

Leadership of the development of new local strategic priorities

Best Value thematic work in councils 2022-23

Aberdeenshire Council

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The contents of this report relate only to the matters which are required to be reported in line with the Programme for BV thematic work in councils 2022-23 as required by Audit Scotland. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the organisation or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Practice 2021). We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Scope of the audit (1)

When discussing the Local government in Scotland Overview 2022, William Moyes, Chair of the Accounts Commission said: “Councils are operating in a complex and increasingly volatile, unprecedented and unpredictable environment. Strong leadership from councils is needed now more than ever, with new and returning councillors being able and willing to make difficult decisions about where and how to spend highly pressurised resources.”

This report concludes on the effectiveness of the council’s leadership of the development of the council’s strategic priorities, following the recent local government elections.

The [Accounts Commission’s Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

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

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body’s performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.
- The Accounts Commission reports nationally on thematic aspects of local government bodies’ approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

Scope of the audit (2)

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the council's strategic priorities.

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

- How clear is the new council vision and its priorities?
- How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?
- How effectively do the council priorities reflect the need to reduce inequalities and climate change?
- How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?
- Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?



Scope of the audit (3)

An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003](#), [Best Value Statutory Guidance 2020](#).

Executive Summary (1)

We have carried out an overview of the effectiveness of council leadership (officers and elected members) in developing new local strategic priorities following the elections in May 2022. Our review considered five areas (as listed below) and we have concluded on the effectiveness of leadership in each of these areas.

	Question	Conclusion
1	How clear is the new council vision and its priorities?	We are satisfied that the new council plan includes a clear vision with clear priorities for the council and that this has been communicated effectively to its staff, citizens and partners. We are also satisfied that council priorities have been informed and developed in conjunction with a range of stakeholders. We have identified a low level best practice improvement recommendation to ensure the council performs a holistic overview of service plans which allows for the identification of themes of best practice and performance improvement and reduces the risk of silo working between service areas.
2	How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?	The council has had due regard to the importance of ensuring the views of citizens and communities are reflected in the priorities and decisions taken by the council. This is evident through priorities and outcomes set out in the council plan and the integration of the strategic assessment informed by local citizens and communities. It is positive to note the steps the council are taking to ensure communities are a key focus of the council's decision-making process and that views are heard and acted upon however, the adoption of a place-based strategy is in its formative stages and will require sufficient resource to implement and deliver this strategy.

Executive Summary (2)

	Question	Conclusion
3	How effectively do the council priorities reflect the need to reduce inequalities and climate change?	We have reviewed the council plan as well as climate change strategy and use of integrated impact assessments. We are satisfied that the priorities of the council within the council plan clearly articulates the importance of its place to reduce inequalities as well as ensuring stakeholders have been involved in identifying local needs and inequalities to inform priorities. We are also satisfied that the council reflect the sustainability of the environment and in particular climate change as a key priority in its plan. We have identified a low level best practice improvement recommendation in relation to integrated impact assessments to ensure assessments are used as a key consideration when informing strategic decision making.
4	How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?	<p>We have seen evidence that the council has taken decisions to show how it will deliver on its priorities, allocate and align resources to its new priorities and secure sustainability of its services into the longer term. The priorities of the new council plan are broad in nature and therefore, provides the council with flexibility in future years to respond to changes in the local community. Overall, we are satisfied that the council has appropriate delivery plans and that there is alignment of financial, workforce, asset and digital plans with council priorities.</p> <p>One of the biggest challenges that the council will face in the medium to longer term relates to capital investment in services to help in the delivery of council priorities. The capital plan is currently unaffordable and the council will need to reduce the size and prioritise capital projects to avoid the risk of wider financial challenges.</p> <p>Another key area for the council is its transformation programme. We have made a recommendation that the council looks to harness an innovative approach and include the full organization in the programme of transformation as the council will require buy in at all levels if it wishes to succeed in transforming service delivery. Implementation of the programme will need to be delivered at pace to ensure the council's continued financial sustainability.</p>

Executive Summary (3)

	Question	Findings
5	Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?	We have identified evidence of effective governance arrangements in place at the council which has been reflected in the setting of clear priorities. The council will need to continue its approach to harnessing good governance to ensure a sustainable approach to delivering on its priorities. The council should ensure there is sufficient focus aimed at transformation including the depth and pace of transformation to ensure not only financial sustainability but sustainability of delivery of services in the midst of planned future funding gaps.

The council's improvement actions from this review are included at Appendix 1 of this report. It sets out the council's response to audit recommendations made.

1. Council Vision and Priorities (1)

How clear is the new council vision and its priorities?

The [Local Government in Scotland Overview 2022](#) published by the Accounts Commission, outlined a number of themes impacting local government bodies as well as the impact of the covid-19 pandemic, long-standing and growing demographic pressures and the growing cost of living crises. The overall Scottish population is projected to fall over the next 25 years, with an ageing population. Data within the report shows that overall life expectancy has fallen as well as health life expectancy, of which deprivation has a large impact on both.

Increasing financial hardship is expected as the cost of living rises rapidly, with the greatest affects felt by those already experiencing poverty. Poverty rates have been rising in recent years, with the highest rates among children. This trend is seen across all 32 councils but in recent years poverty rates have increased at a faster rate in councils with lower levels of deprivation.

In this challenging environment, with scarce resources, councils need to set a clear vision, focused on the needs of its communities. Following the council elections in May 2022, council's should have reviewed their priorities and to meet best value expectations have reviewed priorities in conjunction with partners. It is important that citizens and communities are included to ensure services meet their needs.

Has the council published a clear vision, with clear priorities for the council? Is it communicated to its citizens, staff and other partners?

Following the election of the new Council in May 2022, the administration identified its priorities for the coming years. Officers in conjunction with respective Policy Chairs developed performance indicators to demonstrate how Council Services will deliver the priorities and outcomes as outlined in the Council Plan.

The Aberdeenshire Council Plan 2022-2027 outlines the council's priorities for the next five years. The plan sets out the strategic approach to supporting Aberdeenshire communities and businesses, working with partners to face the challenges of the cost of living crises and increasing inequalities. The plan also reflects priorities to continue its recovery from the covid-19 pandemic and respond to climate change issues. The priorities identified by the council is informed by the challenges faced and reflective of the issues outlined in the local government in Scotland Overview report published by the Accounts Commission of the challenges impacting local government bodies across Scotland.

The council has published a clear vision "*Serving Aberdeenshire from mountain to sea – the very best of Scotland*". This vision is underpinned by the council plan which sets out three key priorities being People, Environment and Economy.

1. Council Vision and Priorities (2)

These priorities are then underpinned by six strategic priorities, all with set targets to measure outcomes.

People:

- Learning for Life
- Health and Wellbeing

Environment:

- Resilient Communities
- Climate Change

Economy:

- Economic Growth
- Infrastructure and public assets

The Council Plan 2022-2027 was approved by full council at the council meeting in November 2022, this resulted in the previous council plan 2020-22 being formally closed as a result of the new plan being adopted. The council plan has been published and made publicly available on its website. The council also sent out a range of communications internally and externally through news articles on its intranet and website to communicate the new council plan that had been adopted by the council to enable staff, citizens and partners the opportunity to access the new council plan.

In a self assessment survey carried out by Aberdeenshire Council, it was found that approximately 73% of respondents agreed or strongly agreed that leaders are clear about the priority outcomes identified in strategic plans/ local outcome improvement plans and communicate the difference the Council ultimately aims to make in the community.

Our review of the council plan includes a clear vision with clear priorities for the council. The plan has been communicated to its citizens, staff and other partners.

Were the council's priorities developed with partners and aligned with their priorities?

The council plan and its priorities were developed based on evidence gathered from the Strategic Assessment which was approved by full council in June 2022 alongside the key deliverables from the Administration's manifesto to inform activity. The purpose of the strategic assessment is to provide policy makers a picture of the current climate and challenges Aberdeenshire is operating in and how it may change in the future. The Strategic assessment takes into account views from elected members, council officers, staff, partner agencies and the wider public and citizens of the council.

1. Council Vision and Priorities (3)

Frameworks and reports including; the national performance framework, Scottish Government Spending Review and Budget, Statutory Performance Indicators and local manifesto commitments also fed into the results of the strategic assessment. The results of the strategic assessment clearly show the assessment of issues impacting the council in the areas of people, environment and economy which then links through to the priorities outlined in the new council plan. We are satisfied that council priorities have been developed with partners and other stakeholders. We have also gained assurance that priorities developed with partners have been aligned with partner priorities. This is reflective in priorities such as tackling inequalities, climate change, focus on local communities/place and partnership working/regional collaboration all of which are similar priorities to partner organisations.

We are satisfied the council's priorities have been developed with partners and aligned with their priorities.

Has the council clearly set out what performance they want to achieve in their priority areas?

Within the new council plan, full council agreed a new set of six strategic priorities all of which have outcomes which council services use to plan activity and deploy resources. Each strategic priority has a number of outcomes of which there is also key measures which set out how performance should be measured in order to achieve the strategic priority.

Performance in these strategic areas is measured through Head of Service Business Plans. Following the approval of the Council Plan 2022-27, the senior leadership team (SLT) agreed in January 2023 that Directorate Plans would be discontinued and Head of Service Business Plans would be developed to set out the scope and standard of work each service would deliver, alongside work programmes to help achieve improvements against performance measures.

The first production of head of service business plans was reported to service area committees in April/May 2023 and therefore is too early at this stage to comment on the effectiveness of these reports. However, our initial review of the Head of Service Business Plans shows areas of good practice reporting including linkages of the council priorities per the Council Plan aligned to the strategic outcome, service performance measure, anticipated outcome, responsible officer and timescale for completion within the service area. The plans also set out the service priorities for the year ahead as well as forms of benchmarking that will be taken into account when measuring performance. It will be important that links and themes from outputs of these reports can be drawn at not only a service level but also at a holistic level to ensure overall progress is being made to achieve strategic priorities and that any key themes in good practice and performance improvement across services are being highlighted and addressed across the council at an overall holistic/strategic level.

1. Council Vision and Priorities (4)

We are satisfied the council has clearly set out what performance they want to achieve in their priority areas.

Conclusion

Overall, we are satisfied that the new council plan includes a clear vision with clear priorities for the council and this has been communicated effectively to its staff, citizens and partners. We have also gained assurance that council priorities have been informed and developed in conjunction with a range of stakeholders and that priorities are aligned with partner organisations. The council have set out what performance they want to achieve against each priority area within the council plan and have introduced new Head of Service Business Plans to ensure delivery of strategic priorities. It will be important that as progress against the council plan is monitored that the council is able to identify themes across a range of service areas in relation to performance, best practice and challenges. This will support cross department working and an overview of progression against the council plan. **(Action plan recommendation raised- see Appendix 1)**

2. Citizen and community engagement (1)

How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?

Recovery from the pandemic will require councils to work alongside their local communities. Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in decisions that affect their everyday lives. Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services should be a core part of determining a council's vision and priorities.

Is community empowerment reflected in the high-level goals of the council and embedded in strategic plans?

On 24 November 2022, Aberdeenshire Council agreed to develop and implement a Place Strategy aimed to consider the current and future needs of communities. The Council had previously agreed to implement the Place Principle in April 2019 as part of an agreement between CoSLA and the Scottish Government. The Community Planning Partnership Board agreed at their meeting in September 2022 to adopt a place based approach to deliver Community Planning in Aberdeenshire. A report considered by the Board in December agreed an approach to be taken and that approach is still in its development stage. Other services, including Live Life Aberdeenshire have already been adopting a place lens to their work.

The adoption of a Place Strategy is intended to offer a new way of delivering all council services in a more efficient way and looks to bring together the Place elements within all services, streamlining and clarifying the council's approach. The officer steering group that has agreed to work on the strategy include representatives from Area Managers, Education and Children's Services, Business Services and Environment and Infrastructure, and is led by the Planning and Economy service.

Work is underway to embed the Place Principle in Aberdeenshire however this is still in an embryonic stage. There is an aim from the council that this will become the primary focus of council and partnership service activity in the coming years. The Principle is intended to bring together ideas about services, investments, resources and assets in a collaborative way using place as a lens, with the aim of achieving better outcomes for people and communities. Over the coming years the Council will look to work in collaboration to develop Place Based Strategies which give communities a voice in shaping their locality. The performance framework set out in the Council Plan looks to ensure that reporting against Council Priorities continues whilst the strategies are developed. Given the resources required to develop Place Based Strategies, these will take some time to produce and it is important that the council recognise and assess the resource required to not only plan but deliver a placed based strategy against a financially challenging backdrop.

We are satisfied that community empowerment is reflected in the high level goals of the council and is embedded in strategic plans.

2. Citizen and community engagement (2)

To what extent is the organisation involving local people in decision making processes? Any examples of communities designing and co-producing services?

To ensure local people are involved in the decision-making process Aberdeenshire Council has implemented a Community Engagement and Participation Policy to ensure that all engagement undertaken by the council is informed by local citizens. An online engagement portal 'Engage Aberdeenshire' is designed as a central hub to allow local individuals to take part in consultations and engagement activities impacting council services and projects. Through this online portal local people have the ability to share their views, influence decisions within their area, follow projects as they develop and attend public meetings and workshops relating to the activity.

We are satisfied from our review performed that the council provides opportunities for involving local people in decision making processes and there are examples of communities designing and co-producing services.

Have members and senior managers worked effectively with communities to identify priorities that respond to the needs of communities?

The strategic assessment undertaken by the council in conjunction with key stakeholders and local citizens identified priorities such as tackling inequalities, economic growth and transformation, climate change, health and social care, infrastructure, education and focus on local communities. These priorities have been reflected in the new council plan as referred to within the 'Council Vision and Priorities' section of this report. Our review of the budget and MTFs shows that the most significant allocation of capital expenditure is being allocated to Education and Children's services and Infrastructure Projects. The larger proportions of the revenue budget are being directed to education and children's services, IJB (covering health and social care), infrastructure including economic development, roads maintenance, parks and open spaces, waste collection/disposal, transportation, digital, building repairs, libraries and sport and leisure. The council have a separate carbon budget which focuses on tackling climate change initiatives (although we have some concerns as to whether this is affordable – see page 27). We are therefore satisfied that the council is appropriately allocating funding to areas matched with local priorities.

We are satisfied that members and senior managers have worked effectively with communities to identify priorities that respond to the needs of communities.

2. Citizen and community engagement (3)

Do priorities reflect a leadership role for communities and CPP particularly in shaping recovery from Covid-19 and making decisions about local services?

One of the strategic priorities outlined in the new council plan is 'Resilient Communities' this priority is further made up of outcomes including;

- Promote greater participation by communities in decisions that impact them; and
- Develop and implement a Place Strategy that considers the current and future needs of communities.

In order to help meet this strategic priority Aberdeenshire Council form part of Aberdeenshire Community Planning Partnership (CPP). Aberdeenshire Council's Strategic Community Planning Team have a key role in supporting the Community Planning Board and Executive meetings at the CPP. The team act as a main point of contact for partners, communities and national contacts and lead on reporting and projects required by the partnership. Forums such as the CPP which engages with a number of partner organisations and local residents to join up efforts and resources to help deliver services that meet the needs of local people, as well as the council's adoption of a place based strategy and wider stakeholder involvement in decision making as highlighted above through Engage Aberdeenshire, ensures that priorities reflect a leadership role for communities and engages communities in being a part of decisions that impact local services.

We are satisfied priorities reflect a leadership role for communities and CPP. Recovery from covid-19 is included in the plans and priorities of the council and factored into the decisions made about local services.

Is the council learning from the innovative ways communities were involved in developing and delivering support during the pandemic and putting more flexible governance and decision-making structures in place now to provide more opportunities for more local participation in decision making?

Discussions with management have highlighted the positive way in which partnership working was engaged during the early stages of the covid-19 pandemic and the learning that has been adopted through that process. The pandemic brought to light how important it is to engage with partners and local communities in order to deliver services required in a more efficient and effective manner. The learning brought about from the pandemic has been used in informing council priorities and the ways in which priorities can be delivered through wider stakeholder engagement. The pandemic also brought about varying arrangements of governance and decision making structures where meetings were moved online when there were physical restrictions in place and since the easing of lockdown restrictions, many organisations have moved to hybrid working approaches to flexibly meet the needs of decision makers.

2. Citizen and community engagement (4)

Council meetings at the council have resumed to in person meetings however the local public have access to attend these meetings both virtually and physically to provide more opportunities for local participation in decision making.

We are satisfied the council is learning from innovative ways in which communities were involved in developing and delivering support during the covid-19 pandemic. As a result of the pandemic flexible governance and decision-making structure such as hybrid council meetings has provided more opportunities for local participation in decision making.

Conclusion

The council has had due regard to the importance of ensuring the views of citizens and communities are reflected in the priorities and decisions taken by the council. This is evident through priorities and outcomes set out in the council plan centered around 'Resilient Communities' as well as the differing forums available to enable stakeholder engagement.

It is positive to note the steps the council are taking steps to ensure communities are a key focus of the councils decision making process and that views are heard and acted upon. There is however further work that is required especially through the adoption of the newly agreed place based strategy. The adoption of a place based strategy is in its formative stages and will require sufficient resource to implement and deliver this strategy. It is important that the council recognize and assess the resource required and governance arrangements required to ensure this new strategy is effective and helps deliver the priorities focused on resilient communities as outlined in the council plan.

3. Reducing inequalities and tackling climate change (1)

How effectively do the council priorities reflect the need to reduce inequalities and climate change?

Reducing inequalities

Council priorities are expected to reflect the Best Value expectations that all activity should contribute to tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens, alongside a focus on sustainable development, including climate change.

[The Local government in Scotland Overview 2022](#) report notes that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

How clearly does the council and its community planning partners reflect its plans to reduce inequalities in its vision and strategic priorities? Have equality groups been involved in identifying local needs and inequalities to inform priorities?

The Council plan has a priority for Resilient Communities which includes developing and implementing a place strategy that considers the current and future needs of communities as well as improving the life chances of people at risk of falling into poverty, or already living in poverty.

Key measures within the council plan include:

- number of communities with a live or in-development place plan
- number of communities with active community councils
- percentage of children living in absolute low income families
- increased number of households supported through the roll out of income maximisation, money advice and welfare rights accessibility approach
- total benefit claims each month (housing, Council Tax reduction)
- energy efficiency measures installed in private sector housing and social sector housing
- households assisted to maximise their income
- percentage of revenue budget allocated via Participatory Budget

Our review of performance against these measures has identified that the council is generally performing in line with current targets however is below target in relation to 'Percentage of revenue budget allocated via Participatory Budget (PB)'. This is a new measure agreed as part of the new council plan. In 21/22 the 1% target for the council was not met.

3. Reducing inequalities and tackling climate change

(2)

The Scottish Government have set a target of 1% of a local authority's budget to be allocated by PB. It is important that the council should ensure there is increased engagement with local citizens and communities especially around financial planning and future budgeting priorities given the financial challenges faced by the council which will impact on the local community. This will ensure there is buy in from key stakeholders on allocation of financial resources in light of financial constraints.

We are satisfied that the council and its community planning partners clearly reflect its plans to reduce inequalities in its vision and strategic priorities. We are also satisfied that equality groups have been involved in identifying local needs and inequalities to inform priorities however, more could be done to increase local engagement in participatory budgeting exercises.

Does the council have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities?

The Scottish Government has an explicit commitment to ending child poverty through the Child Poverty (Scotland) Act 2017 ('the Act') which outlines a statutory requirement to reduce the number of children who live in poverty. The Act also places a statutory duty on Local Authorities and Health Boards to jointly prepare and submit, to the Scottish Government, an annual "Local Child Poverty Action Report" ('the Action Report') that identifies what action has been taken in the previous 12 months and the actions that will be taken in the future to reduce child poverty. The most recent Local Child Poverty Action Report was developed alongside Community Planning partners, including NHS Grampian, which holds the joint statutory duty with Aberdeenshire Council to produce an action report.

Reducing poverty is one of the Community Planning Partnership (CPP) Local Outcome Improvement Plan (LOIP) priorities which is led by the Tackling Poverty and Inequalities Group. The Tackling Poverty & Inequalities Strategic Partnership was set up by the Community Planning Partnership to coordinate strategic development across partners. The priorities of the Tackling Poverty & Inequalities Strategic Partnership are:

- Reducing the number of children/people living in poverty;
- Preventing children/people falling into poverty;
- Enabling children to live poverty free in adult life; and
- Improve the wellbeing of people living in poverty.

In September 2019, the Communities Committee approved the Aberdeenshire Information & Advice Delivery Framework, which is funded and supported by the Tackling Poverty & Inequalities Strategic Partnership. When approving the Framework, the Communities Committee agreed that Area Committees would be informed of progress in relation to delivery of the Framework as part of the Tackling Poverty & Inequalities Annual Report. The Communities Committee also considered the Aberdeenshire Child Poverty Action Plan 2023-2026 in March 2023 which was developed in conjunction with individuals with lived experience, partners from the Area Committee and Education and Children Service Policy Committee.

3. Reducing inequalities and tackling climate change

(3)

The intention of this Action Plan is to improve outcomes for all families living in poverty or at risk of living in poverty. The key emphasis is around supporting families where the risk of children living in poverty is highest.

Additional funding for Tackling Poverty & Inequalities has been placed within Aberdeenshire Council reserves and a strategic funding framework has been established to allocate and monitor the funding which is being allocated at an area level. Annual Reports will capture and monitor progress against the child poverty action plan and outline key achievements and highlight areas for improvement for each year.

The most recent annual report against the child poverty action plan published for 2021/22 highlights good progress in increasing income maximization for low-income households, reduction of fuel poverty for low-income households, access to support to improve skills for parents and young people to secure employment to name a few. The annual report however recognises areas for development such as greater digital accessibility, flexible childcare pathways, affordable transport models and continuing to develop the lived experience network.

We are satisfied the council have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.

Do the council's Covid-19 recovery and renewal plans support those most affected and address inequalities?

During the covid-19 pandemic the council held recovery and renewal plans in place in order to support those most affected by the pandemic. Recovery and renewal plans are no longer updated as plans and priorities have since been refreshed to include actions to support those who have been most affected by the pandemic and address inequalities. This is evident within the refreshed child poverty action plan as well as Aberdeenshire Information & Advice Delivery Framework.

Does the council use equality impact assessments and Fairer Scotland assessments to inform its strategic decisions? Is this information considered and acted on at the planning stage?

The Council also has a duty to demonstrate that they consider or have due regard to their equality obligations. Aberdeenshire Council use equality/integrated impact assessments (IIA) which makes reference to Fairer Duty Scotland in order to facilitate this. Key decisions undertaken by committees are required to produce an integrated impact assessment alongside the considered report. Committee meetings have a standing agenda item to note the Public Sector equality duty and "*where an IIA is provided, to consider its content and take those into account when reaching a decision*". From review of meeting minutes we have seen evidence of IIA's being provided for consideration however, we have not been able to identify evidence of integrated impact assessments being discussed alongside the agenda report item.

3. Reducing inequalities and tackling climate change

(4)

There is a risk that integrated impact assessments can become a tick box exercise and that they may not be effectively used to inform strategic decisions when being provided for consideration alongside detailed reports. **We recommend that where integrated impact assessments are provided alongside an agenda item that these are appropriately considered within committee meetings and minuted to evidence that they are having an appropriate impact. (Action plan recommendation raised- see Appendix 1)**

Is the council identifying a need to implement human rights based approaches in its design and delivery of services?

Aberdeenshire Council updated its human resources and organizational development policies in relation to Equality Guidance in July 2022. The Equality Guidance provides information and examples of common concepts and key legislation related to equalities. The Guidance highlights Human Rights and the relevant legislation impacting human rights. The guidance also refers to a 'Respecting Diversity' course which is made available to staff to help reflect on attitudes towards others, provide increased understanding of the challenges facing different groups and opportunities to how individuals may respond to those challenges. The council has due regard to implementing this policy across its design and delivery of services. Each Committee covering report which is used to inform decision making makes reference to risks and implications of recommendations of the report with reference to Equalities and Fairer Duty Scotland.

The IIA screening questions makes reference to whether the activity/proposal/policy would have an impact on people/and or groups with protected characteristics as well as an impact on inequality of outcome. We are satisfied that the council has due regard to human rights based approaches in its design and delivery of services.

We are satisfied that the council has due regard to human rights based approaches in its design and delivery of services.

3. Reducing inequalities and tackling climate change (5)

Tackling climate change

Around two-thirds of councils have formally declared a climate emergency, and [COSLA's Blueprint for Local Government](#) states that climate change is a 'greater threat than COVID'. The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

How clearly does the council reflect sustainability of the environment, and in particular climate change, in its vision and priorities?

Aberdeenshire Council as part of the new council plan has highlighted climate change as a key strategic priority. Outcomes as a result of this priority are to;

- Reach a 75% reduction in emissions by 2030 and net zero by 2045
- Increase the quantity and quality of recycling collected in Aberdeenshire and reduce the volume of unnecessary waste going to landfill
- Support and promote sustainable and active travel

Underpinning these outcomes is a number of key measures to track progress against performance. As part of the council's commitment to climate change mitigation, Aberdeenshire Council set their first carbon budget in 2017/18. The Council were the first local authority in Scotland to implement such a budget. This approach is to make sure that the Council are placing as much focus on their carbon footprint as they do on their financial budgets. The carbon budget is set in February each year at the same time as the financial budget and is monitored throughout the year by the Sustainability Committee.

'Route Map 2030 and Beyond' was approved by Aberdeenshire Council in September 2022. The route map is built up from an amalgamation of key activities and targets including; Scottish Government national guidance, climate ready Aberdeenshire, Aberdeenshire Council Climate Change Declaration and Route Map 2030 Transformation Map. A central steering group has been set up to take ownership of and monitor progress of delivery of the projects and Route Map 2030. The Steering Group reports to the Strategic Change Board as overseen by the Chief Executive whilst supporting Directorates in developing and delivering activities/projects that they shall be required to bring forward to meet the Council wide targets. The group also reports on progress to the Sustainability Committee as well as each policy committee as required.

An annual carbon budget is set each year to keep the council on track for its commitment to reduce emissions by 75% by 2030 and net zero by 2045. The latest data available shows that a target was set for 2021/22 of 50,614 emissions (tCO₂e) and delivered 49,304 which was marginally under target. The council currently is on track to reduce emissions in line with the targets set.

3. Reducing inequalities and tackling climate change

(6)

Currently Aberdeenshire is not an outlier in terms of emissions generated compared to other Scottish councils or proportion of total household waste arising that is recycled.

Key targets outlined in the Routemap include; reach net zero by 2045, 20% reduction in car kms driven, food waste reduced by 33% by 2025, 70% of all waste recycled by 2025, all new homes to use renewable or low carbon heating from 2024 and 35% of domestic and 75% of non-domestic building' heat to be supplied using low carbon technologies. The council have action plans in place to look to deliver these targets however significant investment will be required in order to deliver these targets. The council have undertaken work in 2023 in terms of feasibility studies and the impact on capital expenditure. A total of £128m capital expenditure is projected to be required by the council in order to meet climate change target over the next 8 years. The council currently have a capital plan allowance of £39m which means there is £89m of additional investment required. This provides a significant risk to the delivery of climate change targets set out in the Routemap.

We are satisfied that the council clearly reflects sustainability of the environment and in particular climate change in its vision and priorities. This is evidenced by the emphasis on climate change outlined in the council plan as well as the supporting action plans and climate change strategies adopted by the council. The council's sustainability committee also meet every second month and receive updates on the progress against their climate change action plans and strategies.

The priorities set out by the Scottish Government as well as Aberdeenshire Council to reduce carbon emissions and become net zero by 2045 are challenging and will require sufficient financing and resource allocated to meet delivery. It is positive to note that the council have a carbon budget in place and that this is regularly monitored through the sustainability committee as well as progress of delivery of priorities. The latest carbon budget update reported to the May 2023 sustainability committee notes that the Carbon Budget for 2022-23 is unlikely to be reached due to challenges which have delayed projects from starting at the anticipated time. It was noted however, that many of those projects have now moved into 2023/24 for actioning or have been revised to become more cost effective.

The council will need to continue to monitor not only delivery of projects but the costs anticipated with late running projects which can impact both capital and revenue costs to ensure both delivery of the climate change strategy but also the impacts of funding the climate change strategy in the medium to longer term.

Conclusion

We are satisfied that the priorities of the council within the council plan clearly articulates the importance of its plans to reduce inequalities as well as ensuring stakeholders have been involved in identifying local needs and inequalities to inform priorities. We have also obtained assurance that the council has an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.

3. Reducing inequalities and tackling climate change

(7)

The council use equality impact assessments as a way of ensuring that the risks and implications of decisions are considered however, we have been unable to obtain evidence of consideration of these impact assessments by committee members to identify whether these are being used effectively to inform strategic decisions. There is a risk that the use of equality impact assessments become a tick box exercise and may not be used as an effective piece of evidence to be considered alongside detailed committee reports.

We have set out a recommendation that the consideration of integrated impact assessments are appropriately considered and minuted within committee meetings to ensure these documents are being appropriately considered alongside the strategic decision-making process.

The council has appropriate arrangements in place to reflect the sustainability of the environment and in particular climate change as a key priority in its vision and council plan.

Overall, we are satisfied the council ensures that priorities reflect the need to reduce inequalities and climate change and has a number of arrangements in places to address this. We however would like to see that the council makes more effective use of the integrated impact assessments to inform decision making at the planning stage.

4. Alignment of delivery plans (1)

How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?

Delivery plans

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a council will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

Are the council priorities clearly reflected in service plans?

Following approval of the Council Plan 2022-27, the Senior Leadership Team (SLT) agreed that Directorate Plans would be discontinued from January 2023, and Head of Service Business Plans would be developed instead to set out the scope and standard of work the Service would deliver, and appropriate performance measures. The first production of head of service business plans was reported to service area committees in April/May 2023 and at the time of writing this report other service directorates are yet to receive the final directorate plan. Therefore, it is too early at this stage to comment on the effectiveness of these reports however, our initial review of the Head of Service Business Plans shows areas of good practice reporting including linkages of the council priorities per the Council Plan aligned to the strategic outcome and service performance.

We are satisfied that from the directorate plans available at the time of drafting this report council priorities were clearly reflected in service plans.

Do service plans demonstrate how the council will improve in its service priority areas?

We are also satisfied from our review of the directorate plans available that plans demonstrate how the council will improve service priority areas. This is demonstrated through service performance measures and actions combined with the anticipated outcomes, officer responsible for delivery as well as the timescale for delivery of the priority.

Has the council taken an innovative approach when considering how services will be delivered in the future?

Transformation

The self evaluation undertaken by the council for 2023 highlights that 45% of respondents did not know, disagreed or strongly disagreed about how leaders drive transformational change, and the clarity of transformation projects within the organization and how they are aligned with organizational priorities and plans. The survey undertaken highlighted that silo working is creating potential missed opportunities where projects could be aligned with other services/corporately.

4. Alignment of delivery plans (2)

An action plan has been drawn up as a result of the self assessment survey undertaken and highlighted an action plan to “Share information on transformation projects widely across the council”.

In order to reduce the current funding gap and deliver £90m of savings, a major transformation programme will need to be developed. The council has recognized the fact that it will require substantial transformation in order to reduce future funding gaps and reshape the organization to ensure efficient service delivery.

Transformation plans are currently under development. The council are currently working on the transformation vision and framework which will be ready for discussion with councilors once they return from recess to take forward. A team has been created within the Business Change Team to support transformation activity, a cross service team are delivered workshops for senior officers and members as well as shaping the leadership forum. Workshop activities were undertaken in June to engage with key stakeholders and drive ideas and innovation for change. Almost 800 individual ideas were submitted by participants during the workshops. A timetable has been set out which looks to develop a vision for transformation as well as developing an associated framework for delivery, developing a communications strategy and stakeholder map and three year programme of transformation activity, all of which is planned to be undertaken by December 2023.

Transformation and an innovative approach to delivering services will be key in futures years to enable delivery of services and council priorities against what is expected to be a challenging future financial backdrop.

Transformation programmes are at a very early stage at the council and therefore a depth of pace will need to be undertaken on the programme in order to ensure the council can bridge the significant funding gap in a short space of time. It is important that the council and policy committees monitor the progress and delivery of the transformation programme and outcomes. In order to ensure financial sustainability for the medium to longer term, the Council will need to ensure that it is able to deliver increased productivity and efficiency initiatives in order to reduce costs and deliver financial benefits. (Action plan recommendation raised- see Appendix 1)

Financial Plans

Is there evidence that the council has effectively aligned it’s 2023/24 budget to its new priorities? Does the council have a medium term and / or long-term plan that effectively demonstrates that financial resources are allocated to deliver its new priorities?

The medium-term financial strategy is used to provide a link between the council’s medium-term priorities and its financial capacity. The Council’s MTFS is reviewed on an annual basis and considers a range of delivery mechanisms and funding sources to help deliver the council plan and priorities.

The MTFS provides detail on the context and climate that the council is operating in as well as assumptions, sensitivity analysis, risks and external influences impacting the MTFS and finances of the council.

4. Alignment of delivery plans (3)

As outlined in the 'citizen and community engagement' section of this report **we are satisfied that financial resources and plans are allocated to areas of priority and aligned with council priorities.**

Can the council demonstrate how engagement with its citizens and communities have influenced its budget decisions?

Council members are in continuous engagement with its citizens and communities and this allows councilors to understand the priority areas impacting their local constituency. The annual strategic assessment that is undertaken by the council is informed by local citizens and communities which informs the council plan. The budget setting process then takes due regard to council plan priorities as informed by the local community to allocate financial resources to priority areas.

The council has projected a significant funding gap of circa £90m within the next five years. The council will need to use transformation to re-prioritise resources to priority areas and either reduce or stop expenditure in non-priority areas in order to ensure continued financial sustainability. **We are satisfied the council is able to demonstrate how engagement with its citizens and communities have influenced its budget decisions. The council will need to engage with its citizens and communities on how it addresses its funding gap and the impact on budgeting decisions.**

Workforce Plans

Are workforce plans in place, across the council, that demonstrate that it has the staff in place with the skills required to deliver services in line with its priorities?

Aberdeenshire is competitive in terms of workforce with other industries able to pay in excess of the Council. This makes it difficult to recruit and retain people. Outsourcing is also difficult as suppliers also struggle for resource. The Council is aware of the challenge and has recently undertaken a refresh of its workforce planning. Per discussion with management, in the last few years, workforce planning is being seen by the council as a priority area for services however has in the past not been as embedded within the council as hoped. As a result, workforce plans will be included within the Head of service business plans. These will be included for each service and forecasted for up to three years providing a medium-term approach to workforce planning. Head of service business plans integrate council priorities with service delivery and workforce planning and therefore is envisioned that this integration will help demonstrate and monitor that staff are in place with the skills required to deliver services in line with priorities.

As previously mentioned, it is too early to assess the effectiveness of the workforce plans as the inclusion of this within Head of service business plans has only been formed at the time of drafting this report however, we believe that the integration of head of service plans alongside workforce plans is a positive step in ensuring plans are in place to help deliver services in line with priorities and with the workforce required.

4. Alignment of delivery plans (4)

Our review of head of service business plans appropriately identifies the number of vacancies in the relevant service area as well as the strategy for delivery against the workforce priority areas. Key priorities and updates are provided within the head of service business plan alongside the issue/risk against that priority and the actions and progress/measures in place to achieve the priority with a target delivery date. **We are satisfied the workforce plan clearly identifies the skills or capacity gaps and the actions and progress taken to address workforce needs.**

Asset Plans

Does the council have an asset strategy and plans in place that demonstrate that it has the right assets to support delivery of services in line with its priorities?

The council have an asset strategy which spans a 5-year period to 2027/28. The capital plan was approved at March full council meeting alongside the revenue budget and MTFS. The capital plan shows a total expenditure of £563.956m between 23/24 and 27/28 of which £389.608m (69%) is planned to be financed through cash and prudential borrowing. This is a significant amount of planned borrowing and therefore there will be revenue implications for the council. The council estimates that there will be £255.925m revenue cost to fund the proposed capital plan across the next five-year period, with the assumption that interest rates remain below 4.5%. There are no other provisions for significant interest rate rises in future years and is reflected as a risk within the council's budget risk register.

The impact on revenue as a result of projected capital expenditure looks to increase from 5.8% to 8.2% within the 5-year period (£41m to £59.8m). The current planned level of borrowing and its impact on the revenue budget is not sustainable and reduction in the capital programme will be required in order to maintain financial sustainability.

The council will need to review the affordability of the proposed capital plan and its revenue implications. A review of the capital plan and estates strategy should be carried out and identify through scenario planning and sensitivity analysis whether the proposed capital plan is affordable in the short to medium term. It is also important that the council considers what is affordable to ensure continued financial sustainability as well as identify what capital priority areas are to ensure delivery of council plan priorities. (Action plan recommendation raised- see Appendix 1)

4. Alignment of delivery plans (5)

Do the council's annual and longer-term capital plans include projects that are aligned to the asset plans to support improved services? Is the extent of 'slippage' on key projects a concern?

We are satisfied through review of the council's annual and longer term capital plans that these include projects that are aligned to plans to support improved services. Examples include investment in the energy from waste capital project which aims to reduce emissions and help tackle the climate change strategic priority.

The latest capital finance reported to full council in January 2023 shows a projected £53m of underspend against a revised budget at January 2023 of £147m. This is significant and a large proportion (£13m) of this underspend relates to the Energy from Waste capital project. The project has encountered various delays and is forecast to be completed in Summer 2023 with milestone payments planned for 22/23 being reprofiled into 23/24.

Our review of the council's annual and longer-term capital plans include projects with are aligned to asset plans to support improved services. We have identified some slippage on key projects however we have not identified this as a significant concern.

Digital Plans

Does the council have a digital strategy and plans in place that demonstrate how its digital infrastructure supports delivery of services in line with its priorities?

Aberdeenshire's Digital Strategy 2020-2025 was approved by the Business services Committee in January 2021 and builds on from the previous strategy 'Innovate Aberdeenshire' 2015-2020. The digital strategy sets out the priorities and commitment of the council to embedding a digital approach to contribute to the council's strategic priorities, Aberdeenshire's Health and Social Care Partnership strategic plan and new ways of working following on from the covid-19 pandemic. The Digital Strategy Programme outlines the digital programmes undertaken to support progress in achieving the digital strategy. Progress against the strategy is reported to the business services committee on a six month basis. The strategy sets out four themes of service delivery for the council to help the council deliver on the six strategic priorities set out in the council plan.

An innovation fund has been programmed which is a ringfenced pot available for digital innovation projects to support transformation business cases as determined by the Digital Strategy Board. The launch of this fund is due to be carried out in the first two quarters of 2023 and review of funding applications and awards being undertaken in quarter three.

4. Alignment of delivery plans (6)

The digital strategy is moving through its midway point, with the majority of projects in Discovery or Delivery stages. The digital strategy project has a number of projects with projected benefits and savings attached to each project. A maturing benefits profile continues to emerge across the strategy programme, with return on investment identified across Webchat, Process Automation and Online Services projects indicating potential return on investment by 2025 for these three streams of an estimated £1.1 million and further potential return being explored. Wider benefits exist as these projects support the organisation in its transformation journey supporting Aberdeenshire to become more efficient and streamlined in its processes and maximising the transaction channel choice for both internal and external stakeholders. Other streams within the strategy are building their benefits profiles and further reports will set out the growing benefits picture as it develops.

We are satisfied the council has a digital strategy and plans in place to demonstrate how its digital infrastructure supports delivery of services in line with its priorities.

Conclusion

Can the council demonstrate that it has taken decisions to show how it will deliver on its priorities, allocate and align resources to its new priorities and secure sustainability of its services into the longer term?

We have seen evidence that the council has taken decisions to show how it will deliver on its priorities, allocate and align resources to its new priorities and secure sustainability of its services into the longer term. The priorities of the new council plan are broad in nature and therefore, provides the council with flexibility in future years to respond to changes in the local community. The council continues to prioritise service delivery in areas such as health and social care to progress against the council priority of health and wellbeing. The council have also evidenced significant investment in projects such as energy from waste to meet strategic priorities relating to climate change and are continuing to look to implement a place based strategy to help progress against the resilient communities priority. Overall, we are satisfied that the council has appropriate delivery plans and that there is alignment of financial, workforce, asset and digital plans with council priorities however, one of the biggest challenges that the council will face in the medium to longer term relates to capital investment in services to help in the delivery of council priorities. We highlight the fact that the council has an ambitious capital plan which results in significant amounts of planned borrowing and the council will need to reflect on the affordability of this programme to avoid the risk of wider financial challenges.

5. Leadership (1)

Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

Effective leadership from councilors, chief executives and senior officers, is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever. Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councilors and officers must be clear on their roles in setting the vision and planning for its delivery. Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. Working relationships between members and between members and officers should be constructive and productive. Councilors should show a commitment to agreed council priorities and work together to achieve them.

Is there effective collaborative working between members and with members and officers towards the achievement of the priorities?

We are satisfied from our discussions with management and review of committee meetings that there is an effective collaborative working relationship between members and officers and towards the wider achievement of council priorities.

Do members and officers demonstrate mutual respect, trust, honesty and openness and appropriate behaviours?

We are also satisfied that members and officers demonstrate mutual respect, trust, honesty, openness and appropriate behaviours within their roles. The recent self assessment evaluation undertaken by the council highlighted that 74% of respondents strongly agreed or agreed that leaders demonstrate the vision, values and ethics of the council and act as role models.

Is there evidence that members have taken decisions that contribute to the achievement of the priorities, in particular when allocating resources and in setting and monitoring performance targets?

Based on our review of committee meetings and wider strategies and priorities of the council we are satisfied that members look to take decisions that contribute to the achievement of priorities of the council. There is a strong emphasis within the council of performance monitoring and tracking performance against priorities. As highlighted above we have seen evidence that members are mindful of wider strategic priorities when allocating resources and monitoring performance targets.

5. Leadership (2)

This is positive in ensuring that the council progresses against delivery of strategic priorities. Due to the financial challenges the council faces in the medium to longer term with significant funding gaps planned, the council will need to continue to ensure strong leadership and governance arrangements are in place to help provide the foundations to a number of difficult and challenging decisions that are likely to have to be made in future years as a result of planned financial challenges and the need for transformational change. It is positive to note the council are starting to plan ahead to look at the wider transformation required at the council however it is important that there is a depth and pace attached to this area to ensure delivery of council priorities can be sustained.

Is there a corporate approach to self-evaluation that supports continuous improvement in priority areas?

The council undertake a corporate approach to self-evaluation which helps supports continuous improvement in priority areas. Following an internal audit report and best value assurance report published in 2020 which recommended to implement an effective council-wide approach to self-evaluation, the council agreed that it would use of the Public Service Improvement Framework (PSIF) to use as a self-assessment tool. The audit committee agreed a two-year plan to deliver self-evaluation across the council.

A council wide self evaluation was undertaken in March 2023 and the results of the evaluation were considered by the audit committee in May 2023 and an improvement plan for 23/24 is being created to help support improvement with regards to the improvement actions identified. Key areas included within the action plan include; reviewing budget-setting process to include longer term financial planning, more stakeholder engagement and participatory budgeting, embed approach for governance of risk strategy and risk registers, share information on transformation projects widely across the council and demonstrating how the council use benchmarking to make service improvements.

Have any issues been identified with the capacity and skills of senior officers that could impact on the ability of the council to deliver its objectives? Has there been turnover of senior officers?

We have also considered the capacity and skills of senior officers which could impact on the ability of the council to deliver its objectives.

The council has not experienced high turnover of senior officers and we have not identified from our discussions with management and review of council reports any significant issues with the capacity and skills of senior officers in place at the council. Our review of meeting minutes of key committee meetings has not identified significant issues in relation to skills of elected members that could impact on their ability to scrutinize and make decisions that contribute to the council delivering its objectives. Our attendance at audit committee meetings has found that elected members are appropriately informed by management reports and there is evidence that members scrutinize and challenge information provided in order to make informed decisions impacting the council.

5. Leadership (3)

Within the self assessment undertaken by the council 69% of respondent strongly agreed or agreed that leaders have established strong governance arrangements with clear lines of accountability for the council.

Conclusion

Overall, we are satisfied that there is effective leadership (political and officer) in setting clear priorities and there is a sustainable approach to delivering priorities. Strong and cohesive leadership is important in ensuring delivery of council priorities and it is important that effective leadership and governance arrangements remain in place to help tackle a number of difficult decisions that will be required to be made as a result of a challenging financial climate, increasing demand for services and reduction in resources which will result in a need for transformational change and will require strong leadership and guidance by officers and elected members.

Appendices

Appendix 1. Improvement Action Plan (1)

We have identified four recommendations for the council as a result of best value thematic review carried out. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2023/24 audit. The matters reported here are limited to those that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Issue and risk

Recommendations

1. Council vision and priorities

To reduce the risk of silo working the council will need to ensure that it provides a holistic view of areas of best practice as well as challenges or performance improvement by performing an overall review of head of service business plans in a collective manner.

It will be important that as progress against the council plan is monitored that the council is able to identify themes across a range of service areas in relation to performance, best practice and challenges. This will support cross department working and an overview of progression against the council plan.

Management response

TBC

2. Reducing inequalities and tackling climate change

There is a risk that integrated impact assessments can become a tick box exercise and that they may not be effectively used to inform strategic decisions when being provided for consideration alongside detailed committee reports.

We recommend that where integrated impact assessments are provided alongside an agenda item that these are appropriately considered within committee meetings and minuted to provide an audit trail which evidences the use of impact assessment are appropriately informing strategic decisions and are considered and acted on at the planning stage of the decision-making process.

Management response

TBC

Appendix 1. Improvement Action Plan (2)

Issue and risk

3. Alignment of delivery plans- Transformation

Transformation programmes are at a very early stage at the council and therefore a depth of pace will need to be undertaken on the programme in order to ensure the council can bridge the significant funding gap in a short space of time and ensure continued financial sustainability.

Recommendations

It is important that the council and policy committees monitor the progress and delivery of the transformation programme and outcomes at a close level to ensure that not only efficiencies can be delivered but that financial sustainability can be achieved. In order to ensure financial sustainability for the medium to longer term, the Council will need to ensure that it is able to deliver increased productivity and efficiency initiatives in order to reduce costs and deliver financial benefits. The council will also need to use transformation to re-prioritise resources to priority areas and either reduce or stop expenditure in non priority areas.

Management response

TBC

4. Alignment of delivery plans- Asset Plans

The council has an ambitious capital plan over the next five-year period which projects a significant amount of borrowing is required to fund delivery of the plan. There is a risk that the capital plan could be unsustainable in the short to medium term and have significant impacts on an already stretched revenue budget.

The council will need to review the affordability of the proposed capital plan and its revenue implications. A review of the capital plan and estates strategy should be carried out and identify through scenario planning and sensitivity analysis whether the proposed capital plan is affordable in the short to medium term. It is also important that the council considers what is affordable to ensure continued financial sustainability as well as identify what capital priority areas are to ensure delivery of council plan priorities.

Management response

TBC



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