

Clackmannanshire Council – Best Value thematic work 2022/23

Management Report – Leadership of the development of new local strategic priorities
Issued on 16 August for the meeting on the 29 August 2024

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01 Management Report

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Key messages

1. The Council has a clear vision supported by revised priorities, and recently approved a revised and streamlined approach to monitoring performance.
2. The Council has engaged with citizens and communities when developing the priorities.
3. The Council's priorities have a focus on the need to reduce inequalities and its climate change commitments.
4. An ambitious capital plans is in place, aligned to the Council priorities. Business plans, workforce plans and digital transformation are being refreshed and updated. We have recommended that a medium term financial plan is developed and aligned to the Council priorities.
5. The leadership (both political and officer) has been effective in setting clear priorities but now needs to demonstrate sustainable plans for delivering them.
6. The Council's improvement actions from this review are included at Appendix 1 of this report. It sets out the Council's response to audit recommendations made.

1.1 Scope of the audit

When discussing the Local government in Scotland Overview 2022, William Moyes, 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 concludes on the effectiveness of the Council’s leadership of the development of the Council’s strategic priorities, following the recent local government elections.

[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.

Code of Audit Practice 2020 Best Value reporting requirements

Best Value reporting – extract from the Code

The Accounts Commission’s approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- 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.¹
- 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.

¹The Controller of Audit will report the first tranche of council BV reports to the Commission between October 2023 and August 2024 on Moray, Falkirk, Dundee City, Orkney Islands, South Ayrshire, Dumfries and Galloway, Clackmannanshire and West Dunbartonshire.

1.2 Scope of the audit (continued)

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.



In carrying out the work auditors have considered the following questions:

- 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 priorities of the Council 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 audit recommendations in key areas, and the Council's planned response including responsible officers and dates for implementation.

2.1 Council vision and priorities

The Council has a clear vision supported by revised priorities, and recently approved a revised and streamlined approach to monitoring performance.

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 says that Scotland's councils have had a pivotal role in supporting and working with communities as they respond to the impacts of Covid-19. Following the council elections in May 2022, council's will have reviewed their priorities.

Vision and strategy

The **Local Outcome Improvement Plan (LOIP)** covers the period 2017-2027 and sets out the vision of the Clackmannanshire Alliance (the Community Planning Partnership) for the next 10 years:

“working together for a better quality of life and equal opportunities for all”.

This Plan was developed in collaboration with the community planning partners and communities to ensure that it was based on a sound understanding of local need and circumstances. The Plan sets out four strategic outcomes for Clackmannanshire and three Locality Priorities.

The current Council **Corporate Plan** covers the period 2018-2022, entitled “Be the Future”, which sets out the Council's vision, priorities and values. The vision and priorities are consistent with those set out in the LOIP.

A review of the LOIP is underway and the Alliance is currently engaging with communities to help shape the LOIP for the next 10 years. Following conclusion of the engagement, this has been considered by the Council in December 2023.

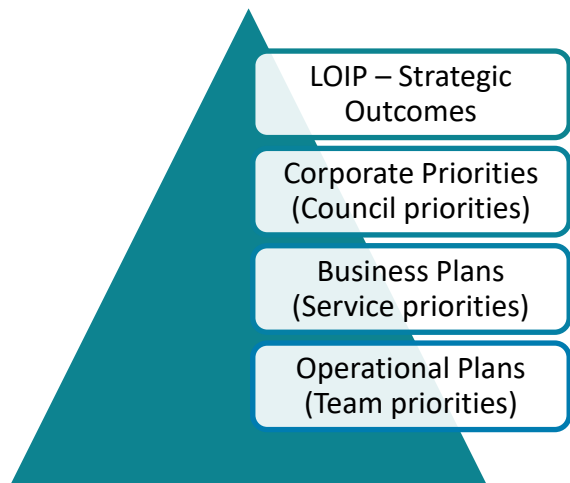
The Alliance has been working with the Scottish Government, as part of a pilot, to develop a wellbeing economy and through this work initial priorities and key area of action have been identified to be taken forward in a Wellbeing Economy LOIP.

In June 2023, the Council agreed that it would no longer prepare a Corporate Plan separate from the Wellbeing Economy LOIP and agreed a more streamlined framework. This reflected the alignment of strategic priorities across partner bodies and also aligned with principles established by the Council's Target Operating Model (TOM) agreed in August 2022 (discussed further in Annual Audit Report). The more streamlined framework agreed will put an enhanced focus on Business Plan monitoring and scrutiny. Work is ongoing to update Business Planning processes and guidance to ensure a smooth transition when the Wellbeing LOIP is agreed. This approach should improve clarity and efficiency, and also reduce overlaps that currently exist between the LOIP and the Corporate Plan.

2.2 Council vision and priorities (continued)

Vision and strategy (continued)

The revised approach to Business Planning is illustrated below:



The 4-year Corporate Plan is being replaced by an annual “Be the Future Statement of Corporate Priorities” approved by the Council. Business Plans and Operational Plans will then show how the services will align to these priorities and the LOIP strategic outcomes.

Performance tracking will also be streamline to:

- An annual overarching Wellbeing LOIP performance report;
- Annual portfolio Business Plans for which performance will be reported twice per year; and
- An annual Local Government Benchmarking Framework report.

Taken together, this should provide a comprehensive and seamless platform for effective scrutiny of performance which ensuring the Council meet its Public Performance Reporting responsibilities.

The Council agreed its priorities for 2023/24 in October 2023, consolidated around three themes. As illustrated below these themes are consistent with the Strategic Objectives set out within the LOIP. As a result, the Performance Indicators that are currently measured and reported by the Council have not changed significantly and continue to be relevant to the refreshed priorities of the Council and its partners. The Council has subsequently revised its timeline, and the 2024/25 indicators were agreed as part of the February 2024 budget.

LOIP Strategic Outcomes	Council 2023/24 priority themes
<ul style="list-style-type: none"> • Clackmannanshire will be attractive to business and people and ensure fair opportunity for all • Our communities will be resilient and empowered so that they can thrive and flourish • Our families; children and young people will have the best possible start in life • Women and girls will be confident and aspirational, and achieve their full potential 	<p>Sustainable Growth</p> <p>Empowering families and communities</p> <p>Health and wellbeing</p>

3.1 Citizen and community engagement

The Council has engaged with citizens and communities when developing the priorities

Recovery from the pandemic will require 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.

Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives.

Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services should be a core part of determining a council's vision and priorities.

Community empowerment

Community empowerment is reflected as a Strategic Outcome within the LOIP for 2017-2027, and as discussed on page [7](#), is one of the key themes in the Council's priorities for 2023/24.

LOIP Strategic Outcome "our communities will be resilient and empowered so that they can thrive and flourish".

The LOIP then sets out a number of outcomes and improvement measures to achieve this outcomes.

The Council, and its partners, have a number of good examples of where it is engaging with communities to develop how services will be designed in the future. This includes the Family Wellbeing Partnership, which is discussed further on page [10](#).

The Council has also engaged with communities as part of the budget setting process, which is discussed further on page [14](#).

The Council's website has a dedicated page to community empowerment with links to the following:

- Participation requests;
- Community Asset Transfer;
- Local Allotment and Food Growing Strategy;

- Community Empowerment Fund; and
- Participatory budgeting.

In setting its budget, and in particular the capital programme, the Council has given consideration to fulfilling the COSLA commitment where at least 1% of the local authority budget would be subject to Participatory Budgeting which equates to approximately £1.4m. Key projects in 2022/23 include the Well-being Hub, the learning estate and active travel.

Annual reports are published setting out Asset Transfer Requests and Participation Requests made in the year. These illustrate progress with formal community asset transfers, with only two assets transferred in the last 3 years. However, the Council has facilitated approximately 16 long leases to community bodies over the last 10 years. The uptake over the last 3 years has been impacted by the pandemic, however the Council is now currently having preliminary discussions with a number of communities bodies in relation to a further three facilities.

3.2 Citizen and community engagement (continued)

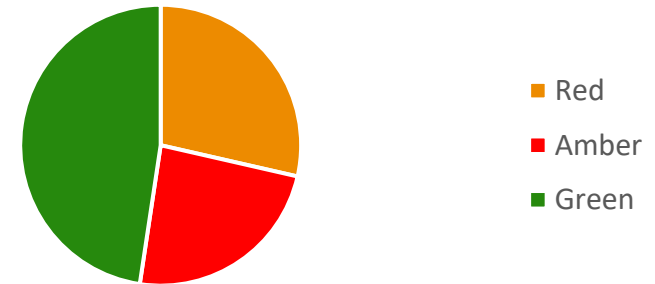
Community wealth building

As noted on page 6, the Council and its partners, through the Community Alliance, has prioritised the delivery of a wellbeing economy for Clackmannanshire. Community Wealth Building (CWB) is a key economic approach to enable that to be achieved.

A CWB Action Plan was developed by the Centre for Local Economic Strategies and approved by the Council in December 2020 as part of the wider project work to develop a wellbeing economy for Clackmannanshire. The first annual CWB Annual Progress report was considered by Council in March 2023 reporting on progress to date and proposed activities to be undertaken in 2023 to further embed CWB.

The status of the agreed actions is illustrated in the chart opposite, demonstrating good progress. Actions are in place to progress the actions flagged as “Red” and “Amber” during 2023. The Council and its partners recognise that there is still work to do to create both the capacity and culture to achieve the objectives of CWB and make the work more accessible to citizens, communities, business and other local organisations. The Council has made commitments in its Transformation Programme to significant projects, such as the Family Wellbeing Partnership and significant investment in its capital programme, including Alloa Transformation Zone and Stirling and Clackmannanshire City Region Deal.

CWB - Status of Actions



Examples of Actions take to date:

- CWB built into the design of City Region Deal projects;
- Developed a Strategic Asset Register;
- Agreement to refresh and deliver the LOIP with the Wellbeing Economy at its heart;
- 4% increase in Council procurement conducted with Clackmannanshire suppliers in 2020/21, 10% since 2017/18;
- Working alongside Clackmannanshire Credit Union to build capacity as a local anchor; and
- Linking with pension fund to consider investment potential.

4.1 Reducing inequalities and tackling climate change

The Council's priorities have a focus on the need to reduce inequalities and its climate change commitments

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.

Reducing inequalities

A central theme of the LOIP is a joint commitment to tackling the inequalities that exist in Clackmannanshire as a result of poverty and socio-economic disadvantage. The seven wellbeing priorities being consulted on as part of the Wellbeing LOIP are as follows, which demonstrate that central theme of tackling inequalities:

- Economic opportunity;
- Fair work, particularly for females;
- Sustainable place;
- Outcomes for young people;
- Climate and environmental sustainability;
- Health and wellbeing; and
- Poverty.

Tackling poverty and inequality it is one of the key themes in the Council's priorities for 2023/24, under "*sustainable inclusive growth*".

The Covid-19 pandemic fundamentally changed the way the Council had to operate to deliver services to some of the most vulnerable people and families within its communities. The Council, along with its partners and communities, demonstrated flexibility and creativity in managing these challenges and whilst this position has continued to evolve, the Council recognises that it must continue to operate in a very different way to that in place pre-pandemic.

4.2 Reducing inequalities and tackling climate change (continued)

Reducing inequalities (continued)

The following are examples from the Transformation Programme of where the Council is working with its partners and the community to reduce inequalities and redesign services in consultation with communities:

1. **Community Wealth Building** (discussed on page [9](#))
2. **Family Wellbeing Partnership** (FWP) is a partnership between Clackmannanshire Council, the Hunter Foundation and Scottish Government, tackling poverty and supporting wellbeing. The work of the FWP has informed the next steps of the BtF transformation programme and Target Operating Model.
3. **STRIVE** (Safeguarding through rapid intervention) was introduced in February 2020 and is a model that takes a person-centred, whole system approach to meeting the needs of individuals in need, particularly those on the edge of statutory intervention. Applying this model across a multi-agency, public and third sector team has improved outcomes and was the driver behind the police co-location at Kilncraigs.

In 2021, the Council agreed the following mainstreaming equalities outcomes, and reported in its Mainstreaming, Equality and Diversity Progress Report 2021-23, published in August 2023 the progress achieved to date.

Mainstreaming Equalities Outcomes

1. We will work alongside our partners to reduce socio-economic disadvantage faced by families and communities in Clackmannanshire;
2. We will have strong, vibrant and inclusive communities where citizens have a sense of belonging and identity;
3. We will reduce the attainment and achievement gap for pupils and young people with protected characteristics and those living in poverty;
4. Clackmannanshire Council has increased knowledge and capacity about equality, diversity and poverty and meets its responsibilities and duties under the Equality Act 2010;
5. In Clackmannanshire people will feel equally safe from harm; and
6. Clackmannanshire Council is inclusive and values and respects all employees equally.

Source: Mainstreaming Equality and Diversity Progress Report 2021-2023

4.3 Reducing inequalities and tackling climate change (continued)

Equality impact assessments

The Council uses Equality Impact Assessments (EQIA) and following an update to the Fairer Scotland Duty in 2022, the Council revised its equality impact assessment process to include socio-economic considerations.

The Council continues to use a two-stage process comprising:

- 1. EQIA screening:** to determine whether the policies concerned require an impact assessment.
- 2. EQIA assessment:** where significant potential impact has been identified via screening, the impact of the proposal should be assessed as an integral part of its development.

Screening decisions on whether or not an EqSIA is required, and a summary of the findings of an EqSIA if one was conducted, are included in the report to the Committee or Council responsible for approving the proposal.

In relation to the need to implement human rights-based approaches in its design and delivery of services, the Council, as part of the National Improvement Framework, has a clear focus on placing the human rights and needs of every child and young person at the centre of education. In addition, the recently approved Strategic Commissioning Plan for the Clackmannanshire and Stirling Health and Social Care Partnership is driven by the principles such as human rights and equalities.

Sustainability of the environment

Clackmannanshire Council unanimously passed a motion in August 2021 declaring a climate emergency, recognising that climate change is one of the most serious challenges facing communities in Clackmannanshire and agreed to develop a comprehensive Climate Change Strategy that would deliver a framework to ensure that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to net zero greenhouse gas emissions by 2045.

As discussed on page 7, one of the priority themes agreed by the Council as part of its “Be the Future” programme is “*sustainable inclusive growth*” which encompasses environmental sustainability. “*Climate and environmental sustainability*” is also one of the seven wellbeing priorities with the draft Wellbeing LOIP.

An Interim Climate Change Strategy was approved in August 2022, at which time the Council agreed its approach to further development of that strategy including the creation of a Climate Emergency Action Plan. A consultation process on the Strategy and Action Plan has recently ended, with a view to being formally approved by the Council in early 2024.

We have considered the Council’s arrangements for responding on climate change further as part of our Annual Audit Report.

5.1 Alignment of delivery plans

An ambitious capital plan is in place, aligned to the Council priorities. Business plans, workforce plans and digital transformation are being refreshed and updated.

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, 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.

Business plans

As noted on page [7](#), the Council has recently agreed a revised approach to its Business Planning which is being taken forward in 2023/24. Business Plans continued to be in place during 2022/23 reporting against a range of indicators that were aligned to the Corporate Plan. The indicators include Key Organisational Performance (KOPs); financial, customer and people indicators and improvement actions demonstrating how the Council plan to improve service priority areas.

The revised approach and agreement of priorities has been reflected in the Place and Partnership and Performance Directorates and needs to be filtered through into other Business Plans to ensure fully aligned. However, the indicators that are monitored are unlikely to significantly change given the priority themes are consistent with those set out in the LOIP and previous Corporate Plan.

The Council is progressing with its Transformation Programme, which is discussed in more detail within our Annual Audit Report. The Council has recognised that in responding to the Covid-19 pandemic and the challenging financial position means that the way the Council operates and delivers services has and needs to change.

As discussed in more detail within our Annual Audit Report, more work is required to build the detail behind each project and fully align to the development of a medium-term financial strategy. This should include setting clear timelines for each project, assessing the resources and support required to deliver and developing a benefits realisation tracker to assess whether the Council has achieved its aims.

Financial resources

The 2023/24 budget was approved on 9 March 2023, and has been considered in more detail in the Annual Audit Report. Regular updates are provided to members setting out the projected revenue budget gap over the next three years, which we have also considered further in our Annual Audit Report. While the updates provide helpful information to elected members, we have recommended that a Medium-Term Financial Strategy be developed, with clear actions on how financial sustainability is to be achieved.

A long-term capital plan is in place, which is discussed further on page [15](#), and closely aligns to the priorities of the Council.

5.2 Alignment of delivery plans (continued)

Community engagement

In the 2018 BVAR report, the Controller of Audit recommended that the Council should further develop its working relationships with community planning partners to ensure their combined resource is directed towards the strategic local outcomes. The 2019 follow-up noted that the Council recognised that to transform services, it also needs to increase collaboration with community planning partners, third sector organisations and its communities.

The Council undertook a 4-phase programme of engagement as part of setting the 2023/24 budget to shape its budget decisions for the next 5 years. A similar approach has been agreed for 2024/25 and is already underway. The phases are as follows:

- **Phase 1** (Dec 2022-Jan 2023) – checking that priorities remain the right ones for the next 5 years or whether they need to be refined. Approximately 75% of respondents said that the Council’s current priorities and outcomes were the right ones to focus on. (284 responses)
- **Phase 2** (Jan-Feb 2023) – in line with the priorities, engage on the changes to services for 2023/24. This specifically focussed on officer policy savings proposals and included direct engagement with a number of stakeholders seeking to understand potential impacts and mitigations in the context of the Equality and Fairer Scotland Impact Assessment (433 responses)
- **Phase 3** (Spring 2023) – budget setting.
- **Phase 4** (Sept-Dec 2023) – annual engagement on the impact of budget proposals – this includes focus on 2024/25.

The budget papers presented to elected members in March 2023 set out a summary of the engagement that had taken place and the broad themes identified.

Within the detail of the budget, the evidence gathered influenced the proposals in the paper, including highlighting areas for further potential dialogue where proposals have not been included in the 2023/24 budget setting process.

Further information is also published on the Consultation Management System (Citizen Space) in the format “We Asked, You Said, We Did” which sets out which savings proposals were agreed, and which were not.

Citizen Space is the central portal for all consultations carried out by the Council to give communities the opportunity to influence policy and decision making. Recent consultations include the climate change strategy and the LOIP.

Another example of where the Council work with communities to give the opportunity to influence decision making is in the **Family Wellbeing Partnership/Lens Investment**. The Partnership launched an investment fund of £50,000 and a further fund of £75,000 in 2023 to help citizens turn ideas into action. The Council partnered with The Lens to provide the support the public needs to develop their ideas.

5.3 Alignment of delivery plans (continued)

Workforce planning

The Council approved its Interim Workforce Strategy 2023-25 in September 2023 which follows on from the Strategic Workforce Plan 2018-22. It is designed to ensure that the Council has the right people, with the right skills, at the right time and in the right place and is aligned to the BtF Transformation Programme.

The Strategy sets out how it plans to set a foundation for workforce development and learning to support the development of the Be the Future Target Operating Model (TOM) (which is discussed in more detail in our Annual Audit Report).

The Strategy provides context to the key workforce challenges faced by the Council including:

- the ongoing impact of the Covid-19 pandemic;
- The need to transform and evolve services; and
- The challenging financial context in which services are delivered.

The Strategy identifies three key workforce development themes – Creating the Conditions, Developing the Team and Releasing the Potential. All actions are aligned to these themes to allow progress to be monitored and focus activity ahead of the creation of a full Strategic Workforce Plan 2025. This work will also support the development of the TOM.

The Council commissioned Trueman Change to carry out a Capacity and Skills Audit in 2022 and one of the areas highlighted was the small teams and significant points of failure given size of the Council. There was therefore a need to invest effort into Service based workforce planning across all areas in order to identify skills and career pathways. This is currently being progressed. One particular area that is being re-assessed to help with this risk is the use of apprenticeships and graduate schemes, and as an example is being pursued to address the finance team capacity constraints discussed further in our Annual Audit Report.

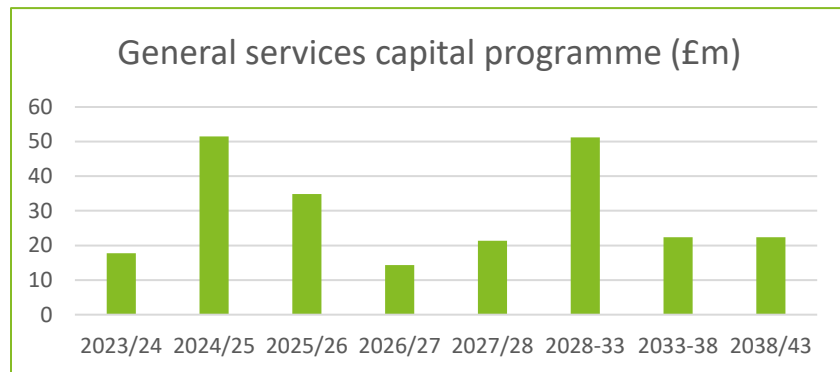
Asset management

In 2021, the Council made a significant change in its approach to its approach to capital investment and moved from a rolling 5-year capital plan to a rolling 20-year capital plan. The process also embedded the BtF themes and priorities and was designed to allow the Council to expedite planned investment to support wellbeing and economic performance and recovery.

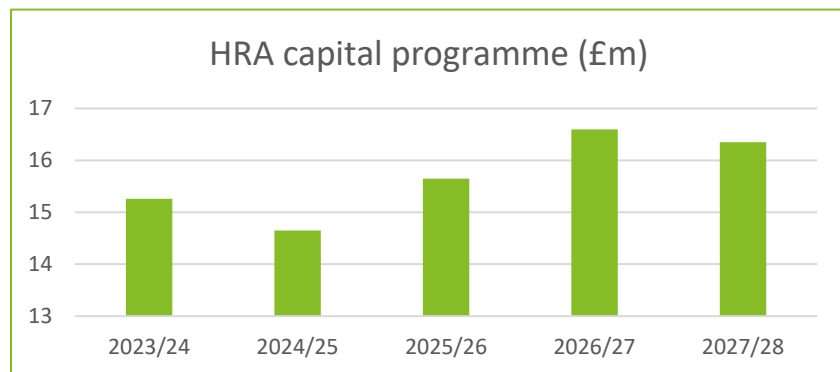
The general services capital programme for 2023/24 to 2042/43 was approved at the same time as the revenue budget in March 2023, along with the Treasury Management Strategy for 2023/24. This set out planned investment of £236m over the 20-year period, as illustrated on the following page. The programme is closely aligned to the priorities of the Council, with an increased programme in the initial years due to significant investment in the Learning Estate and Wellbeing Hub, which align with the priorities associated with children and young people and health and wellbeing.

5.4 Alignment of delivery plans (continued)

Asset management (continued)



The HRA Capital Programme for 2023/24 to 2027/28 was approved at the same time as the HRA budget in February 2023, as illustrated below. In setting the revenue budget, and in line with 2022/23, the Council approved a surplus position to support the Housing capital programme. This specific strategy was considered as part of the tenant consultation where 69.35% of respondents agreed that it would be appropriate to increase 3% to continue capital investment at the current level.



As discussed further within the Annual Audit Report, the Council has reported significant underspends in its capital programme in recent years. The Council has recognised that improvements are required and in particular given the ambitious 20-year plan, it is important that this is closely monitored to ensure delivery remains on track. The Council has recently recruited a Senior Manager for Transformation and Capital who is expected to move this forward. In addition, £1.8m of resources were approved as part of the 2023/24 budget to improve deliverability of the capital programme. This was in recognition that many of the transformation projects sit within the capital programme and will benefit from addition, more sustainable resource model.

In March 2023, the Council agreed proposals to develop an investment strategy for Clackmannanshire. This will provide a strategic approach to how the Council pursues external capital and revenue investment into opportunities within Clackmannanshire. The Council's ambition is to maximise the social and economic impact of the investment from its 20-year capital programme, however, with the current inflationary impact, it recognises that the investment allocated to deliver key projects in the next 3-5 years will deliver less. The Council therefore need to leverage additional investment from other sources to counter-balance inflation impacts and to address the long-term challenges of cost-of-living related to energy costs.

5.5 Alignment of delivery plans (continued)

Digital strategy

The Council approved its Digital Strategy for 2019-2025 in April 2019. This was recognised as a key enabler of the Council's "Be The Future" plan. The Digital Transformation work is focussing on three key areas:

- **Digital Leadership:** equipping all employees with the skills to provide leadership in Digital Transformation;
- **Digital Foundations:** building strong technology platforms which enable the Council to transform how it works; and
- **Digital Services:** redesign services around customers taking advantage of digital technologies.

Digital and Data Transformation is one of the corporate priorities agreed for 2023/24 and part of the BtF Transformation Programme. As part of the approved budget, there is also clear evidence of the Council's commitment to investment in digital transformation including investment in the Alloa Digital Hub as part of the City Region Deal and £7.179m investment in local assets such as personal digital devices for every learner so that young people from P1 to S6 have the skills for the digital world.

Digital transformation is also aligned with the Interim Workforce Strategy and the recently approved Target Operating Model. The digital transformation programme will be key to developing business cases supported by a new multi-disciplinary team, to ensure the Council take full advantage of the rapidly developing digital technologies.

6.1 Leadership

The leadership has been effective in setting clear priorities, and there is a positive working relationship between the Administration and opposition parties.

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.

Collaboration and decision making

The 2018 BVAR report recommended that Councillors and officers should build on their constructive working relationships to provide the coherent, combined leadership necessary to secure the Council's financial position. The 2019 follow noted evidence of improved working relationships between Councillors and officers and a strong commitment to work collectively in the best interests of the Council. It also highlighted signs that Councillors and officers support a more collaborative approach and have a shared understanding of the need to do things differently.

There is evidence that Councillors and officers are working together to achieve the Council's priorities. This is evident from the approach taken to setting the budget and revised approach to decision making which was agreed following the local government elections, discussed further in our Annual Audit Report.

In general, members and officers demonstrate mutual respect, trust, honesty and openness and appropriate behaviour. There is a positive working relationship between the Administration and opposition parties. Cross-party working is evident across a number of the Council's key priorities, including tackling inequalities and climate change.

6.2 Leadership (continued)

Self-evaluation

The Council have a number of arrangements in place for assessing how well it is working and to identify how it can improve. The Clackmannanshire Improvement Model (CIM) is used to help drive improvement across the Council and provides a structured framework for evaluating:

- What is working well;
- How the Council's performance compares to others;
- What its customers have to say;
- Where it needs to improve;

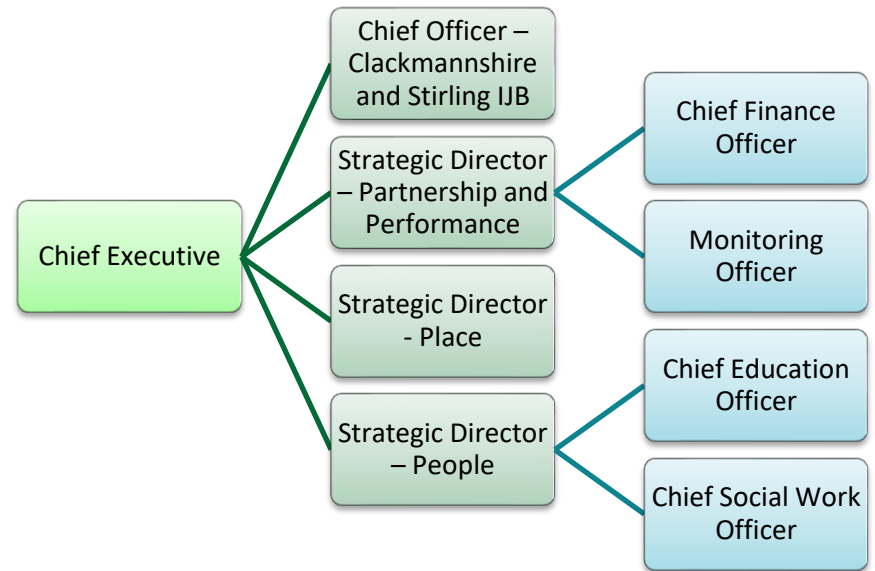
A whole Council assessment is completed annually, although this was put on hold due to the pandemic. There are plans to re-introduce this in summer 2024/25.

Services also complete a governance review each year to ensure that appropriate and adequate internal controls are in place within their respective areas to improve the effectiveness of the Council's governance framework.

There are additional service-specific self-assessment arrangements, such as in Education and Social Services, some of which have the option of independent validation.

Leadership capacity

The Strategic Management and statutory post structure is illustrated to the right. With the exception of a change in the Chief Education Officer, all other post holders have remained consistent during 2022/23.



As discussed in more detail in the Annual Audit Report, the Council is progressing with its Transformation Programme. The Strategic Director for Transformation was a fixed term post that ended on 31 March 2023. The Council has, however agreed a number of different strands of additional capacity to drive forward the changes needed, including the appointment of a Senior Manager for Transformation and Capital which is welcome.

As highlighted within our Annual Audit Report we have concerns in relation to financial capacity within the Council. This is evident through the significantly late production of accounts and response times to audit requests. Leadership have acknowledged this, however, continue to face recruitment challenges.

6.3 Leadership (continued)

Leadership capacity (continued)

One of the key challenges identified by the Council in the Interim Workforce Strategy approved in September 2023 is “developing our leaders”.

Over the past two years, the Council has invested significantly in the work of the Family Wellbeing Partnership and the Values Based Leadership programme facilitated by Columba 1400. Through a blend of residential and community-based work with senior leaders, Elected Members, frontline workers, partners, communities and young people, the programme has engaged participants in a relational approach to transformation which is designed to identify opportunities for new ways of working and meaningful collaboration across service areas.

The Council now plans to build on this through the creation of leadership development opportunities for all managers which embed a similar theory of innovation and collaboration. This is designed to ensure that the Council has a blend of skills in its workforce where operational priorities can be delivered concurrently with the need to innovate and change the way it delivers services.

In addition to this programme approach, the Council also offers a range of ongoing leadership support such as the Senior Leadership Forum.

Following the local government elections in May 2022, a series of induction and training sessions were held. This has been done in two phases, with phase 1 covering legislative and essential training which took place between June and September 2022. Phase 2 comprises further development depending on individual member’s needs.

A record is maintained of member attendance at these sessions. While not mandatory, and also recognising that all sessions are not relevant to all members, the attendance rate varies. The average number of sessions attended by each Councillor during 2022/23 was 10, with the maximum being 16 and minimum 3. The Council should closely monitor those elected members who have relatively low attendance to ensure that they are suitably trained to carry out their role.

A skills analysis and self-evaluation process has not been completed for all members and personal development plans are not in place. A skills audit and self-evaluation has recently been carried out for the Audit and Scrutiny Committee. We would recommend the Council consider rolling this out to all members. Having personal development plans in place is considered best practice in ensuring that elected members have the skills and tools to carry out their role.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Members of the Council discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Accounts.
- Our internal control observations.
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the Annual Accounts.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the Council, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the Council.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.



Deloitte LLP

Glasgow | 16 August 2024

Appendices



Appendix 1 – Improvement Action Plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Agreement of priorities The Council's priorities for 2023/24 were not agreed until October 2023, more than half way through the year.</p> <p>Risk – Insufficient time to implement any changes into Business Plans for the year.</p>	<p>The Council should ensure that the priorities are agreed in advance of the start of the year to ensure any changes can be built into Business Plans.</p>	<p>This has been updated in the revised timeline, with the 24/25 performance indicators being agreed as part of the February 2024 budget.</p> <p>Responsible officer: Strategic Director, Partnership & Performance</p> <p>Target date: Completed in February 2024</p>
<p>2. Elected members Skills analysis and self-evaluation process has not been completed (with the exception of the ASC members) and personal development plans are not in place.</p> <p>Risk – elected members do not have the skills and knowledge to perform their role effectively.</p>	<p>A skills analysis and self-evaluation process should be carried out to assess the skills for each elected member. Personal development plans should then be developed and tailored to individual members needs.</p>	<p>A programme of training was developed for members as part of their induction programme, however individual training needs analysis will now be offered to elected members to identify any relevant training needs.</p> <p>Responsible officer: Council Senior Manager Legal and Governance / Monitoring Officer.</p> <p>Target date: 31 December 2024</p>



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