

FALKIRK COUNCIL

Subject: BEST VALUE AUDIT 2014/15
Meeting: AUDIT COMMITTEE
Date: 14 DECEMBER 2015
Author: DIRECTOR OF CORPORATE & HOUSING SERVICES

1. PURPOSE

- 1.1 The purpose of this report is to inform the Audit Committee of how Council will address issues arising from Audit Scotland's best value audit of Falkirk Council.

2. BACKGROUND

- 2.1 Audit Scotland carried out a best value audit of Falkirk Council between November 2014 and May 2015. The report on the audit by the Controller of Audit was considered by the Accounts Commission which published its findings on 27 August 2015.
- 2.2 Council was required to consider the findings within three months of receiving them. Council did so on 7 October 2015. Members considered a report by the Chief Executive which set out the Commission's findings together with a proposed response. A draft Improvement Plan was also included. This details out how the Council will address issues raised in the best value audit.
- 2.3 The Audit Committee will be interested in particular in the mechanism in place to both implement and monitor the progress of the Improvement Plan. In this regard Council agreed –
- (i) to adopt the Improvement Plan which was appended to the report and that there will be further discussion among the Leader of the Council, Leader of the Opposition and the Provost regarding its implementation; and
 - (ii) a report on progress with the actions set out in the Plan will be submitted to Council in March 2016.

3. RECOMMENDATION

- 3.1 The Audit Committee is invited to note how the Council intends to address issues raised in the best value audit of Falkirk Council and that further reports will be provided as appropriate.

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Director of Corporate and Housing Services

(Contact – Brian Pirie; tel 01324 506110)

Date: 4 December 2015

BACKGROUND PAPERS

Nil

**FALKIRK COUNCIL
BEST VALUE AUDIT REPORT 2015
DRAFT IMPROVEMENT PLAN**

APPENDIX 1

Action Plan

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<p>SCALE AND PACE OF CHANGE</p> <ul style="list-style-type: none"> • The Council cannot afford to continue spending at its current level and it needs to make substantial savings over the next few years. It should develop clear and detailed plans for how it will make these savings, supported by good analysis, options appraisals and strong business cases. It should also set out how it will significantly increase its scale and pace of change in transforming and improving services. - The Council should ensure staff reductions are planned within the context of comprehensive workforce strategies and plans to minimise any adverse impact of services. - The Council should ensure that Councillors are properly involved in the Business Transformation project, that they provide clear strategic direction and that they have the necessary skills and knowledge to challenge appropriately. 	<p>The Council will update its Workforce Strategy for approval by Members.</p> <p>A new Business Transformation Board will be established to enhance the governance of this programme with the Leader of the Council and Leader of the Opposition providing political leadership to the Board. The minutes of the Business Transformation Board will be made available to the Cross Party Budget Working Group.</p>	<p>Director of Corporate & Housing Services</p> <p>Chief Executive</p>	<p>March 2016</p> <p>November 2015</p>

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<ul style="list-style-type: none"> - The Council should consider if a cross-party forum or budget working group, bringing Councillors from different groups together, would be appropriate to help deal with some of the financial challenges and service delivery decisions that are needed. It would also involve them in redesigning and improving services to make savings. - The Council should ensure that the role of the Internal Audit Manager in its Business Transformation is appropriate, with no risks to an effective role for internal audit in providing independent assurance. 	A Cross Party Budget Working Group will be established.	Chief Executive	December 2015
	Officer involvement in the Business Transformation project will be realigned to support the new Board.	Director of Corporate & Housing Services	November 2015
	The Council will prepare a short term financial plan (2 years) and medium term financial plan (5 years) and a long term financial plan (10 years).	Director of Corporate & Housing Services	March 2016

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<p>SCRUTINY</p> <ul style="list-style-type: none"> • All Councillors need to participate in the Council's governance arrangements, as implemented in 2015, including the Executive and Scrutiny Committees. They need to take collective responsibility for decisions, the scrutiny process that will strengthen these decisions and ensuring agreed decisions are implemented. • The Council should ensure that all its scrutiny arrangements, in particular its Performance Panel, meet best practice principles. It should ensure that: <ul style="list-style-type: none"> - Scrutiny involves constructive challenge, regardless of political allegiances. - All aspects of the scrutiny arrangements, including the work of the Scrutiny Panels and the Performance Panel, are open, transparent and support public accountability. 	<p>All Councillors will continue to participate constructively in the Council's governance arrangements.</p> <p>Council considers that its scrutiny arrangements do meet best practice principles and that holding the Performance Panel in private while making its reports and minutes public is appropriate for Falkirk Council's circumstances and enhances the effectiveness of the Panel.</p> <p>Training and development opportunities will be made available to councillors to enhance their scrutiny skills and guidance will be drawn up to assist constructive engagement with the scrutiny process.</p> <p>The Council will continue to hold its Performance Panel in private but publish on its website the reports submitted to the Panel and the minutes of the meetings.</p>	<p>Chief Executive</p> <p>Director of Corporate & Housing Services</p>	<p>Ongoing</p> <p>March 2016</p>

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<ul style="list-style-type: none"> • The Council faces tough decisions in a difficult financial environment to plan and deliver services to meet the needs of local communities. All Councillors need to understand their role in making these decisions, and in the scrutiny process that supports them. The Council should do more to support Councillors by: <ul style="list-style-type: none"> - Providing information and training to make sure that Councillors and Officers have a shared understanding of the new structures that were implemented in May 2015, and how they operate in practice. - Providing information that makes it clear how Councillors can contribute most effectively. • The Council should consider developing a local protocol that sets out clear expectations for how Councillors should work together and with Officers. 	<p>The Council will consider the information and training needs of Members through the Personal Development Plan process and by providing specific training and development opportunities on scrutiny, budgeting and performance management.</p> <p>A review of other Councils' experience with local protocols will be carried out to establish how effective they are deemed to be with a report back to Council on the outcome of that review.</p>	<p>Director of Corporate & Housing Services</p> <p>Chief Executive</p>	<p>March 2016</p> <p>March 2016</p>

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<p>PERFORMANCE MANAGEMENT AND REPORTING</p> <ul style="list-style-type: none"> The Council should integrate its various strands of performance management, service improvement and business transformation to ensure it has a coherent approach. It should use this to target its resources, focus on delivering its priorities and drive continuous improvement. It should: <ul style="list-style-type: none"> Coordinate its activities such as service reviews, self-assessments and business transformation and show how these will lead to specific improvement. Regularly and systematically carry out self-assessment of services, including comparison with other Councils and use this information to identify areas for improvement in its Service Plans. Ensure its programme of service reviews focuses on its strategic priorities and objectives and is based on areas for improvement identified through performance information. 	<p>A programme of reviews and self-assessments will be submitted to the Performance Panel by March 2016.</p> <p>A systematic programme of service reviews and self-assessments will be undertaken to influence the Council's budget strategy and improvement agenda.</p>	<p>All Directors</p> <p>All Directors</p>	<p>March 2016</p> <p>From April 2016</p>

Issue/Recommendation	Proposed Action	Responsible Officer	Target Date
<ul style="list-style-type: none"> - Performance indicators that include a baseline figure to show where services have improved or otherwise; they should also include contextual information or an explanation when using trend arrows or traffic light indicators to help readers interpret the data, for example whether an indicator increasing indicates performance is better or worse. - Performance indicators that are SMART, and have a clear target for what is to be achieved or what is expected. 	<p>Performance reports will be developed through the Performance Panel to reflect the good practice outlined. These reports will in turn, be published on the Council's website.</p>	<p>All Directors</p>	<p>March 2016</p>