**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 18 JUNE 2019**

**ACCOUNTS COMMISSION REPORT: CHALLENGES AND PERFORMANCE 2019**

**REPORT BY DIRECTOR OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR REFORM**

**ABSTRACT**

This report is to make the Scrutiny and Audit Committee aware of the 'Challenges and Performance 2019' report recently published by the Accounts Commission.

**1.      RECOMMENDATIONS**

1.1      It is recommended that the Scrutiny and Audit Committee:

(i)     note the 'Challenges and Performance 2019' report, recently published by the Accounts Commission, which is included in Appendix 1; and

(ii)    note that a development session for all members is to be arranged covering the 'Challenges and Performance 2019' report as well the Accounts Commission's Financial Overview 2017/18 Report considered by the Committee in January 2019.

**2.      ALIGNMENT TO THE LOCAL OUTCOMES IMPROVEMENT PLAN (LOIP) AND COUNCIL PLAN**

2.1      This report provides valuable insight from a national perspective, which will help to inform this Council's approach to quality, improvement and performance in order to support delivering the outcomes described in the Local Outcomes Improvement Plan, Locality Plans and Council Plan, which focus on the economy, people and place.

**3.      CHALLENGES AND PERFORMANCE REPORT 2019**

3.1      The 'Challenges and Performance Report 2019' report was published by the Accounts Commission towards the end of March 2019.

3.2      The report provides a useful summary of information highlighting the key issues that Councils across Scotland are currently facing. The report acknowledges:

- the *"increasingly complex, changing and uncertain environment"* that Councils operate;

- why it's important that Councils need to be *"thinking differently about services…to meet the growing and changing needs of their communities in coming years"*; and

- recognition that *"Scottish Government revenue funding to councils has reduced in real terms between 2013/14 and 2019/20, while national policy initiatives continue to make up an increasing proportion of council budgets. This reduces the flexibility councils have for deciding how they plan to use funding. At the same time, demands for council services are increasing from a changing population profile"*.

3.3      The report includes six recommendations (page 7 of the report refers), acknowledging that: *"While councils have continued to find ways to manage funding gaps and have made good progress with medium-term financial planning, they face an increasingly complex, changing and uncertain time ahead. To continue to improve the outcomes for their communities within this context, councils need to be open to transformational change and implement new ways of working."*

3.4      These recommendations (with evidence of how the Council is progressing against these points) highlight that *"to make effective progress councils should:*

(i) *assure themselves that they have adequate leadership and management capacity in place. This should include development arrangements that prepare and support councillors and senior managers to respond to the challenging and changing local and national demands*

**Evidence of Progress**

The Council has undertaken a major review of its leadership and management structure through the Managers' Review. There are also Leadership events, consolidating and developing leadership capability in the organisation, supported in a number of different ways, including:

- ✓ Elected Members' development which has included inputs on governance; standards and ethics commission; the difference between operational and strategic decision making.
- ✓ Council Leadership Team development.
- ✓ Senior Leaders' forum (Directors and Service Leaders).
- ✓ Leadership forum (Directors, Service Leaders and Managers).
- ✓ Middle Leaders' forum.
- ✓ Change Programme forum.
- ✓ Staff briefings on Strategic Plans and significant developments.
- ✓ Other staff engagement opportunities in a variety of forms.

(ii) *undertake long-term financial planning to set out how they will deliver national policy commitments, while continuing to sustain local services with reducing budgets and increasing demands*

**Evidence of Progress**

- ✓ The Council has joined up its strategic planning arrangements, including its long-term financial planning. For the first time, the suite of Strategic Plans, including the new Council Plan, Financial Plan and Workforce Plan, were considered as a collective package being an integral part of the 2019/20 budget setting process.
- ✓ Strategic Planning is undertaken consistently on a cross-Council thematic basis relating to Economy, People, Place and Business. These themes are also used in the Community Plan and the associated Locality Plans, supporting the cross organisational work through the Community Planning Partnership arrangements.
- ✓ We have worked to clarify our decision making framework. Some areas of responsibility lie with members and some with officers. We are clear members set policy and officers implement it. The Community Justice Partnership (a member/ officer group) is a good forum where discussion and debate about effectiveness of policy and its implementation can take place.
- ✓ The Change Programme includes a major initiative across all Council services referred to as: 'Organisational Design/ Zero Based Budgeting (ODZBB)'. This programme is providing a forensic analysis of all service areas of the Council and is aimed at: (i) supporting budget efficiency reviews; and (ii) identifying options for future service transformation. It challenges officers in the organisation to consider each service area in its clarity of purpose.

(iii) *continue to seek and implement innovative ways of working and collaborate with communities, partners and the third sector to drive transformational change*

**Evidence of Progress**

The Council is actively progressing this work which has strong links to the Community Empowerment Act. Design charrettes contributed to the development of the Community Plan and 4 Locality Plans which have provided an excellent base to progress multiple streams of work. Examples of ongoing initiatives include:

- ✓ Community Council collaborative workshops.
- ✓ Joint workshop sessions with 3rd sector voluntary and community organisations.
- ✓ Regular engagement with Voluntary Action Angus, the Third Sector Interface for Angus.
- ✓ Locality Plan area partnership meetings.
- ✓ Angus Health & Social Care Partnership Locality Implementation Group meetings.
- ✓ Community Asset Transfer engagement and support.
- ✓ Participatory budgeting.
- ✓ Ongoing day-to-day engagement through the Council's Communities teams.

- ✓ Development of the Tayside Collaborative for children, young people and families.
- ✓ Establishment of the Angus Child Poverty Action Plan through the Angus Community Planning Partnership.
- ✓ Development of the Community Justice Partnership.
- ✓ Collaboration in relation to the opportunities emerging from Tay Cities Deal.

*(iv) improve data to:*

- *help inform the difficult decisions councils have to make*

- *support benchmarking, learning and sharing of experience and effective practice with others that will contribute to improving service quality, efficiency and outcomes for communities*

**Evidence of Progress**

- ✓ The data packs produced for the ODZBB work, along with the outputs emerging, are providing the base position to progress our performance management, self-evaluation and continuous improvement work.
- ✓ A self-evaluation culture is now being developed across all service areas. This will build on some services' existing expertise to support others to learn and develop. The council's self-evaluation framework for continuous improvement is the 'How Good is Our Council?' model.
- ✓ Performance management is developing from two perspectives (top down and bottom up). Top down: measures of performance are included in the Council Plan related to achieving strategic outcomes. Progress towards achieving these targets is reported to CLT on a monthly basis, and annually via the Council's Public Performance Reporting process. Bottom up: service performance data is being refreshed and aligned from each service area to identify how it contributes to achieving the strategic outcomes. This performance data will also be utilised as the evidence base to identify areas for both continuous improvement (small changes) and transformational change (large changes). It is acknowledged that many services currently utilise a range of performance management systems to help to evaluate progress and plan further improvements.
- ✓ Our performance management system 'Pentana' is being refreshed to ensure our data and performance information is recorded in a purposeful and consistent manner across the organisation, including information which will support national benchmarking and sharing with the public in a meaningful way.
- ✓ Work in relation to continuous improvement and major transformational change is therefore core to the Council's activities.

*(v) ensure they have workforce planning that is clear about the workforce needed now and in the future, where the gaps are and what training or other action is needed to fill them. This should be supported by better workforce data*

**Evidence of Progress**

- ✓ The latest Workforce Plan was agreed by the Council as part of its 2019/20 budget setting process.
- ✓ The Workforce Plan is continually under review and in the process of being updated.
- ✓ Workforce data is reported regularly to the Scrutiny & Audit Committee.
- ✓ One of our transformative change programmes has been to consolidate training budgets within the Organisational Development (OD) team to improve the corporate co-ordination and integration of orgainisational development.
- ✓ Our establishment lists and related staffing budgets have been updated to support us to improve our approach to managing workforce data and budget management.
- ✓ Work with AHSCP in relation to continually ensuring our adult services staffing compliment is sufficient to meet the Council's statutory requirements.

*(vi) be able to demonstrate how spending decisions and priorities have impacted on service delivery and the outcomes of residents, as well as how they are delivering against the national performance framework."*

**Evidence of Progress**

- ✓ Evidence is highlighted in the most recent Council Performance Report (2017/18) and associated Case Studies; Local Outcomes Improvement Plan performance Report (2017/18); and Council Plan (2019 - 2024).
- ✓ In addition, a number of National Awards have recently been received reflecting the high quality of work being delivered on specific aspects of service delivery.
- ✓ Mechanisms are also in place through self-assessment to identify areas for improvement.
- ✓ The 'golden-thread' linking Council work to the national performance framework is being developed as part of our improvement work.

3.5 Angus Council is addressing each of these recommendations as part of its ongoing commitment to quality improvement, performance and change throughout all service areas of the Council. The examples highlighted are intended to provide members with a snap-shot of progress.

3.6 However, in light of the importance of these recommendations and the broader content of the report, members of this committee are asked to note that a development session for all members is to be arranged covering the 'Challenges and Performance 2019' report as well the Accounts Commission's Financial Overview 2017/18 Report considered by the Committee in January 2019.

**REPORT AUTHOR: Gordon Cargill, Service Leader (Governance & Change)**
**EMAIL DETAILS: CargillGP@angus.gov.uk**

List of Appendices:

Appendix 1: Accounts Commission: 'Challenges and Performance 2019' report