

The background of the slide features a large, light blue outline of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: saltire, top-right: stag's head, bottom-left: sailing ship, bottom-right: grizzly bear), and a banner at the bottom with the motto 'CITY OF VANCOUVER' in French. The text 'AGENDA ITEM' is centered over the top half of the shield.

AGENDA ITEM

5

**BEST VALUE
IMPROVEMENT PLAN**

FALKIRK COUNCIL

Subject: BEST VALUE IMPROVEMENT PLAN
Meeting: FALKIRK COUNCIL
Date: 9 MARCH 2016
Author: CHIEF EXECUTIVE

1. INTRODUCTION

- 1.1 Members will recall that the Accounts Commission published a Best Value Report on Falkirk Council in August 2015. The report and the findings of the Commission were considered at the Council meeting in October.
- 1.2 To remind Members, the findings of the Commission were:
1. While Falkirk Council provides generally good services, it has identified the need to make savings of £46 million over the next three years[since October it has become clear that the gap for the 3 year period 2016-19 will be considerably more than £46m]. The Commission has significant concerns that the Council's approach to this challenge is inadequate to ensure that service standards are maintained and improved.
 2. The Council needs to make a step-change in its pace of improvement. A continuing reliance on small-scale savings projects, service reductions and service charge increases is not sufficient. The Council needs to be more ambitious, coherent and clearer in its savings plans. These plans need to reflect its priorities and what impact they will have on services. The Business Transformation Project needs to be more strategic and stronger leadership is needed for this to happen. Councillors need to provide strategic direction for the project, and senior managers need to ensure that options on the future delivery of services are clearly articulated to Members. Members' decision making also needs better support from the Council's performance management system.
 3. The Commission welcomes that, after an unacceptable and protracted period of ineffective scrutiny in the Council, Members are participating in new arrangements. The Council needs to demonstrate that scrutiny is now effective.
 4. The Council has a great deal to do to provide assurance that it can deal with the financial challenges ahead. The Commission therefore requires the Controller of Audit to report back on progress by the end of 2016.
- 1.3 My report to Council in October last year noted that many of the improvement areas in our own Best Value Report were similar to the comments made by The Accounts Commission about Local Government across Scotland and that the Council's Scrutiny Committee had considered this national report at its meeting on 20 August 2015.

1.4 In October last year Council agreed the following response to The Best Value Report:

- (1) to note the recognition by the Commission that the Council provides generally good services;
- (2) to acknowledge the need to find savings of c. £46m over the next 3 years as set out in more detail in the report on the revenue fund framework which was also under consideration at the meeting [since October it has become clear that the gap for the 3 year period 2016-19 will be considerably more than £46m];
- (3) to adopt the Improvement Plan, as appended to the report, and note that there would be further discussion among the Leader of the Council, the Leader of the Opposition and the Provost regarding its planned implementation.
- (4) that the terms of reference for the Cross Party Budget Working Group would be determined by the Group at its first meeting, with the composition of the Group being as follows;
 - (i) Labour Group - 3 members
 - (ii) SNP Group - 3 members
 - (iii) Conservative Group - 1 member
 - (iv) Non-Aligned Independent Group - 1 member
 - (v) Independent - 1 member
- (5) that the Leaders of the Council and the Opposition would provide political leadership on the Business Transformation Board;
- (6) that a report on progress with the actions set out in the Improvement Plan would be submitted to Council in March 2016; and
- (7) that the review of Standing Orders would be the subject of a report to Council in December 2015.

1.5 The purpose of this report is to update Members on the progress of our Improvement Plan.

2. PROGRESS TO DATE

2.1 As noted, Members agreed in October 2015 that the Provost, Leader of the Council and Leader of the Opposition would monitor implementation of the Improvement Plan.

2.2 Two update reports have been provided to this group of Members since the Council meetings in October. One report was provided in November and the most recent report at the beginning of February 2016. Progress within the Improvement Plan has also been monitored by the Council's Corporate Management Team. Appendix 1 to this report provides commentary against each of the individual actions included in our Improvement Plan.

- 2.3 There are two general issues that Members may wish to reflect on when considering the progress of our Improvement Plan:
- The first is that progress is being made in each specific action of the Improvement Plan.
 - The second is the context of time constraints since the Council meeting last October. The pressures facing Members and Officers particularly in the two month period between mid December and mid February have been very significant. A significant amount of time required to be devoted to understanding and bridging the increased budget gap following the announcement of our financial settlement on 16 December 2015. This could not have been anticipated in October and the reality is that much of our time in that two month period has been focussed on budget matters.
- 2.4 There are some other action points where I would take this opportunity to comment. In relation to our action to develop medium and long term financial plans, it has not been possible to make the progress we had expected. This is directly related to the work required to bridge our budget gap in 2016/17 together with the single year grant settlement provided by the Scottish Government. A three year grant settlement is anticipated to be provided for 2017/18 onwards and this will make the preparation of a medium and long term financial plan more realistic and worthwhile.
- 2.5 The provision of training for Elected Members was an area featured in our Improvement Plan. It is recognised that this will be an ongoing issue, however it is considered that good progress has been made on this with individual Elected Member PDPs being refreshed before 31 March 2016 and specific training being provided on training in media skills and performance management. Specific training on scrutiny, public performance reporting and financial planning is programmed for the next few months.
- 2.6 Finally, there is full participation in the Council's governance arrangements by Elected Members. Councillors will recall that the Council needs to demonstrate that scrutiny is now effective.

3. AUDIT SCOTLAND REVIEW OF IMPROVEMENT

- 3.1 Members will recall that the Accounts Commission requires the Controller of Audit to report back to them on our progress by the end of 2016. We have been advised that provisionally, Audit Scotland will undertake their review of our progress at some point during April/May 2016. This is likely to involve further meetings and focus groups with Elected Members. Precise details of the content of their review and the timing are awaited.
- 3.2 The timetable of the review has been brought forward by Audit Scotland to allow commentary on their review of our progress to be included in the final Audit Report which is expected in September. Members will be aware that from October 2016, Audit Scotland will no longer be the Council's External Auditors and this responsibility will pass to private sector Auditors. Details have not yet been made available on who this will be.

4. CONCLUSION

- 4.1 Progress has been made against each of the actions in our Improvement Plan.
- 4.2 It is expected that progress will continue to be made in each of the areas over the course of the remainder of 2016.
- 4.3 Audit Scotland expects to return to the Council in April/May 2016 to review our progress. Precise details are awaited.

5. RECOMMENDATIONS:

Members are invited to:

- 5.1 **Note the progress made in our Improvement Plan;**
- 5.2 **Note the expected timescale for the return of Audit Scotland to review our progress;**
- 5.3 **Consider if they are content for progress on implementation of the Improvement Plan to continue to be monitored by the Provost, the Leader of the Council and the Leader of the Opposition; and**
- 5.4 **Agree a suitable date for a further progress report on implementation of our Best Value Improvement Plan to be considered by Council.**

CHIEF EXECUTIVE

Date: 18 February 2016

Ref: AAA090316 – Best Value Improvement Plan

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Appendix 1 – Best Value Improvement Plan comments






LIST OF BACKGROUND PAPERS

none


Best Value Audit 2015 Improvement Plan





Generated on: 29 February 2016

1. Scale and Pace of Change

Action	Progress	Due Date	Responsible Officer
BVA15SPC0001 The Council will update its Workforce Strategy for approval by Members.	A revised Workforce Strategy has now been drafted and will be submitted to Members in March 2016. 	31-Mar-2016	Head of Human Resources & Business Transformation
BVA15SPC0002 A new Business Transformation Board will be established to enhance the governance of this programme with the Leader of the Council and the Opposition providing political leadership. Minutes will be made available to the Cross Party Budget Working Group.	Business Transformation Board now includes both the Leader of the Council and the Leader of the Opposition as members of the Board. They both attended their first Board meeting on 9 November 2016. The most recent meeting was held in January and the next meeting is scheduled for late March. 	30-Nov-2015	Head of Human Resources & Business Transformation
BVA15SPC0003 A Cross Party Budget Working Group will be established.	This is now up and running and first met on 22 October 2015. The Groups has met fortnightly. 	31-Dec-2015	Chief Finance Officer
BVA15SPC0004 Officer involvement in the Business Transformation project will be realigned to support the new Board.	Officer involvement has been amended to reflect the concerns of Audit Scotland. 	30-Nov-2015	Head of Human Resources & Business Transformation
BVA15SPC0005 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).	The Council is working towards this however the one year financial settlement for 2016/17 mitigates against this. Going forward, the expectation is for a 2/3 year settlement which will facilitate greatly the Medium Term Plan. 	31-Mar-2016	Chief Finance Officer

2. Scrutiny


Action	Progress	Due Date	Responsible Officer
BVA15SCR0001 All Councillors will continue to participate constructively in the Council's governance arrangements.	All members of the Opposition are now participating formally and constructively in the scrutiny process e.g. attending committee meetings, policy development/scrutiny panels and working groups. 	31-Dec-2016	Chief Governance Officer

Action	Progress	Due Date	Responsible Officer
	Both Scrutiny and Scrutiny External Committees are chaired by Opposition Members and all Opposition places on both Committees have now been taken up.		
BVA15SCR0002 Council considers that its scrutiny arrangements meet best practice principles and that holding the Performance Panel in private while making its reports and minutes public is appropriate for our circumstances and enhances the effectiveness of the Panel.	No action required. 	30-Oct-2015	Chief Governance Officer
BVA15SCR0003 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.	A workshop, for all Members, on performance management and scrutiny was held on 2 February. Scrutiny and Financial Planning training have been added to all 32 Members' Personal Development Plans (PDPs) with a deadline date of 31 March 2016. Discussion is ongoing with the Improvement Service regarding the delivery of scrutiny training. Treasury Management training has been scheduled for 15 and 31 March (same programme delivered on both occasions). All Members have been invited to attend one session. 	31-Mar-2016	Chief Governance Officer
BVA15SCR0004 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.	The minutes and agenda for the meeting of the Performance Panel held on 16 November 2015 were published on-line for public access. The reports and minutes for future meetings will continue to be published. 	31-Dec-2016	Chief Governance Officer
BVA15SCR0005 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.	Members' PDPs have been expanded to include scrutiny and financial planning/budgeting training. 1-1 meetings with all Members are being arranged for March 2016 to allow Members' Training Needs Analyses (TNAs) to be refreshed before 31 March 2016 and their PDPs updated accordingly. Training is currently being explored in relation to scrutiny. Training on treasury management will be held on 15 and 31 March 2016. All Members have been invited to attend one session. A workshop, for all Members, on performance management was held on 2 February. Training on media and presentation skills was held on 17 December 2015 in the form of an Improvement Service Masterclass and was attended by five Falkirk Council Members amongst others from a range of local authorities. This met training needs previously 	31-Mar-2016	Chief Governance Officer

Action	Progress	Due Date	Responsible Officer
	identified through earlier TNAs. The possibility of a similar session being held again for those Members who were unable to attend in December is currently being explored.		
BVA15SCR0006 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.	A "round robin" survey of other Scottish local authorities has been undertaken, using the Scottish Members' Services Development Network and SOLAR Admin Group distribution lists, to ascertain the types of local protocols developed and implemented elsewhere. A good response has been received, including a range of samples of protocols. These are now being analysed with a view to being reported to the Leaders' Group in the first instance.	31-Mar-2016	Chief Governance Officer

3. Performance Management and Reporting

Action	Progress	Due Date	Responsible Officer
BVA15PM0001 A programme of reviews and self-assessments will be submitted to the Performance Panel by March 2016.	An Officer workshop was held in January 2016 to help prepare the draft programme. The draft programme will be submitted to the Performance Panel in March 2016.	31-Mar-2016	Head of Policy, Technology & Improvement
BVA15PM0002 A systematic programme of service reviews and self-assessments will be undertaken to influence the Council's budget strategy and improvement agenda.	Following discussion at Performance Panel in March 2016 a programme of self assessments and service reviews will be taken forward by Services. The outcomes of this work will be reported to Members through Performance Panel reports.	31-Mar-2019	Head of Policy, Technology & Improvement
BVA15PM0003 The Council's new guidance on Performance Management will be rolled out.	A high level summary framework prepared and circulated. This will be further developed over the coming months to supplement existing guidance.	31-Dec-2015	Head of Policy, Technology & Improvement
BVA15PM0004 Take forward actions agreed by Scrutiny Committee in October 2015 on public performance reporting.	Arrangements for PPR across the Council are being reviewed in line with the feedback from Audit Scotland's 2015 review of PPR arrangements in Councils and discussions at the Scrutiny Panel and Best Value Working Group. Service content is being reviewed to ensure it covers the areas identified by Audit Scotland and is presented in a way that is accessible to the public. In particular, reporting needs to include more narrative context and benchmark and trend information rather than simply relying on using traditional PIs. Specific areas being looked at currently include what is being reported by Services and how	31-Mar-2016	Head of Policy, Technology & Improvement

Action	Progress	Due Date	Responsible Officer
	information submitted to the Performance Panel under the revised framework will be presented on the Council's website.		
BVA15PM0005 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.	A new reporting template has been developed based on the format used by Corporate & Housing Services. This is now in use by all Services to report to the Performance Panel. 	31-Mar-2016	Head of Policy, Technology & Improvement