

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	28 April 2016
DIRECTOR	Richard Ellis
TITLE OF REPORT	Best Value
REPORT NUMBER	OCE16018

1. PURPOSE OF REPORT

The purpose of this report is to update the Committee on the progress made in addressing findings from the 2015 Audit of Best Value & Community Planning.

2. RECOMMENDATION

It is recommended that the Committee consider the attached progress report and agree:-

- i. to receive regular updates on the implementation of actions to address the findings of the 2015 Audit of Best Value & Community Planning; and
- ii. to note that Audit Scotland will introduce a new approach to auditing Best Value from October 2016.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising as a result of this report.

4. OTHER IMPLICATIONS

There are implications associated with a council's delivery of Best Value. These relate to the level and nature of inspection and regulation as well as the efficient, effective and economic delivery of services.

5. BACKGROUND / MAIN ISSUES

2015 Audit of Best Value and Community Planning

The Council was subject to an audit of Best Value and Community Planning during 2015 and the audit report was considered by Council at their meeting in August 2015. The report contained a number of specific

“findings” as well as “Areas for Improvement”. The areas for improvement included addressed issues related to:-

- Linking strategic priorities with objectives, targets and service plans;
- Aligning performance management and ensuring consistent performance reporting;
- The engagement and ownership from elected members and staff, as appropriate, with strategic planning arrangements;
- Elected members’ development to help them fulfil their roles;
- Political consensus and commitment to the Council’s long-term priorities;
- Member-to-member and member-to-officer working;
- Organisational capacity for transformation.

Full details of the “findings” and “Areas for Improvement” are listed in the table at Appendix A. The table shows progress made to date in addressing each of these, as well as identifying further actions.

Future Auditing of Best Value

The Committee at their meeting in March 2016 considered a report from the Council’s external auditors which advised that The Accounts Commission would begin introducing a new approach to auditing Best Value. From October 2016, the start of the next five year audit appointment of external auditors, a more integrated best value audit approach involving local auditors and best value auditors will be implemented. This will:-

- Have an emphasis on driving continuous improvement in councils and be less about identifying ‘shortcomings’
- Remain proportionate and risk based
- Be a joint responsibility between Best Value auditors and those in local audit teams appointed to each council
- Involve joint planning at an individual council level across the five year audit appointment
- Involve more regular engagement with the council during the year, building more understanding of the specific context and performance of the individual council
- Include a Best Value report to the Commission for each council at least once in a five year period.

This does not mean that every five years at each council there will be a full best value audit. During the five year audit appointment period, a public report on Best Value will be produced. This will involve an element of specific audit work but will largely rely on an aggregation of Best Value focused audit work undertaken each year as part of the local annual audit. It will also use intelligence from other local and national audit work, the work of other scrutiny partners and consider information

from self-evaluations. Collectively, the information will inform an assurance report.

6. IMPACT

Improving Customer Experience – All aspects of the Council's approach to Best Value has an impact on customers, by balancing service delivery on the triple aims of improving customer experience, staff experience and use of resources.

Improving Staff Experience – As well as the balanced triple aims, referred to above, many of the actions taken in response to the Best value Audit have a specific intent to improve staff experience, including supporting capacity and capability issue.

Improving our use of Resources – As well as the balanced triple aims, referred to above, many of the actions taken in response to the Best Value audit have a specific intent to improve the Council's use of resources, including aligning resources to clear strategic priorities and the capacity to deliver transformational change.

Corporate – The actions taken in response to this Audit, and the Council's overall approach to delivering best value are clearly corporately supportive of Aberdeen – the Smarter City vision, Community Plan, the Strategic Infrastructure Plan, and individual Service Plans.

Public – This report provides members with an opportunity to apply scrutiny to the delivery and efficacy of previous decisions. No EHRIA or PIA are, therefore, required.

7. MANAGEMENT OF RISK

Not adhering sufficiently to the legislative requirements of Best Value carries reputational, financial and organisational risks. This report is a mitigation of those risks by reporting specific actions which respond to the findings of the 2015 Best Value audit.

8. BACKGROUND PAPERS

Aberdeen City Council – Audit of Best Value & Community Planning, 2015

9. REPORT AUTHOR DETAILS

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Best Value Audit Report – Follow Up

Findings	Progress	Further Actions
<p>F1 Ensure the Council's vision is translated into clear objectives and targets with links to service plans.</p>	<ol style="list-style-type: none"> 1. Political priorities have been consolidated through updating "Aberdeen: the Smarter City" with significant commitments since 2012; 2. SMART objectives, reflecting agreed priorities have been agreed and have informed the refresh of the Council's Strategic Plan; 3. An organisational strategic purpose and vision (Shaping Aberdeen) has been agreed and launched to all managers. Briefing sessions for all staff are currently ongoing. 4. A consolidated Strategic Framework has been developed linking vision; priorities; objectives; strategies; and plans. 5. The Strategic Business Plan, incorporating all of the above, has been refreshed and approved by Council; 6. Directorate Plans have been refreshed and aligned to the Strategic Business Plan. 7. Service Plans are being completed and will be submitted for approval by Committees. 8. Peer review of Directorate and Service Plans is being undertaken to provide additional assurance on the "golden thread". 9. Performance Review & Development is linking priorities to individuals' objectives. 10. A strategic assessment has been completed to provide the evidence base for a review 	<p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>April 2016</p> <p>April 2016</p> <p>Common objectives have been agreed and instructions issued for all staff</p>

	<p>of the Single Outcome Agreement. The draft Strategic Assessment was issued February 2016 and a priority setting workshop for partners held March 2016.</p> <p>11. The Council has entered into an agreement with Tricordant to develop strategic capacity.</p> <p>12. Regional Economic Strategy Approved.</p> <p>13. City Centre Masterplan agreed.</p> <p>14. Review of all major strategies has begun and will be completed during 2016.</p> <p>15. A CMT development session is planned on building cohesive strategic leadership/capacity clarify roles; alignment with corporate vision; establish “brand” and culture.</p>	<p>SOA to be updated by August 2016</p> <p>Programme of work including simulation events will run through 2016.</p> <p>Complete.</p> <p>Complete.</p> <p>2016/17</p> <p>tbc</p>
F2 Take further steps to encourage and consolidate elected members' ownership of the Council's vision.	<p>1. Strategic Plan approved by Council and reflects political priorities.</p> <p>2. Admin Leaders / CMT meetings agendas reflect Strategic Plan.</p> <p>3. Convener / Director meetings agendas format reflects Strategic Plan and Directorate Plans.</p> <p>4. Service Plans to be approved by elected members.</p> <p>5. Performance reporting to elected members is under review.</p>	<p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>April 2016.</p> <p>Framework to be agreed and revised reporting to begin June 2016.</p>
F3	1. Elected Member development programme is being reviewed as part of the wider	Development and

<p>Make better use of the development framework for elected members so that members' development needs are being met to help them fulfil their roles; and</p> <p>ensure elected members are receiving consistent information on service performance to enable them to discharge their scrutiny role effectively.</p>	<p>Governance Review. This will look at training and development requirements for the remainder of the current term and beyond.</p> <p>2. A review of the performance reporting framework to align with the refreshed strategies and plans (see F1 above)</p>	<p>delivery will be ongoing.</p> <p>Framework to be agreed and revised reporting to begin June 2016.</p>
<p>F4</p> <p>Review and strengthen arrangements for employee engagement and communication to ensure all employees have a full understanding of the Council's vision and priorities.</p>	<p>1. Shaping Aberdeen Vision - the purpose and desired culture of the organisation have been defined under the Shaping Aberdeen vision.</p> <p>2. Engagement events to communicate the vision, hosted by the Chief Executive, have been held for Senior Managers and Headteachers. A programme of open events for all staff is now in place and is scheduled to run throughout 2016.</p> <p>3. Shaping Aberdeen vision forms part of the Corporate Employee Induction and is also included in the new eInduction module – to be completed by all staff.</p> <p>4. A network of 3rd tier managers has been established, ensuring that managers are aware of and contribute to priorities and implement these within their services.</p> <p>5. A golden thread has been established cascading priorities from the Corporate Strategic Plan, the directorate plans, service plans to individual plans through</p>	<p>Complete.</p> <p>Initial events complete. Engagement will continue throughout 2016.</p> <p>Inclusion complete. Inductions are ongoing.</p> <p>Establishing network complete. Programme will be ongoing.</p> <p>Service plans to be</p>

	<p>Performance Review and Development.</p> <p>6. Following the recent Employee Opinion Survey, staff have been actively engaged in determining the priorities for action within their service areas through Directorate workshops. These action plans are with Directorates for implementation.</p> <p>7. The Chief Executive's blog is now well established and is used to communicate current initiatives and priorities to staff. A number of Directors and Heads of Service also have similar blogs.</p> <p>8. Various Directorates have also developed their own means of keeping staff advised and informed such as conferences, achievement ceremonies, regular podcasts etc.</p>	<p>completed by April 2016. PR&D ongoing.</p> <p>Plans complete. Implementation ongoing.</p> <p>Establishing Blogs complete. Communication is ongoing.</p> <p>Ongoing.</p>
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Findings	Progress	Further Actions
<p><i>vision and strategic direction</i> I1 Review how the political priorities of <i>Aberdeen: the Smarter City</i>, the SIP, the City Region Deal and the City Centre Masterplan are linked through the service plans.</p>	As F1 above	As F1 above
<p><i>vision and strategic direction</i> I2 Consider the capacity and capability required to deliver the strategic priorities against the recruitment challenges experienced in the North East</p>	<ol style="list-style-type: none"> 1. We will develop succession plans for key occupational groups within our workforce i.e. hard-to-fill, business critical posts. 2. We will increase the number of young jobseekers (e.g. school-leavers, apprentices and graduates) we employ to fill gaps. This will include increasing the number of apprenticeship/trainee schemes, placements in support of our Aberdeen Guarantee pledge, school pupil placements and exploring the possibility of becoming an accredited SVQ Training Centre, possibly as a shared arrangement with Public Sector Partners. 3. We will ensure that a more cost effective investment in recruitment and/or training and development is made with a long-term objective. 4. We will create potential career paths for internal staff and retain talent. 5. Key Worker Housing Scheme introduced whereby the Council has made available a limited supply of Council-owned flats for providing temporary accommodation for key workers to assist with recruitment and relocation. 6. Tackling the critical shortage of primary teachers through long term, sustainable 	<p>2016/17. Progress will be reported to CMT 6 monthly.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>Complete.</p>

	<p>solutions. Internal staff offered the opportunity to retrain as primary teachers through sponsorship by ACC. 15 employees started the course in 2015. (Note: It is hoped the Council, will be in a position to offer the same opportunity in September 2016)</p> <p>7. Plan for succession for leadership roles. 12 more aspiring leaders added to the <i>Aspire Future Leaders Programme</i> which is in its second year. (NB programme expected to re-open later this year)</p>	<p>Complete.</p> <p>Complete.</p>
<p><i>leadership and working relationships</i> I3 Build on the use of cross-party groups to help maintain political consensus and commitment to the Council's long-term priorities</p>	<p>1. Cross party elected members working group has been established and is now meeting;</p> <p>2. City Centre Masterplan agreed on a cross party basis;</p> <p>3. Review of divisions since 2012 undertaken.</p> <p>4. A cross-party working group is to be set up to support the Governance Review, directly linked to supporting the achievement of strategic priorities.</p>	<p>Complete.</p> <p>Complete.</p> <p>Complete.</p> <p>Through to March 2017</p>
<p><i>leadership and working relationships</i> I4 Sustain improved working relationships, and consider plans to introduce further protocols and guidance for member-to-member and member-to-officer working.</p>	<p>This forms part of a wider governance review which will review the Council's risk and governance systems, based on the 7 CIPFA principles of good governance. The end result will be an Aberdeen City Council Constitution, including:</p> <ul style="list-style-type: none"> • A protocol on Member/Officer relations; • Revised Standing Orders/Scheme of Delegation • Reviewed committee reporting procedures to achieve consistency and compliance • Reviewed and revised system of risk management • Reviewed and revised elected member development programme, including induction • Review of ALEO monitoring arrangements. 	<p>March 2017</p>

<i>performance management and scrutiny</i> I5 Implement plans to refocus performance measurement on outcomes.	1. SOA to be refreshed and the Council's strategic plans to reflect any required changes; 2. Review of performance management framework (see I6) to ensure balance of outcome; output; input metrics; 3. Review of all supporting strategies to bring increased clarity to desired outcomes.	September 2016 June 2016 2016/17
<i>performance management and scrutiny</i> I6 Ensure clear links between the performance information submitted to members for scrutiny and the Council's strategic plans.	1. A review of the Council's performance management framework is underway to ensure alignment with refreshed strategies and plans (see F1 above); 2. The review includes:- <ul style="list-style-type: none"> - Common performance reporting format; - A review of KPIs against best practice criteria; - A review of target setting and links to improvement activity; - A review of the use of benchmarking comparisons; - A review of data collection and intelligence / insight; - A review of Public Performance Reporting. 	Framework to be reviewed 31 st March 2016. Implementation June 2016
<i>performance management and scrutiny</i> I7 Fully implement arrangements for enhanced scrutiny of ALEOs through the governance hub.	1. The Governance Hub is now operational. Meetings have been increased to quarterly. Exception reporting and minutes are being reported to Audit, Risk & Scrutiny as well as service committees; * Audit Scotland attending Hub meetings 2. A further review of governance arrangements is underway, led by the Monitoring Officer. This will include the ALEO Governance Hub.	In place and ongoing. See above
<i>financial management and improvement</i> I8 Ensure the necessary organisational capacity for transformation is in place in	1. 2016/17 budget agreed. 2. As part of project proposal governance, a more robust option appraisal approach has been built in to the gateway review process and is a fundamental part of the business case development. All options are considered, scored and measured against the business need, desired outcomes, benefits and risks to allow an informed decision to	Completed April 2016

readiness for anticipated budget reductions.	<p>be made.</p> <p>Through the Programme Management approach, currently being developed further within the council, decisions on proposals and business cases will be made in conjunction with the current programmes of work and existing resource requirements, in order for all impacts and interdependencies to be considered and realised as part of the decision making process.</p> <p>That approach is also adopted as part of the change control process.</p> <p>Benefits are identified as part of the business case development, which are linked to the business need and/or strategic outcome that the business case is trying to achieve. The project planning process builds on this to develop benefit realisation dashboards. Benefits dashboards can be at programme and/or project level as appropriate. Robust monitoring, challenge and reporting of benefits and outcomes is currently being looked at as part of our change activity governance review.</p>	
<i>financial management and improvement</i> 19 Build further elected member and staff engagement in the change programmes.	<ol style="list-style-type: none"> 1. Ideas Hub has been created and is generating ideas and interactive engagement with staff on improvement; 2. Corporate Transformation resources have been aligned with services; 3. The process for developing transformation proposals and business cases has been revised to include significantly greater joint development of proposals and / or consultation; 4. The engagement of Tricordant will see direct engagement with staff in change, as well as building the foundations for improving ongoing engagement. 	<p>In place</p> <p>In place</p> <p>April 2016</p> <p>Programme of work including simulation events will run through 2016.</p>