
Report To:	Policy and Resources Committee	Date:	5 February 2019
Report By:	Head of Organisational Development, Policy and Communications	Report No:	PR/33/18/SMcN/KB
Contact Officer:	Karen Barclay, Corporate Policy Officer	Contact No:	01475 712065
Subject:	Audit Scotland Reports on Fife, East Ayrshire, West Dunbartonshire, Glasgow City East Lothian and Dumfries and Galloway Councils		

1.0 PURPOSE

1.1 The purpose of this report is to summarise Audit Scotland's 2018 Best Value Assurance Reports (BVARs) on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils, and propose improvement actions for implementation by Inverclyde Council.

2.0 SUMMARY

2.1 Summaries of the key issues from Audit Scotland's Reports on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils are set out in sections 5-10.

2.2 Areas highlighted at the six local authorities include:

- the Council's vision;
- performance;
- partnership working; and
- improvement.

2.3 A number of case studies are included in the Reports, information on which is outlined in Appendix 1. Attached at Appendix 2 are details of potential improvement actions for implementation by the Council.

APPENDICES
1 & 2

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- a. notes the content of Audit Scotland's BVARs on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils and takes cognisance of the recommendations made in respect of each Council; and
- b. notes that Officers are considering implementing the proposed improvement actions, as appropriate.

Ruth Binks
Corporate Director – Education, Communities and Organisational Development

4.0 BACKGROUND

4.1 The findings of relevant Audit Scotland reports on local authorities are reported initially to the Corporate Management Team and thereafter to the Policy and Resources Committee, together with details of potential improvement actions for implementation. Consideration of such reports ensures that we are kept updated about issues raised by Audit Scotland regarding other Councils; additionally, this information provides us with the opportunity to explore how we might learn from other local authorities with the aim of improving local service delivery.

4.2 Summaries of the key issues and recommendations in the reports on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils are set out in sections 5-10. Outlined in Appendix 1 are details of case studies included in the BVARs while Appendix 2 provides information on potential improvement actions for implementation by Inverclyde Council.

4.3 The documents reviewed in this report are the new BVARs which aim to offer a rounded and comprehensive analysis of a Council's performance. A BVAR will be produced for each local authority every five years. The documents cover:

- the clarity of a Council's priorities and the quality of long-term planning to achieve these;
- how effectively Councils are evaluating and implementing options for significant changes in delivering services;
- how effectively Councils are ensuring that Elected Members and Officers have the right knowledge, skills and time to lead and manage delivery of Council priorities;
- how effectively Councils are involving citizens in decisions about services; and
- the quality of Councils' Public Performance Reporting to help citizens gauge improvement.

4.4 As the Committee will be aware, Inverclyde Council was the first local authority to be audited by Audit Scotland as part of its new process of Best Value Audit. Inverclyde's BVAR was published on 1 June 2017 and a report on its contents, together with an Improvement Plan, was submitted to Inverclyde Council on 29 June 2017.

Min. Ref.
Inv. Coun.
29.6.17
Para 361

4.5 At the time of writing, a number of other Best Value reports have been published by Audit Scotland:

- Renfrewshire BVAR
- East Renfrewshire BVAR
- East Dunbartonshire BV follow-up
- West Lothian BVAR
- Orkney Islands BVAR
- Clackmannanshire BVAR
- Falkirk BV follow-up.

4.6 A report on the above BVARs (excluding the follow-up documents) was considered by the Policy and Resources Committee at its meeting on 27 March 2018.

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27.3.18
Para 212

5.0 FIFE COUNCIL: BEST VALUE ASSURANCE REPORT

5.1 Fife Council's BVAR was published on 24 May 2018. The key areas of focus were:

- the Council's vision and strategic direction;
- performance;

- use of resources;
- partnership working; and
- continuous improvement.

5.2 Fife Council – Key messages

Audit Scotland found that Fife had maintained good progress since its last Best Value (BV) report nine years ago. Its approach to continuous improvement is well-developed and it uses a range of tools and methods to review its processes and performance. The Council has also introduced a new programme with the aim of empowering its employees and fostering a culture of improvement.

- 5.3 Fife and its Community Planning Partners (CPPs) share a clear strategic direction through their joint commitment to the Plan for Fife 2017/27. The Council understands the issues and challenges facing the area as it has undertaken extensive research and carried out engagement with communities. However, it still needs to develop Delivery Plans with specific actions and finalise the respective performance monitoring arrangements.
- 5.4 Audit Scotland noted that Elected Members and Officers at Fife demonstrate effective leadership; there are also signs that the Joint Administration is working well.
- 5.5 There has been continuous improvement in the performance of services and the Council broadly tracks national trends. There is a focus on improving areas of weaker performance (including aspects of education and social work), prioritising outcomes such as reduction of inequality.
- 5.6 The Council has reviewed and implemented improvements – including the development of effective medium- and long-term financial planning arrangements - in the use of its key resources like finance, staffing and assets.
- 5.7 Fife has good examples of implementing service change: for example, it has reduced the number of offices and depots which has delivered financial and operational benefits. Additionally, a new Care at Home digital scheduling system was developed that has made the service more efficient and provided savings; another benefit has been the delivery of more home care visits. More details of the Care at Home system are provided in Appendix 1.
- 5.8 A number of tools are in use at the Council to involve communities in decision-making, including plans to expand Participatory Budgeting.
- 5.9 Audit Scotland note that the Fife Health and Social Care Partnership (HSCP) faces significant challenges around finance and service redesign in the short to medium term, adding that the pace of change around the latter needs to increase.

5.10 Fife Council – Recommendations

Audit Scotland made a number of recommendations for Fife Council, advising that it should:

- identify the neighbourhood plans for priority areas it intends to complete and devise a timetable for this piece of work;
- extend its improvement methodology on raising educational attainment in deciles 1-3 to a broader range of young people;
- finalise (as early as possible) its framework for managing performance against the Plan for Fife 2017/27;

- develop a range of Delivery Plans to support clear, measurable actions and the wider ambitions in the Plan for Fife 2017/27, together with clear deadlines;
- continue its new approach to managing sickness absence rates;
- work with the Fife HSCP and NHS Fife to accelerate the redesign of adult health and social care services and mitigate medium-term financial pressures;
- seek early agreement with the HSCP around roles and responsibilities, so that the Partnership's management and governance arrangements support the significant service redesign challenges that lie ahead; and
- ensure alignment of the aims of its new Programme Board with the aims of the Plan for Fife 2017/27 and service change plans (with a focus on outcomes rather than being led by budget changes).

6.0 EAST AYRSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

6.1 East Ayrshire Council's BVAR was published on 29 May 2018. The key areas of focus were:

- the Council's vision and priorities, as developed with CPPs;
- managing performance, self-evaluation and measuring outcomes;
- financial sustainability, including the difficult decisions the Council faces on the funding gap and related policy choices;
- community engagement, including the Council's *Vibrant Communities* approach, community-led action plans and asset transfers to the community;
- partnership working, including interacting with the Integration Joint Board (IJB);
- financial governance and resource management; and
- transformation and improvement activity, including the arrangements to effectively deliver the Transformation Strategy 2017/22.

6.2 East Ayrshire Council – Key messages

Audit Scotland said that East Ayrshire's Elected Members support its Community Plan 2015/30 which sets out a clear, shared vision for the area. It also noted that the Community Planning Partnership understands the challenges facing the area and is focussing on three Strategic Themes: economy and skills; safer communities; and wellbeing.

- 6.3 Executive leadership at the Council is strong. Officers and Elected Members from all parties work well together and there is evidence of effective challenge from the latter.
- 6.4 The Council and its Partners have seen improvements in more than two thirds of the indicators used to monitor performance against their priorities. In comparison to other local authorities, East Ayrshire's performance has improved recently; for example, the results of last year's Residents' Survey indicated high levels of satisfaction with the majority of Council services. East Ayrshire and its Partners can demonstrate where its actions have resulted in improved performance. Meanwhile, the Council is addressing the challenges that remain in some areas, for example, employment and planning.
- 6.5 Effective financial planning and management arrangements are in place at East Ayrshire which has medium- and long-term financial plans in place. Anticipating a funding gap of £24-90 million over the next five years, the Council identified key areas for change when developing its Transformation Strategy 2017/22. Additionally, the Council acknowledges that it has a lot to do to implement the Strategy during its five year lifespan.
- 6.6 Communities are empowered at East Ayrshire via its *Vibrant Communities* initiative which helps them develop the skills and confidence to deal with local needs and

priorities. Local people are also included in spending public money and the planning of services; this led to community groups having a positive attitude and a sense of control in shaping their own area.

6.7 There is a long track record of CPPs working well together at East Ayrshire; good examples exist of partnership working in care, the economy and roads. The Council and the NHS have a well-established partnership which has been strengthened by the IJB. As is the case nationally, the Council, the IJB and the NHS are working to resolve funding issues around shifting the balance of care between hospitals and communities.

6.8 East Ayrshire carries out self-assessment at strategic, service and partnership levels which provides assurance on two counts: systems approaches and the quality of service delivered. The process has helped the Council identify and address areas for improvement over a number of years. Additionally, the Council uses the results of external scrutiny to target improvement and looks beyond both its own boundaries and indeed Scotland to identify learning and innovative practice.

6.9 The Council has a long-established culture of self-assessment and improvement. It has maintained the strong levels of performance reported in historical Best Value Reports. Effective implementation of its Transformation Strategy 2017/22, together with the resolution of issues relating to health and social care, will be essential to the Council sustaining performance levels.

6.10 East Ayrshire Council – Recommendations

Audit Scotland made a number of recommendations for East Ayrshire Council around its Transformation Strategy 2017/22, advising that it should:

- make the appropriate arrangements to support, monitor and deliver the expected Outcomes;
- set up a Programme Management Office to co-ordinate people and activities;
- develop tools to assess whether it has achieved the Strategy's aims; and
- determine and secure the skills necessary to implement the initiative.

Additionally, Audit Scotland recommend that the Council should:

- develop a Council-wide Workforce Plan which includes information on the numbers, costs and skills of the current and desired workforce, together with details on how the move from the current to the desired workforce will take place and the timescale involved;
- resolve issues around resourcing a shift of relevant hospital care services into a community setting;
- examine how its approach to reducing demand for services could be extended to other areas of work; and
- develop a Council-wide Plan for working with the business sector and specify how such work will take place, as well as how the Council will co-ordinate and monitor activity.

7.0 WEST DUNBARTONSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

7.1 West Dunbartonshire Council's BVAR was published on 28 June 2018. The key areas of focus were:

- the Council's vision and strategic direction;
- performance;
- use of resources;
- partnership working; and
- continuous improvement.

7.2 West Dunbartonshire Council – Key messages

Audit Scotland said that, since its last Best Value Report in 2007, West Dunbartonshire has made significant improvements. The Council now demonstrates a focus on delivering Best Value with Audit Scotland noting evidence of continuous improvement in its services.

- 7.3 In 2011, the Accounts Commission highlighted extensive and fundamental weaknesses in leadership and direction at West Dunbartonshire, together with poor relationships among Elected Members and between Elected Members and Officers. Since then, changes to the Council's Senior Officer Team (including the appointment of the current Chief Executive in 2011) have played a key role in improvements at the Council. Additionally, it is encouraging to note that Audit Scotland found that Officers and Elected Members from all political parties are working well together for the benefit of local people.
- 7.4 Generally speaking, service performance at West Dunbartonshire is improving, with most local people who provided feedback indicating that they are satisfied. The Council is maintaining the steady pace of change that led to improved outcomes in priority areas including housing services and pupils' educational attainment.
- 7.5 West Dunbartonshire's Strategic Plan 2017/22 outlines a focused and ambitious vision which reflects the community's needs. Evidence demonstrates that the community's views have influenced budget-setting and decision-making at the Council. Additionally, the Plan is clearly aligned to the Strategic Priorities of the Community Planning Partnership.
- 7.6 The Council's Strategic Improvement Framework provides a structured and practical approach to assist Council Services to continually improve. A commitment has been made to delivering services differently in West Dunbartonshire and the Council is working well with Partners in this respect. Examples of such initiatives include a shared IT data centre with East Dunbartonshire Council; membership of the Civil Contingencies Service with Renfrewshire, East Renfrewshire and Inverclyde Councils; and a communications partnership with Stirling Council.
- 7.7 Audit Scotland note that West Dunbartonshire has a good record of delivering services within budget, and that it has developed medium- and long-term Financial Plans. However, it is essential that service reform continues, especially in light of the Council's projected funding gap of £13.8 million for the three years to 2021.
- 7.8 Despite the Council significantly expanding its Capital Budget in recent years, its Capital Programme is showing a trend of significant slippage which resulted in the late finish of some projects. Audit Scotland therefore said that project planning and management needs to be strengthened at the Council.
- 7.9 Audit Scotland commented that West Dunbartonshire has demonstrated good practice and has a detailed, five-year Workforce Plan, together with individual service-specific Workforce Plans.
- 7.10 In 2007, Audit Scotland said there was a need to improve scrutiny at West Dunbartonshire. The Council will therefore be pleased to learn that Audit Scotland saw evidence of significant improvement in this area, noting that Elected Members are working together and demonstrating stronger scrutiny.

7.11 West Dunbartonshire Council – Recommendations

Audit Scotland made a number of recommendations for West Dunbartonshire Council, advising that it should:

- aim to reduce its Capital Plan's slippage by conducting a review of its project management processes;
- further develop its Workforce Plans to include forecasts of workforce numbers, and the expected shape and cost of its workforce;
- continue to explore opportunities for improvement in its staff absence rates;
- continue to offer help to further develop the role of the Community Alliance (comprising representatives from neighbourhood, interest and user groups who provide an important engagement link with the community) and help it reach its full potential; and
- ensure Elected Members consider working in cross-party groups to address financial challenges and the important decisions which will be required in future.

8.0 GLASGOW CITY COUNCIL: BEST VALUE ASSURANCE REPORT

8.1 Glasgow City Council's BVAR was published on 23 August 2018. The key areas of focus were:

- the Council's vision and priorities;
- managing performance, self-assessment and measuring Outcomes;
- the Council's plans to transform services, reduce costs and create a more flexible workforce;
- financial management and planning, including the challenges around resolving equal pay claims;
- how the Council involves communities in planning and delivering services; and
- partnership working.

8.2 Glasgow City Council – Key messages

Since its last Best Value Report in 2009, Audit Scotland note that Glasgow City has made steady progress. Many changes have been made in the last decade with the aim of improving services for local residents and performance has subsequently improved in a number of areas. Time and resources is invested in self-assessment and improvement activities, with staff and local people involved in the process.

8.3 Glasgow City and its Partners have a clear, shared vision of inclusive growth which is outlined in its Community Plan. Effective from October 2017, the document was informed by a good understanding of the challenges Glasgow faces. Audit Scotland note that the Council demonstrates effective leadership and that the Plan has the support of all political parties. Glasgow is currently refining its Corporate Performance Framework to monitor progress against its strategic plan. It is encouraging to note that the Council continues to improve partnership working and community participation to help redefine its leadership role.

8.4 Audit Scotland point out that the Glasgow Community Planning Partnership has performed well in addressing the priorities of alcohol misuse, youth unemployment and vulnerable people. Despite this, however, homelessness is still a challenge for Glasgow.

- 8.5 As well as the areas mentioned in paragraph 8.4, performance at Glasgow has improved in several other service areas including teachers' sickness absence and Council Tax collection. When compared to other Scottish local authorities, Glasgow's overall performance decreased slightly for the reporting year 2016/17; that said, the Council performs well in comparison to similar cities in the UK. Consultation with residents takes place on a regular basis, with most people indicating their satisfaction with the services they receive. Importantly, Glasgow can demonstrate how it responds to feedback from residents.
- 8.6 At Glasgow, a funding gap of £129.1 million is predicted over the next three years. Added to that is the unprecedented financial impact of the outcome of a substantial number of equal pay claims, something the Council has made a commitment to resolve. Audit Scotland note that Glasgow is not yet in a position to reflect equal pay claims in any of its financial forecasts, pointing out that these financial pressures may have an impact on how the Council delivers public services. Encouragingly, Audit Scotland note that Glasgow has a strong record of financial management, highlighting that its Transformation Programme 2016/18 has delivered savings of £102.5 million. While the Council can demonstrate the impact of a number of transformation projects, Audit Scotland is not clear how it will measure the longer-term, non-financial benefits of the Programme.
- 8.7 It is clear that Glasgow is committed to partnership working and there are positive relationships with the public sector, business and academic Partners. To build on this, the Council has acknowledged that there is potential to improve its relationships with third sector partners and with communities; this is actively being pursued. An already effective working relationship with NHS Greater Glasgow and Clyde has been strengthened by the IJB and it is encouraging to note that the Board is beginning to make progress in shifting the balance of care from hospitals to communities.
- 8.8 A review of services delivered by the Council and its Arm's-Length External Organisations (ALEOs) is continuing, with changes already made to property and ICT services. Care and community safety services – currently delivered by different ALEOs – will soon be transferred to the Council, with around 4,300 staff affected.
- 8.9 In terms of City Deal, good progress is being made with Partners to deliver Glasgow's five infrastructure projects (worth around £386 million) by 2024. Preparations are also well underway for the first UK and Scottish Government Gateway Review of its projects this year.
- 8.10 Glasgow Council – Recommendations

Audit Scotland made a number of recommendations for Glasgow Council, advising that it should:

- continue to refine its Corporate Performance Framework to help measure the long-term Outcomes in its Strategic Plan;
- agree its Homelessness Improvement Plan with the Scottish Housing Regulator and continue to work with Partners to implement its Homelessness Strategy (including the monitoring and review of the impact of its homelessness interventions on the homeless population);
- consider the impact of resolving the equal pay claims and include this in its financial plans (more widely, it should also consider the impact on service delivery);
- review the lessons learned from its Transformation Programme 2016/18 and ensure that appropriate monitoring arrangements are in place to measure the non-financial benefits and long-term Outcomes for its transformation activity;

- build on the success of its Third Sector Summit (more details of which are available from Appendix 1) by continuing to work with third sector partners with the aim of strengthening relationships;
- in conjunction with Partners, apply the lessons learned from its *Thriving Places* initiative (a targeted approach to working with disadvantaged communities) to help make locality planning a success more widely; and
- closely monitor the financial and service implications of changes to its Council Family structure with the aim of ensuring it delivers the expected benefits and to help it demonstrate Best Value.

9.0 EAST LoTHIAN COUNCIL: BEST VALUE ASSURANCE REPORT

9.1 East Lothian Council's BVAR was published on 1 November 2018. The key areas of focus were:

- leadership, governance and scrutiny;
- outcomes and performance;
- improvement plans; and
- partnership working.

9.2 East Lothian Council – Key messages

Audit Scotland said East Lothian has made significant improvements since its last Best Value Report in 2007. Governance arrangements have improved, together with leadership and scrutiny, as well as how the Council demonstrates a focus on continuous improvement. The Council's decision-making processes are also more clear and open.

- 9.3 In recent years, the pace of improvement has accelerated with performance in most areas comparing favourably to other Councils. While improving performance in education has been a focus for a number of years, Audit Scotland highlight that more recent momentum needs to be maintained so that improvements result in better outcomes for local children.
- 9.4 Audit Scotland said that East Lothian's increasing population has implications for service planning and delivery; this is reflected in the ambitious vision for the area (of inclusive economic growth and sustainable communities). The vision has the strong support of Elected Members, staff, Partners and local communities. Improved governance arrangements provide an appropriate and effective framework for decision-making and scrutiny.
- 9.5 East Lothian's Improvement Framework is well-established, with improvement activity delivered via its Transformation Programme. While the Council is committed to delivering the opportunities arising from an increased population, Audit Scotland notes the challenges around delivering this change, alongside increasing demands on services and financial pressures.
- 9.6 Effective financial management is in place at East Lothian, together with a budget-setting process focused on Council priorities. East Lothian has a good track record of delivering services within budget and its Financial Strategy 2018/23 was approved in 2017. A three-year balanced budget was presented at the beginning of 2018 and proposals have been developed to address the projected funding gap of £12.5 million for the next three years.
- 9.7 Implementation of the Council's Transformation Programme, while challenging, seeks to embrace new technologies and help address the anticipated funding gap.

- 9.8 East Lothian's refreshed Corporate Workforce Plan 2018/22 was approved in June 2018, with the related Action Plan (comprising 38 actions) approved two months later. The Council acknowledges that more work is required to implement the Action Plan and ensure it has the right people with the right skills to deliver services in future.
- 9.9 Audit Scotland notes that strong links exist between the Council and Partners but the former should ensure that the impact all are having can be demonstrated in terms of achieving economic growth and reducing inequalities. Effective engagement takes place with communities and East Lothian has begun to make an impact via its Local Area Partnerships (which are the local voice of community planning, with a delegated budget from the Council to deliver improvements in their areas).
- 9.10 Audit Scotland suggests that the Council could better demonstrate progress in delivering its priorities by making the links between individual performance reports and explaining more clearly the status of performance. East Lothian is reforming its Continuous Improvement Framework and Key Performance Indicators with the aim of more effectively monitoring progress against delivery of its Corporate Plan 2017/27.
- 9.11 East Lothian Council - Recommendations

In terms of its vision, Audit Scotland firstly made the following high level recommendation for East Lothian, advising that the Council should:

1. ensure that its performance reporting arrangements are more coherent and better aligned to demonstrate delivery of the vision, supporting objectives, service performance and savings plans.

Audit Scotland suggest that this could be done by the Council:

- working with the East Lothian Partnership to agree outcome measures and report on progress in reducing inequalities and supporting the economy;
- reporting the benefits its Transformation Programme is having on its customers and communities, together with the savings being achieved;
- continuing to focus on improving the educational performance of all local children and young people; and
- building on existing good scrutiny arrangements by ensuring reports are free of jargon, clear on purpose and provide the information that Elected Members require to effectively perform their scrutiny role.

The second high level recommendation concerns the Council's finances, with Audit Scotland advising that East Lothian should:

2. develop more detailed plans linked to its longer-term Financial Strategy and to delivering the savings required.

Audit Scotland suggest that this could be done by the Council:

- ensuring the expected benefits of its Transformation Programme are delivered on time;
- prioritising the Programme's projects that are most likely to lead to major change; and
- preparing individual Service Workforce Plans to support delivery of its Workforce Plan 2018/22 (Implementation Plan) with the aim of helping it to consider in more detail how it will manage changes in services and staffing levels.

The final high level recommendation concerns involvement with community groups, with Audit Scotland advising that the Council should:

3. continue to focus on working with communities.

Audit Scotland suggest that this could be done by the Council:

- ensuring community and third sector organisations have the chance to shape East Lothian's strategic planning at an earlier stage;
- continuing to support Local Area Partnerships to focus on the Priority Actions included in their Local Area Plans; and
- co-ordinating consultation activity via its People's Voice framework, as well as telling local people how their feedback has been used.

10.0 DUMFRIES AND GALLOWAY COUNCIL: BEST VALUE ASSURANCE REPORT

10.1 Dumfries and Galloway Council's BVAR was published on 22 November 2018. The key areas of focus were:

- the Council's vision and priorities – how it aims to improve things for people in its rural, remote and urban communities;
- financial sustainability and planning – how well the Council is planning its finances now and for the future;
- governance, openness and transparency – how well the Council is run, its checks and balances and how it is held accountable;
- performance management, including outcomes and trends – how well the Council measures what it is doing to improve services for local residents and how this has changed over time;
- partnership working – how well this is working with the Council's Partners, including other public bodies, local businesses, the Third Sector and community groups;
- community engagement and empowerment in a remote and rural context – how the Council consults and involves its residents in local service provision, especially in its rural and remote communities;
- service and improvement activity – what the Council is doing to be sustainable for the future and improve how its services are provided; and
- Elected Member involvement and engagement – what the Council is doing to ensure effective decision-making.

10.2 Dumfries and Galloway Council – Key messages

Audit Scotland found that Dumfries and Galloway had made good progress since its last audit in 2009. The Council now has a clear strategic direction, underpinned by effective leadership. Systems are also in place for planning, monitoring and continuous improvement.

10.3 Throughout political change at the Council (five Administrations), its priorities have been maintained; they are also reflected in its plans, strategies and policies. Clear links exist between strategic priorities and the key challenges that exist for the area.

10.4 While momentum around improvement has increased since 2014, Audit Scotland said that it must now increase again. Although £86 million has been saved since 2010/11, the Council's Financial Strategy 2018/23 estimates that it will be required to save an additional £79 million by 2022/23. The Council will be in no doubt that achieving those savings will be challenging and difficult decisions will require to be taken by Elected Members. Additionally, effective leadership from both Officers and Elected Members will be needed to ensure Dumfries and Galloway can transform at the required pace.

10.5 An area for improvement at the Council is workforce planning. While the Council has had a Workforce Strategy since 2011, Directorate-specific Workforce Plans have only been in place since September 2018. An overarching Workforce Plan is therefore required, with links to the Council's Financial Strategy 2018/23 and savings plans.

- 10.6 Community engagement at the Council was highlighted as a strength in Dumfries and Galloway's 2009 BVAR and this continues to be so. The Council's culture is one of working with local communities and it is implementing arrangements for community empowerment. Partnership working is also good at Dumfries and Galloway and the Council is committed to building on its relationships with community councils, the Third Sector and other Partners (including the South of Scotland Enterprise Agency and Borderlands Inclusive Growth Deal).
- 10.7 Audit Scotland note that there has been a significant programme of improvement activities at Dumfries and Galloway, adding that, since 2010/11, the Council has made savings while generally maintaining or improving services. That said, inconsistencies exist around how it has applied its improved processes across Council Directorates.
- 10.8 While the Council's performance across national indicators is mixed, performance of the indicators that measure services to the public has generally been maintained or has improved. Audit Scotland note that the Council's response to underperformance varies and that its reported improvement actions are not always clear. Additionally, historical external scrutiny reports on services for vulnerable people have criticised the Council and its Community Planning Partners (CPPs); examples include a highly critical report in 2014 on services provided by CPPs for vulnerable children. Additionally, in the same year, the Scottish Housing Regulator expressed concerns about Dumfries and Galloway's housing options and homeless service.
- 10.9 While performance management arrangements have improved since the Council's BVAR in 2009, Audit Scotland commented that additional improvements are required; for example, the indicators that monitor progress against some of the Council's priorities could be more informative. Additionally, performance reports at Dumfries and Galloway do not consistently include information about long-term trends, and some targets and indicators change (which makes it difficult to assess progress against the Council's long-established priorities).
- 10.10 Dumfries and Galloway Council – Recommendations

Audit Scotland made a number of recommendations for Dumfries and Galloway Council, advising that it should:

- finalise and agree its long-term savings plans and move to delivering the savings (given the increasing scale of the financial challenge);
- devise an authority-wide Workforce Plan which includes information on the number and skills of staff required in the medium and longer term;
- ensure a Council-wide, consistent approach is in place around the areas of staff engagement, performance management and improvement processes and practices;
- conduct a review of its performance management arrangements (including its performance indicators) with the aim of focusing on fewer but better measures which will demonstrate progress against priority areas, and help Elected Members to make difficult financial decisions;
- work with community councils to implement improved ways of working together to maximise the input and added value that community councils can provide;
- work with Elected Members to explore the reasons for their low attendance at training courses – in 2017/18, 37% of Elected Members attended face-to-face training and only 9% engaged with e-learning courses - and develop actions to improve current rates; and

- work with Elected Members to reach an agreement on what level of information committee reports should contain, and take steps to ensure that those reports are as clear and concise as possible.

11.0 IMPLICATIONS

11.1 Financial Implications - One off Costs

Cost centre	Budget heading	Budget year	Proposed spend this report	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial Implications - Annually Recurring Costs/(Savings)

Cost centre	Budget heading	With effect from	Annual net impact	Virement from (if applicable)	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

11.2 Human Resources: There are no direct human resources implications arising from this report.

11.3 Legal: There are no direct legal implications arising from this report.

11.4 Equalities: There are no direct equalities implications arising from this report.

11.5 Repopulation: Provision of Council Services which are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde support the Council's aim of retaining and enhancing the area's population.

12.0 CONSULTATION

12.1 There was no requirement to consult on the contents of this report.

13.0 CONCLUSION

13.1 The BVARs on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils were published between May and November 2018; the main findings of the documents are summarised in this report. While Inverclyde Council was the first in Scotland to be audited under the new process, we recognise the importance of keeping abreast of the BVARs of the following local authorities to be audited, including the case studies outlined in Appendix 1. Additionally, details of proposed improvement actions for implementation by Inverclyde Council are outlined in Appendix 2.

14.0 LIST OF BACKGROUND PAPERS

14.1 Fife Council – Best Value Assurance Report, 24 August 2018

East Ayrshire Council – Best Value Assurance Report, 29 May 2018

West Dunbartonshire Council – Best Value Assurance Report, 28 June 2018

Glasgow City Council – Best Value Assurance Report, 23 August 2018

East Lothian Council – Best Value Assurance Report, 1 November 2018

Audit Scotland Reports on Fife, East Ayrshire, West Dunbartonshire, Glasgow City, East Lothian and Dumfries and Galloway Councils

Case studies

1. Fife Council

- **Case study 1: The Council has invested significant time and resources in improving its social work services for children and families**

Fife invested £39.4 million in the implementation of its Children and Families Social Work Strategy which aimed to shift the balance of care so that more children are looked after safely at home or in kinship care, rather than in foster care or residential care. Early indications are that outcomes for those children are improving.

- **Case study 2: Community engagement – Gallatown Gateway Project**

The focus of the project was the demolition of a dilapidated building to create a better space for community use. During a wide-ranging consultation process, the community indicated its preference for a car-free area. A Primary 6 pupil identified a route around the edge of the location as a solution. Following support by the community, the idea was incorporated into the new design.

- **Case study 3: Participatory budgeting – Forward West Fife**

Following the closure of Longannet Power Station, a number of projects successfully competed for £60,000 of funding; the winners included local youth, community and sports groups.

- **Case study 4: Community asset transfer – Kingdom Brass**

The first formal Community Asset Transfer Request to be considered by the Council following the introduction of The Community Empowerment (Scotland) Act 2015 concerned the transfer of ownership of a library to Kingdom Brass, a local brass band, for use as a rehearsal space and equipment store and to allow the organisation to restart its youth development programme. Following a recommendation by the relevant Area Committee, the Council's Assets, Property and Facilities Committee approved the disposal of the former library to Kingdom Brass.

- **Case study 5: Care at home – digital project**

The initiative aimed to deliver a digital solution for appointment scheduling in adult social care. Following initial teething problems – including complaints from clients and staff – the emphasis for scheduling was changed from efficiency towards carer and staff preferences. The revised solution proved to be more acceptable to clients and the project has delivered a 30% increase in capacity which is valued at £2 million. Additionally, feedback from front-line staff suggests that the technology has enabled them to provide a better service at a sustainable level.

2. East Ayrshire Council

- **Case study 1: The Council's Education Service made effective use of new benchmarking data to support improvements in educational attainment**

In 2014, aware that its performance around educational attainment was below that of other local authorities, East Ayrshire saw the introduction of INSIGHT (an online benchmarking tool that provides comparative data on educational outcomes) as an opportunity to focus on improving attainment. School staff – and Head Teachers in particular – were encouraged to utilise the tool, especially the *virtual comparators* option (i.e. the attainment of one East Ayrshire Council pupil is compared with ten young people with matching characteristics in other Councils). Additionally, the three Ayrshire Councils (East, North and South) devised a pan-Ayrshire collaborative to share effective practice around raising attainment. In the reporting year 2016/17, educational attainment improved in terms of the achievement of five or more Awards at Scottish Credit and Qualifications Framework Level 5 or higher and at Level 6 or higher (by the time pupils left secondary school).

- **Case study 2: New Cumnock's community-led action plan**

New Cumnock's Action Group launched its community-led Action Plan in 2014. Local people expressed the wish to redevelop a number of town centre areas, including the Town Hall and the outdoor swimming pool. The Group approached a charitable organisation for help to renovate the Town Hall and aimed to ensure the new community space would meet the needs of local people who were involved in the entire process. Another local community group was established to run the outdoor pool. The former Town Hall is now a multi-purpose community centre while the pool, as well as providing public swimming and swimming courses for local residents, is a tourist attraction as it is only heated freshwater outdoor pool in the country.

- **Case study 3: Ochiltree Community Centre and Library**

In 2013, East Ayrshire announced that the Ochiltree Community Centre and Library would be available for community asset transfer. Ochiltree Community Hub, in partnership with the Prince's Foundation for Building Community, developed a design for a new community space. The Council demolished the original community centre and library buildings and transferred ownership of the cleared site to the Hub. The project has been progressed in partnership with local business and other organisations including the National Library of Scotland. The Hub has secured more than £1.4 million of funding from a variety of sources. Audit Scotland cite Ochiltree as an example of how local people came together to take on a facility they felt was essential for their community.

3. West Dunbartonshire Council

- **Case study 1: The Community Empowerment (Scotland) Act 2015 in action: Westbridgend Community Centre**

Three years ago, Westbridgend Hall, a well-used community centre, was closed because the building was no longer fit for purpose and was too damaged to repair. £675,000 was allocated by the Council to build a new centre on the site, on the condition that the community ran the facility. A community-led Management Committee was established, supported by the Council's Tenant Participation Team, as well as the Communities Team. The Council's main focus has been empowering the community, giving local people skills and confidence, and transferring a valuable asset to the community that will provide services based on local needs.

- **Case study 2: West Dunbartonshire is making good progress with improving learning, raising attainment and narrowing the poverty-related attainment gap**

Approved in 2012, West Dunbartonshire's Strategy for Raising Attainment provided a strong basis for improvement and helped the Council prepare for the introduction of the Scottish Attainment Challenge and the Pupil Equity Fund. At the beginning of last year, a review by Education Scotland and Audit Scotland showed considerable improvement in the achievement of pupils from the Council's deprived areas. The review also noted the robust and well-articulated governance framework for education overall and, specifically, for raising attainment. Clear evidence exists of the *golden thread* in terms of raising attainment and closing the poverty-related gap. The funding streams mentioned above have been used to extend the depth and pace of existing initiatives, with the aim of ensuring the Council's approach is coherent and fully supports its strategic priorities.

- **Case study 3: Queens' Quay – District Heating Network**

Two years ago, the Council approved £6 million of funding for a District Heating Network at Queens' Quay. Supported by funding from the Scottish Government, the innovative project will extract water from the River Clyde through heat extraction pumps and direct it to businesses and homes via insulated pipes. A number of potential customers have been identified including West College Scotland and NHS Greater Glasgow and Clyde. To ensure long-term control over the expansion and investment of the Network, a Municipal Energy Company – owned in its entirety by the Council - will be set up. The main aims of the initiative are to achieve a reduction in the Council's carbon emissions and contribute to the targets in The Climate Change (Scotland) Act 2009. The reduced heat tariff will also help to address fuel poverty in the area and generate revenue for the Council.

4. Glasgow City Council

- **Case study 1: The Council is working with partners to improve outcomes for homeless people across the city, particularly for those people with multiple and complex needs**

The *Housing First* approach to homelessness is an internationally recognised intervention for people sleeping rough and for those with complex needs; it ensures that rough sleepers are provided with their own independent accommodation without having to go through the formal homelessness system. As tenants, service users are in a better position to later access other forms of support, such as health care. The Glasgow HSCP devised a proposal to reconfigure and extend one of the Council's new-build emergency accommodation projects to provide independent tenancies for 54 people. The estimated cost of the *Housing First* model is around £7.1 million, together with annual costs of £2.5 million; this is substantially less than the estimated £20 million cost of new hostel accommodation.

- **Case study 2: A Transformation Programme project – Customer First**

Glasgow's *Customer First* digital project aimed to reduce the cost of supporting customers' needs while creating more online information and services to help improve the customer experience. The Council invested in digital solutions; re-designed its website and back office support; changed the way staff interact with customers; and promoted the use of new digital channels. More than 50 services are now available online, round the clock. Investment in 2016/18 totalled £1.3 million with annual savings expected to be around £1.5 million.

- **Case study 3: Third Sector City Summit**

Glasgow City hosted a Third Sector City Summit in 2017 to allow open discussion to identify the challenges and ways to improve partnership working. The outcome from the Summit was an agreement to: co-produce a new Partnership Agreement for submission to the Council's Wellbeing, Empowerment, Community and Citizen Engagement Policy Committee; and establish a new Working Group with representatives from the Council and the third sector.

5. East Lothian Council

- **Case study 1: Joint working to develop the Innovation Hub proposal through City Deal**

East Lothian worked with Queen Margaret University to develop an ambitious proposal for City Deal funding. The proposal was to create an Innovation Hub at the University Campus in Musselburgh. The University and the Council produced a masterplan for the proposed development which will be part of a larger development and complemented by upgrades to infrastructure, leisure facilities and new housing. Additionally, it is proposed to co-locate a commercial development which will provide new local amenities. The masterplan also complements the objectives and strategic goals in the Council's Plan 2017/22 and is intended to drive sustainable economic development for the benefit of local communities.

- **Case study 2: The Musselburgh Total Place Pilot**

The East Lothian Partnership established the Musselburgh Total Place Pilot with the aim of investigating how better outcomes could be achieved for the most vulnerable families living in the area. Engagement with families and practitioners enabled partners to have a better understanding of the complexity of circumstances and factors which increase the vulnerability of families and affect their ability to succeed. Partners identified the resources they invest in families who are in receipt of services from a number of Partner agencies but who, in their view, continue to experience negative outcomes. While, in 2016, it was proposed to establish a Multi-Disciplinary Team to work with the families, Partners were not in a position to make the relevant staff available. However, in 2018, work took place to establish the implementation stage of this initiative.

- **Case study 3: Challenging perceptions. Overcoming poverty.**

The East Lothian Poverty Commission was established two years ago and comprises six Commissioners, supported by Council Officers. Five key findings illustrated the extent of poverty in East Lothian: homelessness; households claiming crisis grants; the percentage of children living in poverty; the number of households living in poverty; and the number of food parcels being distributed. An Action Plan was established to tackle inequality and break the cycle of poverty;

many of the improvement actions relate to the introduction of a policy or long-term strategy. While, in June 2018, 20 of the actions resulting from the Commission's 46 recommendations had been completed, there was no indication of their impact on poverty. Audit Scotland therefore suggests that it should be ensured that the impact of the work is measured.

- **Case study 4: Education – the Council is addressing areas of underperformance in some aspects of education**

East Lothian is an area of low deprivation and educational attainment had been better or on a par with the Scottish average for overall measures such as the achievement of five or more Awards at Level 5 and at Level 6. In 2013/14, the Council was increasingly concerned about several areas of educational underperformance. The Council took action across a number of areas to address those concerns including: the recruitment of an experienced education professional as Head of Service; assisting schools to raise attainment; improving the management of exclusions from school; and adopting a renewed focus on supporting and challenging education staff across a number of disciplines. During the past two years, the Council has renewed its emphasis to delivering improvements in educational performance. Audit Scotland suggests that, as some changes will take time before their full benefits are realised, it is important that East Lothian retains its focus on education.

- **Case study 5: The community ran a successful participatory budgeting event for young people in Musselburgh**

The *Your Voice, Your Choice* programme was a participatory budgeting opportunity for young people aged eight to 18 to initiate community projects. Young people were encouraged to provide ideas and develop proposals for projects for funding up to a maximum of £2,000 to improve health and reduce inequalities in their community. More than half of the 44 applications were chosen to present at an event where young people voted for projects to receive funding. Feedback – which will be used to learn lessons for future projects – indicated that the event had been well received by the local community.

**Audit Scotland Reports on Fife, East Ayrshire, West Dunbartonshire,
Glasgow City, East Lothian and Dumfries and Galloway Councils**

Potential improvement actions for Inverclyde Council

1. Fife Council

Fife has adopted a new approach to managing sickness absence rates which focuses on the behaviour associated with good attendance. Training was provided for managers with the aim of ensuring they have the confidence and skills to support staff, manage behaviour and deal with sensitive issues (such as mental health).

Potential improvement action for Inverclyde Council: Our Managing Attendance Policy was reviewed last year to reflect legislative changes and best practice, and the refreshed Supporting Employee Attendance Policy was approved by the Policy and Resources Committee in June 2017. However, given that managing employee attendance is a key area of focus in our People and Organisational Development Strategy 2017/20, we could consider approaching Fife to establish if there anything we can learn from their new approach to managing sickness absence rates.

Since 2015, Fife has implemented an organisational culture improvement programme based on the *Unwritten Ground Rules* approach. This helps managers understand and manage workplace culture and includes the use of around 100 *Checkmates*: trained facilitators for staff group discussions to find out what the frustrations are and to address them.

Potential improvement action for Inverclyde Council: While Fife's organisational culture improvement programme may have some similarities to the Public Service Improvement Framework currently used at Inverclyde, it may nonetheless be worth approaching that Council to establish if there is anything we can learn from its programme.

2. West Dunbartonshire

West Dunbartonshire is taking positive steps to understand and reduce its staff absence rates. A range of policies, schemes and employee-centred initiatives are being developed and implemented with the aim of creating a positive and engaged workforce; examples of initiatives include an Employee Wellbeing Strategy, a Carers' Policy, a Bereavement Scheme and an Enhanced Leave Scheme.

Potential improvement action for Inverclyde Council: While Inverclyde already has in place some of the initiatives mentioned above, we may wish to contact West Dunbartonshire to hear more about the variety of approaches they have in terms of absence management.

3. Glasgow City

At Glasgow, there is evidence that residents' feedback influences the Council's performance reporting, strategy development, Communications Policy, budget decisions and how it develops services.

Potential improvement action for Inverclyde Council: At Inverclyde, feedback from local people already informs a number of areas of work including, for example, the budget-setting process. However, we may be able to learn from the approach taken by Glasgow around using feedback from local people to inform other areas of service delivery, including some of those mentioned above.

4. East Lothian

Audit Scotland suggests that East Lothian could better demonstrate progress in delivering its priorities by making the links between individual performance reports and explaining more clearly the status of

performance. The Council is reforming its Continuous Improvement Framework and Key Performance Indicators with the aim of more effectively monitoring progress against delivery of its Corporate Plan 2017/27.

Potential improvement action for Inverclyde Council: As Members will be aware, an improvement action is included in our BVAR Improvement Plan around the Inverclyde Alliance and the Council being better able to demonstrate impact on Outcomes, at various levels across services and programmes. We may therefore wish to contact East Lothian to find out more about the reform of the Framework mentioned above and what action it proposes to take in light of its findings.