

The background of the slide features the Falkirk Council Coat of Arms. It is a shield divided into four quarters. The top-left quarter shows a saltire (X-shaped cross) on a blue field. The top-right quarter shows a stag's head facing left on a red field. The bottom-left quarter shows a three-masted sailing ship on a blue field. The bottom-right quarter shows a crowned eagle with wings spread on a red field. Above the shield is a crown with four fleurs-de-lis. Below the shield is a ribbon with the motto 'A'NE FOR A' in white capital letters.

Agenda Item 3

Falkirk Council Best Value Assurance Report 2021

Falkirk Council

Title: Falkirk Council Best Value Assurance Report 2021
Meeting: Falkirk Council
Date: 15 February 2022
Submitted By: Chief Executive

1. Purpose of Report

- 1.1 Following the Best Value Audit in 2021, this report outlines the recommendations from Falkirk Council's Best Value Assurance Report, the Accounts Commission Findings and the proposed Falkirk Council Best Value Strategic Action Plan for consideration.

2. Recommendation(s)

2.1 It is recommended that Falkirk Council:

- (1) Notes the Falkirk Council Best Value Assurance Report and Accounts Commission Findings.**
- (2) Approves the Best Value Strategic Action Plan for Falkirk Council.**

3. Climate Change Implications

- 3.1 The recommended decisions in themselves do not give rise to any material implications for the Council's climate change targets and obligations. However, the Council's approach to delivering Best Value and implementing the recommendations set out in the Best Value Assurance Report will impact on the ability of the Council to deploy resources in support of its climate change ambitions and targets.

4. Background to Best Value

- 4.1 The Local Government in Scotland Act 2003 places statutory duties on Councils in relation to Best Value and Community Planning.
- 4.2 The audit of Best Value is an ongoing process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report. The Controller of Audit presents a Best Value Assurance

Report to the Accounts Commission at least once during the five-year audit appointment for each council.

Best Value Timeline

- 4.3 Falkirk Council received a Best Value Audit Report in December 2016.
- 4.4 The Controller of Audit subsequently produced a Best Value follow-up report, in February 2018.
- 4.5 This 2021 Best Value Assurance Report is the first assurance report on Falkirk Council in the five-year audit period. This was considered by the Accounts Commission on 9 December 2021 and published by Audit Scotland on 13 January 2022.

[Best Value Assurance Report: Falkirk Council | Audit Scotland \(audit-scotland.gov.uk\)](https://audit-scotland.gov.uk/Best-Value-Assurance-Report-Falkirk-Council)

- 4.6 The Best Value Assurance Report sets out:
 - The key areas of focus for the audit undertaken during 2021 including:
 - The council's vision and strategic direction.
 - Performance and pace of improvement, including public performance reporting.
 - Effective use of resources, including financial sustainability, impact of transformation programme and workforce planning.
 - Partnership working and community engagement.
 - Continuous improvement, including progress since the follow-up Best Value audit report published in 2018.
 - Key messages, supplemented with the Commission's findings.
 - Recommendations for further improvement.
- 4.7 In relation to this, the Accounts Commission has issued the following findings:
 - The Commission accepts the Interim Controller of Audit's report on Best Value in Falkirk Council and we endorse his recommendations.
 - Our last Best Value report on the council in February 2018 showed an encouraging response by the council to two previous reports (in 2015 and 2016) which had been critical about the council's slow pace of improvement. We are therefore extremely disappointed that this current report again finds that insufficient progress is being made by the council in its improvement.
 - While we are pleased to note positive working relationships between elected members and officers, we are seriously concerned that we do not yet see the collaborative leadership required to deliver the change that is needed.
 - We cannot yet have confidence that the council will meet a projected budget gap of £70 million over the next five years. All members need to

demonstrate their ability to take difficult decisions on how the council is to transform its services for the people of Falkirk, and such decisions need to be implemented urgently. Recent improvements in how the Council of the Future programme is managed and scrutinised should now help bring more clarity on the decisions which require to be taken and what their implementation will achieve. Services to children looked after in the community are an example of an area where such clarity is important to balance financial challenges with the need to improve services and support.

- We are pleased to note the good performance of many council services, but the council needs to do more to show how it acts upon people's experience and satisfaction with these services. Its effective response to the pandemic underlined how it is improving how it engages with its communities, which will be important in facing the significant challenges ahead.
- We also, however, need to see the council doing more with its community planning partners to empower communities: we underline the need for speedy progress in putting in place locality plans. The council and its partners work well to ensure a good understanding of the inequalities experienced in the communities of Falkirk. But a prominent example of how partnership working needs to deliver more benefits for communities in Falkirk is the need for further integration of health and social care services through the Integration Joint Board.
- This report and findings set out some vital steps needing to be taken by Falkirk Council. The progress that we require to see means that we will expect the Controller of Audit to report back to us as a priority, and thus early in our new approach to auditing and reporting Best Value, in place from mid-2023.

5. Falkirk Council Response

- 5.1 It is considered that the judgements contained in the report and that the overall findings give a fair and balanced assessment of the Council's performance.
- 5.2 These have been communicated via:
- Briefings to Leadership groups
 - Chief Executive Video on Falkirk Council website
 - News articles
 - Local press public information notices of this Council meeting.
- 5.3 There are nine main recommendations in the report that will be used to drive improvement across the Council. These are set out in Best Value Strategic Action Plan, together with details of Lead Officers and timescales for implementation in Appendix 1.
- 5.4 The Strategic Action Plan was developed through a number of engagement activities:
- December 21 and January 22 Leadership Forums

- Three locality-based Elected Member Workshops
 - Open feedback via email / discussions.
- 5.5 Feedback from this engagement was largely positive and constructive. There is a general consensus that the approach set out in the Strategic Action Plan is the right course of action for the Council to take to respond to the Best Value Assurance Report and Accounts Commission and findings.
- 5.6 In particular, the reactions from Elected Members and Officers showed that there is a strong desire to make collaborative leadership work across the Council, taking account of the political environment we operate in. With some initial planning already underway to help make this happen, further development work will be required to get full traction on this.
- 5.7 From an Elected Member perspective, this will include the design and implementation of a full and effective induction programme, with a view to a longer term development programme for all Members.
- 5.8 From an Officer perspective, a Leadership development programme will be established, to frame the leadership and culture change requirements to transform Council ways of working and, at the same time, commit to Best Value obligations.
- 5.9 Given the importance of the first recommendation relating to Leadership, it is, in many ways, the lynchpin that will bind and connect the other themes in the Strategic Action Plan.
- 5.10 The themes are focused on:
- Leadership
 - Transformation
 - Performance
 - Capital
 - Communities
 - Falkirk Community Trust
 - Equalities
- 5.11 The Lead Officers driving the work in these areas will ensure progress reports are forthcoming in line with the existing Council of the Future governance arrangements, reporting to the Executive, Audit Committee and Scrutiny as required. Reports will also be published on Falkirk Performs for public performance reporting.
- 5.12 The Strategic Action Plan will be a core component of the March 2022 Interim Business Plan, as it will be a key business driver for the Council over the coming year.

External Audit and Future Best Value

- 5.13 For note, the Best Value Assurance audit work was carried out by a joint team from Audit Scotland and Ernst & Young LLP, the appointed auditor. The appointed auditor will continue to be involved in the audit of Falkirk Council's Best Value over the course of the appointment.
- 5.14 It is likely that the Accounts Commission will conduct the next Best Value Assurance exercise for Falkirk Council late in 2023.

6. Implications

Financial

- 6.1 There are no direct financial implications arising from this report.

Resources

- 6.2 The Accounts Commission report contains a number of recommendations where additional funding would help maximise the opportunities of success. Recommendations on improved working with our communities and community planning partners fits well with the Council's own stated priority of Communities Shaping Falkirk and delivering on the new Community Plan – The Falkirk Plan. Members will be asked to consider providing permanent funding of the Communities Team in Corporate and Housing Services as part of the budget report to Council in March. Additional resources would also be helpful to take forward the recommendations on collaborative leadership and equalities. This would be advantageous following the elections in May when we will have a new Council and new Chief Officers who have recently been appointed. A bid to the Council of the Future Change Fund will be made for this funding.

Legal

- 6.3 There are no direct legal implications arising from this report.

Risk

- 6.4 The Council of the Future Change Programme Risk Register will record and capture risk mitigation in relation to the BVAR Strategic Action Plan.

Equalities

- 6.5 There are direct equalities implications arising from this report.

Sustainability/Environmental Impact

- 6.6 There are no direct sustainability/environmental impact implications arising from this report.

7. Conclusions

- 7.1 It is recommended that Falkirk Council approve the Best Value Strategic Action Plan.

Chief Executive

Author: Rebecca McDonald, Change Manager
rebecca.mcdonald@falkirk.gov.uk

Date: 4 February 2022

List of Background Papers:

None

Appendices:

Appendix 1 Strategic Action Plan

APPENDIX 1**Falkirk '22 – Delivering Best Value****February 2022**

- There are 9 high level recommendations in Falkirk Council's Best Value Assurance Report.
- Our **Falkirk '22 – Delivering Best Value** plan has 9 strategic action points (SAPs) in response to the 9 recommendations.
- As a Council, we will continue to align these plans with our Council priorities:
 - Communities – everyone has an equal chance to be healthier, happier, safer and build sustainable communities
 - Innovation – Innovative and entrepreneurial Council that is forward-thinking and unafraid of change
 - Enterprise – Help business to thrive and make Falkirk more prosperous

SAP	Best Value Assurance Report Recommendations	Strategic Action Points	Action owner	Timescale
1.0	Elected members and senior officers need to work more constructively together to lead the council more effectively and decisively. All elected members need to recognise that they have a responsibility to deliver Best Value, and they need to work together, and take difficult decisions in a timelier manner to allow the council to progress with its agreed priorities.	<ul style="list-style-type: none">• Ensure a comprehensive induction programme is developed for all Members and ready for implementation.• Develop a cross-Council understanding of what 'collaborative leadership' means for Officers and Elected Members.• Define what is required by Members and Officers to deliver Best Value.• Develop a new Corporate Plan and supporting Business Plan.• Implement a programme of collaborative leadership development for Officers and Elected Members.<ul style="list-style-type: none">- First phase for officers- Members, with further phases thereafter.• Define our culture – what does it look and feel like – and embed this across the Council based on the Council values of Responsive, Innovative, Trusted and Ambitious.• Ensure that everyone has a clear understanding of roles and responsibilities – Elected Members and Officers – commencing	KAREN ALGIE	May 2022 September 2022 September 2022 September 2022 December 2022 December 2022 March 2023

		<p>as part of the Member induction process in May 2022 and developing this across the year.</p> <ul style="list-style-type: none"> • Develop a programme of briefings and activities to ensure strong working relationships amongst Members and with Officers with a sustainable on-going training programme for Members – first phase complete by March 2023 and further phases thereafter. 		March 2023
2.0	<p>It is crucial that the council makes far greater progress in delivering its transformation programme and in making savings, given the scale of the challenges it faces.</p>	<ul style="list-style-type: none"> • Review the transformation programme to date and identify the elements that are working. Remove the elements that do not significantly add value, find solutions to the barriers that have previously emerged, and create a faster delivery and decision-making framework. • Harness the resources of the PMO team and Change Fund to support the priority transformation projects in the Business Plan so there is increased capacity within the Council. • Review and improve the milestones used to monitor progress within each project to ensure there is clarity of progression and more effective scrutiny. • Review and strengthen the way these transformation projects are reported to CMT and Council. • Develop a new robust Business Plan that is outcome focussed, has realistic timescales linked to the transformation programme, and named responsibility for delivery. • Review additional areas that are suitable for transformation within the Council. Where appropriate add these to the transformation programme to create a stronger roadmap of how the Council budget gap will be closed. 	MALCOLM BENNIE	<p>June 2022</p> <p>June 2022</p> <p>June 2022</p> <p>August 2022</p> <p>September 2022</p> <p>September 2022</p>

		<ul style="list-style-type: none"> Undertake a review of progress in February 2023 to determine the success of the changes, and if necessary, develop a further action plan for 2023/24. 		February 2023
5.0	The council and its community planning partners need to improve how they manage and report their performance management.	<ul style="list-style-type: none"> Implement The Falkirk Plan. Supported by the CPP Board, all Community Planning Partners will play an active role in the delivery of the Falkirk Plan, delivery plans and locality plans. Report and communicate updates on the delivery of The Falkirk Plan milestones, with scrutiny and performance management arrangements embedded. Complete and implement Locality Plans – dates and ownership will be clear. Embed community engagement and empowerment into our culture and embed into the business plan. Enhance approach to community engagement corporately through increased information sharing and coordination of engagement programmes. Ensure we continue to ‘horizon scan’ best practice in other organisations and learn from this. 	KENNY GILLESPIE	November 2022
6.0	The council and its community planning partners urgently need to develop and implement locality plans to allow them to better focus on the needs of local communities.			December 2022
7.0	The council and its community planning partners need to embed their new approach to community engagement and empowerment.			December 2022
				December 2022
8.0	The council needs to ensure that it can deliver the benefits envisaged from bringing the services provided by the Falkirk Community Trust in-house by making the difficult decisions required to realise savings.	<ul style="list-style-type: none"> Building on the positive joint work over recent months of the Programme Management Group, ensure that Falkirk Community Trust staff, services, projects and assets are successfully integrated into the Council. Ensure that the potential opportunities and benefits of integration are used as a basis for transformation, by integrating FCT services into the Council of the Future programme and specifically the Strategic Property Review. Conduct initial reviews of former FCT services, alongside existing services in the new integrated structures, to identify early opportunities for transformation, service improvement, efficiencies and savings, building on the new skill sets now available to the Council. 	KENNETH LAWRIE	April 2022
			NEW DIRECTOR	September 2022
			NEW DIRECTOR	October 2022

9.0	The council should act to fully embed equalities across the council and comply with statutory requirements.	<ul style="list-style-type: none"> • Refresh existing equalities working group with identified equalities leads for each directorate to complete self-assessment and an improvement plan, in line with best practice, subject to regular review and scrutiny to meet statutory requirements. • Establish strategic leadership and leadership at all levels across the council. • Develop an ambition to address inequality in every aspect of our work and undertake benchmarking work to learn from good practice in other organisations. • A refreshed approach to equalities practice, including training and performance monitoring. • Develop the vision for Falkirk with reducing inequality at its heart. • Embed 'equalities first' approach to policy, planning, budget and service redesign. 	PATRICIA CASSIDY	<p>March 2022</p> <p>May 2022</p> <p>September 2022</p> <p>September 2022</p> <p>December 2022</p> <p>December 2022</p>
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