



# **Agenda Item 7**

## **National and Local Audit / Scrutiny Reports**

**Falkirk Council**

**Title:** National and Local Audit / Scrutiny Reports  
**Meeting:** Scrutiny Committee  
**Date:** 17 August 2017  
**Submitted By:** Director of Corporate and Housing Services.

**1. Purpose of Report**

- 1.1. This report notes some of the national reports published by Audit Scotland that might be of interest to the Council. The Committee should consider each report in terms of the points and recommendations they make. Also attached is a note of the local scrutiny plan published in March 2017.

**2. Recommendation(s)**

- 2.1. **The Scrutiny Committee is asked to :-**

**(1) Note the published plans.**

**3. Background**

- 3.1. Throughout the year Audit Scotland and the Accounts Commission publish reports on issues that are of interest to the public sector in Scotland. Councils are asked to consider these reports and identify any issues that are relevant to them and respond appropriately to these.
- 3.2. In addition each year Audit Scotland prepares a note of the local scrutiny arrangements that will be put in place for each local Council.
- 3.3. The reports published recently that Members are asked to consider are noted below with hyperlinks to each report.
- [National Scrutiny Plan - A summary of local government strategic scrutiny activity 2017/18](#)
  - [Falkirk Council - Local Scrutiny Plan 2017/18](#)
  - [Principles for a Digital Future](#)
  - [Local Government in Scotland - Performance and Challenge 2017](#)

#### **4. National Scrutiny Plan – A summary of local government strategic scrutiny activity 2017/18.**

- 4.1. This report is prepared with input from a range of organisations and agencies. Having reviewed the context within which local government in Scotland work, it sets out a national programme of scrutiny. This report notes activity that has taken place over the last year and the output of that including the programme of Best Value Audits, national performance audits, topic specific reports and also work by specific auditors and inspectors e.g. the Joint Inspection of services for children.
- 4.2. Some of the areas of scrutiny nationally identified for work this year include:
- Adult support and protection
  - Self directed support implementation
  - Educational attainment and the application of the pupil equity fund
  - Quality of careers information and guidance services delivered by Skills Development Scotland.
- 4.3. Once published, these national reports will be reported to Members.

#### **5. Falkirk Council – Local Scrutiny Plan 2017/18**

- 5.1. This local scrutiny plan sets out the planned scrutiny activity for Falkirk Council for 2017/18. The plan is based on a shared risk assessment undertaken by the local area network (LAN) which comprises of representatives of all scrutiny bodies who engage with the Council.
- 5.2. The LAN's conclusion from this year's assessment is that no new scrutiny risks have been identified which require specific work during this financial year. However the LAN notes the findings of the Accounts Commission in its Best Value Audit Follow Up report published in December 2016 and the improvement activity associated with that. The key areas for improvement for the Council are:
- Identifying and communicating our strategic priorities and ensure all activity is aligned to these priorities
  - Reviewing the process for preparing the budget to ensure all costs and income are more accurately anticipated
  - Developing our approach to medium and longer-term financial planning
  - Ensure all improvement activities are aligned to strategic priorities and the budget setting process, with senior managers supporting the programme manager by providing strategic leadership and direction to deliver the change required
  - Ensure that workforce reductions are informed by detailed workforce plans

- Provide timely and complete performance information to Councillors and the public to promote effective challenge and drive improvement.
- 5.3. In addition to monitoring and reviewing progress on the above the Council will be subject to one specific inspection i.e. Educational Psychological Services in October 2017.
- 5.4. The national audits noted above might also mean information is required from specific services of the Council.

## **6. Principles for a Digital Future**

- 6.1. This report rather than reviewing services it sets out principles that Councils and other public bodies should consider in taking forward digital service provision. These principles include;
- Ensuring comprehensive planning
  - Active governance
  - Putting users at the heart of the project
  - Clear leadership
  - Strategic oversight and assurance.
- 6.2. Officers are currently taking forward a number of significant digital change projects including:
- My Falkirk
  - Falkirk Cloud – mobile and flexible working
  - Digital inclusion
  - Changes in telephony.
- 6.3. These projects have been developed as part of the Councils current technology strategy. This strategy is due to be reviewed and will be developed with a view to a more flexible digital strategy:
- Leadership
  - Services redesigned to maximise use of digital, improve customer services and reduce costs
  - Rock solid ICT/Technology.
- 6.4. These three elements mirror the digital strategy for local government published last year. The vision for Falkirk is that all services are focused on how they can use technology to improve access to services, communicate and engage with citizens more effectively and reduce costs. The organisation's core purpose is to deliver public services that meet the needs of our communities so essentially this is a customer strategy, enabled by technology and supported by a range of complementary skills, including IT, business analysis, data analytics, marketing and digital communications.

- 6.5. This vision must be one of the cornerstones of the Council of the Future project. Digital is a critical enabler for any transformation agenda and the benefits to our customers and the Council itself are significant. Our customers are clear that they want increased options to transact online: as far back as the 2010 budget consultation there were clear messages from the public about more services being delivered online and reducing the number of buildings. This has become even more relevant, given the current budget situation.
- 6.6. By delivering on digital the following outcomes will be achieved:
- Citizens will choose to use digital to find information, engage with the Council, access services and self-serve – and they will trust it
  - Services will be transformed to include digital delivery based on data analytics and new services will be digital by default
  - Savings will be realised through more efficient processes, channel shift and a reduction in legacy systems and associated costs
  - Internal transactions are digital
  - Business benefits will be achieved by using social media.
- 6.7. The key benefits to the Council and our communities are:
- Services will be more efficient, responsive and standardised
  - Overly bureaucratic processes that underpin services will be reviewed and streamlined
  - Decisions on service delivery will be based on sound evidence from our customers
  - There will be more flexibility to customers and communities in the way they engage with the Council
  - Our workforce will be more mobile, flexible and able to serve our customers timeously in their communities and therefore less reliance on physical buildings.
- 6.8. The principles contained with this national Audit Report will inform our approach to taking forward our digital strategy and the initiatives that will progress this. However given rapidity of change within this sector, our strategy will be much more about setting a vision, principles etc. then having clear delivery plans sitting below that.

## **7. Local Government in Scotland – Performance and Challenges 2017.**

- 7.1. This report is prepared annually and sets out the Accounts Commissions thinking on the challenges facing local government for the coming year. The report covers range of issues and makes recommendations to Councils in responding to those challenges.

7.2. The key messages within the report are:

- Councils have faced significant challenges from a long-term decline in revenue funding and from an ageing and growing population. The scale of these challenges continues to grow. Policy and legislative changes are also placing additional demands on Councils and changing how Councils work.
- Councils are responding to the challenges by continuing to adopt alternative ways of working, reducing the level of service they provide and reviewing fees and charges. The pace and scale of reform needs to increase in some Councils. Despite these challenges, Councils' performance has been maintained or improved.
- With reducing resources, Councils will find delivering improvements increasingly difficult. It is critical, therefore, that they set clear long-term strategies and plans that target effort on priority areas. A Councillor's role is complex, demanding and evolving. They are required to provide effective and strategic leadership, and it is therefore critical that their knowledge is up to date and skills are refreshed to enable them to establish strategic priorities, fully assess options for change and hold services to account.

7.3. The report then makes recommendations to Council in addressing those and other challenges. These are summarised below:

- The need to be clear about priorities and then ensuring services and budgets are aligned to deliver on these.
- Ensuring that budgets are aligned to medium term financial strategies
- The need for organisation wide workforce plans
- Ensure all options for service change and redesign are considered
- Supporting communities to fully participate in setting priorities and making decisions about service redesign
- Ensure Councillors get the right support to develop their skills
- Ensure there is clear public reporting of performance
- Continue to understand the reasons for variation in cost and performance while collaborating to identify and adopt good practice.

7.4. The report notes points from individual audit report and in this respect comments on the pace of change in Falkirk being slow as was highlighted in the Councils Best Value Audit. The reports also noted a good level of scrutiny and challenge by members in Falkirk.

7.5. The report then goes on to highlight some of the variations in Councils performance as set out in the local government benchmarking framework. This is subject of a separate report to Scrutiny Committee.

- 7.6. The report provides a useful overview of the issues facing all Councils over the coming months and years. Given this, new Members were made aware of this report and its key messages during their induction in early May. The response to these issues will be taken forward through the Councils emerging Corporate Plan.

## **8. Considerations**

- 8.1. Each of the reports provides useful information for Members and Officers and will inform our future planning and service delivery.

## **9. Consultation**

- 9.1. Nil.

## **10. Implications**

### **Financial**

- 10.1. Nil.

### **Resources**

- 10.2. Nil.

### **Legal**

- 10.3. Nil.

### **Risk**

- 10.4. Each of the reports highlights issues that will impact on the Council and its services going forward. As such they to a greater or lesser extent they highlight risks that the Council must consider as it plans and delivers its services going forward.

### **Equalities**

- 10.5. Nil.

### **Sustainability/Environmental Impact**

- 10.6. Nil.

## **11. Conclusions**

- 11.1. The reports covered by this report provide a wealth of information and context that Members and officers require to consider. The Councils response to the issues contained within each report will be taken forward through our continued focus on improvement, the developing corporate plan, our developing digital strategy and also regular reports to Scrutiny Committee and the Performance Panel.
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## **Appendices**

None - hyperlinks are embedded within the report.'

## **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None