

Best Value Assurance Report – Improvement Action Plan Update

Report by: Dr Grace Vickers, Chief Executive

1. Purpose of Report

The purpose of this report is to provide Council with an update on the Improvement Action Plan put in place following publication of Midlothian's Best Value Assurance Report by the Accounts Commission on 4 July 2019 which was presented to Council on 20 August 2019.

2. Background

2.1 Audit Work to support the Best Value Assurance Report for Midlothian Council was carried out between January and March 2019. The audit focused on 5 key questions:

1. Does the council have clear strategic direction?
2. How well is the council performing?
3. Is the council using its resources effectively?
4. Is the council working well with its partners?
5. Is the council demonstrating continuous improvement?

2.2 The audit work was carried out by a team of auditors and best value auditors from Ernst & Young and Audit Scotland and involved an extensive review of documentation and interviews with elected members, council officers and partners.

2.3 The report notes that the Council has delivered a number of ambitious projects since the Council's previous Best Value report, in particular in relation to schools, community campuses, housing and transport. Other key points in the report include:

- The council still needs to focus on some key requirements for Best Value, including financial sustainability, financial management and transformation.
- There are risks around the council's successful delivery of change due to its past track record and the scale of the challenge in both the medium and longer term.
- Elected members need to work together to urgently agree the medium-term financial strategy and transformation programme.
- Performance across services is mixed and the council is among middle performing councils using benchmarking indicators.
- The council makes good use of data to understand and improve its performance.
- Partnership working continues to be a strength at the council.

2.4 The report notes Accounts Commission Findings and a set of recommendations for the Council. The recommendations detailed below informed the development of the improvement action plan, an update of which is detailed in Appendix 1:

- As a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the council's transformation plans.
- The council needs to develop and sustain more constructive relationships between members and between members and officers. It needs to implement effective cross-party governance arrangements to ensure that it delivers the medium-term financial strategy and transformation plans.
- The council needs to ensure that workforce planning reflects the medium-term financial strategy.
- The council should undertake a review of its capital programme, to ensure that the timeframes for delivery are achieved going forward and that monitoring and reporting mechanisms are enhanced to drive more accurate analysis and planning around capital work.
- The council need to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements.
- The council should refine its vision in light of the outcome of consultation work through the Services with Communities transformation workstream and to ensure that it focuses its activity most effectively.
- Elected members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities.
- The council should continue to build on positive elements of community empowerment. It should look to increase community ownership of local neighbourhood plans and work with communities to improve how they monitor progress.

3. Progress

3.1 Medium Term Financial Strategy

The Council is ambitious for the future of Midlothian and our Vision is a Great Place to Grow. The development of the Medium Term Financial Strategy is an important step-change and one which will provide greater certainty for the local communities we serve and our employees.

The Medium Term Financial Strategy for Midlothian, covering three financial years, aims to provide a clear and concise overview in one place of future sustainability given the acute service demand pressures which the Council is facing and also outlines the important decisions which will need to be made in order make significant headway towards addressing the budget gaps which will need to be bridged though to 2022/23.

Good governance requires that organisational structures are kept under review to ensure that they are fit for purpose and in particular, that they are congruent with both the priorities set out in the Community Plan and the actions contained in the Council's Change and Transformation Programme, designed to achieve long term financial sustainability. It is therefore appropriate that as part of the Medium Term Financial Strategy the Council's management arrangements have been reviewed and a new Senior Leadership Team structure introduced.

The Single Midlothian Plan has 3 strategic aims: to reduce inequalities in learning, health and economic circumstances and also has 3 priority areas: Mayfield, Gorebridge and Woodburn. The plan is underpinned by 5 main pillars: Co-production, Localising, Modernising, Preventative Intervention and Capacity-Building. The 5 pillars of the Single Midlothian Plan will be embedded into the work of each of the senior leaders as core principles of practice and citizens and communities will be at the heart of what we do.

The following key drivers for change have also been introduced to support the necessary step-change required:



Fig 1: key drivers for change

3.2 Best Value Improvement Action Plan

Since the introduction of the improvement plan a number of actions supporting the recommendations have progressed including:

- Agreement of the Medium Term Financial Strategy and supporting transformation plans, with further work required by the Business Transformation Steering Group to identify solutions for the remaining budget gap.
- Discussions with members and officers to develop a broader Elected Member Development Programme supporting member roles and ongoing development areas using a range of delivery options including briefings, seminars and cross-party working groups.
- Development of a Member-Officer protocol

- Introduction of a centralised recording method for Elected Member development undertaken by individuals, working with Democratic Services and members support.
- Review and update report for the Council's Workforce Strategy presented to December Council.
- Financial Dashboard piloted successfully for Children's Services which will inform the roll out to all services and support the development of a dataset and Dashboard for use by Elected Members and senior officers.
- Implementation of a gateway review and reporting process by the Capital Plan and Asset Management Board
- Incorporation of Services with Communities programme within the One Council, working with you, for you transformation strand of the Medium Term Financial Strategy and work continuing with partners and communities to deliver the priorities within the Single Midlothian Plan. In addition the declaration of a climate emergency reflects the consultation findings from the 2040 Vision.
- Introduction of 'Pentana Browser' online reporting tool for Elected Members to support performance management and scrutiny requirements
- Ownership by communities of Neighbourhood Plans is progressing with a mechanism for reporting progress now in place

4 Report Implications

4.1 Resource

No additional resources are required as a result of this report, however future improvement planning actions will consider any future resource requirements.

4.2 Risk

The Council has a statutory duty to respond to the published findings and the supporting improvement action plan responds to these duties in part.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

4.4 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance

Best Value guidance identifies two cross-cutting themes which Best Value organisations should fully embrace across all activities by which they deliver their outcomes. The cross-cutting themes are Equality and Sustainability.

4.5 Impact on Performance and Outcomes

The duty of Best Value in Public Services is as follows:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance,
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

The above considerations informed the Medium Term financial Strategy.

4.6 Adopting a Preventative Approach

The Best Value duty supports the need to consider preventative approaches where appropriate and possible.

4.7 Involving Communities and Other Stakeholders

The Best Value Assurance Report was produced following engagement with both officers and partners and following a significant review of documentation available, including documents from partners and communities.

4.8 Ensuring Equalities

Whilst equalities is a key requirement for Best Value organisations, there are no direct equalities issues to be considered for this report.

4.9 Supporting Sustainable Development

Sustainability is a key requirement for Best Value organisations and this informed the improvement action plan presented to Council.

4.10 IT Issues

There are no IT issues arising from this report.

5 Summary

The Council recognises the need to deliver against the duty of Best Value and the supporting improvement action plan developed which seeks to address the areas for change and improvement identified within the BVAR and is committed to ensuring regular updates are provided to Council.

6 Recommendations

Council is asked to:

- a) note the updated Best Value Improvement Action Plan
- b) note that a further progress report will be presented to June Council

Appendices: 1. Best Value Assurance Report: Midlothian Council Action Plan

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Background Papers: None

Appendix 1 - Best Value Assurance Report: Midlothian Council Action Plan





This Plan is based on recommendations identified in the Best Value Assurance Report (BVAR) published by the Accounts Commission on the 4 July 2019.






1. As a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the council's transformation plans.


Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 1.1	Medium Term Financial Strategy (MTFS) to be agreed by Council.	(see paragraphs 28, 64 – 65, 73 – 74, 130 – 132)	30-Jun-2019	✓	100%	Q3 19/20: Complete. The MTFS was approved at Council in June 2019 with further work being progressed to identify savings for the remaining budget gap	BTB BTSG; Chief Executive
BVAR 1.2	MTFS and Transformation Programme governance framework via BTSG to be agreed by Council.	(see paragraphs 28, 64 – 65, 73 – 74, 130 – 132)	30-Jun-2019	✓	100%	Q3 19/20: Complete. The MTFS was approved at Council in June 2019. Further work is now being progressed to agree a revised terms of reference looking towards longer term planning.	BTB BTSG; Chief Executive
BVAR 1.3	MTFS and supporting Transformation Programme plans, reporting and monitoring arrangements to be put in place.	(see paragraphs 28, 64 – 65, 73 – 74, 130 – 132)	31-Aug-2019	✓	100%	Q3 19/20: Complete. However, the Council is committed to continuous improvement and further work is underway in order to streamline reporting and monitoring processes.	BTB BTSG

2. The council needs to develop & sustain constructive relationships between members & between members & officers. Implement effective cross-party governance arrangements, ensure that it delivers the medium-term financial strategy & transformation plans.


Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 2.1	All Elected Member development day – Roles and Responsibilities, Cross-party working group frameworks etc	(see paragraphs 22 – 25, 28, 74, 131 - 132)	31-Mar-2020		30%	Q3 19/20: Elected Member development planning discussions have been held with each Group and further engagement with individual members to inform the proposed programme and development needs going forward has been initiated. Collation of all member briefings, seminars and working groups is also being pulled into a central record to support the development of the wider programme.	Myra Forsyth
BVAR 2.2a	Elected Member and Officer Protocol developed	(see paragraphs 22 – 25, 28, 74, 131 - 132)	31-Aug-2019		100%	Q3 19/20: Proposal developed and approved by CMT and presented to September BTSG who asked that further consideration by members take place and additional information be provided by officers re existing multi-ward protocol.. Protocol will be progressed in Q4 as part pf BVAR 2.2b.	Myra Forsyth
BVAR 2.2b	Elected Member and Officer Protocol agreed and implemented	(see paragraphs 22 – 25, 28, 74, 131 - 132)	TBC		20%	Q3 19/20: Proposal developed and approved by CMT and presented to BTSG who asked that further consideration by members take place and additional information be provided by officers re existing multi-ward protocol.. Protocol will be progressed in Q4.	Myra Forsyth
BVAR 2.3	Refreshed Scrutiny Training/Guidelines/Checklist	(see paragraphs 22 – 25, 28, 74, 131 - 132) How Councils Work – Roles and Relationships: are you getting it right? Session • How Councils Work – Safeguarding Public Money: are you getting it right? Session • Delivering Best Value – joint Elected Member and Officer Session • Delivering a transformed Council/Midlothian – joint session	31-Mar-2020		10%	Q3 19/20: Elected Member development planning discussions have been held with each Group and further engagement with individual members to inform the proposed programme and development needs going forward has been initiated. Learning from the training and approach for Audit Committee members will inform wider scrutiny training for members.	Myra Forsyth; Jill Stacey

3. The council needs to ensure that workforce planning reflects the medium-term financial strategy.



Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 3.1	Review and update the Council's Workforce Strategy and associated Service Workforce Plans to fit with the revised priorities and finances as per MTFS.	(see paragraphs 76 - 88)	31-May-2020		25%	<p>Q3 19/20: Update report encompassing review and update of the workforce strategy was submitted to December 2019 Council meeting.</p> <p>The target date was reset for the update of the associated service level workforce plans which will be progressed in Q4. Internal Audit follow-up of actions will be undertaken concurrently.</p>	Dawn Farquhar
BVAR 3.2	Develop data analytics to support real time reporting for managers in relation to people and financial data	(see paragraphs 76 - 88)	31-May-2020		50%	<p>Q3 19/20: People and Financial Dashboards - Revised workforce data is ready and awaiting the implementation and transition to the new leadership structure.</p> <p>Financial Dashboard has now been piloted successfully for Children's Services and this has assisted in identifying areas where business processes need to be improved and where more detailed information is sought by managers (for example transport costs at client level rather than service level). Building on the Children's Services pilot to roll out to all services. Again there is merit in doing this as part of the transition to the new leadership structure and as such further work will be done to reflect this.</p>	Dawn Farquhar/Gary Fairley
BVAR 3.3	Develop data analytics for a data set to support Elected Member and Officer understanding and decision making with regards to financial performance	(see paragraphs 76 - 88)	30-Jun-2020		25%	<p>Q3 19/20: Financial Dashboard have now been piloted successfully for Children's Services and this has assisted in identifying areas where business processes need to be improved and where more detailed information is sought by managers (for example transport costs at client level rather than service level) . Building on the Children's Services</p>	Gary Fairley

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
						pilot to develop a dataset and Dashboard for use by Elected members and senior officers. Again there is merit in doing this as part of the transition to the new leadership structure and as such further work will be done to reflect this.	
BVAR 3.4	Ensure workforce planning and profiles reflect the changing pressures on services due to the growing population	(see paragraphs 76 - 88)	30-Jun-2020		0%	Q3 19/20: As previously noted service level workforce plans will be progressed in Q4. Internal Audit follow-up actions will be undertaken concurrently.	HR Business Partners


4. The council should undertake a review of its capital programme, to ensure that the timeframes for delivery are achieved going forward & that monitoring & reporting mechanisms are enhanced to drive more accurate analysis & planning around capital work.

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 4.2	Re-establish Capital Programme Board framework and reporting responsibilities including Review of Capital Plan and programme to achieve more accurate forecasting and delivery	(see paragraphs 80 – 82)	30-Jun-2019		100%	Q3 19/20: Complete. Capital Plan and Asset Management Board has implemented a gateway review and reporting process (at this point for all projects over £1m). This has subsequently been complemented by the roll out of project flash reports to allow BTSG oversight of progress in delivering capital projects and to keep all members informed of progress in their ward. The gateway review process is designed to strengthen the overall governance of projects, provides a means to more effectively monitor projects against the agreed milestones and allows risks to be monitored and managed effectively. Whilst framework is in place work continues to ensure it is fully embedded across all £1m plus projects to ensure consistency.	Kevin Anderson

5. The council need to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements.


Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 5.1	Develop data analytics to support real time reporting for financial data and budget monitoring (see Actions 3.2/3.3)	(see paragraphs 75 – 79)	31-May-2020		50%	Q3 19/20: Financial Dashboard have now been piloted successfully for Children's Services and this has assisted in identifying areas where business processes need to be improved and where more detailed information is sought by managers (for example transport costs at client level rather than service level) . Buigralding on the Children's Services pilot to roll out to all services. Again there is merit in doing this as part of the transition to the new leadership structure and as such further work will be done to reflect this.	Gary Fairley
BVAR 5.2	Refresh governance structure on the delivery of savings and in relation to MTFS following June Council.	(see paragraphs 75 – 79)	31-Aug-2019		100%	Q3 19/20: Complete. The MTFS was approved at Council in June 2019. Further work is now being progressed to agree a revised terms of reference looking towards longer term planning.	BTB BTSG




6. The council should refine its vision in light of the outcome of consultation work through the Services with Communities transformation workstream and to ensure that it focuses its activity most effectively.

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 6.1	MTFS informed by outcome of Our 2040 Vision exercise and the following 4 key themes from various consultation activities: •One Council: Working with you, for you •Preventative and	(see paragraph 19)	31-Aug-2019		100%	Q3 19/20: Complete. Following refresh of transformation and change programme the Services with Communities workstream sits within the One Council: Working with you, for you MFTS strand and a supporting programme of activity has been identified and is being taken forward by the	Annette Lang



Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
	Sustainable •Efficient and Modern •Innovative and Ambitious					<p>Strategic Service Redesign Manager. Consultations to be negotiated on appendix A of the MTFS to take place March/April 2020 onwards.</p> <p>The council and its partners are working to a shared vision for the area through the Single Midlothian Plan and continues to work with its communities to deliver improvements. It is currently taking action to further improve its relationships with the third sector. A draft Compact document with the third sector has been produced Dec 2019</p> <p>Vision being used to inform Third sector climate funding bid. Climate change prioritisation work underway based on 2040 vision. Midlothian Council has declared a climate emergency an a 4th key priority is being considered for community planning.</p> <p>Work has commenced on the expression in the 2040 vision consultation on ensuring a sense of belonging through gatherings. A draft community places strategy is being drafted.</p>	


7. Elected members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities.

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 7.1	Develop an Elected Member Development Programme (including use of 360 Tool)	(see paragraphs 25, 59 – 62)	31-Mar-2020		30%	<p>Q3 19/20: Elected Member development planning discussions have been held with each Group and further engagement with individual members to inform the proposed programme and development needs going forward has been initiated.</p> <p>Informal Sessions have been set up prior to each Audit Committee meeting with an associated development and self-evaluation programme over</p>	Myra Forsyth


Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
						12 months by CAE.	
BVAR 7.2	Introduce an Elected Member Learning and Development commitment and personal development plans?	(see paragraphs 25, 59 – 62)	31-Mar-2020		20%	Q3 19/20: Elected Member development planning discussions have been held with each Group and further engagement with individual members to inform the proposed programme and development needs going forward has been initiated.	Myra Forsyth
BVAR 7.3	Re-establish a central Training Records system for Elected Members	(see paragraphs 25, 59 – 62)	31-Mar-2020		40%	Q3 19/20: Engagement with Democratic Services and Members support has identified an initial approach to the development of a central recording system introduced with early entries reflecting January events. .	Myra Forsyth
BVAR 7.4	Improve the quality of reports to ensure they are readily understood and Elected Members are clear on what decisions they are being asked to make.	(see paragraphs 25, 59 – 62)	31-Mar-2020		50%	Q3 19/20: The transition to Pentana Online Browser in Q2 2019/20 for quarterly performance monitoring introduced more focussed reporting in terms of high lighting off target items and opened up elected members ability to drill down into the performance system more fully. Further work is planned to consider the wider reporting needs in relation to the decision making role of members.	Myra Forsyth

8. The council should continue to build on positive elements of community empowerment. It should look to increase community ownership of local neighbourhood plans and work with communities to improve how they monitor progress.

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
BVAR 8.1	Introduce a formal mechanism for reporting against all Neighbourhood Plans	(see paragraphs 113 – 117)	30-Jun-2020		100%	Q3 19/20: Complete A mechanism for reporting NP progress is in place , with updates going to the Community planning working group	Alasdair Mathers
BVAR 8.2	Review community engagement, capacity and ownership of	(see paragraphs 113 – 117)	30-Jun-		50%	Q3 19/20: Community councils constitution allows for 16 year olds upwards to join, links have been	Alasdair Mathers

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
	Neighbourhood Plans and potential opportunities for wider membership of community councils or formalising wider network of community groups		2020			made with Midlothian youth platform through the CPP planning process. CC's have taken ownership of neighbourhood plans in rural communities where they are now a standing item on agendas. Some CC's have co-opted community groups to membership through the powers in the revised constitutions. Federation and other third sector groups will be lead partners in review of NP processes.	
BVAR 8.3	Review possible declining trend in Citizens Panel questions: •Ability to influence decisions •Involvement in community and identify areas for improvement	(see paragraphs 113 – 117)	31-Dec-2019		100%	<p>Q3 19/20: Complete. Areas for improvement have been identified, and actions have begun, see notes below:</p> <p>Adult Citizens panel returns reduced in this year's summer survey, but an additional 350 children and young people took part in a modified citizen's panel process. A refresh of panel members is now planned</p> <p>The review of neighbourhood planning is underway. This will consider the ways that communities can exert greater influence on the SMP. Discussions have been held with colleagues in Council about the new place planning rights under the Planning Act 2019, the new economic development strategy town centre regeneration goals, and the Public health "healthy places" initiative.</p> <p>Participatory budgeting approach to elected members local environmental improvement budget is underway in Dalkeith and Danderhall. 4 community asset transfers have now been agreed at council all have required community support, 3 formal participation requests have been received and dealt with; Town centre master planning in Mayfield is being led by 5 anchor community organisations supported by the Council.</p> <p>The Federation of community councils has been undertaking further training to increase their</p>	Alasdair Mathers

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
						<p>capacity to represent residents. The Council undertook stakeholder consultation on the medium term financial strategy.</p> <p>A Place standard approach involving residents in defining core issues in their communities has been undertaken in Bonnyrigg, Mayfield, Gorebridge, Dalkeith and Penicuik so far. The Bonnyrigg place standard weekend engagement event involved slightly over 2500 people.</p> <p>The IJB undertook an extensive public engagement process to devise its most recent plan. Stakeholder joint planning groups continue to influence planning of adult health and social care services.</p> <p>The champions group of care experienced young people influence the planning of care services. The 100 day challenge on mental health support for young people resulted from survey work undertaken by Midlothian Youth platform and involved young people directly in redesigning services and support.</p> <p>Each parent council and pupil council is engaged in developing how learning is delivered. A formal participation request around the new Gorebridge Secondary school has been received and responded to. And early pre – formal consultation process has begun in relation to the A701 secondary school.</p> <p>Public engagement processes on Community Asset transfer have been undertaken in relation to Bonnyrigg After school club, Loanhead after school club and Bonnyrigg Rose Community Football Club asset transfer requests.</p> <p>Service user joint planning groups have participated in the delivery of a new Community Justice plan</p>	

Code	Action	Reference	Due Date	Status	Progress	Comment & Planned Improvement Action	Managed By
						<p>Service user joint planning groups have participated in the delivery of a new IJB delivery plan</p> <p>Third sector summits are held with IJB directorate, the third sector adult and youth and children's forums meet regularly with Council, the youth and children work group meet each week before the GIRFEMC board to agree points they wish to raise on the agendas and responses to proposals coming from CPP partners</p>	
BVAR 8.4	Review future models (as a result of reduced internal capacity) for working with communities in designing and delivering services	(see paragraphs 113 – 117)	30-Jun-2020		10%	Q3 19/20: Through the mechanism of Community Empowerment Act we will work with local communities/CPP/Community Councils to review Neighbourhood plans and link this to the capacity of Communities and learning staff team	Annette Lang; Alasdair Mathers