

Accounts Commission/Auditor General for Scotland response to the Rocket Science independent evaluation of the first three audits of Community Planning Partnerships (CPPs)

Community Planning in Scotland

1. Community Planning is the process by which councils and other public bodies work together, with local communities, the private and voluntary sectors, to plan and deliver better services and improve the lives of communities. By working together, public organisations can share resources and avoid duplication, coordinate their efforts on agreed priorities, and improve services for local people.
2. The importance of Community Planning has been recognised for many years and it has gone through a series of changes and developments since its introduction in the late 1990s. Community Planning was given a statutory basis by the Local Government in Scotland Act 2003 (the Act). Following the Act, CPPs were established in each of Scotland's 32 local authority areas. Under the Act:
 - councils have a duty to initiate, facilitate and maintain Community Planning
 - NHS boards, the police, the fire and rescue services, and the enterprise agencies have a duty to participate in Community Planning. This duty was later extended to Regional Transport Partnerships in 2005
 - CPPs are required to engage with communities, report on progress, and publish information on outcomes
 - Scottish ministers, the Scottish Government and its agencies have a duty to promote and encourage Community Planning
 - councils can invite other bodies such as colleges, higher education institutions, business groups, voluntary organisations and community groups to take part in Community Planning, although these are not statutory partners.
3. The Act, and the later statutory guidance, aimed to establish Community Planning as the key means of leading and coordinating partnership working and initiatives at the local and neighbourhood level. Community Planning should add value by:
 - providing a local framework for joint working
 - building a culture of cooperation and trust
 - improving public services
 - making the best use of public money.
4. The structure of CPPs and the areas they cover vary considerably, depending on the size and geography of the council area, socio-demographic factors, the local economy and local political priorities.

5. Audit Scotland's national report in 2006, ['Community planning: an initial view'](#), highlighted the fact that there was limited evidence of impact on improving services for local communities and called on CPPs to simplify their structures and be clearer about their objectives. The introduction of Single Outcome Agreements (SOAs) in 2009/10 aimed to address these concerns, with an emphasis on outcomes and impact and a more structured approach to performance monitoring.
6. Despite these changes, there have continued to be concerns about the effectiveness of Community Planning and its impact. In 2011, the Christie Commission concluded that Scotland's public services needed urgent reform in order to meet the challenges of meeting increasing demands at a time of falling resources.
7. The Scottish Government and COSLA reviewed Community Planning and the Single Outcome Agreements (SOAs) in 2012. They published a joint 'Statement of Ambition', setting out expectations for Community Planning, and putting the community planning process at the heart of public service reform by describing the expectation that CPPs would:
 - take the lead role in integrated public services
 - identify potential problems and ways to prevent them
 - ensure continued improvement in the management and delivery of public services
 - achieve better outcomes for communities
 - provide the foundation for effective partnership working.
8. The Statement of Ambition is clear that significant improvements are needed in Community Planning to respond to the challenges of reducing public finances and increasing demand for services. This Statement of Ambition informed the design of the CPP audits in terms of identifying some of the areas of exploration.

Background to the early Community Planning Partnership (CPP) audits

9. The Scottish Government asked the Accounts Commission to prepare an outline case of how external audit and inspection might support the delivery of better outcomes by Community Planning Partnerships (CPPs).
10. Audit Scotland worked with its scrutiny partners – Education Scotland, Care Inspectorate, Her Majesty's Inspectorate of Constabulary for Scotland (HMICS), the Scottish Housing Regulator (SHR), and Healthcare Improvement Scotland – and other key stakeholders, including COSLA, SOLACE, the Improvement Service and the Scottish Government, to develop an audit framework for supporting improved performance and accountability of Community Planning Partnerships.
11. The audit methodology was tested in three early audits led by Audit Scotland on behalf of the Accounts Commission and Auditor General for Scotland. These audits were carried out in Aberdeen City, Scottish Borders and North Ayrshire during summer 2012 and the [audit reports were published in March 2013](#).
12. At the same time a national overview report was published which drew on the common messages emerging from these three reports together with Audit Scotland's insights and conclusions drawn from its previous Best Value audit work in local government, police and fire, previous performance audits on partnership working (e.g. Community Health and Care Partnerships) and earlier national reports on Community Planning.
13. The early audits of CPPs aimed to assess the extent to which effective arrangements for joint working at a local level had been put in place and had a focus on individual CPP performance and impact. Specifically, by focusing on four key areas (strategic direction, governance and accountability, performance management and improved outcomes and impact), the audits aimed to assess whether CPPs had made a difference at the local level.

Independent evaluation of the early CPP audits

14. Audit Scotland commissioned Rocket Science to carry out an independent evaluation of the effectiveness of the three early audits of Community Planning Partnerships, to identify the lessons learnt from the early audits, and to inform the review and refinement of the CPP audit approach.
15. The specific tasks outlined in the brief were to:
 - Appraise the extent to which the three local audits have provided a clear evidence-based assessment of strategic direction, governance and accountability, performance management and use of resources, impact and outcomes.
 - Gather evidence on the broader aspects of the audit process, including:
 - How robust the audit methodology was
 - What refinements might usefully be made to the audit methodology and approach to improve the impact and effectiveness of the audit
 - How well was self-evaluation addressed during the audit process
 - How successful has the new audit approach been in promoting and supporting improved accountability of CPPs
 - How effectively have the audits supported improvement within the CPPs
 - How successful was the partnership working with other scrutiny bodies
 - What did CPPs think of the process?
 - Explore with audit teams, CPPs and other parties the merits or otherwise of direct peer involvement in CPP audits.
 - Assess the experience of, and opportunities provided by, working jointly on the CPP audits, from the perspective of the scrutiny partners.
 - Identify the extent to which any constraints were created by the audit delivery and reporting timetable set by the Scottish Government, particularly the limited flexibility of these due to scheduling of other audit fieldwork and inspection commitments.
 - Explore with key stakeholders how effectively the process of publicly reporting on the performance of CPPs has contributed to improved public accountability.
16. The evaluation was broken down into a number of stages and completed during February - April 2013. The principal stages were:
 - Desk based research to review the audit process and documentation, including the Statement of Ambition for Community Planning, the key lines of enquiry for the audits (KLOE), the Accounts Commission's proposals to Cabinet Secretary for Finance, Employment and Sustainable Growth for how they intended to approach auditing CPPs, the three published local audit reports, and the quality control processes that were applied when undertaking the three early audits.
 - In depth interviews with the three CPPs, including the Local Authority leads and other senior staff (including the Chief Executive in two Local Authorities) and a selection of CPP board members, representing health, police and further education.
 - In depth interviews with scrutiny partners and The Improvement Service, including Education Scotland, Scottish Government, Care Inspectorate, HMICS, and SHR.

- Interviews with Audit Scotland staff, the Auditor General for Scotland and the Chair of the Accounts Commission.
- Interviews with Audit Scotland staff and engagement with the Audit Scotland internal review process.
- Attendance at an internal feedback workshop with the audit design and delivery teams and subsequent facilitation of a workshop with them at which we presented and discussed our findings.
- Production of draft and final reports and reporting findings to Audit Scotland and the Accounts Commission.

Independent evaluation findings

17. The key conclusions in the evaluation report are summarised below (Table 1).

Table 1

Key conclusions from CPP audit independent evaluation work

- The audits have proved timely and valuable. They describe the key issues around CPPs in ways which are likely to help CPPs across Scotland to look at themselves and act to enhance both their impact and their ability to describe it.
- The key messages were reported clearly and succinctly and the structure and logic of the approach and the methodology have been widely appreciated.
- The leadership of the overall audit process attracted praise from all those interviewed, in particular the role played by the manager of the CPP audit process.
- All the wider stakeholders expressed strong support for the process and methodology and felt that the reports would prove valuable in helping CPPs to improve their focus, rigour and performance.
- The response to the audit reports by the three CPPs was mixed at draft report stage. The CPP audits were a new kind of audit, and the discussions around the draft reports were valuable in helping to ensure that the final reports were felt to be fair and reasonable.
- The timescales for the implementation of a new kind of audit were demanding. The demands of this timescale did affect a number of aspects of the audit process and the report:
 - Discussion about the scoping documents was limited.
 - The fieldwork period was relatively short and there would be benefit in extending the fieldwork period in future audits.
 - The scope to take forward the audits as a genuine partnership was constrained and Audit Scotland had to provide a strong and driving lead in order to produce the reports on time.
- There is scope to simplify and focus the methodology to ensure greater consistency of application across future audits.
- The audit delivery teams were drawn from different teams within Audit Scotland and the balance of these teams varied between CPPs. This seemed to affect the style of engagement.
- There were some mismatches between the expectations of the different 'volunteer' CPPs and the purpose and focus of the audit. These expectations influenced the response of these CPPs to the reports – with quite a variation in the perceived value of the reports in terms of identifying the scope for improvement.

- There are some issues around data and attribution that will require further thought:
 - The lack of data to enable auditors to explore progress against SOA outcomes.
 - The reasonable expectations made of CPPs against a background of a severe and prolonged economic downturn, real decreases in public sector spending, and solid evidence of widening inequalities across the UK.
 - The lack of data in a format which allows comparison across the CPPs.
 - The difficulty of attribution of changes in data to CPP action.
 - The use of aggregate public budgets for localities.
- The CPP audit reports and the national overview report make clear that all the partners bear a responsibility for creating the conditions in which CPPs can succeed. Notably, the NHS and the Scottish Government are identified as having a clear role to play in helping to transform performance. What is clear from the reports is that without such action there remains a significant risk that the potential of CPPs to make a significant impact locally on a range of inequalities will remain unfulfilled.
- There are differences of approach and perspective which influenced the early audits:
 - The scrutiny partners have different priorities and approaches
 - The teams within Audit Scotland are familiar with different audit approaches (eg those appropriate for Best Value audits, performance audits and annual financial audits)
 - The different CPPs displayed different approaches to the task.

This mix meant in practice that the agreed methodology was interpreted in different ways and the nature and quality of the engagement with CPPs, and the extent to which the audit report met expectations and proved valuable, varied between audits.

Source: Rocket Science (edited)

What happens next?

18. The Accounts Commission gave initial consideration to the [Rocket Science independent evaluation report](#) at its June 2013 meeting, and at its August 2013 meeting agreed a joint response with the Auditor General for Scotland to the report's recommendations. The Rocket Science report was also considered by Audit Scotland's Management Team. The actions that the Accounts Commission, the Auditor General for Scotland and Audit Scotland will take in response to the report recommendations are set out in Appendix 1.
19. In taking forward these improvement actions, the Commission, Auditor General and Audit Scotland will continue to engage with key stakeholders such as COSLA, SOLACE and the Scottish Government to ensure that the CPP audit process continues to develop in a manner that reflects the changing context of public service delivery in Scotland, not least the changing financial context.

Appendix 1: Action that is being taken by the Commission and Auditor General for Scotland in response to the CPP audit evaluation

Rocket Science recommendations	Action to be taken in response to the recommendations
<p>Rocket Science recommended that: Audit Scotland should clearly signal an intent that all CPPs will be audited. On the basis of our findings we agree that it is appropriate and realistic in the first instance to roll out another 4 – 5 CPP audits over a period which ensures that the time constraints of the early audits are not repeated. These audits will evolve and Audit Scotland should make this expectation clear. They are likely over time to focus more on outcomes and less on leadership, governance and process; more on current issues and future challenges and less on the history of each CPP; they will differ according to the different priorities and challenges in each area; the lessons of the early audits will be taken on board; there will be scope to create a stronger team approach with scrutiny partners; and there will be an opportunity for Audit Scotland to offer more advance guidance (see below).</p>	<p>This recommendation is accepted in that the Accounts Commission and Auditor General for Scotland are committed to continuing to maintain an independent overview of the progress that is being made nationally and locally in securing the improvements in Community Planning that are anticipated in the March 2012 Statement of Ambition for Community Planning as part of their core programme of work.¹</p> <p>This reflects our shared view that Community Planning is an important element of the public service reform agenda and that Community Planning Partnerships are one of the key drivers of change and improvement in local public services.</p> <p>We do not think that it would appropriate at this stage to commit to a programme of auditing all 32 CPPs. Instead, in the short term we will undertake up to five further CPP audits during 2013/14 and prepare a further national report on improving Community Planning in Scotland in 2014. Those local audits will draw on the lessons learnt from the three early CPP audits and the findings of the independent evaluation report. These audits will focus more on current issues and future challenges and capacity for improvement, and less on the history of each CPP than was the case in the three early audits. The next five audits will be bespoke and their scope and focus will differ according to the particular priorities and challenges in each area. Given the central importance of effective leadership in driving improvement the quality and effectiveness of shared leadership will be tested as part of the audit work. Governance arrangements will also continue to be an important theme of the audit work, but we anticipate this having less prominence as CPPs improve their planning and performance management arrangements and are better able to demonstrate the impact of their activity in securing improved outcomes.</p> <p>The audit approach will be kept under review and will continue to be refined to ensure that it reflects the changing context of public service delivery in Scotland.</p>

¹ Review of Community Planning and Single Outcome Agreements. Statement of Ambition. Scottish Government/COSLA, March 2012.

Rocket Science recommendations	Action to be taken in response to the recommendations
<p>Rocket Science recommended that: Where appropriate and valuable this roll out should be complemented by cross CPP audits (for example, of their response to welfare reform or the way in which CPPs are tackling a specific issue which many or all of them have in common).</p>	<p>This recommendation is accepted. The Accounts Commission and Auditor General for Scotland will undertake thematic cross-cutting audit work, when appropriate, as part of their performance audit work programme. Any such work will be selected on the basis of its significance, topicality, and the scope that it offers to support improved performance by Community Planning Partnerships.</p> <p>The national report on improving Community Planning in Scotland that is planned for publication in 2014 will seek to assess the progress that is being made nationally and locally in securing improvements in community planning, including the identification of any significant barriers to change and improvement. This report will also be used to identify key cross cutting themes that should feature as future performance audits</p>
<p>Rocket Science recommended that: Audit Scotland should provide advance guidance for all CPPs on:</p> <ul style="list-style-type: none"> • The core aspects of future CPP audits – in other words, those aspects which will form part of all CPP audits and so allow changes over time to be identified • The Key Lines of Enquiry and how they will be used • The scope for bespoking the approach to local issues and areas which Audit Scotland and the CPP agree it would be valuable to explore and the significance of the Audit Scope document in setting out this agreement • The centrality of the SOA and the expectation that data will be available to audit progress against SOA indicators • The nature of the engagement that Audit Scotland will be seeking, what this will involve, and any preparatory work that would be useful. 	<p>This recommendation is accepted. Guidance material will be prepared by Audit Scotland, covering all of the areas suggested by Rocket Science. That material will then be placed on Audit Scotland's website and shared with Community Planning Partnerships by autumn 2013.</p>

Issue Rocket Science recommendations	Action to be taken in response to the recommendations
<p>Rocket Science recommended that: Audit Scotland should refine and simplify the KLOE so that it is clear where the main focus of interest lies in terms of significance and likely impact. We recommend that the KLOE should be more clearly focused on the outcomes identified and achieved by CPPs and specifically around the four issues of:</p> <ul style="list-style-type: none"> • Analysis and prioritisation: Have the key local issues and challenges been identified and are these reflected in clear priorities, particularly around a shift from responding to symptoms to tackling causes? • Embedding priorities, actions and behaviours across the partnership and within each partner organisation • Encouraging and supporting collaborative behaviour across all staff • Actively managing performance against the SOA outcomes. <p>These would reflect the four pillars of the Scottish Government's response to the report of the Christie Commission.</p>	<p>This recommendation is accepted. Audit Scotland will refine and simplify the KLOE in response to the Rocket Science recommendations and will then publish the updated KLOE on Audit Scotland's website. The KLOE will also be shared with Community Planning Partnerships by autumn 2013 to enhance the transparency of the audit process.</p>
<p>Rocket Science concluded that: The advance publication of the KLOE will inevitably drive behaviours in some CPPs, but it is clear from our interviews that the most important and effective motivation for high performance is rooted in an appreciation of the scale of impact that effective partnership action can make.</p> <p>Rocket Science recommended that: Future audits should seek opportunities to describe and convey the potential of CPPs to drive improved performance in this way.</p>	<p>This recommendation is accepted. Audit Scotland will ensure that future CPP audits clearly highlight where CPPs are acting as a key vehicle for driving public service reform and improving outcomes for their area.</p>

Issue Rocket Science recommendations	Action to be taken in response to the recommendations
<p>Rocket Science reported that: We have considered the option of the audits becoming joint audit reports by the scrutiny partners, with the lead shared across CPPs. This idea has some appealing aspects:</p> <ul style="list-style-type: none"> • It would attract the support and greater commitment of some of the scrutiny partners and share the leadership load • It would reflect, in its joint working, the nature of CPPs • It would allow the CPP audits to absorb some aspects of the inspection role of some of the partners and so reduce duplication. <p>Rocket Science recommended that: the audits should remain in their current form because:</p> <ul style="list-style-type: none"> • Audit Scotland focuses on the independent scrutiny end of the spectrum of approaches from scrutiny to improvement. This means that it is an appropriate leader of the process. • The different statutory roles and responsibilities of the scrutiny partners might lead to methodological differences of tone and lead to a dilution of the specific focus of CPP audits. • The need to report to 5 different board structures would significantly delay the process of reporting and may highlight differences in terms of tone and content. <p>Rocket Science concluded that: there is scope to adopt aspects of the 'professional dialogue' approach of partners such as Education Scotland and we believe that this would enhance mutual understanding between audit teams and CPPs. In addition, at the Audit Scope stage it may be possible to identify areas of shared concern which would support integrated and streamlined scrutiny approaches. This could take a number of forms:</p> <ul style="list-style-type: none"> • Identifying areas of exploration which will produce evidence which can be used by more than one partner and perhaps relate to upcoming audits. • Identify areas where the expertise of scrutiny partners can be brought to bear to enhance insights and add value to the report. • Identify local priority areas of action where joint work by audit team partners would be valuable. • Scrutiny partners could highlight areas where they may already have identified risks around weak partnership action. 	<p>The Accounts Commission and Auditor General for Scotland accept the recommendation that CPP audit reports should not be jointly-badged reports with scrutiny partners. They also ask Audit Scotland to develop the future CPP audit approach as a partnership with scrutiny partners so that the audit maximises the effectiveness of the contribution of different agencies to enhance insights and add value to CPP audit reporting. This will involve improved joint planning and delivery of future CPP audits with scrutiny partners and the development of a more explicit commitment to 'professional dialogue' during the audit process.</p>

Issue Rocket Science recommendations	Action to be taken in response to the recommendations
<p>Rocket Science concluded that: The audit reports highlight some significant data issues – notably around how difficult it has proved to describe performance against SOA outcomes. Audit Scotland’s practical experience will be of value to the Improvement Service and the Scottish Government as appropriate actions around data inadequacies are explored in detail and as draft SOAs are assessed. This work needs to take account of macro-economic and national policy changes and the different ways in which these make themselves felt in each CPP area.</p> <p>Rocket Science recommended that: For the next round of CPP audits there are a number of changes that will be making themselves felt, including the integration of health and social care, welfare reform and the impact of Universal Credit and this should be taken into account in assessing the difference made by CPPs.</p>	<p>This recommendation is accepted. The CPP audit will take into account significant macro-economic and national policy changes and their likely impact on the local area when forming audit judgements. This issue will feature as part of the training of all auditors in advance of undertaking any CPP audit work.</p>
<p>Rocket Science concluded that: There is strong and consistent support for the use of peers in audit teams.</p> <p>Rocket Science recommended that: [Peer involvement] should become standard practice for future CPP audits. Audit Scotland will need to work with its partners to ensure that:</p> <ul style="list-style-type: none"> • The role of the peer group members is clear and explicit: they should be seen as experts and advisers rather than full members of the audit team and they should not be involved in writing the report. • Experienced people are selected who will be credible and trusted and in a position to add value through their engagement with CPP partners (particularly if there are opportunities for more ‘professional dialogue’ to be built into the audit process). • The benefits of having these experienced peer group members are fully realised by agreeing clear guidance for the way in which they engage both with CPP staff and with the rest of the audit team. 	<p>This recommendation is accepted.</p> <p>Audit Scotland already has extensive experience of successful peer involvement through its local government and fire and rescue Best Value audit work. It will draw on that experience when developing its approach to peer involvement in the CPP audit. An important aspect of taking forward this recommendation will be ensuring role clarity for peers that participate in CPP audits, drawing effectively on their knowledge and experience, whilst at the same time maintaining the independence of the CPP audit judgements.</p>
<p>Rocket Science recommended that: The audits provide an opportunity for Audit Scotland to enhance understanding about the areas where partnership action may and may not be the most appropriate way of tackling all key challenges and issues. In practice the landscape of accountability created through the SOA and partners’ own plans is likely to be complex, made up of unilateral action and different kinds of working arrangements and commissioning involving one or more of the partners and other providers. There is therefore a clear distinction to be made between the fundamental significance of effective partnership action around the CPP table and the way in which action is implemented (which may or may not be best achieved through partnership action).</p>	<p>This recommendation is accepted. The CPP audit will take into account the complexity of strategic and operational partnership working which means that attribution can be complex and ‘soft’ evidence is important in informing audit judgements. Ensuring that audit staff properly understand the challenges that face public bodies in addressing complex and intractable issues such as inequality of outcomes and measuring and demonstrating the impact of their joint actions is an important issue for Audit Scotland. We will provide staff with appropriate training in advance of undertaking any CPP audit work to ensure that they are able to balance empathy and understanding with an appropriate level of professional scepticism when undertaking CPP audits.</p>

