the plan the council will be asked to prepare a report setting out progress that is being made in improving attainment levels as a consequence of the improvement actions it has implemented.

### Social work/health

54. Current evidence suggests that performance within social services at the council is uneven. Adult Care Services have continued to provide good quality services, although a recent follow-up inspection found that there is a continued need to improve risk-assessments. The joint inspection of services to protect children and young people in February 2008 found a failing service. Since then, two further follow-through inspections noted that new appointments have been made and the services has been restructured, and that progress continued to be made in improving services. More work was still to be done to improve planning for children and it is too early to assess whether the steps taken have resulted in improved outcomes. For those reasons, risk assessment arrangements will therefore be considered as part of the SWIA ISLA work planned during year 1 of the plan. Related work by SWIA and the Care Commission in social work/health has already been set out in the vulnerable people and families are supported outcomes section of the AIP.

## **Housing**

55. Following tenant consultation, the council opted to retain its housing stock in 2005, but also to improve the quality of the housing stock beyond the requirements of the SHQS. Evidence from the service suggests that tenant satisfaction is high. Home ownership in the area is below the national average and the proportion of social rented housing is eight per cent higher than the national average.
56. In 2006 Clackmannanshire Council's Housing Service was inspected by the Scottish Housing Regulator's predecessor organisation, Communities Scotland. Its housing management, asset management and response repairs and homelessness services were all awarded 'C' or Fair grades. Following the publication of the inspection report, the council agreed an Improvement Plan with Communities Scotland, but also implemented a restructure of the service. Since then, SPIs suggest significant improvements in performance. The Care Commission's inspection of Housing Support Services has also found high levels of performance. Early in Year 1 SHR will request a self-assessment from the council to provide an independent assessment of the extent to which improvements have been achieved. This will reflect the Improvement Plan previously agreed with the council, detail the changes introduced and identify evidence for improved outcomes and impacts for service users. Following appraisal of this information, SHR will liaise with the LAN Lead regarding the need for any on-site validation or further enquiry.

## **Corporate services**

57. Performance across Corporate Services is mixed. A number of areas of Corporate Services perform well, such as the benefits administration service and business improvement team, but the council has been slow to implement a number of corporate developments such as the single status agreement and workforce planning. The council's own self-assessment recognises the need for improvement in these areas and there are clear plans to address identified areas for development, including reshaping the management structure and improving leadership skills across the council. It will take time to embed these new arrangements, but we are satisfied with the direction of travel so we are not proposing to undertake any scrutiny work in this area until year 3 of the plan.

## **Cultural and leisure facilities**

58. The council has recently approved a new leisure strategy following a period of consultation and service review. Performance to date within Cultural Services has been mixed with library visits substantially above average and highly regarded by the community, and the proportion of residents visiting historical and cultural sites in the area increasing in 2009, to 43 per cent. However, costs of cultural facilities have increased and are significantly higher than average.
59. As noted above, the council now has a clear strategy to take forward Leisure and Cultural Services in its area. There is no indication of higher risk across services and we will not be undertaking any scrutiny work in this area.

## 5. Corporate assessment

**The council's corporate assessment is largely positive with a number of areas of strong performance and good practice. The council faces a particularly acute financial challenge, but is responding well to this with shared officer and member commitment to a programme of change based on prioritised outcomes for service users. As a result we do not plan to undertake any scrutiny work in addition to the routine annual external audit, which will monitor the council's financial position and progress in delivering the council's 'Growing in Excellence' agenda in year three of the plan.**

60. A short summary of the corporate assessment is included below. Further detail is contained within Appendix 3.
61. Clackmannanshire Council continues to operate in a period of change. There have been a number of significant changes to the senior management team. A new chief executive and director of services to people joined the council in Spring 2009. Since then, the director of corporate development and the head of finance have left the council and the council has recently recruited a new director of finance and corporate services to help strengthen the corporate capacity within the council. All senior managers have taken part in a Leadership Development programme and a management restructuring programme is underway which will see the number of heads of service reduce from 11 to six. The council has also recently imposed the Single Status Agreement on staff. We have identified managing people, and the consequences of single status implementation, and implementing strategic service change at a time of financial pressure on the council as an area of significant scrutiny risk. Audit Scotland in collaboration with Grant Thornton, the council's appointed auditors, are planning an independent assessment of the impact of the 'Growing Excellence' agenda in year 3 of the AIP which will cover these issues. Progress against this agenda will also be monitored in years 1 and 2 through the annual audit process.
62. All local authorities in Scotland are facing a period of unprecedented financial challenge as a consequence of the impact of the global recession on public finances. This is likely to lead to significant budget cuts in coming years. The significant financial pressures facing the council may impact on its ability to meet existing budget commitments and achieve its corporate objectives. Although we note that the council's management team hold weekly meetings to focus on budget issues, we consider that a significant scrutiny risk remains. Consequently, we propose that the local external auditors review the council's progress in identifying savings to deliver a stable financial position early in the Year 1 timetable. Audit Scotland and the council's appointed auditors, Grant Thornton will also work together on an ongoing basis to maintain a watching brief on this area.
63. The council was the subject of a Best Value and Community Planning audit, the findings of which were published in September 2008. Progress to develop the best value agenda and secure continuous improvement has been good. The chief executive has set a 'Growing in Excellence' agenda to transform how the council makes best use of resources, delivers outcomes, and focuses on areas of strategic priority. Four 'all-council' strategies (financial, customer services, ICT and people) have been developed by director-led delivery teams to promote integration across the council. An important

aspect of the strategic change agenda being developed by the council is a recognition that it needs to focus on those aspects of service delivery where it has the capacity and competence to deliver world class performance. A consequence of this is a commitment to look at opportunities for innovative working and shared services with neighbouring councils. The council's trading services consistently meet or exceed financial targets; they have not been subject to competition for some time. In addition, whilst the use of option appraisal is improving it is not used on a consistent basis by the council. In light of these scrutiny risks the council's appointed auditors will undertake a focused review of competitiveness in Year 1 of the plan.

64. The council has also recognised deficiencies in performance and risk management, and has developed the Clackmannanshire Improvement Model to drive service improvement. Given the importance of these developments in relation to supporting improved outcomes and better use of resources we therefore propose that Audit Scotland will collaborate with the external auditors to assess the progress and impact of the 'Growing in Excellence' programme in year three of the plan.

## Appendix 1: Outcomes assessment

| Outcomes  | Initial Risk Assessment        | Evidence/Rationale   | What we plan to do |
|---|--------------------------------|--|--------------------|
| <b>National and local outcomes</b>  |                                |  |                    |
| Clackmannanshire is currently working on an updated and refreshed community plan due to be published in 2010, to take the area through to 2020. The Clackmannanshire Alliance has signed up to the following nine priority outcomes and articulated these in the SOA 2009 – 2012. |                                |  |                    |
| Outcomes  | Initial Risk Assessment        | Evidence/Rationale   | What we plan to do |
| <b>The area has a positive image and attracts people and business</b>   | <b>No significant concerns</b> | <p><b>Whilst performance evidence to date is limited, the council can demonstrate a strong commitment to regeneration, with some notable successes in relation to regeneration and business development.</b></p> <ul style="list-style-type: none"> <li>▪ There are fewer jobs in the area compared to the Scottish average (0.52 jobs per head of working age population compared to 0.84 for Scotland) and median gross weekly earnings are lower.</li> <li>▪ A higher proportion of the working age population claim benefits and Clackmannanshire has the 12<sup>th</sup> highest figure for people in work claiming housing benefit, indicating a higher proportion of people living in low income households.</li> <li>▪ There was an increase in the number of businesses registering for VAT, but the increase was below the national rate.</li> <li>▪ However, the council can demonstrate a strong commitment to regeneration, with some notable successes. The Clackmannanshire Bridge, Stirling-Alloa-Kincardine rail links and improved roads network have improved transport links. Significant new build projects have brought more families to the area - reversing a trend of declining numbers of children living in the area. More developments are planned, including a significant leisure, housing and social care complex in Forestmill.</li> <li>▪ The council has also successfully applied for BID funding for business parks and is making good progress in improving Alloa Town Centre.</li> </ul> | No specific work.  |

| Outcomes   | Initial Risk Assessment               | Evidence/Rationale   | What we plan to do   |
|--|---------------------------------------|--|--|
| <p><b>Our communities are more cohesive and inclusive</b></p>                          | <p><b>No significant concerns</b></p> | <p><b>The economic downturn has led to an increase in new benefit claims and the council is working to address this. However, key performance indicators (KPIs) in this area do not appear to address performance in areas of cohesion or wellbeing.</b></p> <ul style="list-style-type: none"> <li>▪ Local KPIs indicate mixed performance against this key strategic outcome.</li> <li>▪ Two local employment targets were not met, and new benefit claims figures have increased by 50%. But, action taken by the council and partners is anticipated to lead to an improvement in the next update figures.</li> <li>▪ More than 80% of the council's citizen's panel members agreed that they could rely on friends and relatives in their neighbourhood for advice and support. In addition, there has been a significant rise in the proportion of panel members who feel Clackmannanshire has a strong sense of community (from 25% to 47%).</li> <li>▪ We noted that whilst this strategic outcome area is seeking to improve community cohesion and strengthen social inclusion, the current performance data lacks clear measures related to community cohesion</li> </ul> | <p>No specific scrutiny work, although we will be discussing with the council the potential to refine and improve KPIs in this area.</p>                               |
| <p><b>People are better skilled, trained and ready for learning and employment</b></p> | <p><b>No significant concerns</b></p> | <p><b>Overall, the council performs well in relation to education and training and life-long learning. However, educational attainment in secondary schools remains below the national average and there is a higher proportion of residents with no qualifications.</b></p> <ul style="list-style-type: none"> <li>▪ The council recognises that secondary school attainment levels need to improve, however, primary school educational attainment compares favourably with comparator authorities and improvement in educational attainment is a priority for the council.</li> <li>▪ The proportion of school leavers going into employment, education or training decreased slightly during 2008-09, although this may be as a result of the economic recession. However, the Clackmannanshire Alliance has successfully secured funding to create 77 employment opportunities for young people lasting for six months as part of the Future Jobs Fund programme.</li> <li>▪ There is also a higher proportion of residents with no qualifications and a lower proportion who have attained NVQ Level 4 or above (i.e. HND or above).</li> </ul>                                | <p>No specific work in Year 1, but HMIE will undertake a targeted follow up education authority inspection in year 2 of the plan focusing on improving attainment.</p> |

| Outcomes                  | Initial Risk Assessment | Evidence/Rationale  | What we plan to do  |
|---------------------------|-------------------------|---|---|
| Our communities are safer | No significant concerns | <p><b>Although Clackmannanshire is generally a safe place to live, crime, fear of crime and tackling crime have been identified as a priority for agencies locally.</b></p> <ul style="list-style-type: none"> <li>▪ Whilst recorded crimes and disorder offences are below the national average with higher than average clear up rates, use of anti-social behaviour orders is significantly above the Scottish average.</li> <li>▪ Fear of crime remains an important local issue, as whilst crime and disorder rates are down and improving perceptions of crime are increasing (75 per cent of local respondents said that they were fearful about becoming a victim of crime in the last year, although only a third had actually experienced crime in the year).</li> <li>▪ There was an increase in the rate of fire incidents both in Clackmannanshire, and in Central Scotland as a whole. The SOA 2008-09 progress report notes that the Alliance failed to meet two targets to reduce the number of accidental dwelling fires and the number of fire fatalities.</li> </ul> | Criminal justice social work services will be considered as part of the SWIA initial scrutiny level assessment (ISLA) in quarter 3 of year 1 of the AIP to refresh our risk intelligence of that important service. |
|                           | Area of uncertainty     | <ul style="list-style-type: none"> <li>▪ Criminal justice services were inspected as part of the Forth Valley Partnership in June 2006 but not included in the performance inspection or follow up inspection.</li> </ul>   |   |

| Outcomes   | Initial Risk Assessment               | Evidence/Rationale   | What we plan to do   |
|--|---------------------------------------|--|--|
| <p><b>Vulnerable people and families are supported</b></p> | <p><b>No significant concerns</b></p> | <p><b>The council can demonstrate good progress in response to recent inspections. However some important performance challenges remain against a difficult financial backdrop. Performance management and overall social work capacity remain a challenge.</b></p> <ul style="list-style-type: none"> <li>▪ The council's 2007 Child Protection Inspection was followed up in February 2009. There was a further HMIE inspection in January 2010. Overall significant progress had been made, but a revisit to follow-up on recommendations is planned within one year of the report.</li> <li>▪ Out of authority placements will be a significant ongoing financial pressure for the council and at present they have no clear strategy for addressing these ongoing pressures.</li> <li>▪ Recent inspection reports have been positive but the size of team means that small staffing changes in social work can have a significant impact. Lack of capacity may have contributed to lack of progress on addressing some of the recommendations made from inspections. Foster care in particular is fragile and lacking resilience. However, the council now has an adult protection committee in place, supported by new procedures and training.</li> </ul> | <p>We propose that SWIA will complete further scrutiny work in Year 1 Quarter 3 to assess progress in this area and seek assurance that these ongoing risks are being effectively managed.</p> |

| Outcomes   | Initial Risk Assessment               | Evidence/Rationale  | What we plan to do  |
|--|---------------------------------------|---|---|
| <p><b>Substance misuse and its effects are reduced</b></p>             | <p><b>No significant concerns</b></p> | <p><b>The Council and its partners highlight this a significant strategic area for the partnership. There are issues with the volatility of local performance data, given the small numbers involved, which partners are seeking to address.</b></p> <ul style="list-style-type: none"> <li>▪ The council's 2008/09 SOA report highlights this as a significant area for the partnership but recognises that the very small numbers involved make it difficult to establish meaningful performance targets.</li> <li>▪ A number of teams provide services for people with substance misuse problems, including an addiction team led by the NHS, a wider network and recently piloted youth addiction service. All were seen as providing good quality of service.</li> <li>▪ % of referrals received by the Children's Reporter on the grounds of misuse of alcohol or drugs to decrease reducing the gap with the Scottish average. (SCRA figures 2007/08 7% in Clacks compared to Scottish average of 1.8%).</li> <li>▪ Progress in implementing a multi-agency procedure and assessment framework to ensure consistency among services supporting children in families affected by substance misuse is not yet in place.</li> <li>▪ Drug and alcohol service performance data will be collected via the new ADP at Clackmannanshire and Forth Valley levels. Opportunity will be taken this year in a refresh of the SOA to review the priority outcome: <i>Substance misuse and its effects are reduced</i>, and clarify targets with the new Clackmannanshire ADP taking a lead in this.</li> </ul> | <p>No specific work.</p>  |
| <p><b>Health is improving and health inequalities are reducing</b></p> | <p><b>No significant concerns</b></p> | <p><b>Despite well integrated local joint working, available data suggests limited progress in this outcome area. The council recognises this and has developed a new initiative, Clackmannanshire Healthier Lives, which started in September 2008 to address this.</b></p> <ul style="list-style-type: none"> <li>▪ NHS HEAT targets are integrated with the SOA through joint health improvement target and the local Community Health Partnership reports to the Alliance because of its role as one of the partnership teams supporting the Alliance. The Joint Health Improvement Plan is currently being refreshed to better link with targets in the SOA.</li> <li>▪ Despite this effective integration of local performance planning the SOA report 2008/09 demonstrates poor performance on this target. Life expectancy and healthy life expectancy are significantly below the Scottish average. Surveys suggest that adult physical activity remain low, and the council has failed to meet targets on physical education in schools.</li> <li>▪ There is an expectation that a new initiative, Clackmannanshire Healthier Lives, started in September 2008 will have a positive impact in this area.</li> </ul>   | <p>No specific audit work proposed at this time. The LAN will undertake a further review of performance in Year 2. If improvement in performance is not demonstrated, then additional scrutiny activity will be planned for Year 3.</p> |

| Outcomes  | Initial Risk Assessment               | Evidence/Rationale  | What we plan to do   |
|---|---------------------------------------|---|--|
| <p><b>The environment is protected and enhanced for all</b></p> | <p><b>No significant concerns</b></p> | <p><b>The council's self assessment indicates largely positive outcomes in this area, but there is scope to improve performance information in this area.</b></p> <ul style="list-style-type: none"> <li>▪ The council has been successful in reducing its annual carbon emissions, and has plans in place to reduce emissions further. Outcomes for reducing the carbon emission of Clackmannanshire as a whole will be reported in 2011.</li> <li>▪ The council has the best recycling rates in Scotland and reduced the amount of waste sent to landfill by over 1,000 tonnes in 2008/09.</li> <li>▪ The Clackmannanshire Alliance has set targets to increase the number of journeys made by foot, cycle or public transport, and to reduce the number of journeys made by car. No data is yet available on progress.</li> </ul>  | <p>No specific work, beyond routine monitoring of progress through the annual audit.</p>   |
| <p><b>Public services are improving</b></p>                     | <p><b>No significant concerns</b></p> | <p><b>The council has implemented the Clackmannanshire Improvement Model and is committed to reviewing all services by April 2010 to drive forward improvement. The impact of this work may take some time to filter through to improved outcomes. Overall SPI results are good and improving.</b></p> <ul style="list-style-type: none"> <li>▪ Overall, SPI reports are good, and generally improving. The number of SPIs in the top quartile has gone up from 24% to 42%.</li> <li>▪ Performance is above or around average in most service areas with sport &amp; recreation and planning significantly better. However homelessness and roads maintenance are both below average with some services, particularly cultural and social work services, showing mixed performance.</li> <li>▪ Five service areas have significantly higher costs than average with two of them (libraries, museums &amp; the arts and waste management) also increasing from last year. Costs in housing operations, homelessness and trading standards are significantly lower than average with the remaining two areas around average.</li> <li>▪ The SOA Progress Report 2008/09 indicates that all targets in this area were met. However, the council acknowledges that the next round of the SOA will need to incorporate public service improvement targets that are broader than council services.</li> </ul> | <p>We plan to keep a watching brief in this area and conduct a comprehensive review in Year 3 of the Plan to assess the impact of the Clackmannanshire Improvement Model in securing improved outcomes for local people.</p> |

## Appendix 2: Service assessment

| Service Area | Initial Risk Assessment               | Evidence/Rationale   | What we plan to do   |
|--------------|---------------------------------------|--|--|
| Education    | <p><b>No significant concerns</b></p> | <p><b>A good team is in place which has a good understanding of the performance of its schools, and there is evidence that the primary sector is improving. There have been no pre-school inspections in two years but historically this is a strength. Secondary performance compares less favourably, but as 24% of children attend independent schools, notably Dollar Academy, true comparisons are difficult.</b></p> <ul style="list-style-type: none"> <li>▪ INEA (2006) reported pre-school provision and impact to be a strength of the education service. Strong and effective partnerships amongst council, voluntary and private sectors provide very effective services.</li> <li>▪ At the primary stages, there is an improving trend of attainment in reading, writing and mathematics. The most recent inspection highlights strong attainment with almost all children attaining national levels and making very good progress in learning.</li> <li>▪ Council approaches to raise attainment, such as Synthetic Phonics, Thinking through Philosophy have gained international recognition.</li> <li>▪ Attainment at S4 to S6 across the authority shows signs of improvement but remains below comparator authorities and national averages. The gap of attainment between the lowest and highest achievers is narrowing. Quality improvement officers are increasingly rigorous in challenging schools to bring about improvement.</li> <li>▪ 24 per cent of secondary pupils attend independent schools.</li> <li>▪ Scottish Government 'Learning Choices' piloted in 2008/09 to provide pathways and support for positive post-school transitions.</li> <li>▪ Determined to Succeed initiative and 'collaborative learning' are being used to develop children's confidence and work-related skills. A Strategy Group has been set up to lead Curriculum for Excellence initiatives and development work. Professional development for all staff on developing children's enterprise skills, including collaborative learning, is in place.</li> </ul> | <p>Educational attainment in the secondary sector has been identified as an area for improvement and HMIE will undertake a follow up inspection in year 2 of the plan.</p> |

| Service Area  | Initial Risk Assessment   | Evidence/Rationale   | What we plan to do  |
|---|---|--|---|
| Social work services<br>Health<br>- Adult Care<br>- Older peoples services<br>- Learning Disability services<br>- Criminal Justice services<br>- Mental health services | <p data-bbox="400 220 568 308"><b>No significant concerns</b></p> <p data-bbox="400 639 551 695"><b>Area of uncertainty</b></p> | <p data-bbox="591 220 1742 400"><b>Performance is improving across all social work services, with good practice identified in many areas. Clackmannanshire has continued to perform well in terms of national performance data in relation to older people and people with learning disabilities. The latest data on direct payments showed a slight decline. Services for people with learning disabilities have recently been redesigned, but the impact of these changes in terms of improved outcomes has yet to be seen.</b></p> <p data-bbox="591 435 842 459"><b>Adult care services</b></p> <ul data-bbox="591 496 1738 770" style="list-style-type: none"> <li>Adult care services have continued to provide good quality services to the majority of adults needing intervention. Assessments continued to fulfil the main objectives of providing prompt and effective responses for those people whose needs were straightforward, but concerns remain about the quality of risk assessments being made for those people with more complex needs. Concerns also remain about the quality of risk assessments being made for some people with more complex needs.</li> <li>The council is about to adopt the Joint Improvement Team risk assessment tool which may help address this aspect of mixed performance.</li> </ul> <p data-bbox="591 802 949 826"><b>Criminal justice social work</b></p> <ul data-bbox="591 863 1727 1046" style="list-style-type: none"> <li>Criminal justice services were last inspected as part of the Forth Valley Partnership in June 2006.</li> <li>The quality of mental health services within Clackmannanshire were good, with the main integrated mental health team providing a wide range of services and support for people with mental health issues and their carers.</li> </ul> | <p data-bbox="1765 220 2076 555">As a consequence of these risks we therefore propose that in year one of the plan SWIA will undertake some focused work in relation to risk assessment arrangements and Criminal Justice social work as part of its ISLA activity.</p>   |
| Children and Families   | <p data-bbox="400 1114 551 1169"><b>Area of uncertainty</b></p>   | <p data-bbox="591 1086 875 1110"><b>Children and Families</b></p> <ul data-bbox="591 1147 1727 1447" style="list-style-type: none"> <li>Good progress has been made by the council and its partners since the critical joint inspection of services to protect children and young people in February 2008.</li> <li>The follow up inspection found evidence of efforts having been made to improve fostering and adoption provision although there was a deterioration in services to children with disabilities (due to staff leaving). There is an intention to reconfigure child care services and this is in progress.</li> <li>Whilst there has been a restructuring of the child care social work service and new appointments made within children and families services at all levels, improvements in the</li> </ul>  | <p data-bbox="1765 1086 2076 1206">SWIA will assess progress in this area in Year 1 as part of its ISLA activity</p> <p data-bbox="1765 1238 2076 1447">The Care Commission will also undertake a inspection of fostering and adoption services in Clackmannanshire as part of the national cycle of these inspections.</p> |

| Service Area | Initial Risk Assessment   | Evidence/Rationale   | What we plan to do  |
|--------------|---|--|---|
|              |   | <p>service have still to be evidenced in improved outcomes.</p> <ul style="list-style-type: none"> <li>Since then, two further follow up inspections noted that new appointments have been made and the services has been restructured (including youth justice services returned to being managed by children services), and that progress continued to be made in improving services. But, it is too early to assess whether the steps taken have resulted in improved outcomes</li> </ul>   |   |
| Housing      | <p><b>No significant concerns</b></p> <p><b>No significant concerns</b></p> <p><b>No significant concerns</b></p> <p><b>Area of uncertainty</b></p> | <p><b>There is evidence of significant and rapid service improvement since the last inspection report, although work remains to be done on improving the homelessness service and on council house sale times. The council's 'Clackmannanshire Standard' aims to provide housing stock that exceeds the requirements of the SHQS. Tenant satisfaction and participation rates are high.</b></p> <ul style="list-style-type: none"> <li>Rent loss is very much lower than average and re-letting times are substantially quicker. However, council house sale times are significantly longer than average with rent arrears higher than average. Costs are significantly lower than average although they have increased from last year.</li> <li>In 2006 Clackmannanshire Council's housing service was inspected by the Scottish Housing Regulator's predecessor organisation, Communities Scotland. Its housing management, asset management &amp; response repairs and homelessness services were all awarded 'C' or Fair grades. Following the publication of the inspection report, Clackmannanshire Council agreed an Improvement Plan with Communities Scotland. Since then, SPIs suggest that the service has made significant progress in areas such as the rent loss due to voids, housing repairs completed on time and the time taken to re-let low demand housing.</li> <li>Care Commission inspection of housing support service evidences very good performance as indicated by grades awarded.</li> <li>Homelessness presentations remain at a relatively high level. The homeless service has difficulties in accessing adequate supplies of both temporary and permanent accommodation, resulting in use of expensive Bed and Breakfast accommodation, occasionally in breach of legislation. Progress will be examined in detail, through the proposed self assessment by the council.</li> </ul> | <p>Over the first quarter of 2010/11 SHR will appraise the Council's self assessment of its progress against its Improvement Plan for the Housing Service.</p> <p>Following appraisal of the council's submission, the SHR will consider the need for validation or further inquiry</p> |

| Service Area  | Initial Risk Assessment        | Evidence/Rationale  | What we plan to do  |
|---|--------------------------------|---|---|
| Corporate services                                  | <b>No significant concerns</b> | <p><b>The council is undertaking a challenging transformation programme following the recent appointment of a new chief executive. The council is small and able to react quickly and effectively to respond to new challenges, however, its scale may limit capacity and ability to deliver economies of scale. The council has good performance management systems in place with a number of areas of very strong performance and good practice.</b></p> <ul style="list-style-type: none"> <li>▪ The council is embarking on a management restructuring exercise which will see the number of heads of service reduce from 11 to six. The council will need time to embed the restructure before it is possible to establish if the level of planned efficiencies have been achieved.</li> <li>▪ There is currently no director of corporate services in place, although plans are in place to recruit a director of finance and customer services to fulfil this role.</li> <li>▪ The council has also implemented the Clackmannanshire Improvement Model in 2009-10 and is in the process of procuring a web-based performance management platform in collaboration with Fife and Stirling Councils. This will be implemented from 1 April 2010 onwards.</li> <li>▪ Evidence on current performance is mixed. A number of areas of corporate services perform well, such as the benefits administration service and business improvement team, but the council has been slow to implement a number of corporate developments. The council is one of the last in Scotland to implement the single status agreement. Workforce planning is still in development, although this has benefited from the impetus of the Clackmannanshire Improvement Model. We are, however, satisfied that the council's transformation programme will effectively address identified areas for improvement</li> </ul> | Audit Scotland will collaborate with the external auditors to assess the progress and impact of this programme in year three of the plan. |
| Environmental services (including Waste Management) | <b>No significant concerns</b> | <p><b>Clackmannanshire is a top performer in relation to recycling and composting.</b></p> <ul style="list-style-type: none"> <li>▪ The council met the MSW recycling target of 40 per cent by 2010 and is confident in meeting the next key MSW recycling target is 50 per cent by 2013.</li> <li>▪ Achieved the no growth in BMW by 2010 target.</li> <li>▪ Development and environmental services performed well in the APSE Performance Network Awards - they were nominated finalists in Best Performer and Most Improved in Building Maintenance, and in the Most Improved Street Care category. The council won the Best Performer Award for the third year running in Building Maintenance and is a nominated finalist for Most Improved Street Care</li> </ul>   | No specific work.   |

| Service Area              | Initial Risk Assessment        | Evidence/Rationale  | What we plan to do  |
|---------------------------|--------------------------------|---|---|
| Regulatory services       | <b>No significant concerns</b> | <p><b>Regulatory services tend to be well managed with good performance as measured by SPIs.</b></p> <ul style="list-style-type: none"> <li>▪ Overall performance of regulatory services remains strong with above average performance for processing times for planning applications in particular. Service costs are substantially higher than average, although the trend is positive with a significant decline in costs in recent years.</li> </ul>  | No specific work, although the council will be asked by the LAN to set out what action it is taking to address issues of high cost. |
| Cultural services         | <b>No significant concerns</b> | <p><b>Cultural service outcomes demonstrate mixed performance and progress in addressing improvement needs has been slow. The council has, however, recently agreed a new strategy to take forward cultural and leisure services and there has been renewed management focus since the appointment of the new chief executive.</b></p> <ul style="list-style-type: none"> <li>▪ The development of a leisure strategy was approved by Council in December 2009.</li> <li>▪ Performance to date has been mixed with library visits substantially above average, but museum visits are well below average having also declined substantially from last year. Costs have increased and are significantly higher than average.</li> </ul>   | No specific work, although the council will be asked by the LAN to set out what action it is taking to address issues of high cost. |
| Roads and street lighting | <b>No significant concerns</b> | <p><b>The council's performance in roads and street lighting services is mixed performance, but there are clear plans for improvement</b></p> <ul style="list-style-type: none"> <li>▪ Street lighting performance is around average although the performance trend is strongly positive. Service costs, however, are substantially higher on average than most other councils and service efficiency continues to represent an area for improvement.</li> <li>▪ Overall performance on roads is significantly below average with traffic congestion being substantially higher than average. Costs are also significantly higher than average although they also reduced significantly from last year. Recent improvements to road and rail networks are expected to lead to improvements in performance in future years.</li> </ul> | No specific work, although the council will be asked by the LAN to set out what action it is taking to address issues of high cost. |



## Appendix 3: Corporate assessment

| Criteria                       | Initial Risk Assessment        | Evidence/Rationale   | What we plan to do   |
|--------------------------------|--------------------------------|--|--|
| Vision and strategic direction | <b>No significant concerns</b> | <p><b>Significant changes are being made by the chief executive and executive directors to establish a clear vision and direction for the council based on 'Growing in Excellence' agenda with an increasing focus on performance improvement. Council acknowledges the need to focus on smaller number of key priorities.</b></p> <ul style="list-style-type: none"> <li>▪ New chief executive has set 'growing in excellence' agenda for the council to ensure that resources are best being used to meet the council's priorities. Four 'all-council' strategies (finance, customer service, ICT and people) have been approved to complement each other and promote integration across the council.</li> <li>▪ Priorities agreed with partners within the SOA have been adopted in the corporate plan. Priorities remain wide-ranging and there appears to be consensus that the council's priorities going forward will be more focused.</li> </ul>   | Audit Scotland will collaborate with the external auditors to assess the progress and impact of the 'growing excellence' agenda annually with a specific review in Year 3 of the plan. |
| Leadership and culture         | <b>No significant concerns</b> | <p><b>The council is in a period of significant change, both in culture and in management structure. It is too early to assess the impact of changes. Some concerns remain over the effectiveness of political leadership</b></p> <ul style="list-style-type: none"> <li>▪ All senior managers have taken part in a Leadership Development Programme The council is also implementing a revised management structure, which will see the number of heads of service reduce from 11 to six.</li> <li>▪ The culture within services generally remains traditional, although the chief executive has taken steps to increase the pace of change by adopting the Clackmannanshire Improvement Model and by creating a stronger corporate centre through new appointments and by bringing services together under a revised management structure.</li> <li>▪ The quality of political leadership is improving, although officers continue to take the main lead in the development of the council.</li> </ul> | Audit Scotland will collaborate with the external auditors to assess the progress and impact of the 'growing excellence' agenda annually with a specific review in Year 3 of the plan. |

| Criteria                                     | Initial Risk Assessment        | Evidence/Rationale  | What we plan to do   |
|--|--------------------------------|---|--|
| Partnership working and community leadership | <b>No significant concerns</b> | <p><b>Mixed performance with positive examples of joint working. However council acknowledges that it needs to improve partnership working.</b></p> <ul style="list-style-type: none"> <li>The Clackmannanshire Alliance appears to work well and there are strong working relationships between the three local councils at chief officer level.</li> <li>There has been a continued strong commitment to working with health and evidence of some very positive work being undertaken with other partners.</li> <li>The council has been able to take opportunities to create efficiencies through single systems of service delivery in partnership with health and police to achieve improved quality of services to protect children at reduced cost, although there remains significant scope for further development in this area.</li> </ul>  | Audit Scotland will collaborate with the external auditors to assess the progress and impact of the 'growing excellence' agenda annually with a specific review in Year 3 of the plan. |
| Community engagement                         | <b>No significant concerns</b> | <p><b>Community engagement is developing, although there continues to be a focus on consultation and strong reliance placed on the Clacks 1000 citizens' panel, rather than a broader approach to working with local communities. Improvements are expected as a result of the drive to achieve Customer Service Excellence accreditation, but it is too early to assess progress to date.</b></p> <ul style="list-style-type: none"> <li>Achieving Customer Service Excellence accreditation is one strand of the Clackmannanshire Improvement Model. This should ensure that services engage with users more regularly and on a more meaningful basis.</li> <li>To date, reliance has been placed on the Clacks 1000 citizens' panel to provide information on user views.</li> <li>In the most recent survey 46 per cent of respondents felt they should be consulted more on how local services are delivered.</li> </ul> | No specific work.  |
| Governance and accountability                | <b>No significant concerns</b> | <p><b>The council has generally good governance arrangements in place, although the role of members in scrutinising policy and procedures and improving service performance needs development.</b></p> <ul style="list-style-type: none"> <li>The council needs to develop both the role of the scrutiny committee and the framework which supports it. In particular, the council should move towards arrangements which would support an annual Statement on Internal Control, including strengthening internal audit, improving risk management arrangements and developing more tailored training for scrutiny committee members.</li> </ul>  | No specific work, although this aspect of council performance will continue to be monitored through the annual audit process.  |

| Criteria  | Initial Risk Assessment        | Evidence/Rationale   | What we plan to do               |
|---|--------------------------------|--|----------------------------------|
|   |                                | <ul style="list-style-type: none"> <li>▪ There is scope to improvement arrangements for the scrutiny of services performance.</li> </ul>   |                                  |
| Customer focus and responsiveness                     | <b>No significant concerns</b> | <p><b>The council recognises the need to further improve customer focus. This will be addressed through Clackmannanshire Improvement Model.</b></p> <ul style="list-style-type: none"> <li>▪ PSIF assessments have found that there is generally insufficient data relating to customer perceptions and perceptions of the wider community.</li> <li>▪ The council's overall strategy for improvement is focused on improving outcomes for citizens and will therefore contain a clear focus on developing a better understanding of the views of local people and service users to help inform its improvement priorities.</li> <li>▪ Plans for improvement include drive towards Customer Service Excellence accreditation.</li> </ul>   | No specific audit work proposed. |
| Performance management / Public Performance Reporting | <b>No significant concerns</b> | <p><b>The council has adopted the PSIF as part of the Clackmannanshire Improvement Model and is making good progress in developing its performance and risk management arrangements. The council recognises that further development of performance and risk management systems is required to support the efficiency and improvement agenda and to report on performance effectively.</b></p> <ul style="list-style-type: none"> <li>▪ The council has good performance outcomes as measured by a wide range of statutory performance indicators.</li> <li>▪ The council has adopted good practice approaches to performance management and reporting and these are becoming embedded across service.</li> <li>▪ There is a developing performance culture within the council with a renewed focus on further improvement in performance management.</li> <li>▪ A new Public Performance Reporting strategy has been developed, to improve transparency of reporting and to focus performance reporting around customer needs.</li> <li>▪ PSIF assessments to date have found that performance measures tend to focus on areas where the Council is required to report to external bodies, for example, Audit Scotland, rather than on customer need and expectations.</li> </ul> | No specific work.                |

| Criteria             | Initial Risk Assessment        | Evidence/Rationale  | What we plan to do  |
|----------------------|--------------------------------|---|---|
| Competitiveness      | <b>No significant concerns</b> | <p><b>The council's trading services consistently meet or exceed financial targets, but have not been subject to competition for some time. The use of option appraisal to assess whether current service provision offers Best Value is improving, but has not been used on a consistent basis.</b></p> <ul style="list-style-type: none"> <li>Former DLOs have consistently achieved surpluses but have not been subject to competition for a number of years.</li> <li>Option appraisal forms part of intervention package following PSIF assessment within the Clackmannanshire Improvement Model and is now integral to the council's approach to assessing best value in service procurement and delivery.</li> <li>Recent audit work at the council has identified weaknesses in procurement arrangements for capital projects.</li> </ul>   | The council's external auditors will undertake a focused review of competitiveness in Year 1 of the Plan. |
| Risk management      | <b>No significant concerns</b> | <p><b>The council has good and improving risk management arrangements in place. In particular, the council has developed a corporate risk register and risk registers for each department and service. Further work is, however, required to embed risk management across all services.</b></p> <ul style="list-style-type: none"> <li>The council's Scrutiny Committee does not have a clear role in relation to risk.</li> <li>Approaches to risk management vary across services but arrangements are being strengthened by PSIF process.</li> </ul>   | No specific work.   |
| Financial management | <b>Significant concerns</b>    | <p><b>The council continues to face significant financial pressures which may impact on its ability to meet existing budget commitments and achieve its corporate objectives. Whilst, the council has been able to agree a balanced budget for 2010-11 and has agreed a revised financial strategy, significant risks and challenges still remain.</b></p> <ul style="list-style-type: none"> <li>A mistake uncovered in the 2010-11 budget led to a need to review all budgets to find £9 million savings. The balanced budget was approved in February 2010.</li> <li>The council has committed to recruit a director of finance and customer services following the departure of both the director of corporate services and head of finance.</li> <li>The council has approved a finance strategy which recognises the likelihood of reductions in real term funding from central government and sets out proposals to increase the level of uncommitted reserves held by the council to £3.1 million.</li> </ul> | Report from local external auditors in Year 1, with ongoing engagement.                                   |

| Criteria                   | Initial Risk Assessment | Evidence/Rationale  | What we plan to do   |
|----------------------------|-------------------------|---|--|
| Asset management           | No significant concerns | <p><b>The council has recently carried out a review of its asset management arrangements and developed an asset management plan. There is an action plan in place to improve asset efficiency and performance.</b></p> <ul style="list-style-type: none"> <li>▪ The council has created a Capital Asset Management Planning team and taken positive steps to rationalise council estates and provide buildings that are fit for purpose.</li> <li>▪ Performance information on asset management is under developed.</li> </ul>  | No specific work.  |
| Managing people            | Significant concerns    | <p><b>The council's people management arrangements are under developed and significant improvement is required to achieve cultural change and embed performance and customer focus across council services. The council is the last in Scotland to address single status and the successful resolution of this issue continues to represent a significant risk to the council.</b></p> <ul style="list-style-type: none"> <li>▪ Single status was implemented in March 2010.</li> <li>▪ Effective workforce planning and management arrangements are not yet fully implemented, but the council is developing its approach in light of the revised financial strategy and management restructuring exercise.</li> </ul> | Audit Scotland will collaborate with the external auditors to assess the progress and impact of the 'growing excellence' agenda annually with a specific review in Year 3 of the plan. |
| ICT                        | No significant concerns | <p><b>The council has recently developed an ICT strategy in response to identified risks associated with the functionality and integration of existing ICT systems. In particular, a number of information systems are coming to the end of their useful life and interrelated services have information systems that cannot be integrated.</b></p> <ul style="list-style-type: none"> <li>• The council has developed an ICT Strategy for 2010-13 to respond to identified ICT improvement needs on a priorities-led basis.</li> </ul>   | No specific work. However, a watching brief will be kept on this area given its significance in relation to supporting service improvement and change.                                 |
| Equalities/ Sustainability | No significant concerns | <p><b>The council has arrangements in place for addressing equalities and sustainability issues, but evidence of impact in these areas is currently limited.</b></p> <ul style="list-style-type: none"> <li>• The council has responded to the new Equality Bill by developing a single Equalities Scheme.</li> <li>• An impact assessment tool has been developed and refined following feedback from services.</li> <li>• All new policies are impact assessed, and work is underway to impact assess existing policies.</li> </ul>   | No specific work.  |

| Criteria | Initial Risk Assessment | Evidence/Rationale  | What we plan to do |
|----------|-------------------------|---|--------------------|
|          |                         | <ul style="list-style-type: none"> <li>• The council's approach to environmental sustainability is articulated within strategic priorities.</li> <li>• Procurement practices and economic development work are mindful of wider sustainability considerations.</li> </ul> |                    |

## Appendix 4: Outline summary of scrutiny activity

### Summary assurance and improvement programme

The AIP is a three year rolling programme

| 2010-11 (Year 1)  |     |     |      |      |     |      |     |     |     |     |     |     |
|---|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-----|
| Scrutiny activity   | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| <b>Vulnerable people and families are supported:</b><br>ISLA Autumn 2010 qtr 3. SWIA focused activity around home care, and risk assessment and management in social work services, with SWIA carrying out an initial scrutiny level assessment |     |     |      |      |     |      |     |     |     |     |     |     |
| <b>Prison-based social work inspection</b><br>Ministerially-driven national inspection of prison-based social work services, which includes Glenochil prison in Clackmannanshire (SWIA)   |     |     |      |      |     |      |     |     |     |     |     |     |
| <b>Housing:</b> SHR appraisal of the council's self assessment of its progress against its housing service improvement plan   |     |     |      |      |     |      |     |     |     |     |     |     |
| <b>Fostering and adoption services:</b> national inspection cycle (Care Commission)   |     |     |      |      |     |      |     |     |     |     |     |     |
| <b>Competitiveness:</b> Grant Thornton scope work will identify work required anticipated Year1 Qtr 2   |     |     |      |      |     |      |     |     |     |     |     |     |
| <b>Financial management:</b> Year 1 Qtr 1 Grant Thornton report with ongoing engagement   |     |     |      |      |     |      |     |     |     |     |     |     |

| 2011-12 (Year 2)   |                          |
|--|--------------------------|
| Scrutiny issue/activity  | Scrutiny body            |
| Child Protection 2:<br>Follow through inspection (date to be confirmed).   | HMIE                     |
| Evaluation of progress that is being made by the council in improving attainment levels through implementation of the improvement strategy for the secondary sector to be prepared by the council in year 1 of the plan.   | HMIE                     |
| Monitoring and regulatory support in respect of care services <sup>3</sup> . There will also be a continued engagement and monitoring of progress in self evaluation through the SWIA link inspector role.   | Care Commission and SWIA |
| The LAN will also be monitoring progress towards local health improvement outcomes (para 46) and if sufficient progress is not made will consider undertaking review work in Year 2 of the programme. The same approach will be taken to local public service improvement targets (para 51). | LAN                      |

| 2012-13 (Year 3)  |  |
|---|--|
| Scrutiny activity   | Scrutiny body                            |
| <b>Public services are improving:</b><br>Targeted work to assess the impact of the Transformation Programme in embedding performance management throughout the council and securing improved services and better outcomes for local people. | Audit Scotland and the external auditors |

<sup>3</sup> Subject to the safe passage of the Public Service Reform Bill, this work will be undertaken by the new body Social Care and Social Work Improvement Scotland (SCSWIS)

---

**Report to: Clackmannanshire Council**

---

**Date: 12 August, 2010**

---

**Subject: Amendments to Council Standing Orders**

---

**Report by: Chief Executive**

---

### **1.0 Purpose**

1.1 The purpose of this report is to obtain Council approval of amendments to Standing Orders.

### **2.0 Background**

2.1 Standing Order 3.2 states: *"The standing orders can only be changed or abolished when (at a meeting of the Council) there has been an indication that proposals to amend standing orders will be brought before the next Council meeting."*

2.2 A report to Council on 3 June approved changes to the Council's Scheme of Delegation, Contract Standing Orders and Financial Regulations and gave notice of consequent changes to Standing Orders.

2.3 These changes were:

a) changes to titles of relevant post-holders as a result of approved changes to the documents referred to in paragraph 2.2 above, viz:

- "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services" or "Head of Strategy & Customer Services in consultation with Legal Services Manager" or "Legal Services Manager " as appropriate
- "Head of Adult Care" becomes "Head of Social Policy"

b) amend Standing Order 46.2 so that the number of members of the Local Review Body reads "10" and not "8", correcting a previous typographical error.

### **3.0 Recommendations**

3.1 It is recommended that the Council approve the changes to Standing Orders set out in paragraph 2.3 of this report. For ease of reference, the consequent changes are set out in the Appendix to this report.

#### 4.0 Sustainability Implications

NA

#### 5.0 Resource Implications

##### *Financial Details*

The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

N/A

Finance have been consulted and have agreed the financial implications as set out in the report.

N/A

*Staffing* N/A

#### 6.0 Declarations

6.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities 2008 - 2011** (Please double click on the check box )

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

Our communities are safer

Vulnerable people and families are supported

Substance misuse and its effects are reduced

Health is improving and health inequalities are reducing

The environment is protected and enhanced for all

The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail) N/A

#### 7.0 Equalities Impact

7.1 N/A

#### 8.0 Legality

8.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

#### 9.0 Appendices

9.1 None

#### 10.0 Background Papers

- Report to Council of 3 June, 2010, by Chief Executive
- Standing Orders, May 2007

- Scheme of Delegation as amended June 2010
- Contract Standing Orders as amended June 2010
- Financial Regulations as amended June 2010

**Author(s)**

| <b>NAME</b>      | <b>DESIGNATION</b>                   | <b>TEL NO/EXT</b> |
|------------------|--------------------------------------|-------------------|
| Elaine McPherson | Head of Strategy & Customer Services | 01259 452014      |

**Approved by**

| <b>NAME</b>   | <b>DESIGNATION</b> | <b>SIGNATURE</b>   |
|---------------|--------------------|--------------------|
| Nikki Bridle  | Director           | (Signed: N Bridle) |
| Angela Leitch | Chief Executive    | (Signed: A Leitch) |



**Proposed Changes to Standing Orders Incorporating Approved Changes to Scheme of Delegation etc Agreed at June 2010 Council**

|    | <b><u>Existing Ref.</u></b>                   | <b><u>Proposed Change Incorporating Approved Changes to Scheme of Delegation etc Agreed at June 2010 Council</u></b>   |
|----|---|--|
| 1  | Page 5  | Re Councillors' personal financial interests, "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 2  | Page 9  | "Head of Adult Care Service" becomes "Head of Social Policy"   |
| 3  | Page 16, paras 6.2, 6.3                       | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 4  | Page 17, paras 7.1, 8.1, 8.1.1                | As above   |
| 5  | Page 18, para 9.1                             | As above   |
| 6  | Page 19, para 11.1                            | As above   |
| 7  | Page 20, para 11.4                            | As above   |
| 8  | Page 21, para 11.7                            | As above   |
| 9  | Page 22, para 12.3                            | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services in consultation with Legal Services Manager"   |
| 10 | Page 25, para 18.2                            | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 11 | Page 29, para 21.1                            | As above   |
| 12 | Page 31, para 23.1                            | As above   |
| 13 | Page 42, para 31.2                            | As above   |
| 14 | Page 42, paras 31.3, 31.4                     | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services in consultation with Legal Services Manager"   |
| 15 | Page 43, paras 31.5, 31.6                     | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 16 | Page 43, para 32.1                            | As above   |
| 17 | Page 45, para 33.1                            | As above   |
| 18 | Page 47, para 36.1                            | As above   |
| 19 | Page 49, paras 37.1, 37.2                     | "Head of Administration & Legal Services" becomes "Legal Services Manager"   |
| 20 | Page 49, para 38.1                            | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services in consultation with Legal Services Manager"   |
| 21 | Page 50, para 39.1                            | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 22 | Page 57, para 49.1                            | As above   |
| 23 | Page 62, para 53.1                            | As above   |
| 24 | Chart 1 - first box<br><br>Chart 1 - last box | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"<br><br>"Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services in consultation with Legal Services Manager" |
| 25 | Chart 2b                                      | "Head of Administration & Legal Services" becomes "Head of Strategy & Customer Services"   |
| 26 | Chart 6                                       | As above   |



---

**Report to Council**

---

**Date of Meeting: 12 August 2010**

---

**Subject: Budget Strategy**

---

**Report by: Director of Finance and Corporate Services**

---

**1.0 Purpose**

- 1.1. The purpose of this report is to update the indicative General Services Revenue Budget 2010-2013 considered by the Council at its meeting in February 2010. The report summarises the most up to date projections of Council funding for the period 2011-2014 and sets out the main cost pressures identified so far. The report also seeks approval to put in place arrangements for the further development of the strategy, pending the outcome of the Comprehensive Spending Review in the Autumn.

**2.0 Recommendations**

It is recommended that the Council:

- 2.1. approves the recommended corporate savings targets for 2011-2014 as a basis for the preparation of three year provisional Revenue Budgets and detailed savings options, subject to further announcements by the UK and Scottish Governments in the Autumn;
- 2.2. agrees the current planning assumptions in relation to the future year budget strategy;
- 2.3. approves the framework for the budget strategy set out in section 6;
- 2.4. approves the consultation arrangements proposed to inform the development of detailed options appraisal by council officers;
- 2.5. approves the creation of an Invest to Save Fund to cover non-recurring costs associated with business change projects;
- 2.6. agrees that officers will prepare a statement of principles and eligibility criteria to govern the allocation of the Invest to Save Fund;
- 2.7. agrees to review the adoption of a budget carry forward scheme as part of the 2012/13 Budget setting process (Year 2 of the Comprehensive Spending Review period).

### 3.0 Background

- 3.1. The current recession is having a significant impact on the UK economy with the UK experiencing deterioration in public sector finances worse than the majority of other Organisation for Economic Co-operation and Development (OECD) countries. The UK Government's additional borrowing, to support the economy through increased public sector spending, has increased debt payments. Public sector borrowing has increased dramatically from £36 billion in 2007/08 to £175 billion in 2010/11.
- 3.2. Over the short, medium and longer terms, the UK Government will need to significantly reduce public spending, increase taxes or apply a combination of both measures to reduce the national debt. This projected reduction in public spending will have a significant impact on the amount of money available throughout the UK's public sector.
- 3.3. The Scottish public sector is facing the biggest squeeze on budgets since devolution with the financial year, 2009/10, likely to represent the peak year for public spending for some time to come. The overall Scottish budget will be significantly lower in real terms by 2013/14 than in 2009/10. Reductions of this size will present a major challenge for the public sector in sustaining current levels of service provision and quality.
- 3.4. In February 2010 the Council's General Services Revenue Budget summarised the following medium term financial position:

|                 | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> |
|-----------------|----------------|----------------|----------------|
|                 | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    |
| Net Expenditure | 119,179        | 119,943        | 122,389        |
| Funding         | 119,179        | 116,379        | 113,578        |
| Cumulative Gap  | 0              | 3,564          | 8,811          |

- 3.5. This outlook was based on the following assumptions:
- 1% inflation on pay and other costs
  - reduction in central government grant funding of 12% in real terms
  - no significant specific service growth
  - increase of capital financing cost of £1.75m across the 3 years
  - contribution of £1.5m to reserves
  - cumulative increases of c£250k per annum to fund Schools PPP per model (formerly 1% on council tax)
  - Scottish Government continues to freeze council tax (this amounts to £644k per annum - equivalent to c 3% on council tax)

- concordat commitments on provision of school meals and reduction in class sizes addressed in 2010/11
- 3.6 The Council has also recently approved the following key elements of its financial strategy:
- Revenue Budget 2010/11 (February 2010)
  - Capital Budget 2010/11-2014/15 (February 2010)
  - Reserves Strategy (Corporate Strategies report to Council 17 December 2009).
  - Annual Treasury Strategy (Annual Treasury Report to Council 24 September 2009 and Treasury Management Strategy Statement Report to Council 4 June 2009) and Prudential and Treasury Management Indicators 2010/11-2012/13 (Report to Special Council 11 February 2010).
  - Annual Treasury Investment Strategy (pending: September 2010)
  - Housing Revenue Account 2009/10 Budget Monitoring (Report to Scrutiny 21 January 2010) and Housing Investment Programme (HRA Capital Programme Report to Council 4 June 2009).
  - Strategic Housing Investment Plan 2009/14 (Report to Council 29 January 2009).
- 3.7. Following the UK elections in May 2010, as part of its Emergency Budget set on the 22 June 2010, the new UK coalition Government announced £6.2 billion of public expenditure savings in 2010/11. This is in addition to the £5 billion of existing measures set out in the March Budget Statement.
- 4.0. Assumptions on General Services Revenue Funding 2010-2014**
- 4.1. The impact of the Emergency Budget savings requirement on the Scottish Budget is a net £332 million in the current year. The Cabinet Secretary for Finance and Sustainable Growth has announced that the Scottish Government intends to defer the implementation of these additional savings until 2011/12.
- 4.2 On this basis, it is assumed that the Council's Revenue Funding will remain unchanged in 2010/11 at approximately £97 million.
- 4.3 The overall impact of deferring the savings requirements from 2010/11 to 2011/12 will simply increase the scale of savings needing to be realised by the public sector next year. As a consequence, senior management are seeking to maximise opportunities to reduce expenditure within the current financial year to offset pressure on future year's expenditure.
- 4.4 During 2009 and 2010 the Council has already undertaken a review of the management structure which has resulted in the number of Chief Officer posts reducing by 5. As the Council is focused on front line delivery and has always sought to minimise the costs of supervision and management, examination of the management structure is ongoing to ensure that service groupings reflect

the need of customers and clients and that any duplication and overlap is identified in order to capture further savings.

- 4.5 In addition to these changes, much progress has been made in developing workforce management policies and management practices which support the level of transformational change and reduction in staff numbers that will be required over the next four years. The performance, dedication and flexibility of the council's employees are a key strength and the Council aims to manage staffing changes with fairness, consistency and equality. In order to reduce the potential need for future redundancies, during 2010/11 the Council has sought to manage staff vacancies and numbers prudently.
- 4.6 CoSLA, local authority Chief Executives, Directors of Finance and the Improvement Service have together produced a suggested common planning assumption for Government funding for Scottish local authorities over the three years of the next spending review period. Their recommendation is that local authorities should assume that the starting point for financial planning for 2011/12 to 2013/14 is a 12% real terms reduction in Scottish government grant funding over this period. This planning assumption is also endorsed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 4.7 On this basis, Clackmannanshire has used the assumption of a 12% real terms reduction in Scottish Government Revenue Funding for 2011/12-2013/14 as the starting point for its budget projections. In line with CIPFA good practice recommendations we have also extended the financial planning period to include 2013/14 in line with the duration of the imminent Comprehensive Spending Review period.
- 4.8 The financial assumptions made in paragraph 3.5 also continue to provide the basis for the development of the Council's Budget Strategy. However, all of these assumptions are subject to a greater degree of uncertainty than in previous years. Furthermore, the 12% projected reduction in funding levels does not take account of any new/ revised policy requirements the UK Government may implement, or the protection of significant areas of public expenditure such as the Health Service. Such initiatives also have the potential to significantly increase the impact of public sector savings targets on local government expenditure.
- 4.9 It is therefore prudent for the Council to plan for a higher level savings target over the period. It is recommended that budget planning is undertaken on the basis of a 12% reduction in the level of funding, phased over the three year period plus an allowance for further expenditure growth, shifts in inflation and/ or demographic change. This results in a recommended corporate savings requirement of £18 million between 2011 and 2014.
- 4.10 One of the most critical areas of uncertainty is the likely incidence of the reduction in funding over the three years. The Centre for Public Policy for the regions (CPPR) suggests that the reduction in funding is likely to be weighted towards the earlier years of the next Spending Review period. This is consistent with the UK Government's priority of reducing the UK budget deficit at the earliest opportunity. On this basis, we have planned for the need to address a higher savings target in 2011/12. This equates to the following: £7.5 million in 2011/12; £5.5 million in 2012/13 and £5 million in 2013/14.

4.11 To facilitate the smoothing of potential over and underspending year on year, CIPFA recommends the adoption of a formal budget carry forward scheme. Some councils have implemented, or are considering, such arrangements to provide greater flexibility in managing savings requirements over the next few years. The Council has prioritised the need to improve the frequency and reliability of financial information and work has recently commenced to look at corporate budget monitoring arrangements and information collation. These building blocks are viewed as a pre requisite to implementing a budget carry forward scheme. On this basis, the Council will review the development of such a scheme as part of its 2012/2013 Budget setting process.

## 5.0 Assumptions on demographic changes and demand growth

5.1 These expected funding reductions will have to be addressed against a background of an expected longer term increase in population in Clackmannanshire coupled with a change in demographics. The following table shows the increased population projections using 2008 as the base year.

|             | 2013 | 2018 |
|-------------|------|------|
| All Ages    | 5%   | 10%  |
| 0-15        | 3%   | 8%   |
| Working Age | 4%   | 10%  |
| Pension Age | 8%   | 11%  |
| 75+         | 15%  | 32%  |

5.2 As a result of population change and other factors such as the impact of the recession there will be an increased demand for public services which will affect service affordability. The main factors are identified as:

- Increasing demand for social work services, including residential care and nursing placements, resulting from youth and older people demographics;
- Increases in the number of children who have additional learning needs resulting in an increased requirement for support, more residential places & higher transport costs;
- Increasing number of looked after children
- The requirement to invest to meet carbon targets and efficiencies;
- Road maintenance - ensuring steady state (i.e. no increase in maintenance backlog)
- Increases in the number of secondary school pupils staying on at school due to the economic downturn

- Increases in housing and council tax benefits for people who are out of work
- Increase in demand for housing, social care and other services to support those in financial difficulty.

### 5.3 A number of cost increases will also impact on the Council's budget

- Increases in operating costs such as fuel costs
- Additional cost of waste treatment, recycling and landfill
- Teachers Maternity Pay Costs

The council's budget will need to accommodate all of these inflationary increases in costs as well as the increased demand for services.

## 6.0 Proposed Strategy

6.1 Budget pressures are likely to continue over the medium to long term and Sir John Elvidge, the Permanent Secretary of the Scottish Government, has indicated that the aggregate funding gap may be as much as 20% by 2018.

6.2 As a result of these projections Audit Scotland in a report published on 25th February 2010 entitled "Improving public sector efficiency" identified the type of options that Councils will need to examine to address the financial challenges over the next 3/5 years. The report identified more flexible deployment of staff, reduced staffing levels, rationalising assets and seeking alternative ways of providing services as options which need to be examined. The report states "The scale of the financial challenges facing the Scottish public sector means that a new approach is needed that fundamentally reviews priorities and delivery of services".

6.3 Although the issues facing the Council are far more challenging than ever before, the Council has developed or is working towards a number of strategies which will facilitate the achievement of appropriate service levels during a time of recession in public sector finances. Progress is being made in the Council's aim of achieving Investors in People status and in achieving Customer Service Excellence. The Clackmannanshire Improvement Model is well established and focuses the Council on providing a high level of customer service.

6.4 The strong focus on delivering improved outcomes for people who live in the area through the delivery of the Clackmannanshire Alliance Community Plan and Single Outcome Agreement is set to continue and will be a significant factor in the development of detailed options appraisals which will be undertaken to inform the Council's decision making processes in setting the 2011/12 budget.

6.5 On 17 December 2009 the Council approved a Financial Strategy which contained seven objectives and this budget strategy will ensure compliance with these objectives:

- Budgets are prudent and sustainable in the long term,

- Financial plans recognise corporate priorities and objectives,
- Significant risks are identified and factors to mitigate against risks are identified,
- The Capital Programme is planned over a 5 year rolling programme, with "unsupported" borrowing minimised, other than where there are clear financial or economic benefits for the Council,
- Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
- Council Tax increases will be kept to a minimum, within the current constraints agreed with the Scottish Government,
- Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council

6.6 The proposed budget strategy is to retain the best of our current approach, and to concentrate our reduced resources on delivering key priorities. It is recommended that this is achieved through a combination of:

- *reducing expenditure*: for instance sustaining the focus on corporate efficiency targets and initiatives with a view to discontinuing activities which make a limited contribution to our key priorities; reviewing mandatory and discretionary service provision; promoting mobile and flexible working practices for staff; maximising the contribution of other sectors to the achievement of improved outcomes and local priorities and rationalising the Council's property portfolio on the basis of a/the corporate Asset Management Plan
- *increasing income*: for instance by improving arrears management and debt recovery arrangements; reviewing policy in relation to future council tax increases; removing subsidies in whole or part for certain services; introducing new or revised charging policies for council services.
- *redesigning our service provision*: for instance as a consequence of Corporate Improvement Model (CIM) initiatives; the implementation of Customer Service Excellence; improved use of technology; the impact of revisions to council structures; and through innovative approaches to service provision such as voluntary and community led initiatives or involving the private sector
- *Other initiatives*: for instance by actively pursuing integrated partnership working with public sector partners; cutting back the capital programme; improving corporate procurement arrangements.

## 7.0 Invest to Save Fund

7.1 Some of the savings options presented to the Council are likely to require up-front investment to meet the costs of implementation. As a consequence the delivery of the full range of potential benefits from both business

transformation through CIM and other savings initiatives is dependent on the creation of a funding mechanism to meet such costs.

- 7.2 The uncommitted balance on General Fund Reserves at 31 March 2010 is £2.8 million. This is in line with the recommended minimum level of uncommitted reserves of 2-4% of uncommitted non-HRA Reserves as set out in the Council's approved Reserves Strategy (Finance Strategy 2010-2013).
- 7.3 The indicative General Services Revenue Budget for 2010-2013 is based on an assumption of an earmarked contribution to reserves of £1.5 million. It is proposed that £1 million of this is diverted to establish an Invest to Save Fund which will meet any non-recurring costs associated with the delivery of longer term transformation projects. This allocation is dependent on the maintenance of minimum levels of reserves in line with approved strategy and will be subject to annual review by the Council through the Budget process from 2012-2014.
- 7.4 Allocations from the Fund will need to be made on the basis of agreed criteria and these will be presented to a future Council meeting subject to the Council's agreement to create the Fund.
- 7.5 In addition the Council has the option of borrowing to meet the capital costs associated with proposed projects. The Council aims to minimise additional borrowing for such activities and where it is utilised such exceptional borrowing would be in line with the Council's prudential indicators and on the basis of a robust business case and options appraisal process.

## **8.0 Wider Engagement/Awareness Raising**

- 8.1 To ensure that the council's approach to addressing the reduction in funding and identifying budget savings initiatives is as effective as possible, and identifies all feasible means of balancing the budget, it is essential that all of the council's stakeholders- including citizens, service users, community councils, staff and trade unions- have the opportunity to gain an understanding of the council's financial position and to contribute ideas on how the council should approach the challenges faced.
- 8.2 The Council has already started this process and a budget engagement leaflet has been produced which will provide the basis for a variety of events during August and September. These events are planned for a number of locations including schools, council buildings, town centre supermarkets and local community bases. The activities seek to reach as wide a range of service users, partners residents and staff and trade union as possible and take their views, suggestions and ideas to inform the identification of potential areas for more detailed consideration through the Autumn.

## **9.0 Conclusion**

- 9.1 Firm government funding figures in relation to the next Spending Review period (2011/12 to 2013/14) will not be known until later in 2010. However based on a nationally agreed planning assumption, of a 12% real terms reduction in Scottish government grant funding over this period, in conjunction with the provision of some headroom to offset the higher than usual degree of

financial and planning uncertainty that exists, the Council will require to find budget savings in the region of £18 million.

9.2. The level of anticipated savings in public sector budgets represents a level of unprecedented universal challenge. Clackmannanshire Council has a track record of proactivity in addressing such challenging financial situations and this Budget Strategy aims to assist both elected members and officers in bridging the significant budget gap which could occur.

9.3 The proposed strategy aims to make the most of our current approach, and to concentrate our reduced resources on delivering key priorities. We will do this through a combination of strategic and operational activities and specific projects which are focused on maximising our income, minimising expenditure and where ever possible considering alternative and improved means of delivering services.

## 10.0 Appendices

10.1 None.

## 11.0 Background Papers

11.1 Clackmannanshire Council Financial Strategy

11.2 Audit Scotland - Improving Public Sector Efficiency

11.3 CIPFA Long term financial planning- good practice checklist

11.4 Clackmannanshire Council Indicative General Services Revenue Budget 2010-13

11.5 Clackmannanshire Council Reserves Strategy (Finance Strategy 2010-2013)

### Author(s)

| NAME         | DESIGNATION                           | TEL NO / EXTENSION |
|--------------|---------------------------------------|--------------------|
| Nikki Bridle | Director Finance & Corporate Services | 01259 452373       |

### Approved by

| NAME          | DESIGNATION     | SIGNATURE          |
|---------------|-----------------|--------------------|
| Nikki Bridle  | Director        | (Signed: N Bridle) |
| Angela Leitch | Chief Executive | (Signed: A Leitch) |



---

**Report to Council**

---

**Date of Meeting: 12 August 2010**

---

**Subject: Membership of Scotland Excel**

---

**Report by: Director of Finance and Corporate Services**

---

**1.0 Purpose**

- 1.1. The purpose of this paper is to provide the Council with the benefits and potential savings available from joining Scotland Excel in order that the Council can consider a view on participation.

**2.0 Recommendations**

- 2.1. The Council is recommended
- To join Scotland Excel in 2010/11.
  - To allocate an annual budget of £46,317.
  - To appoint one councillor to be our representative on the Scotland Excel Joint Committee. Scotland Excel operate on the basis of a joint committee, each member authority are entitled to appoint one of the councillors to be our representative

**3.0 Considerations**

- 3.1. The Review of Public Procurement in Scotland undertaken by McLelland recommended the establishment of Procurement Centres of Expertise, across the public sector. The Scottish Government Procurement Directorate undertakes the role of National Centre of Expertise. In April 2008, Scotland Excel was formally launched as the Local Government Procurement Centre of Expertise.
- 3.2. Scotland Excel plays a central role in taking forward the Scottish Government's Public Procurement Reform Programme. The objectives of the programme are to:
- Facilitate public bodies in improving their procurement capabilities in order to support delivery of better public services;

- Increase the cost-effectiveness of procurement, thereby releasing cash for use in other priority areas;
- Establish and embed appropriate procurement policy and best practice in order to ensure fair and efficient procurement practices and reduce commercial risk;
- Facilitate cross sector collaboration to avoid duplication of effort, maximise potential gains from collaboration, enable the sharing of experience and information and to ensure that common suppliers and markets are managed effectively; and
- Encourage suppliers to build effective and mutually beneficial relationships with the Scottish Public Sector.

3.3. Since its inception in April 2008, 31 Local Authorities have become members of Scotland Excel. Clackmannanshire Council are the only Council who have not yet joined. Stirling Council and Falkirk Council, who were members of the existing collaborative procurement with the Council, have recently joined.

#### **3.4. PARTICIPATION CONSIDERATIONS**

3.5. There are a number of both financial and non-financial factors to be considered in relation to participation, including:

- **Financial savings and costs.**
- **Contract portfolio.**
- **Performance and capability.**
- **Procurement capacity.**
- **Economic impacts.**
- **Joint Buying Arrangement (JBA).**

#### **3.6. Financial Savings and Costs**

3.7. The cost of participating in Scotland Excel is £46,317 in 2010/2011, which is based on the original business case figures at the inception of Scotland Excel. This fee has been confirmed, if participation takes place in 2010/11. However, if participation does not take place this coming year, Scotland Excel have indicated that there is no guarantee the fee will remain fixed in future years.

3.8. In terms of financial savings, it is recognised that the achievement of procurement savings by participating in Scotland Excel are dependant upon:

- The termination dates of existing Council contracts and
- The scope of Excel's contract portfolio

3.9. The opportunity has now been taken to update the cost/benefit appraisal for Clackmannanshire Council, taking into account:

- The current and proposed Scotland Excel contract plan;
- The potential opportunity for cashable savings and
- Our current contract portfolio and termination dates.

The analysis shows that total potential savings of £448,034 for Clackmannanshire Council over the next 5 years may be realised from participation as follows:-

|  | 2010/11  | 2011/12  | 2012/13  | 2013/14  | 2014/15  |
|--|----------|----------|----------|----------|----------|
| Number of Contracts being utilised in Contract Portfolio | 14       | 20       | 29       | 29       | 29       |
| Annual Saving  | £44,019  | £134,291 | £167,103 | £167,103 | £167,103 |
| Annual Cost  | £46,317  | £46,317  | £46,317  | £46,317  | £46,317  |
| Net Annual Savings                                       | (£2,298) | £87,974  | £120,786 | £120,786 | £120,786 |
| Cumulative Annual Saving                                 | (£2,298) | £85,676  | £206,462 | £327,248 | £448,034 |

**Average Net Saving  
over five years**

**£89,607**

3.10. Taking into account the cost of participation during 2010/11 there is a financial deficit in participating of £2,298. This recognises that existing contracts cannot be terminated immediately and only part year savings can be realised in Year 1. However, savings are expected to increase in 2011/12, as more contracts are used or come to the end of the contract period. This leads to net savings of £120,786 in 2012/13 and going forward.

3.11. Over the first three years, the savings are achieved in the following key areas:-

| Categories of Spend   | 2010/11        | 2011/12         | 2012/13         |
|-----------------------|----------------|-----------------|-----------------|
| Transport             | £15,439        | £40,043         | £40,043         |
| Catering              | £2,892         | £42,319         | £42,319         |
| Building and Material | £13,827        | £27,512         | £58,401         |
| Educational           | £3,070         | £15,625         | £15,625         |
| Miscellaneous         | £8,791         | £8,792          | £10,715         |
| <b>Annual Saving</b>  | <b>£44,019</b> | <b>£134,291</b> | <b>£167,103</b> |

3.12. In addition, there are further opportunities for additional savings which have not yet been quantified, as the contracts portfolio held by Scotland Excel increases. In the next 12 to 15 months, Scotland Excel anticipates including contracts for construction and care within its portfolio, which are two of the largest areas of procurement for the Council which are approximately £12m and £9m respectively.

### **3.13. Contract Portfolio**

3.14. Council will recall from previous reports, that the Review of Public Procurement in Scotland identified 4 tiers/categories of procurement expenditure:

- **Category A contracts** – National Public sector contracts, issued and managed by Scottish Procurement Directorate. Covers areas such as Utilities; Office Supplies; Postages and IT hardware.
- **Category B contracts** – Public sector specific contracts, issued and managed by respective Centres of Expertise i.e.: Scotland Excel for Local Government sector
- **Category C & C1 contracts** – Specific sectoral and local contracts, issued and managed by individual public bodies or regional collaborations.

3.15. As at March 2010, Scotland Excel has established 39 different category "B" contracts, with a further 13 planned for 2010 covering a collective Scottish spend of over £128 million per annum. Contract areas include vehicle purchase and hire; catering supplies; building supplies and educational materials and equipment.

3.16. As mentioned above, the Scotland Excel contract portfolio is planned to expand in the forth-coming and future financial years. In particular, scoping and analysis is currently underway in relation to potential contracting opportunities within the social care sector, particularly in relation to specialist service provision and construction.

### **3.17. Performance and Capability**

3.18. As outlined in paragraph 3.2 above, a key role of Scotland Excel is to improve procurement capability and performance across Local Government. As such, Scotland Excel is also delivering learning and development services to participating Local Authorities.

3.19. In addition, Excel is also leading on the Local Government Procurement Improvement Programme, as part of the Procurement Capability Assessment (PCA) process introduced in 2009. The PCA process is a tool for assessment of procurement process maturity across the public sector. It is designed to

identify areas of improvement to help public bodies move towards John McClelland's vision of "advanced and superior" procurement performance.

- 3.20. An action plan for improvement is being developed and the key areas highlighted in the PCA are as follows:-
- Stakeholder Management
  - Benefits tracking
  - Sustainability
  - Supplier and Contract Management
  - Governance
- 3.21. The Council underwent a PCA in January 2010. The indicators highlight that the Council's score is 18% and the Scottish average is 22.6%. The process has however identified areas of common improvement across all Local Authorities and as such Scotland Excel has established a series of work-streams designed to develop best practice in these areas, which can then be shared across the local government sector.
- 3.22. It is essential that the Council keeps pace with the improvement agenda, as the PCA will form a key element of forthcoming Best Value 2 audits. As noted above, Scotland Excel are funding and staffing a series of work streams designed to provide participating Council's with the tools, information and guidance to improve their procurement capability. If Clackmannanshire Council do not join we will not be able to access this resource and will need to consider how to resource effectively our own improvement plans. Improvement in practice and procedures developed nationally by Scotland Excel will also develop consistent and standard processes and procedures across Local Government.
- 3.23. Procurement Capacity**
- 3.24. Council will be aware that the Council's Procurement Strategy set out a vision for achieving "superior performance", as set out in the McClelland report. It is clear from the initial PCA assessments that whilst progress is being made, there is a need to increase the Council's procurement capacity, through a combination of collaboration and sharing expertise, together with additional dedicated professional procurement resources.
- 3.25. It is important to note that the utilisation of national contracts either through Procurement Scotland or Scotland Excel would enable current procurement staff to focus more effectively with the local supply base. Through the development of contracting strategies and regional collaboration on this type of expenditure, there is potential to realise further savings beyond those estimated through Scotland Excel.
- 3.26. Feedback from participating Councils also highlighted that the regionally based staff of Scotland Excel provided significant support and assistance to their own staff. In particular, they provided added value in relation to management information and contract management.

### **3.27. Economic Impacts**

- 3.28. Approximately 20% of procurement spend is with local companies, which equates to approximately £14m based on 2008/09 expenditure. The proportion of local spend has remained relatively constant over the last few years, with the vast majority of expenditure relating to construction and care. This expenditure is mainly classified as Category C and would continue to be managed by the Council, should participation with Scotland Excel be considered.
- 3.29. One of the key themes of the procurement reform agenda is to help lessen the burden on SME's in participating in Scottish public sector contracts. Scotland Excel has established a series of supplier engagement programmes designed to help and facilitate SME and local businesses participate in their contracts.
- 3.30. A significant proportion of Scotland Excel contracts are also either based on framework agreements and regional lots i.e.: structured to increase spread of provision and encourage regional participation without requiring full national coverage. Feedback indicates that no negative local impacts have been experienced. However, the need to engage with local businesses to address their potential fears and provide them with the confidence and knowledge to engage in the process is essential. This is already and will continue to be facilitated through training sessions, Procurement Workshops and Meet the Buyer events in conjunction with the Clackmannanshire Business Forum.

### **3.31. Joint Buying Arrangement (JBA)**

- 3.32. The Success of our Joint Buying Arrangement with Falkirk and Stirling Councils has proved successful since inception and has provided a sound platform for procurement improvement, collaboration and delivery of efficiency benefits for the partners.
- 3.33. The other Local Authority members of the JBA (Stirling and Falkirk ) have undertaken similar analysis on the participation in Scotland Excel . Both have taken the decision to join this year.
- 3.34. These decisions will have a significant effect in the next year or two as there would be no JBA contracts that would be considered category "B" (the Scotland Excel category) and our previous position having three partners collaborating will not have the same leverage without Falkirk and Stirling Councils participation. Consequently the benefits of joining Scotland Excel will be greater.
- 3.35. It is anticipated that the JBA would continue to fulfil the role of contracting for the C1 contracts which are regional collaborations.

### **3.36. Options**

- 3.37. There are two options available to Clackmannanshire Council in relation to Scotland Excel participation as follows and a more detailed appraisal is attached in Appendix A:

- Commit fully in 2010/11,

- Do not commit to participate at all.

#### 4.0 Sustainability Implications

- 4.1. Consolidation and aggregation of contracts could potentially affect the ability of local companies/employers to win business. The Council is committed to a sustainable approach in all its activities. Wherever possible we endeavour to locally source materials to reduce transport impacts and support local employment.
- 4.2. One of the key benefits of increasing procurement capacity, will assist in the delivery of wider community benefits, such as employment and training benefits and local SME support and assistance.

#### 5.0 Resource Implications

##### 5.1. *Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

##### 5.4. *Staffing*

- 5.5. For any procurement exercise to succeed it is important that key stakeholders from across the council are involved in developing the strategy for the commodity to be procured. This will help ensure that the resulting contract meets the end-users' requirements and, as a result, should lead to greater levels of contract compliance.

#### 6.0 Exempt Reports

- 6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

#### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities 2008 - 2011** (Please double click on the check box )

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer

- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

**(2) Council Policies** (Please detail)

**8.0 Equalities Impact**

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
 Yes  No

**9.0 Legality**

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

**10.0 Appendices**

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

**11.0 Background Papers**

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

**Author(s)**

| NAME       | DESIGNATION         | TEL NO / EXTENSION |
|------------|---------------------|--------------------|
| Derek Barr | Procurement Manager | 01259 452017       |

**Approved by**

| NAME         | DESIGNATION                  | SIGNATURE          |
|--------------|------------------------------|--------------------|
| Nikki Bridle | Director Finance & Corporate | (Signed: N Bridle) |

|               |                 |                    |
|---------------|-----------------|--------------------|
| Angela Leitch | Chief Executive | (Signed: A Leitch) |
|---------------|-----------------|--------------------|



## Appendix A

### Options Appraisal

| Options Available                   | Pro   | Cons  |
|-------------------------------------|---|---|
| Commit fully in 2010/11             | <ul style="list-style-type: none"> <li>• Quantifiable savings of £44,019 rising to £167,103 in 2012/13</li> <li>• Access to increasing contracts portfolio potentially resulting in addition savings in the two significant areas of expenditure in care and construction</li> <li>• Access to additional procurement expertise and good practice, thereby reducing commercial risk.</li> <li>• Increased access to procurement capacity resulting in delivery of wider community benefits</li> </ul> | <ul style="list-style-type: none"> <li>• Potential to receive a more generic and less specific and client defined contract.</li> </ul>  |
| Do not commit to participate at all | <ul style="list-style-type: none"> <li>• No requirement to pay annual subscription of £46,317.</li> </ul>   | <ul style="list-style-type: none"> <li>• Very reduced access to immediate and future procurement savings,</li> <li>• Very reduced access to portfolio contract managers and expertise,</li> <li>• Very reduced access to good practice and operational improvements,</li> <li>• Continually increasing demands on officers in setting up pre contract and framework arrangements</li> </ul> |

