

Stirling Council – Best Value thematic work 2022/23

Management Report – Leadership of the development of new local strategic priorities
Issued on 14 August for the meeting on the 29 August 2024

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Key messages

1. The Council has a clear vision supported by revised priorities which were agreed in December 2022. An Outcome Based Accountability framework has been agreed, with a series of KPIs recently approved with aligned to the new priorities.
2. The Council has engaged with citizens and communities when developing the priorities but has recognised that increased engagement required given the financial challenges.
3. The Council's priorities have a focus on the need to reduce inequalities and its climate change commitments. A revised approach to its equality impact assessment process has recently been implemented to include socio-economic considerations following an update to the Fairer Scotland Duty in 2022.
4. Comprehensive service plans are still to be developed to align to the Council's priorities following the approval of the 3-year business plan in May 2024. A Capital Strategy has recently been approved, with a Medium-Term Financial Plan is currently being developed and updated Workforce Strategy planned for later in 2024.
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.

¹ The Controller of Audit will report the first tranche of council BV reports to the Commission between October 2023 and September 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 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 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 KPIs.

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 2021, council's will have reviewed their priorities.

Vision and strategy

Stirling Council's ten-year strategy "**Thriving Stirling**" covers the period 2020-2030 and sets out a clear vision that Stirling should be "a place where everyone can thrive". The strategy sets out 4 strategic goals, along with 4 strategic outcomes, as illustrated opposite.

The Stirling Plan, which is Stirling's Local Outcome Improvement Plan (LOIP), was developed in collaboration with community planning partners and covers the period 2017-2027. This has a consistent vision with the Council as "somewhere everyone can thrive", with priority outcomes consistent with the Council's strategy. There is therefore a clear vision across the Community Planning Partnership.

Following the local government elections in May 2022, the Council revisited its priorities and agreed its 10 Strategic Priorities for the next 5 years, which were agreed in December 2022. These are designed to set out the overarching principles which will guide future decision-making.

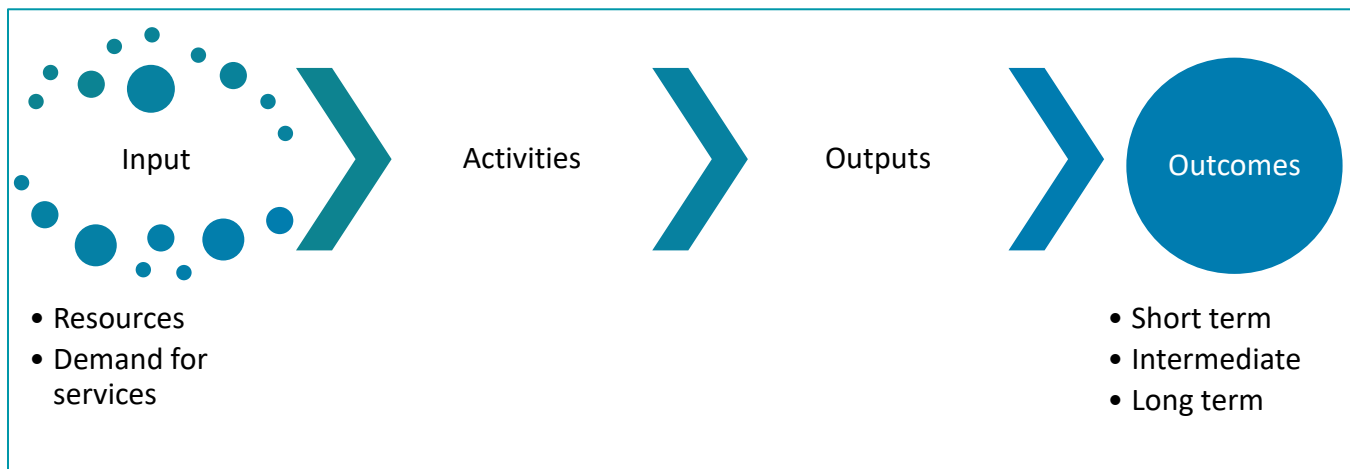
The priorities provide the foundation of the strategic planning, performance and improvement framework, to provide a starting point for a more outcome-focused approach for Stirling's residents, communities, businesses, partners and stakeholders.



2.2 Council vision and priorities (continued)

In November 2021, the Council agreed a new Planning, Performance and Improvement approach. This adopts Outcome Based Accountability (OBA) to provide a framework for planning and performance, working across organisational boundaries to focus on strategic outcomes. Given the changes in Council priorities following the local government elections in May 2022, full implementation was not planned till late 2022/23.

During 2022/23, the Council has progressed with implementing this approach. OBA is an evidence-based process that works backwards from the priority or outcome to identify the actions which are needed to achieve that outcome. This is visualised through the development of a logic model, or theory of change, as illustrated below. Work has continued during early 2023/24 to develop a range of KPIs for the Strategic Priorities which will underpin the OBA approach. These were presented to the Council in June 2023 and approved by each relevant Committee to reflect its specific remit for scrutiny of performance. In addition, at November 2023 it was highlighted work will be progressed to incorporate the OBA approach and KPIs into a new 3-Year Business Plan for approval by Council by the end of 2023 and service level plans. The 3-year business plan has subsequently been approved in May 2024.



3.1 Citizen and community engagement

The Council has engaged with citizens and communities when developing the priorities, but has recognised that increased engagement required given the financial challenges

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

The 2019 BVAR report concluded that the Council needed to increase its progress with community empowerment, and as a priority, meet its requirements to put in place locality plans for its most disadvantaged areas. This has progressed, with all eight locality action plans now complete.

Community empowerment is also reflected within the Council's 10-year strategy and is one of the 10 strategic priorities agreed by members in December 2022:

“building community capacity and empowering citizens through participation and partnerships”.

This sets out a number of strategic commitments including ensuring citizens can directly influence council actions and spending, promoting participation and consultation across digital and physical channels. The Council has committed to a partnership approach to improving and empowering communities.

The Council carried out a “Covid Recovery Community Consultation” over the five months from February to July 2022. The survey was completed by 528 people. The Council then used the four strongest emerging themes – being education, mental health, social isolation and cost of living – to frame conversation questions which were discussed with residents in a number of areas. The feedback from this engagement is to be used to inform planning and practice moving forward.

As noted in our Annual Audit Report, given the financial challenges faced by the Council, plans are in place to have early engagement with the public as part of the 2024/25 budget process.

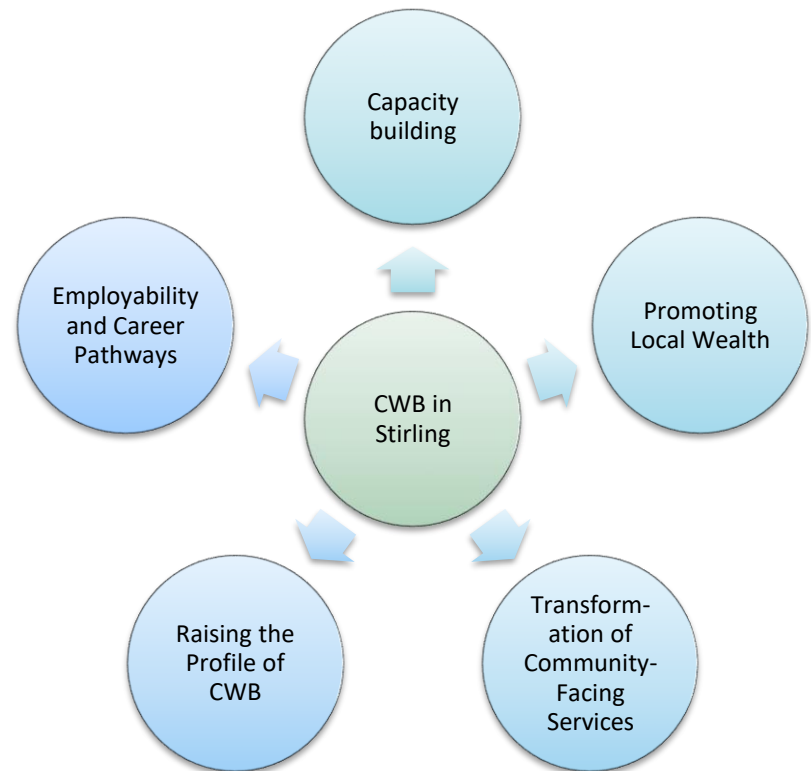
It is important that the Council uses the learning from the ways communities were involved in developing and delivering support during the pandemic and put more flexible governance and decision-making structures in place now to provide more opportunities for more local participation in decision-making.

3.2 Citizen and community engagement (continued)

Community wealth building

Thriving communities is one of the strategic goals of the Stirling Plan. In March 2023, the Council approved the delivery of a Community Wealth Building (CWB) Plan, which seeks to embed CWB principles across all Council services, as the basis of a new community development approach. The Council has recognised it needs to rethink its organisational culture, behaviours and practices to ensure greater democratic ownership, participation, and control from its communities in all that it does.

Actions are planned during 2023/24 to deliver the detailed CWB actions across the five emerging themes. The CWB Short-Life Working Group is also taking forward work to implement Locality Action Plans within a CWB approach, taking into account the impact of Covid-19.



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

One of the strategic outcomes in the Council's 10-year strategy is "*social and economic equality*", with key focus on:

- **Early intervention and prevention** – investing in breaking the cycle of poverty and deprivation at an early age;
- **Long-Term Planning** – planning for long-term, generational improvements in outcomes;
- **Partnership working** – collaboration with public, third and private sector partners; and
- **Inclusive growth** – growing our economy in a way that provides opportunities for fairer employment and income maximisation.

This is further supported with one of the Council's ten priorities agreed in December 2022 to focus on inequalities, as follows:

"continuing investment in housing, learning and education to address health and wellbeing inequalities".

This set out a number of strategic commitments included targeted investment to increase the supply of housing, providing more homes for a range of needs, undertaking improved estate management and invest to improve the condition of the Council's housing stock.

4.2 Reducing inequalities and tackling climate change (continued)

Reducing inequalities (continued)

In developing the Locality Action Plans for all eight areas in April 2020, local residents were consulted. Their feedback, together with data on inequality in each area was used to inform the action plan at a local level but also identify opportunities to design actions to address similar themes across a number of communities.

The Council approved its Covid-19 recovery plan in June 2021, which set out 14 priority areas for recovery in the short, medium and longer term, with 58 specific recovery and renewal actions. The recovery plan has subsequently been incorporated into the Council's transformation programme of Vital Few projects. One of the 14 priorities is to *"harness the power of our communities to tackle inequality and social exclusion"*.

Equality impact assessments

The Council uses Equality and Socio-economic Impact Assessments (EqSIA). Following an update to the Fairer Scotland Duty in 2022, the Council revised its equality impact assessment process to include socio-economic considerations. Training has been provided to officers and members on the revised approach.

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

- 1. EqSIA screening:** to determine whether the proposal concerned requires an impact assessment.
- 2. EqSIA 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, in partnership with the CPP for children and young people, has a clear agreement to continue to strengthen a children's rights based approach.

Sustainability of the environment

One of the strategic outcomes in the Council's 10-year strategy is *"carbon net zero"*. Stirling Council declared a Climate and Ecological emergency in October 2019, reaffirming the local authority's commitment to tackling climate change and protecting the environment.

This is further supported with one of the Council's ten priorities agreed in December 2022 to focus on the climate and nature emergency, as follows:

"tackling the climate and nature emergency and pursuing our net zero ambition through action".

The Council recognises that it is critical that carbon reduction is considered in the context of Social and Economic Equality – changes in its economy and its emissions will improve people's lives in Stirling through creating jobs and reducing employment deprivation. The Council's net zero approach is intended to ensure creation of "green" jobs for Stirling residents and upskilling of local workers as well as making lives better and healthier.

4.3 Reducing inequalities and tackling climate change (continued)

Sustainability of the environment (continued)

The council also highlights that providing the infrastructure, support and incentives required to help residents to make climate friendly choices while working with nature is expected to support prosperity and social wellbeing to deliver wider environmental benefits.

A Climate and Nature Emergency Plan was approved by the Council in June 2021. This set out a clear vision, to be delivered through 5 objectives and each objective implemented in three ways – Lead, Enable and Inspire.

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

5.1 Alignment of delivery plans

Comprehensive service plans have still to be developed to align to the Council's priorities

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.

Service plans

As noted on page [7](#), work will be progressed to incorporate the OBA approach and KPIs into a new 3-Year Business Plan for approval by Council by the end of 2023. The 3-year business plan has subsequently been approved in May 2024. Service Plans have therefore not yet been updated to reflect the revised Council priorities. The Council expect plans to be in place for 2024/25 for around 50 service areas.

The Council is at the early stages of its next phase of transformation, with high level themes agreed. One of the themes is to consider operational front line service re-design. As discussed in more detail within our Annual Audit Report, more detail is required to develop the individual projects that will support the transformation programme, including clear timelines, resources and support required and benefit realisation trackers.

Financial resources

The 2023/24 budget was approved on 2 March 2023, and has been considered in more detail in the Annual Audit Report. The paper presented to members and the savings options approved do not clearly align the budget to the new priorities.

Officers are currently working on a Medium-Term Financial Plan, which is due to be considered by members in November 2023. It is important that this clearly demonstrates how financial resources will be aligned to the new priorities.

Community engagement

The Council carried out a "Budget Conversation" survey during November and December 2022 to gain the opinion of people who work, study and reside in the Stirling Council area, as well as representatives from community groups and organisations. The survey received 619 responses, with the results published in February 2023. It is, however, not clear to what extent the results of the survey impacted the proposed budget approved in March 2023. While the consultation is a positive step, it is important that the Council demonstrates how that consultation has been used to inform its decision-making. The Council has recognised that given the unprecedented challenges facing the Council, engagement with the public needs to be much earlier in the process and has changed its approach for 2024/25.

5.2 Alignment of delivery plans (continued)

Community engagement (continued)

The “budget overview” page on the Council’s website is also outdated, and still referring to the 2021/22 budget process agreed in March 2021. In August 2023, the Council also published its launch of “Big Conversation” amid the £13m budget shortfall, which replaces the budget overview page, however, the old information has still to be removed.

Through the “Big Conversation” the views and priorities of residents will shape how the Council responds to this unprecedented financial challenge and the final decisions made in the budget setting process.

Workforce planning

The Council has a Strategic Workforce Plan in place, which covers the period 2021-2026. This is aligned to the Council Plan “Thriving Stirling” and sets out what the future workforce needs to be to deliver on the Council’s strategic objectives.

In planning for the future, the Plan sets out an analysis of the current workforce, including age profile, turnover, recruitment and how it rewards its staff. The Council has identified specific areas where vacancies are harder to fill including:

- Grade 1 positions in rural areas;
- Skills traders and engineers;
- Accountants and procurement specialists;
- Head teachers and some teaching posts; and
- Social workers and carers.

Recruitment and retention strategies such as job re-design are being developed to address these difficulties. In addition, the Council is committed to “growing our own” providing clear career pathways for employees and creating succession plans for key roles.

The Plan incorporated a detailed Action Plan of specific actions required. Progress against key aspects has been delayed as a result of the ERP implementation.

The Council recognises that to achieve its vision and priorities, it is vital that its workforce is more diverse, flexible, skilled, engaged and motivated than ever before.

In recognition of the increasing budget pressures, an update on the Strategy is planned for December 2023. We will monitor the progress with this during our audit appointment.

Asset management

As part of the Council’s Transformation Programme, one of the workstreams is looking at Workforce Accommodation, with a Corporate Accommodation Strategy approved in December 2022 and a Strategic Outline Business Case for the Corporate Accommodation Plan approved in May 2023. A more detailed Outline Business Case was considered by the Council in October 2023 and was agreed that the Council would revert and look at alternative options of renovating and developing its existing estate given the financial challenges that the Council is facing. A revised strategy was agreed by Council in February 2024, and work to assess this has commenced, and progress will be reported to Council in autumn 2024.

5.3 Alignment of delivery plans (continued)

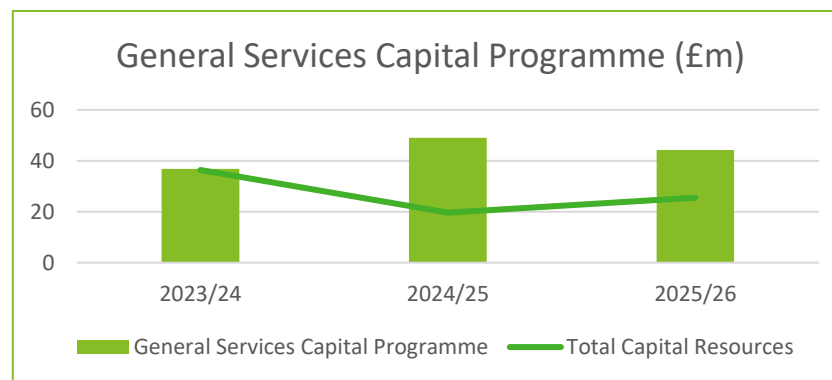
Asset management (continued)

The HRA Capital Investment Programme was developed from the commitments set out in the 30 year business plan agreed by the Environment and Housing Committee on 20 November 2014. In approving the 2023/24 investment budget, members are not provided with information on future year plans and how this compares to that initially approved in 2014. It is inevitable that things will have changes since approval of the 30 year plan. We therefore recommend that the members are provided with an update, including any re-profiling of projects, as part of approving the annual budget so they can see how this fits in with the overall strategy of the Council.

The general services capital programme for 2023/24 was approved at the same time as the revenue budget in March 2023, along with provisional estimates for 2024/25 and 2025/26. At the same time, Treasury Management Strategy for 2023/24 was approved.

The approved capital programme for 2023/24 of £36.884m is £500,000 in excess of the resources available, i.e. is projecting a deficit position. The Council has taken the view that given the size and complexity of the programme, a 1.4% level of over-programming is a low risk.

The provisional approved programme for the next two years is illustrated opposite. This shows that at present, the provisional programme is significantly in excess of the funding available. and is therefore unaffordable. It is important that the Council review its plans and prioritise the projects in line with the Council's overall priorities and the funding available.



A Capital Strategy has recently been developed, and was approved by the Finance, Economy and Corporate Support Committee in September 2023. This is the Council's first iteration of a whole organisation approach to its Capital Strategy which is designed to steer the Council's capital planning and delivery, in addition to wider business and service planning. The Strategy covers a 5-year rolling period and will be refreshed as required to respond to the Council's ever changing strategic landscape.

The objectives of the Capital Strategy are:

1. Aligning investment to the Council's priorities to achieve maximum value for money.
2. Facilitating long-term capital and service planning.
3. Creating capacity for continuous improvement of services.
4. Informing investment based on robust evidence of needs.
5. Improving effectiveness of capital planning management, delivery, governance and scrutiny.

5.4 Alignment of delivery plans (continued)

Asset management (continued)

The development of this Strategy, as recommended following a review by Internal Audit published in August 2022, is a positive step and is an essential element in the Council's long-term planning to ensure financial sustainability and the best use of resources.

The Strategy sets out the following future developments planned to further improve the effectiveness of the Council's future capital strategic planning and delivery.

- Development of a detailed five-year capital investment plan.
- Development of a capital investment prioritisation process.
- Further development of 'evidence of need'.
- Outcome based accountability (which we have considered further on page [7](#)).

We will continue to monitor the progress with this during our audit appointment.

Digital strategy

As noted earlier in the report, the Council is at the early stages of its next phase of transformation, with high level themes agreed. Two of the eight themes are focussing on digital – being Digital First and Digital Service Centre.

As discussed in more detail within our Annual Report and Accounts, more detail is required to develop the individual projects that will support the transformation programme, including clear timelines, resources and support required and benefit realisation trackers. This is essential to allow the Council to be able to demonstrate how its digital infrastructure will support delivery of services in line with its priorities.

6.1 Leadership

The leadership has been effective in setting clear priorities but now needs to demonstrate sustainable plans for delivering them

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

There is evidence that councillors and officers are working together to achieve the Council's priorities. This includes the recently created budget delivery group and the Member Officer Group taking forward the work on climate change.

There is currently little evidence that members have taken decisions that contribute to the achievement of the agreed priorities, in particular when allocating resources. As discussed in more detail in our Annual Audit Report, in setting its budget for 2023/24, it is not clear how the decisions made around savings aligned to the Council's priorities. The Council need to clearly demonstrate how its decisions are aligned to its agreed priorities.

In general, members and officers demonstrate mutual respect, trust, honesty and openness and appropriate behaviour.

A weakness has, however, been highlighted through a referral to the Ethical Standards Commission during the year. Following an investigation into a complaint received in May 2021 about the conduct of one of the elected members, the Ethical Standards Commission referred a report to the Standards Commission for Scotland in March 2023. The complaint concerned a contravention of the Councillor Code of Conduct. The findings of the hearing by the Standards Commission for Scotland were presented to the Council in September 2023 where it was concluded that the elected member should be suspended for a period of 5 months.

While this relates to one elected member, the Council should ensure that members have a clear understanding of their role and the requirements of the Code of Conduct.

6.2 Leadership (continued)

Self-evaluation

As reported in the BVAR report in 2019, the Accounts Commission recommended that the Council needs to introduce a structured approach to self-evaluation to deliver continuous improvement. In particular, the performance management framework needs to be refined to identify and prioritise areas for improvement in line with the council's priorities.

In April 2022, the Operational Governance Board agreed a process and an indicative programme for a phased roll-out of Public Service Improvement Framework (PSIF) self-assessments. The Council is working with the Improvement Service, which has offered resources for initial self-assessment exercises across selected Council services.

For 2022/23, the following self-assessments were confirmed:

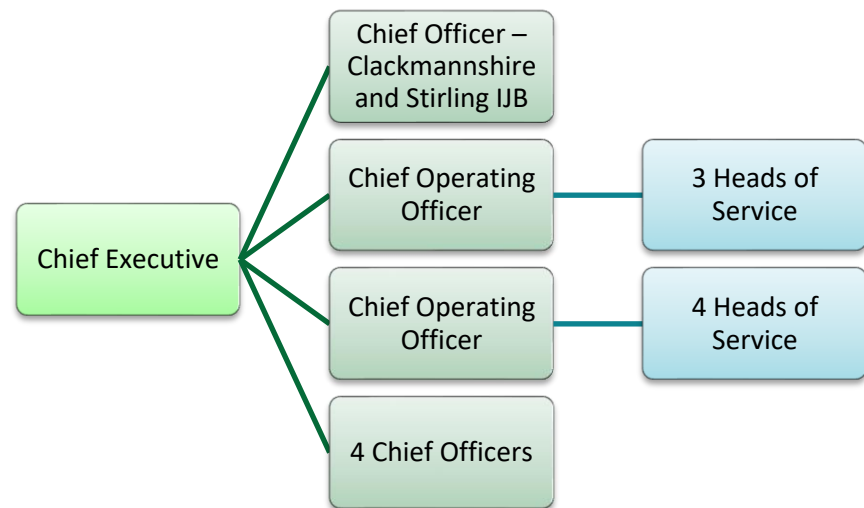
- Planning and building control;
- Human Resources and Payroll;
- Infrastructure Delivery; and
- Senior Phase and Youth Participation.

In May 2024 the Council's Operational Governance Board agreed to commence a 3-year schedule of service reviews meaning that all council services will be reviewed using the PSIF checklist every 3-years.

Leadership capacity

The Senior Management Team structure is illustrated below. There were a number of changes in the year, with new appointments as follows:

- Chief Executive (Appointed July 2024)
- Chief Officer Finance (interim)
- Chief Officer – Clackmannshire and Stirling IJB (interim)
- Chief Social Work officer (interim)
- Additional 3 changes in Heads of Service and one vacant post



The Council is at the early stages of its next phase of transformation, with high level themes agreed. In view of the significant financial challenges faced by the Council, there is a recognition that significant change is required. Strong leadership is essential to deliver these ambitious plans. The Council needs to assess whether there is sufficient capacity in the current SMT to deliver on these plan.

6.3 Leadership (continued)

Leadership capacity (continued)

A leadership programme is in place and now into its fifth year, with 120 participants having gone through the programme to date. 2023 is the first year as a joint programme bringing together leaders and managers in the Council with leaders in the communities. The programme takes 6-9 months to complete, with a flexible approach to enable it to work around commitments.

The 2019 BVAR recommended that Councillors should increase attendance at training courses and agree actions to improve attendance rates. Personal development plans for councils should also be considered.

Following the local government elections in May 2022, all elected members received a series of induction and training. This included a comprehensive “Essential Programme” covering the first two weeks following the election. An Induction Handbook was also updated and provided to all members to help them in their role.

Further training has been provided throughout the year on different topics including financial challenges/budget overview and net zero/carbon literacy.

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 22, with the maximum being 39 and minimum 3. The Council should closely monitor those elected members who have relatively low attendance to ensure that they are suitable trained to carry out their role.

A skills analysis and self-evaluation process has not been completed and personal development plans are not in place. This is an area that we would recommend the Council consider as 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 Audit Committee and 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 | 14 August 2024

Appendices



Appendix 1 – Improvement Action Plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Service plans Updated service plans are not in place reflecting the revised Council priorities.</p> <p>Risk – Without clear plans, the Council is unable to demonstrate how its priorities will be achieved.</p>	<p>Comprehensive service plans should be developed to align to the Council's revised priorities.</p>	<p>Service level plans will be implemented in 2024/25, linking strategic priorities and 3-year business plan actions to local delivery.</p> <p>Responsible officer: Head of Customer Service & Performance</p> <p>Target date: December 2024</p>
<p>2. Community engagement It is not clear to what extent the results of the community survey impacted the proposed budget approved in 2023.</p> <p>Risk – the Council is unable to demonstrate how its decisions have been influenced by the community.</p>	<p>Any reporting on proposals for service change or budget proposals that have been the subject of consultation should clearly set out the results of that consultation and what impact that has had on the proposals put forward.</p>	<p>An updated approach to community engagement was implemented to inform the 2024/24 budget. Action completed in February 2024.</p> <p>Responsible officer: Chief Officer - Finance</p>
<p>3. Published budget information The "budget overview" page on the Council's website is outdated, and still referring to the 2021/22 budget process agreed in March 2021.</p> <p>Risk – members of the public are unable to access the latest information.</p>	<p>The Council should ensure that the website is regularly updated to allow members of the public to have a clear picture of the latest position.</p>	<p>Up-to-date budget information has been readily available to the public via the councils website. Historic information will be reviewed and removed.</p> <p>Responsible officer: Chief Officer - Finance</p> <p>Target date: September 2024</p>

Appendix 1 – Improvement Action Plan (continued)

Issue/risk	Recommendation	Agreed management action/timing
<p>4. HRA Investment Programme In approving the 2023/24 investment budget, members were not provided with information on future year plans and how this compares to that initially approved in 2014 as part of the 30 year business plan.</p> <p>Risk – Plans and priorities may have changed since the business plan was approved.</p>	<p>Members should be provided with an update, including any re-profiling of projects, as part of approving the annual budget so they can see how this fits in with the overall strategy of the Council.</p>	<p>A new 30 Year HRA Business Plan will be submitted to Community Wellbeing and Housing Committee which provides detail on the long term investment plans for the Council's housing stock.</p> <p>Responsible officer: Head of Housing</p> <p>Target date: March 2025</p>
<p>5. Elected members Skills analysis and self-evaluation process has not been completed 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. Elected members should then consider Personal development plans tailored to individual member needs.</p>	<p>Officers will devise the process and issue to all Elected Members for their completion and return.</p> <p>Responsible officer: Chief Officer - Governance</p> <p>Target date: March 2025 for completion of the skills analysis and self-evaluation process</p>



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