

East Renfrewshire Council

Best Value Thematic Report
Year ended 31 March 2023
Leadership of the development of
new local strategic priorities

September 2023

This report

This report has been prepared in accordance with Terms of Appointment Letter, through which the Accounts Commission has appointed us as external auditor of East Renfrewshire Council for financial years 2022/23 to 2026/27.

This report is for the benefit of the Council and is made available to the Accounts Commission, the Controller of Audit and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Accessibility

Our Best Value Thematic Report may be available on Audit Scotland's website and we have therefore taken steps to comply with the Public Sector Bodies Accessibility Regulations 2018.

Contents

Section	Page
1. Key messages	04
2. Scope of the audit	06
3. How clear is the new Council vision and its priorities	08
4. How effectively have the views of citizens and communities been reflected in the priorities?	11
5. Do the Council priorities reflect the need to reduce inequalities and climate change?	15
6. Is there alignment of financial, workforce, asset and digital plans with the Council's priorities?	20
7. How effective has the leadership been?	22
8. Appendices	24

1. Key messages

Context

Under the Code of Audit Practice June 2021, we perform an annual programme of work in relation to Best Value and wider scope responsibilities. This work includes reviews based on annual thematic Best Value topics prescribed by the Accounts Commission (the Commission).

For 2022/23, the Commission directed auditors to report on the effectiveness of the leadership of the development of strategic priorities. Our key conclusions against the 5 questions set by the Commission are outlined below.



How clear is the new Council vision and its priorities?

The Council has a long term planning framework in place with the Community Planning Partnership that ensures that the vision and strategic priorities are aligned across partners. The Council recently approved the first key step in refreshing its long term strategic planning framework, a Vision for the Future.

It has drawn upon stakeholder engagement and work with partners to refine and refresh the vision for the next 10 to 15 years and has identified three clear priority themes:

- ▶ Children and Young People
- ▶ Communities and Place; and
- ▶ Promoting wellbeing and supporting the vulnerable.

While further work is underway to develop the outcomes that underpin the refreshed framework, there is coherence with the current priorities within the Community Plan and Outcome Delivery Plan.



How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council?

After the pandemic, the Council began a programme of stakeholder engagement to inform it's Vision for the Future. This included targeted research and community engagement in relation to the impact of Covid-19, interviews with resident and community groups, along with businesses and key stakeholders. We could see links between the outcomes of engagement and the themes that will form the basis of the refreshed Vision for the Future.

The Council has also invested in data analysis tools to ensure that it builds a deeper understanding of communities and potential vulnerabilities over time, allowing services and support to be targeted at a much more localised level.

 <p>How effectively do the Council priorities reflect the need to reduce inequalities and climate change?</p>	<p>The Council demonstrates its understanding of its communities and engagement with a range of equalities groups. As a result, the Council’s strategic planning adopts cross cutting themes of equality and inclusion.</p> <p>The Council has made a commitment to achieving net zero by 2045, and is consulting on a draft Action Plan that will mean significant change to the fleet and estate . However, plans are not yet costed or linked to a realistic programme of investment. As a result, the Council acknowledges that the pledges within the draft Action Plan are unlikely to be achievable within the resources currently available.</p>
 <p>How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council’s priorities?</p>	<p>The Council can demonstrate “golden thread” alignment between the current strategic priorities within the Community Plan and its planning framework.</p> <p>Work is underway to align plans to the refreshed Vision of the Future. At this stage, however, further work is necessary to ensure that key priorities, including climate change, are reflected within medium term financial planning and the Council’s Capital Investment Programme.</p>
 <p>How effective has the leadership been in setting clear priorities and a sustainable approach to delivering them?</p>	<p>The Council has undergone a period of significant change in both the officer leadership team and elected members. It has taken steps to ensure that respective roles and strategic priorities, and their rationale, are well-understood.</p> <p>The Council had completed the improvement plan in response to the previous Best Value Assurance Report by 2019. Some of the previous organisational strengths, such as self-evaluation processes, were stepped down within some services during the pandemic, and there is now a need to re-embed an evaluative framework more consistently across the Council’s service planning processes.</p>

2. Scope of the audit

Introduction

The Code of Audit Practice (the Code), June 2021, significantly changed the approach that the Accounts Commission takes to Best Value.

Under the updated arrangements, the Accounts Commission's approach to Best Value involves reporting both on:

- ▶ individual local government bodies; and
- ▶ thematically across the local government sector.

The initial programme of Best Value Assurance Reports, covering each of the councils in Scotland began in 2016 and is expected to be completed in 2024. East Renfrewshire Council's Best Value Assurance Report was published in August 2018.

Future reporting to the Accounts Commission on individual councils will be drawn from local external audit work performed as part of our Best Value and

wider scope responsibilities, including the work we perform in relation to annual thematic topics prescribed by the Accounts Commission.

Thematic focus in 2022/23

When discussing the Local government in Scotland Overview 2022 the Chair of the Accounts Commission said: "Councils are operating in a complex and increasingly volatile, unprecedented and unpredictable environment. Strong leadership from councils is needed now more than ever, with new and returning councillors being able and willing to make difficult decisions about where and how to spend highly pressurised resources."

This report considers the effectiveness of the council's leadership of the development of the council's strategic priorities, following the local government elections in May 2022.

Exhibit 1: Characteristics of Best Value

The 7 Best Value characteristics are set out in [Statutory Guidance](#) published in March 2020 and are:

- | | |
|---|-----------------------------|
| 1. Vision and leadership | 5. Working with communities |
| 2. Governance and accountability | 6. Sustainability |
| 3. Effective use of resources | 7. Fairness and equality |
| 4. Partnerships and collaborative working | |

Sustainability and fairness and equality are cross-cutting themes that should be integral to all of the functions and activities carried out by a local authority to deliver good outcomes and achieve Best Value.

The [Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the council's strategic priorities. The remainder of the report outlines our considerations against the series of questions set by Audit Scotland:

- ▶ How clear is the new Council vision and its priorities?
- ▶ How effectively have the views of citizens and communities been reflected in the

priorities and decisions taken by the Council?

- ▶ How effectively do the Council priorities reflect the need to reduce inequalities and climate change?
- ▶ How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities?
- ▶ Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

An improvement action plan is included at Appendix 1 of this report. This sets out our audit recommendations in key areas, and the Council's planned responses.

3. How clear is the new Council vision and its priorities?

Our overall conclusions

The Council has a long term planning framework in place with the Community Planning Partnership that ensures that the vision and strategic priorities are aligned across partners. The Council recently approved the first key step in refreshing its long term strategic planning framework, a Vision for the Future.

It has drawn upon stakeholder engagement and work with partners to refine and refresh the vision for the next 10 to 15 years and has identified three clear priority themes. While further work is underway to develop the outcomes that underpin the refreshed framework, there is coherence with the current priorities within the Community Plan and Outcome Delivery Plan.

Introduction

The Commission notes that a council focused on achieving Best Value in how it operates will be able to demonstrate that elected members and officers have a clear vision and priorities for their area.

The Local Government in Scotland Overview 2022 notes that Scotland's councils have had a pivotal role in supporting and working with communities as they responded to the impacts of Covid-19. Following the local government elections in May 2022, each Council was expected to have reviewed their priorities to respond to changes in the political and economic landscape.

The Council has recently approved the foundations of an updated long term Vision for the Future, setting out a programme of work to refine key themes into objectives and planned outcomes

The Council has adopted long-term strategic planning to set out ambitions for the area and set the context for targeted shorter-term plans, such as the Outcome Delivery Plan. Prior to the local government elections, the last update to the 'Vision for the Future' was approved in February 2020, prior to the pandemic.

Its approval set out a programme of work to develop and refine the work and objectives to deliver the vision for the next 10 years and beyond by drawing upon stakeholder engagement and work with community planning and city region partners. An update on strategic planning was considered by the Council in March 2022, ahead of local government elections. This generated cross-party support for the direction of travel

The programme of work was disrupted by the pandemic but led to additional engagement to inform recovery and renewal planning. Communities described such a broad impact to relation to themes of health and social care, society and wellbeing and the economy that the lessons were incorporated into wider strategic planning, rather than a standalone recovery plan.

In June 2023, the Council approved the three strategic themes that have emerged throughout stakeholder consultation:

- ▶ Children and Young People
- ▶ Communities and Place; and
- ▶ Promoting wellbeing and supporting the vulnerable.

The Council's strategic plans make direct links to the wider Community Plan (referred to by the Council as the "golden thread" running through plans and strategies). The Community Plan incorporates "Fairer East Ren", which is the Local Outcomes Improvement Plan, meeting the requirement under the Community Empowerment Act.

The updated themes within a Vision for the Future reflect a refinement and rationalising of key priorities, rather than wholesale reform and as a result, continue to demonstrate the overlay with the aims of the Community Plan.

Over the next 12 months, work will continue to develop the high level objectives and outcomes for the next ten year planning period. It is expected that by Autumn 2024 a 3 year plan, and outcome measures, will be developed for Council approval. This work will also inform a review of the community planning partnership structures and aims.

The Council's shorter term business and service planning processes are reported within the Outcome Delivery Plan (ODP) 2023-24, which describes the Council's contribution to the Community Plan, including critical activities to be delivered in the year. The ODP also describes the link for each planned action to community plan performance indicators.

| The Council has demonstrated engagement with partners in developing and communicating its strategic plans

The revision to the Vision for the Future was based on a programme of stakeholder

engagement. This included:

- ▶ Development work with partners on the Community Planning Partnership including NHS Greater Glasgow & Clyde, Police, Fire, Skills Development Scotland and local colleges. This included a strategic visioning session in May 2023 to identify key priorities and made a commitment to a more shared strategic vision going forward;
- ▶ Targeted workshops with elected members on budget strategy;
- ▶ Sessions with members of staff including the wider leadership group;
- ▶ Public consultation in relation to the budget and Children and Young People Plan;
- ▶ The Education Local Improvement Plan and Parental Engagement and School Improvement planning;
- ▶ Workshops with Pupil Councils; and
- ▶ Equalities networks.

The Council also has a Citizens Panel and surveys opinions on the quality of services, and attitudes towards specific issues such as climate change and sense of community.

Engagement is also ongoing in relation to the Local Housing Strategy, the Local Transport Strategy and the Council's "Get to Zero" Strategy. These will help inform the specific outcomes that underpin the delivery of Vision for the Future. We note within Sections 5 and 6 that further work is needed to align financial plans to the specific actions that will be needed to deliver the "Get to Zero" ambitions.

| Performance monitoring arrangements are in place to report on how the Council and its partners are progressing against the Community Plan.

The Council considers a mid-year and annual Strategic Performance Report, which considers performance against outcomes within the Community Plan and Fairer East Ren Annual Report. This aligns performance reporting with the approach to partnership delivery.

The Strategic Report also considers performance against the Council's internal focus areas - Customer, Efficiency and People.

Performance reporting includes RAG rated performance against targets, with trend information and summaries of complaints.

| The outcome review to support the Vision for the Future is now underway

The refreshed Vision for the Future provides an overarching framework to inform the work of the Council and its partners.

Further work is underway to develop the framework of outcomes that will underpin the Vision for the Future and inform the next iteration of the Community Plan. A three year plan with specific outcome measures is expected to be ready for approval by the Council and Community Planning Partnership by Autumn 2024.

| Areas for audit focus in 2023/24

We will continue to monitor the impact of the revised approach to longer term planning on strategic plans, with a particular focus on the planned development of outcome measures and the "golden thread" to service planning.

4. How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council?

Our overall conclusions

After the pandemic, the Council began a programme of stakeholder engagement to inform its Vision for the Future. This included targeted research and community engagement in relation to the impact of Covid-19, interviews with resident and community groups, along with businesses and key stakeholders. We could see clear links between the outcomes of engagement with the themes in the refreshed Vision for the Future.

The Council has also invested in data analysis tools to ensure that it builds a deeper understanding of communities and potential vulnerabilities over time, allowing services and support to be targeted at a much more localised level.

Introduction

Recovery from the pandemic requires councils to work alongside their local communities. There must be a focus on getting the services people need in place as pressures and stresses escalate and impact the day to day lives of individuals and communities.

Under Best Value Statutory Guidance (theme 5: working with communities), the Council, along with their community planning partners, has a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives.

The Community Empowerment Act 2015 notes that communities must be at the heart of decision-making processes that agree strategic priorities and direction. Early and meaningful engagement and effective collaboration with communities to identify

and understand local needs, and decisions that affect the planning and delivery of services should therefore be a core part of determining a council's vision and priorities.

The Council's strategic planning has been informed by engagement with communities at a number of levels

The Council committed to refreshing the Vision for the Future in March 2022. This triggered the beginning of an ongoing programme of community engagement at a number of levels, including:

- ▶ Stakeholder events held to support the development of the updated Vision for the Future. This included workshops with pupils from primary schools, reflecting a commitment towards diverse engagement;
- ▶ Consultation with specific communities to support the development of Locality Action Plans;

- ▶ Consultation on the Climate Change Action Plan; and
- ▶ Covid Impact Research and Cost of Living analysis.

The Council's response to the pandemic, and recovery and renewal, has also been informed by community engagement. During Autumn and Winter 2021, the Council commissioned Engage Scotland to speak to local individuals, community groups, businesses and others about how they had been affected by the pandemic Covid-19. The Council considered the feedback from this engagement alongside other research to understand how the pandemic had impacted East Renfrewshire citizens. This includes changes in health, wellbeing, education and employment across different groups and areas.

The report, along with targeted engagement with individuals and communities, was considered by the Council in March 2022. The Council noted that the wider health and social care impacts of the pandemic will continue to generate significant challenges for services including increasing complexity of cases and needs, higher levels of staff absence and recruitment challenges. The key themes emerging from engagement on the pandemic aligned with the priorities developing as part of the wider Vision for the Future engagement, and have therefore been incorporated into the Council's strategic planning framework.

| The Council draws upon its understanding of its communities to inform strategic planning

The Council prepares an annual "Planning for the Future" document to update statistical estimates of population change, including age, ethnicity, household size and vulnerability.

Population estimates highlight that, like the rest of Scotland, East Renfrewshire faces a rise in elderly communities. While Scotland overall expects the number of children to fall, there has been a rise in the population of children under 5, 5 to 9 year olds and 10 to 14 year olds. The proportion of 5 to 9 year olds and 10 to 14 year olds as a percentage of the total East Renfrewshire population is the highest across Scotland.

The population increases for children are driven by families moving to the area to benefit from the exceptional education outcomes achieved in the Council's schools.

East Renfrewshire is also one of the most ethnically and culturally diverse populations in Scotland, with significant Jewish and Muslim communities.

| The Council has invested in data analysis to better understand its communities and vulnerabilities

While the datasets that are currently available estimate that East Renfrewshire has one of the lowest proportions of children living in low income households, the Council estimate that over 3,000 children live in poverty. The 2022 Citizens Panel survey reported that 92% of the community have faced an increased cost of living in the prior 12 month period.

As a result, the Council has invested in work with the Smart Data Foundry on tailored data analytics to identify early warning of issues such as financial vulnerability for citizens in the post-pandemic and current cost of living context.

Exhibit 3 highlights how data is broken down into very small areas of the map. It can be used to overlay council datasets with financial wellbeing indicators including:

- ▶ Unauthorised overdraft use;
- ▶ Households with low disposable income; or
- ▶ Households with high essential expenditure.

The data has identified pockets of vulnerability in historically affluent areas that would not normally be expected. During engagement with elected members,

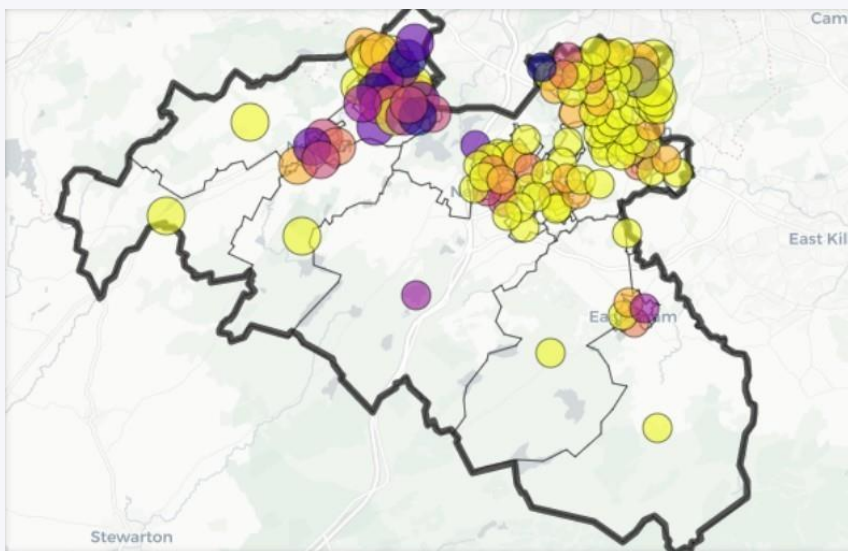
councillors recognised the concerns highlighted within the data in the interactions that they have with constituents.

The data has allowed the Council to target services including:

- ▶ Advertising the support available from the Money Advice and Rights Team (MART) to localised areas;
- ▶ Changing the types of services and advice available from MART; and
- ▶ Energy efficiency advice targeted in leaflets and social media to local areas where fuel poverty and the impact of gas and electricity prices rises have had a severe impact on disposable income.

The Council also note the applicability of data analysis at this level to the strategic priority to reduce child poverty.

Exhibit 3: The Council's investment in data analysis to inform strategic planning and target interventions at local levels is an area of innovative practice



Source: Snapshot of Data Foundry mapping

The Council uses banking information datasets and overlays with its own data to compare financial wellbeing at locality (post code) areas.

In the Council's consideration of the Accounts Commission's September 2022 "[Tackling Child Poverty](#)" briefing, they note the finding that there are "particular gaps in the data for families who fall into more than one of the groups more at risk of experiencing child poverty and who therefore experience several potential disadvantages at the same time". It is too early to demonstrate impact, but the Council aim to provide help and support to individuals and households to avert a crisis stage.

| The Council's digital transformation programme has incorporated co-design with communities for services

One of the three strands of the Council's Digital Transformation Strategy is on Customer Experience. A digital transformation programme launched in April 2022 and includes a unified communications project to modernise how calls and enquiries from individuals are routed. A new customer portal was launched in 2022 (MyEastRen) to provide access at any time to services such as Council Tax, Benefits and ParentsPortal for families with school-age children. In addition, new online processes have been developed for a range of services including:

- ▶ Money advice
- ▶ Out of hours homelessness; and
- ▶ Additional payments functionalities.

Throughout 2022/23, the Council carried out several customer feedback sessions which to receive real time feedback from customers when designing or redesigning processes. This allows the Council to understand the problems customers face and what matters to them most.

Examples of this in practice include:

- ▶ A new online booking system for Registration customers was launched in October 2022. This responded to feedback from new parents, where 90% of customers preferred to book online rather via the customer service centre in opening hours. Now 93% of birth registration bookings are made on the website and the use of the customer service phonenumber has fallen from 83% to 7%, which the Council estimates has saved 156 hours in staff time. Customer satisfaction rates are 4.5 out of 5 stars.
- ▶ A new information and booking page for the Dams to Darnley country park. Customer engagement resulted in changes to the consent form, details provided in the confirmation email and information provided on the booking page, including the number of tickets left for events. This was highlighted as important for families who may want to attend only if there are sufficient tickets left to invite others. 100% of the customers would rather book events online.

5. How effectively do the Council priorities reflect the need to reduce inequalities and climate change?

Our overall conclusions

The Council can demonstrate understanding of its communities and engagement with a range of equalities groups. As a result, the Council's strategic planning adopts cross cutting themes of equality and inclusion.

The Council has made a commitment to achieving net zero by 2045, and is consulting on a draft Action Plan that will mean significant change to the fleet and estate. However, plans are not yet costed or linked to a realistic programme of investment. As a result, the Council acknowledges that the pledges within the draft Action Plan are unlikely to be achievable within the resources currently available.

Introduction

Council priorities are expected to reflect the Best Value expectations that all activity should contribute to tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens, alongside a focus on sustainable development, including climate change.

The Local Government in Scotland Overview 2022 report says that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

Around two-thirds of councils have formally declared a climate emergency, and COSLA's Blueprint for Local Government states that climate change is a 'greater threat than COVID'. The Scottish Government has

recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

The Vision for the Future identifies themes of inclusion across every area of the plan

The Council will continue to develop outcomes and the missions to respond to the key themes within Vision for the Future, but clear areas of focus emerging from stakeholder engagement include:

- ▶ The need to provide equity of opportunity to school-aged children;
- ▶ Continuing to close the poverty-related attainment gap;
- ▶ Closing the outcomes gap between communities; and
- ▶ Promoting wellbeing, diversity and inclusion.

The Community Plan adopts cross cutting themes of equalities and sustainability throughout the plan, as the Council and partners have committed to work to reduce all forms of inequality so that no one is disadvantaged or left behind in East Renfrewshire. In 2021, in partnership with key stakeholders, the Council set out equality outcomes for 2021-25:

1. Minority ethnic residents are represented in public life and have their need recognised and addressed in decision-making.
2. Minority ethnic, disabled and younger residents are able to access services and feel connected to their communities.
3. Domestic abuse survivors are protected from harm and abuse.
4. The mental health and wellbeing of LGBT+ children and young people is improved.
5. The diversity of East Renfrewshire Council workforce at all levels better reflects the local population.
6. Younger residents and disabled residents are able to participate and are supported to sustain good quality employment opportunities.

The Council's Equality Mainstreaming Report identifies critical activities to address each of the outcomes, and includes details and indicators on how progress will be monitored. The Council's most recent Equality and Human Rights Mainstreaming Report was published in April 2023 and includes details of progress against outcomes, including Council employment information such as increases in the number of employees with a disability and from an

ethnic minority background.

The mainstreaming report also refers to action underway to engage with specific communities, including:

- ▶ Parents' equality groups;
- ▶ A Community Equality Forum;
- ▶ The LGBT+ Youth Group; and
- ▶ The development of a staff equality, diversity and inclusion network for employees.

Key priorities are evident within current strategies. For example, Local Child Poverty Action Report details actions focussing on maximising incomes, reducing costs and improving the wellbeing of families facing poverty. The Education Department's Local Improvement Plan 2023-26 outlines the framework for reducing the gap experienced by the most disadvantaged children and young people, and the arrangements to monitor outcomes.

Human rights are incorporated into the Council's Equality, Fairness and Rights Impact Assessments (EFRIAs)

There is a requirement to consider the equality impact within all Cabinet and other Council decision making processes. All corporate report formats include a section where report authors are required to highlight the implications of their proposals, including equality considerations.

We also note that the 2023/2024 budget setting process required the Council to publish a number of Equality, Fairness and Rights Impact Assessments (EFRIAs) which considered the impact of savings on protected characteristics and socio-economic status.

| The Council has made a significant climate change commitment to “Get to Zero (GTZ) in phased approaches and deliver net zero carbon by 2045

In January 2022, the Council approved its approach to “Get to Zero” and a target to achieve net zero carbon emissions by 2045 was agreed by Cabinet in November 2022. This target did not include supply-chain emissions because there were concerns about the data calculation methodology not being sophisticated enough to monitor progress.

The Council will not report any progress on Scope 3 emissions until the data calculation methodology is improved, but currently estimates that supply-chain emissions are 40,278 tCO₂e, representing around 72% of the Council’s total emissions (data from 2021/22).

The total emissions, excluding supply-chain emissions, are monitored annually and

reported publicly and to the Cabinet. Exhibit 4 highlights that the total estimated emissions, have fallen but principally in Scope 3 emissions.

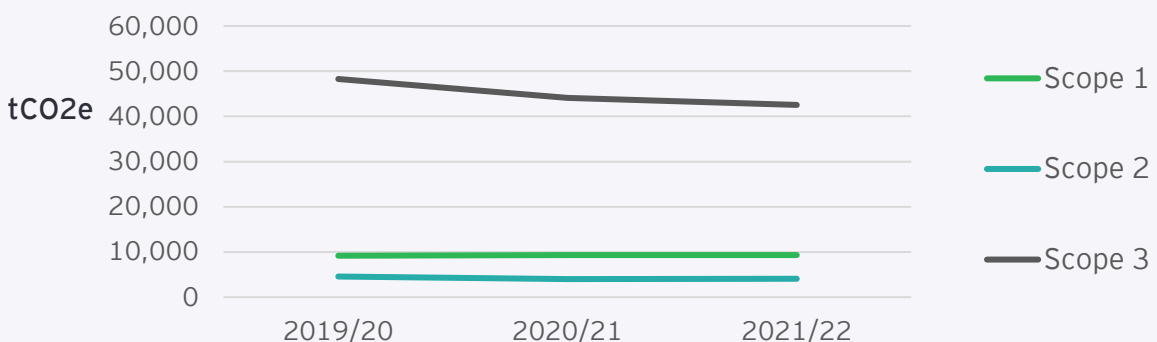
Waste management emissions have reduced by 84% since the 2019/20 baseline year, when they were the second largest emission source. This is attributed to the Clyde Valley Waste Partnership which diverts waste for energy recovery rather than to landfill.

The top sources of Council emissions for 2021/22 were:

- ▶ Natural gas supply in Council buildings (38%)
- ▶ Electricity use in Council buildings (17%)
- ▶ Natural gas supply in buildings operated by East Renfrewshire Culture and Leisure Trust (12%).

The current trajectory is insufficient to achieve net zero aims.

Exhibit 4: Council emissions have reduced overall but the pace of change is currently insufficient to meet its net zero ambitions



Source: Scottish Sustainability Network 2021/22 Public Duties reporting

| Significant investment will be required to deliver the Get to Zero ambitions, beyond the current Capital Investment Programme

The Council has introduced a Climate Change Impact Assessment (CCIA) process that requires any proposal being made to Cabinet/Committee/Council to consider the climate change impacts.

Work is also underway to include a CCIA process for the assessment of capital projects, its procurement strategies and the allocation of grant funding (e.g. Place-based investment, Regeneration Capital Grant).

The draft Get to Zero Action Plan was presented to Cabinet in May 2023, prior to the initiation of public consultation. The draft Action Plan sets out a series of milestone targets (Exhibit 5) which mean that the Council will have to make a significant change to operations in order to meet the net-zero target.

Critical areas where work is required to achieve net zero, including work necessary on the council fleet and estate will require significant capital and revenue investment, for which the Council does not currently have full resources in place in its long-term financial strategies.

Exhibit 5: The draft Get to Zero Action Plan outlines the extent of work required on the Council's fleet and estate

Theme	Target	By When
Buildings and Estate	Zero direct emissions (eg removal of gas boilers)	2038
Fleet and Transport	20% reduction in car kilometres travelled	2030 (against 2018 baseline)
	No longer operate cars with internal combustion engines (ICE).	2025
	Begin, and complete, ceasing the purchase of new ICE vans and light commercial vehicles (i.e. less than 3.5 tonnes)	2025-2030
	No new ICE heavy goods vehicles (e.g. bin lorries, gritting trucks, buses) are purchased	2030
Housing	All social housing at EPC Band B to meet requirements of Energy Efficient Standard for Social Housing (EESH) 2	2032

Source: Draft Get to Zero Action Plan, Cabinet, May 2023

The report to Cabinet notes that the objective of zero emissions heating systems in the Council's estate by 2038 will be particularly challenging. The Council has 48 educational establishments alone and major improvement works will be limited to school holiday periods due to practical considerations.

Achieving this target will require multiple major improvement works being undertaken concurrently within a short period of time.

The Council also acknowledges that the plans are currently unaffordable. While the Scottish Government has made funding available for specific areas of focus, there

are no plans at this stage to provide funding to fully implement the Get to Zero Action Plan. Like all local authorities, the Council will not be able to deliver its net zero ambitions without additional funding.

Recommendation 1: The Council should continue to work towards full costing of the GTZ Action Plan to allow funding shortfalls to be identified and actioned.

Areas for audit focus in 2023/24

We will continue to monitor the development of the Get to Zero Action Plan, alongside longer term financial planning.

6. How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities?

Our overall conclusions

The Council can demonstrate “golden thread” alignment between the current strategic priorities within the Community Plan and its planning framework. Work is underway to align plans to the refreshed Vision of the Future. As part of that review, further work is necessary to ensure that priorities are reflected within medium term financial planning, the Council's Capital Plan and longer term Investment Strategy.

Introduction

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies, and with sound governance and strong leadership, a council will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

The Council has not formally agreed multi-year budgets as the financial planning framework has been impacted by a range of uncertainties

Prior to the impact of the pandemic, the Council had adopted a three-year budgeting approach for the financial years 2018/19 and 2019/20.

The Scottish Government's May 2022 Scottish Spending Review did not provide an individual Council breakdown and in December 2022 the Council received only a one year settlement from the Scottish

Government for 2023/24. As a result, plans to produce public multi-year budgets were not progressed. The Council continues to produce and update 3 year budget plans for members' consideration and a high level budget for the years 2024/25 and 2025/26 is included in the Outcome Delivery Plan. The Council's saving plans for the next three years were also informed by a significant public consultation exercise on the forecast savings gap over the period 2023-2026.

In March 2023 the Council set a detailed budget for 2023/24 and considered an outline revenue financial plan for the period 2023-2029. Financial pressures include demographic change, the impact of inflation, ongoing Covid-19 costs and uncertainties about the level of grant funding. As a result, the Council forecast that they will require to deliver annual savings of between £1.62 million to £15.3 million in the years from 2024/25 to 2028/29.

The cross-party Budget Strategy Group (BSG) is the Council's key mechanism to allow discussion and build political consensus for decisions to be reflected in the annual revenue budget. The BSG considers the implications of illustrative budgets over the medium term. It is anticipated that the New Deal between the Scottish Government and COSLA will provide greater clarity on assumptions during 2023/24.

The 2023/24 budget papers considered by the Council in March 2023 were necessarily focused on delivering savings to bridge the spending gap. We do, however, note that key areas of priorities were effectively protected within the budget decision making process, including education and small earmarked reserves for climate change and the digital transformation programme, in line with the priorities in the Outcome Delivery Plan.

Recommendation 2: The Council needs to further develop a realistic and costed medium term financial plan that supports the delivery of strategic objectives.

The Council has a range of interlinked strategies to support the delivery of its priorities

The Council has a number of detailed plans that support the delivery of the long term objectives within the Community Plan and Vision for the Future. This includes the ten year Capital Investment Strategy, Local Development Plan and the enabling strategies such as the Digital Transformation Strategy and the Local Child Poverty Action Plan.

The Capital Investment Plan summarises the capital investment ambition against each Strategic Outcome within the Community Plan over the next 10 years. This includes the council housing New Build Programme to deliver up to 370 new homes, modernisation and improvement of care

homes and work across schools to meet the demand caused by inward migration. It also outlines the Council's current plans to meet national priorities, including City Deal projects.

The plans for investing to ensure that the Council can meet its net zero targets by 2045 are less clear, reflecting uncertainty about affordability. A review of council properties is underway under the Corporate Asset Management Plan 2023-28 to assess which will be retained and requirements for adaptation to ensure that they are energy efficient to meet the requirements for zero-emission heating. The plan notes that the Net Zero Carbon in Public Buildings Standard introduced in 2019 aims to achieve all public buildings achieving net zero carbon emissions by 2045.

The voluntary standard requires a step change in attitude towards energy use within the public sector built environment whether through new build or refurbishment projects. As a result, the Council's plan notes that any new build properties, including schools and council housing, will require additional energy efficiency measures, and are therefore likely to be higher cost than previous comparator. This is not currently reflected within the Council's Capital Investment Strategy (refer to **Recommendation 1**).

Areas for audit focus in 2023/24

We will continue to monitor:

- ▶ the development of the Council's medium term financial plans and the Capital Investment Strategy to assess whether plans reflect the priorities identified within the Vision for the Future; and
- ▶ The Council's plans to develop Workforce Planning within updated service planning arrangements.

7. How effective has the leadership been in setting clear priorities and a sustainable approach to delivering them?

Our overall conclusions

The Council has undergone a period of significant change in both the officer leadership team and elected members. It has taken steps to ensure that respective roles and strategic priorities, and their rationale, are well-understood.

The Council responded well to the previous Best Value Assurance Report. We do, however, note that some of the previous organisational strengths, were stepped down within some services during the pandemic, and there is now a need to re-embed an evaluative framework more consistently across the Council's service planning processes.

Introduction

Effective leadership from councillors, chief executives and senior officers, is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever.

Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councillors and officers must be clear on their roles in setting the vision and planning for its delivery.

Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. Working relationships

between members and between members and officers should be constructive and productive. Councillors should show a commitment to agreed council priorities and work together to achieve them.

The Council has significantly refreshed its leadership team over the last 2 years

The Council's previous Chief Executive retired in July 2023. A number of the Council's Senior Management Team have been in post for less than 2 years, which means that extensive corporate knowledge has been lost, but allows new perspectives to reinvigorate planning processes. There has been a similar turnover in elected members following the local government elections in May 2022.

The Council has an onboarding programme in place for the new Chief Executive, who joined in August 2023.

| The Council established an induction programme for each elected member following the elections in May 2022

The Council has established arrangements to deliver a training programme to support all elected members to fulfil their roles effectively.

The induction programme following the elections covered Leadership and Decision Making, Standards in Public Life and the Councillors Role, along with an introduction to Council Departments and individual partner organisations, finance and budgets and an introduction to Community Planning Partners.

Our work to date has not highlighted any concerns in relation to member and officer relations or behaviours, but we will continue to monitor this throughout the period of our appointment.

| The Council had a well-established approach to self-evaluation prior to the pandemic, which now needs to be refreshed in line with the development of the Vision for the Future

We recognise that the programme to update and refresh the Vision for the Future has required significant stakeholder engagement and will take time to filter into the Council's service planning arrangements.

Current performance management reflect the Strategic Objectives within the Community Plan and Outcome Delivery Plan. However, the Council does not currently have an organisation-wide approach to self-evaluation in place. Self-evaluation was previously well-established and highlighted as a strength within Audit Scotland's Best Value Assurance Report.

While individual services, such as education have clearly defined arrangements in place,

other services rely on the mid-year and annual performance management arrangements to report on strengths and areas for improvement. There is therefore a need to re-establish the link between the updated Strategic Objectives and service planning and outcomes across all services.

| Recommendation 3: There is a need to re-establish arrangements for the self-evaluation of services.

| The Council responded positively to the Best Value Assurance Report

The Council's Best Value Assurance Report (BVAR) was published in November 2017. An improvement plan was developed in response to the report, and updates were provided to the Cabinet until the action plan was fully complete in April 2019.

The Council's former external auditor assessed progress against the specific agreed actions in response to the BVAR as part of the 2021/22 Annual Audit Report. The auditor concluded that the Council was making good progress in securing best value.

Their work on Best Value in 2021/22 concluded that the council has an appropriate and effective best value framework in place.

The work they performed on partnership working and collaboration concluded that strong partnership working arrangements are in place with shared visions around recovery and renewal.

| Areas for audit focus in 2023/24

We will continue to monitor member collaboration and decision-making to support the delivery of shared strategic priorities, particularly in relation to the 2024/25 budget process.

| Appendices

A

Recommendations and action plan

B

Best Value responsibilities under the Code of Audit Practice

We include an action plan to summarise specific recommendations included elsewhere within this Report. We grade these findings according to our consideration of their priority for the Council or management to action.

Classification of recommendations

Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.

Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.

Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1	The Council acknowledges that current plans to deliver its net zero ambitions are unlikely to be unaffordable. They have not yet developed fully costed plans that would inform budget decisions or dialogue with partners.	The Council should work to quantify the cost gap in relation to delivering net zero targets for 2045. <i>Grade 1</i>	Response: The Council will continue to work towards the full costing of its recently agreed GTZ action plan in order to influence national funding discussions Responsible officer: Head of Housing, Property & Net Zero & Head of Accountancy Implementation date: ongoing
2	Plans to agree multi-year budgets following the May/June Scottish Spending Review were not progressed due to the unprecedented financial pressures and uncertainties facing Scottish Local Government. It is anticipated that the New Deal between the Scottish Government and COSLA will support this during 2023/24.	The Council needs to further develop a realistic and costed medium term financial plan that supports the delivery of strategic objectives. <i>Grade 1</i>	Response: The Council will use the detailed 3-year financial planning options and budget engagement feedback completed in 2023 to develop future years' planning on the basis of Scottish Government funding announcements to come. Responsible officer: Head of Accountancy Implementation date: February 2024

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
3	<p>The Council continues to develop the service planning and performance outcomes that will support the Vision for the Future. However, key self-evaluation processes were stepped down to an extent in some services during the pandemic, and there is now a need to re-embed on a consistent basis within service planning arrangements.</p>	<p>The Council should re-establish organisation-wide arrangements for the self-evaluation of services.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Response:</p> <p>Review the Council's approach to self-evaluation, ensuring a consistent approach through service planning.</p> <p>Responsible officer:</p> <p>Director of Business Operations & Partnerships</p> <p>Implementation date:</p> <p>September 2024</p>

The Council's responsibilities

Local government bodies have a duty to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:

- ▶ the quality of its performance of its functions
- ▶ the cost to the body of that performance
- ▶ the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the local government body shall have regard to:

- ▶ efficiency
- ▶ effectiveness
- ▶ economy; and
- ▶ the need to meet the equal opportunity requirements.

The local government body shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.

The Scottish Government's Statutory Guidance on Best Value (2020) requires bodies to demonstrate that they are delivering Best Value in respect of seven themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources

4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality.

The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.

Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.

Auditor's responsibilities

As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2023 Ernst & Young LLP. Published in the UK.

All Rights Reserved.

UKC-030109 (UK) 08/23. Artwork by Creative UK.

ED NONE



In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk

