

# The Audit of Best Value and Community Planning

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# Fife Council



Prepared for the Accounts Commission  
March 2009

# The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £19 billion of public funds a year.

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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# The Audit of Best Value



This report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973. After considering it the Commission may do any or all of the following:

- direct the Controller to carry out further investigations
- hold a hearing
- state its findings.

The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The scope of Best Value and Community Planning is very broad but in general terms a successful council will:

- work with its partners to identify a clear set of priorities that respond to the needs of the community in both the short and the longer term
- be organised to deliver those priorities
- meet and clearly demonstrate that it is meeting the community's needs
- operate in a way that drives continuous improvement in all its activities.

The challenge for local government is to find new ways of working across services and with other bodies to achieve the best results for citizens and service users. The key objectives of this audit were to:

- assess the extent to which Fife Council is meeting its duties under the Local Government in Scotland Act 2003
- agree planned improvements with the council. These will be reviewed by the council's external auditor over the next three years.

As Best Value and Community Planning encompass all the activities of a council it is not realistic to audit everything in depth, so we plan our detailed work in two ways:

- Where possible, we draw on the findings of other scrutiny processes, such as the work carried out by the council's external auditors and by inspectorates. These are incorporated into our report.
- We select certain aspects of the council's performance for detailed audit investigation. A wide range of sources, including the council's own assessment of its performance, reports issued by external audit and inspections, and national Statutory Performance Indicators (SPIs), informs this selection.
- The report reflects this selective approach, with detailed commentary on some areas and limited or no coverage in others. While we have made some comparisons with other councils, our overall approach has focused on performance trends and improvement within Fife Council. The report also reflects the picture available at the time our main audit work was conducted between July and September 2008.

We gratefully acknowledge the co-operation and assistance provided to the audit team by Fife Council, particularly the councillors and officers contacted during the audit. We would like to particularly thank Councillor Peter Grant, the leader of the council; Ronnie Hinds, the chief executive; and Peter Corbett, Niki Ross and Fiona Moffat (Strategy and Review Team).

# Commission findings



**1.** The Commission accepts this report on the performance of Fife Council's statutory duty to secure Best Value and to initiate and facilitate the community planning process. The Commission recognises that the report gives a broad picture of the council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.

**2.** We are pleased to note that the council has a clear strategic direction and shows good self awareness, with many of the building blocks in place for achieving best value. We welcome the recent increase in the pace of change and the evidence of recent significant improvements in statutory performance indicators and we note, in particular, the good performance of the education service and the improvements in social work. We would urge the leadership of the council, both officers and elected members, to maintain the momentum towards further improvement.

**3.** For the future, we consider it essential that effective performance information is in place to underpin improvements in service delivery. Elected members should take more of a leadership role in driving forward the best value agenda at a strategic level and should participate fully in training and development. There is room for improvement in respect of workforce planning and a need for improved monitoring of the outcomes of partnership working. We would also encourage the council to develop the working of its area committees and to make progress with shared services.

**4.** Fife is a unitary police authority and fire and rescue authority, one of only two such councils and this is therefore the first time that we have looked at police and fire as part of a Best Value audit. We found a lack of clarity around the roles of elected members in relation to these services and the council should review how it discharges its best value responsibilities with regard to police and fire and rescue services.

**5.** We look forward to receiving from the council an improvement plan with measurable and achievable outcomes to address the issues highlighted in the Controller of Audit's report and these findings.

# Overall conclusions





Fife Council has a clear strategic direction. The council's leadership has set out its vision and priorities and communicated these effectively. The council is ambitious and has recently put the building blocks of best value in place. It shows good self-awareness of what is required and it is developing a culture of continuous improvement. The pace of change has increased and the council needs to maintain this momentum if it is to achieve its priority of becoming a 'top performing council'.

Elected members have not been sufficiently active in leading improvement and implementing the best value agenda at a strategic level. The council needs to review how it discharges its best value responsibilities in relation to the police and fire and rescue authorities.

The council works closely with its partners and community planning arrangements are well established. The council manages its finances effectively. It has a strategic approach to managing assets, procurement and risk, although its approach to workforce planning is less well developed. Performance management needs further development and improvements are required to scrutiny to enable the council to demonstrate good practice.

Services demonstrate mixed levels of performance and SPIs show performance below the Scottish average. There is, however, evidence of recent significant improvements.

**1.** Fife Council has a growing population and covers a diverse area with a mix of rural and urban settlements. It has pockets of severe deprivation and areas of relative affluence. The council has to combine providing fair and consistent services with effective targeting of priority areas.

**2.** The council's leadership provide clear direction and communicates their priorities effectively. There is constructive cross-party working. Over half the council is made up of newly elected members and, while they have a good awareness of what is required, all elected members would benefit from better use of learning and development activities. Elected members need to play a more active role in driving improvement and implementing the best value agenda at a strategic level.

**3.** The council's vision complements that of the Community Planning Partnership (CPP). It is supported by the 'Big 8' priorities, which are recognised and supported by elected members and officers. The corporate planning framework focuses on the vision and priorities but there is scope to integrate the work of area committees more effectively. The council is ambitious and shows good self-awareness of what is required through its corporate improvement programme.

**4.** The council regularly consults residents and service users. It provides a good range of information on the services on offer and the performance it achieves. However, the results of a recent residents' survey indicate that people do not feel sufficiently informed about the council's performance. The council should use this information when planning future performance-related reports to ensure they are reaching the right audiences.

**5.** There is a strong culture of partnership working in place throughout the council. The CPP benefits from operating within common boundaries. There is a clear vision and direction of travel for the partnership and it has a clear understanding of its financial priorities. The council and its partners have started to address the potential for 'shared services' and this needs to be further developed to make the most of the combined public resources

in Fife. Monitoring of outcomes has been limited and the council as lead partner needs to ensure that plans are implemented and performance monitored more effectively.

**6.** Fife Council is a unitary authority for police and fire and rescue services. Elected members are not fulfilling the range of their best value responsibilities for these services. The current arrangements do not provide adequate time for discussion of strategic issues and there is a lack of clarity about the respective roles of members in relation to the chief constable. The council needs to review how it discharges its best value responsibilities in relation to the police and fire and rescue authorities.

**7.** Fife Council has in place the key elements of a performance management framework. Further development of the framework and significant improvements to performance reporting is required to enhance the scrutiny of performance.

**8.** Many of the building blocks of best value are in place but the council would benefit from a more structured approach to continuous improvement. The council manages its finances effectively. It has made significant improvements in financial management, particularly in social work services. It has implemented single status and equal pay. The lack of a corporate workforce strategy has led to services developing their own approaches, with the potential for inconsistencies in people management across the council.

The council has a strategic approach to asset, procurement and risk management. While the council has identified efficiency savings, it cannot clearly show the impact that these have had on service delivery. The council also needs to demonstrate the competitiveness of its services.

**9.** While there are various improvement activities taking place across the council, these were only captured into one corporate

improvement programme in April 2008. Implementation of the programme has been limited so far and it is too early to assess its effectiveness. The council leadership need to focus their attention in this area and develop milestones to measure progress. Performance reporting lines have yet to be established and elected members need to receive regular reports.

to maintain the pace of change it has established if it is to achieve its priority of being a top performing council.

**10.** The council can demonstrate its commitment to equal opportunities. The council has addressed the gender balance of its workforce, and the number of women in the top five per cent of council employees is well above the national average. Staff have access to practical information on how to communicate with people with disabilities through the Access to Information Policy. The race equality duty has not had a significant impact on the delivery of council services or on minority ethnic communities.

**11.** Environmental sustainability is high on the council agenda as one of the Big 8 priorities and there has been good progress in this area as well as in economic and social sustainability. The council would benefit from a more structured approach to sustainability.

**12.** The council has been developing its approach to customer service and there is scope for this to improve. There has been limited reporting on any aspect of customer service until recently. The council has a renewed focus on this area and needs to maintain this commitment to deliver enhanced services.

**13.** Performance of council services is improving, particularly in relation to education and social work, as indicated by the most recent inspection reports. In other areas, such as housing, leisure and planning, performance is more mixed. The rate of improvement of SPIs has increased significantly in recent years, but overall SPI performance remains below the Scottish average. The council needs

# Part 1. Does the council have clear strategic direction?



Fife Council has a clear strategic direction. The council's leadership has clearly set out its vision and priorities and communicated these effectively. The council faces significant challenges in relation to anticipated increases in the numbers of young people and older people in Fife.

The coalition administration has fostered a culture of openness and accountability. Elected members work well with senior officers. Elected members need to play a more active role in leading improvement and implementing the best value agenda at a strategic level. The council needs to review how it discharges its best value responsibilities in relation to the police and fire and rescue services.

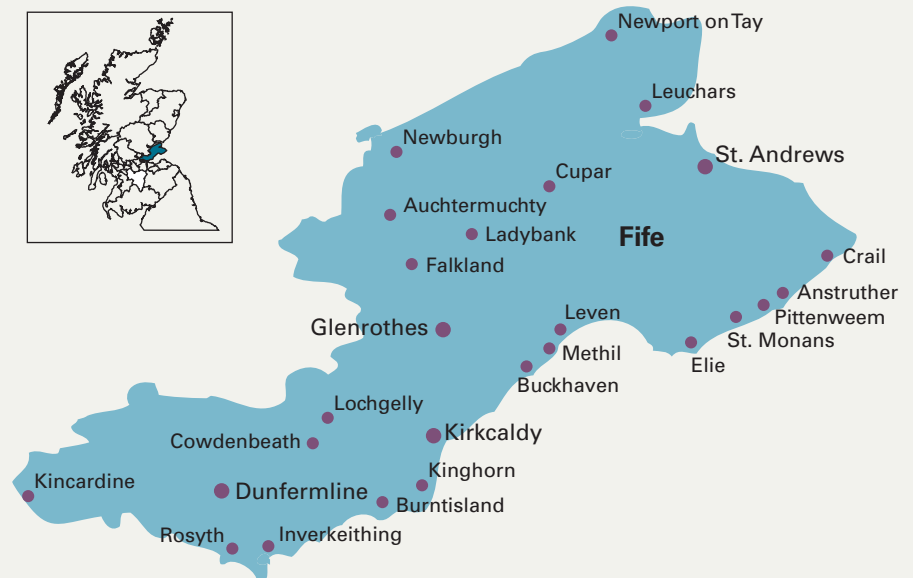
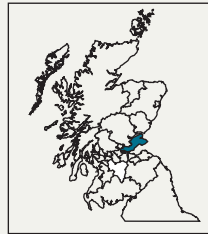
The council engages well with its communities but further work needs to be undertaken to demonstrate how this activity affects policymaking and service provision.

## Context

**14.** Fife Council is the third largest local authority in Scotland by population (360,500) covering a geographical area of 1,325 sq km, making it the 13th largest authority by area (Exhibit 1). There are 271 people per square metre and this is the 14th highest population density in Scotland. Almost a third of the council's total population live in the main towns of Kirkcaldy (47,090), Dunfermline (43,760) and Glenrothes (38,600).

**15.** The population of Fife is expected to increase by 13 per cent between 2006 and 2031, against a growth of five per cent for Scotland. This is the eighth highest projected increase in Scotland. The two key areas of growth that will provide challenges for the council are the 0-15 year age group, where an increase of three per cent compares with a national decline of seven per cent, and the elderly population.

## Exhibit 1 Map of Fife



Source: Audit Scotland

**16.** Traditionally, the local economy was heavily dependent on mining and the air and sea defence industries; now it is dominated by the service sector (79 per cent). Fife Council is the main employer along with NHS Fife, HBOS, MGt and BSkyB. In April 2007, gross weekly earnings for Fife were around the Scottish average (£441) at £437.70. Unemployment is higher (3.8 per cent) than the national average (3.1 per cent). The council is working with a wide range of agencies to address this through Opportunity Centres where they provide information about education, training and job opportunities throughout Fife.

**17.** Fife is a diverse community with areas of deprivation. The Scottish Index of Multiple Deprivation (SIMD) in 2006 identified that 10.4 per cent of Fife's data zones were in the most deprived 15 per cent in Scotland, ranking the council the 12th highest nationally. This was an increase on the previous figures. These areas include Lochgelly, Levenmouth and some parts of Glenrothes. Fife is around the Scottish average for the percentage of primary school pupils entitled to free school meals and life

expectancy at birth. While hospital admissions due to alcohol abuse are significantly below the Scottish average, admissions for drugs misuse are slightly higher.

**18.** Fife has generally good transport links, including the M90 and the main North and East of Scotland rail lines. Fife has 4.6 per cent of the total local authority public road length in Scotland. This is the fifth highest proportion nationally and it is ranked 12th for the condition of the carriageway. In addition to the main rail routes there is a local 'Fife Circle' route, but while the south and central areas of Fife are well connected by rail, the west of Fife, Levenmouth and the East Neuk area are not. Recent developments including the Clackmannanshire Bridge over the Firth of Forth and the abolition of Forth Road bridge tolls will help to support Fife's economy, improve access to the area and ease congestion.

**19.** The average cost of a property in Fife for the period April to June 2008 was £142,197 compared with a Scottish average of £155,691. Fife Council is the second biggest public housing provider in Scotland. In

2007, the council had 31,717 housing units. Twenty-nine per cent of homes are rented from the public sector. Providing affordable housing and fulfilling its role as a social landlord are key challenges facing the council.

### Fife Council

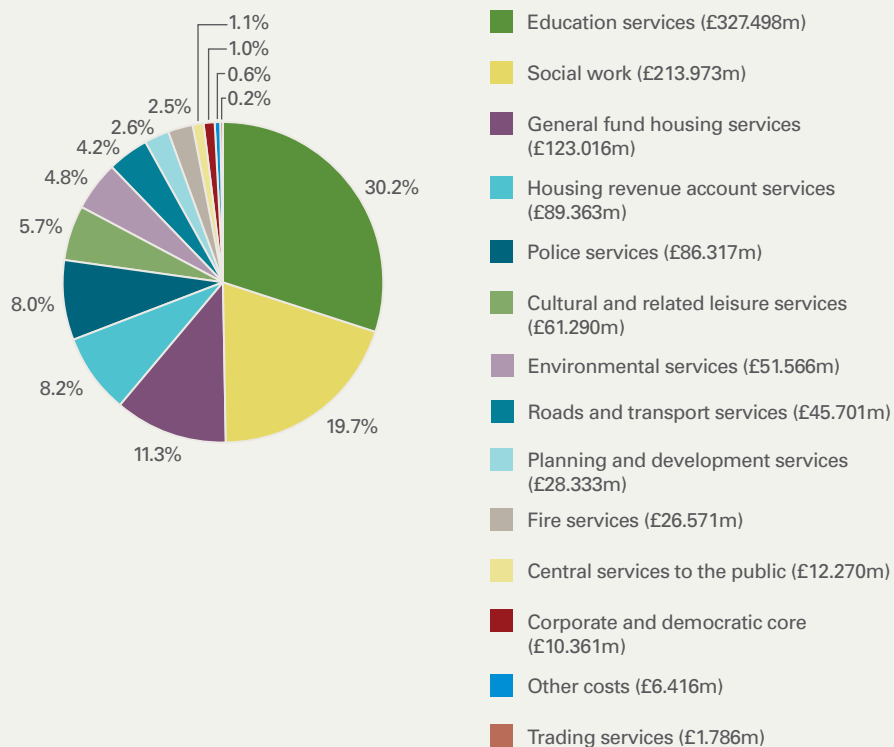
**20.** The council's gross revenue expenditure in 2007/08 was £1,084 million (Exhibit 2). Gross expenditure per head of population was £3,013, which was below the national average of £3,153 and ranked 12th compared with the other local authorities in Scotland. The council's band D council tax for 2008/09 (£1,118) was slightly lower than the national average (£1,149), ranking it 11th lowest.

**21.** Fife Council has 78 elected members. The administration is a coalition between the Scottish National Party (SNP) (23) and the Scottish Liberal Democrat (SLD) (21) parties. There are 24 Labour, five Conservative, three Independent and two Left Alliance. This marks a significant change for politics in Fife, which has traditionally had a Labour administration. The council has seven local area committees.

**22.** The council is a unitary police authority and a unitary fire and rescue authority. Dumfries and Galloway Council is the only other local authority in a similar position. All other authorities in Scotland have joint board arrangements with neighbouring authorities. Fife Council operates a Police, Fire and Safety Committee as part of its responsibilities as the unitary authority for police and for fire and rescue. The Best Value duty on local authorities covers the police and fire and rescue authorities.

## Exhibit 2

### Gross expenditure 2007/08 (£1,084 million)



Source: Fife Council Annual Accounts 2007/08

### Leadership and culture

The council's leadership provides clear direction. There is constructive cross-party working and the management culture is cohesive and motivated. Elected members need to take a more active role in leading the best value and continuous improvement agenda at a strategic level.

**23.** The coalition administration is responding well to the challenge of leading a large council. The council leader (SNP) and the depute council leader (SLD) work effectively together providing a clear direction for the council. Elected members work well together with a strong focus on priorities agreed by the full council. They combine this with a good awareness of and engagement in the issues and challenges for Fife and their local areas.

**24.** The council administration has demonstrated a willingness to take difficult decisions, such as making changes to the charging arrangements for homecare and managing a significant projected overspend in social services. It is open to considering different delivery models, recently implementing sport and leisure and arts and theatre trusts that were planned under the previous administration.

**25.** While elected members contribute to service reviews and other improvement activities, they need to take a more active leadership role in developing a strategic approach to best value and continuous improvement. They have had limited involvement in key aspects of best value such as the approval of arrangements for service planning and performance management, management of resources, sustainable development and equal opportunities.

**26.** Elected members should make better use of learning and development activities. Less than half (35) attended induction training on best value and scrutiny, and at 1 October 2008 only 51 per cent of members had personal development plans. The council has a comprehensive member training programme for elected members, and officers are reviewing and refreshing the arrangements to allow more flexibility and accessibility. Training and development is a continuous process and it is important that members participate in council organised training.

**27.** The chief executive and the Council Management Team (CMT) work effectively with the council leadership in delivering their vision and priorities. Elected members, officers and community planning partners said that there had been a positive change in the culture of the organisation in recent years. Discussions with elected members and officers indicated a sense of ‘corporate-ness’ and consistency of message being projected by the CMT.

**28.** The chief executive has been in post since June 2006 and has built a good awareness of the issues and challenges for the council. He delegates effectively and is promoting a management culture based on corporate working.

**29.** The CMT (Exhibit 3) meets formally each month and informally weekly to discuss corporate and operational matters. Meetings are held quarterly with senior management and six-monthly with individual service management teams. Senior managers have cross-cutting roles as well as operational remits. While these roles are at different stages of development they are contributing to a corporate culture for the council.

**30.** In 2002, the council adopted an approach to management and leadership development which consists of a competency-based performance assessment, known as ‘contribution management’, and a 360-degree appraisal process. This has been applied to all managers and

team leaders across the council, but now needs to be extended to other groups of staff. The council has a range of training and development arrangements including a joint ‘leading and learning’ training programme with NHS Fife.

**Accountability and decision-making**

The council’s political structures are effective, although the new area committees need further development. There is a culture of openness and accountability but arrangements for supporting elected members could be improved to enhance their capacity for effective decision-making and scrutiny.

**31.** Following the May 2007 elections, the administration amended the committee structure (Exhibit 4), changing the roles and remits of the strategic committees and moving from three to seven area committees. The service structure complements the strategic committee arrangements. The changes have

**Exhibit 3**  
Management structure



brought benefits to service areas, creating opportunities for elected members to consider a wider range of issues.

**32.** Seven area committees were introduced in 2007 to replace the previous three area service committees. Each area committee meets on a four-weekly cycle. The area committees have three key roles:

- determining matters within their terms of reference that directly affect their area, including local land and property planning and management issues
- scrutinising local service performance
- monitoring the impact of council and other public services on the community.

**33.** The audit team examined area committees in South West Fife and North East Fife. These operate in a consensual way and elected

members use their local knowledge to contribute well to discussions. However, area planning needs further development. This would provide a focus for each committee and assist with performance reporting and scrutiny of local services. In North East Fife in particular, the balance between strategic, area-based discussions and operational discussions is skewed to the latter, with planning applications taking a disproportionate amount of committee meeting time.

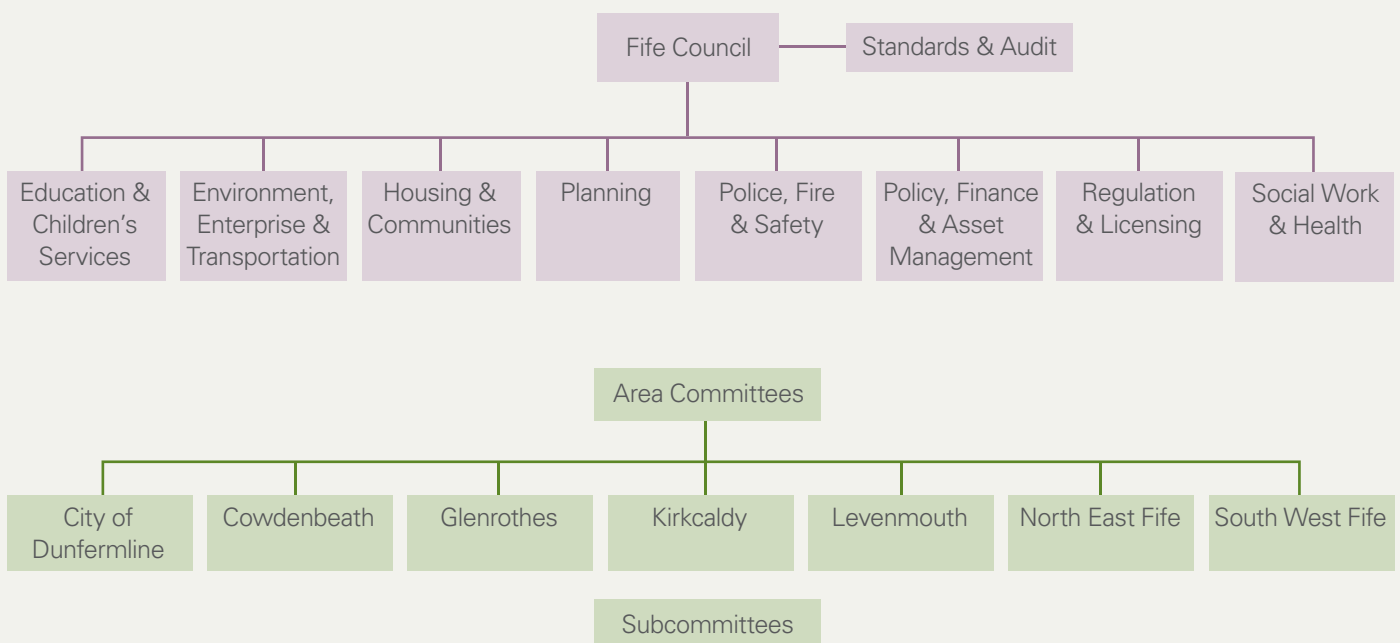
**34.** The schemes of administration, delegation and scrutiny and performance provide clear expectations of roles and responsibilities, but further guidance on performance scrutiny would assist the development of this role and promote a consistent approach. In our survey of elected members only around half of those responding agreed that the area committees have a clear remit in relation to other committees and wider policy.

**35.** There is a culture of openness and accountability across the council. The cross-party leaders' forum demonstrates a good level of openness between the administration and opposition and has good cross-party engagement. The level of debate at committee is mature and constructive and there is good attendance and engagement by elected members. Committees are open to the public, and minutes and reports are available on the council's website, at the committees and on request.

**36.** Some of the arrangements to support the openness and accountability of decision-making and scrutiny activity could be improved. While committee agendas are agreed with elected members, officers predominantly lead on their content. The agendas can be large with a number of significant reports for scrutiny and decision-making but members can have only five days to review papers and request further information from officers prior to

### Exhibit 4

Fife Council committee structure



the committee. Only 50 per cent of elected members surveyed agreed that they received all the information they needed to make decisions and only 40 per cent agreed that they received information in a timely manner.

### Unitary police and fire and safety authorities

The council needs to review how it discharges its best value responsibilities in relation to the police and fire and rescue services.

**37.** The Police, Fire and Safety Committee meets on a six-weekly cycle. It has 15 elected members (four SLD, four SNP, four Labour, two Independent and one Conservative) and is chaired by a member of the Administration (SNP). Reports are prepared and presented by council officers, the chief constable or chief fire officer. The chair has introduced presentations on relevant topics at the beginning of each meeting. The agenda for each meeting is varied and lengthy, and this can limit the time available for discussion and effective scrutiny.

**38.** Elected members and officers from the council, Fife Constabulary and Fife Fire and Rescue Service said that there is a lack of clarity around the respective roles of elected members in their different capacities as authority members and council committee members. This was particularly notable in respect of the police authority, reflecting the current tripartite arrangements covering the accountability of the police service in Scotland. The Scottish Government sets national policing policy, the chief constable is responsible for the operational aspects of policing and the police authority is responsible for securing best value and setting the budget.

**39.** The unitary authority members have agreed strategic plans for the police force and the fire and rescue service. There was some discussion of the draft 'Policing Plan 2008-2009',

## Exhibit 5 Council priorities

### The Big 8

- Improving educational attainment and achievement for all.
- Making Fife the leading green council.
- Improving local conditions for economic development.
- Increasing access to housing.
- Improving community safety.
- Targeting support to vulnerable people.
- Improving sport, leisure and cultural opportunities.
- Becoming a top performing council.

Source: Fife Council Plan 2007 to 2011

which sets the objectives for the year ahead, during a committee away day, but the opportunity to influence the plan's content was limited.

**40.** The committee receives performance reports that include details of recorded crime, detected crime and clear-up rates covering various crime groupings. An operational briefing is presented by the chief constable at each meeting. Performance reports received by the committee are generally for noting with no action required. There is limited opportunity for elected members to discuss how resources are used to achieve performance targets, or whether the performance targets are appropriate.

### Setting a clear direction

The council and its partners share a common vision and together they have agreed a Single Outcome Agreement (SOA) for Fife. The council has developed clear priorities to support the vision and this is underpinned by a clear planning framework. Area planning needs further development.

### Vision

**41.** The council has clearly articulated its vision and priorities, and actively uses them to direct planning and decision-making. The council's vision

'to make Fife a great place to live, work and visit' reinforces the Fife CPP vision of 'a confident, ambitious and caring Fife that is a great place to live, work and visit'.

**42.** The council promotes and communicates its priorities well. These are referred to as the Big 8 ([Exhibit 5](#)). There is a high level of awareness and strong buy-in to the Big 8 by elected members and officers. Almost all elected members responding to the audit survey agreed that the council has a clear set of priorities. The clarity and profile of the priorities is having a positive impact on organisational culture, with officers demonstrating a clear understanding of how their work contributes to the Big 8.

### The planning framework

**43.** The council has a clear planning framework ([Exhibit 6](#)). A community plan, council plan and service plans have existed for some years. Recent changes are designed to create more effective linkages between the plans ensuring that they clearly reflect the community planning themes and corporate priorities and enabling members to monitor them more rigorously.

**44.** Fife's community plan, *A Stronger Future for Fife 2000-2010 (revised 2007)* has five key themes:



## Exhibit 6 Planning framework



Source: Fife Council

- Building a stronger, more flexible and diverse economy.
- Creating a well educated and skilled Fife.
- Improving health and well-being in Fife.
- Sustaining and improving Fife's environment.
- Making Fife's communities safer.

**45.** The community plan describes a series of outcomes for each theme with associated milestones. However, the milestones do not contain specific measures and targets. The partnership published its most recent progress report, *The State of Fife*, in 2007. The report describes achievements against the community plan objectives and milestones but without specific targets it is difficult to measure the extent of progress.

**46.** The Administration demonstrated clear leadership in developing the Fife Council Plan 2007 to 2011. The plan reflects the community planning themes but is expressed around the council's Big 8 priorities. A corporate balanced scorecard accompanies the plan. This identifies indicators and targets that will be used to monitor progress. However, this needs further development with challenging targets for all indicators.

**47.** The council's planning framework includes the recently developed corporate improvement programme (CIP). The CIP demonstrates that the council is ambitious and has good awareness of the improvement activity required. It identifies improvement priorities and draws together initiatives into a single programme for corporate management and monitoring.

**48.** The council coordinated the development of a SOA which has been agreed by Fife Partnership and

partner agencies. The objectives and targets in the SOA are based on the key objectives in the council plan and the community plan milestones.

### Service planning

**49.** Service plans cover strategic, best value and operational issues clearly, with well-structured action plans including targets and responsible officers. The plans incorporate performance scorecards, however, the quality of the measures in them is mixed and there is scope for further refinement of these. Member involvement in service planning and monitoring has until recently been limited. This year is the first cycle where members have been asked to approve service plans and their associated balanced scorecards.

**50.** The service plans set out how each service intends to contribute to the delivery of the council's priorities. Arrangements are in place to identify and link the contribution of teams and individuals to the council's priorities in relation to the relevant service priorities. These arrangements include team plans and individual 'contribution management'. However, neither is fully deployed across the council.

### Area planning

**51.** There is limited area service planning. Transportation and housing and community services provide area planning reports while education and social work are only beginning to develop their approaches. This limits the effectiveness of performance management and scrutiny by the area committees.

**52.** The council is developing area work plans. These are based on priorities identified by the local elected members and should provide some focus for the area committees. It is unclear how these plans will contribute to wider service and corporate objectives. The council should ensure the area plans complement the developing local community plans and make clearer the links with service plans.

## Engaging with the community

Fife Council undertakes a wide range of consultation and community engagement activity. The council needs to improve arrangements for coordinating and managing this activity.

**53.** The council is involved in a range of consultation and engagement activities, both strategically and operationally. Consultation and engagement activity across the council is supported by a variety of tools and arrangements. The council has recently agreed a community engagement policy with a stronger focus on community capacity building. It would benefit from having a corporate strategy and action plan to direct and monitor consultation and engagement activity. This would improve the links between engagement activity and policy and service development.

**54.** The council undertakes a residents' survey approximately every two years. The third and most recent survey was undertaken in December 2007. This involved face-to-face interviews with 2,840 residents and found:

- Overall satisfaction with council services increased from 81 per cent in 2002 to 84 per cent in 2005 but declined slightly to 80 per cent in 2007.
- Accurate information, ease of contact, and knowledge and understanding of services were rated as the most important aspects of service delivery, and translation services and accessibility/access to buildings as least important.

**55.** The council runs the Fife People's panel on behalf of the partnership. It was set up in 2006 and has over 2,000 members. The panel is self-selecting and may not be representative of the population. This has the potential to limit its effectiveness. The panel has been used in the review of street cleaning,

## Exhibit 7

### Newburgh Community Trust

Newburgh is to the north of Fife, on the banks of the river Tay. Previously, it was an industrial town with a linoleum factory as its centre. This closed down many years ago and the area lay derelict for sometime. The local community got together and formed a Trust to develop and regenerate the area. The group was supported by the Fife Rural Network and assisted by a number of council services.

They had many obstacles to overcome as the land was opposite the largest reed beds in the United Kingdom and home to many migrating birds. Much of the work was carried out by Trust members including having to undertake an environmental impact assessment. The Trust successfully created an attractive grassed area by the river for use by the community. The Trust has gone on to purchase and develop disused piers adjacent to the park.

The Trust has succeeded in bringing together the community to develop their neighbourhood. Those involved have been proactive in seeking additional funding and undertaking the work. Over £200k of funding has been secured from various sources including Fife Council, Fresh Futures Transforming Your Space, Community Environmental Renewal Scheme, Fife Environmental Trust and the European Union.

Source: Fife Council/Audit Scotland

gauging public awareness of issues, such as NHS Fife public partnership forums, testing user satisfaction on changes to the council telephone system and in the development of strategies, such as a green spaces strategy. Feedback on survey results and information on panel activities is provided to panel members through a regular newsletter.

**56.** The council has a useful intranet-based consultation diary with information about past, current and planned consultations. Services use a wide range of consultation activity to help inform and improve service delivery. Surveys are used frequently, for example, to inform local plans and the local services payment strategy. Focus groups, roadshows and conferences about particular topics have been used for issues including implementation of the new telephone system, development of a refreshed tenant participation strategy and community safety. The council also uses online voting to gather information, for example, to gauge the public's interest in mobile phone text reminder services.

**57.** The CPP has a well-constructed consultation handbook, based on the national standards for community engagement, which provides clear advice for partners on a wide range of tools for consultation and is illustrated with case studies. The CPP also engages with community representative groups such as FRAE (fairness, race awareness and equality) Fife, an organisation representing ethnic minority groups in Fife.

**58.** The council engages well with local communities. There is ongoing engagement with community councils. Services support small projects, which are coordinated at a local level by the council's Local Services Network. The Fife Rural Partnership works with communities to establish community trusts throughout Fife ([Exhibit 7](#)).

**59.** The council and the Fife CPP provide well-presented information to the public about services and activities. A wide range of media is used including newsletters, the Fife direct website and a digital TV

channel providing key information such as school, road closures and useful phone numbers. The Fife Partnership distributes the *Fifelife* newspaper to residents four times a year. In the 2007 residents' survey, 67.4 per cent of residents responded that overall they are well informed about the council and the services it provides, 69.8 per cent of residents feel they get the right amount of information about the council and 73 per cent are satisfied with the quality of information provided.

**60.** The council reports performance information to the public through a range of documents, such as a SPI results booklet, a residents' directory, the *Fifelife* community planning newsletter and a leaflet provided with council tax bills. The information within the reports provides a balanced view of performance. Recent improvements to the council's performance management arrangements should provide scope for the inclusion of more outcome-focused performance information to provide better public performance reporting.

**61.** The residents' survey indicates that residents feel most informed about how to make payments and where to vote, but least informed about whether the council is delivering on its priorities, and how well it is performing. The council has a draft communications and marketing strategy and action plan that recognises the need to develop the public performance reporting framework in response to the survey findings.

# Part 2. Is the council organised to deliver better services?



Fife Council has put in place many of the best value building blocks. Community planning and joint working arrangements are well established. The Fife Partnership needs to develop a better understanding of how it is performing in relation to outcomes for local communities. Key elements of a performance management framework are in place within the council but performance reporting should be enhanced with clear and timely reporting to elected members to support scrutiny arrangements.

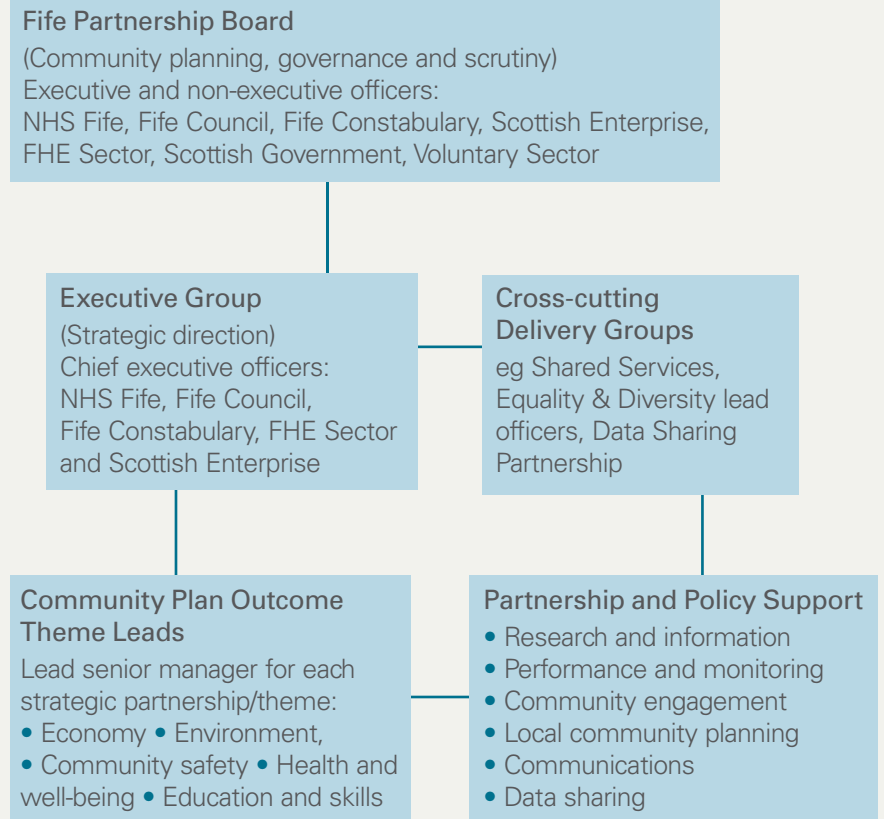
The council manages its finances effectively. It does, however, need to take a more strategic approach to finance and workforce planning to ensure that resources are used most effectively in delivering corporate priorities. The council has developed a more strategic approach to other areas including asset management, procurement and risk management. It is also addressing underperformance in Information Technology (IT). The council needs to ensure these improvements are sustained.

A culture of continuous improvement is developing and this will be enhanced with better coordination through the recently established improvement programme arrangements. The council is not in a position to clearly demonstrate the competitiveness of its services.

The council has well-defined management arrangements for equal opportunities, although, elected members demonstrate limited ownership of equalities issues. Good progress has been made on sustainability.

## Exhibit 8

### Fife Partnership



Source: Fife Council

## Working in partnership

Community planning is well established in Fife. There is a clear vision and direction of travel for the partnership and it has a clear understanding of its financial priorities. The council works jointly with many partners to deliver services. The council should ensure that there is more rigorous monitoring and reporting of the key outcomes and financial resources.

**62.** The council has a strong culture of working with partners. The Fife Partnership is well established (Exhibit 8) and the leader of the council chairs the Partnership Board, while the vice chair is the chair of NHS Fife. Other partners have lead roles in the Executive Group. Our survey of community planning partners found that 82 per cent agreed that the council works well

with its partners and that joint working had improved services.

**63.** The partnership has recently changed its structure and is in the process of clarifying roles and responsibilities for individual partners. Senior officers from the partner agencies lead on the community plan themes. Their role is to coordinate and monitor the arrangements in place for delivering the community plan objectives. A number of groups are associated with each theme, allowing flexibility for each outcome theme lead to develop areas to meet their own needs. Less than half (47 per cent) of the partners responding to the survey agreed that the respective roles of the different partners were clear.

**64.** There has been inconsistent reporting of performance to the Fife Partnership. Only 47 per cent of

partners responding to our survey agreed that progress against the community plan priorities were monitored effectively. The partnership has recently started a programme of performance reporting on each outcome theme at partnership meetings. As the board meets quarterly this means that each outcome will be reported once every 18 months. The partnership should review whether this is sufficient.

**65.** Local community planning arrangements are being developed within the existing area committee structure. However, only 47 per cent of those responding to our survey agree that local community planning activity is well developed. The Partnership Board agreed in October 2007 that a variety of different models should be pursued at area level, allowing flexibility to meet local needs. The flexible approach taken by the board should be balanced with a structured approach to managing implementation, ensuring robust milestones and targets are in place and monitored. Without a clear management framework, there is a risk of local community plans being developed in isolation from each other and the process becoming disjointed.

**66.** The Fife Partnership has a clear understanding of its financial management responsibilities. It has a budget of £326,000 which includes funding for *Fifelife* newspaper, Fife People's Panel and Kingdom Graduates to which partners contribute. Approximately £56 million (2007/08) was managed through various partnership groups and organisations, and by lead partners on behalf of the Fife Partnership. This figure includes £21.5 million for affordable housing, £9.375 million for supporting people and £3.094 million for community regeneration activity. This is a significant sum of money and the Fife Partnership acknowledges that greater clarity is required in the management of these budgets across the partnership. It is currently considering how to formalise this role in line with the SOA.

## Exhibit 9

### Safer communities centre

Eighty community safety staff from the following organisations have been co-located into the new Safer Communities Centre at Kingdom House, Glenrothes:

- Fife Community Safety Partnership's policy team.
- Fife Cares home safety and home security service.
- Safer Neighbourhoods Team, which includes staff from Victim Support Fife, Fife Council, Fife Fire and Rescue, and Fife Constabulary.
- Housing Investigation team.
- Night Time Noise team.
- Fife Drug and Alcohol team.

The centre is funded by contributions from community planning partners. Its work is reported through the Community Safety Partnership. Achievements for 2008 include:

- Continued implementation of the Safer Neighbourhoods strategy to tackle antisocial behaviour across Fife, including targeted operational work in the Kirkcaldy area.
- Promotion of home safety, fire safety and home security.
- Targeted work to promote pupil safety on school transport.
- Arrangements to tackle hate crime.
- Promotion of greater youth involvement in community safety issues.

Source: Fife Council/Audit Scotland

**67.** Community planning partners recognise the common boundary as a strength of the Fife Partnership. Partners felt that their ability to focus on delivering benefits for the people of Fife, without having to manage competing priorities and differing demands from other partnerships, was advantageous.

**68.** Promoting community safety is a key priority for the council and its partners. Some staff involved in community safety activities are now co-located in a newly established Safer Communities Centre ([Exhibit 9](#)). This aims to improve service delivery for Fife residents through better communication and coordination, as well as achieving efficiencies through sharing administration costs, reducing overheads, increasing flexibility

in using resources and improving working conditions.

**69.** The Fife Partnership carried out a feasibility review and set up a project board to identify possible areas for shared services. These include:

- Fleet Management – including Scottish Ambulance Service.
- Employee databank for catering and cleaning employees.
- Fife-wide procurement for the hire of taxis.
- Driver training and assessment service.
- Courier service across partner organisations.

Work is continuing to manage the shared resource in these areas and the partnership recognises that it could be more ambitious in the areas selected as potential shared services. It is too early to assess the impact of the initial areas of work.

### Managing performance

Fife Council has in place most of the key elements of a performance management framework. Further development of this framework is required and performance reporting to elected members needs to be significantly improved.

**70.** The council has set out what it is seeking to achieve in its 2007-11 council plan. It approved a performance scorecard in March 2008 to reflect the council's Big 8 priorities and services have also developed scorecards. Prior to this, the council monitored performance against a wide variety of performance indicators (PIs), including SPLs as well as locally developed Key PIs, but these were not aligned with council priorities. The council still needs to complete the roll-out of the framework to cover individual objectives.

**71.** The CMT and heads of service receive quarterly detailed performance reports, however, performance reporting arrangements for elected members are not effective. The reports to elected members on PIs are difficult to understand and indicators which are demonstrating a decline in service performance are not immediately evident. Reports do not make clear why underperformance has occurred, or what is being done to rectify the position. The council currently seeks to compare performance with the previous two years but in many instances the information is not comparable and therefore not useful.

**72.** The council has not set targets for all areas in which it is monitoring performance. It plans to formally report performance annually against the council scorecard to elected members through the Policy, Finance & Asset Management (PFAM) Committee. As the scorecard reflects the key priorities of the council, members should be regularly monitoring performance.

**73.** Service-wide annual performance reports produced by the council to March 2007 did not provide a balanced picture of service performance. These were reported to members between November and January 2008. Revised corporate performance reporting arrangements were approved in 2007 and these were to include six-monthly service reporting. Reports for the year ending 31 March 2008 had not been prepared by September 2008 and so it remains unclear whether services have met their intended objectives. The council re-established the practice of submitting service plans to strategic committees in spring 2008 and these now provide a baseline against which annual performance can be measured. Prior to this it was not possible to determine whether the service was meeting its objectives.

**74.** The council recognises that there are weaknesses in the current reporting of performance to committees. The revised arrangements have not yet been in place for a full cycle. It is also unclear how other areas of performance improvement work (eg, best value reviews, European Foundation for Quality Management (EFQM) reviews or the new corporate improvement programme) will feed into these arrangements to provide a more joined-up framework for performance monitoring and improvement.

### Scrutiny

Elected members engage in the scrutiny process but their scrutiny of performance is underdeveloped due to a lack of clear performance information and the timescales in which reports are received.

**75.** Strategic committees develop policy and set strategic direction and together with area committees and the Standards and Audit Committee, are responsible for scrutinising decision-making and performance. This is not consistent with good practice principles outlined in the Leadership Advisory Panel's Report, *Scottish Local Government's Political Management Structures*, which suggest that scrutiny should be undertaken by a separate scrutiny group with its own corporate identity, formal work programme and remit.

**76.** Scrutiny is taking place at full council and within committees but this is not based on a formal scrutiny work program. In June 2008, the PFAM Committee approved a new scheme of scrutiny and performance. The scheme set out mechanisms by which effective scrutiny could be carried out and recommended that all committees should consider the adoption of an annual work programme including the identification of any priority areas for scrutiny. To ensure that scrutiny is not ad hoc and covers all areas of the council, programmes should be put in place. This is a recommendation in the external auditor's Annual Audit Report 2007/08.

**77.** The revised performance reporting arrangements, approved in September 2007, provided for service performance to be reported to members every six months, rather than annually. For the new arrangements to work, it is essential that reports are presented on a timely basis. Annual reports on service performance for 2006/07 were received by committees between November 2007 and January 2008. As a result the information was out of date and did not support effective scrutiny.

## Managing resources

### Finance

The council manages its finances effectively. Budgets are linked to the council's objectives and effective monitoring arrangements are now in place.

**78.** Fife Council spends around £1,000 million each year on services. The council has a sound system of financial control based on regular reporting, financial monitoring and scrutiny. The council continues to identify projected net overspends for 2008/09 but believes that through effective management controls service expenditure can be managed within approved budgets.

**79.** While the council does not have one overarching corporate financial strategy document it does have the component features including an approved three-year revenue budget, a capital plan and a target position for its reserves. These provide a medium-term commitment and direction for financial management. The council acknowledges that for consistency and ease of review there could be an advantage in these policies being brought together under one overarching corporate finance strategy.

**80.** The three-year revenue budget links to the council's objectives and was developed with service departments. The council provides effective revenue and capital reporting to its strategic committees. Budget reports are provided to officers on a monthly basis giving each service an up-to-date financial position and projected final year outturn. Elected members and officers are committed to deliver within budget.

**81.** The council's reserves were reduced from £26.897 million to £6.359 million during 2005/06, following the settlement of equal pay liabilities which amounted to approximately £30 million. The council's reserves strategy aims to restore the level of uncommitted

balances to £9 million over a three-year period commencing 1 April 2007. The council is currently ahead of schedule with balances of £5.002 million at 31 March 2008, rather than the £3 million planned in the strategy.

**82.** The council has set itself a challenging capital programme of over £335 million for the next three years. The council has experienced slippage in its capital plans – in 2007/08, 21 per cent of budgeted expenditure was re-phased into future years, with slippage of 12 per cent in 2006/07 and 10.5 per cent in 2005/06. If the council is to meet the objectives of its capital programme, it should ensure that robust project management procedures are deployed, including more effective milestone reporting.

### People management

The council has not had a clear strategic approach to people management. It is beginning to develop its approach and should focus on developing a corporate workforce management strategy. Staff surveys should be carried out regularly with the feedback used to inform strategy development and service provision.

**83.** Fife Council has only recently approved its corporate HR strategy (2008/11) to develop a consistent council-wide approach which links to corporate HR strategies and council objectives. The council previously had a set of agreed HR priorities. The council says that its commitment to tackling equal pay issues and single status reduced its capacity to progress workforce planning and develop its HR strategy. However, this led to services developing their own workforce strategies and workforce planning arrangements, including training and development arrangements.

**84.** The council introduced a new package for single status and equal pay in April 2007. As at 31 March 2008 the council had 811 equal pay claims

outstanding. Seventeen per cent of these claims are expected to go to tribunal and the council has made provision for these of around £3 million in the accounts.

**85.** The council has been successful in recent years in reducing its levels of sickness absence by introducing measures such as early intervention, management training and the consistent application of policies. Although significant improvements were made initially, the council has only seen a slight decline in absence management figures in the past three years. The council is currently around the national average for teachers' absence with a figure of 3.9 per cent against a national average of 3.8 per cent. The absence rate for administrative, professional and technical staff is the same as the national average, at 5.6 per cent. Fife council was awarded the Scotland's Health at Work (SHAW) Gold Award in 2007.

**86.** The council has integrated personal appraisal into its planning framework through its contribution management process. However, the programme is still being rolled out across the council. The council also offers a range of training and development opportunities for staff including internal training courses and external development opportunities, such as professional qualifications.

**87.** The 2007 employee survey was the first council-wide employee survey since 2000. The survey shows improvements on the 2000 survey results in terms of morale and job satisfaction, with 58 per cent of respondents feeling valued for the work they do compared with 38 per cent in 2000. The time lag between the two surveys, however, means that it is difficult for the council to judge what measures have led to these improvements. The response rate to the survey was 28 per cent. The council should carry out the employee survey on a regular basis and look for ways to improve the response rate. The council has used the survey



results to inform its policies and decision-making processes and it should ensure that the impact of the findings of these surveys are reported back to staff.

### Asset management

The council has a strategic approach to asset management. Further work is under way to link the corporate asset management strategy to individual service asset management arrangements.

**88.** The council has developed a corporate asset management strategy and has delegated responsibility for asset management to the PFAM Committee. Environment and development services directorate has overall responsibility for asset management. The council approved its asset management plan in 2006 and is currently revising this.

**89.** Work is progressing on assessing the condition and 'fitness for purpose' of the council's property asset portfolio. Corporate asset management services are carrying out work to obtain and grade data on the condition, suitability and sufficiency of each asset within the property asset portfolio. However, the council has not yet outlined how this data will be used.

**90.** The council is developing service asset management plans. These plans are at various stages of development and it is not clear how these plans will feed into an overarching corporate asset management plan.

**91.** The council has recently reclassified its assets to ensure that they are in line with the appropriate definitions of investment properties. This work resulted in 71 properties, worth £36.5 million, being classified as surplus to requirements. The council's external auditors have recommended that the council reviews assets within the 'surplus assets, held for disposal' category to ensure all assets have been correctly classified in the financial statements.

The council is developing a ten-year capital investment plan, although this plan is not informed by the council's asset management plans.

**92.** The council and its community planning partners could make better use of its combined asset base. They should consider joint reviews of assets in particular areas and towns. This would provide an opportunity to consider joint rationalisation of assets with a focus on improving services and reducing costs across public services.

**93.** Fife was one of five councils included in an Accounts Commission national study of asset management. The study found that Fife compares favourably with other Scottish local authorities although there are some weaknesses in the council's current arrangements for managing assets.

### Risk management

The council has developed a strategic approach to risk management and is progressing work to embed it within council services.

**94.** The council has made good progress in the implementation of its risk management arrangements at a strategic level. The risk management strategy was implemented in 2007 and the current risk register identifies risks in relation to the council's Big 8 priorities. The arrangements are not as well developed or consistent at a service level and further work is required for risk management to be embedded into everyday practices.

**95.** The council has established effective arrangements to monitor and manage risk. There are two groups to support heads of service in fulfilling their risk responsibilities. These are the Risk Management Strategy Group (RMSG) and an Operational Risk Management Group. An action plan is in place outlining how the risk management strategy will be delivered. Progress reports on the work of the RMSG are presented to the Standards and Audit Committee.

**96.** Risk workshops have been held across the council to raise awareness of risk management among staff. There has also been training for staff who are directly involved in developing risk management arrangements. Nominated staff within the council have also completed the externally accredited Management of Risk and Uncertainty course.

### Information technology

The council has recognised that its IT function has been underperforming and it is addressing some of the fundamental issues.

**97.** IT services within Fife Council has been underperforming for a number of years and an external audit report in early 2007 indicated that significant improvements required to be made. There had been a lack of strategic planning and governance within the council's IT arrangements as well as concerns about how IT can help meet strategic and service objectives. This had led to a lack of consistency in IT service provision.

**98.** Performance monitoring arrangements do not allow an assessment of IT performance against existing targets. Previous plans had too many targets and too many priorities which contributed to a lack of clear direction. There was a lack of strategic capacity planning and historically resourcing had been undertaken on a project by project basis.

**99.** The council has recently revised its IT governance arrangements to address the weaknesses. It has established an IT Strategy Board which meets every two months and an officer-led Information Governance Board. The IT Strategy Board is responsible for creating a consistent framework for IT governance across the council. In January 2008, the council started to develop an information management strategy but this work has been delayed and the strategy is now expected to be finalised in March 2009.

**100.** The council has approved an IT investment plan and an IT strategy. The IT investment plan identifies the key IT projects needed to improve the IT infrastructure. The investment plan was approved before the IT strategy and does not identify how the key projects link with the council's strategic and service objectives. This is an area that will require close scrutiny by the IT Strategy Board to ensure alignment with the strategic objectives of the council and to ensure the strategy is not led by committed or proposed developments.

**101.** The council has recently undertaken major IT projects such as the implementation of a new telephony system during 2006 and 2007. This cost approximately £21.5 million. The project was delivered on time and within budget and has achieved the stated business objectives. However, at the time the council made the decision to undertake the project, there was no clear IT strategy in place and the project therefore went forward based on its own merits rather than on how it would deliver against agreed strategic IT objectives.

### Efficiencies

The council has a framework for capturing and reporting efficiencies. However, it needs to better demonstrate the impact these savings have had on service delivery.

**102.** The council uses service budgets and performance information to demonstrate financial savings. This framework is based on work undertaken on a consultancy basis, with accounting teams from Finance working with services in capturing the relevant details. In addition to this work, SOLACE Enterprises was commissioned to identify key opportunities for efficient government/shared service initiatives across Fife Partnership. Fife Council has produced efficiency statements for 2006/07 and for 2007/08. These have identified a combined total of

£39.176 million of cash and non-cash savings for the council.

**103.** The 2008–11 revenue budget process identified savings which could be made across the council. Targets within the budget were allocated to reflect the council's priorities with different services being set different efficiency targets. Savings identified through the budget process are monitored during the year through regular reports to elected members.

**104.** As part of its corporate improvement programme the council has established an Efficiency Board. This officer-led board seeks to monitor efficiencies and ensure that they are contributing to the achievement of council objectives. Further work is required in order that the council can better demonstrate the impact of efficiencies on service delivery.

### Procurement

The council has developed a strategic approach to procurement and it needs to embed these arrangements across the council.

**105.** Fife Council has recently restructured its procurement function to bring it within the finance and resources directorate. This has raised the profile of the function, allowing more effective reporting and line management structures and improving links with the accounts payable function.

**106.** The current procurement strategy covers the period 2007–10 and was approved by the council's PFAM Committee in January 2008. In developing this strategy, the council consulted with local partners and external stakeholders, such as NHS Fife, Communities Scotland and Scottish Enterprise Fife. The policy reflects the findings of the 2006 Scottish Government commissioned *Review of Public Procurement in Scotland* and aligns the work of the procurement function directly with the council's Big 8.

**107.** The procurement function is working with services to identify efficiency savings. The council's 2007–08 efficiency statement identified £5.473 million of procurement savings. The council has agreed that all efficiency savings achieved can be retained by the individual service and reinvested in services. This has resulted in greater interaction between services and procurement which should enhance opportunities for joint working.

**108.** The procurement strategy identifies how the procurement function delivers against the council's key objectives. As part of the council's corporate improvement programme the council set up an Efficiency Board as an officer-led group reporting to the Corporate Improvement Board. The procurement function has recently started reporting to the Efficiency Board.

**109.** Procurement is an important contributor to the council's commitment to supporting the local economy and becoming a green council. Quality Meat Scotland has undertaken a review of red meat suppliers to the council's schools, staff canteens and residential homes. The review identified that the majority of the council's meat came from farms across Fife while the Scotch lamb came from farms in Angus. By using local suppliers the council believes it will not only support local businesses and the Fife economy but will reduce transportation costs and its carbon footprint.

**110.** The council procurement function has received external recognition for its work in tendering for a recent contract for its PRINT '08 project ([Exhibit 10](#)). The project has been identified as an example of good practice by the Office of Government Commerce.

**111.** The council is actively engaging with external bodies on procurement issues. These include other local authorities, Fife Chamber of Commerce and Enterprise, the

Federation for Small Businesses and the Council for Voluntary Service – Fife. The council is a member of Scotland Excel, the Scottish Local Government Procurement Forum (SLGPF) and the South East Procurement Alliance. Fife is working with Scotland Excel on a contract for light vehicle provision and is the SLGPF advisory representative for the Convention of Scottish Local Authorities on procurement matters.

### Continuous improvement

Fife has recently captured all of its improvement activity in an overarching corporate improvement programme. While there are various improvement activities across the council, further work is required in order to demonstrate the progress being made. The council is not in a position to clearly demonstrate that its services are competitive.

**112.** The council is developing a culture of continuous improvement and is implementing a corporate improvement programme for 2008–11. This is led by officers and is designed to support delivery of the council's Big 8 and the council plan. The programme identifies the actions which the council believes will deliver the priority of being 'a top performing council'. This is an ambitious programme of work that would benefit from further prioritisation.

**113.** The council has established a Corporate Improvement Board with four sub-boards: Investment Strategy Board; ICT Steering Group; Efficiency Board; and Performance and Organisational Support Improvement Board. It is too early to say how effective the programme will be. The council needs to introduce milestone monitoring and reporting to elected members.

**114.** Fife Council uses the EFQM excellence model as a self-assessment tool to support continuous improvement. Services are assessed on three-year cycle by

### Exhibit 10

#### Print '08

Recognising that it was not getting best value from its current photocopying, printing and distribution arrangements, Fife Council developed its PRINT '08 project.

The council used an existing Office of Government Commerce (OGC) framework as the basis for the review. A strengths, weaknesses, opportunities and threats (SWOT) analysis was undertaken on the areas which the council wished to review. An initial scoping document was sent out to companies on the OGC framework with the council asking for proposals and ideas which would add value to the proposed review, how they would link into the strategic objectives of the council and requesting proposed methods for delivering an innovative and effective service. The council retained intellectual property rights for these submissions and was able to use aspects of this information when developing the invitation to tender as well as finalising how the project would be delivered with the successful bidder. This approach has been recognised by the OGC, which intends to use Fife Council as a case study for other councils.

The PRINT '08 project was awarded to Canon in June 2008 and will be phased in across all council offices and schools by September 2009.

Source: Fife Council/Audit Scotland

teams of trained assessors drawn from across the council. The council has developed its own excellence awards to recognise and reward good practice. The awards have been further developed and have now been extended across the Fife Partnership.

**115.** In March 2004, the council's Policy and Resources Committee approved a best value policy and operating framework which would be applied to all council services. Services have undertaken best value reviews although these have varied in quality and not been consistently delivered. The council should consider how the impact and success of these reviews can be built upon.

**116.** Fife Council undertakes annual reviews of income generating services. The 2007 review concluded that there was only one Significant Trading Operation (STO) and 20 trading operations. The building services STO has a cumulative surplus of £9.05 million for the three years to 31 March 2008. The council's classification criteria were found to be consistent with the Chartered Institute

of Finance and Accountancy (CIPFA) and the Local Authority Accounts (Scotland) Advisory Committee (LASAAC) guidance. Although these trading operations have been subject to reviews of their charges and/or undergone best value reviews, the council is unable to demonstrate the competitiveness of all these services or when some trading operations were last subjected to competition.

**117.** Fife Council is developing the use of options appraisal work across all services. The council has used options appraisal for major projects, such as School Estates Management Plans and Public Private Partnership (PPP) proposals. In October 2007, the PFAM Committee approved a revised template for committee reports which requires all reports to clearly outline the result of options appraisals. The council also used option appraisal techniques when developing its recent revenue and capital budgets.

**118.** Fife Council has used alternative models for delivering services. In October 2007, the council transferred the management of arts and theatre

services to a trust (Arts and Theatres Trust Fife) and in April 2008 sports and leisure services were transferred to the Fife Sports and Leisure Trust. The council has also used PPP to fund two schemes with a combined capital construction cost of £106 million covering 13 schools, two libraries and a number of new and refurbished community-use sports facilities.

**119.** In September 2007, the council agreed to revise its annual performance reports to include comparative statutory performance information from other councils, allowing elected members to benchmark performance in SPIs. The council has sought to use a range of sources to provide benchmarking information. For example, membership of Association of Public Sector Excellence (APSE) benchmarking groups, the KnowFife dataset which provides benchmarking data for services and data gathered through external partnership groups such as the South East Procurement Alliance.

**120.** In addition to these internal reviews, Fife has won a number of awards for its services including:

- 2008 COSLA Excellence Award (Community Planning and Local Democracy) for its Anne Frank & You festival.
- Scottish Transport Award 2007 for the Go-Flexi Rural Demand Responsive Transport Service.
- Four European Blue Flag beach awards and 12 Keep Scotland Beautiful, Seaside Awards 2008.
- National Assessment of Cycling Provision in Scotland – Best Performing Local Authority 2008.

## Equal opportunities

The council has demonstrated its commitment to equal opportunities and has well-defined management arrangements to support this work. However, elected members have not been actively involved in the equalities agenda.

**121.** The council has statutory schemes for race, disability and gender equality in place and an integrated equality and diversity strategy and action plan. In 2007, the council commissioned an equality audit of all its HR policies to ensure that they complied with equalities legislation. The council has published two annual equality and diversity reports, setting out the council's achievements and its challenges as well as highlighting future priorities.

**122.** The executive director for social work has corporate responsibility for equalities. Equality champions within services are connecting with hard to reach groups. Housing and development services have dedicated equalities officers.

**123.** Elected members currently demonstrate limited ownership of equalities issues. For example, less than half of all elected members have received formal race equality training. However, they have approved the equality schemes and scrutinise progress through the annual equalities report.

**124.** Local authorities, under the Race Relations Act, are required to conduct race equality impact assessments (REIAs) to identify how a policy will affect people from different racial groups. While the council has a toolkit for conducting REIAs, only one REIA has been completed to date. A national study for the Accounts Commission, published in November 2008, reported that the race equality duty has not yet had a significant impact on the delivery of council services or on minority ethnic communities. This conclusion applies to Fife Council as it does to other councils.

**125.** The council reports employment information annually to elected members and senior managers. The council recognises that its workforce does not represent Fife's overall ethnic minority population, and the integrated equality and diversity action plan makes a commitment to address this. The council is leading the CPP theme, 'Equal in Fife', aimed at helping Fife's ethnic minorities and new migrants into education, training and employment. The council has an access to information policy, which provides staff with practical information on how to communicate with people with a range of disabilities and different requirements.

**126.** The council's system for gathering service information on equality and service delivery is limited. A migrant workers survey was conducted in 2007, however, it is unclear how the results of this consultation have subsequently been used to inform service delivery. The council recognised this as a priority in its most recent equality and diversity report. It needs to continue to develop methods of engaging effectively with its harder to reach ethnic minority groups and to use this information to improve services.

**127.** The council has a commitment to gender equality and is developing a management development programme for women. The 2007/08 SPIs show that the council is above the national average with women accounting for 39.2 per cent of the top two per cent of council employees and 48.3 per cent of the top five per cent. This compares with the Scottish averages of 35.9 per cent and 44 per cent respectively. Both indicators have continued to improve since 2004/05. However, this is not mirrored in the composition of the council's most senior managers, where only three out of the top 36 managers are women.

**128.** The percentage of council buildings that are suitable for and accessible to disabled people has

increased from 7.4 per cent in 2005/06 to 80 per cent in 2007/08. The significant change in this figure is largely explained by a more comprehensive approach to assessing the accessibility of buildings taken in 2007/08 compared with previous reporting years. The council is working in partnership with an internet-based organisation 'DisabledGo' to improve communications about disabled access to buildings in the Fife area. They are developing an online directory of venues with access information to help disabled people.

### Sustainable development

Fife Council has made good progress on environmental, economic and social sustainability issues. The council would benefit from a more structured approach.

**129.** While the council does not have an overarching sustainable development strategy it does recognise the different elements of sustainability and reflects them in service and key plans. For example, all 2008 service plans make a commitment to reducing carbon emissions. The council has structures in place to support the environmental sustainable agenda, but there are no clear structures in place to support economic and social sustainability. The executive director for environment and development is the lead officer for the council on sustainable development. The chair of the Environment, Enterprise and Transportation Committee takes an active role in leading the council's environmental and economic agenda.

**130.** Environmental sustainability is one of the Big 8 priorities for the council – 'making Fife the leading green council in Scotland'. The council is implementing a number of projects and initiatives to achieve this ambitious vision and staff are engaging positively with the council's approach.

**131.** The council has committed to reducing its carbon emissions by 80 per cent by 2050 in line with Scottish Government targets. Three per cent year-on-year carbon reduction targets have been established for each service and the council is beginning to develop a carbon management strategy. A member officer working group (Carbon Emissions Reduction Board) provides a strategic focus towards carbon reduction. Fife is the only local authority in Scotland to take part in a voluntary carbon trading scheme set up by the Local Government Information Unit Initiative to prepare for the government's mandatory Carbon Reduction Commitment being introduced in 2010.

**132.** Recycling has improved significantly from a very low baseline in 2002/03, and recent figures show that the amount of waste produced by households (0.087 tonnes per house per year) is below the national average in Scotland (0.089 tonnes). The council has committed to the principle of zero waste. A three-year programme is in place with a target of increasing Fife's recycling and composting rate to 47 per cent by 2010/11. The percentage of waste collected and recycled by the council in 2007/08, was 39.1 per cent. This is an improvement from 29.7 per cent in 2005/06, and ranks the council fifth across all Scottish local authorities. The council has introduced a variety of initiatives including an 'unwanted mail' media campaign.

**133.** The council is addressing social and economic sustainability through a variety of different projects, particularly at a partnership level ([Exhibit 11, overleaf](#)). There are a number of strategic partnerships taking forward different strands of the sustainable development agenda including; Take a Pride in Fife Environmental Network, Sustainable Communities Group and Fife Economic Forum, which has recently been replaced by the new 'Fife Economic Partnership'.

**134.** The council is making good progress in economic sustainability, supported by the Fife Local Economic Development Strategy 'Growing Fife's Future'. The new Economic Partnership is leading a review of the current economic strategy, taking into account updated research on Fife's economy and complementing it with the development of a new Edinburgh City Region Economic Development Framework.

## Exhibit 11

### Levenmouth Regeneration Initiative

Levenmouth has suffered from a decline in traditional industries resulting in high levels of deprivation. The vision for Levenmouth is to achieve a sustainable and more prosperous community by stabilising the population of the area, expanding the income in circulation within the local economy and by making Levenmouth a more attractive place to live and invest in. This will be done in a number of ways:

- Maximising local employment opportunities.
- Giving greater emphasis to improving external accessibility to employment opportunities, increasing the competitiveness of local businesses, and making the area more attractive for inward investment.
- Maintaining and enhancing the vitality and viability of town centres.
- Management of continuing physical and economic changes in areas which have suffered from a loss of retail trade over the recent decades.
- Raising skill levels of the local workforce.
- Improving the overall quality of life for the residents, workforce and tourists is a key part of the regeneration process, which can be achieved by:
  - promoting improvements in health and well-being
  - protecting and enhancing the environment
  - improving opportunities and facilities for young people
  - helping local people to improve their own financial circumstances.

#### Progress to date

Progress has been made in Levenmouth over the past few years. Levenmouth Regeneration has been working in partnership with external bodies and other services to tackle issues and give support to the physical, social and economic regeneration of the local area. Some key projects include: Street Life – various activities for young people; development of the Fife Energy Park, focusing on renewable energies; Leven town centre improvements; environmental landscaping and employability projects.

Source: Fife Council/Audit Scotland

# Part 3. How are services performing?



Fife Council's SPI performance has shown significant improvement during the last financial year. However, it remains below the national average in terms of overall SPI performance. The council needs to sustain the recent improvement if it is to achieve its priority of becoming a top performing council.

Education and social work performance is improving and this provides a good base for the council to deal with the key challenges facing it over the next few years. Performance in other areas such as housing and planning is more mixed.

Customer service arrangements have been developing and the council needs to focus on implementing its improvement priorities in this area.

### Statutory performance indicators

**135.** Each year local authorities are required to report and publish information about their performance. This is done through SPIs. On behalf of the Accounts Commission, Audit Scotland collates the information received from all councils and publishes on its website a compendium of all SPIs and council profiles. The council profiles contain 82 measures taken from the SPIs. While these do not give a comprehensive picture of performance across all services, they do allow some comparisons to be made between councils and over time.

**136.** Fife Council's SPI performance for 2007/08 demonstrates significant improvement compared with previous years. However, there are fewer SPIs in the top quartile and more SPIs in the bottom quartile compared with the Scottish average (Exhibit 12).

**137.** The council's rate of SPI improvement ranks highly compared with other local authorities, with a significant proportion of previously poorly performing indicators in

### Exhibit 12

Council profile of SPIs 2007/08

	Upper quartile	Middle quartiles	Bottom quartile
Adult Social Work	1	12	8
Benefits Administration	0	2	0
Education and Children's Services	1	4	3
Corporate Management	4	8	0
Cultural and Community Services	1	7	2
Development Services	0	1	1
Housing	2	8	1
Protective Services	0	6	0
Roads and Lighting	0	3	1
Waste Management	2	2	2
<b>Total</b>	<b>11</b>	<b>53</b>	<b>18</b>
<b>Scottish average<sup>1</sup></b>	<b>21</b>	<b>41</b>	<b>16</b>

Note:

1. Three measures have 'no service' and one measure was classed as unreliable.

Source: Audit Scotland

### Exhibit 13

Performance change between 2005/06 and 2007/08

	Measures that worsened by:			Measures that improved by:		
	> 15%	10-14%	5-9%	5-9%	10-14%	>15%
Fife	7	2	3	8	8	13
Scotland	10	3	4	6	5	18

Source: Audit Scotland council profiles 2007/08

2005/06 moving out of the bottom quartile in 2007/08. The rate of SPI improvement to decline between 2005/06 and 2007/08 was 2.4, which is significantly higher than the Scottish average of 1.7 (Exhibit 13).

**138.** We considered performance within a selection of the council's services. Commentary on relevant statutory and local key performance indicators is provided in the following sections.

### Customer focus

Customers are generally satisfied with the service the council provides. Implementation of the council's customer contact strategy has been slow and the council is improving arrangements to support its customer focus.

**139.** The council has good information on customer priorities and satisfaction and uses this well. The 2007 residents' survey results show a good level of satisfaction with the council overall and with customer



service. Seventy-five per cent of residents surveyed are satisfied with the council and its services.

Seventy-six per cent are satisfied with customer service, although this varies between areas ranging from 91.7 per cent in Cowdenbeath to 66.9 per cent in Kirkcaldy.

**140.** The council produced a customer contact strategy in 2002. Reporting and monitoring by the council on progress with the strategy has been insufficient. The council has put in place a telephone contact centre, self-service website, customer care standards and introduced smart technology. Progress in implementing some elements of the strategy has been slower, such as the citizens' account, customer relationship management system and property information systems.

**141.** Progress with the contact centre's development has been slow but is gathering momentum as more services are integrated and its IT infrastructure is improved. The 2007 residents' survey indicates that 65.3 per cent of residents use the telephone to contact the council and the council's telephone contact centre handles approximately 500,000 incoming calls annually. The council implemented a new telephone system and numbering strategy in 2007 to reduce the number of contact telephone numbers and to improve the functionality of the telephone system. A Fife's people's panel survey early in 2008 indicates that the new arrangements are causing some difficulties. Of the respondents who had used the new system, 43 per cent stated they were not satisfied with the ease of making a call. The council is implementing an action plan to address the areas for improvement.

**142.** The council, with its community planning partners, has a well-developed community portal website, Fife direct. It holds a broad range of information and the council provides over 60 services online, including council tax payment, purchasing theatre tickets, online planning

applications, fault reporting and submitting complaints.

**143.** The first annual customer report, presented to the September 2008 PFAM Committee, summarises the current arrangements and performance information for customer management and sets out clear priorities for improvement. These include putting in place a single council approach to customer management and producing better and more frequent monitoring reports on customer care and complaints.

**144.** The council's complaints policy and procedure are clear and reflect the guidance of the Scottish Public Services Ombudsman. In the 2007 residents' survey, 82.4 per cent of residents feel informed about how to complain to the council. However, there is scope for improvement in the management of complaints. The same survey indicates that 19.1 per cent of those surveyed made a complaint to the council and of these more than half are dissatisfied with various aspects of the handling of their complaint. Results from the people's panel reported in July 2008 reflect these findings. The Standards and Audit Committee are reviewing the corporate complaints system.

### Education

The education service is performing well overall and levels of attainment and achievement are improving.

**145.** Fife Council's education service is well regarded by residents with a consistently high satisfaction level in the council's residents' survey. The service provides for over 55,000 pupils in 142 primary schools, 19 secondary schools, 16 stand-alone nurseries and six special schools. There are significant challenges with the quality and capacity of the schools estate and the administration has committed significant capital investment of almost £38 million from 2008 to 2011 to deliver a new school estate management plan.

**146.** The estimated cost of the ten-year school estate programme is £126 million. The programme includes new, replacement and refurbished schools as well as investment in environmental improvement, safer schools, accessibility and ICT. The priorities for the first two years of the programme have been identified and are monitored through progress reports to the Education and Children's Services Committee.

**147.** Her Majesty's Inspectorate of Education (HMIE) published an Inspection of Education Authorities (INEA) report on Fife Council in May 2008. The report found good improvement in the delivery of education services since the first INEA report in 2002 ([Exhibit 14, overleaf](#)). The report highlights strengths in the commitment of service staff to the vision and values and the 'strong strategic leadership provided by the executive director'. It also notes 'highly effective partnership working at a cluster level', 'the introduction and effective use of high-quality performance management information to track pupils' progress' and 'high-quality provision for pre-school and adult learners and improvements in key outcomes for primary aged learners'.

**148.** Attainment by five to 14-year-olds is improving and has shown improvement over a number of consecutive years. The results for the lowest attaining 20 per cent of S4 pupils are also improving and are above the national average. In 2006, the number of 16 to 19-year-olds not in education, employment or training has reduced to just above the national average of 9.5 per cent at 9.9 per cent. Fourth, fifth and sixth year Scottish Credit & Qualifications Framework (SCQF) results for 2006/07 are slightly below the national average. Attainment levels for 2008 (pre-appeal) indicate this remains the case. The 2008 INEA report states that improvements need to be made to the attainment levels of S3 to S6. The council has recognised this as an issue and extended a monitoring system for tracking pupils' progress.

**Exhibit 14****HMIE INEA 2 Inspection quality indicators**

Area for evaluation	Rating
Improvements in performance	Good
Impact on learners	Good
Impact on parents/carers and families	Good
Impact on staff	Very good
Impact on the local community	Good
Impact on the wider community	Very good
Vision, values and aims	Very good
Leadership and direction	Very good
Developing people and partnerships	Very good
Leadership of change and improvement	Good

**Note:**

Ratings: Very good – major strengths; Good – important strengths with some areas for improvement.

Source: HMIE 2008

**149.** In 2006/07, 77 per cent of schools inspected by HMIE were rated good, very good or excellent. The HMIE district inspector has indicated that since the publication of the 2008 INEA report, school inspections continue to be positive and the council is responding well to the areas indicated for improvement.

**150.** The service is addressing a wide range of national and local issues, including school performance, inclusiveness, child protection and health promotion. The service has contributed significantly to the development of the *Fife Children's Service Plan 2008–09*. The plan is supported by six local area groups. The council reports that there is early evidence of the benefits of a coordinated approach, for example, co-location meetings have resulted in a 46 per cent reduction in reports compiled for the Children's Reporter and joint action teams in the six local areas have reported a 20 per cent reduction in purchased placements for Fife children and young people. HMIE is currently undertaking an inspection of child protection services at Fife Council.

**Social work**

Social work services performance is showing improvement from a low baseline. The service has responded effectively to the need to manage projected overspends while maintaining a focus on the changing demographics of the area.

**151.** The social work service includes four sections; adults services, older people, children and families and criminal justice services. The service is experiencing particularly challenging times, with significant demographic pressures (including a growing population, an increasing proportion of elderly residents and increasing numbers of adults with disabilities), responding to national agendas and the need to reduce significant financial deficits. Implementing changes to services, such as the recent homecare charging policy and service eligibility criteria, are particularly challenging examples of balancing these pressures.

**152.** In August 2007, the council amended the eligibility criteria for adult and older people's services.

Demand for services was higher than the available resources and the changes have targeted resources on the most vulnerable groups. The council recently changed the charges for non-residential homecare services and increased the standard weekly charge for residential care homes by 3.9 per cent.

**153.** In 2006, the Social Work Inspectorate Agency (SWIA) published a performance inspection report on Fife social work services. SWIA classed performance in eight criteria as 'good' and two as 'adequate' (Exhibit 15). SWIA stated in its 2007 Performance Inspection follow-up report that the council has made substantial progress on all the 21 recommendations made in the 2006 report and is positive overall about the progress and direction of the service.

**154.** Performance across the service is improving, but from a low baseline. Of the 21 social services SPLs in 2007/08, seven improved and one declined by a rate of more than five per cent over the previous three years. Eight of the 21 indicators are among the lowest across all local authorities.

**155.** There are positive trends in indicators relating to staff qualifications in care facilities and to the indicators for the criminal justice service. For example, the number of new probationers seen by a supervising officer within one week improved in the past year from 56.1 per cent to 70.1 per cent. The number of reports submitted to court by the due date improved in 2007/08 by almost ten per cent. Other indicators show less positive trends. The number of children subject to a supervision order seen in 15 days has fallen from 90.8 per cent in three years to 84.7 per cent.

**156.** The picture in homecare and in respite provision is more mixed. Over the past three years in the homecare service, there has been a slight reduction in the number of people

**Exhibit 15****SWIA evaluation**

Area for evaluation	Rating
1. Outcomes for people who use social work services	Good
2. Impact on people who use social work services and other stakeholders	Good
3. Impact on staff	Good
4. Impact on the community	Good
5. Delivery of key processes	Good
6. Policy and service development, planning and performance management	Adequate
7. Management and support of staff	Good
8. Resources and capacity building	Adequate
9. Strategic leadership	Good
10. Capacity for improvement	Good

**Note:**

Ratings: Good – having important strengths with some areas for improvement;  
Adequate – strengths just outweigh the weaknesses.

Source: SWIA 2006

was good multi-agency working with young people with sexually harmful behaviours.

**Local community and housing**

Performance across the service is mixed. Libraries and community learning and development are performing well while sports and leisure services have relatively low levels of participation. Housing services could improve on rent management, management of tenancy changes and homelessness. The council is making significant investment in improving the housing stock and its major sport and leisure facilities.

**160.** Local community and housing services deliver a range of functions under the groupings of Local Services Network (LSN), Community Services (community learning and development, cultural services and sports, parks and countryside services) and housing services.

**161.** The structure and focus of these services has recently been changed. The LSN delivers more services through the contact centre; has changed the focus of work in local offices; and supports the seven area committees and the multi-member wards. The housing service has restructured to improve integration with the LSN. These changes have yet to be fully established and it is too early to assess their impact.

**162.** The LSN service has reduced the number of its local offices from 54 to 23. Staff are assigned to local offices or the contact centre. The contact centre deals with high volume, low complexity transactions and payments are now made through the 'PayPoint' network rather than local offices. In 2007/08, payments accounted for approximately 70 per cent of transactions in local offices. Local office staff now deal with more complex enquiries and provide assistance to particularly vulnerable residents.

aged over 65 receiving a service, from 5,807 to 5,064, and there is limited change in the proportion of clients receiving care in the evenings, overnight or at weekends. There is an increase in the proportion of clients receiving personal care from 58 per cent in 2004/05 to 69.3 per cent in 2007/08. This is still below the national average of 79.2 per cent and places Fife 26th of the 32 councils for this indicator.

**157.** The council carried out a best value review of residential, respite and day services for older people. The review identified options for future provision which were considered by a cross-party working group. The preferred option is for the council to remain as a provider and to invest £6 million in facilities between 2009 and 2011 and a further £37 million over the longer term.

**158.** The service works jointly with NHS Fife in many ways. A joint appointment has been made for a manager to develop a joint

commissioning strategy. The council and NHS Fife have integrated response teams that manage clients with complex homecare needs who have been discharged quickly from hospital. There are three Community Health Partnerships (CHP) in Fife, (Glenrothes & North East Fife, Kirkcaldy & Levenmouth and Dunfermline & West Fife) each with two local management units.

**159.** The service also works jointly with Fife Constabulary. In 2005, there was a high-profile case involving a young person who had been subject to supervision by Fife Council. Scottish ministers requested that a review of the management of the case be undertaken jointly by Her Majesty's Inspectorate of Constabulary and SWIA. The original report was published in December 2005. The recently published follow-up report on progress made by Fife Constabulary and Fife Council in implementing the recommendations of the management arrangements of the young person, found that there

**163.** LSN provides support to elected members in their ward areas and with local community groups on local projects and initiatives. The service works closely with housing and building services and with partners such as the Department of Work and Pensions (DWP). People over 65 are referred to the service, approximately 200 over the past year, and over £450,000 additional benefits were claimed in 2006/07.

**164.** In its 2008 INEA report, HMIE commented positively about the community learning and development service, in particular its strong strategic leadership. Residents' satisfaction level with the library services remains high and the SPIs indicate that five of the six indicators relating to libraries and learning centre access points show positive trends over the past three years.

**165.** The 2007 residents' survey shows a high level of importance attached to parks and open spaces and residents' satisfaction rising from 73.7 per cent in 2002 to 88.8 per cent in 2007. The parks service was awarded the APSE award in 2007 for best performance in parks, open spaces and horticulture.

**166.** SPIs indicate that attendance at sports and leisure facilities is falling. In 2007/08, the service ranked 25th nationally for both pool attendance (2,904) and attendance at other leisure facilities (3,463). The council's 2007 residents' survey showed a slight drop in satisfaction with sports and community centres to 82.5 per cent from 87.7 per cent in the 2005 survey. The council recognises the need to improve facilities and services in this area. It has recently approved a £50 million investment in its main sports and leisure centres in Dunfermline, Glenrothes and Kirkcaldy.

**167.** In 2007/08, the council established the AttFife Arts and Theatre Trust, and Fife Sports and Leisure Trust. The previous administration approved the externalisation of the arts and theatres

services and sports and leisure services and the new administration agreed to take this forward. The trusts are in transitional arrangements to manage financial and business risks and both boards report via senior officers to the Housing and Communities Committee.

#### Housing services

**168.** The housing service is responsible for the management and maintenance of over 31,000 council properties. The council faces an increasing demand for affordable housing; St Andrews, the East Neuk and parts of West Fife have been identified as pressure areas and the sale of council houses has been restricted in these locations. The council plans to invest at least an additional £5 million per annum to meet Scottish Housing Quality Standards targets by 2015.

**169.** The local housing strategy is developed and delivered through the Fife Housing Partnership. The partnership includes elected members, representatives of registered social landlords, private landlords, tenants and the building industry. The council also works closely with the Fife Housing Alliance to deliver affordable housing development. In 2007, the alliance developed 275 homes and was progressing towards a target of 303 in 2008.

**170.** Rent management by the council shows mixed performance. The proportion of tenants giving up their tenancy during the year who were in rent arrears remains the lowest among Scottish councils. In contrast, the number of current tenants owing more than 13 weeks rent at the year end has increased from 3.8 per cent to five per cent.

**171.** Management of tenancy changes and homelessness are areas for improvement. The time taken to re-let houses that were not classed as low demand has increased and the percentage re-let within four weeks has declined from 43.1 per

cent in 2005/06 to 37.6 per cent. The council has reviewed its approach to allocations and recently agreed a new allocations policy and transfer policy. The objective of these is to make the most effective use of its stock and increase opportunities for tenants, applicants and homeless people.

**172.** The average time for the council to complete its duty for cases assessed as homeless or potentially homeless has improved by over two weeks since 2005/06. The proportion of cases reassessed within 12 months has increased from 7.7 per cent in 2005/06 to 8.8 per cent in 2007/08, placing Fife 28th of the 32 Scottish councils for this indicator.

**173.** The council anticipates a 73 per cent rise in the number of homelessness applications by 2012. The Fife homelessness strategy ended in March 2008 and a revised approach is under development through the Fife Housing Partnership. The 2003 to 2008 strategy included the development of four 'Home4Good' centres, with another planned for 2008/09. The centres are a joint initiative involving council services, NHS Fife and the voluntary sector that provide a one-stop shop for homeless people.

#### Environment and development

Services such as waste management and economic development have responded well to challenges. Other areas, particularly planning, continue to perform less well.

**174.** The environment and development directorate covers a broad range of services under the groupings of asset and facilities management, development services, environmental services and transportations services.

**175.** Recycling continues to improve and is significantly up at 39.1 per cent of domestic waste collection from five per cent in 2002/03. The cleanliness indicator also shows improvement

as does the proportion of abandoned vehicles removed within 14 days. The SPLs illustrate that the cost of refuse collection and disposal continue to rise as the service phases in modernised collection arrangements. Collection costs have risen from £44.65 per property in 2005/06 to £68.59 in 2007/08, placing Fife 22nd out of 32 local authorities. The disposal costs have risen from £49.10 to £58.04 in the same time period, which compares favourably with the national average of £73.60.

**176.** The number of complaints about refuse collection has risen significantly from 7.9 per 10,000 households in 2004/05 to 52.4 in 2007/08. The council recognises that to continue to improve in waste management and reach the challenging targets it has set it now needs to pursue reduction in waste production. The residents' survey found that 98 per cent of residents view recycling and street cleaning as important services. The survey also identifies that satisfaction with waste collection has dropped since 2002 from 93.7 per cent to 67.8 per cent. The council's analysis of the data by areas shows that the reduction in satisfaction was most marked where there had been recent changes to the collection arrangements. This included the move to fortnightly collections and the introduction of three wheeled bins.

**177.** The economic development service has restructured, with the creation of four new posts to reflect the changing role of Scottish Enterprise. Fife Council and Scottish Enterprise Fife have worked in partnership to deliver a range of major projects. Economic development activity has been coordinated through the Fife Economic Forum, with a joint management team delivering a shared strategy *Growing Fife's Future 2005–2015*. The council is taking a lead role in re-launching the economic forum and continuing a partnership approach.

**178.** The council's annual economic development activity performance report 2007 illustrates continuing growth in the Fife economy across a range of indicators. However, it also states that 'despite this growth there does remain a gap between Fife and the Scottish figures in relation to some of the indicators – notably the number of new and growing businesses, productivity levels in the production sectors, research and development investment, earnings and number of graduates, where work remains to be done'.

**179.** The processing time for planning applications has improved. The proportion of all planning applications processed within two months has improved from 48.2 per cent in 2005/06 to 53.7 per cent in 2007/08, although this remains below the national average of 58.7 per cent. Householder applications have improved from 64 per cent to 71.9 per cent, also below the national average of 76.3 per cent. In comparison to the other 32 Scottish councils, Fife is placed 25th and 24th for these two indicators respectively. A new team of managers in the service, in post since March 2008, are developing a business plan focused on service improvement. The CMT is monitoring progress.

**180.** The council should continue to monitor and review the effectiveness of delegated arrangements for planning decisions. In particular, the North East Area Committee deals with a high number of planning applications, with as many as 57 at one meeting, skewing the workload of this committee. An assessment by the service in March indicated that of planning applications going to area committees 48 per cent were not discussed.

# Part 4. What needs to improve?



Fife Council has increased its pace of change and is developing its approach to best value and continuous improvement. It is ambitious and has a good awareness of its improvement priorities. The council is implementing a cohesive approach through the corporate improvement programme. Elected members need to play a more active role in delivering this approach and this can be helped by more effective performance reporting.

**181.** Continuous improvement in public services and local governance lie at the heart of the Best Value and Community Planning policy framework. Elected members must focus on key policy objectives and the needs of service users and communities, driven by the desire to achieve the highest possible standards in service delivery. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.

**182.** Fife Council is developing a strategic approach to continuous improvement and has shown good self-awareness of what it needs to do to demonstrate best value. While it has carried out various improvement activities in the past, these have not been part of a cohesive programme. The corporate improvement programme has the potential to focus improvement activity. This is an ambitious programme of work that would benefit from further prioritisation. The council must consider how it will secure the resources to enable successful delivery of the programme and it should introduce monitoring of milestones and regular reporting on progress.

**183.** Elected members need to become more actively involved in driving improvement and implementing best value at a strategic level. Reporting by officers should be developed to ensure that elected members receive sufficient

## Fife Council improvement agenda

- Ensure elected members are actively involved in improvement and implementing the best value agenda at a strategic level, and support this through effective training and development for elected members.
- Support elected members with their responsibilities in relation to police and fire services.
- Continue to develop the performance management framework, ensuring it encompasses regular monitoring and reporting updates to elected members to support effective scrutiny.
- Develop scrutiny arrangements in line with good practice.
- Continue to develop and implement cohesive strategies for the effective management of resources including finance and workforce planning.
- Ensure progress of corporate improvement programme by setting clear priorities, establishing milestones and routinely reporting performance.
- Undertake systematic review of competitiveness across services.
- Demonstrate the impact of efficiency savings on service delivery.
- Continue to implement the planned improvements for customer service.
- Develop action plans for tackling areas of poorer performance including housing services and planning, ensuring these are regularly monitored and reported.
- Continue to develop the role of area committees and local community planning arrangements.

and timely information from which they can assess and monitor progress. The council should review how it discharges its best value responsibilities in relation to police and fire services.

**184.** The council needs to maintain the pace of change, particularly in key areas of best value including performance management and strategic resource management. It needs to develop and implement strategies for community engagement, financial management and workforce planning. More needs to be done to demonstrate the impact of efficiencies and the competitiveness of services.

**185.** The area committees have the potential to strengthen community engagement and localise decision-making. The area committee structure has only been in place for a short period and the council now needs to ensure that area planning

arrangements are fully developed and supported by effective performance reporting and scrutiny arrangements. Consideration should also be given to the role of area committees in relation to the developing local community planning arrangements.

**186.** The improvement agenda sets out a number of priority actions designed to focus the council on key areas for improvement. They are intended to assist the council in identifying its priorities for action. In developing its improvement plan the council should set out specific actions and targets by which progress can be measured. Timescales need to be challenging but realistic, taking into account available capacity. The improvement plan will provide the basis for review and monitoring by the council's external auditor over the coming years.

# Fife Council

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