

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	29 th September 2015
DIRECTOR	Angela Scott
TITLE OF REPORT	Audit Scotland National Reports
REPORT NUMBER:	CG/15/125
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to present a summary of Audit Scotland national studies published in the last cycle together with any actions taken or agreed to be taken by the Council in response to these.

2. RECOMMENDATION(S)

that the Committee:-

(a) note the detail of the reports:-

- “Scotland’s Public Sector Workforce - Impact report”; and

(b) give consideration to officers comments made in respect of the priorities identified within the report.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4. OTHER IMPLICATIONS

Every national Audit Scotland review is likely to have implications for this Council. The nature of the implications will vary depending on the subject matter. Officers are required to assess these and report to committees.

5. BACKGROUND/MAIN ISSUES

Audit Scotland has an annual programme of national reviews it undertakes. Some of these are specific to individual councils and Community Planning Partnerships, others are intended for local government and other public sector bodies more broadly.

Since the last meeting, other than the Audit of Best Value and Community Planning, which is being reported separately, there has been one report with direct significance for Aberdeen City Council.

- “Scotland’s public sector workforce - Impact report”

The report is a follow up on a previous report published in November 2013 which looked at how the devolved public sector - councils, the NHS, the Scottish Government and other central government bodies - managed changes to its workforce to ensure that it continued to deliver service priorities, whilst dealing with financial pressures and making savings.

The follow up report advises on progress with implementing recommendations as follows:-

Recommendation	Progress
<i>The Scottish Government and the Convention of Scottish Local Authorities (COSLA) should:</i>	
<i>work with public bodies to improve the consistency and accessibility of the data they collect on public sector employment and staff costs. This would provide more clarity on the relationship between staff numbers and costs and the impact of changes in employment levels on disposable income and workforce availability</i>	<i>We are not aware of any developments suggesting that published data has become more comprehensive, consistent or available.</i>
<i>provide strategic guidance on how bodies can redesign services and work better together to jointly plan and deliver services.</i>	<i>The Improvement Service offers various services including e-learning packages on workforce planning, checklists and advice on generating workforce data and measuring impacts on the local economy.</i>
<i>improve strategic planning of public sector workforces to identify and plan for future skills needs, gaps and challenges across the public sector</i>	<i>This theme has also been highlighted in Accounts Commission reports on self-directed support and school education, and in the Auditor General’s report on accident and emergency services, all of which commented on recruitment and retention difficulties in filling vacancies.</i> <i>Individual bodies have taken steps to help attract staff, but we are aware of only one new national initiative to address skills gaps - the</i>

	<i>Digital Transformation Service, launched by the Scottish Government to ensure that central government bodies have access to the IT skills they need.</i>
<i>Where they have not already done so, councils, the NHS, the Scottish Government and central government bodies should:</i>	
<i>Recommendation 1</i> - <i>develop and use organisation-wide workforce plans, informed by a series of service or departmental plans that are consistent in their structure and content. Senior managers and boards or elected members should scrutinise and monitor these plans</i>	<p><i>A number of councils have begun to put organisation-wide workforce planning in place. Six councils provided copies of an organisation-wide plan although none of these fully complied with the content we suggested in our good practice guide. In particular, plans did not contain details on future staffing numbers. The East Renfrewshire, Fife, North Ayrshire, Stirling and West Dunbartonshire Council plans contained details on the current workforce structure and the Aberdeen City, East Renfrewshire Fife and Moray plans contained information on strategies the council would employ to help meet future workforce needs.</i></p> <p><i>North Ayrshire operated with service –level workforce plans, but had collated information from these for council-wide monitoring.</i></p> <p><i>Five councils provided examples of service level plans that were consistent in their structure and content across service areas, in line with our recommendation to make it easier to compare them and subject them to central analysis and scrutiny.</i></p> <p><i>East Ayrshire Council provided access to the scrutiny questions suggested in our good practice guide to elected members through its members’ portal.</i></p> <p><i>Ten councils did not respond to our request for information and so we are not sure what actions they have taken. Ten provided materials that did not demonstrate that the councils had plans in a format that met our recommendation.</i></p>
<i>Recommendation 2</i> - <i>assess the impact of different terms and conditions on the likely costs and uptake of their schemes before they put a scheme in place</i>	<i>This recommendation was addressed in our early departures impact report. It found that some bodies had taken action, retrospectively, to review terms in their schemes, such as added</i>

	<p>years and payback periods, to help assess value for money. The early departures impact report also found:</p> <ul style="list-style-type: none"> • an absence of clear business plans to demonstrate that early departure packages represented value for money. • lack of scrutiny of the overall terms of packages being offered to all staff. • lack of scrutiny of the specific packages relating to senior staff.
<p><u>Recommendation 3</u> - collect information on the costs and net savings from their workforce programmes and report these details to boards and elected members</p>	<p>There is some evidence that councils are collecting information on savings from workforce programmes and reporting this to elected members. East Ayrshire Council reviewed the voluntary severance programme it completed, which contributed to a 4.7 per cent headcount reduction in non-teaching staff numbers and met the Council's objective to reduce employee costs. The council provided elected members with regular reports on numbers.</p> <p>East Lothian Council reported details of the savings made from its voluntary early release scheme (£2.8 million (whole year) savings against a target of £3 million) to its audit and governance committee. However, the 2014 best value report on East Dunbartonshire Council found that the council did not report net savings from its voluntary redundancy programme.</p>
<p><u>Recommendation 4</u> - make better use of existing mechanisms, such as community planning partnerships, to identify opportunities to share resources, including workforces</p>	<p>There are a number of joint working initiatives in place with an impact on workforces, for example, integration of health and social care services. As part of the guidance introduced by the Scottish Government to help bodies integrate these services, councils and NHS boards are required to produce workforce and organisational development strategies to support the new arrangements.</p> <p>East Ayrshire Council is undertaking a mapping exercise to identify options for shared service working with neighbouring authorities and assess the impact on workforces. This will apply initially to the Ayrshire Roads Alliance, East</p>

	<i>Ayrshire Leisure and the three health and social care integration partnerships.</i>
<i><u>Recommendation 5</u> - forecast expected staff numbers, skill needs and costs on a rolling three-year basis, using scenario planning where necessary</i>	<p><i>NHS Scotland has developed a template that NHS boards can now use to plan workforces over a three-year period. At the time of our audit, NHS workforce plans were for a 12-month period only.</i></p> <p><i>East Renfrewshire Council has proposed to elected members that it will adopt our recommendation to develop longer-term workforce planning, on a three-year rolling basis. Moray Council has adopted a three-year planning cycle for its organisational development plan.</i></p>

Officer Response:-

With respect to the 5 recommendations for Councils included in the above report, officers' comments are as follows:

Recommendation 1 – Aberdeen City Council already has a strategic organisation-wide workforce plan that reflects and summarises the workforce planning strategies being implemented or planned at both directorate level and corporately. The need for Directorates to submit their directorate plans to their parent committee for scrutiny and monitor their plans at SMT level requires to be reinforced;

Recommendation 2 - the cost of applying ACC's various employee terms and conditions are accounted for when determining the annual budget and any proposed changes to terms and conditions are fully costed before implementation;

Recommendation 3 - the costs and net savings from workforce programmes are normally reported to Committee;

Recommendation 4 - Aberdeen City Council's corporate and directorate plans are determined on a five-year rolling basis (as opposed to the recommended three-year rolling basis). Presently plans focus on plugging skills and recruitment gaps but going forward it is expected that Directorates will, as recommended, forecast expected staff numbers and costs and use scenario planning where necessary. This, to date, has proved a very difficult challenge for directorates so additional support to assist directorates with this task is being considered;

Recommendation 5 - in terms of Aberdeen City Council's commitment to improving the use of resources under the Shaping Aberdeen agenda,

directorates are expected to identify opportunities to share resources, including workforces. There already examples of where this is happening.

On a general note, it is surprising with Audit Scotland's opening statement in para 18 that "When we completed the audit in 2013, none of Scotland's council's had a workforce plan that covered the whole organisation". Aberdeen City Council introduced a 5 year rolling organisation-wide workforce plan in February 2013.

On a further general note, the Committee should be aware that The Improvement Service, who are cited within the report as being able to support organisations with their workforce planning, have been complementary about the quality of Aberdeen City Council's current corporate workforce plan, describing it as an exemplar.

6. IMPACT

Improving Customer Experience –

The actions which flow from national reports will have varying impact on customers. From an internal customer perspective, these reports allow the members of the Audit, Risk and Scrutiny Committee to undertake their role on behalf of the Council.

Improving Staff Experience –

The impact of governance in local authorities is a key determinant of its effectiveness. The regular and consistent reporting of national level reports with implications for Aberdeen City Council strengthen governance. Depending on the subject matter of national reports the potential impact can be relevant for staff, customers and use of resources. In this case, the national report relates to workforce planning which has a very direct impact on staff and, by association, customers. The specific impact of any proposals relating to Workforce Planning will be fully set out when proposed.

Improving our use of Resources –

The actions which flow from national reports will have varying impact on resources. These will be stated depending on the subject matter.

Corporate -

With regards to the national report referred to in this report, workforce planning is an integral part of corporate and service planning, underpinning the Council's to deliver quality services.

Public –

Whilst no direct implications arise from this "scrutiny" report, the Council's workforce planning arrangements must take account of the equality duty.

7. MANAGEMENT OF RISK

There are no identified material risks which would result from the approval of the recommendations in this report. The actions and recommendations contained in the report are a response to identified risks and are designed to mitigate these.

8. BACKGROUND PAPERS

Audit Scotland report

- “Scotland’s public sector workforce - Impact report”

9. REPORT AUTHOR DETAILS

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