

To: Leadership Board

On: 25th April 2018

Report by: Chief Executive

Heading: Best Value Assurance Report – Progress Update on Improvement Plan

1. Summary

- 1.1 On 31st August, the Accounts Commission published the Best Value Assurance Report for Renfrewshire Council. The report provided an assessment of the Council and its performance, since its last audit in 2006.
- 1.2 Overall the report itself was positive, providing independent assurance to local residents and businesses on the extent to which the Council is achieving best value. The report confirmed Audit Scotland's view that the Council has a clear and ambitious vision for the area which is shared with partners, is working well with partners to address the challenges facing the organisation and the Renfrewshire area, and effectively manages the Council's finances. In publishing the report, the Accounts Commission noted that "Renfrewshire Council continues to improve and is making encouraging progress in the performance of its services".
- 1.3 In the report, Audit Scotland also provided direction on the key areas which the Council should focus its improvement activities on going forward. The report specifically included 7 recommendations relating to areas such as cross party working, community engagement, partnership working, workforce planning and governance arrangements. An action plan which set out the Council's proposed actions to progress these recommendations was approved by full Council in September 2017.
- 1.4 Progress in terms of implementing the recommendations is monitored on a quarterly basis by the Corporate Management Team. This report provides the first six monthly update on progress to elected members, with a full update

provided for each recommendation and related activity within Appendix 1 to this report.

- 1.5 The Council's appointed external audit team, Audit Scotland, continue to work with the Council as part the team's best value audit role. Specifically Audit Scotland will follow up the Council's progress in terms of implementing the recommendations contained within the Best Value Assurance report and report progress through the Annual Audit Report.
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2. Recommendations

- 2.1 It is recommended that members note:

- the progress achieved in terms of implementing the 7 recommendations outlined by Audit Scotland within the Best Value Assurance Report for Renfrewshire Council;
 - that Audit Scotland's assessment of progress will be reported through the Annual Audit Report in Spring 2019.
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3. Background

- 3.1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Audit Scotland reviewed the methodology used to audit best value in 2015, and introduced a new approach based on a 5 year programme of engagement and audit, intended to provide greater reassurance to citizens on the extent to which **all** local authorities are achieving best value. Audit Scotland were appointed as the Council's external audit team for this purpose.

- 3.2 Renfrewshire Council was the second of six Councils selected to receive a Best Value Assurance Report in Year 1, as part of the new approach. The key areas which were considered by Audit Scotland through the process were:

- Council's vision
- The process and results of self-evaluation
- Financial management
- Financial and service planning
- Plans for achieving transformation, including the following
 - City Deals
 - Shared service development
 - Digitalisation of services
 - Difficult decisions and non-protected services
- Community engagement

- ALEO governance arrangements
- Workforce planning
- Overall assessment of outcomes/ performance and the reporting of these

3.3 The final Best Value Assurance Report was published in August 2017, following submission and consideration by the Accounts Commission. The overall report is positive, providing independent assurance to local residents and businesses on the extent to which the Council achieves best value. In publishing the report, the Accounts Commission noted that “Renfrewshire Council continues to improve and is making encouraging progress in the performance of its services”. The report by Audit Scotland recognises:

- the clear and ambitious vision for Renfrewshire which the Council shares with partners;
- the strength of partnership working in Renfrewshire;
- that the organisation has effective financial management processes in place; and
- that the Council has “a good record of delivering services differently”.

3.4 Within the report, Audit Scotland provided useful direction and recommendations as to areas where the Council should focus its improvement activities. The Best Value Assurance report includes 7 specific recommendations:

- Councillors should improve cross-party working, given the financial challenges that exist and the important decisions that will need to be made in future.
- Councillors should take advantage of the training and development opportunities that the council provides to ensure they have the necessary skills and knowledge to perform their role effectively.
- The council should review its governance arrangements to ensure they provide for a relationship with Renfrewshire Leisure Limited (RLL) that is clear, independent, and more easily understood by the public.
- The council should develop a detailed medium and long-term workforce strategy and plan and implement its organisational development strategy. Implementing both the workforce and organisational development strategies will be critical to managing how future services are provided.
- The council is continuing to review how it will achieve the savings required within the medium-term financial strategy. The council should prioritise how services need to be provided in future to meet these savings.
- Community Planning partners need to plan their budgets and finances together to provide a clearer picture of the overall resources available.
- The council and its partners need to continue to involve communities and work together on joint priorities and to strengthen partnership

working. This will provide a positive base to ensure the Community Empowerment (Scotland) Act 2015 is fully implemented.

3.5 Good progress has been made in terms of progressing the recommendations as follows:

- Cross party working has been strengthened through the establishment of the Cross Party Sounding Board which has met on three occasions since May 2017 to inform the development of the Community Plan and Council Plan, the review of local governance arrangements and the development programme for elected members.
- A comprehensive review of the Council's member development programme has been undertaken, in consultation with elected members. Feedback gathered through the process has informed changes to the existing annual programme to include more evening events and external speakers. A focused week of development activity also took place w/c 16th April, with the programme being structured around the key areas suggested by elected members.
- Significant progress has been achieved in terms of developing the Council's workforce planning arrangements. The Council's Workforce Plan was approved by Finance, Resources and Customer Service Policy Board in November 2017, with service level workforce plans being prepared by all Council services. The Council has enhanced its training and development activities for employees, launching managerial and leadership development programmes and refreshing the training programme which all staff can access.
- The Council is committed to maximising the opportunities for both communities and the organisation itself through community empowerment legislation. A review of local area committees has been progressed which has involved an extensive programme of consultation with all key stakeholders. Work is also being progressed to consider opportunities to enhance the support that the Council can offer community groups and organisations and to provide access to funding to support the growth and development of local groups and organisations.
- Initial work has been undertaken to review existing governance arrangements in terms of the Council's relationship with Renfrewshire Leisure. The board membership has been revised in order to replace two representatives from the Council with independent members, whilst Renfrewshire Leisure's summary Business Plan was considered for the first time as a public item by the Leadership Board in February 2018.

3.6 A full summary of progress against each recommendation is attached as Appendix 1 to this report.

4. Next steps

4.1 Progress in terms of implementing the recommendations will continue to be monitored on a quarterly basis by the Corporate Management Team, with the next update to elected members scheduled for Autumn 2018.

- 4.2 The Council's appointed external audit team, Audit Scotland, continue to work with the Council as part the team's best value audit role. Specifically Audit Scotland will follow up the Council's progress in terms of implementing the recommendations contained within the Best Value Assurance report and report progress through the Annual Audit Report.

Implications of the Report

1. **Financial** – the BVAR sets out how effectively the Council is using its resources and financial planning arrangements.
2. **HR & Organisational Development** – the BVAR sets out the Council's arrangements for Organisational Development and Workforce planning.
3. **Community Planning** – the BVAR assesses how well the Council works with its partners.
4. **Legal** - none.
5. **Property/Assets** – none.
6. **Information Technology** – The BVAR provides examples of how well the Council is using new technology.
7. **Equality & Human Rights** – none.
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** - Shared Risk Assessment is a proportionate and risk-based approach to assessing Scottish Councils.
11. **Privacy Impact** – none.
12. **COSLA** - Welcomed the risk based and proportionate approach to audits.

Appendix One – Progress achieved against the Best Value Assurance Report Improvement Plan.

Audit Scotland Recommendations	What we will do	When will we do this by?	Who is leading on this?	Progress update
<p>1. Councillors should improve cross-party working, given the financial challenges that exist and the important decisions that will need to be made in the future.</p>	<ul style="list-style-type: none"> Continue to embed Cross Party Sounding Board and identify opportunities for all elected members to work together on issues of common interest and importance for the Council and the Renfrewshire area. 	<p>Ongoing</p>	<p>All elected members</p>	<p>The Cross Party Sounding Board was established following revisions to the Council's governance structures in May 2017.</p> <p>The remit of the Board is to act as a sounding board and discussion forum with no decision-making powers; to provide an opportunity to discuss matters of common interest or of Council-wide relevance; and to provide for cross-party discussion on non-partisan/non-political issues.</p> <p>The Cross Party Sounding Board has met several times since its establishment, in relation to the following areas:</p> <ul style="list-style-type: none"> In August 2017, the Cross Party Sounding Board met to discuss and approve outline Council and Community Plans which were subsequently approved by full Council on 28 September 2017. In December 2017, the board convened to consider recommendations relating to a review of local governance that had been undertaken, specifically relating to the role of local area committees. Following discussion on the change proposals it was agreed that a public consultation exercise should be launched in January 2018. In February 2018, the Cross Party Sounding Board met for a third time to consider further opportunities to strengthen the Council's member development programme.

				Recommendations from the review have informed the programme for the member development week in April 2018, in addition to the annual schedule of events and briefings for elected members which is co-ordinated by Committee Services.
2. Councillors should take advantage of the training and development opportunities that the council provides to ensure they have the necessary skills and knowledge to perform their role effectively.	<ul style="list-style-type: none"> Undertake a review of the current training and development programme through engagement and consultation with elected members, to identify potential opportunities to further support attendance and participation levels. 	31 December 2017	Chief Executive All elected members	<p>A review of the current development programme has now been completed.</p> <p>All members were surveyed following the completion of the induction programme following the local government elections. The Head of Corporate Governance subsequently met with all political group leaders and explored options for developing the current development offering for elected members.</p> <p>Subsequently a meeting of the Cross Party Sounding Board was held in February 2018 to explore member's views on the current programme in more detail, and to consider further options for strengthening and enhancing the current approach.</p> <p>In response to the feedback gathered, a member development week was held in mid April 2018, the content of which was informed by the views of elected members. This included arranging some evening sessions and the greater use of external speakers.</p> <p>A revised annual programme of councillor development has been produced for 2018 which will include new external speakers, service specific sessions and IT drop-ins following on from feedback received.</p>
3. The council should review its governance arrangements to	<ul style="list-style-type: none"> Undertake a review of existing governance arrangements 	June 2018 (subject to publication date of	Chief Executive	Following an initial review of existing governance arrangements, several changes have been implemented. It is recognised that there will be a further requirement to consider the findings of the

<p>ensure they provide for a relationship with Renfrewshire Leisure Limited (RLL) that is clear, independent, and more easily understood by the public.</p>	<p>between the Council and Renfrewshire Leisure Limited, being cognisant of the findings of the national review of ALEOs currently being undertaken by Audit Scotland. Engagement with Renfrewshire Leisure itself will be a key element of the review.</p>	<p>Audit Scotland's national review report – scheduled for Spring 2018)</p>		<p>Audit Scotland's national report on Arms Length External Organisations (ALEOs) which is scheduled to report in June 2018.</p> <p>In terms of action undertaken to date:</p> <ul style="list-style-type: none"> • A summary of Renfrewshire Leisure's Business Plan 2018/19 was reported to the Leadership Board in February 2018. Previously the Business Plan was considered by the Board as an exempt paper. • In February 2018 the Leadership Board approved proposals to change the composition of the membership of the Renfrewshire Leisure Board. The two places held by officers from Renfrewshire Council will now be filled by community representatives. • Regular monitoring meetings are held between Renfrewshire Leisure and the Head of Policy and Commissioning. Work is underway to further enhance the reporting of performance information relating to Renfrewshire Leisure. Six monthly internal scrutiny sessions also form part of the monitoring relationship with Renfrewshire Leisure.
<p>4. The council should develop a detailed medium and long-term workforce strategy and plan and implement its organisational development strategy. Implementing both the workforce and organisational development strategies will be</p>	<ul style="list-style-type: none"> • Roll-out Performance Development and Review programme across the Council • Implement new leadership and management development programmes 	<p>Ongoing with six monthly updates to board.</p>	<p>Director of Finance and Resources (in consultation with CMT)</p>	<p>The medium to long term OD strategy has been implemented and the strategic workforce plan is being rolled out. The focus continues to be on embedding effective workforce plans, organisational development and performance management.</p> <p>Working in collaboration with Services, HR is ensuring the strategic workforce plans at both Corporate and Service/Directorate level is meeting the organisational requirements to deliver improved and sustainable performance through a modernised, agile, resilient, skilled, developed and flexible workforce.</p> <p>The leadership and management development</p>

critical to managing how future services are provided.	<ul style="list-style-type: none"> • Provide 6 monthly updates on the recently approved corporate workforce plan to elected members • Implement new management arrangements to integrate existing HR, organisational development and programme management resources within one function to further strengthen the Council's approach to managing change 			<p>programmes commenced in June 2017 and are well underway, with over 150 delegates in attendance, across middle and senior management groups. Feedback from attendees and their line managers has been positively strong and the impact of the learning and development interventions are being assessed through line management one to ones, supported by the OD team.</p> <p>The revised PDR programme is in its final development stage following a process of stakeholder engagement. This was presented to CMT at the beginning of January 2018. Following board approval, HR will roll out the programme to managers and staff through a series of briefing sessions and online tools with the aim to go live with the roll out of Business World.</p> <p>Progress is underway to integrate HR, organisational development and programme management resources within one function to further strengthen the Council's approach to managing change following the approval at the Leadership Board in the Autumn of 2017. This took effect on 22 December 2017.</p>
5. The council is continuing to review how it will achieve the savings required within the medium-term financial strategy. The council should prioritise how services need to be provided in future to meet these savings.	<ul style="list-style-type: none"> • Continue to implement the agreed medium term financial strategy which will focus on delivering required savings through the Better Council Change programme, debt smoothing and effective workforce planning. 	March 2020 (<i>end date of Financial Outlook</i>)	Director Finance and Resources / Chief Executive (in consultation with elected members)	<p>The process of reviewing, forecasting and managing the Council's financial position and outlook continues, with the Scottish Government Budget announcement on 14 December being key in determining the 2018/19 financial position. A Financial Outlook report to the Leadership Board on 12 December 2017 outlined the Council's current and forecast financial position over the medium term.</p> <p>The Better Council Change Programme is a key element of supporting the delivery of sustainable budget savings which contribute to addressing the medium-term objective to reduce the Council's cost base and close the budget gap whilst supporting the release of resources to support investment in priority</p>

				<p>areas aligned to the Council's key strategic outcomes.</p> <p>The budget for 2018/19 was agreed on the 2nd March 2018, which delivered a balanced budget position, supported investment in priority areas whilst continuing to make in-roads to deliver savings which address the forecast medium term funding gap. As a consequence of savings and other decisions taken by the Council and individual policy boards over the last 12-18 months and net positive movements in respect key areas of uncertainty, the budget gap over the two year period 2018-20 has reduced from the initial forecast of £40 million to approximately £9m-£10m in 2019/20. It is recognised that this continues to be underpinned by forecasting assumptions, in particular in respect to future grant reductions and pay growth, but nevertheless represents significant positive progress in addressing the underlying scale of the financial challenge.</p> <p>An updated medium term financial strategy will be presented over the course of 2018 along with further phases of the change and transformation programme.</p>
<p>6. Community Planning partners need to plan their budgets and finances together to provide a clearer picture of the overall resources available.</p>	<ul style="list-style-type: none"> Undertake a Strategic Financial Overview exercise on an annual basis with community planning partners. 	<p>Annual basis – March</p>	<p>Chief Executive / Director of Finance and Resources</p>	<p>At the special meeting of the Community Planning Partnership Executive Group in March 2018, each partner provided an overview of the current financial outlook for their respective organisation.</p> <p>This provided a valuable opportunity for partners to discuss common issues and to explore any potential opportunities for wider collaboration.</p> <p>A key priority within Renfrewshire's Community Plan 2017-2027 is to develop a Community Planning Partnership that is sustainable and connected. Partners regularly discuss areas of resource pressure and it is proposed that members of the Partnership use the group to address areas of particular</p>

				resourcing pressure.
7. The council and its partners need to continue to involve communities and work together on joint priorities and to strengthen partnership working. This will provide a positive base to ensure the Community Empowerment (Scotland) Act 2015 is fully implemented	<ul style="list-style-type: none"> Finalise review of Local Area Committees in Renfrewshire Publish Renfrewshire's Community Plan 2017-2027 Embed new governance arrangements for community planning in Renfrewshire, developing shared work plans and priorities in consultation with partners, communities and people. Develop locality plan arrangements in line with the requirements of Community Empowerment legislation, with particular focus on working with partners to engage with those people who are most impacted by poverty in Renfrewshire. 	<p>December 2017</p> <p>1 October 2017</p> <p>March 2018</p> <p>June 2018</p>	Chief Executive	<p>Renfrewshire's Community Plan was approved by Council in September 2017.</p> <p>An outcomes and performance framework underpinning the plan has been developed and was approved by the Community Planning Partnership Executive Group and Oversight Group in March 2018. The framework sets out the key outcomes to be targeted and the key performance indicators which the Partnership will use to assess the impact of joint work.</p> <p>Following on from the approval of the framework, work is now also underway to develop and embed the new community planning governance structure and to establish key priorities and work programmes across the key thematic areas. Work has been undertaken to develop the Improving Life Chances Board which is the final area of development, and it is anticipated that the first meeting of the group will be held in May 2018.</p> <p>The review of Local Area Committees is reaching final stages. Following discussion at the Cross Party Sounding Board in December 2017, full Council agreed on 21 December 2018 for a public consultation to be conducted on proposed changes to current local area committee arrangements. The public consultation launched w/c 22nd January.</p> <p>A comprehensive range of consultation events have been undertaken, providing an opportunity for views of different stakeholders to be considered.</p> <p>The findings from the consultation will be submitted for approval to Council in May 2018.</p>