

**REPORT TO: DUNDEE CITY COUNCIL - 28 JUNE 2010**

**REPORT ON: BEST VALUE 2 PATHFINDER AUDIT**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 337-2010**

**1. PURPOSE OF REPORT**

This report relates to the findings of the Audit Scotland Best Value 2 Pathfinder Audit report on Dundee City Council and seeks approval for the proposed Improvement Plan.

**2. RECOMMENDATIONS**

It is recommended that the Council:

- 2.1 notes the contents and findings of the Best Value 2 Pathfinder Audit report on Dundee City Council prepared for the Accounts Commission in March 2010
- 2.2 approves the Improvement Plan set out in Appendix 1 to this report

**3. FINANCIAL IMPLICATIONS**

Any cost implications within this report will be contained within Departments' revenue budgets.

**4. BACKGROUND**

- 4.1 The Accounts Commission chose Dundee City Council as one of five Councils to act as a Pathfinder for the new approach to a Best Value Audit (BV2). The Council's last full Best Value Audit was reported to the Council on 24 October 2005 (Report No 626-2005). The BV2 Audit report was published on 30 March 2010 and the report was presented to Elected Members by Audit Scotland on 18 May 2010 and all members have been provided with a full copy of the Audit report. For further reference a full copy of the Audit report is available on the Council's website ([Plans and Performance section](#)).
- 4.2 A key characteristic of the Best Value 2 Audit is that it is founded on a shared assessment by local government inspectors particularly, Her Majesty's Inspectorate of Education, the Social Work Inspectorate Agency, the Scottish Housing Regulator and the Care Commission and Audit Scotland. In addition, for the first time, the assessment panel included peer officers and an elected member from other local authorities. The process is led by Audit Scotland and involved assessing published reports on the performance of the City Council as well as interviewing and surveying a wide range of stakeholders and partners.
- 4.3 The purpose of the Best Value 2 Audit is to report on the Council's duties in regard to Best Value and Community Planning as determined by the Local Government in Scotland Act 2003. This requires the Council to secure continuous improvement and lead the community planning process to engage statutory and non statutory partners in the overall improvement of the area.

**5. REPORT OVERVIEW**

The Best Value 2 Audit assessed the Council on two broad aspects: the evidence of improvement and the processes in place that provide confidence that improvement will be delivered in the future. In overall terms the report is positive in tone but does note that the

Council "needs to improve more quickly". It also concludes that the Council has "fair prospects for future improvement". In general the report highlights many achievements but points out areas where the Council can do more to achieve continuous improvement and lead community planning.

5.2 It is pleasing to note that in the key findings of the audit the report states the following:

- "The Council and its partners have a clear and ambitious vision (for tackling the significant challenges)... and are making progress against many of its objectives"
- "These plans are based on a sound approach to community engagement"
- "It is clear that, in a period of modest rises in resources, there has been a general rise in the performance of its services"
- the report highlights improvements since 2005 "in tackling poor educational attainment, improving council tax collection, reducing crime and providing broader economic developments. There has also been an increase in customer satisfaction levels"

5.3 The Accounts Commission in its preface to the Audit report highlighted the following issues to address concerning elected members' roles in leadership and scrutiny.

- "Elected Members' need to increase their leadership of community planning at a strategic level"
- "It is essential that elected members now develop their strategic leadership and scrutiny of decision making and performance"

5.4 On the second bullet point above the Accounts Commission have stressed their opinion that having all members on every committee makes the independence of view essential to the scrutiny process difficult to achieve. A key issue throughout the Audit report is whether members receive sufficient information and support and whether the committee scrutiny process is adequate. These issues are addressed in the Improvement Plan. Specifically, the Improvement Plan proposes a review of the Council's scrutiny process and a structure review of community planning.

5.5 One of the key reasons why the Best Value 2 Audit report concludes the Council needs to improve more quickly relates to the relatively critical inspection reports on Housing and Child Protection services. However, the Accounts Commission acknowledges that the Council and its partners are addressing these issues as a matter of priority and making good progress.

5.6 The report contrasts the urgency and priority given to external inspection reports with improvements identified by internal assessment processes. The report identifies that if internal change and improvement is "too slow" this poses a risk to the Council in the tighter financial climate. Members will be aware that the Policy and Resources Committee (26 April 2010 Report No 182-2010) approved a report on a corporate improvement programme, training and self evaluation that aims to boost the Council's corporate capacity to change.

## 6. **IMPROVEMENT PLAN**

6.1 A key outcome of the Best Value 2 Audit is an improvement plan. The Accounts Commission and Audit Scotland have commended the constructive way in which the City

Council engaged with the Audit process. This reflects the Council's commitment to continuous improvement.

- 6.2 The Areas for Improvement identified by the Best Value 2 Audit will be carried forward to an Assurance and Improvement Plan produced by a Local Area Network of external scrutiny and inspection agencies. This plan will be subject to annual scrutiny by Audit Scotland. This will form part of the external scrutiny activity the Council can expect over the next three years.
- 6.3 The areas for improvement are listed below along with a brief summary of the key improvement actions. These are developed further in Appendix 1 in an action plan that will be monitored on a half yearly basis by a progress report to the Improvement and Efficiency Sub-Committee.
- 6.4 The areas for improvement all relate to strategic processes such as leadership of vision and direction, partnership, governance and scrutiny, performance management and use of resources. However, it should be recognised that this relates to the Council's capacity to deliver future improvement. The other vital component of any re-audit in three years time will be the actual evidence of improved outcomes and services. On that point, it was pleasing to note that the audit found that "The Council had made a step change in improving its performance management arrangements".

6.5

Areas for improvement	Key Proposal
<b>Performance of key services</b>	
Continue to implement improvement actions quickly and effectively to address significant concerns in delivering key services as identified in recent inspection reports in relation to child protection.	Chief Officer's Group continues to oversee an improvement plan until a positive inspection report is delivered. It should be noted that a HMle follow up report on child protection is scheduled for November 2010
Continue to implement improvement actions quickly and effectively to address significant concerns in delivering key services as identified in recent inspection reports in relation to housing.	Housing Improvement Best Value Working Group to meet until the improvement plan is complete and a positive re-inspection report is delivered. Arrangements are being made with the Scottish Housing Regulator to undertake a follow-up report
<b>Vision and Strategic Direction</b>	
Establish shared and clearly understood priorities for spending that reflect the anticipated reduction in real available resources, in a collaborative manner that brings together the political choices of local elected members and the nationally led policies and priorities of the other public sector partners.	<p>The SOA identifies the Dundee Partnership's priorities as</p> <ul style="list-style-type: none"> <li>■ Jobs and Employability</li> <li>■ Children and Young People</li> <li>■ Inequalities</li> <li>■ Physical and Mental Well-Being</li> </ul> <p>And is expressed similarly in the Council plan as</p> <ul style="list-style-type: none"> <li>■ A Working City</li> <li>■ Quality of life and Social inclusion</li> <li>■ Healthier Safer Communities</li> <li>■ Getting it right for every child</li> <li>■ Corporate Improvement</li> </ul> <p>Develop a shared services programme with other public sector bodies (Council Plan).</p> <p>Review delivery options for Council services to achieve cost efficiencies (Council Plan).</p>

Areas for improvement	Key Proposal
<b>Partnership</b>	
Ensure that all meetings at all levels of the partnership are focussed on coordinating partnership activity, deciding on priorities and who does what, and monitoring progress and impact.	<p>A fitness for purpose review of all Dundee Partnership Theme groups is being carried out.</p> <p>The Single Outcome Agreement Delivery Plan will give each Partnership Group a clear plan to deliver, monitor progress and measure its impact.</p>
Review partnership structures to ensure that respective roles and responsibilities of different groups are clear, minimising overlap.	A partnership structure review will be carried out upon completion of the fitness for purpose review and the SOA delivery plan. This will include the leadership role of elected members.
Ensure that partnership aims are specified at an appropriate level and are supported by relevant indicators and measures of impact and progress.	The Fitness for Purpose Review and SOA Delivery Plan and Structure Review should address this area for improvement.
<b>Governance and Accountability</b>	
Members need to increase their contribution and ownership of key subjects - leading community planning at a strategic level, policy development, risk management, efficiency and improvement. Council officers need to provide better support to enable members to this.	<p>Dundee Partnership Structure Review will address the role of Elected Members in the development of policy and monitoring of the Single Outcome Agreement delivery plan.</p> <p>The Members Development and Training Programme will be reviewed to reflect the areas for improvement.</p>
There remains a need for the Council to put in place an effective approach to elected member scrutiny of decision-making and performance. Recent changes have not been sufficient to address long standing concerns on this issue. The Council needs to ensure that it is more transparent, with better discussion of key issues in public meetings.	A review of Scrutiny within the Council will provide a mechanism for continually improving the committee structures and processes to ensure appropriate levels of scrutiny in line with Best Value.
<b>Performance Management</b>	
A more coordinated approach to improvement and efficiency is required in order to create more corporate capacity for improvement and change.	<p>A Corporate Improvement Team has been established in the Corporate Planning Department.</p> <p>A corporate Improvement Programme to modernise the Council's working methods and achieve efficiencies will be developed and monitored by the Improvement &amp; Efficiency Sub-Committee. (Council Plan).</p> <p>The Public Sector Improvement Framework has been adopted as a consistent model of self assessment which will develop a</p>

Areas for improvement	Key Proposal
	<p>common approach to identifying improvements across the Council and sharing best practice.</p>
<p>Target efforts better and implement more robust planning and monitoring of progress, implementation and impact.</p>	<p>A golden thread approach is being followed in the development of the Council Plan and linking this with each department's service plan.</p> <p>Improvements to the Online Plan and Performance Monitoring database will lead to more robust reports to Elected Members.</p>
<p>Make greater use of benchmarking, cost comparison and option appraisal considering the scope for alternative approaches and more joint working.</p>	<p>A Benchmarking project is underway that will increase the amount of comparative evidence in performance monitoring reports and an increase in benchmarking reviews being carried out by departments.</p> <p>New option appraisal guidance and training for reports is being deployed.</p> <p>The Shared Service Programme and the Dundee Partnership will develop more joint working arrangements.</p>
<p>The Council needs to strengthen corporate working and internal partnerships, building more collaborative working and ensuring learning and best practice is identified and shared more widely.</p>	<p>The Corporate Management Team is adopting an approach of leading cross cutting groups to increase joint working.</p>
<p><b>Use of Resources</b></p>	
<p>Improvements are also needed in strategic management of resources, improving longer term financial planning and developing more active planning for the use of assets and people. This will mean working with partners to take a more strategic approach to resource allocation, being more flexible in the way individual funding streams are applied and embedding the management of risk.</p>	<p>A five year financial model is under development.</p> <p>Asset Management will be reviewed and developed further.</p> <p>Workforce Planning is being developed that will set out the council's requirements for the future.</p>
<p><b>Equalities</b></p>	
<p>The Council has made relatively slow progress in promoting equalities. Greater ownership and leadership in promoting equalities are required with more effective engagement with equalities groups, a more effective approach to Equalities Impact Assessment and better monitoring of impact.</p>	<p>The Council's Single Equality Scheme will be the subject of an annual report identifying achievements and areas for improvement.</p> <p>Three equality community engagement Equality Action Groups are being established on Disability and Age, Race/Ethnicity Religion and belief, Gender and Sexual Orientation.</p>

Areas for improvement	Key Proposal
	Equality Impact Assessments are being carried out for all relevant policy report and published on the Council's website linked to the relevant committee report. Any implications of note will be included in the committee report in the mandatory policy screening section.

7. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

8. **CONSULTATIONS**

All Chief Officers have been consulted on the contents of this report.

9. **BACKGROUND REPORTS**

Best Value 2 Pathfinder audit Dundee City Council - Audi Scotland March 2010.

David K Dorward  
Chief Executive

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22/06/2010

**Best Value 2 Corporate Improvement Plan**

<b>Performance of key services</b>		
<b>Area for Improvement</b> Continue to implement improvement actions quickly and effectively to address significant concerns in delivering key services as identified in recent inspection reports in relation to child protection and housing.		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
Chief Officer's Group on the Child Protection improvement plan meets until positive re inspection report achieved.	Chief Executive/Dir Social Work	April 2011
Best Value Housing Working Group improvement plan - group meets until the improvement plan is complete and a positive re inspection report achieved.	Dir Housing	April 2011

<b>Vision and Strategic Direction</b>		
<b>Area for Improvement</b>		
Establish shared and clearly understood priorities for spending that reflect the anticipated reduction in real available resources, in a collaborative manner that brings together the political choices of local elected members and the nationally led policies and priorities of the other public sector partners.		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
Develop a shared service programme with other public sector bodies.	Chief Executive/Assistant Chief Executive	Dec 2010
Review delivery options for Council services.	Chief Executive/Assistant Chief Executive	Dec 2010
Establish shared, clearly understood priorities for spending anticipating reductions in resources.	Chief Executive/Assistant Chief Executive	Dec 2011
Communicate the Council's vision and strategic direction to establish a clear golden thread between it an all subsequent plans.	Assistant Chief Executive / Performance & Improvement Manager	Feb 2011



<b>Partnership working and community leadership</b>		
<b>Area for Improvements</b>		
<ol style="list-style-type: none"> <li>1. Ensure that all meetings at all levels of the partnership are better focussed on coordinating partnership activity, deciding on priorities and who does what, and monitoring progress and impact.</li> <li>2. Review partnership structures to ensure that respective roles and responsibilities of different groups are clear, minimising overlap.</li> <li>3. Ensure that partnership aims are specified at an appropriate level and are supported by relevant indicators and measures of impact and progress.</li> </ol>		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
Increase the contribution of elected members to the leadership of the Dundee Partnership.	Assistant Chief Executive/Community Planning Manager	Oct 2010
Strengthen partnership working at a strategic level and address complex operational areas.	Assistant Chief Executive/Community Planning Manager	March 2012
The Single Outcome Agreement Delivery Plan will give each Partnership Group a clear plan to deliver, monitor progress and measure its impact in annual reports.	Assistant Chief Executive/Community Planning Manager	March 2012
Review partnership structures to ensure that the respective roles and responsibilities of different groups are clear to minimise overlap.	Assistant Chief Executive/Community Planning Manager	March 2012
Set partnership aims at an appropriate level, supported by relevant indicators and monitor impact and progress.	Assistant Chief Executive/Community Planning Manager	March 2012
<i>From the existing BV2 Improvement Plan - May 2009</i>		
Enhance the level of partnership working in relation to children's services	Assistant Chief Executive/Corporate Planning Manager (Children's Services)	March 2011
Enhance the level of partnership working in relation to adult support and protection	Dir Social Work/Manager Community Care	March 2011
Enhance the level of partnership working in relation to educational attainment	Dir Education/	March 2011
Enhance the level of partnership working in relation to alcohol/drugs dependency	Dir Social Work/	March 2011
Enhance the level of partnership working in relation to child protection	Dir of Social Work/	Nov 2010
Enhance the level of partnership working in relation to employability	Dir City Development /	March 2011

<b>Community Engagement</b>		
<b>Area for Improvements</b>		
None		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
<i>From the existing BV2 Improvement Plan - May 2009</i>		
Each Local Community Planning Partnership to have a strategy to publish the yearly progress report towards the achievement of targets, to improve local reporting of outcomes	Dir Leisure & Communities / Community Regeneration and Health Manager	April 2012
Improve integration of local community plans into community and strategy planning - include in service plan guidance to be issued by end October 2009	Assistant Chief Executive / Performance & Improvement Manager	Completed

<b>Governance and Accountability</b>		
<b>Area for Improvements</b>		
<ol style="list-style-type: none"> <li>1. Members need to increase their contribution and ownership of key subjects - leading community planning at a strategic level, policy development, risk management, efficiency and improvement. Council officers need to provide better support to enable members to this.</li> <li>2. There remains a need for the council to put in place an effective approach to elected member scrutiny of decision-making and performance. Recent changes have not been sufficient to address long standing concerns on this issue. The Council needs to ensure that it is more transparent, with better discussion of key issues in public meetings.</li> </ol>		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
The Members Development and Training Programme will be reviewed to reflect the Best Value Areas for Improvement	Assistant Chief Executive/Corporate Planning Officer.	Dec 2010
A review of Scrutiny within the council will provide a mechanism for continually improving the committee structures and processes to ensure appropriate levels of scrutiny in line with Best Value.	Assistant Chief Executive/	June 2010

<b>Performance Management</b>		
<b>Area for Improvements</b>		
<ol style="list-style-type: none"> <li>1. A more coordinated approach to improvement and efficiency is required in order to create more corporate capacity for improvement and change.</li> <li>2. Target efforts better and implement more robust planning and monitoring of progress, implementation and impact.</li> <li>3. Make greater use of benchmarking, cost comparison and option appraisal considering the scope for alternative approaches and more joint working.</li> <li>4. The Council needs to strengthen corporate working and internal partnerships, building more collaborative working and ensuring learning and best practice is identified and shared more widely.</li> </ol>		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
A corporate Improvement Team is being established in the Corporate Planning Department.	Chief Executive/Assistant Chief Executive	July 2010
A corporate Improvement Programme to modernise the council's working methods and achieve efficiencies will be developed and monitored by the Improvement & Efficiency Sub Committee. (Council Plan).	Chief Executive/Assistant Chief Executive	October 2010
The Public Sector Improvement Framework has been adopted as a consistent model of self assessment which will develop a common approach to identifying improvements across the council and sharing best practice.	Performance & Improvement Manager/Senior Organisational development Officer	April 2012
A golden thread approach is being followed in the development of the Council Plan and linking this with each department plan.	Assistant Chief Executive/Performance & Improvement Manager	October 2010
Improvements to the Online Plan and Performance Monitoring database will lead to more robust reports to Elected Members.	Performance & Improvement Manager/Corporate Planning Officer	October 2010
A Benchmarking project is underway that will increase the amount of comparative evidence in performance monitoring reports and an increase in benchmarking reviews being a carried out by departments.	Performance & Improvement Manager	October 2010
Guidance will be issued on including option appraisal in reports to committee when there are significant financial implications	Director of Finance	October 2010
The Shared Service Programme and the Dundee Partnership will develop more joint working arrangements. (Vision & Direction)	Chief Executive/Assistant Chief Executive	April 2012
The Corporate Management Team is adopting an approach of leading cross cutting groups to increase joint working.	Chief Executive	Dec 2010

<b>Use of Resources</b>		
<b>Area for Improvements</b>		
Improvement are also needed in strategic management of resources, improving longer term financial planning and developing more active planning for the use of assets and people. This will mean working partners to take a more strategic approach to resource allocation, being more flexible in the way individual funding streams are applied and embedding the management of risk.		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
Develop five year financial strategy - draft report by December 2009 and final report	Dir Finance/Accounting Manager (Corporate)	October 2010
Asset Management will be reviewed and developed further.	Dir City Development	April 2012
Workforce Planning is being developed that will set out the council's requirements for the future.	Head of Personnel/Personnel Team Leader	Dec 2010
Further embed risk management throughout the Council	Director of Finance/Risk & Business Continuity Manager	April 2010
<i>From the existing BV2 Improvement Plan - May 2009</i>		
Develop the Asset Management process - Best Value Review report	Dir Finance/Dir of City Development	Dec 2011
Option Appraisal - produce corporate guidance document and training - See also performance management	Dir Finance/Procurement Manager	October 2010
Develop procurement strategy - E-procurement system deployed by all departments	Dir Finance/Procurement Manager	Dec 2010
Develop procurement strategy - first phase of lean service review of department procurement processes completed	Dir Finance/Procurement Manager	Dec 2010
Develop procurement strategy - annual procurement report detailing savings and scope of strategic deployment	Dir Finance/ Procurement Manager	Dec 2010

<b>Equalities</b>		
<b>Area for Improvements</b>		
The Council has made relatively slow progress in promoting equalities. Greater ownership and leadership in promoting equalities are required with more effective engagement with equalities groups, a more effective approach to Equalities Impact Assessment and better monitoring of impact.		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
The Council's Single Equality Scheme will be the subject of an annual report identifying achievements and areas for improvement.	Dir Leisure & Communities/ Equality & Diversity Co-ordinator	April 2011
Three equality community engagement Equality Action Groups are being established on Disability and Age, Race/Ethnicity Religion and belief, Gender and Sexual Orientation.	Dir Leisure & Communities/ Equality & Diversity Co-ordinator	Dec 2010
An equality Impact assessment for every policy report to committee is being carried out and published on the Council's website linked to the relevant committee report. Any implications of note will be included in the committee report in the mandatory policy screening section.	Dir Leisure & Communities/ Equality & Diversity Co-ordinator	Dec 2011

<b>Sustainable Development</b>		
<b>Area for Improvements</b>		
None		
<b>Objective</b>	<b>Owner/ Lead officer</b>	<b>Date</b>
<i>From the existing BV2 Improvement Plan - May 2009</i>		
Report on governance framework for the Council's approach to corporate and departmental sustainable development	Assistant Chief Executive/	October 2010
Amalgamate the Climate Change framework and Carbon Management plan into one document	Assistant chief Executive/	October 2010
<b>Council Plan</b>		
Produce and annual report on the Council's Sustainable Development framework	Dir Leisure & Communities/Environmental Strategy Officer	Dec 2010
Implement the Carbon reduction Strategy	Assistant Chief Executive/Team Leader Property Services	April 2012