

The Audit of Best Value  
and Community Planning

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# Falkirk Council



 ACCOUNTS COMMISSION

Prepared by Audit Scotland  
August 2015




# The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

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# Commission findings

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- 1** The Commission accepts this report by the Controller of Audit on Best Value audit work in Falkirk Council.
- 2** While Falkirk Council provides generally good services, it has identified the need to make savings of £46 million over the next three years. The Commission has significant concerns that the council's approach to this challenge is inadequate to ensure that service standards are maintained and improved.
- 3** The council needs to make a step-change in its pace of improvement. A continuing reliance on small-scale savings projects, service reductions and service charge increases is not sufficient. The council needs to be more ambitious, coherent and clearer in its savings plans. These plans need to reflect its priorities and what impact they will have on services. The Business Transformation Project needs to be more strategic and stronger leadership is needed for this to happen. Councillors need to provide strategic direction for the project, and senior managers need to ensure that options on the future delivery of services are clearly articulated to members. Members' decision-making also needs better support from the council's performance management system.
- 4** The Commission welcomes that, after an unacceptable and protracted period of ineffective scrutiny in the council, members are participating in new arrangements. The council needs to demonstrate that scrutiny is now effective.
- 5** The council has a great deal to do to provide assurance that it can deal with the financial challenges ahead. The Commission therefore requires the Controller of Audit to report back on progress by the end of 2016.

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# Introduction



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## Best Value

**1.** The Local Government in Scotland Act 2003 created a statutory duty of Best Value for all councils, and the Accounts Commission for Scotland is responsible for reporting to the public on the extent to which individual local authorities meet this duty. Staff from Audit Scotland carry out the audit work on Best Value and the Controller of Audit provides audit reports to the Commission.

**2.** We base the scope of each audit of Best Value on a shared risk assessment that we carry out annually, working with colleagues from the other scrutiny bodies that cover local government. For each council, representatives from the scrutiny bodies collaborate in a Local Area Network (LAN). The LAN produces an annual scrutiny plan that sets out expected activity by each scrutiny body over the forthcoming year. This means that audits of Best Value focus on the particular risks and key issues that individual councils face, and are coordinated with other inspections and scrutiny activity.

**3.** The Accounts Commission published an audit report about Best Value in Falkirk Council in May 2008, and the LAN has considered related issues since 2010. In its 2008 report, the Commission found that the council did well in relation to vision and strategic direction, community engagement, customer focus, partnership working, performance management and delivering a number of major initiatives and projects that contributed to economic development and regeneration. The Commission also highlighted a number of areas for improvement. These included ensuring that a number of these positive features are used to drive improvement across the council. The Commission also found that while the council's approach to financial management and planning was sound, it needed to do more to align its financial planning to the council's vision and to develop longer-term planning.<sup>1</sup>

## Scope of our audit

**4.** In the annual scrutiny plan issued in June 2014, the LAN noted that the performance of council services raised no significant concerns. However, at the corporate level the conclusion was that Best Value audit work was required in the areas of governance and accountability, and improving and transforming public services. The LAN's reasons for focusing on these areas were:

- Governance and accountability – The council introduced new decision-making structures in May 2013 but not all elected members were participating in them. This posed a significant risk to the effectiveness of the council's governance arrangements and of decisions being made without proper challenge and debate.

- Improving and transforming public services – The council had planned a number of general developments to its performance management arrangements. However, these were in the early stages of implementation and the challenge for the council was to ensure that the new arrangements were effective in practice. The LAN also identified that the council still needed to review some of its performance targets to ensure that they were specific, challenging and helped continuously improve how the council delivers services. We looked at this in the context of how the council's performance management arrangements support the planning and delivery of services with decreasing resources, and, in particular, how the council is addressing the need to make savings of £46 million over the next few years.

**5.** Falkirk Council has 32 councillors representing the people of Falkirk across nine wards. In recent years, the council's political arrangements have been a series of coalitions. In May 2013, the council revised its decision-making structures and implemented an Executive structure.

**6.** Falkirk is midway between Glasgow and Edinburgh.<sup>2</sup> With a population of 157,640, it is the eleventh largest council area in Scotland. Its population has been increasing for almost 20 years, and is expected to increase by over ten per cent to about 173,130 by 2037.<sup>3</sup> Major changes in the area in recent years include a new NHS hospital, all the area's secondary schools built from new or refurbished, and regeneration projects to improve some town centres. Other developments include the opening of the Falkirk Stadium, the Falkirk Wheel and, more recently, The Helix, which has transformed an area of underused land into 350 hectares of park and visitor attractions.<sup>4</sup> The council has an annual budget of around £330 million for its running costs and it employs almost 7,500 full-time equivalent staff.

**7.** The aim of our audit was to assess if the council's governance arrangements were working effectively, and enabling it to make strategic decisions and scrutinise how well it delivers services. It also considered how well the council's arrangements for performance management enabled it to plan, provide and improve services in the context of decreasing resources and growing demand.

**8.** The bulk of the audit work was carried out by a team from Audit Scotland between November and December 2014, with more recent updates to reflect decisions made up to May 2015. Our audit work included:

- interviews with senior officers and councillors
- focus groups with administration and opposition councillors, and with senior managers
- observing a range of council and committee meetings
- document reviews.

**9.** We gratefully acknowledge the cooperation and assistance provided to the audit team by Mary Pitcaithly, Chief Executive, and Fiona Campbell, Head of Policy, Technology and Improvement, and all elected members and officers contacted during the audit.

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# Summary



**10.** Falkirk Council generally delivers a good standard of services. For education services, the council had the third biggest increase in student performance in examinations, across all councils over the past ten years. In environmental services, it has increased recycling rates and successfully introduced three-weekly refuse collections while maintaining a high level of user satisfaction.

**11.** Councils across Scotland are facing increasing challenges from growing demand for services with less money being available to spend. Falkirk Council had an overall deficit of £3.9 million in its running costs for the 2014/15 financial year, and needs to make savings of £46 million over the next three years to meet reductions in public spending. It requires more effective political and managerial leadership to respond urgently to the significant gap between the council's identified savings and its current unsustainable level of spending.

**12.** The council needs to be more ambitious in its plans and increase the pace and scale of change, redesigning the way it works to provide the same or an improved level of service for less cost. Council plans for transformation and improvement cover a broad range of projects, but many of the initiatives are small scale. Senior managers need to provide more effective leadership and work with councillors to ensure they develop plans that will lead to the significant changes required.

**13.** Falkirk Council has a range of tools for managing how it performs, and it continues to develop its approach to performance management. In order to get most value from this activity, it needs to be more systematic in its approach, using its performance management arrangements to make improvements happen and to transform services more effectively.

**14.** The council's political management arrangements, implemented in May 2013, should have allowed the council to conduct its business effectively. Long-standing political differences and heightened political tensions led to difficult and unproductive working relationships, and some councillors did not participate in the new arrangements.

**15.** Some aspects of scrutiny, such as opposition councillors not participating in the scrutiny committee and the Performance Panel meeting in private, did not meet good practice principles. As a result, they were not as effective as they should have been, nor transparent in providing public scrutiny of important issues or of performance. For two years, councillors' non-participation hampered the council's ability to carry out effective scrutiny.

**16.** The council agreed revised arrangements in March 2015 and implemented these in May 2015, as our audit was drawing to a close. Early indications are that all councillors are participating in the new scrutiny committees and the Executive, but it is too early to say what impact the new arrangements will have in the longer term.

**17.** We have identified a number of areas for improvement as a result of our audit. These relate to the scale and pace of change at the council and its approach to scrutiny, performance management and performance reporting.



# Audit assessment



## The council faces significant challenges in making the £46 million savings it needs to achieve

**18.** All councils are facing increasingly difficult financial challenges. Councils that are better prepared have more robust plans for targeting resources at their priorities, for providing services in new and better ways, and for making savings over the longer term. Well-performing councils have buy-in from elected members for the difficult decisions that need to be made and clear strategies for change.

**19.** Falkirk Council recognises that it is facing a major challenge in making the savings that it needs to achieve. The council has identified that it needs to make savings of £46 million over the three-year period 2015/16 to 2017/18.

**20.** In February 2015, the council agreed its £335 million budget for 2015/16 and approved a draft budget of £332 million for 2016/17.<sup>5</sup> This is the first time that the council has budgeted its spending over more than one year. The budget includes £12.4 million savings for 2015/16 and a further £18.4 million for 2016/17. This means that the council still needs to identify and deliver another £15.2 million of savings by the end of 2017/18. It requires the council to make difficult decisions to prioritise spending, not least in employee costs, which account for 60 per cent of its expenditure.

**21.** When the council was agreeing its budget options, proposals included reducing the workforce by 429 full-time equivalents, 5.8 per cent of its total workforce.<sup>6</sup> However, these savings proposals were not fully informed by the council's business transformation programme or other improvement activity, such as service reviews and self-assessments, to consider the costs and benefits of the proposals and alternative options. We have previously highlighted that councils need to ensure that staff reductions are considered within the context of comprehensive workforce strategies and plans that minimise any adverse impact on services.<sup>7</sup> Falkirk Council has not yet fully developed these. Its current workforce strategy covers 2011 to 2014 and it has chosen to delay developing a new strategy until 2015, to make sure that it is in line with its budget strategy.

**22.** The council's budget preparations for 2014/15 had anticipated a deficit of £1.5 million on its revenue expenditure.<sup>8</sup> It agreed to fund this and balance its planned budget by a transfer from its general fund reserves. However, in its unaudited accounts for 2014/15 the actual spending deficit was £3.9 million, requiring an additional £2.4 million to be transferred from the reserves. This was mainly due to a £3.3 million overspend against the social work budget.

**23.** Council managers have acknowledged that using the general fund on this scale to support the revenue budget is neither sustainable nor appropriate.<sup>9</sup> This action was primarily responsible for bringing the council's uncommitted reserves down to £8.4 million, which, at 2.5 per cent, is still within its reserves target of £6.6 million to £10 million. However, the Reserves Strategy states that the council should not use the general fund to fund recurring annual expenditure. The £3.9 million additional revenue expenditure in 2014/15 is now part of the planned savings of £12.4 million that the council needs to make for 2015/16.

**24.** The council says that it managed to deliver savings of £70.6 million over the last eight years, with average savings since 2009/10 of almost £10 million a year.<sup>10</sup> However, it has not always delivered its planned budgets over this period, and in the last two years it increasingly had to use the general fund reserves to balance its actual spending against budgets. The scale of reductions in spending over the next three years, along with overspends in two of the council's biggest services, community care and children's and families service, will create a considerably more challenging environment.

### **The council's plans to provide services differently are not on a big enough scale to meet the major challenges it faces**

**25.** Information from the Local Government Benchmarking Framework indicates that Falkirk Council generally delivers a good standard of services.<sup>11</sup> In particular, education services have improved in a number of areas, including school attainment and the percentage of school leavers going on to work or further education. The council has one of the highest rates of user satisfaction with refuse collection services across all councils, at 92 per cent. It has increased recycling rates and was one of the first councils in Scotland to successfully introduce three-week refuse collection services in 2014.

**26.** To meet the financial challenges it faces over the coming years, the council needs to significantly reduce its spending. It could do this by a combination of:

- making efficiency savings in existing service arrangements to deliver the same level of service for less cost
- doing things differently by redesigning how it provides services and providing the same or an improved levels of service for less cost
- making savings by reducing the level of, or not delivering, some of the services it provides.

**27.** In recent years the council has achieved savings largely by reducing property costs, reducing staff, and creating efficiencies and improvements in services. There are some examples of new ways of working within services, but the council is unlikely to achieve the level of reduced spending required for the future, and continue to deliver the same standard of services, without a greater focus on transforming and redesigning the way that it provides its services.

**28.** The council does not have well-developed plans for how it will transform services both to make the savings it requires, and to minimise the impact of reduced spending on outcomes for local communities. Councillors have had limited involvement or information to date on projects to transform and redesign services.

**29.** The pace of change in the council has been slow. Its plans for providing services differently need to make a greater impact on the way it will conduct its business in future. The planned changes need to contribute more to identifying the savings it has to achieve, or to reducing the effect of cutbacks on people who use services. The council also needs to ensure that it can provide services in line with the strategic priorities and outcomes agreed in its corporate and community plans. Its priorities include: alleviating the causes and effects of poverty and addressing inequalities; stimulating business, growth, jobs and investment; and continuing to raise the ambition and aspiration of local children, citizens, businesses and services.<sup>12</sup> The council has used these as guiding principles in setting its budget savings options, for example it carried out equality and poverty impact assessments of its budget savings proposals. However, it needs to demonstrate more clearly how current transformation plans link with strategic priorities.

**30.** The council set up a Business Transformation Project in September 2013 with the intention to 'be a different organisation in the future and provide a framework for how council services can be delivered more effectively and efficiently'.<sup>13</sup> Much of the council's current activity in this transformation project is small in scale. Eighteen months on, the council had still to identify clearly the anticipated savings for many of the individual transformation projects. Where potential savings are indicated, these are at a low level compared with the overall savings the council needs to make over a short period.

**31.** Most of the savings identified so far have been through the options presented as part of the council's routine budget planning and not the Business Transformation Project. While some of these options involve an element of service redesign, most savings for 2015/16 to 2017/18 are expected to come from reducing services or increasing and altering charging arrangements ([Exhibit 1](#)) and ([Appendix, page 31](#)).

## Exhibit 1

### Analysis of options for savings considered by Falkirk Council, November 2014<sup>14</sup>

Most savings are expected to come from reducing services and increasing charges.

	Education (£m)		Social Work Services (£m)		Corporate & Neighbourhood Services (£m)		Development Services (£m)		Total: (£m)
<b>Reducing services or access to services</b>	4.05	+	1.67	+	1.39	+	1.29	=	8.4
<b>Introducing or increasing charges</b>	0.41	+	0.22	+	0.66	+	0.14	=	1.43
<b>Other changes to services</b>	2.47	+	1.01	+	0.88	+	2.8	=	7.16

Source: Audit Scotland analysis of Falkirk Council's Revenue Budget Framework 2015/16–2017/18, presented to the council in November 2014

**32.** The budget paper to the council meeting in February 2015 identifies savings of only £2 million from the Business Transformation Project for 2016/17, out of £18.4 million total savings.<sup>15</sup> It identifies no savings from business transformation in 2015/16. Senior management maintains that the Business Transformation Project does not represent all of the savings that have an element of transformation or redesign, but current documentation is not clear about this and it is difficult to see why a Business Transformation Project would not cover all activity of this nature. Key corporate business transformation projects that the Corporate Management Team (CMT) prioritised in February and March 2014 are outlined in [Exhibit 2 \(page 13\)](#).

**33.** A progress report to the council's Business Transformation Project Board in March 2015 includes updates on the business transformation projects.<sup>16</sup> A large number of these are service projects that are included in the budget savings options presented to the council in February 2015. These projects are highlighted in [Appendix \(page 31\)](#). The progress report identified anticipated savings of £11 million from projects, up to March 2018. However, as indicated earlier, most of the service projects describe making savings by reducing services or increasing fees rather than transforming or redesigning services. These include, for example, proposals to increase fees for bereavement services, closing public toilets and changing the statutory minimum distance for pupils to receive educational transport. It is not clear from the progress report what impact the projects included will have on the council's strategic priorities and outcomes.

**34.** In addition to its Business Transformation Project, the council has a Spend-to-Save scheme that encourages services to identify initiatives that will save the council money over time. Examples of potential schemes are 'refreshing the profession' in education; energy saving and carbon reduction; and buying out commercial leases. In December 2012, the council agreed to transfer £2 million from general reserves to a Spend-to-Save initiatives fund, and it agreed a further £1.5 million in June 2013. However, in January 2015 the council took £1.3 million back out of this fund to support its current financial position, including overspends in social work services. It also proposed to return to the general fund £1 million that had been allocated for a new health and fitness suite in Stenhousemuir and to finance the project through borrowing.

### **Political leadership is required to transform council services so that they are more effective and efficient and meet the needs of local communities**

**35.** Councillors in Falkirk will have to make difficult decisions about where to focus the council's resources and how to achieve required savings. In the current financial climate, it is even more important that councillors are confident that the council is providing the right services in the right way. They can do this by critically assessing the current arrangements and by looking at how other councils and organisations provide services. They should then consider a wide range of options for delivering services and assess the relative merits of these. Falkirk Council's current savings options set out the savings the council will make and the impact on services for the people who use them. But councillors are not provided with information on the costs and benefits of alternative options such as redesigning services.

**36.** The council's Business Transformation Project is officer-led. Councillor involvement has been limited to decisions on some individual initiatives contained in the overall project. Until recently, the Business Transformation Project Board was made up of the chief executive, who chairs the board, and two corporate

## Exhibit 2

### Key corporate business transformation projects as prioritised by Falkirk Council Corporate Management Team, February 2015

Limited savings have been identified from the key corporate business transformation projects.

Corporate business transformation projects	Potential improvements and savings (time releasing/cash savings)
<b>Corporate projects include:</b>	
Payroll/HR integration	Expected to generate savings of £22,000 for 2015/16 and £47,000 for 2016/17.
Information management (including Electronic Data Management System)	An improvement plan was agreed by CMT in October 2014 with improvement action now underway.
Improved ordering and invoice payment processes	E-series ordering to reduce manual processing, allowing staff to focus on more value-adding tasks. Electronic transmission of documents will free up time and improved management information will allow better council spending analysis.
	Invoice processing: savings in staff time by moving responsibility for invoice processing to finance.
Mobile working	Improvements and additional flexibility to service delivery and interactions with stakeholders.
Review of support services	Proposed to bring the management of all support services across the council within a single structure. Expected to deliver around £500,000 in savings.
Facilities repairs and maintenance	An independent external review of the facilities management service, completed by the end of April.
Fleet services	A review of fleet arrangements, resulting in savings of £500,000 per year in the capital programme for vehicle replacement and £800,000 in revenue budget savings through better procurement, utilisation of vehicles and avoidable damage. Change in operating hours of the fleet workshop increasing the capacity to deal with vehicles outwith core times.
Project management	New corporate project management documentation has been rolled out to staff to improve the council's approach to managing and monitoring projects.
Building maintenance	A review of building maintenance function undertaken by the Association of Public Sector Excellence. Two working groups to work through key recommendations to deliver financial and time-releasing savings.
Process mapping	Undertaken in both the licensing and roads sections, leading to process improvement. Delivered in conjunction with the Improvement Service.

Source: Chief Executive report to the Executive, Falkirk Council, February 2015

directors. It has now been extended to include all members of the CMT, but it has no councillor membership. The CMT, as the Project Board, recently started to report to the council's Executive on a periodic basis.

**37.** The arrangements around this important project have not had enough councillor involvement. In fact, councillors only became aware of the overall Business Transformation Project when a progress report was tabled, for noting, at the Executive meeting in February 2015. While councillors saw details of some projects as part of budget papers in November 2014, the February progress report was the first time the Executive received any reports about the overall Business Transformation Project. Other elected members we spoke to during the audit were not aware of the project or its aims. While the majority of councillors strongly support and agree with the overall council priorities that are in place, it is less clear if they support how the council plans to deliver them. Councillors have not been closely enough involved in:

- setting strategic direction and establishing the parameters as to what options for transforming services would or would not be acceptable, in line with strategic objectives and priorities
- providing scrutiny and challenge to the work of the officers.

**38.** More could be done to communicate and engage with staff and other stakeholders in the transformation and improvement agenda. Progress reports include large numbers of service projects that are more about reducing services or increasing charges. This means they are unlikely to focus the attention of elected members on the council doing things differently by service redesign and transformation, and on meeting the needs of local communities.

**39.** Our audit work in councils that have taken action to improve how they carry out their business has demonstrated that cross-party forums or joint working groups can be an effective way of bringing councillors from different political perspectives together to address major challenges. Falkirk Council should consider if a cross-party working group would be appropriate to help it meet some of the financial challenges it faces and make the service delivery decisions needed. It would also give councillors more of an insight into, and role in, the council's transformation programme ([Exhibit 3, page 15](#))

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## Exhibit 3

### Working groups – getting it right

Working groups work well when:

- there is a clear purpose for the group
- there is a clear and shared remit
- there is representation by all political parties
- participants discuss policy options and delivery in an open and transparent way
- discussions are formally noted and notes are made available to all interested parties.

Working groups can help to:

- discuss and test policy options with councillors before developing formal proposals
- make officers more aware of the motivation and expectations of councillors
- provide councillors with an insight into the challenges of service delivery.

Source: *How councils work: Roles and working relationship: are you getting it right?*  
Accounts Commission, August 2010

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### The head of internal audit cannot be project manager for business transformation and still provide objective and independent challenge to the process

**40.** The Business Transformation Project is project managed by the council's Internal Audit Manager. While the CMT's intention in this was to provide rigour and challenge to teams involved in individual projects, these arrangements create a clear risk that the substantive role of the Internal Audit Manager is compromised. The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. These are clearly beneficial to support such a strategically important programme, but will not be effective if provided by the same person responsible for delivery of that programme. The council should review these arrangements, ensure that appropriate independent checks and balances are in place for the programme, and allow the project manager to focus on delivery.

## The council could use self-assessment and service reviews more effectively to achieve improvements and transform services

**41.** The council's range of performance management tools includes:

- a strategic planning framework linking high-level strategic priorities and department service plans
- a programme of Service Reviews
- a self-assessment tool, REFLECT, based on the Public Sector Improvement Framework (PSIF)
- a system of peer reviews, where service directors are held to account for the performance of their service by the chief executive and other directors.

**42.** The council has developed clear links between its own strategic priorities, as outlined in its Corporate Plan 2012–17, and the priorities set out in the Falkirk Community Planning Partnership Single Outcome Agreement (SOA). The corporate and SOA priorities then follow through into the service performance plans for 2014–17.

**43.** Our 2008 Best Value report recognised that the council had a well-embedded performance management framework throughout the organisation.<sup>17</sup> The council has continued to develop its approaches to performance management across the organisation, using a range of different methods. However, the council needs to do more to make sure employees are using its performance management arrangements, such as self-assessment and service reviews, in a more systematic way. These reviews should drive improvement and support the transformation of service delivery, particularly given the tighter financial situation, helping the council to get most value from its improvement activities as a result.

**44.** In demonstrating Best Value, a council's key processes should be linked to, or integrated with, the planning cycle. These processes include strategic analyses, stakeholder consultations, fundamental reviews, performance management, staff appraisal and development schemes, and public performance reporting.<sup>18</sup> To be effective, a council's performance management arrangements should drive change in how services are delivered and how it targets the resources available to it. They should clearly feed through into its budget planning process and inform its proposed savings options. There is limited evidence that the savings options proposed to the council were properly informed by self-assessments and service reviews.

**45.** The council has a programme of self-assessments, but does not use these routinely as part of its service planning to identify areas for improvement. Instead, self-assessments have followed after the council has identified a problem. For example the council implemented a REFLECT self-assessment and service review in waste management. It did this as a reaction to an issue arising over existing staff terms and conditions rather than proactively to drive continuous improvement. The outcome was, however, successful in improving a poor performing service.



**46.** A council's programme of service reviews should focus on strategic priorities and objectives, and be based on areas for improvement identified through self-assessment and performance monitoring. Service reviews are fundamental in informing and supporting a council's business transformation projects and overall improvement agenda. They can identify how it can deliver significant improvements in services through fundamental change and contribute to its required budget savings. In Falkirk, the Business Transformation Programme and overall improvement agenda does not routinely use these reviews to identify clear priorities that will result in the most improvement.

**47.** In order to get most value from its self-assessments and service reviews, the council should carry them out on a regular basis and use this information to identify areas for improvement in its service plans. The lack of a systematic approach makes it harder for the council to demonstrate the areas that most need attention in order to improve performance and that will maximise delivery on its priorities and outcomes. With increasing demand on scarce resources and reduced budgets, it is even more important for the council to be able to prioritise its activities effectively. The council has recognised this and is reviewing its guidance on service reviews.

**48.** There are some good examples of the council achieving improved performance in specific areas:

- The council's review of fleet services shows the benefit it could achieve by using its self-assessment and service review approach in a more systematic manner. While the decision to carry out a review was based on the council's need to make savings, the review consisted of an initial self-assessment of the service followed by a series of service review workshops. This approach helped fleet services identify several improvements in the service it provides that could lead to future savings, as well as deliver improvements for users. Fleet services now has an improvement plan that covers a number of actions and it has identified potential capital and revenue savings of £1.3 million for 2015/16.
- Education services have performed well in recent years and Education Scotland inspections over the last year have been positive. The number of pupils achieving five qualifications at level 5 increased by 11 percentage points in the last ten years, the third highest increase out of all 32 councils between 2004 and 2013.<sup>19</sup> Performance management arrangements have contributed to this success, as has the strong improvement culture embedded within the department. The department has four overarching priorities, which support the council's corporate priorities and the single outcome agreement. These feed through into individual staffs' objectives.

**49.** The chief executive is looking to extend the approach that education services has taken to performance management across other services.

### **The council has developed guidance to improve its performance reporting**

**50.** A corporate Best Value Working Group (BVWG) oversees developments in performance management and reporting arrangements. It recently reviewed the performance measures that are in place across the council and developed new guidance designed to improve target setting for performance improvement.<sup>20</sup> Services report performance regularly, but various factors suggest these reports have less value than they could in achieving improvement and ensuring

that councillors and the public have a good understanding of the council's performance. For example, we found:

- In some instances there was no baseline figure provided in order to assess whether the services had improved or otherwise, the use of trend arrows was inconsistent and often confusing and there was a lack of contextual information to help interpret the data.
- Some performance indicators were not SMART, did not have a clear target, and used the wording 'reduce', 'maintain' or 'increase' without stating how much reduction or increase was required.<sup>21</sup>
- Errors in some of the traffic light reporting, with indicators showing 'green' when performance was actually poor or did not meet its target.

**51.** The council's new guidance covers these issues. However, it is too early to assess its impact on the council's performance reporting and performance management.

**52.** The council could do more to ensure that it uses performance reports to drive improvement in performance by ensuring that it takes action where these reports identify a need for improvement. This does not always happen, and there is no clear process to follow up on any actions required.

**53.** The council uses feedback from the public to help it decide how and what it reports on its service performance. However its public performance reporting could still improve, particularly the information it makes available to the public on its website. There is a dedicated performance section on the council website, which includes service reports. But, most of these do not detail performance indicators with trend data and clear traffic light status. The overall annual statutory performance report includes trend data against a range of indicators but does not include traffic light status or comparison with other councils.<sup>22</sup> Nor do these reports provide contextual information to help readers understand the council's performance.

## **Aspects of the council's scrutiny arrangements have not been working effectively, limiting its ability to meet the challenges it faces**

### **The council introduced new decision-making structures in May 2013**

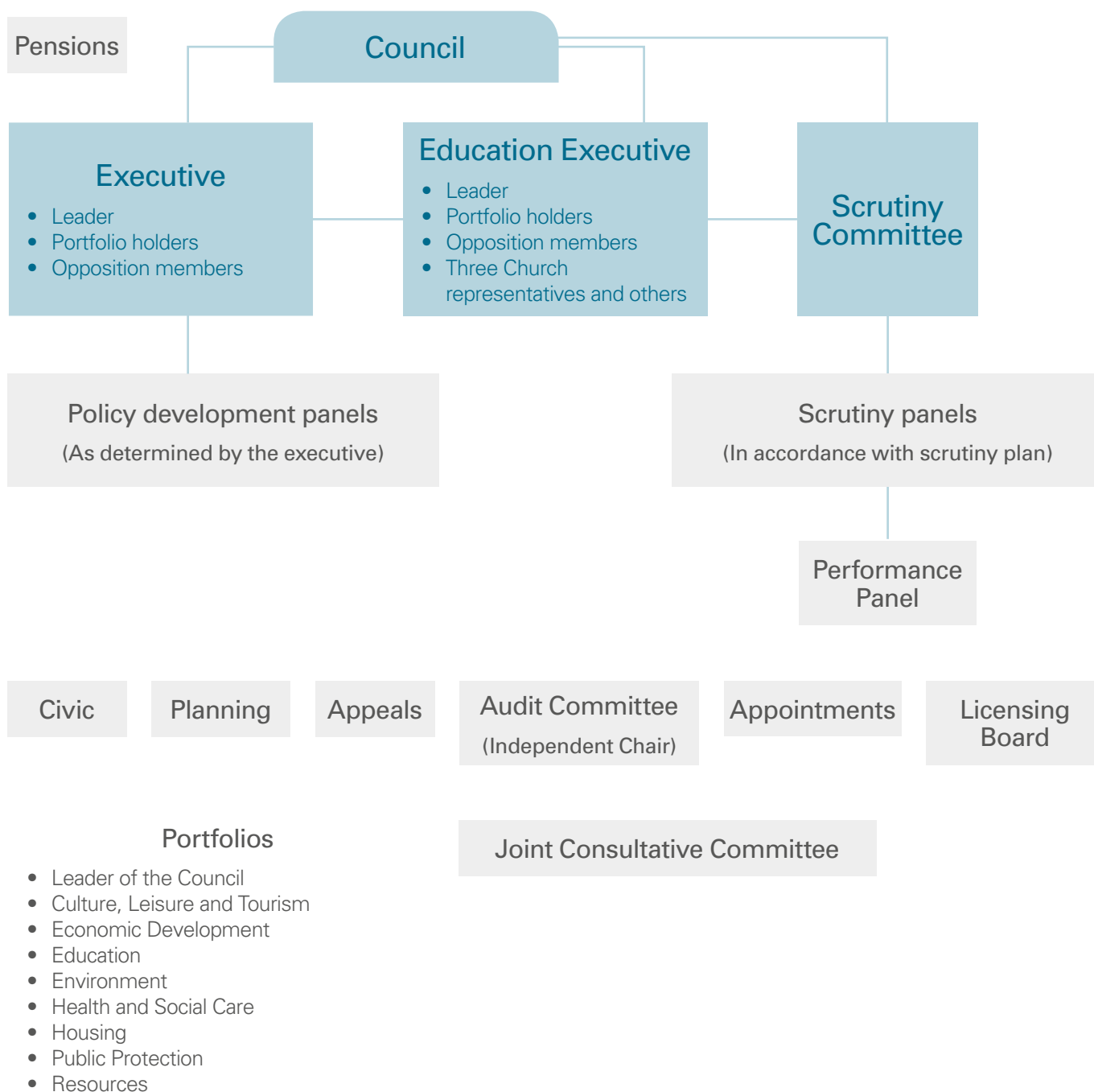
**54.** We identified the need for a review of political and managerial structures and the council's approach to scrutiny as areas for improvement in our 2008 Best Value report.<sup>23</sup> The council subsequently set up an Audit Committee to enhance scrutiny, in line with good practice guidance.

**55.** Falkirk Council has 32 councillors representing the people of Falkirk across nine wards. In recent years, the council's political arrangements have been a series of coalitions. At the first Falkirk Council meeting following the 2012 election, members asked the chief executive to review decision-making arrangements to establish a quicker, more efficient structure. The council set up a working group of the leaders of the administration and opposition groups and senior officers. This made recommendations that were included in a report to council in December 2012 and implemented in a decision at council in March 2013. At that time, the council agreed an executive structure, which it implemented in May 2013 ([Exhibit 4, page 19](#)).

## Exhibit 4

### Decision-making structures at Falkirk Council

Falkirk Council implemented an executive structure in May 2013.



Note: This structure was updated in May 2015 to create two scrutiny committees (see paragraph 68 on page 23).

Source: Falkirk Council

**56.** The new model was agreed in March 2013, by 17 votes to 13. It included the following:

- An Executive, as the main decision-making body at the centre of the council, with a policy-making role. It would consist of 12 members: nine from the administration and three from the opposition. The administration members would comprise the Leader and eight portfolio holders, covering resources, education, health and social care, housing, economic development, environment, public protection, and culture, leisure and tourism.
- Policy Development Panels chaired by the relevant portfolio holder, to support the Executive. They would be responsible for reviewing and developing policies for the Executive to approve. The Executive would agree membership of these panels, with only one member needing to be from the opposition.
- An Education Executive to discharge the council's function as an education authority. It would include the main Executive's 12 members plus three religious representatives, two parents nominated by the Parents Forum, two teachers and two pupils.
- A Scrutiny Committee to scrutinise the Executive's decisions by establishing an annual scrutiny plan and scrutiny panels.
- Scrutiny panels consisting of up to five councillors, who are not members of the Executive, drawn from the administration and opposition.
- A Performance Panel, set up as a standing scrutiny panel, to scrutinise service performance. It would have five members, but all councillors could attend.
- The existing Audit Committee, which has an independently appointed convener, Planning, Civic Licensing, Appeals and Appointments Committees would continue to exist with unchanged remits.

### **Aspects of the new arrangements introduced in May 2013 did not work effectively**

**57.** The Accounts Commission highlights that the '...foundation stones of good governance and accountability remain constant. Good governance concerns taking informed and transparent decisions which are subject to effective scrutiny'.<sup>24</sup> The Commission has also reported on the impact of heightened political tensions among councillors and a lack of trust and mutual respect between councillors, and between councillors and officers. This can limit their ability to work together and can restrict the council's ability to meet the challenges it faces.

**58.** Following the council's decision in March 2013, there was evidence of difficult political and personal relationships when further reports on developing the new structures were considered at council meetings. While the council had agreed to move to the new model, there was disagreement about some of the detail on how the arrangements would work in practice. These did not meet opposition members' expectations of an enhanced role in holding the administration to account.

**59.** For the next two years the new arrangements were hampered by political disagreements about membership of committees, chairing of the Scrutiny Committee and a perceived lack of political balance. Opposition councillors did not take up their places on the Executive and did not participate in the Scrutiny Committee.

**60.** Instead they established alternative ways of working with senior officers to contribute to council business. They did this through pre-agenda meetings with senior management. These were not attended by the administration and were not open to the public. Opposition councillors considered they were carrying out their scrutiny role through this arrangement as it allowed them to hold officers and services to account. Officers were clear that this was not part of the governance arrangements. There was no debate with the Executive and no opportunity to hold the Executive to account for its decisions. Therefore much of the scrutiny of council business lacked public challenge and debate. Pre-agenda meetings are useful in supporting formal council procedures, but they are not an alternative to proper decision-making arrangements or scrutiny of an Executive.

### **Non-participation of some councillors in scrutiny arrangements meant they did not provide the challenge to Executive policy and decision-making**

**61.** A particular point of contention was the Scrutiny Committee. The role of the committee, as voted through in March 2013, was to scrutinise decisions by:

- establishing, implementing and overseeing the annual scrutiny plan
- identifying areas that would benefit each year from in-depth scrutiny
- recommending the plan to council
- establishing scrutiny panels to consider the in-depth subject areas
- performing the scrutiny role for Following the Public Pound reports, the work of the Community Trust and the Policing and Fire and Safety Plan.

**62.** This was an extensive, wide-ranging remit and could have given opposition members an enhanced role in the scrutiny process and the council a counter-balance to the Executive. However, the Scrutiny Committee's potential to contribute to effective council business was unfulfilled. Decisions taken on its membership and remit contributed further to poor political and personal relationships between councillors. The council's decision was that the Scrutiny Committee would comprise six members of the administration and four from the opposition. The decision to have an administration majority on the committee delivered politically balanced arrangements in terms of reflecting the political composition of the council. However, opposition members felt that, as they were in the minority, it did not deliver the counter-balance role to the Executive or provide the enhanced scrutiny role for the opposition that they expected. The membership and chair of the committee were key points of disagreement. Opposition councillors attended a scrutiny workshop in May 2013, but did not attend any meetings of the Scrutiny Committee. Despite both the administration and opposition proposing changes to membership, they were unable to reach a consensus over the subsequent two years, until March 2015.

**63.** The standing orders stated that the members of the Scrutiny Committee would decide who would be the committee convener, but did not specify if the

intention was for an opposition councillor to be convenor. This should have been clearly set out in the standing orders to avoid any doubt, particularly given the difficult relationships within the council. Revisions to the standing orders following the changes to the scrutiny arrangements in March 2015 have resolved this. They state that the convenor should be a member of the largest opposition group and appointed by the committee.

### **Scrutiny of service performance in Falkirk Council has not been conducted in public and this does not meet good practice principles**

**64.** Aspects of Falkirk Council's scrutiny arrangements do not meet good practice principles, and are not transparent in providing public scrutiny of how services perform. The Performance Panel first met in November 2013 and has met a further ten times since then. This is the main place where elected members scrutinise service performance under the council's management arrangements. While the opposition did not take up their nominated positions formally on this panel following implementation, they did attend and contribute to the discussions taking place.

**65.** The panel is open to all councillors to attend but its meetings are in private. The papers and full performance reports that the panel receive are not available publicly; however, the minutes of its meetings are reported to the Scrutiny Committee. This does not meet Best Value principles *'that unless it is inappropriate, key discussions and decision-making are held in public meetings and reasonable measures are taken to make their agenda, reports and minutes accessible to the public.'*<sup>25</sup> During the audit, we observed meetings of the Performance Panel. Working relationships between councillors were cordial and constructive. We could see no reason why the business discussed could not have been dealt with in public.

### **Councillors and senior officers took two years to resolve non-participation in the governance arrangements**

**66.** The political and managerial leadership of the council did not resolve the non-participation of opposition members in key areas of the council's governance arrangements for almost two years. The council's Annual Governance Statement in June 2014 highlighted this as an area in need of improvement and stated that officers and members would review and reflect on the council's revised decision-making structures.<sup>26</sup>

**67.** Senior officers were aware of the difficulties and spent significant time in discussions with councillors. But they were not proactive enough in finding ways to resolve them, such as involving external bodies or a third party to facilitate or mediate in discussions. In practice, senior officers may have inadvertently contributed to the impasse as they continued to conduct business with opposition councillors outwith the main committee structures through pre-agenda meetings. These often lasted three hours, taking up the time of senior managers and other council officers attending, in addition to the formal Executive meetings. A benefit was that senior council officers felt the arrangement allowed them to maintain dialogue and build relationships with opposition councillors. An unintended consequence of continuing this arrangement may have been to delay resolving the disagreements that arose in May 2013. These severely limited all councillors playing their proper role in the council's business. Many councillors were not aware, or did not accept, that they had a role in resolving the difficulties. Some said it was for others to resolve.

### **The council implemented new scrutiny arrangements in May 2015 and all councillors are now participating**

**68.** In March 2015, towards the end of our audit work, the council agreed new scrutiny arrangements to establish two scrutiny committees. One will look at internal service issues and one at external issues such as police, fire and the community trust. Each scrutiny committee will comprise eight members: four from the administration and four from the opposition. A councillor from the largest opposition party will chair each committee. Opposition councillors are now participating in these governance arrangements, having attended Executive meetings and submitted names for membership of the two scrutiny committees. The new arrangements took effect following the council meeting in May 2015, when councillors agreed the review of the council's scheme of delegation. Early indications are that councillors from all groups are now participating in the new scrutiny committees and the Executive. It is too early to say how effective these new arrangements are.

**69.** Full participation and commitment to working together from all groups of councillors in its committees and panels offers the potential to give greater representation to all shades of opinion and for better engagement with the public and stakeholders. For example, the Policy Development Panel has previously had presentations and discussions with staff and external stakeholders on such issues as bereavement services, tourism and the work of the Citizens Advice Bureau.

**70.** Other developments have seen the council increase its openness and transparency in how it consults on its budget proposals. It reported a budget options paper to the full council meeting in November 2014, earlier than in previous years. This was followed by consultation with the public through its website and focus groups using the council's citizens' panel.

**71.** The council faces difficult decisions to plan and deliver future services that meet the needs of local communities in a tightening financial position and with expected increases in demand. It needs to take these decisions urgently given the scale of the savings it needs to make. All councillors need to participate in these decisions, in the scrutiny process that will strengthen them, and in ensuring the decisions are implemented.

### **Councillors and senior officers need to make recently agreed scrutiny structures work**

**72.** The council now needs to show effective political and officer leadership as well as commitment to the new structures agreed in March 2015. With the new arrangements implemented in May 2015, the council has an opportunity to ensure that councillors have the skills and training to support them in their roles within the new structures. This includes training to help them understand their roles and the opportunities for them to contribute to developing, scrutinising, and reviewing policy decisions.

**73.** The council's Governance Division is responsible for providing training and support for councillors as well as a range of other council business. Much of its time, since March 2013, has been taken up with implementing the changes to the decision-making structures and in reviewing the arrangements. There is now an opportunity for all councillors to play a full role in making the new arrangements work, and to be fully supported in this by officers.

### Difficult relationships between councillors and between some councillors and officers in Falkirk Council have affected their ability to work together effectively

**74.** Politics is an integral part of local government and debates, disagreements and tensions are not unusual. However, councillors must be able to work constructively to support the council's work and look after the interests of the whole community ([Exhibit 5](#)).

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## Exhibit 5

### What the Accounts Commission says about working relationships

Clear roles and responsibilities and good working relationships underpin councils' abilities to achieve Best Value.

In successful councils, councillors and senior managers share a strong public sector ethos and work well together to put their plans for the council's areas of responsibility into action. Common features include:

- clearly understood political and managerial structures
- professional and constructive relationships between councillors and between councillors and officers
- a shared commitment to council priorities
- constructive debate at council and committee meetings.

In contrast, in many of those councils making least progress in Best Value, a lack of clarity about roles and responsibilities and poor working relationships were contributory factors. In the most serious cases, problems included heightened political tensions among councillors and a lack of trust and mutual respect among councillors and between councillors and officers, which affected their ability to work together.

*Source: How councils work: Roles and working relationships: are you getting it right? Accounts Commission, 2010*

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**75.** In Falkirk Council, long-standing political differences and heightened political tensions have led to difficult working relationships between councillors. The tensions between councillors increased after the council introduced the new decision-making structures in 2013. We witnessed examples of a lack of professional and courteous behaviour between some councillors when attending council and committee meetings during our audit.

**76.** These difficult working relationships affected business at full council meetings, with a great deal of time spent on motions and amendments. These, in turn, led to breaks and adjournments in business. Councillors were also using Freedom of Information requests to access information about council business. These requests were for information they considered had been withheld, with one request relating to changes to the decision-making structures. While not great in number, time and cost is spent dealing with these, rather than managing



business more cordially and efficiently. These examples also suggest distrust and tensions between some councillors and some senior officers. The council does not have a local protocol that sets out clearly how it expects councillors to work or behave with each other and with officers. Other councils have found these useful in managing business better ([Exhibit 6](#)).

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## Exhibit 6

### Roles and working relationships

Local arrangements set out clear expectations about working practices.

All councils have adopted the Councillors' Code of Conduct and its standard councillor/officer protocol, but almost half have developed this further and established a local protocol. These typically cover a range of issues additional to those in the standard protocol, including how councillors and officers should raise complaints about each other and rules for councillors' involvement in different types of meetings.

Source: *How councils work: Roles and working relationships: are you getting it right?* Accounts Commission, 2010

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### Councillors can work together in some circumstances

**77.** Examples of effective councillor working relationships show that Falkirk councillors can work together. Administration and opposition councillors work together in various settings. In these, councillors from all political and non-aligned groups actively conduct council business, work constructively, acknowledge and compliment one another, and on occasion, vote across party lines. These arrangements include:

- the Civic Licensing, Planning, Appeals, Audit, and Appointments Committees and the Licensing Board
- the Performance Panel
- multi-member ward arrangements
- member and officer working groups
- Falkirk Community Planning Partnership.

**78.** Other than the Performance Panel, these settings are well established and long-standing elements of the council's business arrangements, which may explain why they operate more effectively. The Performance Panel meetings are open to all councillors. While opposition members did not formally take up their places until May 2015, they did attend and played an active part in its business. Although it does not meet in public, most councillors we spoke to considered the work of the panel to be collaborative and effective in scrutinising service performance.

**79.** There is evidence that Falkirk councillors work together more constructively in meetings held in private. Good practice would be for meetings, such as the Performance Panel, to take place in public with the same constructive,

professional relationships. The council should ensure that all aspects of its new scrutiny arrangements are open and transparent, and help achieve public accountability.

**80.** There is scope for the council to build on the effective working of the Performance Panel and make its work more open and available to public scrutiny. It is not clear if there will be any further changes to how the Performance Panel will operate.

**81.** In most, but not all, of the multi-member wards, councillors from across the political groups work together for the benefit of their local communities. Where these arrangements are not working well, this appears to be a result of difficult personal working relationships between individual councillors. Councillors from all parties have also worked together on member and officer working groups, for example on plans for new council headquarters.

**82.** Councillors work together to represent the council on the Falkirk Community Planning Partnership. The leader of the council's opposition group joined its Leadership Board in 2013/14 to help ensure continuity if the administration of the council changes after the next council elections. Along with partners, they have shown that they can respond and deal quickly with emerging issues ([Exhibit 7](#)).

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## Exhibit 7

### Community Planning Partnership's response to local problems

Councillors can work together for the benefit of Falkirk.

Effective partnership working has helped Falkirk respond quickly to local problems. The strong working relationships flowing from the collaborative approach in Falkirk allow partners to respond quickly and innovatively to local problems, for example when the Ineos petrochemical plant at Grangemouth was threatened with closure in 2013. Representatives from Falkirk Council (including elected members), Scottish Enterprise and the business sector (including companies based at the Grangemouth complex) held meetings at short notice to clarify the issues and identify potential solutions. Together, the partners agreed a range of actions. These included developing a joint economic impact assessment that helped resolve the dispute and ensure the Grangemouth complex remained open.

Source: *Falkirk Community Planning Partnership*, Audit Scotland, May 2014

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# Areas for improvement



**83.** Falkirk Council faces a significant challenge in making the savings that it needs over the next three years. It needs to take urgent action and show more effective political and managerial leadership to respond to these circumstances. We have identified a number of areas for improvement relating to the scale and pace of change at the council and its approach to scrutiny, performance management and performance reporting.

## Scale and pace of change

- The council cannot afford to continue spending at its current level and it needs to make substantial savings over the next few years. It should develop clear and detailed plans for how it will make these savings, supported by good analysis, options appraisals and strong business cases. It should also set out how it will significantly increase its scale and pace of change in transforming and improving services.
  - The council should ensure that staff reductions are planned within the context of comprehensive workforce strategies and plans to minimise any adverse impact on services.
  - The council should ensure that councillors are properly involved in the business transformation project, that they provide clear strategic direction and that they have the necessary skills and knowledge to challenge appropriately.
  - The council should consider if a cross-party forum or budget working group, bringing councillors from different groups together, would be appropriate to help deal with some of the financial challenges and service delivery decisions that are needed. It would also involve them in redesigning and improving services to make savings.
  - The council should ensure that the role of the internal audit manager in its business transformation is appropriate, with no risks to an effective role for internal audit in providing independent assurance.

## Scrutiny

- All councillors need to participate in the council's governance arrangements, as implemented in 2015, including the executive and scrutiny committees. They need to take collective responsibility for decisions, the scrutiny process that will strengthen these decisions and ensuring agreed decisions are implemented.

- The council should ensure that all its scrutiny arrangements, in particular its Performance Panel, meet best practice principles. It should ensure that:
  - scrutiny involves constructive challenge, regardless of political allegiances
  - all aspects of the scrutiny arrangements, including the work of the scrutiny panels and the Performance Panel, are open and transparent, and support public accountability.
- The council faces tough decisions in a difficult financial environment to plan and deliver services to meet the needs of local communities. All councillors need to understand their role in making these decisions, and in the scrutiny process that supports them. The council should do more to support councillors by:
  - providing information and training to make sure that councillors and officers have a shared understanding of the new structures that were implemented in May 2015, and how they operate in practice
  - providing information that makes it clear how councillors can contribute most effectively.
- The council should consider developing a local protocol that sets out clear expectations for how councillors should work together and with officers.







### Performance management and reporting

- The council should integrate its various strands of performance management, service improvement and business transformation to ensure it has a coherent approach. It should use this to target its resources, focus on delivering its priorities and drive continuous improvement. It should:
  - coordinate its activities such as service reviews, self-assessments and business transformation and show how these will lead to specific improvement
  - regularly and systematically carry out self-assessment of services, including comparison with other councils, and use this information to identify areas for improvement in its service plans
  - ensure its programme of service reviews focuses on its strategic priorities and objectives and is based on areas for improvement identified through performance information
  - ensure its business transformation and improvement projects build on the priorities identified through service reviews and good practice from other areas, to identify how to significantly improve services and contribute to required budget savings.
- The council should ensure that its performance reporting arrangements make improvement happen. It should produce action plans where performance reports identify a need for improvement, take the action required and provide assurance to councillors that these actions are followed up.

- The council should further improve the performance information that it reports to councillors and publishes so that councillors and the public have a good understanding of the council's performance. In line with good practice, and the council's new guidance, its public performance reporting should include:
  - performance indicators that include a baseline figure to show where services have improved or otherwise; they should also include contextual information or an explanation when using trend arrows or traffic light indicators to help readers interpret the data, for example whether an indicator increasing indicates performance is better or worse
  - performance indicators that are SMART, and have a clear target for what is to be achieved or what is expected.

# Endnotes



- ◀ 1 [The Audit of Best Value and Community Planning: Falkirk Council \[PDF\]](#) , Accounts Commission, May 2008.
- ◀ 2 Falkirk refers to the Falkirk Council area rather than Falkirk town.
- ◀ 3 National Records of Scotland.
- ◀ 4 Falkirk Council area demographic fact sheet, July 2015.
- ◀ 5 Revenue Budget Framework 2015/16–2017/18, Falkirk Council meeting, 11 February 2015.
- ◀ 6 Service savings proposals across all services for 2015/16 and 2016/17, Falkirk Council, February 2015.
- ◀ 7 [An overview of local government in Scotland 2015 \[PDF\]](#) , Accounts Commission, March 2015.
- ◀ 8 Revenue Budget 2014/15 report to Falkirk Council, 12 February 2014.
- ◀ 9 Financial Position 2014/15 report to Falkirk Council, 13 January 2015.
- ◀ 10 Falkirk Council, 12 November 2014.
- ◀ 11 *Local Government Benchmarking Framework 2013/14*, Improvement Service, 2014.
- ◀ 12 *One council, one plan. Corporate plan 2012–2017*, Falkirk Council.
- ◀ 13 Falkirk Council, Executive Meeting, 25 February 2015.
- ◀ 14 There was a minor error in the Controller of Audit's report to the Accounts Commission, which referenced this information to February 2015. The November 2014 savings options were included in the budget framework paper to council in February 2015.
- ◀ 15 Revenue Budget Framework 2015/16–2017/18, Falkirk Council meeting, 11 February 2015.
- ◀ 16 *Business Transformation Project Board Progress Report*, Falkirk Council, 13 March 2015.
- ◀ 17 [The Audit of Best Value and Community Planning: Falkirk Council \[PDF\]](#) , Accounts Commission, May 2008.
- ◀ 18 *The Local Government in Scotland Act 2003, Best Value Guidance*, Scottish Executive, 2004.
- ◀ 19 [School education \[PDF\]](#) , Accounts Commission, 2014.
- ◀ 20 *Performance Framework Guidance*, Falkirk Council, July 2015.
- ◀ 21 Specific, Measurable, Achievable, Relevant, Timely.
- ◀ 22 *Performance indicators for SPI 1 and SPI 2 2013/14*, Falkirk Council, September 2014.
- ◀ 23 [The Audit of Best Value and Community Planning: Falkirk Council \[PDF\]](#) , Accounts Commission, May 2008.
- ◀ 24 [An overview of local government in Scotland 2015 \[PDF\]](#) , Accounts Commission, March 2015.
- ◀ 25 *The Local Government in Scotland Act 2003, Best Value Guidance*, Scottish Executive, 2004.
- ◀ 26 *Falkirk Council Audit Committee Report, Annual Governance Statement 2013/14*, 23 June 2014.

# Appendix

## Analysis of savings for 2015/16 to 2017/18, November 2014<sup>1</sup>



Reducing services or access to services	Expected three-year savings
<b>Education</b>	<b>Total: £4.05m</b>
Primary schools – removal of discretionary teaching	£600k
Review of options to reduce primary school teaching hours from 25 to 22.5 hours per week	£595k
Support for learning assistants – reduce level of support by efficiencies and new model of operation	£400k
Secondary schools – reduce teachers/subjects and rationalise management structure	£400k
Reduce frequency of building cleaning	£365k
Transport – change to statutory minimum of 2 or 3 miles, depending on age of pupils	£350k
Stop school library service and move to management via secondary schools	£325k
Community Learning & Development – reduce number of staff	£320k
Special education – reduce teacher/manager posts	£300k
Stop baby provision (48 places)	£115k
Reduce schools per capita budgets (Education)	£100k
Stop breakfast clubs	£60k
Reduce level of provision for speech and language therapy	£50k
Psychological services – reduce number of psychologists	£50k
Transport from travelling people site – stop automatic provision and move to distance entitlement	£10k
Close Bo'ness CLD office	£10k
<b>Cont.</b>	

<b>Reducing services or access to services</b>	<b>Expected three-year savings</b>
<b>Social Work Services</b>	<b>Total: £1.67m</b>
Tighter eligibility criteria for adult social care to restrict provision to those whose needs are critical or substantial	£1.4 m
Terminate existing shopping service, with alternative reduced service being commissioned through the voluntary sector	£125k
Redesign of employment services to people with a disability and potential closure of ASSET	£102k
Five per cent reduction in funding to Barnardo's Axis service, Sacro mediation and Barnardo's Cluaran service	£26k
Reduce frequency of cleaning to buildings	£16k
<b>Corporate &amp; Neighbourhood Services</b>	<b>Total: £1.39m</b>
Removal of discretionary elements of Private Sector Team	£256k
Closure of all public conveniences	£249k
Waste disposal – close one household waste site	£200k
Street cleaning – litter picking – reducing the number of teams/squads and reducing the frequency of the current litter picking-cycles	£200k
Public conveniences – closure of automatic public conveniences excluding Bo'ness	£112k
Grounds maintenance: weed control – reduce frequency of weed spraying	£100k
Community Safety Team – reduce level of patrols and the geographical areas patrolled	£75k
Grounds maintenance: shrub bed maintenance – reduce level of maintenance	£75k
Stop the deposit guarantee scheme	£56k
Grounds maintenance: nursery – stop operating a glasshouse at Kinneil nursery	£40k
Grounds maintenance: summer bedding – reduce the number of flower beds and revert to grass area. Reduce the overall number of hanging baskets displayed	£30k
<b>Development Services</b>	<b>Total: £1.29m</b>
Youth employment – removal of additional funding element first agreed in 2012/13	£500k
Economic development – reduction in service provision	£500k
Phased reduction in provision of school crossing patrols	£150k
Removal of 14/15 -year old- travel concessions	£74k
Removal of taxi cards	£64k
<b>Cont.</b>	



<b>Introducing or increasing charges</b>	<b>Expected three-year savings</b>
<b>Education</b>	<b>Total: £408k</b>
School catering – increase price by 20 per cent over three years	£300k
Increase childcare fees by five per cent per annum	£45k
Charges for all schools lets	£40k
School lets – increase charges by five per cent	£23k
<b>Social Work Services</b>	<b>Total: £216k</b>
Increase existing non-residential charges and charging caps in line with inflation	£96k
Introduce eligibility criteria for transport accompanied by charges for transport provided	£50k
Inflationary uplift in charges for older people's homes	£35k
Introduce charges for day care for older people at a rate of £5 per week	£29k
Inflationary increase for meals provided through meals on wheels and through day centres and lunch clubs	£6k
Non-residential charging for adult care – move to phase 2 charging with removal of capped charges	£ To be confirmed
<b>Corporate &amp; Neighbourhood Services</b>	<b>Total: £657k</b>
Garden aid – start charging	£250k
Refuse collection – introduce charges for special uplifts	£227k
Bereavement services – increase charges	£150k
Pest control – introduce charges for all residents	£15k
Refuse collection – charge for bins in new housing developments	£15k
<b>Development Services</b>	<b>Total: £137k</b>
Charge for car parking at stations where parking is free	£130k
Street naming and numbering (new charges to developers/house-holders)	£7k
<b>Other changes to services</b>	<b>Expected three-year savings</b>
<b>Education</b>	<b>Total: £2.47m</b>
Review of PPP/NPDO contractual arrangements, eg contract specification reductions and refinancing	£950k
Wider review of Community Learning & Development provision	£700k
Education service central support staff (admin and clerical) – reduce number of staff	£400k
Early years – review management structures in nursery schools and introduce sessions at Heathrigg	£145k
Community Learning & Development Halls – Community transfer	£100k
Primary schools – shared headteachers /school management	£60k
Music/instrument instruction – review curricular choices	£50k

Cont.

<b>Other changes to services</b>	<b>Expected three-year savings</b>
Centralise Community Learning & Development management	£40k
Early years - full cost recovery on provision for babies	£17k
Promote use of parental contracts instead of taxis	£5K
<b>Social Work Services</b>	<b>Total: £1.01m</b>
Potential reduction of existing building-based day services in response to anticipated increase in demand for packages of self-directed support, with built-in efficiencies of 20 per cent	£460k
Redesign of care home provision with closure of Oakbank and reprovision of Summerford	£300k
Close Rowans' short-break service and purchase equivalent number of places externally	£100k
Homecare – shift the balance of internal/external provision towards a greater proportion of external provision	£75k
Review Caledonia Clubhouse and services provided by FDAMH with a view to achieving efficiency savings of 20 per cent	£71k
Review and redesign of joint dementia initiative	£ To be confirmed
<b>Corporate &amp; Neighbourhood Services</b>	<b>Total: £878k</b>
Grounds maintenance: grass cutting operations - review grass cutting routes/beats	£215k
General fund housing - third party payments - ongoing supported accommodation review	£202k
Street cleaning – mechanical sweeping - review sweeping cycles	£100k
Private sector housing – top slice total working budget by 12 per cent	£99k
Small repair scheme	£93k
Building Services Administration function	£79k
Trade waste - reduce crew sizes to two staff	£50k
Grounds maintenance: reduce the size of the squads carrying out tree works	£40k
<b>Development Services</b>	<b>Total: £2.8m</b>
Transport planning (including bus subsidies)	£1.8m
Reduce staff costs by 8 per cent	£1m

## Notes:

1: There was a minor error in the Controller of Audit's report to the Accounts Commission, which referenced this information to February 2015. The November 2014 savings options were included in the budget framework paper to council in February 2015.

2: ■ These projects are included in the *Business Transformation Project Board Progress Report* (see paragraph 33 on page 12).

Source: Audit Scotland analysis of Falkirk Council's Revenue Budget Framework 2015/16–2017/18, presented to the council in November 2014

# Falkirk Council

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