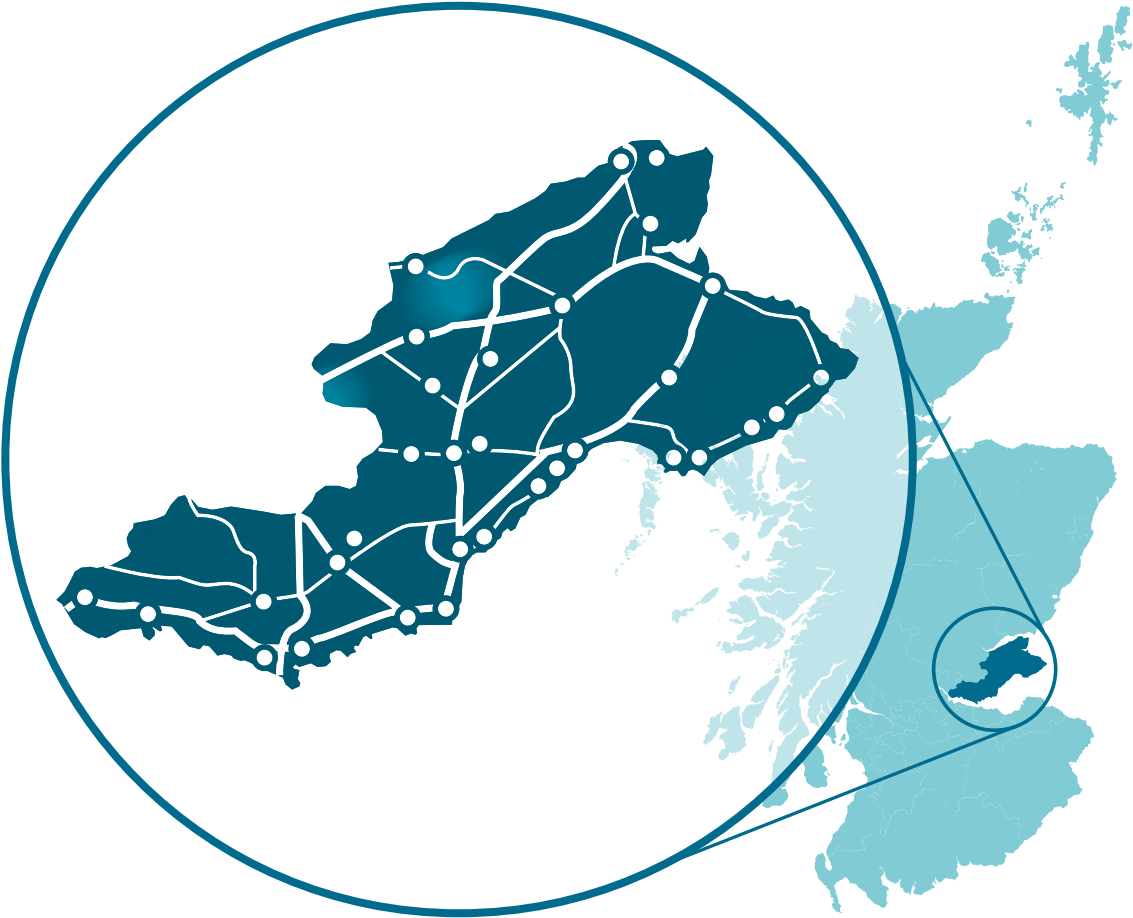


Best Value Assurance Report

Fife Council



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
May 2018


The Accounts Commission

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

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

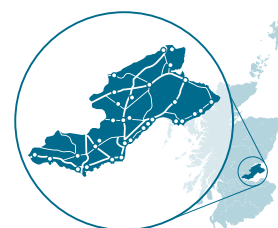
Our work includes:

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

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

Contents



Key facts	4
Commission findings	5
Audit approach	6
Key messages	9
Part 1. Does the council have clear strategic direction?	10
Part 2. How well is the council performing?	14
Part 3. Is the council using its resources effectively?	21
Part 4. Is the council working well with its partners?	28
Part 5. Is the council demonstrating continuous improvement?	33
Recommendations	38
Endnotes	39
Appendix. Best Value audit timeline	40

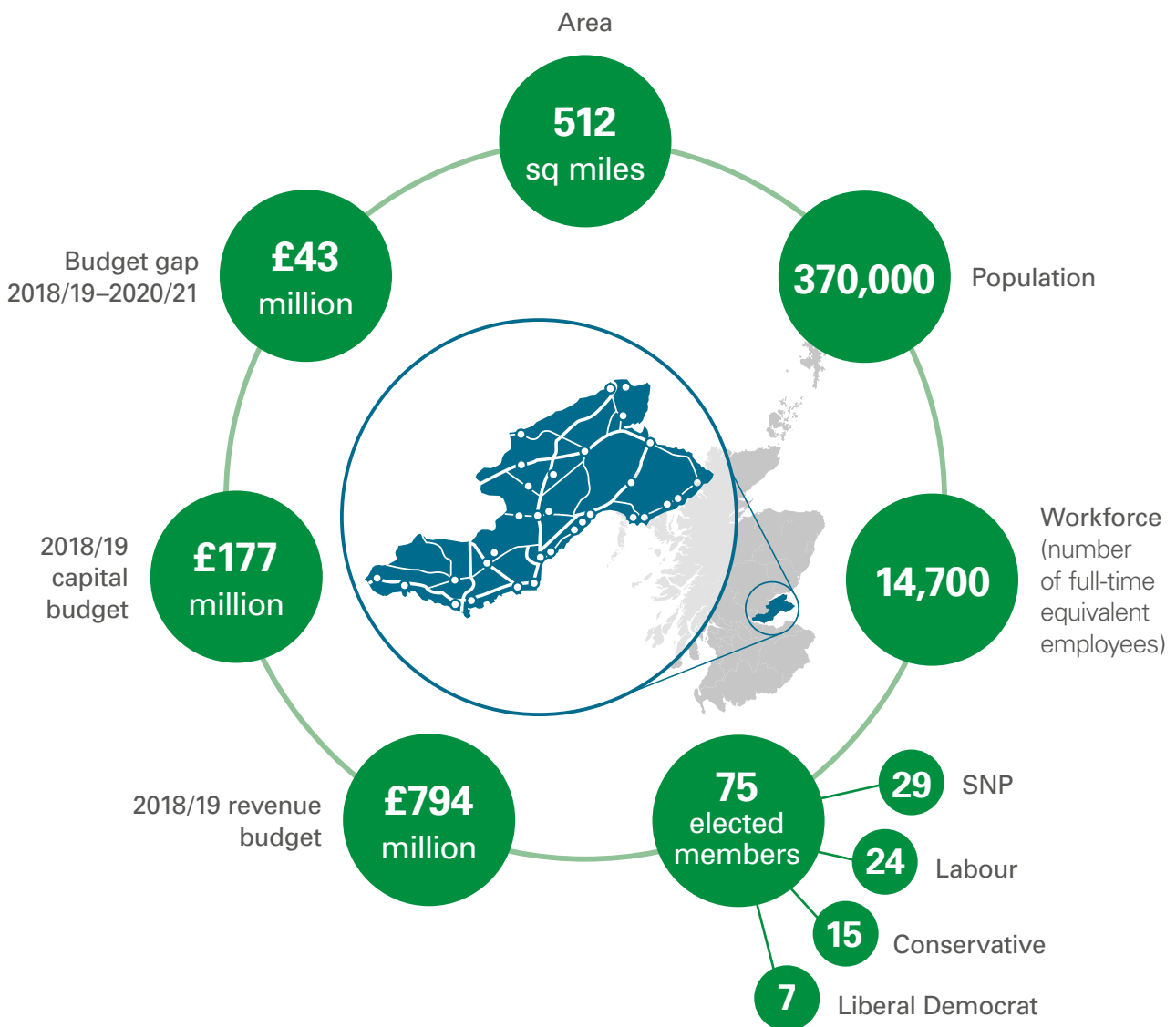
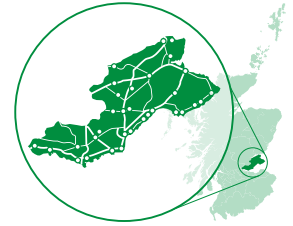
Links

-  PDF download
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Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

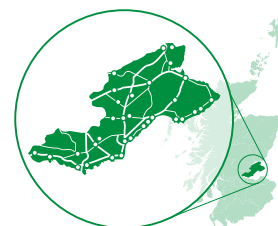
Key facts



Notes:

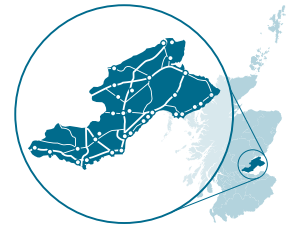
1. Revenue budget = the annual cost of running the council. Capital budget = the cost of investing in assets.
2. Budget gap 2018/19 – 2020/21: over the course of these financial years, the shortfall between the cost of running the council at today's level and the council's forecast of its future income.

Commission findings




- 1** The Commission accepts the Controller of Audit's report on Best Value in Fife Council. We endorse the recommendations set out by the Controller of Audit in his report and expect the council to act upon them.
- 2** Fife Council has improved since our previous largely positive Best Value audit in 2009. The council has shown good self-awareness and commitment, supported by good financial planning and management, to deliver this change.
- 3** Fife is a diverse area with significant challenges around socio-economic inequalities. The council and its partners are committed to securing increases in the investment in the Fife economy. They have set out in their 'Plan for Fife' a clear focus in tackling these challenges and articulate their aspirations for Fife. The Plan shows their continuing good record of partnership working: it now needs to be taken forward and supported by targets, actions and performance management arrangements. Effective engagement of communities has also been a vital component of the Fife approach.
- 4** The council faces a significant budget gap. We are pleased that councillors and officers work well together in identifying how to close this gap. Another important element of this approach is the council working further with its staff in developing its organisational culture.
- 5** We note the substantial financial demands faced by the health and social care partnership. While such challenges are not unique to Fife, it is crucial that progress is made by the partnership in agreeing roles and responsibilities to help manage these challenges while significantly redesigning services.
- 6** The council has responded positively to areas of underperformance. For example, in school attainment, a focus on the poverty-related attainment gap has been fruitful and has the potential for application to more young people. We also note the commitment shown by the council to its new Children and Families social work strategy through substantial investment. Early signs are that this is having a positive impact on the performance of the service.
- 7** We will maintain our interest in the progress of the council. In line with our new approach to auditing Best Value, the Controller of Audit will monitor progress through the annual audit and update the Commission accordingly.

Audit approach



1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process forming part of a council's annual audit. Audit conclusions are reported through the Annual Audit Report, addressed to the Controller of Audit and the councillors. The Controller of Audit will also present a Best Value Assurance Report (BVAR) to the Accounts Commission at least once during the five-year audit appointment for each council.

2. We look for a council to demonstrate Best Value by showing continuous improvement in how it delivers on its priorities. The pace, depth and continuity of improvement are key to how well a council meets its priorities in future. Our work covers many Best Value characteristics in the statutory guidance but does not attempt to cover them all. Our audit approach is proportionate and risk-based, meaning that it reflects the context, risks and performance of an individual council. It also draws on information from previous years' audit and scrutiny work.

3. A report on [Best Value and Community Planning by Fife Council](#)  was last published in 2009.¹ This current report is the first BVAR on Fife Council under the revised audit arrangements we introduced in 2017. It aims to provide the Accounts Commission with assurance on the council's statutory duty to deliver Best Value, with a focus on the Commission's Strategic Audit Priorities covering:

- the clarity of the council's priorities and the quality of long-term planning to achieve these
- how effectively the council evaluates and implements options for significant changes in delivering services
- how effectively the council ensures that councillors and officers have the right knowledge, skills and time to lead and manage how services are delivering priorities and how effectively the council involves residents in decisions about services
- the quality of the council's public performance reporting to help residents gauge improvement.

4. In this report, we show how we assessed Fife Council's improvement over time and our conclusions are reflected in the [Key messages \(page 9\)](#). We did initial work to gauge the audit's scope by reviewing previous audit and inspection reports and council documents; meeting senior council officers; and drawing on our wider public sector knowledge and experience.

5. Exhibit 1 (page 8) shows the areas we decided to focus on. We assessed detailed evidence between December 2017 and March 2018. We:

- interviewed councillors and senior officers
- observed council, committee and partnership board meetings
- reviewed documents and performance data
- held focus groups with councillors and officers.

6. We gratefully acknowledge the cooperation and assistance provided to the audit team by councillors, officers and the council's partner organisations. As part of the annual audit of the council, our future work will follow up on this report's findings and recommendations. It will also include more detailed audit work on other Best Value areas as appropriate.

Exhibit 1

Key areas of focus for our audit

The audit considered a broad range of issues.

Vision and strategic direction (Part 1)



- What the council is trying to achieve
- The 'Plan for Fife' and its fit with locality and neighbourhood plans
- Operating arrangements of the joint political administration.

Performance (Part 2)



- Overall progress on performance
- Reports by organisations that independently inspect council services
- Investment in Children and Families services to improve outcomes
- Performance management and reporting arrangements.

Use of resources (Part 3)



- The revenue and capital budgets
- Programmes to reduce the number of council offices and depots
- The council's workforce.

Partnership working (Part 4)



- The Community Planning Partnership¹
- Arm's-length external organisations
- Community empowerment and community asset transfers
- City Deals.²

Continuous improvement (Part 5)



- The council's overall direction, depth and pace of change
- Self-assessments, key areas of emphasis, and action arising from them
- The use of technology to give citizens new ways of interacting with the council and delivering services.

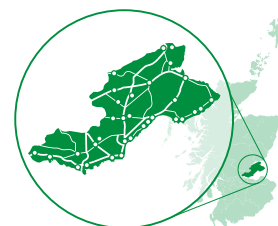
Notes:

1. Community planning is the process by which Scottish councils and other public bodies work with their local communities, business and the voluntary sector to plan and deliver ways of improving people's lives.

2. City Deals are a UK initiative to help improve a local area's economy. Funding contributions are provided by the local authorities involved, and the UK and Scottish governments.

Source: Audit Scotland

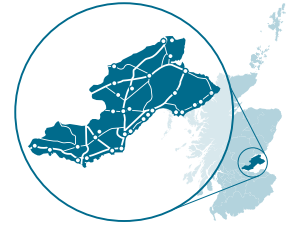
Key messages



- 1** The council has maintained good progress since its last Best Value report in 2009. It has a well-developed approach to continuous improvement, using a range of tools and methods to review its processes and performance. The council has introduced a new programme to empower its workforce and foster an improvement culture.
 - 2** The council and its community planning partners share a clear strategic direction through their joint commitment to the Plan for Fife. The council has undertaken extensive research into the Fife area and engaged with communities to ensure that it understands the issues and challenges. It still needs to develop delivery plans with specific actions, and finalise performance monitoring arrangements.
 - 3** Members and officers demonstrate effective leadership and there are signs that the joint administration is working well.
 - 4** The performance of council services continues to improve and broadly tracks national trends. The council focuses on improving areas of weaker performance, including aspects of education and social work, prioritising outcomes such as reduction of inequality.
 - 5** The council has reviewed and implemented improvements in how it uses key resources including finance, staffing and assets. This includes the development of effective medium - and long-term financial planning arrangements.
 - 6** There are good examples of the council implementing service change. By reducing its numbers of offices and depots, it has delivered financial and operational benefits. It developed a new Care at Home digital scheduling system that has made the service more efficient and provided savings, while delivering more homecare visits.
 - 7** The council uses a varied range of tools to involve communities in decision-making, including plans to expand participatory budgeting.
 - 8** The Fife Health and Social Care Partnership faces significant financial and service redesign challenges in the short to medium term and the pace of change of service redesign will need to increase. The council will need to work with its partners to deliver this.
-

Part 1

Does the council have clear strategic direction?



The council and its partners share a clear vision and elected members are working well together

Fife Council faces a wide range of challenges including an ageing population and the level of inequality within the area.

The council and its partners have agreed priorities in a Plan for Fife. This is based on extensive research and working closely with communities.

There are signs that the council's joint administration is working well, and the corporate management team provides effective leadership.

Fife Council faces numerous challenges

7. Across Scotland, councils' financial challenges continue to grow. Successive annual funding reductions have been compounded by increasing costs and demands on services. The financial outlook remains challenging, with the need to achieve savings being increasingly critical to councils' financial sustainability.²

8. Fife is in east central Scotland and Scotland's third most populous council area, with 370,000 residents. Its 1,325 square kilometres (512 square miles) contain a mix of rural and urban areas but no major city. Traditionally, its economy relied heavily on mining and defence industries. The south and west are dominated by urban areas and an industrial economy while the east and north are mainly rural and agricultural. Two-thirds of people live in the larger towns: Dunfermline, Glenrothes, Kirkcaldy and the group of towns forming Levenmouth.

9. Forecast changes in Fife's demography broadly mirror trends across Scotland and will require public bodies to make difficult decisions about the costs of providing public services to differing age groups among diverse, evolving communities. Between 2016 and 2041, the total population is forecast to rise by 2.6 per cent (compared to 5.3 per cent for Scotland). However, in contrast to Scotland as a whole, the working age population is projected to decrease by 2.6 per cent (+1.1 per cent for Scotland), with the number of people aged 75 or over rising by 83.5 per cent (+78.6 per cent for Scotland).

10. One of the most significant challenges in Fife is the level of inequality within the area. For example:

- One in three of the working age population in Fife's most deprived areas claims benefits compared to one in 20 in the least deprived areas.

- In some communities, over 50 per cent of children are living in income-poverty.³
- Life expectancy in some communities is eight years less than in others.
- People in the most deprived areas are twice as likely as those in the least deprived areas to die before they reach 75 years.⁴

The council understands its key challenges

11. The council and its community planning partners have extensively researched the needs of Fife's communities to inform the partnership's priorities. Fife Council has a leading role in Fife's community planning partnership (CPP), known as the Fife Partnership Board. The board draws members from a wide range of local and national organisations including NHS Fife, Police Scotland, Fife College and Fife Voluntary Action.

12. In September 2014, the council established the Fairer Fife Commission to provide advice and insight into priorities for tackling poverty and inequality. The Commission's report in November 2015 identified 40 recommendations on how the public, private and voluntary sectors could work together towards a 'Fairer Fife'.⁵ The report was approved by the Fife Partnership Board in December 2015 and the recommendations have been reflected in the Plan for Fife adopted by the council and its partner bodies, which outlines 12 headline ambitions for a fairer Fife.

13. In 2016, the council asked residents how they viewed where they live in Fife ([paragraph 74](#)) and the results of this informed the Strategic Assessment by the council in February 2017. The Strategic Assessment found that:

'Overall, Fife is doing adequately well, rather than exceptional. There are of course a range of very impressive, even ground breaking initiatives, but these are perhaps not achieving the scale or impact we aspire to. The result is that for the most part, we track with rather than buck national trends in community planning indicators. These average figures across Fife can hide very different stories at a local level. The typical experiences, expectations and life chances of someone living in one of our most challenged communities can be hugely different to those in well-off communities.'

The council and its partners share a clear strategic direction

14. The council and its partners share a clear, ambitious strategic vision. By 2027, the CPP 'want Fife to be a place where all residents live good lives, make informed choices and have a sense of control so that they can reach their full potential, and where all children are safe, happy and healthy. We also want Fife to be a place where we make best use of our assets and facilities, while sustaining them for future generations'.⁶

15. The Community Empowerment (Scotland) Act 2015 (the act) requires a CPP to produce the following plans:

- A Local Outcomes Improvement Plan (LOIP) for the whole council area.
- A Locality or Neighbourhood Plan – where necessary, for high-priority communities with specific needs. The Scottish Government expects CPPs to prioritise the adoption of neighbourhood plans.

16. The LOIP for Fife is set out in the Plan for Fife, as approved by the CPP in November 2017. This clearly sets out four priority themes for the work of the council and its partners (Exhibit 2). The four priority themes have been translated into 12 ambitions, supported by 24 areas of focus. Supporting the Plan for Fife is a LCP for each of the council’s seven administrative areas. The council is currently progressing neighbourhood plans for priority areas. The Templehall Neighbourhood Plan was the first to be developed and has been endorsed by the Templehall Neighbourhood Development Group.

Exhibit 2

The four priority themes of the Plan for Fife

The planning framework links the Fife-wide vision, target outcomes for Fife, seven LCPs, and Neighbourhood Plans for specific priority communities such as Templehall.



-  Opportunities for all
-  Thriving places
-  Community-led services
-  Inclusive growth and jobs

Members and officers demonstrate effective leadership

17. Following the local elections in May 2017, no political party in Fife had a majority and a decision was taken to form a joint administration between 29 SNP councillors and 24 Labour councillors. The two parties agreed a Programme for Administration and each contributed a co-leader. The Programme for Administration was agreed for one year only, although it seems likely to continue.

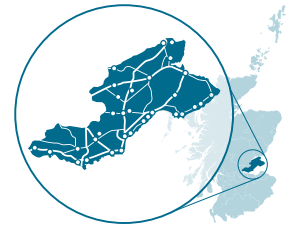
18. There are constructive working relationships between the administration groups and an acceptance of the wider case for change. Members of the joint administration meet regularly to consider policy matters, inviting officers to attend as appropriate. There have been no major conflicts among elected members on the council's priorities or budget.

19. A revised committee structure was introduced in May 2017, featuring seven local area committees and six strategic committees – including a Policy and Coordination Committee and a Scrutiny Committee. The seven area committees have been operating since 2007 and play an important role in linking work in local communities with corporate management of the council. They have delegated responsibility for some revenue and capital budgets.

20. There is clear leadership by the officers in the corporate management team. Each council directorate is headed by an executive director who, together with the chief executive and the director of health and social care, collectively form the Council Executive Team (CET). The CET meets informally each week and formally twice a month (including monthly as a formal Change and Financial Strategy Group). The chief executive meets weekly with the co-leaders to discuss policy matters. The CET provides clear leadership within the council's management structure, and its role in supporting community planning work is valued by the board of the Fife Partnership.

Part 2

How well is the council performing?



The performance of council services continues to improve and broadly tracks national trends

Performance varies across services. Areas of relatively weaker performance overall include aspects of education and social work and these are reflected in priorities and strategies for improving performance.

Outcomes for pupils from the most deprived areas have improved more than the national average. The council will now use these improvement strategies to improve outcomes for a wider group of young people.

The council has adopted a new evidence-based Children and Families Strategy and is beginning to deliver improved outcomes.

The council and its partners are starting to turn the Plan for Fife into a programme of specific, outcome-focused improvement actions. These will be a foundation of the planned performance measurement and reporting framework.

The council's performance is improving

21. In November 2017, the council issued a public performance report (PPR) on its performance in 2016/17.⁷ The information included a Red, Amber, Green (RAG) assessment of its performance on 56 measures relating to three high-level target outcomes ([Exhibit 3, page 15](#)).





22. Over half of the performance targets (29) were delivered. Eight indicators (14 per cent) were significantly 'off target', according to the council, including:

- **Increase employment:** number of new business start-ups; the time spent dealing with complex planning applications; difficulty in letting large vacant retail units; and the value of investment in major town centres.
- **Reduce inequalities:** challenges with rehousing homeless people; the proportion of households that are fuel-poor; the level of adults who do volunteer work; and the proportion of people living in relatively deprived areas who agree that the council provides high-quality accommodation.


Exhibit 3

The council's performance in 2016/17 on its own performance targets

Over half of performance targets (29) were delivered, but ten were 'significantly off target'.

Target outcome		Total number of measures	Significantly off target	Slightly off target	On/Better than target
Increase employment		9	4	1	4
Reduce inequalities		45	4	17	24
Tackle climate change		2	0	1	1
Overall		56	8	19	29

Source: Fife Council

23. The Local Government Benchmarking Framework (LGBF) allows a council to compare itself against the Scottish average. The Accounts Commission's report, [Local government in Scotland: Performance and Challenges 2018](#) , selected eight LGBF indicators that give an indication of a council's performance in services likely to matter to the public.⁸ Since 2011/12, the council's performance has improved on all eight indicators ([Exhibit 4, page 16](#)).

Performance was better than the Scottish average on nearly half of indicators in 2016/17, but worse than average on a third of them

24. The council found its performance in 2016/17 was above the Scottish average on nearly half (48 per cent) of 71 LGBF indicators ([Exhibit 5, page 16](#)). This was a little short of its objective to perform above average on more than half of LGBF indicators in 2016/17.

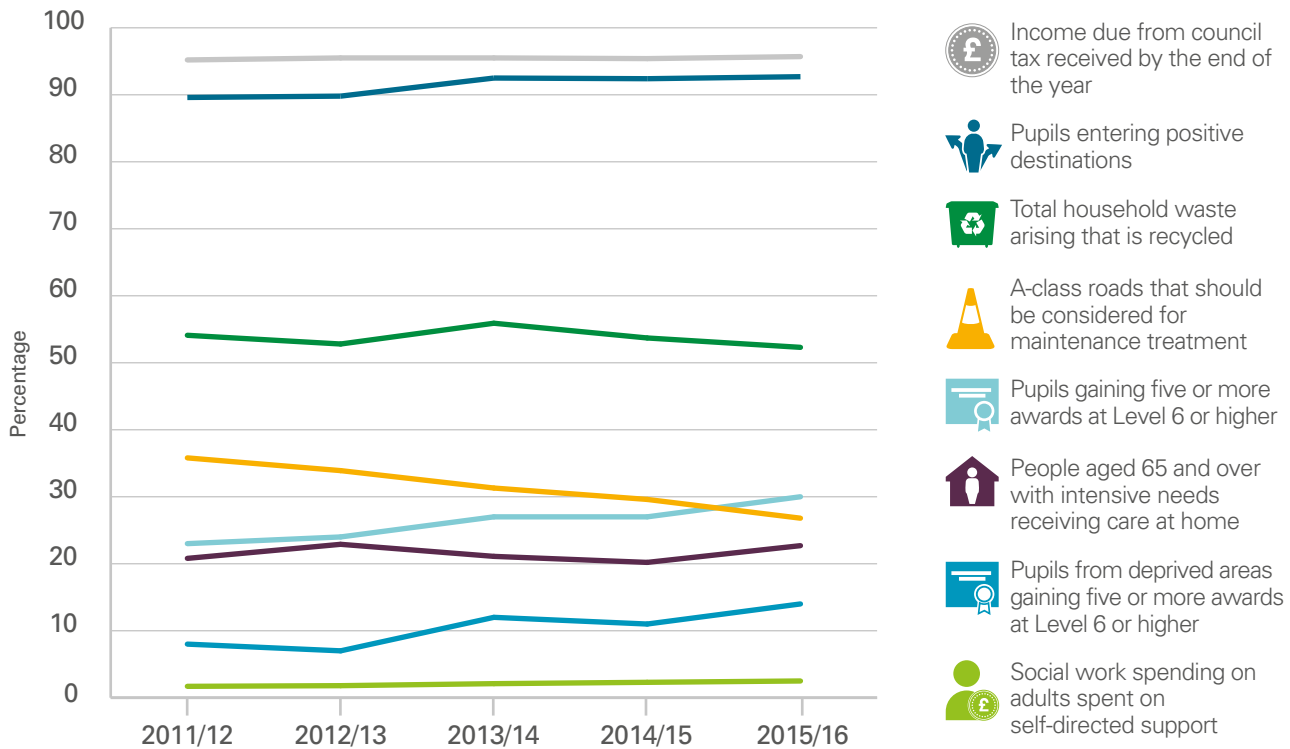
25. On five of the 71 LGBF indicators the council's performance was worse than the Scottish average and was also declining:

- The average total tariff for pupils in SIMD quintile 4.⁹
- The level of sickness-absence among teachers.
- The cost of trading standards and money/citizen's advice.
- The level of gross rent arrears.
- The number of Business Gateway start-ups.

Exhibit 4

The council's performance trend, 2011/12 to 2016/17, on eight selected indicators

Since 2011/12, the council's performance has improved on all eight indicators.



Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2016/17

Exhibit 5

The council's view of its performance in 2016/17 on LGBF indicators

The council found it was better than average on nearly half of indicators and stable or improving on over three-quarters.

Compared to the Scottish average		Total	Declining	Stable	Improving
Better than average	↑	34 indicators (48 per cent)	5 indicators (7 per cent)	10 indicators (14 per cent)	19 indicators (27 per cent)
Same or only very slightly worse	→	14 indicators (20 per cent)	5 indicators (7 per cent)	2 indicators (3 per cent)	7 indicators (10 per cent)
Worse than average	↓	23 indicators (32 per cent)	5 indicators (7 per cent)	2 indicators (3 per cent)	16 indicators (22 per cent)
Total		71 indicators	15 indicators (21 per cent)	14 indicators (20 per cent)	42 indicators (59 per cent)

Source: Fife Council

Performance varies across the services, with education and social work showing a relatively weaker performance overall

26. Services generally have a mix of indicators that are above, below and in line with the national average:

- Environmental services have the most indicators (14 out of 15) that score above the national average.
- Four out of five economic development indicators are improving, with three higher than the national average.
- Education and social work have the most indicators that are below the national average (Education: 13 out of 22, adult social care: 4 out of 6).

27. For both education and adult social care, the council generally provides services at a lower cost than the national average, but performs below the average on other performance indicators. Priorities for improvement are identified by the council based on the performance of services relative to a range of appropriate benchmarks, including Education Scotland's 'virtual comparator' for school outcomes.

There is a clear link between areas of under-performance and the council's future priorities and investment

28. The council recognises where its performance is weaker and its priorities and strategies aim to improve these aspects. These focus on reducing inequalities for those people in the most deprived areas and categories. The council's investment in its Children and Families Strategy illustrates it setting out to improve outcomes for looked-after children as well as address rising costs ([Case study 1, page 18](#)).

29. In education, the council recognises that performance on attainment measures overall are below the Scottish average. However, it is focusing on working towards its ambition of closing the poverty-related attainment gap, and improving employability and key literacy and numeracy skills for those young people from the most deprived communities. Tools used by the council and schools include the raising attainment strategy, self-assessment framework and a literacy strategy. The council can demonstrate improved outcomes following this action:

- Over the last five years the percentage of Fife school leavers from SIMD deciles 1-3 who progressed to a positive initial destination has improved at a faster rate than the national average. It is now slightly higher than the national average. For looked-after children in Fife, the percentage has increased by 20.7 per cent over the five years compared to 6.1 per cent for Scotland, and again is now higher than the national average.
- Attainment in literacy and numeracy for Fife school leavers from SIMD deciles 1-3 has improved at a faster rate over the last five years than the Scottish average.

30. The council now plans to use this evidence of the success of its improvement methodology to widen the improvement to a broader range of young people. This should help to improve the overall attainment scores.

Case study 1



The council has invested significant time and resources in improving its social work services for children and families

Fife Council adopted a new Children and Families Social Work Strategy in January 2015. It aimed to shift the balance of care so more children are looked after safely at home or in kinship care, rather than in foster care or residential care. In kinship care, a child is looked after by a relative or someone well known to the child.

Increasing costs and demands for services had often led to budget overspends. The council wanted to improve outcomes for children and families as well as provide a more sustainable service. The new strategy drew on evidence such as data, trends and comparisons with other councils. The council recognised that it needed more capacity to engage in preventative work – that is, working with children and families earlier to identify potential problems and take appropriate actions.

The council decided to invest £39.4 million in implementing the strategy, including a significant amount for recruiting new social workers. It worked with North Lanarkshire Council, which it identified as an example of good practice. It also worked with colleges to encourage newly qualified social workers to join the council, and there was a successful campaign to recruit foster carers.

There are signs that outcomes are improving. For example, the number of looked-after children has decreased since 2015; the number of social workers rose from 78 in 2015 to 140 in 2018. Caseloads have significantly reduced, so that social workers have more time to spend on prevention work and the Children and Families budget for 2016/17 was underspent.

Source: Fife Council

There is a mixed picture on residents' satisfaction with services

31. The Fife People's Panel comprises residents who have volunteered to help improve Fife by giving their opinions and observations on various public issues. It was launched in June 2006 and is organised by the Fife Partnership. Residents can apply to be panel members via the website, and regular checks are carried out to ensure its make-up remains representative. By using the panel, the partnership minimises duplication of consultation work.¹⁰

32. Panel members' satisfaction levels have varied widely among a range of council services that are predominantly about Fife's physical environment and leisure services. In 2016, 97 per cent of respondents were 'fairly satisfied' or 'very satisfied' with their access to Fife's countryside, coastline and beaches. By contrast, only 53 per cent of respondents were satisfied with town centres – a sharp decrease from 71 per cent in 2014. From 16 indicators for which comparable data are available for both 2014 and 2016, the satisfaction level increased on eight indicators and decreased on the other eight.

33. Council house tenants are more satisfied than they were three years ago. Housing Services has a tenant participation strategy and has increased the number of tenant participation officers.

34. The LGBF measures satisfaction with council services. Fife performs generally in line with the Scottish average for these measures, with six of the eight indicators showing 75 per cent satisfaction or above:

- Percentage of adults satisfied with schools: Fife 75 per cent, Scotland 73 per cent.
- Percentage of adults receiving any care or support who rate it excellent or good: Fife 80 per cent, Scotland 81 per cent.
- Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life: Fife 82 per cent, Scotland 84 per cent.
- Percentage of adults satisfied with: Leisure services: Fife 76 per cent, Scotland 73 per cent. Libraries: Fife 70 per cent, Scotland 73 per cent. Museums: Fife 64 per cent, Scotland 70 per cent. Parks and open spaces: Fife 86 per cent, Scotland 87 per cent.
- Percentage of adults satisfied with waste collection: Fife 83 per cent, Scotland 79 per cent.

Reports by inspectorates have been positive

35. The Care Inspectorate led a joint inspection of services for children and young people in Fife, between August 2015 and October 2015. It found that 82 per cent of the quality indicators it evaluated were 'very good' or better and 11 per cent were 'excellent'.¹¹ The inspection found that the Fife Partnership's strategic focus on reducing inequality was already having a positive impact on outcomes for Fife's disadvantaged children and young people.

36. The council has performed well in inspections by Education Scotland of its early learning and childcare, and its primary and secondary schools in 2016/17:

- For early learning and childcare, 79 per cent of the quality indicators evaluated were rated 'good' or better.
- For primary and secondary schools, 53 per cent of the quality indicators evaluated were rated 'good' or better.^{12, 13}

37. In February 2018, Education Scotland assessed four quality indicators as part of its inspection of community learning and development in Fife Council, with three rated as 'very good' and one as 'good'.¹⁴ The inspection found two areas for improvement: there was scope for improving the 'community voice' at area and strategic level; and planning could have been strengthened to better inform continuous improvement and capture progress.

New performance management arrangements are being developed

38. In 2009, the Accounts Commission said *'For the future, we consider it essential that effective performance information is in place to underpin improvements in service delivery.'*

39. Since 2009, the council has improved its approach to providing performance information to elected members and the public. The 2016/17 year was the final period that the council reported its performance against the previous council and community plans. The council produced an accessible, graphics-rich summary of selected performance highlights along with a comprehensive and detailed analysis. The information was provided to the Fife Partnership Board in November 2017; Fife Council's Scrutiny Committee in December 2017; and published on the council's website.

40. The performance management framework that the council has since proposed for the Plan for Fife includes different levels of monitoring and reporting:

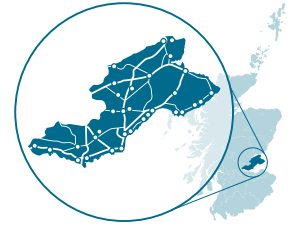
- An annual State of Fife report will address a set of high-level indices about how the important aspects of life in Fife are faring.
- Progress in delivering the four outcomes and 12 ambitions in the Plan for Fife will be reported annually to the Fife Partnership Board and relevant council committees.
- The expected change against each of the 24 areas of focus will be monitored, with a clear statement of the expected change over the first three years of the Plan for Fife.

41. The development of a performance framework is a significant step for the council and its partners, but they are yet to develop indices that will be used to assess a baseline position.

42. In order for the monitoring of the expected change in the 24 areas to be effective, the council with its partners should set out the key actions they need to take. These actions should be clear and measurable, with a target implementation date. It will also be important for public performance reporting to provide residents with clear information on the council's performance.

Part 3

Is the council using its resources effectively?



The council has reviewed and implemented improvements in how it uses key resources including finance, staffing and assets

The council has a long-term financial strategy based on a relatively sophisticated model of demand and cost pressures.

The council has balanced its budget without using money set aside as reserves.

The council has a comparatively low, but adequate, level of reserves that is based on an analysis of the financial risks it faces.

An expansive capital programme has increased the council's level of borrowing, but this remains affordable. The council has invested significantly in housing.

Reducing the number of council depots and offices has delivered financial benefits.

An effective workforce strategy is in place, and the council is taking steps to lower sickness absence levels.

The council has relatively sophisticated financial models to help forecast long-term expenditure and income

43. The council has developed a long-term financial model to forecast its expenditure and revenue over a ten-year period. The model estimates the cost of services using demographic data from National Records of Scotland, and regular discussions take place with services to identify pressures. It adjusts forecast expenditure on waste and roads services to reflect planned housing developments.

44. Estimates of revenue over the decade are based on forecasts provided by Fiscal Affairs Scotland, and are updated following economic and fiscal events at both UK and Scotland levels.

45. The model includes both pessimistic and optimistic scenarios to ensure elected members have both best and worst case information. Understanding the scale of future budget shortfalls has enabled the council to make progress with changes to how services are delivered ([Part 5, page 33](#)).



The ten-year long-term financial model, based on demand forecasts, is an example of good practice amongst Scottish councils.

The council has adopted a new medium-term financial strategy

46. The Policy and Coordination Committee agreed changes to the budget-setting process for 2018/19. Services are allocated a three-year budget, based on the long-term financial model, and develop service change plans with proposals for delivering services within their budget. The council has removed contingencies – amounts set aside to cover unforeseen items of spend – from centrally-controlled budgets. This means that future service overspends will directly affect the council’s overall financial position.

47. The service change plans presented to the administration in October 2017 outlined £15 million of identified potential savings for 2018/19, £11 million of which were accepted. These savings, combined with a three per cent increase in council tax, were enough to close an expected budget gap of £13 million and allow for a £2 million investment in council priorities. This meant that the council achieved a balanced budget for 2018/19 without using existing reserves to bridge a shortfall.

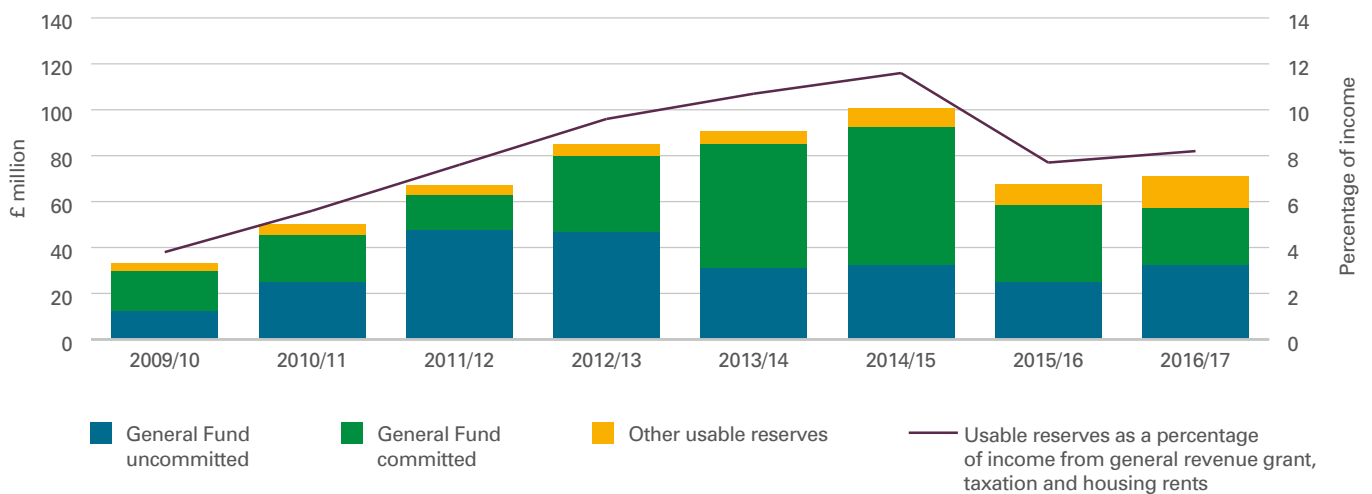
48. Significant budget gaps of £18 million (2019/20, 2.2 per cent) and £43 million (2020/21, 5.3 per cent) remain and the service change plan process will be repeated annually. The process is closely linked to the council’s Change to Deliver programme ([Part 5](#)).

There is an adequate level of financial reserves

49. The council’s level of usable reserves rose from 2009/10 to 2014/15 through planned contributions and year-end underspends ([Exhibit 6](#)). This was part of a strategy to fund the costs of reducing the workforce and its equal pay liability. There was a significant fall in usable reserves in 2015/16 as the council used £50 million to settle nearly all of its outstanding equal pay claims.

Exhibit 6 Reserves

The council purposely accumulated reserves, which were used to help fund equal pay claims in 2015/16.



Source: Fife Council annual accounts

50. Compared to other Scottish councils, Fife Council's level of reserves appears to be low. Its usable reserves equate to eight per cent of its net revenue stream, the second lowest in Scotland.¹⁵ The council's medium-term financial strategy bases reserve levels on the maximum amount of financial risk identified within the council's risk register. This forms part of regular budget-setting and monitoring reports to committees and the full council. The most recent exercise saw the projected uncommitted General Fund cover 67 per cent of identified risks and the Executive Director of Finance and Corporate Services assessed this as adequate.

The council has affordable borrowing and has used it to fund ambitious capital projects

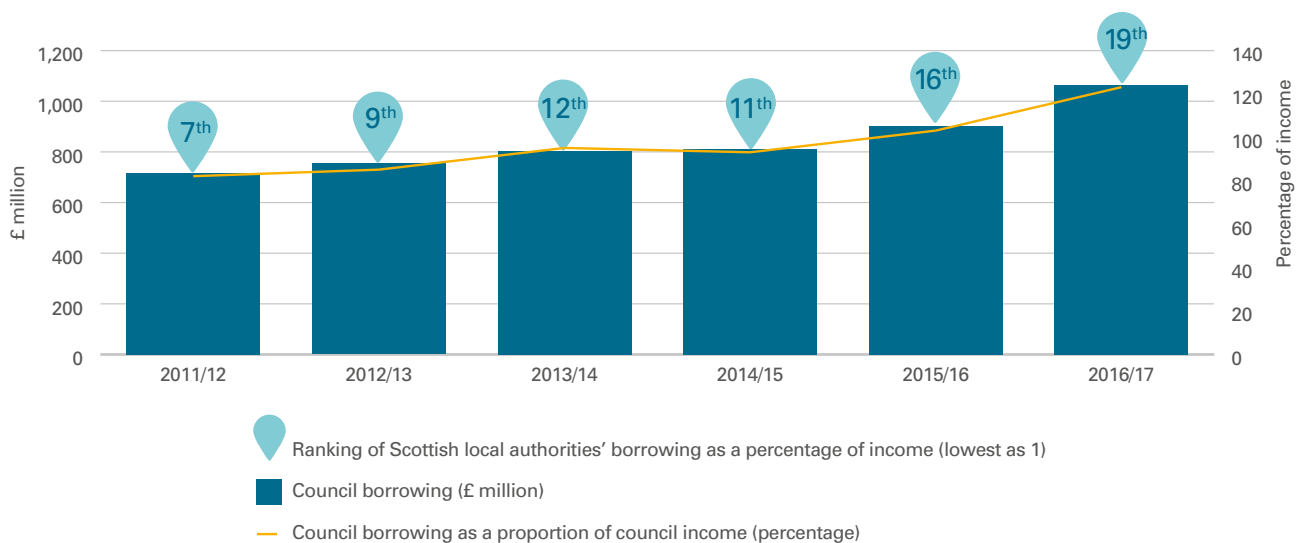
51. The council operates a rolling ten-year Capital Investment Plan which is overseen by an officer-led Investment Strategy Board and refreshed every two years. The last few years have seen significant amounts of capital investment across all services including housing, schools, leisure centres, libraries and roads. Total capital expenditure was £156 million in 2014/15; £210 million in 2015/16; £192 million in 2016/17; and is expected to be £153 million in 2017/18.

52. The programme has been financed from several sources, most significantly from increased borrowing. (Exhibit 7) shows the increase in overall levels of borrowing. Fife now has a level of borrowing (relative to its size) that is close to the Scottish average, with the second highest increase in borrowing since 2011/12. Despite this, the cost of servicing debt is lower in Fife than in the majority of other councils.¹⁶

Exhibit 7

Debt

Relative to its income, the council's level of borrowing has increased yearly for over five years.



Note: Income used is from General Revenue Grant, taxation and housing rent.

Source: Fife Council and other local authorities' annual accounts



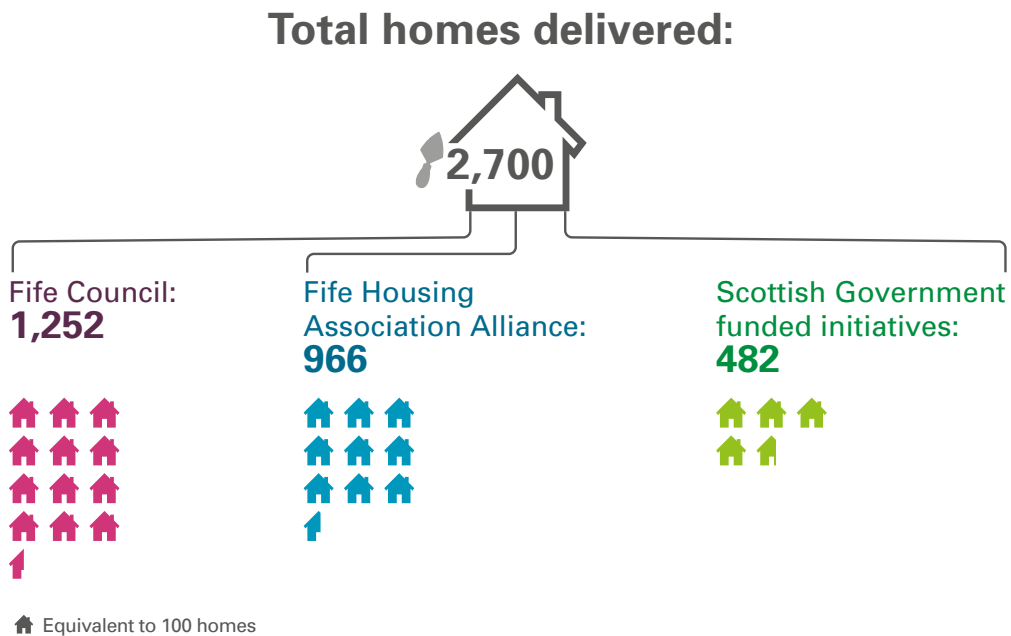
The council met its target to build 2,700 affordable homes by 2017

53. Fife Council's corporate plan 2012-2017 included a commitment to build 2,700 affordable homes over the period. This was to contribute to the outcome of 'More, better-quality and affordable housing' in the 2011-2020 Community Plan. The council delivered the programme in partnership with the Fife Housing Association Alliance, with both partners sharing additional capital funding available through the Scottish Government's affordable housing investment programme. A significant share of funding was provided by the council taking on new borrowing and using housing rents ([Exhibit 8](#)).

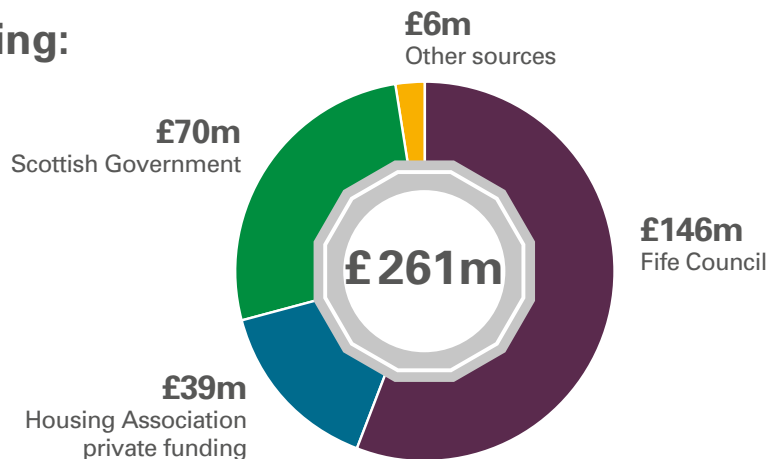
Exhibit 8

Fife Council Affordable Housing Programme Phase 2

The council met its affordable housing target.




Funding:



54. The programme allowed the council to replace housing either demolished or sold (under 'right to buy' legislation') and to reallocate housing, enabling tenants to move to more suitable properties. A mixture of council-owned and privately-owned sites have been developed by the building services department and by private developers and housebuilders.

55. All the new homes conform to a minimum grade B in national energy performance bands, where A is the most efficient and G the least. This helps tenants to lower their heating bills. The programme included homes designed to accommodate tenants with specific needs. The target of 2,700 homes was achieved in July 2016. During construction, Fife was Scotland's largest local authority housebuilder, contributing 17 per cent of the Scottish total and nearly twice as many as the next highest council. The building programme is a finalist in the 2018 UK Housing Awards category for outstanding development programme. Wider benefits include a boost to economic development and an award-winning modern apprentice scheme. Phase 3 of the programme has been launched with a new target to build 3,500 homes by 2022, requiring additional council funding of £114 million.

The council has changed how it manages its capital projects

56. Following difficulties the council had encountered with delivering the Dunfermline Flood Prevention Scheme, it changed how it manages large capital projects. This included changes to the form of contract used by the council; challenging the circumstances where design and supervision contracts are awarded to the same firm; and using specialist claims advisers when issues arise. The project's issues were previously covered in our [Major capital investment in councils](#)  follow-up report in 2016. The Dunfermline project's costs increased from £14 million to £34 million and it was completed nearly six years late. The council is involved in legal action with the design contractor to recover some of the costs and a court hearing has been set for February 2019.

The council has significantly reduced its number of offices

57. In 2009, Fife Council identified that 71 properties were surplus to requirements, with a backlog of maintenance repairs estimated at £200 million. The Asset Management Plan 2009-2012 committed to decrease the council's property portfolio through both office and depot rationalisation programmes.

58. Exhibit 9 (page 26) outlines the scale of the office rationalisation. Offices were closed and sold, leased out or put to alternative use. One of them is used as a hub by Fife Voluntary Action to support third sector organisations. The council invested £15 million in modernising the offices it retained to accommodate additional staff. However, the financial benefits realised were lower than forecast, primarily due to lower sales receipts. The economic downturn led to commercial property values falling and some surplus buildings remain unsold.

59. The principles applied, including using space more efficiently, have fed through to other capital schemes such as the Ostler's Way Care Village in Kirkcaldy and Windmill and Waid Community Campuses. These feature services delivered together on a single site. The council is in the early stages of launching Phase 2 of its office rationalisation programme which will focus on realising the benefits of flexible working for employees.

Exhibit 9

Figures from the office rationalisation programme and the depot rationalisation

The scale of the office and depot rationalisation programmes was significant and costs have risen.

Office rationalisation	Forecast	Actual
Offices closed	60	72
Revenue savings during project lifespan	£6.4m	£5.0m
Recurring annual savings	£2.4m	£2.9m
Capital receipts	£12.6m	£7.3m ¹

Depot rationalisation

Location	West Fife Halbeath, Dunfermline	Central Fife Bankhead, Glenrothes	East Fife Cupar
Status	Construction to start	Complete	To be considered
Depots to be replaced	4	8	2
Original budget	£4.5m	£18.3m	
Revised budget	£7.8m	£21.5m	
Current outturn		£21.2m	

Note: 1. This figure is the most recent forecast.

Source: Fife Council

Reducing depots numbers is delivering benefits but at rising cost

60. In 2008, the council approved a proposal for a centralised depot in central Fife. This scope was then expanded in 2009, with three depot hubs to be created ([Exhibit 9](#)). Most of the council's existing depots were in need of significant repair and no longer fit for purpose.

61. The Central Fife depot rationalisation project saw eight depots closed, with six services merged into one refurbished 'super depot' at Bankhead, Glenrothes. Around ten per cent of the council's workforce is now based there, with better cross-service working as a result. The depot also includes storage facilities for Police Scotland, NHS Fife and the Fife Cultural Trust.

62. The project required substantial capital investment. The original budget was increased in February 2012 from £18 million to £21 million due to an underestimate in building refurbishment costs. A revised business case, with a payback period of seven years, was approved in 2012. The project was completed within the revised budget and on time in March 2014.

63. The council has been able to identify alternative uses for surplus sites, with land at two depots being reused as part of the affordable housing programme.

64. Building work has started on the West Fife depot project ([Exhibit 9](#)) Identifying a suitable site proved challenging and a revised business case in November 2017 found that forecast costs had risen to £7.8 million from an original estimate of £4.5 million.

Workforce planning has improved since 2009

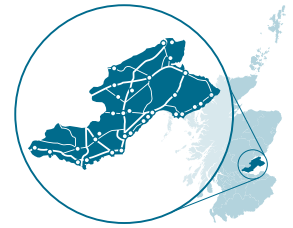
65. Our 2009 Best Value report recommended that the council develop a corporate workforce management strategy. Since then the council has been through a significant organisational restructure and reduced its overall workforce to make financial savings. Between 2010 and 2017 staffing levels reduced by almost 2,000 employees including over 300 at management level. Most of these staff left under voluntary severance arrangements, in which the cost to the council was recouped within a two-year return period.

66. The current workforce strategy covers the period 2016-20 and is supported by annual corporate and service workforce plans. Since 2009, staff surveys have been run every two years and now form part of the organisational culture improvement programme ([Part 5](#)).

67. The teachers' absence rate increased in 2016/17 from 5.6 days to 6.4 days and was above the Scottish average of 6.1 days. The sickness absence rate for non-teaching staff reduced to 11.3 days in 2016/17, but was slightly higher than the Scottish average of 10.9 days. The council adopted a new approach to managing absence in 2016/17. This focused on behaviours associated with good attendance. It provided training for managers to equip them with the confidence and skills to support individuals; manage behaviours and deal with sensitive issues such as mental health. It is too early to assess the impact of the new approach.

Part 4

Is the council working well with its partners?



The council has productive partnership working arrangements

The Fife community planning partnership is working well.

The Fife Health and Social Care Partnership faces significant challenges and the pace of change of service redesign will need to increase.

The council's methods for consulting and involving citizens are effective.

Community planning partners continue to work well together

68. The council and its community planning partners have a strong history of partnership working, which is helped by some organisations having the same geographical boundaries as the council. The council has worked closely with its partner NHS Fife to support the establishment of the Fife Health and Social Care Partnership (FHSCP) and ongoing relationships are strong.

69. With support from the council, the Fife Partnership asked the Improvement Service for help in tackling leadership challenges that would follow from implementing the Plan for Fife. The Improvement Service attended several meetings of the Fife Partnership board and facilitated discussions that led to an improvement plan.

The health and social care partnership faces challenges

70. The FHSCP consistently projected an overspend during 2016/17 and developed a recovery plan that only partially addressed the savings required. It achieved a break-even position in 2016/17 as a result of additional funding being received from both partner organisations to cover the £9.3 million in-year overspend.¹⁷ FHSCP did not fully deliver on its savings target for 2016/17 and at February 2018 had still to identify £2.1 million of the £23.6 million savings required for 2017/18.

71. The FHSCP is facing significant challenges in its medium-term financial sustainability. Papers submitted to the FHSCP board in November 2017 identified a budget gap of £18.3 million, £31.8 million and £46.7 million for the next three years to 2020/21. The 2018/19 budget was approved by the FHSCP board in March 2018 and after identifying savings of almost £13 million, the shortfall has reduced to £5.2 million. It is recognised by the FHSCP and partner bodies that a medium-term approach is required to address the budget challenge and that this cannot be done within one year.

72. Delayed discharge rates have improved, and the number of bed-days occupied reduced by 60 per cent between October 2015 and November 2017. Major redesign initiatives looking at changes to how services are delivered are ongoing. Examples include the Care at Home project ([Case study 5, page 37](#)) that has delivered a 30 per cent increase in capacity. However, savings of £3 million from the community redesign project were anticipated in 2017/18 but have not been achieved due to slippage.

73. The FHSCP conducted a review of the governance arrangements and integration scheme to ensure there was clarity of roles and responsibilities. Proposals outlined in October 2017 have not yet been agreed by the partners.

The council consults and involves communities in Fife

74. The council has adopted the Place Standard methodology for engaging with residents and has developed a variety of consultation and participation tools that have been used across the council, including in the development of the Plan for Fife ([Part 1](#)). They include:

- Charrette events held in Lochgelly, Cowdenbeath, Kincardine and Glenrothes – to create a vision for local area development.
- Online surveys and consultations – using the website Let’s Talk Fife to seek views on the Plan for Fife and community use of council facilities. [Case study 2 \(page 30\)](#) shows how a consultation process can impact the outcome of a project.
- Social Media engagement – including Facebook questions and answers with the council’s co-leaders.
- Participation in the BBC TV documentary The Council – to give residents a greater insight into the running of the council and help them understand the difficult budget decisions it is faced with.
- Fife People's Panel – in operation since 2006 and consisting of up to 2,000 volunteers, with up to four consultations a year.

The council plans to give citizens a greater say in budgeting

75. Participatory budgeting in Fife has involved communities pitching ideas for how council funding can be spent in their area, and then voting on how the money should be spent. Several participatory budgeting events ([Case study 3, page 30](#)) have been held and plans for larger-scale exercises are in development. The council has been championing participatory budgeting since 2010 and by 2017 had been involved in 25 exercises. Grants of between £1,000 and £250,000 were allocated to a variety of projects, with a total of £850,460 awarded.

76. The council is now looking to build on its work and scale up towards the Scottish Government’s target of one per cent of a council’s budget being allocated to participatory budgeting. To achieve this, it is trying to develop online methods of engagement to reach a wider audience, and to identify opportunities for greater participation in decisions relating to mainstream budgets.

Case study 2

Community engagement – Gallatown Gateway Project



The project centred on the demolition of a dilapidated building at the entrance of the Gallatown Park in Kirkcaldy to create a better space for the community to use. The area had become a hub for antisocial behaviour, and the project aimed to turn the site into a place where people felt safe and wanted to spend their time.

Join the Conversation consultation events were organised. Over 330 people were involved and the consultation methods included: a 'pop-up' consultation marquee; community lunches; discussions with pupils at three primary and two secondary schools; and use of social media.

Consultation revealed that the community was completely against a design which shared the space with cars, as any degree of traffic would have made the park unsafe for children to play. A child in Primary 6 identified a route around the edge of the park as a solution and the community supported this proposal. This was implemented in a new design and the new road is set to be named after the child who thought of it.

Source: Fife Council

Case study 3

Participatory budgeting – Forward West Fife



An event in March 2017 covered the West Fife Villages following the closure of Longannet Power Station. A total of 19 project proposals competed for the £60,000 funding available. Following presentations on the proposals, a vote saw 11 of them receive funding. The winners included local youth, community and sports groups.

Source: Fife Council

The council follows Scottish Government guidance when involving residents

77. The Community Empowerment (Scotland) Act (the act) requires councils to have procedures in place covering:

- community asset transfers (CATs), passing ownership of land or buildings to community organisations
- community participation requests, which give local people a voice in designing council services.


78. The council is ready to receive participation requests, and has a guidance document and an application form available on its website. It has received no participation requests to date.

79. Prior to the act, the council already had a structure for community asset transfers and had passed the ownership of some sites onto community groups. The council now has a formal process and dedicated resource to facilitate CATs. As of January 2018, the council had received 39 CAT enquiries. Of these, nine were approved to go forward to the next stage, while the council has worked with the others to find alternative, more suitable arrangements than formal transfers. Two formal applications have been received, with one rejected and the other to be considered by the council in May 2018 ([Case study 4](#)).

Case study 4

Community asset transfer – Kingdom Brass



This will be the first formal community asset transfer to be considered by the council after the Community Empowerment Act was passed. If approved, ownership of Keltly Library would be transferred to [Kingdom Brass](#) , a local brass band with roots in both Keltly and Cowdenbeath, for use as a rehearsal space and equipment store and to allow the band to restart its youth development programme. Following an assessment by officers, the transfer will be considered by the Cowdenbeath Area Committee and the Assets, Property and Facilities Committee in May 2018.

Source: Fife Council

Library services are being delivered by community groups

80. In 2016, Fife Cultural Trust proposed a restructure of the council's libraries, which would have closed 16 libraries. A consultation generated proposals for community groups to take on the provision of library services at some sites. Trusts were formed and business plans developed and six remaining libraries – in Colinsburgh, Falkland, Glenwood, Kinghorn, Lundin Links and Pittenweem – are run by communities.

Some services are provided by arm's-length external organisations

81. Exhibit 10 (page 32) outlines arm's-length external organisations (ALEOs) in place at Fife Council. These arrangements have enabled a more focused approach to service delivery and increased commercial opportunities. There are appropriate governance arrangements in place, with regular financial and performance reporting to council committees.

82. A recent review of the ALEOs by the council led to proposals for further streamlining by merging the Golf Trust and the Sport and Leisure Trust. The Accounts Commission is publishing a follow-up report on the operation of ALEOs across Scotland, for which Fife was selected as a case site.

Exhibit 10

Fife Council's arm's-length and external organisations

The council uses a range of ALEOs to deliver services.

Name of ALEO	Service provided	Formed	Turnover (£m)
Fife Coast and Countryside Trust Limited	Coastal paths and Lomond Hills	2006	3
Business Gateway Fife	Business start-up; SME advice service	2008	1
Fife Sports and Leisure Trust Limited	Leisure and sport facilities	2008	15
Fife Golf Trust Limited	Golf courses	2011	1
Fife Cultural Trust Limited	Theatres, art galleries, museums and libraries	2012	14
Fife Resource Solutions LLP/ Resource Efficient Solutions LLP	Landfill and recycling facilities; commercial waste collection and transfer	2014	35

Note: SME = Small or medium-sized enterprise.

Source: Fife Council

Fife Council actively participates in two City Deal partnerships

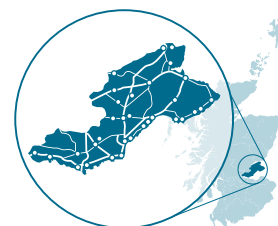
83. City Deals are a UK initiative to help improve a local area's economy. Funding contributions are provided by the local authorities involved, and the UK and Scottish governments. Fife participates in partnerships in both Tayside and in the Edinburgh and South-East Scotland area. Both partnerships are established and business cases are in development for specific proposals. The council views City Deals as an opportunity to generate additional funding for Fife's economic development. It has budgeted £30 million in capital funding across the two deals and set up its own project management office to manage Fife's involvement.

84. The Edinburgh and South-East Scotland City Deal was signed in July 2017. Through the deal, Fife will have access to funding to increase the availability of industrial and business premises. It will be able to participate in regional employability and skills programmes and have access to additional finance to encourage housing developments. The exact details of projects being considered were not made public during negotiations and the council and residents have expressed disappointment that funding was not secured for the Levenmouth Rail extension.

85. The Tay City Deal is still to be agreed. However, the partners have decided to make all proposals publicly available. Fife Council is hoping to secure funding for various projects in North-East Fife. These include possible improvements to transport infrastructure and the Eden campus at Guardbridge.

Part 5

Is the council demonstrating continuous improvement?



The council has improved steadily and achieved significant change

The council has a good basis to deliver further continuous improvement. This includes clear vision, strong leadership, an improvement programme focused on culture and good financial planning.

Since the last Best Value report in 2009 the council has been through two transformation programmes and is developing a third. These have delivered a number of benefits but not all the forecast savings.

The council is focusing on improving its organisational culture to ensure the council continues to improve the services it provides.

Improving digital services is a key focus of the new transformation programme. New technology solutions, such as the Care at Home scheduling software, are making services more efficient and delivering savings.

Since 2009, the council has shown commitment to continuous improvement

86. The 2009 Best Value report provided a positive overall assessment of the council, which has maintained its performance over a period of increasing financial constraint and political change. The council has undertaken a range of improvement work since 2009 including transformation programmes, self-assessment methods, and service reviews. There are established corporate development teams to help services deliver these. This highlights that the council is committed to continuous improvement and delivering for the people of Fife ([Exhibit 11, page 34](#)).



The council uses self-assessment to identify areas for improvement

87. The council uses a range of tools for self-assessment, many of which have their origins in the European Foundation for Quality Management (EFQM) model. Examples include: the use of national self-assessment frameworks and Public Sector Improvement Framework (PSIF) self-assessments; service reviews; Demand and Cost Analytics reviews; strategic assessments; use of the Place Standard and Fife People's Panel surveys and a recent Best Value overview self-assessment. The use of appropriate self-assessment tools helps inform strategic planning, change and improvement; to ensure a standard approach is maintained. All services feed into the strategic assessment work such as development of the Plan for Fife and the Children's Services Plan.

Exhibit 11

Comparing selected Best Value judgements, 2009 and 2018

Fife Council has improved since 2009 and is in a good position to improve further.

Controller of Audit judgement 	Controller of Audit judgement 
<p>Strategic direction</p> <p>Fife Council has a clear strategic direction. The council's leadership has set out its vision and priorities and communicated these effectively. The council is ambitious and has recently put the building blocks of Best Value in place. It shows good self-awareness of what is required and is developing a culture of continuous improvement.</p> <p>Elected members have not been sufficiently active in leading improvement and implementing the Best Value agenda at a strategic level.</p>	<p>The council has a clear strategic direction, shared with partners. It uses a range of self-assessment methods and tools to continuously identify and assess the challenges it faces.</p> <p>Elected members are working well together in a new administration. Members were actively involved in setting the Plan for Fife, and will monitor activity at a strategic and area level.</p>
<p>Performance</p> <p>Services demonstrate mixed levels of performance and SPIs show performance below the Scottish average. There is, however, evidence of recent significant improvements. Performance management needs further development and performance reporting to elected members needs to be significantly improved.</p>	<p>The performance of council services continues to improve and broadly tracks national trends. Areas of relatively weak performance include aspects of education and social work achieving generally in the bottom two quartiles of national measures. There is evidence of the council prioritising those areas that are most linked to their vision and ambition.</p> <p>Its performance management arrangements are being refreshed for the new Plan for Fife.</p>
<p>Resources</p> <p>The council manages its finances effectively. It has a strategic approach to managing assets, procurement and risk, although its approach to workforce planning is less well developed.</p>	<p>The council continues to manage its finances effectively, using sophisticated techniques to forecast medium - and longer-term finances.</p> <p>It has rationalised its office and depot base.</p> <p>The council has improved its approach to workforce planning and is investing in staff to support a culture of improvement throughout the organisation.</p>
<p>Partnership</p> <p>The council works closely with its partners and community planning arrangements are well established.</p>	<p>The council works well with its partners, agreeing to adopt a single Plan for Fife.</p>
<p>Continuous improvement</p> <p>The pace of change has increased and the council needs to maintain this momentum if it is to achieve its priority of becoming a 'top performing council'.</p>	<p>The council shows a commitment to continuous improvement, and has undertaken a range of innovative initiatives to achieve this through digitalisation and investment in services. It has established the groundwork for enabling further change and delivering service improvement.</p>

The council recognises the need for change

2009-14 – Corporate Improvement programme

88. In 2008, the council launched its first corporate improvement programme covering: mobile and flexible working; office and depot rationalisation ([Part 3](#)); organisation redesign; and customer management. The programme achieved £25 million of recurring savings, with over half of this coming from fewer managers.

89. The council established where customer contact was across directorates, what aspects of work were fragmented and where back office activity was focused. This work resulted in changes including the rationalisation of depots/offices, development of mobile and flexible working, increased use of technology and a drive towards more online services.

2014-16 – Shared Support Services (3S) programme

90. A further improvement programme focused on changes to support services. Projects included a new integrated HR/Payroll system (iTrent); financial system (ERP), and changes to their procurement and administrative support services.

91. Significant difficulties arose with implementing the ERP system, with the level of functionality achieved below original expectations. It has been subject to both internal and external audit reports. The replacement of further council systems is currently ongoing.

92. The 3S programme was forecast to generate £12 million of recurring savings by the end of 2017/18 but the latest estimate is £7 million. The shortfall is largely attributed to the plan to centralise the council's procurement function. This was achieved but it has yet to deliver the anticipated savings against general revenue expenditure. The council recognises there is still scope to further enhance procurement practices with assistance from Scotland Excel (the Centre of Procurement Expertise for Scotland's local government sector) and has included this area as a theme in the current improvement programme.

2016-ongoing – Enabling Change/Change to Deliver

93. Some of the previous transformation programmes did not realise expected benefits but, with financial challenges remaining, the council recognises the need to continue service transformation. A third corporate programme – Enabling Change – was launched in December 2016 and through 2017 the programme team further developed its approach. Many of the themes identified are a continuation of previous ideas including a further roll-out of mobile working technology and more organisational restructuring.

94. The programme team has also been involved in the development of the 'service change plans' introduced into the 2018/19 budget process, with a view to identifying areas where cross-service solutions would be appropriate. As the programme moved into the delivery phase, the council renamed the programme as 'Change to Deliver' and proposed new governance arrangements, including a programme board. Individual projects are still to be formulated.

95. The Corporate Executive Team aims to re-focus the need for change within services on making a difference and delivering outcomes, rather than being fully led by budget-changes. It was clear from discussions with staff that they recognise the need for service change, but that the service change plans had focused on reducing budgets as the main priority. Staff also highlighted that the

prioritisation of improvement actions and change was unclear. This makes the role of the new programme board essential in ensuring that there is effective and transparent alignment between the aims of the Plan for Fife and the service change plans.

A new council programme focuses on improving organisational culture

96. Since 2015, Fife Council has been implementing an organisational culture improvement programme based on the Unwritten Ground Rules© (UGRs) philosophy. This helps managers understand and manage workplace culture and includes using over 100 'Checkmates'. These are trained facilitators for staff group discussions to find out what the frustrations are and to address these. From the various focus groups we led and from observing the discussions at the Checkmates' meeting in January 2018, it was clear staff felt able to express their views.

97. This is relatively new work and early indications, from staff survey results, suggest that there have been modest improvements in the overall scorings given against the ten aspirational UGRs. However, responses were obtained from only 25 per cent of the workforce and in half of the areas the results had not improved.

The Digital Strategy could help the council to improve

98. The council has centralised its Business Technology Solutions (BTS) function, so that all ICT staff are grouped together rather than spread across different departments. The Digital Strategy 2016-19 aims to sustain and simplify digital and ICT activity across the council.

99. Although each service change plan contains digital activity that the service would like to undertake, the corporate digital strategy is not yet integrated with the service change plans. A good example of where the council has introduced solutions that could be used across council directorates is the scheduling system that was introduced in building services and adapted to improve scheduling of its Care at Home staff ([Case study 5, page 37](#)).

Case study 5

Care at Home – digital project



The FHSCP/BTS project aimed to deliver a digital solution for appointment scheduling within adult social care. This was expected to yield efficiency savings by:

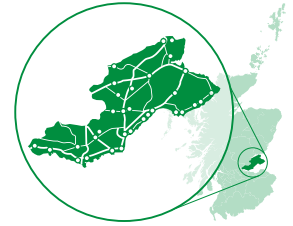
- reducing the time spent travelling to appointments through efficient rostering
- reducing the time spent updating case notes, through mobile functionality.

The council was already using similar software in Building Services and Parks, procured and developed by Total Mobile. In line with its Digital Strategy, the council decided to adapt the software for social care purposes to save money on software licensing and support.

The initial roll-out was problematic but the application proved ultimately successful. At the start, the software was scheduled to deliver maximum efficiency when scheduling appointments but this led to service clients' and staff complaints. The council halted the roll-out to 'reset' the programme. It adjusted the emphasis for scheduling from efficiency towards carer and staff preferences. This provided a more acceptable solution for clients and still delivered worthwhile savings, including a 30 per cent increase in capacity (valued at £2 million). Front-line staff now feel the technology enables them to provide a better service and at a level they can sustain. The Care at Home service won a Success Through Innovation Award at the Fife Business Awards 2018.

Source: Fife Council

Recommendations



The council should identify the neighbourhood plans for priority areas that it intends to complete and a timetable for this work ([paragraph 16](#)).

The council should extend its improvement methodology on raising educational attainment in deciles 1-3 to a broader range of young people ([paragraph 30](#)).

The framework for managing performance against the Plan for Fife should be finalised as early as possible ([paragraph 41](#)).

The council should develop a range of delivery plans to support the identified actions and wider ambitions outlined in the Plan for Fife. These actions should be measurable, with clear deadlines ([paragraph 42](#)).

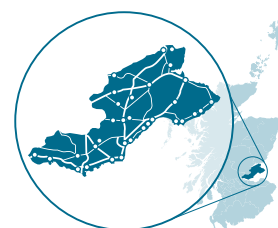
The council should continue its new approach to managing sickness absence rates ([paragraph 67](#)).
















The council should work with Fife Health and Social Care Partnership and NHS Fife to accelerate the redesign of adult health and social care services and mitigate medium-term financial pressures ([paragraph 71](#)).

As a partner in the Fife Health and Social Care Partnership, the council should seek early agreement over roles and responsibilities, so that the management and governance arrangements of the FHSCP support the significant service redesign challenges it faces ([paragraph 73](#)).

The council's new programme board should ensure alignment between the aims of the Plan for Fife and service change plans. It should develop a focus on outcomes rather than being led by budget changes ([paragraph 95](#)).

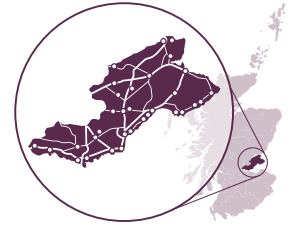
Endnotes



- 1 [Fife Council: the audit of Best Value and Community Planning](#) , Accounts Commission, March 2009.
- 2 [Local government in Scotland. Financial overview 2016/17](#) , Accounts Commission, November 2017.
- 3 Children living in families in receipt of out-of-work (means-tested) benefits or in receipt of tax credits where their reported income is less than 60 per cent of UK median income.
- 4 [Local authority poverty data](#) , Scottish Government website.
- 5 [Fairness Matters](#) , Fairer Fife Commission, November 2015.
- 6 [Plan for Fife](#) , Fife Partnership's Local Outcome Improvement Plan, April 2018.
- 7 [Fife's Annual Public Performance Report 2016/17](#) , Fife Council, 18 November 2017.
- 8 The full range of indicators includes unit costs and public satisfaction. These are available on the [Improvement Service website](#) .
- 9 SIMD = Scottish Index of Multiple Deprivation. This is Scottish Government's official tool to identify areas of multiple deprivation. SIMD quintile 1 relates to the most deprived 20 per cent and 'SIMD quintile 5' relates to the least deprived 20 per cent.
[Introducing The Scottish Index of Multiple Deprivation 2016](#) , Scottish Government, August 2016.
- 10 [People's Panel](#) , Fife Council website as at 21 March 2018.
- 11 [Services for children and young people in Fife](#) , Care Inspectorate, March 2016.
- 12 Report to Education and Children's Services Committee: [Inspection outcomes](#) , Fife Council, 23 January 2018.
- 13 Analysis of inspection reports, Audit Scotland, March 2018.
- 14 [Inspection of Community Learning and Development in Fife Council](#) , Education Scotland, February 2018.
- 15 [Local government in Scotland. Financial overview 2016/17](#) , Exhibit 13, Accounts Commission, November 2017.
- 16 [Local government in Scotland. Financial overview 2016/17](#) , Exhibits 15-16, Accounts Commission, November 2017.
- 17 [Fife Integration Joint Board. 2016/17 Annual Audit Report](#) , Accounts Commission, September 2017.


Appendix

Best Value audit timeline





Best Value Assurance Report Fife Council

This report is available in PDF and RTF formats,
along with a podcast summary at:
www.audit-scotland.gov.uk 

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