

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	27 th June 2016
DIRECTOR	Angela Scott
TITLE OF REPORT	Audit Scotland National Reports
REPORT NUMBER:	OCE/16/020
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:-

- “Procurement in Councils”;
- “Major capital investment in councils: follow-up”;
- “Community Planning: An Update”;
- “Overview of Local Government in Scotland”; and
- “Changing models of health and social care”.

(b) give consideration to officers’ comments made in relation to the findings and recommendations of each 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 time this was reported to Committee there have been 5 reports with direct significance for Aberdeen City Council.

- “Procurement in Councils”;
- “Major capital investment in councils: follow-up”;
- “Community Planning: An Update”;
- “Overview of Local Government in Scotland”; and
- “Changing models of health and social care”.

A summary of each report is set out below together with all recommendations, which are commented on by officers.

A. Procurement in Councils

The audit aimed to assess whether councils were efficiently and effectively managing how they procured goods and services. The specific objectives were to determine:-

- How much did councils spend on goods and services, and what savings and other benefits councils identified through better procurement?
- Did councils manage procurement well and have good governance for it in line with good practice?
- How well was Scotland Excel helping councils to improve procurement and achieve savings in spending on goods and services?

The report's recommendations are shown below together with Council officers' comments:-

Recommendation	ACC Comments
The Scottish Government should work with councils to:	
<i>Review and update the Best Practice Indicators (BPIs), drawing on councils' experiences, to reflect changes in procurement since 2008 and improve their usefulness to councils.</i>	Agreed, including consideration of the PCIP requirements to enable consistency and comparability in reporting. The BPI'S need to be refreshed.
Scotland Excel should:	
<i>i. Maintain and improve its sharing of knowledge and experience with the Scottish Futures Trust, and with the associated joint venture companies;</i>	Agreed. Centres of expertise should lead by example on collaboration.
<i>ii. set realistic timescales and savings targets for contracts, particularly in new areas of contracting.</i>	Agreed; with particular emphasise when canvassing local authorities on forecast spend / usage to support realistic savings. Councils need to also be more participative on data extraction and analysis.
Councils and Scotland Excel should:	
<i>Review and formalise arrangements to fund procurement reform activity beyond 2016.</i>	Agreed. SXL and Councils need to invest in commercial capability.
Council staff involved in procurement should:	
<i>i. submit accurate and complete information to the Procurement Hub (the Hub) on a regular and timely basis (ideally quarterly, and as a minimum within three months of the end of the financial year)</i>	Agreed, Aberdeen City requested to submit quarterly returns during 2015/16; and were first to submit the annual data in Scotland with sign off having been received week of 20 May 2016.
<i>ii. examine the costs and benefits of differentiating ALEO and council expenditure in their Hub submissions</i>	Procurement are part of the ALEO Governance Hub arrangements for ACC. Reporting does not include spend by the ALEO and does differentiate what funding we provide to the

	ALEO.
<i>iii. make greater use of the tools and facilities provided by the Hub, including the use of BPIs in their performance reporting and to benchmark their progress</i>	Agreed, including cross referencing to the PCIP requirements to enable consistency and comparability in reporting. Training and clear guidance needs to be easily accessible.
<i>iv. engage earlier with suppliers and the people who use public services to help develop contract specifications that more accurately reflect service user requirements and allow for greater innovation within contracts</i>	Agreed, we have already engaged earlier within construction with success, this was achieved through the Procurement team being pro-active in articulating the benefits.
<i>v. use the Public Contracts Scotland tender module for all applicable contracts</i>	Agreed, legislation requires this for procurements greater than £50k.
<i>vi. make full use of national collaborative contracts and provide a clear explanation for nonparticipation in these contracts to the relevant council committee</i>	CMT recently approved a category approach to procurement rather than focus by service. As part of the approach we will review all procurements and recommend to CMT the most beneficial approach in the delivery of efficiencies. CMT will provide the approval / decision on which contract to use. It is onerous to report on non participation of all national collaborative contracts – given the volume.
<i>vii. develop a systematic approach to collecting information on non-financial benefits including economic, community and environmental benefits and report the benefits to the relevant council committee on a regular basis</i>	Agreed, a revised benefit tracker is implemented from 2016/17. Again Procurement being positioned at the start of the process allows this intellect to be creative and innovative.
<i>viii. calculate procurement savings using a consistent and transparent methodology that demonstrates clearly how the savings are calculated and their relationship to improved procurement</i>	Agreed. This in turn needs to be agreed by CMT.
<i>ix. make better use of market research, cost avoidance and improved contract management to identify savings and potential service improvements</i>	The additional focus on sourcing strategy within the approved category procurement approach combined with closer working with cross council service managers will reap benefits in this area. The ability to show the contact pipeline is crucial to this.
<i>x. aim to achieve the 'superior performance' level in the PCA, particularly in relation to: – spend covered by agreed</i>	Agreed - we seek to continuously improve and these areas are within our PACE improvement programme which is governed by the PACE programme board.

<p><i>commodity/project strategies</i></p> <ul style="list-style-type: none"> - <i>participation in Scotland Excel contracts</i> - <i>automation of procurement and payment processes</i> - <i>spend captured in the council's contract register.</i> 	<p>Commercial and Procurement Services are an enabler and superior performance will be a reflection of the organisation as a whole. Our improvement programme will embed a business model which emphasises both responsibility and accountability supported by full training and support.</p>
<p>Councils' corporate management teams should:</p>	
<p><i>i. benchmark their procurement staffing against similar-sized councils with higher PCA scores and, where appropriate, produce a business case for employing additional qualified procurement staff where they have lower staffing levels</i></p>	<p>Staffing levels should be commensurate to the outcomes to be achieved. We are currently drafting a business case to CMT for additional fixed term posts to support the transition to category management and the embedding of the revised procurement business model. Investment in staff is key, as opposed to focus on numbers. This is shown with ACC being consistently in the top 3 Council performers (out of 32) despite having the lowest unit costs in proportion to their addressable spend.</p>
<p><i>ii. examine the benefits of joint working or joint procurement teams as a way of securing economies of scale and creating collaborative contracts</i></p>	<p>Shared contract arrangements already in place – Aberdeen City and Aberdeenshire are a unique shared service in Scotland. Collaboration is always a consideration.</p>
<p><i>iii. phase out paper purchasing systems and consider the business case for moving all purchasing systems to an electronic 'purchase to pay' basis</i></p>	<p>Electronic purchasing systems in place. The alignment of Accounts Payable to the Commercial and Procurement Services team has been vital to the full e-purchase to pay enablement.</p>
<p><i>iv. raise staff awareness of accountability and controls by:</i></p> <ul style="list-style-type: none"> - <i>implementing a written code of ethics</i> - <i>requiring staff involved in procurement to complete a register of interest statement</i> - <i>require internal audit to conduct a regular assessment of procurement risk, including the risk of fraud.</i> 	<p>Compliance with standing orders / procurement regulations is a requirement of all officers. Including in the staff induction sets. Also full training for delegated procurers.</p> <p>Internal Audit regularly includes aspects of procurement in its planned work which covers these areas.</p>
<p>Councils should:</p>	
<p><i>i. require a report on procurement savings and non-financial procurement benefits to be submitted to the appropriate committee on a regular basis</i></p>	<p>Agreed – Committee reporting includes procurement savings and benefits, and this is now done on a bi-annual basis. Customer satisfaction surveys are also reported. .</p>
<p><i>ii. encourage elected members sitting on</i></p>	<p>Elected member training will be refreshed to</p>

<i>the main committee(s) dealing with procurement to complete specific training to help them undertake their governance role more effectively</i>	include the revised procurement regulations. Elected members will be trained to test the procurement strategy prior to the approval of the commissioning of the need presented to them.
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B. Major capital investment in councils: follow-up

This targeted follow-up audit assessed to what extent councils have improved performance in managing capital investment programmes and projects since a 2013 report from Audit Scotland which focused on major capital projects over £5 million and found weaknesses in early estimates of costs and timetables as well as weak processes for developing and using business cases and in reporting monitoring information to elected members.

Based on the report's findings, the Accounts Commission developed a good practice guide and checklist to help councils improve how they manage and scrutinise capital projects.

The recommendations of the follow up report are shown below.

Recommendation	ACC Comments
Councils should ensure that they:	
<i>i. prepare business cases that comply with good practice for every capital project</i>	ACC have an established governance procedure that includes the development and approval of a project proposal, followed by a full business case, as part of our stage gate review process. The business case includes an options appraisal, whole life costing, expected benefits and other key information in relation to risks, interdependencies and timescales.
<i>ii. revisit and monitor business cases throughout every capital project</i>	Regular monitoring and governance of projects check progress against business cases. In addition, periodic health checks are carried out on some capital projects. The annual budget process also revisits the viability of all capital projects.
<i>iii. regularly carry out post-project evaluations to help establish whether planned benefits are realised and to identify good practice or lessons learned</i>	Whilst the established governance approach includes a process for carrying out post project review and capturing lessons learnt, arrangements are being strengthened to ensure systematic post project evaluations and outcome evaluations are routinely completed and considered by governance bodies.
<i>iv. consider how best to review projects at key stages, using independent experts as necessary, to help provide assurance about project progress and to identify any potential problems</i>	Project Status Reports are submitted monthly for each project, and these include in year spend and cumulative project spend to date as well as progress against all key milestones. These updates are reviewed by a Capital Monitoring Group. The Group includes officers from the Programme Management Office and expert advice from finance and asset management, on a routine basis, and other experts as required. The output from this group is captured on an

	overall programme dashboard that highlights progress, issues and implications.
<i>v. are proactive in sharing lessons learned from projects, both, successful ones or those that ran into significant difficulties, within the organisation and with other councils.</i>	Having identified this as an area for improvement, this is now being implemented through a new approach to project governance. Sharing best practice is also specifically included within the Terms of reference for all Programme Boards.
Councils should ensure that they provide elected members with regular, appropriate and accurate information to allow them to scrutinise properly capital investment activity. Within this, councils should ensure that they:	
<i>i. develop their capital monitoring reporting to include:</i> <ul style="list-style-type: none"> - <i>cumulative spending against total capital budget and the progress of each significant project against its key milestones;</i> - <i>reasons for and consequences of slippage, or delays, of capital projects and any changes in the timing of capital spending;</i> - <i>clear outlines of the benefits that individual projects have realised, and how these compare with the expected benefits outlined in business cases;</i> - <i>updates of the risks associated with capital projects and programmes, including their financial and non-financial implications.</i> 	The dashboard referred to above is subject to tiered scrutiny through the Strategic Asset and Capital Board for review and challenge; Corporate Management Team; Administration Leaders; and then Finance, Policy & Resources Committee.
<i>ii. provide elected members with regular training on capital investment to enable them to scrutinise effectively capital investment activity.</i>	A training session is being run on 20th June 2016 in response to the Audit Scotland report on Borrowing & Treasury Management in Councils and capital investment will be covered as part of this session as the two are inextricably linked.

C. Community Planning: An Update

Key messages from this report are:-

- Progress on community planning is being made both locally and nationally, but it is not yet delivering the ambitious changes in the way public services are organised and delivered, with and for communities, that were envisaged in the Statement of Ambition. This is at a time when the role of Community Planning Partnerships (CPPs) becomes increasingly important as public bodies work together to address the growing challenges identified by the Christie Commission.
- Overall, CPPs continue to build on the positive progress reported in 2014. In particular, they are improving leadership and scrutiny and are using data to set clearer priorities. CPPs also continue to implement a range of projects targeted at specific groups or communities. But they are yet to share, align or redeploy resources in significantly different ways. Involving communities fully in planning and delivering local services still remains at an early stage in many CPPs.
- The Scottish Government is improving its understanding of how individual CPPs are performing and has identified priorities for improvement. It has not yet used this to develop a well co-ordinated national programme of support that reflects good practice.
- The Scottish Government strengthened its focus on outcomes in some policy areas, but the way in which public bodies report performance, and are held to account, does not always reflect the Scottish Government's policy of promoting outcomes, prevention and reducing inequalities. In particular, some short-term national performance targets are making it difficult to reform services to deliver more preventative service models. It is difficult to see how CPPs can meet the expectations of the Statement of Ambition without changes being made to how public sector partners and CPPs are held to account for their performance.
- Stronger national leadership is needed to enable community planning to meet its full potential. The National Community Planning Group (NCPG) has not met since December 2014 and the Scottish Government is proposing to disband it. The Community Empowerment (Scotland) Act 2015 sets out new statutory duties for CPPs and statutory guidance provides an opportunity to clarify the Scottish Government's expectations for community planning. But this is not enough to deliver the ambitious changes that were envisaged in the Statement of Ambition. To meet these expectations, fundamental changes must be made to the way public services are planned and delivered.
- There is a need to streamline national performance management frameworks and create a better balance between measures of service

performance and local outcomes, prevention and the performance of partnerships. This should involve placing the views of local communities at the heart of measuring success in public service delivery. The Scottish Government also needs to work with others to create a climate and culture where local public service leaders feel confident that they have autonomy and authorisation to decide how to respond to the specific needs of their communities. Local public service leaders also need to play their part by showing strong local leadership of change.

Recommendation	ACC Comments
The Scottish Government and COSLA should:	
<i>i. set out a clear route map for improving community planning with short-, medium- and long-term steps that will be taken locally and nationally to implement the Statement of Ambition and the Community Empowerment (Scotland) Act 2015 including how the impact of these changes will be assessed.</i>	Agreed
<i>ii. work with the Improvement Service and others to establish a locally tailored national programme of improvement support for CPPs.</i>	Agreed.
<i>iii. establish arrangements through which good practice within individual CPPs can be identified and shared.</i>	Community Planning Aberdeen is currently represented on the national Community Planning Network of community planning managers which meets regularly to share best practice and discuss community planning issues.
<i>iv. establish a national forum which has the credibility and authority to address any national and local barriers to effective community planning.</i>	Agreed
<i>v. put in place a ‘test of change’ within a CPP to assess the impact of greater local autonomy on improving outcomes and identify any barriers to effective locally focused partnership working.</i>	Agreed
<i>vi. evaluate the ‘test of change’ and implement the lessons learnt .</i>	Agreed
The Scottish Government should:	
<i>i. clarify its specific performance expectations for CPPs and partners through its statutory guidance on the Community Empowerment (Scotland)</i>	Community Planning Aberdeen has drafted a response to the Scottish Government’s consultation on the draft guidance. This states that the Partnership does not agree that it

Act 2015.	would be helpful for performance expectations to be set nationally. CPPs should have autonomy to determine their own performance expectations based on local knowledge and assessment of need.
<i>ii. streamline national performance management frameworks and create a better balance between short-term measures of individual service performance and the delivery of longer-term local outcomes through effective partnership working.</i>	Agreed
<i>iii. place the views of local communities at the heart of measuring success in public service delivery.</i>	Agreed
<i>iv. work with others to create a climate and culture where local public service leaders feel confident that they have autonomy and authorisation to decide how to respond to the specific needs of their communities.</i>	Agreed
Community Planning Partnerships should:	
<i>i. target their resources on a larger scale towards their priorities and shift them towards preventative activity</i>	Community Planning Aberdeen is undergoing a period of significant change as it strengthens its capacity to meet the requirements of the Community Empowerment Act 2015 and wider public service reform. A new Single Outcome Agreement is being developed which will set out the Partnerships approach to deploying resources in support of an agreed set of priority outcomes in a way which promotes prevention.
<i>ii. ensure local communities have a strong voice in planning, delivering and assessing local public services</i>	A Community Empowerment, Engagement and Participation Strategy is currently being drafted on behalf of Community Planning Aberdeen. The strategy will set out the Partnership's plans to follow the national standards for community engagement and will identify best practice in engagement and participation approaches, for example the use of participatory budgeting. The strategy will also identify key improvement actions which aim to strengthen CPA's overall approach to working together with local communities.
<i>iii. promote and lead local public service reform.</i>	Through delivery of the new Single Outcome Agreement for Aberdeen and developing locality planning framework, Community Planning Aberdeen will demonstrate strong leadership in

	public service reform at a city wide and local community level.
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D. Overview of Local Government in Scotland

Audit Scotland produce an annual; report highlighting issues and risks in the local government landscape. The 2015/16 report gives the following key messages:-

- Councils' revenue funding from the Scottish Government will reduce by five per cent in 2016/17, bringing the real terms reduction in revenue funding since 2010/11 to 11 per cent. At the same time, they face additional financial pressures and greater demands on services. Councils have been effective in balancing their annual budgets until now but councillors face increasingly difficult decisions about how best to spend their reducing budgets. This requires clear priorities and better long-term planning.
- Councils' responses to budget reductions have mainly focused on incremental savings to existing services. In the face of further funding reductions, councils should be evaluating options for more significant changes to delivering key services, beyond health and social care integration.
- Despite reducing their spending, performance measures show that councils improved in areas such as educational attainment, the quality of council housing and waste recycling, in 2014/15. However, customer satisfaction with some services declined and there are more significant funding reductions to come in 2016/17 and beyond.
- Most councils have reduced their workforces to save money, and many are planning further staff reductions. In doing so, they need to ensure they have people with the knowledge, skills and time to design, develop and deliver effective services in the future.
- Councils and their partners also need to respond to the Community Empowerment (Scotland) Act 2015, by involving local people more in making decisions about services, and empowering local communities to deliver services that are sustainable and meet local needs.
- Councillors need to keep updating their skills and knowledge to fulfil their complex and demanding role. In particular, it is increasingly important that they are able to challenge and scrutinise decisions and performance, and fully assess options for new and different ways of delivering services within their reducing budgets.

Recommendation	ACC Comments
Councillors should:	
<i>i. satisfy themselves that their council has a longer-term financial strategy (five or more years) supported by an effective</i>	The council has a long term financial strategy and medium term financial plan. These are being significantly refreshed during 2016 for the

<p><i>medium term financial plan (three to five years). These should show how the council will prioritise spending to achieve its objectives, make any necessary savings and remain financially sustainable</i></p>	<p>2017/18 budget process. For the 2016/17 budget process, the uncertainty around the level of the grant settlement made it difficult to plan with certainty in the medium term. It is anticipated that since the Scottish Government Elections in 2016 there will be more certainty and this will support our medium term planning process for 2017/18 and beyond.</p> <p>The council has recently approved its strategic plans and is refreshing the Single Outcome Agreement. The financial plans will be amended to reflect these objectives and is developing a prioritisation/ outcome approach to its financial planning.</p>
<p><i>ii. appraise all practical options for how to deliver the services their communities need within the resources available. This includes examining opportunities to work with and empower communities to deliver services in different ways, and learning lessons from others and from wider public service reform. They should ensure they get all necessary information and support from officers to help them fully assess the benefits and risks of each option</i></p>	<p>A number of related initiatives are strengthening Aberdeen City Council's arrangements. The Council significantly renewed its strategic planning processes during 2015/16, improving the basis on which models for delivering services are considered and linked to the budget process. Stronger arrangements for decision making / governance of change are currently being implemented through CMT and a number of Programme Boards. Preparations are being made to implement the Community Empowerment, including the right of communities to greater involvement in decision making and service delivery. Work is underway, through the Governance review, to define the Council's risk appetite which will support clear decision making on different ways of working. Tricordant have been engaged by the Council to co-design and implement an improvement methodology across all services emphasising, amongst other things, the importance of information, analysis and evidence based decision making.</p>
<p><i>iii. ensure their council continues to develop workforce strategies and plans that clarify the numbers and skills of staff needed in future. In assessing their council's workforce, councillors should consider whether they have people with the knowledge, skills and time to support them effectively in making the difficult decisions that lie ahead, and to</i></p>	<p>A refreshed corporate strategic workforce plan was produced and circulated to Elected Members in February 2016. Furthermore, each Directorate Service Business Plan includes a section on workforce planning which sets out their plan for meeting their workforce challenges.</p> <p>In addition, recognising that succession planning</p>

<p><i>design and implement new ways of delivering services</i></p>	<p>underpins our workforce planning process, succession plans have been produced for our hard to fill, business critical posts (46 occupations in total). The aim being to develop effective strategies for future resourcing for these selected groups over the next 1, 3 and 5 years. We have produced a report on our findings.</p> <p>Our approach to workforce planning has been endorsed by the Improvement Service who are impressed with our “proactive and forward looking approach” based on the evidence we’ve gathered and validated academically via Robert Gordon University and professionally through the involvement of an external business consultant.</p> <p>Our next steps are to (a) monitor and evaluate the success of the various workforce planning strategies and actions so that we can make adjustments to these strategies and actions if required and (b) concentrate on the quantitative aspects of workforce planning by predicting the size of workforce we will need over the next 5 years. A comprehensive workforce planning report will be presented to the corporate management team before the end of the year. This will result in an updated corporate strategic workforce plan that will be shared with Elected Members in February 2017.</p>
<p><i>iv. make sure that decision-making processes and scrutiny arrangements remain appropriate for different ways of delivering services. This includes: – having clearly written and manageable information to help them make decisions and scrutinise performance – carrying out business openly and improving public reporting</i></p>	<p>The Corporate Management Team have agreed a new corporate Performance Management Framework. Implementation of the Framework is being managed through an “all services” project team which reports to the Governance Review Board.</p> <p>The outputs from the new framework include:-</p> <ul style="list-style-type: none"> i. revised suites of performance metrics which link directly to the delivery of strategic priorities; ii. a consistent reporting format and standard to elected members which gives trend data; improvement targets; benchmarks; and intelligence / analysis. <p>This is specifically designed to allow elected</p>

	<p>members to scrutinise performance and make informed decisions.</p> <p>An additional workstream from the Framework is the improvement of the Council’s Public Performance Reporting arrangements. A medium term plan was considered and approved by the Audit, Risk & Scrutiny Committee in April 2016.</p>
<p><i>v. regularly review their personal training and development needs. They should work with council staff and others to create opportunities to update their knowledge and skills in increasingly important areas, such as financial planning and management, options appraisal, commissioning services, partnership working and scrutiny. These opportunities should also be available to any new members after the local elections in 2017</i></p>	<p>1-2-1’s are to be offered to all elected members to discuss their personal development needs. Members are currently invited to development days, however, attendance levels are not high. As a result, officers are to survey members to find out what they feel would be most effective with regards to delivery methods, interest in events etc. Officers are making preparations to ensure that the opportunities for the new members after elections in 2017 are as beneficial as possible, taking into account learning from previous development.</p>

E. Changing Models of Health and Social Care

This report builds on a 2015 Audit Scotland report which found that significant risks needed to be addressed if integration is to fundamentally change the way health and care services are delivered. The key messages of this report are:-

- The growing number of people with complex health and social care needs, particularly frail older people, together with continuing tight finances, means that current models of care are unsustainable. New models of care are needed. With the right services many people could avoid unnecessary admissions to hospital, or be discharged more quickly when admission is needed. This would improve the quality of care and make better use of the resources available.
- The Scottish Government has set out an ambitious vision for health and social care to respond to these challenges. There is widespread support for the 2020 Vision, which aims to enable everyone to live longer, healthier lives at home or in a homely setting. There is evidence that new approaches to health and care are being developed in parts of Scotland.
- The shift to new models of care is not happening fast enough to meet the growing need, and the new models of care that are in place are generally small-scale and are not widespread. The Scottish Government needs to provide stronger leadership by developing a clear framework to guide local development and consolidating evidence of what works. It needs to set measures of success by which progress can be monitored. It also needs to model how much investment is needed in new services and new ways of working, and whether this can be achieved within existing and planned resources.
- NHS boards and councils, working with integration authorities, can do more to facilitate change. This includes focusing funding on community-based models and workforce planning to support new models. They also need to have a better understanding of the needs of their local populations, and evaluate new models and share learning.

Recommendation	ACC Comments
The Scottish Government should:	
<i>i. provide a clear framework by the end of 2016 of how it expects NHS boards, councils and integration authorities to achieve the 2020 Vision, outlining priorities and plans to reach its longer-term strategy up to 2030. This should include the longer-term changes required to skills, job roles and</i>	Agreed.

<p><i>responsibilities within the health and social care workforce. It also needs to align predictions of demand and supply with recruitment and training plans;</i></p>	
<p><i>ii. estimate the investment required to implement the 2020 Vision and the National Clinical Strategy;</i></p>	<p>Agreed.</p>
<p><i>iii. ensure that long-term planning identifies and addresses the risks to implementing the 2020 Vision and the National Clinical Strategy, including:</i></p> <ul style="list-style-type: none"> <i>- barriers to shifting resources into the community, particularly in light of reducing health and social care budgets and the difficulties councils and NHS boards are experiencing in agreeing integrated budgets;</i> <i>- new integration authorities making the transition from focusing on structures and governance to what needs to be done on the ground to make the necessary changes to services;</i> <i>- building pressures in general practice, including problems with recruiting and retaining appropriate numbers of GPs. The role of GPs in moving towards the 2020 Vision should be a major focus of discussions with the profession as the new GP contract terms are developed for 2017</i> 	<p>Agreed.</p>
<p><i>iv. ensure that learning from new care models across Scotland, and from other countries, is shared effectively with local bodies, to help increase the pace of change. This should include:</i></p> <ul style="list-style-type: none"> <i>- timescales, costs and resources required to implement new models, including staff training and development;</i> <i>- evaluation of the impact and outcomes;</i> <i>- how funding was secured;</i> <i>- key success factors, including how models have been scaled up and made sustainable.</i> 	<p>Agreed.</p>

<p>v. <i>work to reduce the barriers that prevent local bodies from implementing longer-term plans, including:</i></p> <ul style="list-style-type: none"> - <i>identifying longer-term funding to allow local bodies to develop new care models they can sustain in the future;</i> - <i>identifying a mechanism for shifting resources, including money and staff, from hospital to community settings;</i> - <i>being clearer about the appropriate balance of care between acute and community-based care and what this will look like in practice to support local areas to implement the 2020 Vision;</i> - <i>taking a lead on increasing public awareness about why services need to change;</i> - <i>addressing the gap in robust cost information and evidence of impact for new models.</i> 	<p>Agreed.</p>
<p><i>NHS boards and councils should work with integration authorities during their first year of integration to:</i></p>	
<p>i. <i>carry out a shared analysis of local needs, and use this as a basis to inform their plans to redesign local services, drawing on learning from established good practice.</i></p>	<p>A comprehensive needs analysis was undertaken to support the production of the IJB’s Strategic Plan and this was provided as an appendix to that plan. Following the legislation and principles of integration the partnership will be undertaking more locality focussed planning and needs assessment across 2016/17.</p>
<p>ii. <i>ensure new ways of working, based on good practice from elsewhere, are implemented in their own areas to overcome some of the barriers to introducing new care models.</i></p>	<p>The IJB Strategic Plan sets out, in addition to the local context for change and local challenges, the vision for shifting the balance of care and working in new and innovative ways. A series of workshops, facilitated by the Good Governance Institute, supported the IJB articulate ‘different ways of working’ and set this in the context of the Care Fund and wider IJB resource.</p>
<p>iii. <i>move away from short-term, small-scale approaches towards a longer-term approach to implementing new care models. They should do this by making the necessary changes to funding and the workforce, making best use of local data and intelligence, and ensuring that</i></p>	<p>This will take place in the context of the Strategic Plan implementation and development of Locality Plans, Workforce Plan and Financial Planning for the IJB. Shifting planning and resources to the long term is a significant focus of the 1st year of operation under current Change Fund plan and in relation to next phase</p>

<i>they properly implement and evaluate the new models.</i>	of Strategic Commissioning.
<i>iv. ensure, when they are implementing new models of care, that they identify appropriate performance measures from the outset and track costs, savings and outcomes.</i>	A performance management framework is being developed and implemented for the IJB with involvement of ACC colleagues.
<i>v. ensure clear principles are followed for implementing new care models.</i>	Integration principles have been articulated within the Aberdeen City Health and Social Care Partnership Strategic Plan 2016-19.
Information Services Division (ISD) should:	
<i>vi. ensure it shares and facilitates learning across Scotland about approaches to analysing data and intelligence, such as using data to better understand the needs of local populations.</i>	Agreed.

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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