

# Financial Sustainability

**Our overall  
assessment:  
Red**



The Council considered a revised Council Plan and Financial Strategy in September 2022. The Financial Strategy outlines the need to deliver savings of £69 million by 2027, a significant increase from the previous estimate of £52 million in March 2022. The assumptions underpinning all forecasts will require regular review as inflationary forecasts are updated and pay award settlements finalised. These factors are likely to increase existing budget gaps identified and increase the requirement for robust saving plans.

In order to deliver a balanced budget, challenging decisions on service priorities and associated expenditure commitments will be required, along with careful evaluation of new spending commitments. The Council of the Future transformation programme is expected to deliver £10 million of savings from Wave 3 of the project. Planned changes to governance arrangements, including the establishment of the Financial Strategy Group, must allow elected members to continue to scrutinise the achievement of COTF savings.

Our assessment of red reflects the level of savings required over a short period of time, along with the degree of risk and uncertainty outside the Council's control which could impact its ability to deliver services.

## **Context for Local Government Financial sustainability**

The Scottish Government's 'Resource Spending Review' was published on 31 May 2022 and sets out the high level parameters for resource spend within future budgets to 2026-27. The plan is focused on how the Scottish Government will allocate funding to achieve their strategic outcomes and priorities:

- ▶ Tackling child poverty;
- ▶ Addressing the climate crisis;
- ▶ Securing a stronger, fairer, greener economy; and
- ▶ Delivering excellent public services.

The review sets out that there will be no increases to core local government funding for the next 3 years. The local government budget is forecast to decline in real terms by 7% between 2022/23 and 2026/27. While the spending review is not a finalised budget, it provides the sector with an indication of likely funding allocations.

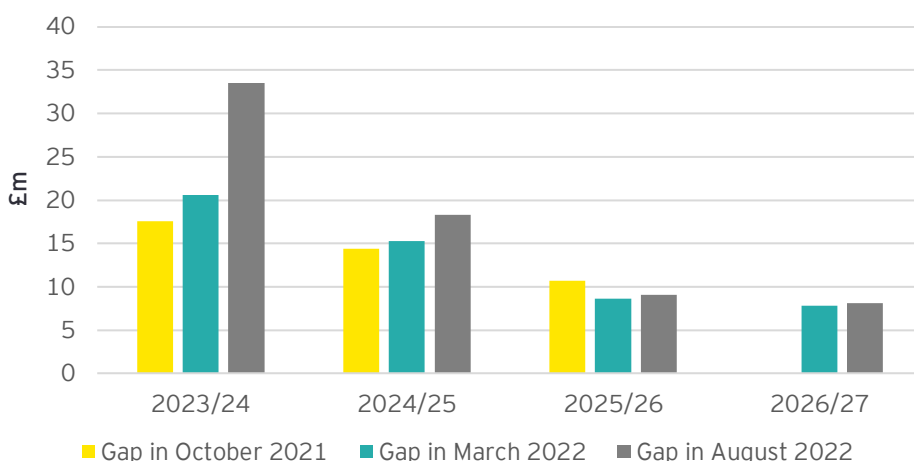
As part of its pre-budget setting scrutiny for 2023/24, the Scottish Parliament's Finance and Public Administration Committee launched a call for views on Scotland's public finances and the impact of both the cost of living crisis and public service reform in August 2022. This consultation seeks views on the priorities within the Resource Spending Review and how the Scottish Government should respond to inflationary pressures and the cost of living crisis within its 2023-23 budget.

The decline in funding for 2022-23 onwards in real terms occurs at a time when the UK is facing an unprecedented cost of living crisis.

## Financial Strategy

Like all councils in Scotland, the impact of the Covid-19 pandemic and inflationary pressures continue to create significant financial pressure in 2022/23. The Council considered an updated Financial Strategy in September 2022 which further increased the budget gap over the period to 2026/27. As Exhibit 2 highlights, the budget gap has increased significantly, from £52 million in March 2022, to £69 million in August 2022.

**Exhibit 2: The Council's budget gap continues to rise. The latest forecast as at August 2022 is a gap of £69 million in the period to 2026/27, but significant risks and uncertainties mean that this is likely to increase**



Source: Falkirk Council Financial Planning 2021-2022

The Financial Strategy highlights additional risks and uncertainties that may further increase the budget gap including:

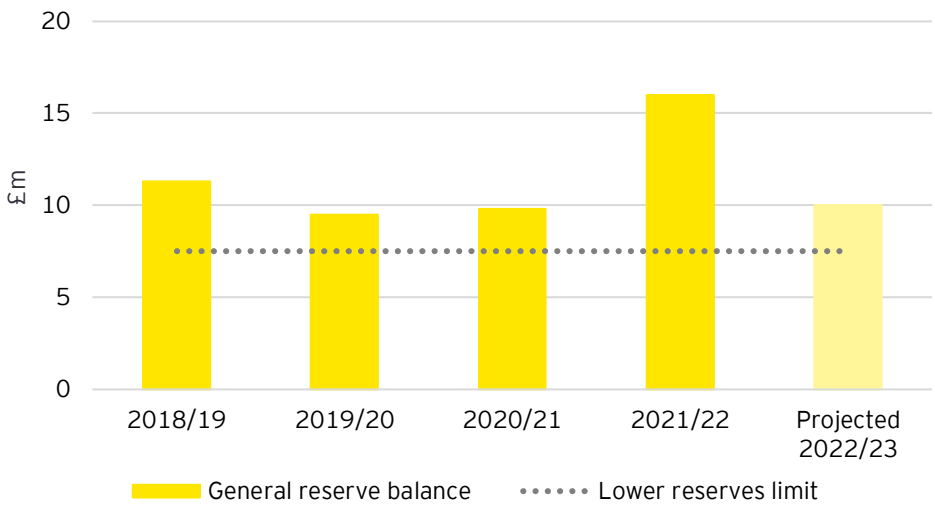
- ▶ Inflationary pressures - to date, £4.9 million of costs have been identified in respect of energy cost inflation alone, but the strategy highlights ongoing risks in relation to energy prices and contractual inflation embedded in contracts such as the Public Private Partnership and school transport contracts. The current projected rise in inflation would add over £3 million in costs associated with the schools PPP contracts.
- ▶ Pay pressures - 2022/23 pay claims for all of the local government bargaining groups have yet to be concluded at the time of writing. The current projections would add additional costs of £4 million. While the Scottish Government has committed to providing additional funding, it is not expected to fully meet the cost of the current pay offers.
- ▶ Cost pressures - the strategy acknowledges the likely increase on service demand as a result of the impact of inflation and other measures on household budgets. One new and emerging pressure for the budget that has not yet been costed is the National Transfer Scheme for unaccompanied asylum-seeking children. Funding available for these "looked after" children to be placed in foster care, but where places are unavailable higher cost residential spaces may have to be used.

### Council reserves

In prior years we have highlighted the significant impact of failing to deliver savings and make sufficient budget saving decisions on the Council's reserves. In 2022/23, the Council was able to increase the General Fund balance as a result of the use of the loans fund repayment holiday fiscal flexibility (£7 million). As in prior years, this allowed the Council to maintain reserves within the target range of £7.5 - £11 million, but was a one-off, non-recurring measure.

The outlook for 2023/24 is, however, now stark. Exhibit 3 highlights that in the most recent financial forecast, reserves are projected to fall to £10.0 million at March 2023, despite the use of fiscal flexibilities and earmarked reserves balances, including Covid and Falkirk Community Trust reserves. The Council currently anticipates making use of the final available fiscal flexibility measure, relating to extending the payments relating to PPP schools over the life of the asset in 2023/24. This will provide a final, one-off to support the reserves position in 2023/24. At this stage, a budget gap of £28 million requires to be bridged.

**Exhibit 3: The Council's reserves are anticipated to fall by £6 million during 2022/23. The unprecedented level of savings required in 2023/24 means that there is a significant risk that the Council's reserves strategy limit will be breached in 2023/24.**



Source: Financial Council Financial Statements and Forecasting Reports

## Medium Term Financial Planning

The Financial Strategy presented to the Council in September 2022 set out outline plans to address the scale of the financial challenge ahead. A series of key measures included:

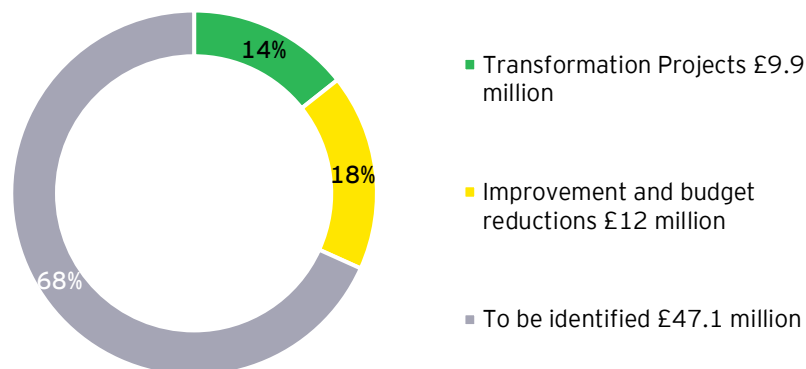
- ▶ A revised, Wave 3, programme of COTF transformation savings, totalling £10 million;
- ▶ Other service reductions and improvement activity estimated at achieving savings of £12 million over the next four years;
- ▶ The consideration of changes to the capital programme to allow a reduction in borrowing requirements; and
- ▶ A council tax strategy to move the Council towards parity with other Scottish councils over the next four years.

**Recommendation 4:** As we have outlined over a number of years, as a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the Council's transformation plans.

At the September 2022 meeting, the Council rejected the council tax strategy, although we understand that this will continue to be considered as a key option for the newly formed Financial Strategy Group as they develop 2023/24 budget proposals.

Exhibit 4 highlights the scale of the challenge facing the Council over the next four years. The rejection of the council tax strategy means that at this stage, the remaining, unplanned, budget gap to 2026/27 is £47.1 million, with the likelihood that the gap will continue to grow as the projections are updated to take into account the latest inflation and economic pressures.

**Exhibit 4: The Council urgently needs to agree how to meet a budget gap of £47.1 million, including savings of £28.4 million in 2023/24 alone.**



Source: Financial Council Financial Strategy, September 2022

**Recommendation 5: The Financial Strategy Group must develop indicative budgets and plans over the medium term to provide a shared roadmap and vision to financial sustainability.**

Audit Scotland's [Local Government Financial Overview Report](#), published in March 2022, noted that many Scottish councils have agreed multi-year indicative budgets to provide a framework for navigating the challenge ahead. In four councils (Aberdeen, Aberdeenshire, Scottish Borders and Stirling) these outline budgets cover the next five years. The inability to agree a plan to address the budget gaps but work in this area is ongoing. The strategy explains that it is inconceivable that service reductions will be avoided as the Council responds to the financial challenge ahead. While elected members recognise that difficult decisions lie ahead and that they need to work together to bridge the budget gap, there is not yet a consensus about where savings be achieved. The Budget Working Groups which fostered some cross-party working prior to the budget setting meeting will shortly be replaced by a Financial Strategy Group. This group will be chaired by the Chief Executive and will include Group leaders and Finance spokespersons from each of the political groups. We do not underestimate the difficulty of decisions that lie ahead. There are no easy options left and it is likely that a multi-year strategy will be required to find savings that exceed current projections.

The closure of Falkirk Town Hall was the first of what are likely to be many difficult decisions that lie ahead, but demonstrated that elected members are able to work together to find solutions. Officers must now be supported, but held to account, to deliver a sustainable replacement.

### **Council of the Future Transformation (COTF) Programme**

It is widely accepted that transformation is the optimal way to meet the financial challenges the councils face. Transformation should allow councils to drive out areas of inefficiency, and find better ways to work to improve services while cutting costs. Falkirk's [Best Value Assurance Report \(BVAR\)](#), published in January 2022 noted that the COTF had yet to make a significant impact on services and savings. In our 2020/21 report, we noted that it was not yet clear how the Council would address some of the opportunities for improvement, including:

- ▶ The disproportionately low savings achieved within Children's Services;
- ▶ Cross cutting projects being limited to the Transport Zero Based Budgeting project; and
- ▶ The need to formally review the return on investment from the Change Fund to allow any lessons to be learned.

The Council agreed a Strategic Action Plan to respond to the BVAR in February 2022. This included an action to conduct a Best Value Review of the change programme. The outcomes of the review was reported to the Council's Executive in August 2022 and outlined a number of changes to the governance processes. This includes:

- ▶ An officer-only COTF Board, with elected member briefings to provide updates as required;
- ▶ Three Directorate Boards will report into the COTF Board; and
- ▶ A new set of criteria for transformation projects, including probability of success.

## Scrutiny of savings

At the time that the BVAR was prepared, the savings to be delivered from the COTF programme had fallen from £23.6 million (projected in May 2019) to £14.9 million, accounting for around a third of the overall budget gap. Further savings of £6.8 million were expected to be delivered from zero-based budgeting (ZBB) projects.

Two ZBB pilot projects were established in 2021/22, with support from the Programme Management Office, including allocated accountancy support. The anticipated savings were revised down from £1.8 million per year to £0.5 million as a result of double counting with other savings measures. The Council has recently considered a report on the ZBB review of transport which estimates achievable savings of £0.54 million, with future additional savings likely as a result of improved safety measures impacting insurance premiums. However, £0.45 million of attributed savings represent service reductions and are therefore subject to difficult choices for elected members. Further savings may be possible but require review and action from Children's Services. A second ZBB pilot in relation to Secondary Education has not yet been reported and no savings have yet been attributed to it.

**Recommendation 6: The Council should ensure that members receive timely, robust information on COTF projects to allow them to scrutinise progress and value for money.**

The revised Wave 3 COTF reduces projected transformation savings to £10 million over the next four years, around 14% of the budget gap. It is therefore increasingly important that the reduced number of projects deliver as planned. Under the revised governance arrangements outlined in the Council Plan, the COTF programme will be reported to elected member only when decisions are required. The Financial Strategy Group will therefore play a key role in scrutinising the delivery and achievability of savings.

Under the performance framework reported in the Council Plan, success measures will be reported six-monthly for scrutiny. In our view, the proposed success measures (Exhibit 5) do not reflect success, or the full urgency or scale of financial pressure that the Council currently faces.

### Exhibit 5: The Council's success measures in relation to financial sustainability do not support effective scrutiny

FINANCIAL SUSTAINABILITY			
We will...	Success Measure	Baseline	Target
Have short, and long term, financial stability.	Support services as a % of total gross expenditure. Scotland Value is 4.06%.	3.61%	TBC
	The cost per dwelling of collecting Council Tax Scotland Value is £6.64.	£4.88	TBC
	Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year. 9.43% - 2022/23.	9.83%	TBC

COTF: TRANSFORMATION & IMPROVEMENT			
We will...	Success Measure	Baseline	Target
Deliver the COTF change programme.	Projects will have clear benefits which can be measured.	NEW	100%
	Projects will be monitored and reported.	NEW	100%
	Projects will be delivered on time and on budget.	NEW	70%

Source: The Council Plan 2022-2027

# Financial Management

**Our overall  
assessment:  
Amber**



The Council continues to demonstrate good financial management arrangements and control of the in-year budget, including understanding of the ongoing impact of Covid-19 and other financial pressures. The Council initially budgeted to use £2 million of reserves in 2021/22, but this was not required as a result of underspends against budget, and the use of financial flexibilities.

The Council reports that it delivered £4.86 million of savings in 2021/22. Savings in 2022/23 will be more challenging as a result of inflationary and service demand pressures. The Council has taken important steps towards the development of a realistic and affordable capital programme but key priorities may be unaffordable in the short to medium term.

## Financial position

The Council continued to receive detailed financial position reporting throughout 2021/22. The financial statements record a surplus of £6.7 million, which meant that reserves were increased during the year. This represents a significant improvement on the budgeted position, where the Council expected to use £2 million of reserves to balance the budget. We do, however, note that this would not have been possible without the use of one-off financial flexibilities allowed by the Scottish Government as part of a package of measures to support the recovery from the pandemic. The loans fund repayment holiday allowed the Council to reduce repayments by £7 million in 2021/22. Other improved movements included:

- ▶ A reduced payment to the Falkirk Community Trust (£1.2 million);
- ▶ Lower than forecast teachers pay settlement (£0.9 million); and
- ▶ Increased revenue support grant (£2 million)

## Delivery of savings

The financial forecast reports also included clear, RAG rated reports on the delivery of planned savings, summarised by service and workstream. The summary of savings in 2021/22 notes that £4.86 million of planned £5.04 million (96.5%) were achieved. This represents a significant improvement on prior years.

The Council has, however, indicated that savings in 2022/23 are more challenging. Planned savings of £1.5 million from the Council's Closer to Home COTF programme are not expected to be achieved due to the cost pressures associated with residential care for looked after children and the costs of continuing care. The most recent financial forecast indicates that 68.5% of savings will be achievable in 2022/23.

## Financial forecasting for 2022/23

The impact of inflation means that every service faces effectively real term budget cuts in 2022/23. The non-delivery of savings contributes to a projected overspend of £4.4 million within Children's Services in 2022/23. The Council currently expects to record a deficit of £6.45 million in 2022/23. This represents a net overspend against a budgeted deficit of £5 million.

## Capital programme

In previous reports, we have noted that the Council has been unable to deliver the planned capital programme within the respective financial year. In our 2020/21 Annual Audit Report, we observed that the £66.8 million planned capital budget for 2021/22 was unrealistic and unlikely to be delivered. The revised 2021/22 budget was £70.1 million, of which £42.4 million (60%) was achieved. The corresponding reduction in revenue costs associated with borrowing contributed to the Council's surplus in 2021/22.

The Council has accepted that a review of the capital programme is required to ensure that it remains affordable in the context of medium term financial planning. Refer to Recommendation 11.

In September 2022, the Council considered the outcome of a review of the capital programme. This important review allows the Council to reconsider capital plans against strategic priorities and the context of inflationary pressures on materials costs and equipment. The review acknowledges that priorities, including the aim to invest to deliver Net Zero by 2030 are not fully funded within the programme. The cost to deliver sufficient carbon savings are estimated at £75 million, some £65 million above the current funding in the capital programme. The annual revenue costs associated with additional borrowing are estimated at £8.1 million, which appears unaffordable.

The capital programme plays a crucial role in the Council's route map both to financial sustainability, and to delivery of the strategic priorities within the Council Plan. We therefore welcome the review while recognising the difficulty of decisions ahead.

## CIPFA financial management code

**Recommendation 7:** The Council should conduct a self-assessment against the CIPFA Financial Management Code. The Audit Committee should play a key role in scrutinising implementation.

The CIPFA Financial Management Code comes into effect for all councils in 2021/22. It is intended to support good practice in financial management, assist in demonstrating a local authority's financial sustainability, and set out standards of financial management. The standards are considered necessary to provide the strong foundation to:

- ▶ financially manage the short, medium and long-term finances of a local authority
- ▶ manage financial resilience to meet unforeseen demands on services; and
- ▶ manage unexpected shocks in their financial circumstances.

In response to our recommendation in 2020/21, the Council noted that it considered that it conformed to the requirements of the FM Code in all major aspects. However, a more detailed evaluation has not yet been completed. We consider that a full self-assessment should be undertaken and reported to the Council's Audit Committee.



### **Finance Team Capacity**

In April 2022, a new Chief Finance Officer was appointed following the retirement of the previous postholder. We are satisfied that the Council adheres to the principles laid out within CIPFA's Statement on the role of the Chief Financial Officer in Local Government.

In 2020/21 we drew attention to concerns about the lack of capacity both within Finance and the Internal Audit function. Good progress was made to address the vacancies within internal audit in 2021/22. We also noted that the responsiveness to audit queries generally improved. A strong finance function remains essential to navigate the unprecedented financial pressures outlined in the Financial Strategy. We note, in particular, the need to:

- ▶ Identify and respond to potential corporate accounting solutions; and
- ▶ The key monitoring role in applying financial control measures, such as the recent vacancy freeze.

In our view, the Council continues to demonstrate financial capacity below the level we expect in councils of a similar size.

# Governance and Transparency

**Our overall  
assessment:  
Amber**



The key features of good governance remain in place at the Council. The composition of the Council's Audit Committee has significantly changed and there is an opportunity to review arrangements against revised best practice, ensuring that the scrutiny needs of the Council are met.

The Council has disclosed two accidents which have resulted in action from the Health and Safety Executive (HSE). An action plan is in place to address the weaknesses identified. We have also drawn attention to a series of whistleblowing allegations over the last three years. While improvements have been made to the whistleblowing reporting arrangements to Audit Committee, we consider that underlying cultural issues have not been fully addressed.

## **Local Code of Corporate Governance**

The Council uses the Annual Governance Statement to report on its assessment of the effectiveness of the governance framework throughout the financial year, and key areas of improvement. For 2021/22, the Council has considered the effectiveness of its arrangements against the CIPFA framework for *Delivering Good Governance in Local Government*. Code review informed the annual assurance process including completion of the Annual Governance Statement.

The governance statement for 2021/22 concluded that *"largely satisfactory risk, control, and governance systems are in place within Falkirk Council. This Statement also demonstrates that we have met our legal and statutory obligations to our residents; and we are committed to completing the actions identified in 2022/23."*

We reviewed the Annual Governance Statement against the required guidance and we were satisfied that it was consistent with both the governance framework and key findings from relevant audit activity. The statement continues to set out key areas for improvement in governance arrangements to enhance the Council's Local Code of Corporate Governance and to demonstrate best value. We worked with the Council to ensure that each significant area of improvement was reflected within the action plan for 2022/23.

Overall, we concluded that the 2021/22 Annual Governance Statement represented a significant improvement on prior years regarding the explanation of key sources of assurance and the actions planned to secure improvement in future years.

## Internal audit activity

The internal audit team continued to report challenges in delivering against the work planned for the year 2021/22. The internal audit team continued to face capacity restraints throughout the year as a result of vacancies and turnover.

In addition to its ongoing programme of new reviews, internal audit continues to monitor the progress against existing recommendations and report to the Audit Committee on outstanding recommendations from internal and external parties, with a focus on those recommendations which are graded as higher priority.

## Openness and transparency

The Council has clear arrangements to ensure that members of the public can attend council and committee meetings as observers in usual circumstances, and agendas and papers are available in advance of each meeting. The Council has continued to hold meetings using hybrid arrangement following the Covid-19 pandemic with minutes of meetings, including key decisions, publicly available via the Council website after the meetings. Key Council and committee meetings can be viewed via livestream or video broadcasting.

We have continued to observe the Audit Committee throughout the year as part of our attendance at each meeting. We also monitor Council and other committee meetings through review of the agendas, supporting papers and minutes. We have observed that generally papers are sufficiently comprehensive to understand key matters, and there is evidence of scrutiny of management at these meetings.

## Audit Committee arrangements

The composition of the Audit Committee has changed significantly as a result of the local government elections. We note that the Council is satisfied that a member of the opposition should chair the committee, rather than try to replace the independent chair arrangements that were in place until 2020/21. There is no prescribed structure for Audit Committees within local government as the structure can vary depending on the political environment. Other councils in Scotland adopt wider remits for equivalent committees, including a focus on finance, risk and Best Value.

We understand that plans are in place to provide training for audit committee members on their important scrutiny role. In October 2022, CIPFA released updated Audit Committee [guidance](#), including resources to support committees' development. There is an opportunity to conduct a self-assessment against the good practice guidance available from CIPFA as part of the induction arrangements. This could include the use to the CIPFA Skills and Knowledge Toolkit to support new and continuing members to identify training requirements.

**Recommendation 8:** The Audit Committee should use updated guidance from CIPFA to conduct a self-assessment against good practice arrangements, and identify further training requirements.

A comprehensive induction programme was developed to support members in undertaking their new roles.

## Elected Member Induction Programme

Following the local government elections in May 2022, the Council established an elected member induction programme to ensure members had appropriate training and support to deliver their responsibilities. The programme covered key areas including standing orders and governance; local government finance and capital strategy and treasury management. The Council should continue to engage with members on ongoing training and development requirements.

A comprehensive induction programme was developed to support members in undertaking their new roles.

### Arrangements to prevent fraud and corruption

The consideration of financial management also includes evaluating the Council's arrangements for fraud and corruption. CIPFA's *Code of Practice on Fraud and Corruption* notes that leaders of public bodies have a responsibility to embed effective standards for countering fraud and corruption in their organisations. The Council's reviewed its Whistleblowing Policy, Anti-Fraud and Corruption Strategy and Procedure for the Investigation of Corporate Fraud referrals in January 2022.

The Fraud Risk Assurance Statement and Corporate Fraud Update reports were presented to the Audit Committee in March 2022, setting out the counter fraud work undertaken during the year. The Corporate Fraud Update notes the development of a reporting framework to brief elected members about whistleblowing arrangements in a way that reflects the inherent sensitivities of the investigation of allegations. We are satisfied that the Council had appropriate arrangements in place to prevent fraud and corruption during 2021/22 with appropriate reporting of activity and associated outcomes.

### Whistleblowing and non-compliance

In 2019/20 we requested that our forensics team conduct additional work in relation to whistleblowing allegations to allow us to conclude the audit. During our audit fieldwork in 2021, we were informed by the Council of further allegations relating to procurement decisions and awarding of contracts within the same department. A series of recommendations have been made in previous annual audit reports, and by the Council's Corporate Fraud Team which aim to strengthen internal controls within the individual service. These recommendations are subject to regular follow up work by the Council's internal audit team.

Late in September 2022, the Council received a further whistleblowing allegation in relation to potential procurement anomalies within the same service. *[As a result, additional procedures were required to allow us to conclude the 2021/22 financial statements audit, including involvement of our forensics specialists.]*

*Our forensics specialists have reviewed the work undertaken by the Corporate Fraud Team to date, along with the proposed workplan to conclusion. [ We were satisfied with the scope and focus of the procedures. ] We do, however, understand that the work undertaken to date has highlighted internal control weaknesses that mean there is an increased risk of theft or collusion. Continued priority to address these matters is required by officers and members.*

During 2021/22 we were informed of two accidents which have resulted in action by the Health and Safety Executive (HSE). The HSE has issued a number of notices of contravention and improvement notices and are likely to issue fines in due course. The Council's own investigation has highlighted a number of concerns in relation to the culture and working practices and a cross-service working group has been established to respond at pace.

**Recommendation 9:** The number and nature of concerns expressed about the culture within individual services present a reputational risk to the Council. A review of the control environment should be undertaken and monitored by the Audit Committee.

# Value for Money

**Our overall assessment:**  
**Amber**



The Council has reviewed its arrangements for performance monitoring, improvement and self-assessment as part of its response to the Best Value Assurance Report. The Falkirk Performs website continues to be developed and improved but further work is needed to finalise performance measures to support scrutiny against the Council Plan.

While we note that performance reporting remains a developing area, reports to both the Scrutiny Committee and publicly available, continue to have too much information, and are heavily narrative based, resulting in performance being harder to readily interpret.

Work is required to finalise future success measures targets to report performance against the Council Plan.

## **Performance Management framework**

Throughout 2021/22, the Council's performance management arrangements to aligned with the three priority areas of the Corporate Plan – Communities, Enterprise and Innovation. Unlike in prior years, there was no progress report against the Corporate Plan.

The performance reports contain a range of information including:

- ▶ Progress against Corporate Plan actions;
- ▶ Key achievements;
- ▶ A COTF dashboard including project savings; and
- ▶ Key Performance Indicator information, which is based on the Local Government Benchmarking Framework.

The reports rely heavily on narrative reporting and too many out of date performance indicators and do not, therefore, support effective scrutiny. Following the local government elections, management should continue to review the presentation of performance reports, including seeking member feedback to ensure data is presented in the most accessible manner which supports members in performing their scrutiny role effectively.

The Council has outlined future success measures to report performance against the Council Plan, but a number of areas do not yet have agreed targets. We do, however note that elected members have access to additional, and more up to date performance data within the Pentana performance management system.

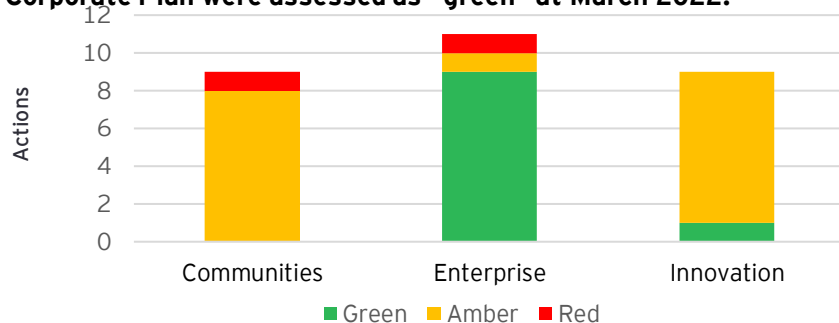
Falkirk Performs is the performance reporting area of the Council's website. The website is difficult to navigate and does not yet provide a user-friendly, accessible source of performance information for members of the public.

**Recommendation 10:**  
The Council's performance reporting arrangement should continue to be reviewed to ensure performance can be readily assessed and scrutinised. This should include greater use of graphics where appropriate.

## 2021/22 Performance Outcomes

Each Council service is expected to report a monthly performance review statement, which is available on Falkirk Performs. Exhibit 6 highlights that the March 2022 reports outlines that 19 actions were not on track for delivery. The reports recognises the ongoing challenges associated with Covid-19 recovery.

### Exhibit 6: The Council reported that 10 (34%) of the actions within the Corporate Plan were assessed as "green" at March 2022.



Source: Performance Review Statements, March 2022

## Local Government Benchmarking Framework

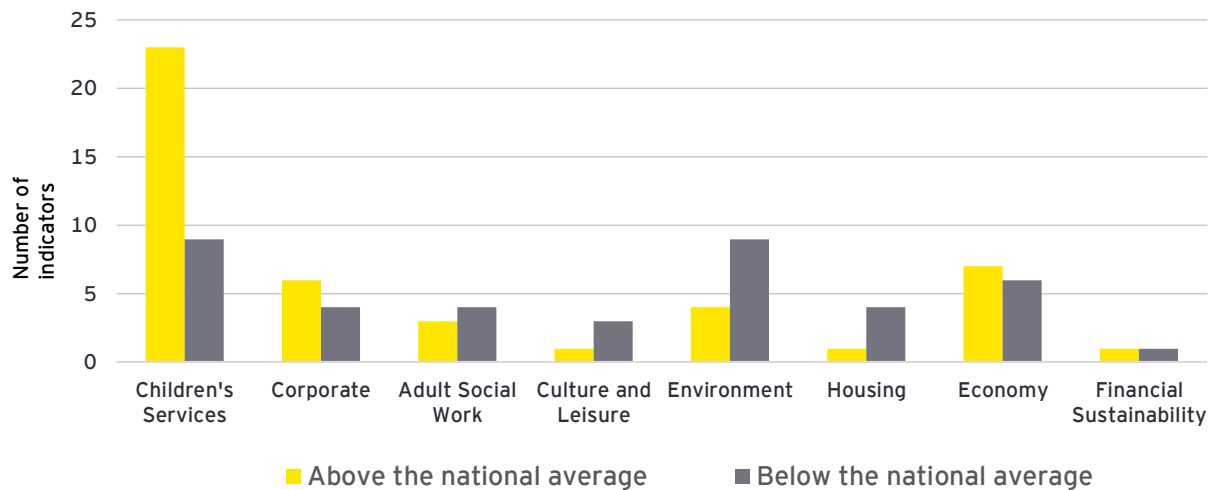
The Council's Scrutiny Committee considered performance against the Improvement Service's 2020/21 Local Government Benchmarking Framework (LGBF) results in September 2022. The Council notes that 57% of the indicators deteriorated in performance between 2019/20 and 2020/21 but that 50% of indicators exceed the national average.

Our analysis, within Exhibit 7, shows that performance continues to be mixed against peers but key services, including Education perform strongly. The Council also performed in the top quartile for 23 of the LGBF indicators, including:

- ▶ The percentage of pupils gaining 5 or more awards at Level 5
- ▶ The percentage of pupils living in the most deprived areas gaining 5 or more awards at Level 5
- ▶ The number of the council's homes that meet energy efficiency standards
- ▶ The percentage of total household waste that is recycled
- ▶ Sickness absence days per teacher; and
- ▶ The proportion of properties receiving superfast broadband.

Areas of poor performance include the cost per visit to libraries, museums and galleries, the cost per attendance at sport and leisure facilities and delayed discharge rates. We also note that the area wide emissions rate is the worst in Scotland, reflecting the petrochemical centre at Grangemouth.

**Exhibit 7: Service performance remains mixed, with around half exceeding national averages in 2020/21**



Source: Local Government Benchmarking Framework, 2020/21

**Statutory Performance Indicators**

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. The Council has a responsibility, under the duty of Best Value, to report performance to the public. The Accounts Commission issued a revised 2018 Statutory Performance Information Direction in December 2018 which recognises the role and effectiveness of the LGBF, but continues to require councils to report:

- ▶ performance in improving local public services provided by the Council (on its own and with its partners and communities), and progress against agreed desired outcomes;
- ▶ assessment and independent audit assessments of how it is performing against its duty of Best Value, and how it plans to improve these assessments; and
- ▶ how it (with its partners where appropriate) has engaged with and responded to its diverse communities.

The Council continues to report a range of performance information to the Scrutiny Committee and the public to demonstrate the relative value and effectiveness of Council services. [Falkirk Performs](#) is the performance reporting area of the Council's website. The website is difficult to navigate and does not yet provide a user-friendly, accessible source of performance information for members of the public. We recognise that this remains an area of planned development for the Council.