

**ITEM No ...3.....**

**REPORT TO: DUNDEE CITY COUNCIL - 16 NOVEMBER 2020**

**REPORT ON: BEST VALUE ASSURANCE REPORT 2020**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 284-2020**

**1.0 PURPOSE OF REPORT**

- 1.1 To present the findings and the Improvement Action Plan in response to the Best Value Review of Dundee City Council.

**2.0 RECOMMENDATIONS**

Council is asked to:

- i) Consider the key messages and recommendations arising from the Best Value Review
- ii) Agree to receive further updates to Policy and Resources Committee as improvement work progresses
- iii) Agree to receive further updates as improvement work progresses

**3.0 FINANCIAL IMPLICATIONS**

None.

**4.0 MAIN TEXT**

- 4.1 A Best Value Assurance report considers the Council's compliance with its statutory duty of Best Value as set out in the Local Government (Scotland) Act 2003. This report presents to Council the findings of the Best Value Audit carried out earlier this year. The fieldwork stage coincided with the outbreak of the Coronavirus pandemic and the process was adapted to ensure key officer and stakeholder interviews were completed.
- 4.2 Dundee City Council's Best Value Assurance Report, which was presented by the Controller of Audit to the Accounts Commission in September 2020, sets out;
- The focus of the audit across six key themes
  - Key messages, supplemented with the Commission's findings
  - Recommendations for further improvement
  - The Controller of Audit's assessment of the Council in 2010 and updated assessment in 2020.
- 4.3 The Best Value Assurance Report 2020 is positive and demonstrates good progress since the previous Best Value Audit in 2010 and provides assurance that Dundee City Council complies with its statutory obligations to secure Best Value. The report concludes that:
- the Council demonstrates a steady pace of improvement since 2010 and services are improving at a greater rate than its family group of peers;
  - the Leader of the Council and the Chief Executive provide effective leadership and officers and councillors work well together;
  - the Council demonstrates a mature organisation that honestly appraises its own strengths and weaknesses and identifies where improvement is required;
  - the Council recognises that the pace of improvement needs to be accelerated if priorities are to be delivered

- 4.4 The Council welcomes the many positive judgements contained in the report and believes that the overall findings give a fair and balanced assessment of its performance. The Council views the recommendations from the audit process as an important driver for further improvement.
- 4.5 Following the Accounts Commission meeting their findings were incorporated into the final version of the report. The Accounts Commission highlighted the deep-rooted issues which the Council and its partners must address within the city, specifically in relation to deprivation, drugs deaths and inequality. Whilst no formal improvement actions were recommended by the Commission, the Council acknowledges its findings as set out below.
- 4.6 The BVAR did not assess the Council's immediate and ongoing response to Covid-19, nor the financial impacts upon Council resources. Whilst the action plan developed in response to the BVAR takes account of the Council's current capacity and resources and sets out a realistic timeframe for addressing the recommendations of the audit, there is no doubt Covid-19 will continue to impact on the Council's capacity and resources. As a result, timescales set out in the action plan may need to be amended. Committee will be provided with updates on progress towards all of the actions in Appendix 1.
- 4.7 There are eight recommendations for improvement, these are set out in Action Plan together with details of Lead Officers and timescales for improvement action to be taken. Follow up of the recommendations will be also considered as part of the Council's future Annual External Audits.

## 5.0 BACKGROUND

### Introduction

- 5.1 The Best Value Assurance Report, which is attached at Appendix 2 to this report, complements the best value audit work undertaken each year as part of the Annual External Audit. As part of the preparations for the BVAR, a robust self-evaluation was undertaken against the Best Value characteristics and reported to Policy & Resources Committee in February 2020 (Report No 68-2020).
- 5.2 The outcome of the council's self-evaluation broadly reflects the findings of the BVAR process and actions from the self-evaluation are integrated within the Improvement Action Plan attached at Appendix 1.

### Areas of Focus

- 5.3 The areas of focus of the Best Value assessment are:
- **Council vision and strategic direction** - how these are embedded across the organisation. This included assessing how well the leadership of the council works together to deliver the priorities identified in strategic documents. This forms Part 1 (page 11).
  - **Council performance** - this included an overall assessment of outcomes and performance and the council's reporting on these, including to the public. This forms Part 2 (page 21).
  - **Planning use of resources** - this involved assessing how effectively the Council plans its use of resources, including asset management, financial planning, procurement and workforce planning. This forms Part 3 (page 33).
  - **Delivering services with partners** - this involved assessing how well services are developed in collaboration with others and how community engagement and empowerment affect the Council's activities and delivery of services. This forms Part 4 (page 44).

- **Continuous improvement** – how the council approaches continuous improvement, including how it uses self-assessment and external scrutiny to drive improvements. This also assessed the overall pace and depth of change over the past decade. This forms Part 5 (page 56).

### Key Messages

5.4 The key messages set out within the Assurance Report are:

- The Council has demonstrated a steady pace of improvement since the last Best Value Audit in 2010. The Council and its partners have a clear and ambitious vision for Dundee, with the City Plan and the Council Plan showing how they aim to improve life in the city. They understand that the key to this is addressing Dundee's high levels of poverty and inequality.
- The Leader of the Council and Chief Executive provide effective leadership, and officers and councillors work well together. The Dundee Partnership has been successful in regenerating and reinvigorating the city centre through projects such as the Dundee Waterfront development, including the V&A Museum of Design Dundee and the new Dundee Railway Station. Progress is also being made in regenerating the wider city through projects such as the new Regional Performance Centre for Sport and the Michelin Innovation Parc joint venture.
- Council services are improving, and at a greater rate than its family group of peers. However, the Council recognises that the pace of improvement needs to accelerate if some priorities are to be delivered, particularly its aspiration to reduce poverty and inequality.
- The Council demonstrates a clear focus on continuous improvement across its activities. It uses self-assessment effectively, to identify strengths and weaknesses and where improvement is required. However, regular performance reports for councillors, which include current performance data on all services, are still being developed.
- The Council has innovative ideas and there is a large volume of improvement activity taking place. The Council needs to ensure that it has the capacity and skills to deliver its aspirations, and its improvements may need to be prioritised. Workforce plans need to be progressed for all services to help demonstrate this.
- In 2019 the Dundee Drugs Commission made recommendations for a new approach to services which aim to reduce drug use and deaths, a significant longstanding challenge in the city.
- Financial management is effective, with budgets focussed on the Council's priorities. The Council has made good progress in financial planning with the approval of a long-term financial strategy in 2019.
- Delivery of the Council's Changing for the Future transformational change programme (C2022) will be critical to delivering future financial plans. A cumulative funding gap, prior to the Covid-19 impact, of £32 million is projected by the end of 2022/23 with a longer-term funding gap of £78 million by 2029/30.
- The Dundee Partnership has embraced the requirements of the Community Empowerment Act. Eight Local Community Planning Partnerships deliver local projects to communities. Citizens' views informed how £1.2 million was spent on local projects in 2018/19.
- The Council's self-evaluation against Best Value characteristics demonstrates a mature organisation that honestly appraises its own strengths and weaknesses and identifies where improvement is required.

### Accounts Commission Findings

5.5 The Accounts Commission determined its findings at its meeting on 10 September 2020 and these are as follows:

- The Commission accepts the Controller of Audit's report on Best Value in Dundee City Council and endorses his recommendations.
- Much of the work for this audit was undertaken before the Covid-19 emergency. As such the report does not consider the additional and sizeable pressure that this has placed on the Council. The Commission is, however, of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital. Accordingly, we intend that our reporting of the Best Value Audit will help the Council deal with the significant challenges that it faces.
- We are pleased with the good progress made by the Council since the previous Best Value report in March 2010. The Council has strong leadership, is self-aware about how it performs, and its services are improving in many areas. It has sound financial management and makes good use of longer-term financial planning, which are essential in managing future financial pressures effectively. The Council, as part of the Dundee Partnership, has successfully delivered high profile capital investment projects to transform areas of the city, most notably the redevelopment of the Dundee Waterfront.
- Despite progress, Dundee continues to face complex and deep-rooted challenges. The city has the highest rate of drug related deaths in Scotland, and pressures around poverty and mental health remain significant. The Commission sees this situation as one of critical importance. The financial sustainability of the Integration Joint Board (IJB) remains a risk and this will be exacerbated by the pressures emerging from the Covid-19 pandemic. It is important that the Council works with its partners to ensure the financial sustainability of the IJB.
- The Council is aware of these challenges and, in striving with its partners to address them, it needs to increase its pace of change. It needs to understand, and demonstrate more clearly, the social impact of its capital investment and prevention and early intervention initiatives on inequality and poverty, particularly in the less advantaged areas of the city. It also needs to move from incremental to transformational change across all its services, and, in particular, in education, make quicker progress in narrowing the attainment gap for more vulnerable or disadvantaged children.
- We urge the Council to put workforce plans in place for all services to ensure it has the required skills and capacity to deliver its aspirations. This is particularly important given the impending retirement of the Chief Executive.
- We encourage the Council to address these findings and the Controller of Audit's recommendations. The Controller will monitor progress through the annual audit and inform us appropriately.

### Response to the Commission's Findings

5.6 The Council welcomes the findings of the Commission and believes it is well placed to work with partners in continuing to address the many complex and deep-rooted issues which the city needs to tackle.

5.7 Auditors found a number of strengths which will be key to improving outcomes for Dundee's citizens.

- Despite the political differences between the various groups, there is a good degree of cooperation and consensus between members on the vision and priorities for the Council and the city.

- From our attendance at Council and committee meetings, we also observed that members have a clear focus on working in the interests of the residents of Dundee.
- The Chief Executive, Council Management Team and other staff interviewed are committed and enthusiastic, and demonstrate an appetite for tackling the challenges faced by the city to make a real difference to the lives of Dundonians.
- All partners demonstrate a genuine commitment and enthusiasm to working together to help improve outcomes for the citizens of Dundee. Partners are very positive about the Dundee Partnership and highlighted its key role in developing relationships. This supports the delivery of joint improvement priorities, redesigning, and better integrated services, with a more preventative and locality-based focus.

5.8 It is also important to reflect on what has been achieved over recent years through the collective efforts of the Dundee Partnership to turn around the local economy providing a platform to address some of the longer-term systemic challenges facing the city as it enters the recovery phase.

- The redevelopment of Dundee Waterfront took a further step forward with approval of a £6 million plus project to create Waterfront Place next to the V & A, including landscaping, an urban beach, decorative water feature and a new active travel/low carbon hub. Plans were approved for a 5G testbed and public Wi-Fi network for the Waterfront and surrounding areas.
- Considerable efforts have been made in recent years to attract new investment to the city across a range of sectors from high growth areas like life sciences and digital to service based jobs in hospitality, retail and tourism. In terms of social impact, the opening of V&A Dundee has had a tangible economic impact on the local economy as an independent report published in January 2020 showed. The report found that V&A Dundee had supported 696 jobs in Dundee and 2,143 across Scotland.
- The investment in modern Grade A Office Space at the Waterfront, Earl Grey House, has also been a major catalyst for job creation with the announcement in September 2020 that SSSA will create 900 jobs at what will be their new Scottish headquarters, with an option taken to extend the site in future years to accommodate up to 1,200 staff.
- The signing of the £300 million Tay Cities Deal will offer the prospect of a further 6,000 jobs to be created across the City Region over the next 10-15 years. Over £35 million of that investment will be spent in the first 2 years in Dundee to create new innovation and training space for the life sciences and med-tech sectors and a centre of expertise in cybersecurity to be established at Abertay University.
- Over the course of the past 10 years the number of people classified as unemployed in Dundee had fallen from 7,600 to 4,400 and the rate has dropped from 10.6% to 5.9%. The Local Government Benchmarking Framework shows that, relative to the other 32 Councils in Scotland, Dundee City does more to support workless people back into employment with 18.7% of unemployed people supported compared to an average of 12.6% in the latest LGBF data published.
- Median wages in Dundee compared to the Scottish average have risen from 89% in 2016/17 to 94% in 2019/20.
- Since 2016 the number of Dundonians earning less than the living wage has reduced by more than 7%

5.9 The Council continues to invest in areas far wider than the waterfront, all of which boost the local economy, for example:

- Millions of pounds are being invested in new and refurbished nursery buildings as part of the preparations for the near doubling of entitlement to early learning and childcare for 4, 3 and vulnerable 2-year-old children.
- Homes and businesses in Broughty Ferry will have greater protection from future flooding following a £15.5 million protection scheme.
- The new £13 million Menzieshill Community Hub was officially opened, including two sports halls, a library, a community centre with multi-purpose areas, and a cafe.
- More school grounds are now open for community use in the evenings and at weekends, and all new schools will now have community access built into the design process. Plans are being made for a new secondary school in the east of the city, subject to consultation on the merger of Braeview Academy and Craigie High School.
- Over £5 million of Pupil Equity Funding has been used to give Dundee's children the best start, through initiatives including outdoor learning, digital learning, growth mind-set training and support for mental health and wellbeing and the supply of free sanitary products in schools and community facilities has been rolled out.

5.10 Whilst there is much to be done to close the inequality gap and to address the complex social inter-generational challenges, there are also indications of progress in terms of some recent action plans, particularly in relation to drugs and mental health issues:

- A progress report on the implementation of the Dundee Alcohol and Drug Partnership Action Plan for Change was presented to Policy & Resources Committee on 28 September (Report 243-2020). This highlighted a broad range of actions that have been undertaken across the Dundee Partnership to deliver on the 12 key priorities agreed to address the specific issues highlighted in the Dundee Drug Commission's Report. It is also highlighted that during the Covid-19 period a number of innovative initiatives and new ways of working were implemented, including immediate and flexible responses to emerging issues; joint outreach work; greater focus on multi-agency sharing of risk, support and responsibility; increased sharing of information; and increased openness and trust.
- Following the Independent Inquiry into Mental Health Services across Tayside, there has been a Tayside-wide response developed and a report was presented to Policy & Resources Committee on 28 September (Report 239-2020). This report set out an Action Plan, called 'Listen, Learn, Change', that was co-created by all partners and aims to significantly improve how care for the people who need it most is provided so they can live better lives. It details how each of the 51 recommendations is being/will be taken forward alongside due governance arrangements for same. Key actions completed are: Statement of Intent signed by all partners in January 2020, Strategic Change Manager recruited in March 2020 and held over 120 Stakeholder meetings since appointment and ten high impact changes of Listen, Learn, Change have been formulated. Next steps will focus on the development of the Tayside Mental Health and Wellbeing Change Programme and Strategy and continuing to work with partners to develop two stakeholder strategy development events for later in 2020 to gain critical insights to inform production of the draft strategy.

5.11 Dundee City Council will continue to work with NHS Tayside and the Integration Joint Board to explore every opportunity to address the risks highlighted in the 2019/20 Annual Audit Report and within the BVAR regarding the lack of financial sustainability of Dundee's Health and Social Care Partnership.

5.12 The Covid-19 pandemic will undoubtedly make the City's key challenges more difficult and the recovery plan published by the City Council in August 2020 seeks to ensure that Dundee is well positioned to do everything to help the city to build back better. The process of recovery will focus most heavily on supporting people and the economy to recover due to the expected impact on health, incomes, the equalities gap, jobs and businesses. The next phase of planning

will take forward the priority issues to address in consultation with elected members, partners and the community on key priorities going forward.

The physical investment made by the City Council in recent years has translated into an improving job situation, reductions in unemployment, improving wage levels and more positive futures for our young people. These are solid foundations on which to build.

- 5.13 The work of the Dundee Fairness Commission is at the heart of the reshaping of Dundee's Fairness Strategy and Action Plan. The new strategy will clearly set out the role of the Commission and the importance that will be placed on its recommendations. Although new ways of reaching out and engaging with all stakeholders will need to be found, the Dundee Partnership will support the Fairness Commissioners to take their experience and recommendations to the most influential local bodies and request an opportunity to share them with Scottish Government Ministers. The revised Fairness Strategy will build on the work already done to improve established outcomes set out in the original framework and expand to reflect the new, severe challenges caused by COVID including digital inequalities, access to emergency food and medicine and escalating household debt.
- Dundee's Fairness Strategy identifies three key foundations that people need; a fair household income, someone to turn to, and hope for the future. From these, key outcomes to help people escape from lives with too little have been developed. The outcomes framework will assist the Dundee Partnership to measure the impact partnership actions is having on tackling the city's high-level objectives around jobs, inequality and social inclusion.
  - Plans are in place to help people increase their income from work or benefits, to create the well paid and secure jobs they need and help them to develop the skills and confidence required to find them. This support will be available in stronger, more cohesive communities and through more accessible and effective services.
  - The Council and The Dundee Partnership want Dundee City to be the best place for children to grow up and tackling poverty will contribute a large part of achieving this. The national context sets out goals for Scotland in terms three key areas which have been proven to impact on reducing child poverty: income from employment, cost of living and income from social security and benefits in kind. Local actions will help to achieve this in a variety of ways. These include, but are not limited to;
    - Income from Employment, employability training for specific growth sectors and for young people, bringing better jobs to the city, encouraging payment of the Scottish Living Wage to all staff, providing in-work support
    - Cost of living; working with private sector landlords, reducing the cost of the school day, provision of free childcare for three and four-year olds, increasing availability of low-cost credit via Discovery Credit Union, debt reduction with help from the financial advice sector
    - Income from social security and benefits in kind; through a new Advice Strategy, campaigning for a Citizens' Basic Income, maximising uptake of free school meals, school clothing grants and Education Maintenance Allowance
  - Action has been taken to tackle the cost of the school day for families, including: -
    - cheaper uniforms and clothing swap schemes
    - free 'ready to learn' packs
    - non-stigmatising approaches to fundraising
    - more affordable residential trips
    - improved promotion of financial entitlements
    - innovative ways of providing breakfast

Evaluation by NHS Health Scotland has confirmed this is already having significant benefits for Dundee's children.

- The siting of Welfare Advice within GP practices now covers eight practices across the city (six covered by the Council's Welfare Rights Team and two by Brooksbank). This enables the service to be on hand for over 57,000 people. During 2019-20, Council Welfare Rights staff raised additional income / benefits of £2.8m across the six venues covered, using the equivalent of just over 2FTE Welfare Rights Officers. This shows that access via GP practices is an exceptionally good return. A COSLA Gold Award was won as a result.
- The Council is producing guidance and materials to enable all service providers to attract, recruit, train and support staff with the right values and attitudes towards people who are experiencing poverty or who are in recovery. Various training courses on poverty sensitive practice and associated subjects including Human Rights and Equality and Diversity are being designed, revised and delivered. Approaches have been made to the new Social Security Scotland agency through the Fairness Commission to examine how their new arrangements could be reflected in partner agencies' practice.

5.14 The Council is working towards ensuring that all housing stock meets the Energy Efficiency Standard for Scottish Housing and over the three years to March 2020 invested £21.7m on projects that were aimed directly at improving energy efficiency. The majority of this spending will have been incurred providing external wall insulation that has made these homes warmer and also more affordable for tenants to heat.

- The recently approved capital plan for the period 2020 to 2025 includes provision of £41m to be spent on a range of further energy efficiency improvements for council houses.
- The investment programme has been prioritised in line with the latest SMID data to ensure those households with the greatest need have benefitted first.

5.15 The Council is committed to supporting households with lower incomes through reducing the number of households in fuel poverty. This remains a key priority for the Council and the success of this investment in energy efficiency is evidenced by the latest Scottish Household Survey data that indicates over the last 9 years overall fuel poverty levels in the city have reduced by 10% to 32%.

- During 2019/20 welfare rights and money advice services provided to householders resulted in 30 cases of fuel debt being written off.

5.16 In relation to Children and Young People, progress was made during 2019/20, including:

- Significant improvement in key attainment targets in P7 and school leaver literacy and numeracy.
- Since recording the measure, the highest ever number of young people (94%) entered positive destinations.
- The Children and Families PSIF report was approved and the service has developed a single service plan for the next 3 years.
- The percentage of Care Services graded good or better in care inspectorate inspections (85%) has exceeded the year 3 target (83%).

5.17 Taking all of these developments into account, Dundee will continue to work hard to tackle poverty and inequality on a collaborative basis. Dundee has a proud record and reputation for partnership working and this will be rigorously tested in attempting to turn around the current and anticipated levels of deprivation in the city. Our overall community planning approach ties this together at a city-wide level and through our local community planning and empowerment arrangements. The full extent of these can be found in the City Plan alongside the range of underpinning strategies, partnerships and activities.



Progress towards our ambitious local child poverty targets will continue to be reported to the Dundee Partnership Management Group and the Policy and Resources Committee of Dundee City Council.

### 5.18 BVAR Recommendations

There are eight recommendations from the Best Value Audit (page 63), these are summarised below. Appendix 1 provides the Council with an Improvement Action Plan for implementing these including details of lead officers and timescale. It also details where existing actions are already addressing some of the recommendations.

**Recommendation 1** - Consideration should be given to extending the support provided to non-elected committee members.

**Recommendation 2** - Regular performance reports need to be presented to members which include performance data for the current year, covering all services.

**Recommendation 3** - Workforce plans need to be developed for all services to demonstrate that staff have the capacity and skills to deliver the Council's priorities.

**Recommendation 4** - A strategic asset management plan should be developed, aligned to the financial and strategic service delivery plans.

**Recommendation 5** - A standardised business case template should be developed and completed for all capital projects, including detailed options appraisal, whole life costing, and consideration of funding implications.

**Recommendation 6** - The Dundee Partnership needs to set out how it will measure the impact of its action plan to reduce inequality and poverty.

**Recommendation 7** - Communication to citizens on the rationale for policy decisions should be reviewed.

**Recommendation 8** - Prioritisation of improvement plans should be considered to focus on actions that will deliver the greatest impact for service users.

## 6.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

## 7.0 CONSULTATIONS

The Council Management Team was consulted in the preparation of this report.

## 8.0 BACKGROUND PAPERS

None.