

Address:
110 George Street
Edinburgh
EH2 4LH

Telephone:
0845 146 1010
Fax:
0845 146 1009

Website:
www.audit-scotland.gov.uk

APPENDIX 1

Mr David McMillan
Chief Executive
West Dunbartonshire Council
Council Offices
Garshake Road
Dumbarton
G82 3PU

14 December 2006

Dear Mr McMillan

I am writing to advise you of the next steps in the Accounts Commission's consideration of the Controller of Audit's report of the Best Value and Community Planning audit of West Dunbartonshire Council. Following the hearing held in Clydebank on 29 and 30 November 2006 the Accounts Commission has now made findings on the Controller of Audit's report and I attach a copy.

The statutory provisions now require your Council to consider the Commission's findings at a meeting of the Council within three months of receiving them or within such longer period as the Commission may specify in writing. This duty must be discharged by the full Council, and not by a committee, sub committee or an officer. At least seven clear days before the meeting there must be published in a newspaper circulating in your area a notice stating the time and place of the meeting, indicating that it is to be held to consider the findings of the Commission and describing the nature of those findings. After your Council has met, the Commission must be notified of any decisions made and your Council must also publish in a newspaper circulating in your area a notice containing a summary, approved by the Commission, of your Council's decision. You will see that the findings contain recommendations by the Commission to the Council and this means that the Council must decide –

- (a) whether to accept any or all of those recommendations;
- (b) what, if any, action to take in response to those recommendations.

It is the normal practice for us to print the Commission's findings together with the Controller of Audit's report and circulate this to stakeholders. We will do so in due course but in this case we are taking the step of releasing the findings immediately. Our intention is to release the findings to the media on the morning of Friday 15 December. We will let you have a copy of the media release as soon as it is ready.

I look forward to hearing from you in due course.

Yours sincerely

W F Magee
Secretary

ACCOUNTS COMMISSION FOR SCOTLAND
BEST VALUE AUDIT OF WEST DUNBARTONSHIRE COUNCIL
FINDINGS

Introduction

1. The Controller of Audit made a report on the audit of Best Value and Community Planning in West Dunbartonshire on 3 October 2006. The report was made to the Accounts Commission for Scotland under s.102 (1) (c) of the Local Government (Scotland) Act 1973.
2. On 11 October 2006 the Accounts Commission considered the report together with letters from the Chief Executive of the Council dated 6 and 11 October and a letter from Councillor Craig McLaughlin dated 10 October. In the light of all the circumstances of the case and representations received the Commission decided to hold a hearing.

Hearing

3. The hearing was held on 29 and 30 November in Clydebank. We heard evidence from:
 - Audit Scotland
 - The Council Leader, the Chief Executive and the former Chief Executive.
 - Councillor Craig McLaughlin
 - Jackie Baillie MSP
 - Mike O'Donnell, Community Planning Partnership Manager
 - John McFall MP
 - Councillor Jim Bollan
 - Councillor Geoff Calvert
 - Councillor Dennis Brogan
 - Councillor Jim McCallum
 - GMB, TGWU and UNISON Trade Unions
 - Archie Thomson MBE
 - Rosshead Tenants and Residents Association
 - Silverton and Overtoun Community Council.
4. The Commission received requests from a number of other individuals to be heard but we declined them as we took the view that the witnesses listed above were best placed to assist us in considering the Controller of Audit's report. We also received a number of requests to give evidence in private. The reasons given for these requests were that individuals would be identified if they gave evidence in public and they feared reprisals if that were so. After careful consideration we declined to hear evidence in private. We were asked to take evidence under oath. We decided not to do so as a generality, reserving the right to do so in the case of any individual witness where we thought it appropriate. In the event we did not administer the oath to any witness. A transcript of the hearing is available on Audit Scotland's website at www.audit-scotland.gov.uk.
5. We recognise that, as it states, the Controller of Audit's report gives a broad picture of the Council's performance based on the work of Audit Scotland and the findings of

other scrutinising bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. Our findings do not attempt to confirm or refute all the points covered in the report.

Process

6. We base these findings on:
 - The Controller of Audit's report
 - The written submission sent by the Council's Chief Executive in advance of the hearing.
 - The evidence given at the hearing.
 - The documents referred to in evidence at the hearing.
7. The Council in its submission and some of its evidence challenged the report on the grounds that it was inaccurate, lacked balance and was unduly negative in tone. In the light of the evidence to the hearing we disagree with this general criticism of the report and we find that it gives a fair overall impression of how the Council operates.
8. The Council made a number of criticisms of the way in which Audit Scotland carried out and reported on the audit. Some of those criticisms are appropriate for inclusion in our current review of the Best Value audit process. In our view, however, the audit was carried out in accordance with the principles which we consulted upon and agreed at the beginning of the Best Value audit programme, and the Council was generally treated in the same way as other councils have been.

Background

9. West Dunbartonshire Council faces many difficulties. Its area is ranked fourth in the Scottish Index of Multiple Deprivation. It has the second lowest male life expectancy figures in Scotland and there are other poor health indicators. The area also faces significant economic problems. In the face of these difficulties the Council has achievements to its name, and there are several examples of effective service delivery in areas such as education and social work. There are, however, some areas of housing and technical services that are amongst the worst performing across Scottish councils. Overall, service delivery is in the middle area of performance, an assessment which the Council accepts. This should not be taken as criticism of the many staff of the Council who work hard to deliver services to the community.

Findings

10. The Commission finds that decision making at the highest levels in the Council is not as open and transparent as it should be. For example, important decisions have been taken without full option appraisal and as a consequence the rationale for some decisions is unclear, such as the decisions on the allocation of the schools improvement fund. There are significant deficiencies in corporate decision making at both member and officer level, which call into question the process and basis for some decisions.
11. There are serious problems of staff morale. We heard allegations of a culture of bullying and harassment from, among others, councillors and Trade Union representatives. We did not investigate individual allegations and therefore we make no findings on these individual allegations. We are concerned about the assertion that individuals were afraid to give evidence in public for fear of reprisals. This issue

of a culture of bullying and harassment, whether real or perceived, must be addressed immediately.

12. We had conflicting evidence on Community Planning. Criticisms were made of the Council's dealings with some areas of its community. On the other hand there was evidence of some effective working with community planning partners. The position in West Dunbartonshire appears to be at no great variance from that of several other councils in Scotland.
13. The scrutiny regime in the Council is inadequate and there is scope for significant improvement. The operation of the arrangements for scrutiny must be reviewed, particularly as all groups of councillors need to be engaged in scrutiny. The improvements must include appropriate training for all councillors to enable them to play their role to the full.
14. There is a lack of effective leadership from senior elected members and officers, and there are poor relationships among elected members and between members and officers.
15. The Commission finds that the Council is not currently in a position to deliver Best Value. We welcome the preparation by the Council of a draft improvement plan. We also welcome the Council's recognition that this draft plan needs to be supported by a detailed action plan with specific, timetabled outcomes, and allocation of responsibilities and resources. The Commission, however, does not have confidence that the Council has the corporate capacity to deliver the planned improvements in an acceptable timescale. The Council must recognise the deficiencies described in the Controller of Audit's report and highlighted in these findings, and accept the need for effective leadership and for external assistance.

Recommendations

16. The Commission therefore recommends to the Council that it takes immediate action to –
 - i. Review the following decisions in the light of Best Value guidance on corporate decision making –
 - Allocation of schools improvement fund
 - Partial housing stock transfer
 - Closure of facilities in Renton.
 - ii. Prepare and formally adopt an improvement plan to address these findings. That plan must provide for the following –

Immediate priorities

- Establish arrangements and working practices which demonstrate openness and accountability in strategic decision-making processes
- Develop and implement medium to longer term strategies to ensure effective management of resources, including financial planning and workforce planning. These arrangements should also be integrated with the service planning process
- Ensure robust and effective scrutiny arrangements, including the involvement of opposition elected members, covering the council's

decision-making processes as well as service performance, are put in place

- Develop a culture to support best value and continuous improvement across the organisation
- Review political and managerial structures to ensure that they operate effectively and are complementary
- Provide elected members with support and training to discharge their functions
- Agree and adopt formally an up to date community plan. Continue to drive the community planning partnership with a focus on defined outcomes
- Establish robust action plans for all areas of poor performance identified within the best value report and housing services in particular
- Refine and embed the new performance management framework, improve traffic light reporting to better support scrutiny, resource allocation and public performance reporting
- Establish robust arrangements from which the council is able to demonstrate the competitiveness of its services
- Develop and embed a risk management culture across the council.

Medium term priorities

- Ensure robust review and option appraisal is undertaken on all services
 - Implement a leadership and management development programme
 - Review community engagement activity for efficiency and effectiveness.
- iii. Allocate sufficient resources to implement the actions in the plan.
- iv. Engage external assistance to deliver the necessary improvements.

Further report

17. We require the Controller of Audit to make a further formal report on the Council's progress in implementing its statutory Best Value duty as at 31 July 2007.

14 December 2006