



BEST VALUE - PROGRAMME OF SELF-ASSESSMENTS

Report by Chief Executive

PURPOSE

- 1.1 To update the Comhairle on the programme of self-assessments.

EXECUTIVE SUMMARY

- 2.1 The programme of self-assessments for 2022 was approved by Comhairle in December 2021. It was agreed that four self-assessments be undertaken in total, one on financial management, two on digitalisation (innovation and technologies), and one to be agreed based on emerging priorities.
- 2.2 Since the programme of self-assessments was approved, the Accounts Commission's Best Value Assurance Report (BVAR): Comhairle nan Eilean Siar was [published](#) on 29 September 2022. It highlighted that "self-assessment activity needs to be more strategic".
- 2.3 In February 2023, the Comhairle approved the revised performance management proposals set out within the Performance Management Report presented to the Audit and Scrutiny Committee, which included the self-assessment proposals listed at 10.1 of the Report. Two strategic assessments were undertaken to support and evidence continuous improvement in relation to PSIF 2020 Processes and Services, and Leadership, and one cross cutting self-assessment was undertaken using the PSIF 2023 Standard Checklist across six themes: Service Planning, Staff, Partnerships and Resources, Processes and Services, Leadership and Results to identify priority areas for improvement.
- 2.4 The [Corporate Strategy 2024-2027](#) was approved in December 2023. In January 2024, the CMT agreed to undertake a programme of service level self-assessments during 2024-2027 to take cognisance of the Strategy and to identify operational improvements. The CMT also agreed to undertake a Strategic Financial Management self-assessment, however, due to the impact of the criminal cyber incident on the Comhairle, this will commence once new systems are embedded into practice.
- 2.5 The outcome of the five self-assessments undertaken in 2022 and 2023 were presented to CMT for approval and the areas for improvement are summarised in the main body of the report.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle note the progress of the programme of self-assessments.**

Contact Officer: Fiona Knappe, Team Leader, Organisational Development
Appendix: None
Background Papers: PSIF 2023 Framework Guidance
PSIF 2020 Framework Guidance
Best Value: revised statutory guidance 2020

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications Implications/None

Financial	The Comhairle is under a legal duty to set a balanced budget and in doing so must plan to secure Best Value.
Legal	The Local Government Act 1992 established the role of the <u>Statutory Direction</u> to direct the publication of information as to the standards of performance. The Local Government in Scotland Act 2003 introduced the duty of Best Value; this requires that councils “make arrangements to secure continuous improvement in performance”.
Staffing	There are no staffing implications associated with this <i>Report</i> .
Assets and Property	There are no asset and property implications associated with this Report.

Strategic Implications Implications/None

Risk	Self-assessment provides the opportunity to identify areas where continuous improvements can be made. This reduces the risk that the Comhairle is not identifying and implementing areas of good practice.
Equalities	In achieving Best Value, the Comhairle must be able to demonstrate compliance with all statutory duties in relation to equalities and human rights.
Corporate Strategy	Strategic Priority 4.1.5: Effective governance of the Comhairle is in place.
Environmental Impact	There are no identified environmental impacts within this Report
Consultation	There is no formal consultation associated with this Report

BACKGROUND

- 5.1 The statutory duty of Best Value was introduced by the Local Government in Scotland Act 2003. The duty of Best Value applies to all public bodies in Scotland and Best Value audit work is reported in all Annual Audit Reports. Best Value is about ensuring that there is good governance and effective management of resources, with a focus on continuous improvement, to deliver the best possible outcomes for the public, while maintaining an appropriate balance between quality and cost. The Public Service Improvement Framework (PSIF) was launched by the Improvement Service in September 2006.
- 5.2 Self-assessment forms an integral part of the Comhairle’s approach to continuous improvement through the identification of areas where development is possible and a planned programme of improvements is undertaken. In order to promote and enhance continuous improvement across the Comhairle the PSIF has been adopted. As part of the requirement for scrutiny, progress on areas for improvement are reported to the Comhairle.
- 5.3 Every three years the PSIF Framework is reviewed to ensure that it remains up to date and relevant for Scottish public sector organisations. The PSIF 2023 was published on 23 November 2023.
- 5.4 The Best Value: Revised Statutory Guidance 2020 [published](#) on 4 March 2020 provides guidance to help local authorities and other public bodies to demonstrate continuous improvement in their

performance. The Accounts Commission's (the Commission) [2023 Local Government Overview](#) (May'23) highlighted that the pandemic demonstrated what can be achieved when councils are given local flexibility, incorporate digital technology in service redesign, and reconfigure or repurpose their estate. To deliver radical change, the Report stated that councils need to build on the innovative ways of working seen during the pandemic and take further action to set out medium to long-term financial plans. This was reiterated in the Commission's Best Value in Scotland report [published](#) on 26 September 2023. The Report also highlights the impact and value of twenty years of auditing Best Value and recognises that councils have already been making efficiency savings and reforming services.

BEST VALUE AUDIT

- 6.1 From 2022/23, a new national approach to auditing Best Value in councils came into effect as part of the new five-year audit appointment term for the external auditors. The new approach will not see a repeat of the BVAR process for all 32 councils, rather the focus moves to the integration of auditing Best Value within each individual council's external auditors Annual Audit Report (AAR) process.
- 6.2 Although the BVAR process for all 32 councils is no longer applicable, the Controller of Audit (CoA) is required to report to the 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 Commission to make findings for improvement where appropriate.
- 6.3 The CoA will deliver Best Value reports to the Commission on all 32 councils and their programme of work will be undertaken from October 2023 to August 2027 and includes eight councils per year over the period. The [Best Value: South Ayrshire Council](#) report published in November 2023 is the first to reflect the Commission's new approach to Best Value. As at 6 May 2024, six CoA reports have been published.
- 6.4 The CoA Best Value audit of the Comhairle is scheduled in the second tranche of the programme between October 2024 to August 2025.

BEST VALUE THEMATIC WORK

- 7.1 In a new development in the Commission's approach to reporting on Best Value, Auditors will also look at a significant theme each year that cuts across all 32 councils. Best Value thematic work changes annually, recognising the risks and challenges councils face. Each year the thematic work carried out in individual councils will inform a national report.
- 7.2 The first theme chosen in 2022/23 was **Leadership of the development of new strategic priorities**. Audit Scotland submitted the Comhairle's Best Value Leadership Thematic [Report](#) to the Audit and Scrutiny Committee on 21 September 2023 ([minute of meeting](#)).
- 7.3 **Workforce innovation - how councils are responding to workforce challenges** is the focus of the Commission's annual Best Value Thematic work for 2023/24 and will involve Auditors conducting a review of relevant information already available in the public domain, requesting and reviewing additional information from the Comhairle, and also meeting with relevant people from the Comhairle. The work will include an assessment of and conclusion on:
 1. How effectively are the council's workforce plans integrated with its strategic plans and priorities?
 2. How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
 3. How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?
 4. What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

5. What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
 6. How effectively is the council measuring the impact of its workforce planning approach?
- 7.4 The Commission recently agreed the theme for 2024/25 as **Transformation – How councils are redesigning services to maintain outcomes and deliver services more efficiently**. Details on what work will be included in the assessment is yet to be published.

SELF-ASSESSMENTS

Financial Management Self-Assessment

- 8.1 The first self-assessment aimed to review the Comhairle's level of conformity with the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement of Principles of Good Financial Management (FM). The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out the standards of financial management for local authorities. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. To enable authorities to test their conformity with the CIPFA Statement of Principles of Good Financial Management, the FM Code translates these principles into financial management standards.
- 8.2 At the Improvement Service's PSIF learning event in November 2022, North Lanarkshire Council (NLC) advised how, with the support of the Improvement Service, they assessed the council's compliance with the CIPFA FM Code. NLC took a strategic approach as they found on the initial assessment that the compliance with the Code sits across the council as a whole and not just the finance department as, to evidence compliance, the self-assessment requires knowledge of strategic planning, corporate governance, performance and options appraisal in addition to the financial aspects. The PSIF team have since developed bespoke checklists for areas such as **Compliance with the CIPFA Financial Management Code**.
- 8.3 To progress the financial management self-assessment, at their meeting in January 2024, the CMT agreed to undertake a Strategic Financial Management self-assessment using the PSIF bespoke checklist. Due to the impact of the criminal cyber incident on the Comhairle, this will commence once new systems are embedded into practice.

Digitalisation Self-Assessment

- 8.4 Digital technology offers a wide range of opportunities for innovating public service delivery, including healthcare and education. The Comhairle agreed to adopt the Scottish Government's Digital Strategy in June 2021 rather than develop a separate Digital Strategy. The self-assessments were to take cognisance and prioritise digital aspirations in line with the Corporate Strategy and the National Digital Strategy. However, since then, the Comhairle's digital ambitions have been reviewed and a Comhairle specific Digital Strategy was developed to set out the measures which will ensure that the Comhairle will fulfil its potential in a constantly evolving digital world and aims to positively impact social cohesion, and improve both social and economic inclusion. The Comhairle's Digitalisation Strategy 2022-2027 was considered by the Policy and Resources Committee, and approved by the Comhairle, in November 2022.
- 8.5 The Strategy is user-focused and promotes collaborative working to address digital exclusion and support a skilled and sustainable wellbeing economy. The key priorities listed below are in alignment with the Scottish Government's updated Digital Strategy, tailored to address the needs of our local communities and organisation.

- People and Place – Providing a User-focused and collaborative service, that is transformative and inclusive
- A Strong Digital Economy – Creating a skilled and digitally enabled workforce and supporting strong digital businesses
- Technology & Services – Transformation through data, technology and cyber resilience

8.6 The Scottish Government, together with Scottish Futures Trust, are working jointly on a Smarter Workplaces programme to deliver new ways of working across the central Government estate. It aims to provide employers in Scotland with the knowledge, insights, and tools they need to take advantage of the opportunities that flexible working delivers. Smarter working with digital tools is at the forefront of hybrid methods for today's workplace. The huge benefit is that these tools can be used anywhere and anytime, optimising the use of workplaces and technology, realising savings and makes workspaces more flexible and responsive to people's needs.

8.7 The two digitalisation (innovation and technologies) self-assessments were combined into one self-assessment exercise to avoid duplicating the use of officer's time. The two statements listed below were chosen from the PSIF 2020 from section 1: Service Planning: Strategy and Plans (C1a.6) and section 2: Staff: Planning and Managing Staff (C2a.2).

- C1a.6: The service can demonstrate how digital innovation has improved service design and delivery; and
- C2a.2: The service understands the benefits and opportunities of new ways of working, such as using digital technologies, agile working and various other tools and approaches.

8.8 Within the PSIF 2020, C1(a)6 is mapped to three Best Value Themes: Governance and Accountability; Effective Use of Resources - Information; and Effective Use of Resources - Asset Management. C2(a)2 is mapped to five Best Value Themes: Vision and Leadership; Effective Use of Resources - Staff; Governance and Accountability; Effective Use of Resources - Information; and Effective Use of Resources - Asset Management.

8.9 As highlighted in the BVAR by Audit Scotland to the Commission, "the Comhairle and its partners reacted quickly to the pandemic and made good use of digital technology to maintain council business, home working and access to education".

8.10 To enhance digitalisation across the Comhairle, the CMT agreed that the Digitalisation self-assessment areas for improvement listed below are measured through the Comhairle's Digitalisation Strategy 2022-2027 Delivery Plan.

- Consider the benefits of digital innovation and smarter working in service planning;
- Review the Employee Engagement Survey to enable evaluation of staff perceptions of smarter working; and
- Review customer satisfaction surveys to enable assessment of service users online/digital access to services in terms of usefulness, ease of use, support and satisfaction.

FUTURE PROGRAMME OF SELF-ASSESSMENTS

9.1 The fourth self-assessment was to be agreed based on emerging priorities. Since then, the Comhairle approved the revised performance management proposals presented to the Audit and Scrutiny Committee in February 2023, including the following self-assessment proposals:

1. CMT select and undertake one or two strategic assessments each year and reports improvements to the Comhairle;

2. Heads of Service undertake service level self-assessments for operational improvements and reports improvements undertaken via business plans; and
3. The BVAP group select and undertake operational cross cutting self-assessments and reports recommendations to CMT.

Strategic Self-Assessments

- 9.2 In 2023, two strategic assessments to support and evidence continuous improvement were undertaken by the CMT in relation to the PSIF 2020 criterion 4 - Processes and Services and criterion 5 – Leadership. The first assessment addressed the cross-cutting theme of developing services around customer needs. It was undertaken to provide insight into how the Comhairle could develop customer services corporately to promote accessibility and to strategically manage customer service given the move to hybrid working arrangements.
- 9.3 The second assessment assessed Leaders commitment to engaging with communities in the setting of budgets and their engagement with communities, customers, partners and stakeholders when planning and improving services and the approaches used. Leaders include the people who set the direction and drive change in the Comhairle and those that are responsible for managing staff and resources, for example, Elected Members, the Chief Executive, Directors, Heads of Service and Service Managers, as well as senior people in the organisation that develop corporate policies, strategies and plans and make the decisions about the service, budgets and long-term outcomes.
- 9.4 Both assessments were combined into one self-assessment exercise to avoid duplication of resource. The PSIF 2020 Checklist Likert Scale method was chosen to provide a focussed and systematic approach and encourage strategic thinking. The self-assessment identified the proposed improvement actions:
 1. Ensure services are more accessible from a total service experience perspective.
 2. Engage with communities annually in the setting of budgets from the start to the end of this process.
- 9.5 In January 2024, the CMT considered the outcome of the two strategic self-assessments. Accessibility and enhanced service user experience initiatives would be considered as a key priority as part of the restoration of services, particularly the establishment of a new website. It was recognised that, in 2023, the Council Leader, with support from relevant Elected Members for each Ward, and Community Learning and Development Officers had met with community representatives within each Ward, and that further, formal open dialogue and engagement with communities would be delivered in 2024.

Service Level Self-Assessments

- 9.6 The Corporate Strategy was reviewed during 2023 to ensure that it continues to state and communicate the ambition, aspirations and commitments of the Comhairle. The [Corporate Strategy 2024-2027](#) was approved in December 2023. In January 2024, the CMT agreed to undertake a programme of service level self-assessments during 2024-2027 to take cognisance of the Strategy and to identify operational improvements using the PSIF 2023 Standard Checklist.

Operational Cross Cutting Self-Assessments

- 9.7 A cross cutting self-assessment was undertaken by the BVAP Team using the PSIF 2023 Standard Checklist through SmartSurvey (sixty-six statements under six themes). The self-assessment was supported by the Improvement Service. Of the top ten areas identified for improvement, the three priority actions listed below were agreed for taking forward to the Improvement Planning Session for the development of the draft Improvement Plan.

1. Develop strategies to better disseminate corporate information to staff around the priorities and outcomes they are working towards;
2. Consider ways the Comhairle can further engage with customers and communities in service design and delivery; and
3. Review the Comhairle's approach to attract and retain staff.

9.8 The Improvement Planning session focused on the development of the draft Improvement Plan and included discussion on the resources, costs and risks associated with the delivery of the priority actions. The five outcomes listed below were identified during session and the actions and tasks listed in the draft Improvement Plan will be important for the delivery of these outcomes.

4. Staff feel informed and included in decision making across the Comhairle, with increased staff understanding of how their work contributes to Comhairle priorities.
5. Customers and communities feel more included in the strategic decision making of the Comhairle.
6. Reduction in unfilled posts across the Comhairle.
7. Staff feel knowledgeable, competent, informed and confident within their job role.
8. With the delivery of relevant training, staff feel confident within their role.

9.9 In October 2023, the CMT considered the outcome of the cross cutting self-assessment. In discussion, it was recognised that a number of actions identified within the draft Improvement Plan could be progressed and finalised through existing fora within the Comhairle e.g. actions relating to reviewing the Comhairle's approach to attracting and retaining staff could be managed through the Corporate Workforce Panel. The CMT approved the draft Improvement Plan, on the basis that tasks are aligned to existing plans, policies and strategies where relevant, and that the five outcomes identified be aligned to the timeline of the Corporate Strategy.

Bespoke Self-Assessments

9.10 For reference, the Improvement Service's PSIF team have developed bespoke checklists designed to support self-assessments with specific Committees and Boards, such as: Community Planning Partnerships; Integration Joint Boards; Adult Protection Committees; Child Protection Committees; Resilience Boards, etc. These self-assessments, while focussed on specific areas, nevertheless still follow the same self-assessment process as the Standard Framework but allow for a more targeted assessment of these areas. The self-assessments can also be supported by the Improvement Service.

CONCLUSION

10.1 Five self-assessments were undertaken during 2022 and 2023 and the outcomes were presented to the Corporate Management Team (CMT). The CMT have agreed to undertake a Strategic Financial Management self-assessment using a PSIF bespoke checklist developed by the Improvement Service. Due to the impact of the criminal cyber incident on the Comhairle, this will commence once new systems are embedded into practice.

10.2 The Comhairle's Digitalisation Strategy 2022-2027 was approved in November 2022. To enhance digitalisation across the Comhairle, the CMT agreed that the Digitalisation self-assessment areas for improvement from the two self-assessments are measured through the Comhairle's Digitalisation Strategy 2022-2027 Delivery Plan.

10.3 The revised performance management proposals approved in February 2023 included three self-assessment proposals. In line with the revised proposals, two strategic self-assessments were undertaken by the CMT and one cross cutting self-assessment was undertaken by the BVAP Team.

- 10.4 The CMT strategic self-assessments proposed two improvement actions which included service accessibility and community engagement in the setting of budgets. Accessibility and enhanced service user experience initiatives would be considered as a key priority as part of the restoration of services, particularly the establishment of a new website. It was recognised that, in 2023, the Council Leader, with support from relevant Elected Members for each Ward, and the Community Learning and Development Officers had met with community representatives within each Ward, and that further, formal open dialogue and engagement with communities would be delivered in 2024.
- 10.5 The BVAP Team's cross cutting self-assessment identified three priority actions which included engaging with staff, engaging with customers and communities, and attracting and retaining staff. The CMT approved the draft Improvement Plan, on the basis that tasks are aligned to existing plans, policies and strategies where relevant, and that the five outcomes identified be aligned to the timeline of the Corporate Strategy.
- 10.6 The CMT will undertake a programme of service level self-assessments during 2024-2027 to take cognisance of the revised Corporate Strategy approved by Comhairle in December 2023 to identify operational improvements.

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