
Report To:	Policy and Resources Committee	Date:	31 January 2017
Report By:	Head of Inclusive Education, Culture and Corporate Policy	Report No:	PR/02/17/GMcG/KB
Contact Officer:	Karen Barclay, Corporate Policy Officer	Contact No:	01475 712065
Subject:	Audit Scotland Reports on Angus, Falkirk and East Dunbartonshire Councils and Recommendations for Inverclyde Council		

1.0 PURPOSE

- 1.1 The purpose of this report is to summarise Audit Scotland's reports on the 2016 Best Value Audits on Angus, Falkirk and East Dunbartonshire Councils.

2.0 SUMMARY

- 2.1 Summaries of the key issues from Audit Scotland's reports on Angus, Falkirk and East Dunbartonshire Councils are set out in sections 5, 6 and 7, together with general comments relating to Inverclyde Council (in italics). Outlined in the Appendices are improvement actions that the Council may wish to consider implementing.

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- 2.2 Areas highlighted at the three Councils include:

Angus:

- the impact on service delivery of the Council's new management structure;
- the effectiveness of working relationships between Elected Members and Officers;
- scrutiny and performance management; and
- whether the *Transforming Angus* initiative is delivering Angus's vision for local people and helping the Council to meet the financial pressures it faces.

Falkirk:

- the change and pace of improvement;
- Corporate Workforce Strategy 2016/20; and
- the scrutiny role of Elected Members.

East Dunbartonshire:

- the delivery of the Council's transformation programme;
- financial management;
- workforce planning; and
- scrutiny by Elected Members.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- a. notes the content of Audit Scotland's Best Value Audit Reports on Angus, Falkirk and East Dunbartonshire Councils; and
- b. considers implementing the proposed improvement actions, as appropriate.

Wilma Bain

Corporate Director – Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 The findings of 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 possible implementation. Consideration of such reports ensures that the Council is 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 from the reports on Angus, Falkirk and East Dunbartonshire Councils are set out in sections 5, 6 and 7, together with general comments relating to Inverclyde Council (in italics). Outlined in the Appendices are details of improvement actions that the Council may wish to consider implementing in response to some of the areas highlighted at the three Councils.


5.0 ANGUS COUNCIL: BEST VALUE AUDIT REPORT

- 5.1 A report on Angus Council's Best Value Audit was published on 4 October 2016.
- 5.2 This is the first time Audit Scotland has reported on Angus Council since 2010. The focus was on four main issues resulting from Angus's change programme – *Transforming Angus* – which was launched in 2013:
- the impact of Angus Council's new management structure on how it is delivering services;
 - the effectiveness of working relationships between Elected Members and Officers;
 - whether there is an effective system of scrutiny and performance management across all Council Services that helps to identify and prioritise areas where Angus needs to continue to improve; and
 - how *Transforming Angus* is contributing to the Council's vision for the people of Angus and will help meet the financial pressures it faces.

5.3 The Impact on Service Delivery of Angus Council's new Management Structure

- 5.3.1 Audit Scotland found that the restructuring of Angus Council's Senior Management Team has contributed to a more positive organisational culture. Important improvements have been made in the leadership provided by Senior Managers and Elected Members, helping the Council to become more ambitious in modernising its business processes. Angus also has a clear vision in place of where it wants to be and how it plans to get there.

Inverclyde Council's Senior Management Team and Elected Members have set a clear vision and positive organisational culture. The Council is also outward looking and seeks to learn from other areas in regard to improvement.

Given that a new Administration will be in place following the Local Government Elections on 4 May 2017, the Policy and Resources Committee agreed the extension of the timeline of our Corporate Statement 2013/17 for one year:  Inverclyde Council Corporate Statement 2013/17 - Proposed Extension to 2018 (agenda item 13).

Aware that our current Single Outcome Agreement expires this year, we have begun to consult with local people on the important issues they think should be included in the new Outcome Improvement Plan 2017/22.

5.3.2 The restructuring of Senior Management has reduced Angus Council's annual costs by around £800,000. It has also helped to develop a more strategic and corporate approach by Senior Managers. The Council is now much less insular, with managers looking to models used by other local authorities to help modernise business processes and service delivery. There is now greater consistency between departments, in terms of service planning and a shared vision of how Angus needs to develop. A series of initiatives, such as the establishment of a Leadership Forum, have helped improve communication with middle management and other staff and encouraged more delegation of operational decision-making.

5.3.3 Historically, senior appointments at Angus tended to be made internally. In contrast, three existing Senior Managers were recruited from other local authorities. This has helped bring in new ways of thinking, with Angus looking to adopt different business processes and develop new ways of delivering services.

Our new Corporate Director of Environment, Regeneration and Resources was recruited from Renfrewshire Council and took up his post this month. Additionally, the Corporate Director/Chief Officer for the Inverclyde Health and Social Care Partnership announced his retirement on 1 November 2016; the recruitment process for his successor is underway and the successful candidate may be appointed from out with the Council.

5.4 Significant efforts have been made to engage with Angus's workforce as a whole. For example, a Management Development Programme has been implemented while Senior Managers are making attempts to be more visible.

We carried out an Employee Survey in 2015. It is essential that the Council follows through on the Survey results; a report to the Policy and Resources Committee on 17 May 2016 outlined how this will happen: [Policy and Resources Committee - 17 May 2016](#) (agenda item 14, paragraph 5.4). Additionally, information about the results has been posted on the Council's intranet.


On 13 October 2016, we published the first edition of InSider; a new piece of communication which will be published after each Inverclyde Council meeting. Topics covered in the first edition were an update from the Council meeting held on 29 September 2016; a statement about shared services; an article about our success at the COSLA Excellence Awards 2016; and a section which highlights a range of local events and Council meetings.

A Senior Management Leadership Development Training Course has been undertaken with the West of Scotland University for employees of Inverclyde Council. This was an accredited and certified training qualification which 120 of our managers have been supported through and completed. Over 80% of those managers completing the course indicated that they found it assisted them to better perform their role with Inverclyde Council.

5.5 In 2013, Angus established a Leadership Forum (comprising 120 managers from across Services) which has developed into a two-way communication exercise. It was noted that middle managers are very positive about the Forum and firmly believe that the Council is heading in the right direction in terms of its culture and working practices.

We hold regular meetings of the Corporate Management Team, Extended Corporate Management Team and individual Directorate Management Teams, as well as Leadership Development Events, all of which are forums which facilitate two-way communication.

5.6 In 2015, Angus approved its Workforce Strategy 2015/18; however, the initiative is not yet supported by more detailed plans. Links to other key strategies, including Angus's Budget Strategy, also need to be clearer.

Our People and Organisational Development Strategy 2017/20 was approved by the Policy and Resources Committee on 20 September 2016:  People and Organisational Development Strategy 2017/20 (agenda item 19). The Council's Strategic Planning and Performance Management Framework makes the links between key strategies and planning processes for Inverclyde.

5.7 Working Relationships between Elected Members and Officers

- 5.7.1 At Angus Council, there are good working relationships between Elected Members and Senior Managers. Regular briefings help to keep Elected Members informed and Member/Officer Groups develop policy in complex areas and oversee key developments.
- 5.7.2 There have been some improvements in the leadership provided by Elected Members. Additionally, in recent years, there has been a greater consensus between Elected Members on the broad vision for Angus and for the Council. However, there are signs that cross-party relations are fragile. For example, following recent sharp disagreements over local priorities, three non-Administration Elected Members resigned from the Council's Budget Strategy Group. This risks an end to the recent political consensus which makes it difficult for the Minority Administration to provide effective and consistent leadership.
- 5.7.3 Despite any future political disagreements and change, Elected Members and Senior Management must work together to ensure that the Council's developing approach to Best Value is sustained. If it is to meet its financial challenges over the next few years, Angus Council will need to make some difficult decisions on service priorities and ensure that *Transforming Angus* delivers its anticipated savings, impact and outcomes.

It is important to be mindful that continuing development of Member/Officer relationships is crucial to the effective running of Inverclyde Council. This is particularly important given that there will be changes to three members of the Council's Corporate Management Team between September 2016 and Spring 2017. Additionally, a new Administration will be in place at the Council following the Local Government Elections on 4 May 2017.

5.8 Scrutiny and Performance Management

- 5.8.1 In 2010, Audit Scotland described scrutiny arrangements at Angus Council as *weak* with the ability of Elected Members to scrutinise hindered by a lack of reliable information on service performance and outcomes. Encouragingly, Audit Scotland now notes that improvements have been made in scrutiny at the Council.
- 5.8.2 However, there remains a need for increased transparency in decision-making by Elected Members, together with a greater focus on priorities for service improvements. Performance information provided to Elected Members to enable them to undertake their scrutiny role could also improve.
- 5.8.3 A cross-party Budget-Setting Group has helped set common priorities and, in a significant break from the past, Angus's Scrutiny and Audit Committee is chaired by a non-Administration Elected Member. Additionally, a series of Scrutiny Panels have been established which are effective in carrying out independent and detailed reviews of key issues, including making recommendations.
- 5.8.4 There is still a need for Elected Members to demonstrate a greater level of public accountability. The statutory guidance on Best Value requires key discussions and decision-making to be held in public meetings. Audit Scotland report that they attended Council and committee meetings at Angus which were relatively short, with little discussion of key issues prior to decisions being made. It is suggested that the Council needs to establish more open and transparent forms of scrutiny; additionally, more debate and questioning should be carried out in public.

- 5.8.5 Scope remains for an improvement in the performance information provided to Elected Members. However, the position is better than it was six years ago when arrangements were described as *adequate*. Reports on performance, improvement and transformation activity are provided to Elected Members on a more regular basis throughout the year at the Scrutiny and Audit, Policy and Resources and service specific Committees. The format and content of performance reports now provides greater clarity. Reports are linked to Angus Council's priorities, outcomes, improvement actions, targets and risks to success. They also include benchmarking information. However, performance reporting still tends to be based on individual Services, with no high level corporate overview of performance against the Council Plan and its priorities. This is an important gap.
- 5.8.6 While current reports do not indicate any serious weaknesses in service performance, councils are expected to look for opportunities to make services better. Audit Scotland report that, in their meetings with Angus Council's Elected Members, they found that many were unable to clearly identify which areas of the Council's performance are priorities for improvement.
- 5.8.7 *Improving corporate and service performance is a key priority for Inverclyde Council. Elected Members are provided with a range of information on service performance to allow them to discharge their scrutiny role effectively. For example, we renewed our Corporate Directorate Improvement Plans in Spring 2016; these Plans focus on continuous improvement based on self-evaluation and are one component of our Strategic Planning and Performance Management Framework. Regular progress reports on the implementation of the Plans are submitted to the appropriate Council committees.*

Scrutiny is carried out at committee meetings and reports are regularly submitted to enable Elected Members to fully understand how the Council is performing; for example, the 2015/16 Efficiency Performance report was submitted to the Policy and Resources Committee on 9 August 2016. Information is provided to key stakeholders to allow them to evaluate and make informed judgements about performance and progress made towards the achievement of key outcomes. Inverclyde Council's Audit Committee is chaired by a non-Administration Elected Member and carries out scrutiny of the Council's Audit Plan, Annual Accounts, reports from Internal and External Audit, reviews the adequacy of internal control systems and policies etc. Further scrutiny of performance is made at the Education and Communities Committee, the Environment and Regeneration Committee and the Policy and Resources Committee on the budgets delegated to those Committees and the performance of the Services is overseen by those Committees.

Our key performance indicators also provide an important measure of how Directorates contribute to the Council's strategic aims. Following consideration by the Corporate Management Team, annual reports detailing progress made towards achievement of our performance indicator targets are submitted to the Policy and Resources Committee in March and November each year. Additionally, in light of The Publication of Information (Standards of Performance) Direction 2015, a review of performance indicators across the Council is currently underway.

Another example of our commitment to continuous improvement is the approval of the Post-Project Evaluation Procedure by the Policy and Resources Committee on 22 March 2016; the Procedure outlines details of the implementation of a post-project evaluation process for major capital investment projects and high value goods and services contracts. Two post-project implementation processes are in progress, one at the Port Glasgow Community Campus and the other at St Columba's High School.

The Public Service Improvement Framework (PSIF) is an evidence-based self-assessment tool designed to drive continuous improvement in local authorities. We have been using the Framework for a number of years. Our current round of PSIF reviews is ongoing while a planned programme of reviews for 2017/18 was devised in August 2016. A number of Officers have been trained in the PSIF process with training for additional staff being explored.

5.9 The impact of the *Transforming Angus* initiative

- 5.9.1 Like all local authorities, Angus faces increasing financial pressures. The Council's ability to make its savings targets largely depends on the success of its *Transforming Angus* initiative. Many of the *Transforming Angus* projects reflect work already completed by other local authorities as their approaches to Best Value have matured. Angus will be encouraged to note, however, that its proposals all look to be sensible and soundly based. Examples of projects under the *Transforming Angus* initiative include a reduction in Angus's property portfolio; improvements in procurement processes; and digitalisation of many of its citizen and internal transactions.
- 5.9.2 While the *Transforming Angus* initiative has had some success, the pace of change has been slow with some key projects. It is also too early to assess the programme's overall impact on modernising how the Council delivers services and reduces costs.
- 5.9.3 The establishment of a culture and leisure trust in December 2015 aims to save around £2.5 million during the next five years. Meanwhile, Angus Council's adult home care services are now provided by a social enterprise company, forming part of a larger *Help to Live at Home* project which plans to save £11 million by 2020.
- 5.9.4 While it is encouraging to note that the *Transforming Angus* programme is now gathering momentum, some of its projects were conceived in 2012 but are not expected to deliver full year-on-year savings until 2017 or 2018 or, in some cases, 2020.
- 5.9.5 Strong leadership from managers and Elected Members will be required to help ensure the success of *Transforming Angus*. The Council's Scrutiny Panel reviewed the progress of the programme in 2015; this led to further measures being taken to help ensure its success. A Member/Officer Working Group has been set up to oversee the initiative. Regular monitoring arrangements have been established and a strategic partner hired to help bring in external expertise and provide additional management capacity.
- 5.9.6 However, despite the positive steps outlined above, there are risks that *Transforming Angus* may not succeed in delivering the necessary savings within timescale. Angus's political and operating context is complex and demanding, with financial pressures, increasing demand for services and, in common with other councils, the Local Government Elections coming up in May 2017.
- 5.9.7 In terms of Angus's financial position, at present, the Council has agreed savings of £15.2 million. While some of these savings are planned to come from efficiency measures and service reductions, most are expected to be generated through a series of change projects via the *Transforming Angus* initiative. Meanwhile, the remaining savings (£11.3 million) have yet to be identified, with a particularly noticeable shortfall in 2017/18 and 2018/19. Angus has indicated that it expects these savings to be provided through a series of other measures, such as staff reductions, service redesigns, income generation and a review of the schools estate. A programme of service reviews to be carried out during 2016/17 aims to help develop detailed proposals.

Some of the projects under Angus Council's Transforming Angus initiative have already been progressed by Inverclyde Council; examples include the transfer of sports facilities to an arm's length trust (albeit Angus's arrangement also includes museums and libraries); the expansion of online services including access to on-line payments; and the introduction of hot desks at a number of Council offices.

Our Service Review Guidance was approved by the Policy and Resources Committee on 20 September 2016 and it was agreed that it should be adopted by Council Services. This Guidance will help management when reviewing services going forward, to identify different ways of delivery and potential budget savings.

5.10 Angus Council – Next Steps

Continuity in Angus's commitment to improvement will be essential, both leading up and after the Scottish local government elections on 4 May 2017.

In the meantime, Angus Council should:

- work out what its priorities are in terms of service delivery;
- develop a better awareness of the approaches being taken to service delivery in other local authorities;
- establish a more open and transparent approach to Elected Members' scrutiny of performance to allow them to prioritise where they would like to see improvement (better performance information is required to enable this to happen);
- increase the amount of debate and questioning that takes place in public; and
- perhaps most importantly, increase the pace of change.

5.11 Audit Scotland has intimated that it will maintain an interest in the progress made by Angus Council, both through the annual audit process and in its new approach to auditing Best Value.



6.0 FALKIRK COUNCIL: BEST VALUE AUDIT REPORT

6.1 A report on Falkirk Council's Best Value Audit was published on 1 December 2016.

6.2 In August 2015, Audit Scotland said that Falkirk Council needed to make a step-change in its pace of improvement, adding that it was disappointed at the amount of progress made since last Summer. At that time, there were significant concerns about Falkirk's approach to making savings of £46 million over three years with the aim of protecting the delivery and improvement of service priorities; that figure has now increased to £61 million.

The current estimate indicates that Inverclyde Council will need to make savings of £22.5 million during the period 2017/20. Given the scale and pace of the savings required, we recognise that we will have no option but to reduce spending in some areas of service delivery; the question set of our Budget Consultation 2017/18 has therefore been devised on that basis.

6.3 While Audit Scotland notes how Falkirk has responded to its previous findings, concern remains that there has been limited progress in addressing the underlying need to make more radical change. For example, the Council needs to identify how it will make the significant savings required over the next two years; financial strategies and plans for the longer term also need to be developed.


Our Budget Strategy 2016/18 was approved by the Policy and Resources Committee on 11 August 2015:  Budget Strategy 2016/18 (agenda item 6); additionally, our Budget Strategy 2017/20 was approved by the same Committee on 20 September 2016:  Budget Strategy 2017/20 (agenda item 12).

Our Financial Strategy includes long term planning and is regularly refreshed; it is also seen as an example of good practice by Audit Scotland.

6.4 Key priorities require to be identified and agreed at Falkirk as a matter of urgency. Additionally, those priorities need to be supported by a more robust approach to financial planning in the medium and longer term, together with a more co-ordinated and streamlined approach to improvement activity, while showing how substantial change will be achieved. For instance, while Falkirk Council currently has a number of improvement activities, it is not clear how they are aligned to priorities and the budget-setting process. Audit Scotland views this as a significant gap and suggests that, to improve the pace of

change, the Council needs to identify and agree clear priorities as a matter of urgency. Additionally, a focused and co-ordinated approach will be required by Falkirk's Corporate Management Team to deliver those priorities.

- 6.5 Falkirk Council's Corporate Workforce Strategy 2016/20 was approved on 15 March 2016, however, Audit Scotland said that the Council needs to show how the Strategy will drive and deliver change across services.

Our People and Organisational Development Strategy 2017/20 was approved by the Policy and Resources Committee on 20 September 2016:  People and Organisational Development Strategy 2017/20 (agenda item 19). The Council's Strategic Planning and Performance Management Framework makes the links between key strategies and planning processes for Inverclyde.

- 6.6 Audit Scotland is encouraged by the increased collaboration among Elected Members regarding both the budget process and business transformation activity. There have also been improvements in scrutiny by Elected Members; however, it could be more transparent and supported by better reporting of performance by Officers. Additionally, Falkirk needs to be more effective at demonstrating its change and improvement.
- 6.7 Audit Scotland reiterate that strong and effective leadership by both Elected Members and the Corporate Management Team will be critical in addressing the challenges Falkirk will face in the coming years.

In common with other local authorities, our Elected Members and the Corporate Management Team are fully aware of the need to demonstrate sound leadership in light of the uncertain future facing public sector organisations like ours.

6.8 Falkirk Council – Next Steps

Audit Scotland's report on Falkirk highlights a number of recommendations for improvement; the Council needs to:

- identify and clearly communicate its strategic priorities and ensure that all activity is aligned with these priorities;
- review the process for preparing its budget to ensure all costs and income are more accurately anticipated;
- develop its approach to medium and longer term financial planning which takes into account uncertainties around future funding and income and includes scenario planning for a range of options;
- ensure all improvement activities are aligned with strategic priorities and the budget-setting process, and that Senior Officers support the Improvement Programme Manager, by providing strategic leadership and direction to deliver the change required;
- ensure that its workforce reductions are informed by detailed workforce plans and that budgets reflect planned workforce changes; and
- provide timely and complete performance information to Elected Members and the public with the aim of promoting effective challenge and driving improvement, and introducing tracked action plans to ensure that improvement takes place where poor performance has been identified.

- 6.9 Audit Scotland has indicated that it will maintain a close interest in progress made by Falkirk Council, with a further update planned by the end of next year.

7.0 EAST DUNBARTONSHIRE COUNCIL: BEST VALUE AUDIT REPORT

- 7.1 A report on East Dunbartonshire Council's Best Value Audit was published on 15 December 2016.

- 7.2 Audit Scotland said that East Dunbartonshire Council has responded to concerns expressed in their report issued in June 2015. Prioritisation of improvement projects is better and some aspects of workforce planning have been strengthened. Scrutiny by Elected Members has also improved.
- 7.3 However, Audit Scotland has again expressed concern that East Dunbartonshire Council has not demonstrated adequate capability to deliver its ambitious transformation programme and the subsequent ability to address its significant funding gap. Audit Scotland also notes East Dunbartonshire's failure to meet targets, together with a lack of clarity regarding the achievement of savings.
- 7.4 Audit Scotland suggests that more competent programme management is essential to ensure public confidence in East Dunbartonshire's approach to managing change. Additionally, further improvements are required in terms of workforce planning, including: a workforce plan that is better integrated to the Council's transformation programme; ensuring the required skills are in place to achieve the programme; and that targeted savings are monitored and achieved.
- 7.5 East Dunbartonshire has made progress with some larger-scale improvement projects during the last year. However, much of its transformation programme - which sets out its projects to deliver savings and change the ways it provides services – remains behind schedule; this requires to be addressed if East Dunbartonshire is to meet its projected funding gap of £27.6 million between 2017/18 and 2019/20.
- 7.6 In terms of sharing services with neighbouring local authorities (including Inverclyde), East Dunbartonshire is exploring the potential to make significant savings. However, because work is at an early stage, further clarity is to follow on the level of anticipated savings.

The above observation made by Audit Scotland regarding shared services also applies to Inverclyde Council.

- 7.7 During the last 12 months, East Dunbartonshire has improved both the quality and the frequency of its financial reconciliations. Additionally, its Capital Programme is also being delivered in a more effective way. However, despite these improvements, Audit Scotland is concerned about the Council's internal controls for payments to private social care providers. In September 2016, Elected Members examined these issues at the Transformation, Economy and Employment Scrutiny Panel and agreed actions to address them. Despite this, however, Audit Scotland expressed concern about the range of skills in the Finance Team to sustain improvements.

We have a Service Accountancy improvement action in our Environment, Regeneration and Resources Corporate Directorate Improvement Plan 2016/19 which aims to increase value added professional support to Services, improve the budget management by budget holders whilst managing a reduction in Accountancy staff by 2 FTEs.

- 7.8 Audit Scotland note that East Dunbartonshire Council has implemented some aspects of good workforce planning. However, it continues to reshape the size and roles of its workforce without clearly stating how this will deliver its priorities. During the past year, development in human resources systems and practices helped to reduce sickness absence and improve East Dunbartonshire's understanding of the size and skills of its workforce. Additionally, following lengthy delays, the Council completed its job evaluation this year.

The third edition of our Job Evaluation Scheme is now in place with all job evaluations carried out online via the Gage software. Historical information has also been input to the system.

- 7.9 In order to make savings, East Dunbartonshire made further reductions in the number of chief officers and other posts during the last year. Audit Scotland note that the Council is committed to achieving reductions in its workforce by voluntary means; since 2009, East Dunbartonshire has made significant reductions in employee numbers via voluntary redundancy.
- 7.10 However, care must be taken to ensure that the associated loss of skills does not have a negative impact on East Dunbartonshire's ability to deliver services and its significant programme of change. Audit Scotland note that the Council's average cost of voluntary exit packages is high in comparison to other local authorities. This will be impacted by the proportion of Senior Officers leaving the Council but Audit Scotland also suggest that there may be scope for East Dunbartonshire to review whether the terms of its exit packages represent best value.
- 7.11 Audit Scotland note that decision-making at East Dunbartonshire is now more transparent, with the Council conducting more business in public. Scrutiny arrangements and the quality of scrutiny by Elected Members are also becoming more effective. Despite this, however, potential exists for additional improvements to governance, particularly by providing Elected Members with shorter, clearer reports to facilitate their decision-making and scrutiny roles.

7.12 East Dunbartonshire Council – Next Steps

Audit Scotland's report on East Dunbartonshire Council highlights a number of recommendations for improvement; the Council should:

- continue to increase the pace of change in delivering its transformation programme and focus on its priority projects;
- better measure and monitor the benefits and savings it achieves from its transformation programme and ensure that lessons learned are translated into improving services;
- develop a Council-wide workforce plan that forecasts what its priorities are and the skills it needs to deliver these in the medium term;
- ensure its workforce plan sets out the Council's aims and objectives for its workforce, including restructuring and voluntary redundancy;
- provide Elected Members with clearer and more concise reports, using plain language, to aid effective decision-making and scrutiny; and
- ensure improvements in financial management are maintained and that the Finance Team has the skills and staff to do so.

- 7.13 In common with Falkirk Council, Audit Scotland has indicated that it will maintain a close interest in progress made by East Dunbartonshire, with a further update planned by the end of next year.

8.0 IMPLICATIONS

8.1 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

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

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

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

8.5 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.

9.0 CONSULTATION

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

10.0 CONCLUSION

10.1 The report on the 2016 Best Value Audits on Angus, Falkirk and East Dunbartonshire Councils were published on 4 October 2016 and on 1 and 15 December 2016. The main findings of the documents are summarised in this report, together with learning points that the Council may wish to consider implementing, as appropriate.

11.0 LIST OF BACKGROUND PAPERS

11.1 Angus Council – Best Value Audit Report, 4 October 2016

Falkirk Council – Best Value Audit Report, 1 December 2016

East Dunbartonshire Council – Best Value Audit Report, 15 December 2016

Audit Scotland Report on Angus Council and Recommendations for Inverclyde Council

Potential improvement actions

1. Employee engagement

It is essential that we continue to follow through on our Employee Survey 2015; a report to the Policy and Resources Committee on 17 May 2016 outlined how this will happen: [Policy and Resources Committee - 17 May 2016](#) (agenda item 14, paragraph 5.4).

It is important that momentum with responding to the Employee Survey 2015 results is maintained and actions arising are progressed and reported back to employees, in particular, the points mentioned in the *What's next* section of the newsletter posted on the Council's intranet on 11 August 2016.

2. People and Organisational Development Strategy 2017/20

Our People and Organisational Development Strategy 2017/20 was approved by the Policy and Resources Committee on 20 September 2016. We may wish to review the document in light of Audit Scotland's points about Angus's Workforce Strategy 2015/18 which indicate that links to other key strategies, including Angus's Budget Strategy, need to be clearer.

3. Audit Scotland suggested that Angus Council needs to establish more open and transparent forms of scrutiny; additionally, more debate and questioning should be carried out in public.

We may wish to review the appropriateness of reports which are considered in private, particularly in light of The Community Empowerment (Scotland) Act 2015.

4. Scrutiny and performance management

Angus Council: Performance reporting at Angus still tends to be based on individual Services, with no high level corporate overview of performance against the Council Plan and its priorities. This is an important gap. While current reports do not indicate any serious weaknesses in service performance, councils are expected to look for opportunities to make services better. Audit Scotland report that, in their meetings with Elected Members, they found that many were unable to clearly identify which areas of the Council's performance are priorities for improvement.

A review of the performance information we provide to Inverclyde Council's Elected Members could possibly highlight areas for improvement. Members are often asked if they would like information provided to them in different ways. Where particularly complex information is being provided to Members, briefing sessions are held to allow for more in depth consideration of information to inform scrutiny at committee.

Additionally, given that Audit Scotland commented on the relatively short duration of the Council and committee meetings they attended at Angus, it is important that we do not allow this to happen here. Allowing meetings to be of an appropriate length will permit sufficient time to be made for scrutiny of the information presented for consideration.

5. Adult home care services

In March 2016, Angus Council stopped directly providing adult home care services. Its adult home care services are now provided by a social enterprise company, forming part of the longer term *Help to Live at Home* project which plans to save £11 million by 2020.

There may be value in approaching Angus Council to learn from their approach to the provision of adult home care services.

6. **Angus Council – next steps**

Now that Inverclyde Council's Audit of Best Value is underway, there may be value in giving careful consideration to the points raised about Angus Council, as outlined at section 5.10 of the covering report.

**Audit Scotland Reports on Falkirk and East Dunbartonshire Councils and
Recommendations for Inverclyde Council**

Potential improvement actions

1. People and Organisational Development Strategy 2017/20

Our People and Organisational Development Strategy 2017/20 was approved by the Policy and Resources Committee on 20 September 2016. We may wish to review the document in light of Audit Scotland's points about the need for Falkirk to show how its Corporate Workforce Strategy 2016/20 will drive and deliver change across services.

Additionally, in light of the range of workforce issues highlighted at East Dunbartonshire Council, our Head of Organisational Development, Human Resources and Communications is currently preparing an update report on our People and Organisational Development Strategy 2017/20 for the meeting of the Policy and Resources Committee on 31 January 2017.

2. Scrutiny by Elected Members and performance reporting

See section 4 of Appendix 1.

3. Falkirk and East Dunbartonshire Councils – next steps

Now that Inverclyde Council's Audit of Best Value is underway, there may be value in giving careful consideration to the recommendations about Falkirk and East Dunbartonshire Councils, as outlined at sections 6.9 and 7.12 of the covering report.