

Best Value Assurance Report

West Lothian Council



Prepared for the Accounts Commission by the Controller of Audit
November 2017

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.

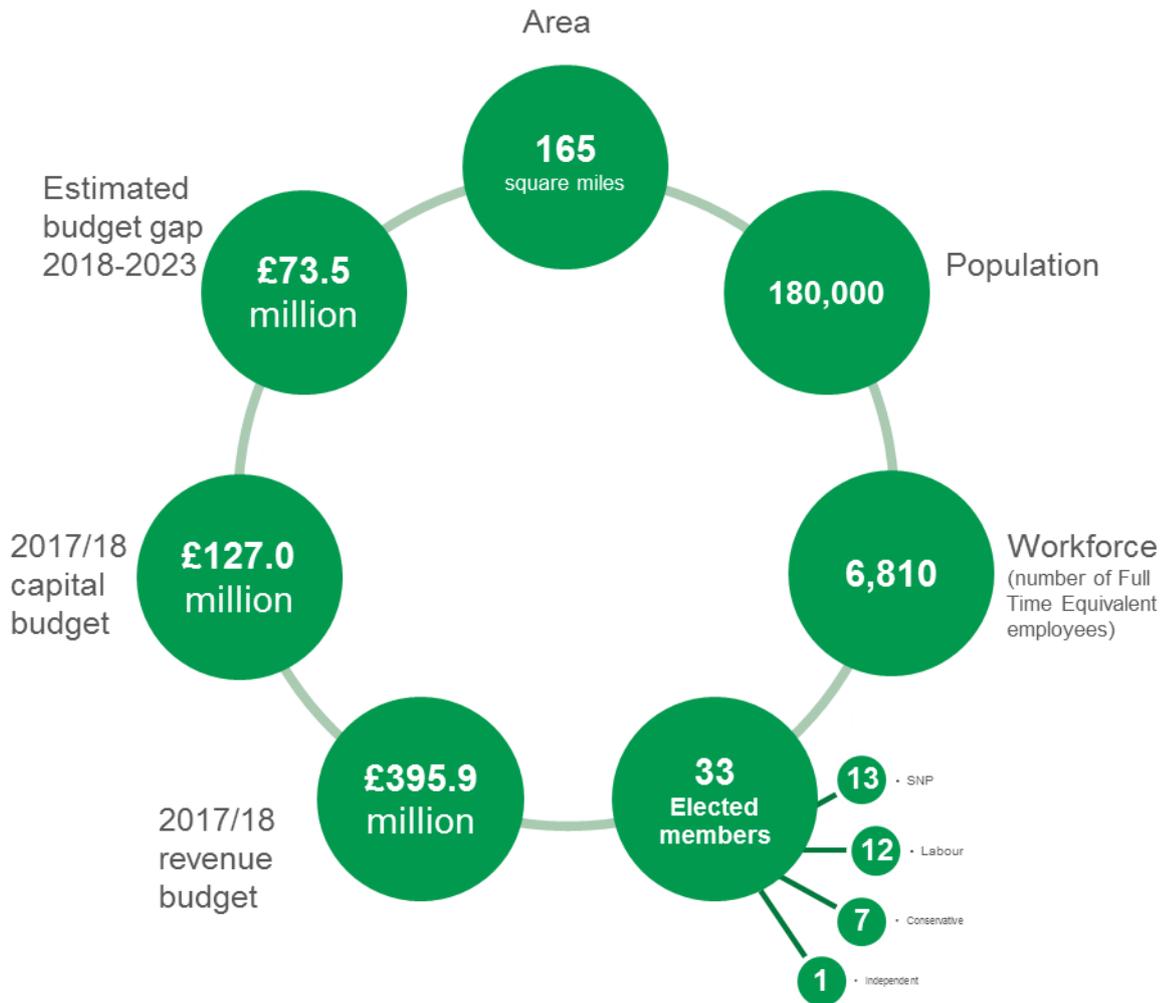
You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission

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
Audit approach	5
Key messages	8
Part 1 Does the council have clear strategic direction?	9
Part 2 How well is the council performing?	19
Part 3 Is the council using its resources effectively?	25
Part 4 Is the council working well with its partners?	33
Part 5. Is the council demonstrating continuous improvement?	39
Recommendations	45
Appendix 1 Best Value audit timeline	47

Key facts



Audit approach

1. The statutory duty of Best Value was introduced in the Local Government Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report. In addition, the Controller of Audit will present a Best Value Assurance Report (BVAR) to the Accounts Commission at least once during the five year audit appointment for each council. This is the first BVAR on West Lothian Council under the revised arrangements. [Appendix 1](#) summarises the findings from the previous Best Value report on the council.
2. This report seeks to provide the Accounts Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities covering:
 - the clarity of council priorities and quality of long-term planning to achieve these
 - how effectively councils are evaluating and implementing options for significant changes in delivering services
 - how effectively councils are ensuring that members and officers have the right knowledge, skills and time to lead and manage delivery of council priorities
 - how effectively councils are involving citizens in decisions about services
 - the quality of council performance reporting to help citizens gauge improvement.
3. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver their priorities. The pace, depth and continuity of improvement is key to how well councils meet their priorities in the future. Throughout the report we show how we have assessed the council's improvement over time and conclusions are reflected in the key messages in the report.
4. Our audit approach is proportionate and risk based: it reflects the context, risks and performance of the individual council. It also draws on the intelligence from audit and scrutiny work carried out in previous years. In keeping with this approach we carried out some initial work to define the scope of our audit. This included reviewing previous audit and inspection reports, intelligence, council documents, initial meetings with senior officers and reflecting on our wider public sector knowledge and experience. [Exhibit 1](#) shows the key areas we focussed on for our audit of West Lothian Council.

Exhibit 1

Key areas of focus for our audit



The council's vision and priorities



Community and citizen engagement so that people have their voices heard in how services are planned and provided



Performance and outcomes



Financial management and financial planning



Resource management, including workforce planning



Arm's-length external organisations' (ALEOs') governance arrangements and working with partner organisations



Performance management, including the process and results of self-evaluation

Source: Audit Scotland

5. The detailed audit work for this report was undertaken between May and August 2017. Our audit work included:
 - interviews with elected members and senior officers
 - observing a range of council and committee meetings and performance development and scrutiny panels (PDSPs)
 - document review
 - a review of relevant national and local sources and council performance data.
6. Our audit work was carried out by a joint team from Audit Scotland's Performance Audit and Best Value Business Group and the appointed auditor, in this instance Ernst & Young LLP, alongside the 2016/17 annual audit work. [The 2016/17 Annual Audit Report of West Lothian Council](#), published in September 2017, will be available on Audit Scotland's website from December 2017. Where appropriate, relevant findings are included in both the annual audit report and this Best Value Assurance Report.
7. This report reflects the work done on the key areas of focus noted above. The work covers a number of Best Value characteristics included in the statutory guidance (2004) but it does not cover them all. Audit work in future years, performed as part of the annual audit, will include a follow-up on the findings from this report as well as more detailed audit work on other Best Value

characteristics as appropriate. The results of this future work will be reported within subsequent annual audit reports by the appointed auditor.

8. We gratefully acknowledge the cooperation and assistance provided to the audit team by all elected members and officers contacted during the audit.

Key messages

- 1.** The council has a clear vision ‘to improve the quality of life for the people of West Lothian’. This vision is shared by its partners and informed by local people through public consultation and ongoing engagement. The council has set clear priorities to support achieving this vision. The Executive Management Team (EMT) provides strong leadership to the council and there are good working relationships between councillors and officers. The council is currently refreshing its corporate plan, and has shown an awareness of the challenges it faces.
- 2.** Since the 2005 Best Value report, the council has continued to demonstrate a number of strengths. Outcomes for local people are improving and the council continues to perform well when compared to others. It has effective processes to manage performance, a clear commitment to continuous improvement and a well developed self-evaluation process. However, some areas for improvement identified in 2005 still remain.
- 3.** There is scope to improve how the council monitors and reports what it does to improve outcomes for local people. By better articulating, monitoring and reporting how key performance indicators link to its priorities, the council will better be able to show if, and how, its actions have made a positive difference to the lives of people in West Lothian.
- 4.** The council has been managing its finances effectively. However over the next five years it needs to address a significant budget gap of £73.5 million. Officers are currently identifying savings proposals and carrying out a public consultation as the council refreshes its financial strategy to align with the next five-year corporate plan. Councillors were not involved in determining priorities until the public consultation was issued in mid-October, four months before they need to agree the budget. Earlier involvement by councillors in identifying priorities sooner would have reduced the risk to the council of failing to deliver the savings in the required timescales, particularly in 2018/19.
- 5.** The council is committed to involving local people in identifying priorities and determining how services are delivered in their area. It works well with partners to deliver services in a joined-up way. The council needs to develop new approaches to delivering services so that it can successfully deliver the savings required and it is important that it continues to work with local people while it does this. It needs to build on this to deliver the requirements of the Community Empowerment Act.
- 6.** The council has introduced new governance and scrutiny arrangements since the last Best Value report, including new committees and Policy Development and Scrutiny Panels (PDSPs). While the PDSPs provide opportunity for councillors to scrutinise policy development and its impact on services, the council’s overall arrangements are less effective, in practice, in supporting scrutiny of council-wide performance. In addition, the formal committee structure provides limited opportunity for councillors from outside the decision-making structure to scrutinise council-wide performance. Councillors need to play a more active role in committees and PDSPs to provide effective scrutiny. The council also needs to assure itself that governance arrangements for its leisure trust are appropriate.

Part 1

Does the council have clear strategic direction?



The council is aware of the challenges facing West Lothian and has shown commitment, along with partners, to a clearly defined vision for the area

The council has a clear vision of improving ‘the quality of life for the people of West Lothian’ and has set clear priorities of how they hope to achieve this.

The council has shown a commitment to public consultation and involving local people in how council services are delivered, and to engaging with local people to identify priorities during the current refresh of the corporate plan.

There are good working relationships between officers and councillors. But councillors need to play a more active role in committees and scrutiny panels to ensure policies, plans and services are effectively scrutinised.

The council set a clear, ambitious vision for the area that is shared by community planning partners

9. West Lothian Council’s Corporate Plan (2013-2017) set out a clear, ambitious strategic direction for the council, centred on “Delivering Better Outcomes” for the people, families and communities of West Lothian. There is evidence of the council responding to the specific challenges it faces, and aligning its vision for the area to local needs, through its corporate planning process.
10. The corporate plan also fed into the refresh of the West Lothian Community Planning Partnership’s Single Outcome Agreement (SOA), an agreement between the Community Planning Partnership (CPP) and the Scottish Government setting out local improvements and priorities. The CPP includes the council and partners such as the police, NHS and fire service as well as third sector organisations. In the 2014 audit of West Lothian CPP, the Accounts Commission found that the partners worked well together. It also found that councillors are actively engaged with the CPP and that the CPP had agreed an ambitious vision for the area.
11. The CPP SOA has been carried forward as the new Local Outcomes Improvement Plan that CPPs must now produce. This runs until 2023. The involvement of all the CPP partners in setting the priorities ensures that the CPP’s vision compliments that of the council.

The council’s aim is “to improve the quality of life for people in West Lothian”

Source: Delivering Better Outcomes, West Lothian Corporate Plan 2013-17

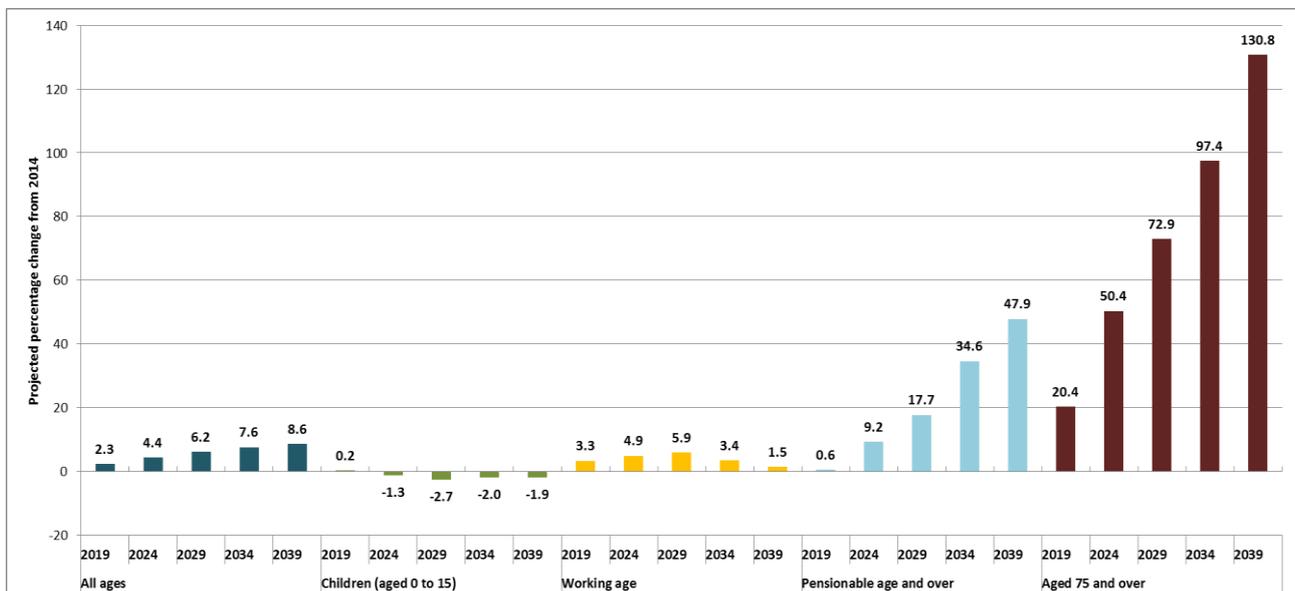
West Lothian faces a number of challenges including an ageing population

12. West Lothian is located in the central belt of Scotland, between Glasgow and Edinburgh. Two-thirds of the area is mainly agricultural land with the population centred on towns such as Livingston, Bathgate and Linlithgow. There are good transport links between these population centres and major rail and road links to the nearby cities.
13. The economy of West Lothian has changed significantly in the last two decades. The public sector remains a significant employer but there has been movement from more traditional manufacturing to high technology industries and research and development, as well as growth in the retail and service sectors. Average earnings are below the national average despite these changes, but employment rates are higher and deprivation levels are lower in West Lothian than for Scotland as a whole.
14. West Lothian has one of the youngest and fastest growing populations in the country, with a high proportion of children living in the area. Between 2006 and 2016, the population increased by 7.8 per cent compared to the national increase of 5.3 per cent and, in 2016, almost 20 per cent of the population were aged 0 to 15 (compared to around 17 per cent of the Scottish population).
15. West Lothian also currently has a smaller proportion of older residents than Scotland as a whole. However, the most marked demographic increase over the next few years relates to the number of older people living in West Lothian. Between 2014 and 2039 it is projected that the population of West Lothian as a whole will increase by around 8.6 per cent, compared to growth of 6.6 per cent for Scotland. Growth in West Lothian will be focused on older sections of the population, and the area has the highest projected rates of increase in people over pensionable age and those over 75. It is projected that the number of people aged over 75 will increase by 130.8 per cent compared to an overall increase of 85.4 per cent across Scotland ([Exhibit 2](#)).

Exhibit 2

Projected population changes in West Lothian by age group until 2039

Reductions in the number of children, combined with fluctuations in the working age population, mean that the projected growth in West Lothian’s population will come from increases in the number of older residents.



Source: National Records of Scotland, Projected percentage change in population (2014 based)

The corporate plan is supported by a range of strategies and plans but it is not always clear how these contribute to the council delivering its vision

16. The corporate plan has eight priorities, supported by three themes, for achieving the outcomes that it has set out ([Exhibit 3](#)). It sets out nine workstreams designed to enable the council to deliver services in ways that will achieve the outcomes. The council's planning framework focuses on the link between the priorities, themes and workstreams at a high level. The council has a range of supporting strategies, annual service management plans and area strategies to implement the corporate plan. These set out a range of outcomes to be achieved and what actions will be taken to achieve them. Despite clear links to outcomes and attempts to reduce the number of supporting strategies and plans, this is still a complex planning framework and it is difficult to clearly identify the role of each one in achieving the council's overall vision.
17. The council and its partners have a clear understanding of the local needs and have successfully aligned their vision to priorities. Actions and performance indicators are linked to national data sources, including the Improvement Service's Local Government Benchmarking Framework (LGBF) and the national performance framework, or to data from local sources and responses to consultations. However the council could more explicitly set out the way that the performance indicators within the service management plans link with the strategies.
18. Through the CPP, the council and its partners are working toward a single vision for West Lothian. The CPP has been developing its approach to planning at a more local level. The council has access to this planning information to begin identifying specific issues at a more local level and highlighting how its vision and priorities address these issues.

The vision is clearly communicated to staff and staff opinion is regularly sought through annual surveys

19. There are clear links between the corporate plan and management and service plans. This has helped the council to clearly explain its corporate priorities to staff. Throughout our audit work we saw evidence of this vision being communicated to staff at all levels. The Executive Management Team (EMT) meets regularly and engages effectively with the heads of services and with elected members.
20. Staff at all levels are briefed as plans and strategies are produced. A series of annual events, led by the Chief Executive and the EMT, are held to ensure that staff understand the council vision and that it is central to the culture in the council. If the council has significant proposals that impact on individual services, it organises specific events to inform and consult with employees.
21. The council undertakes an annual staff survey, with 19 questions covering seven categories linked to specific performance indicators. In 2017 it sent the survey to all council staff, over 8,000 individuals, and 57 per cent responded. Previously it was sent to a sample of 40 per cent of staff. Each year since 2013 around half of the recipients have responded. Overall results are reported to all staff and detailed feedback is provided to each head of service and followed up where results raise concerns. When asked about leadership and management in 2017, around 70 per cent of respondents replied positively. This is similar to previous surveys.

Exhibit 3

West Lothian Council's vision and priorities

The documentation supporting the council's vision is complex and this makes it difficult to identify the role of each in achieving the council's overall vision.

Council Plan 2013-2017 vision: to improve the quality of life for people in West Lothian

West Lothian Council's eight corporate priorities:



- Delivering positive outcomes and early interventions for early years
- Improving the employment position in West Lothian
- Improving attainment and positive destinations for school children
- Improving the quality of life for older people
- Minimising poverty, the cycle of deprivation and promoting equality
- Reducing crime and improving community safety
- Delivering positive outcomes on health
- Protecting the built and natural environment

Three themes were identified to support effective delivery of these priorities:



- Financial planning
- Corporate governance and risk
- Modernisation and improvement

Delivery is supported by 21 strategies (developed by the council and partners to achieve a particular outcome, or outcomes)



Council strategies

- Asset Management Strategy
- Corporate Procurement Strategy
- Attainment Strategy
- Information Strategy
- People Strategy
- Customer Service Strategy
- Improvement Strategy
- Revenue Budget Strategy
- Audit, Risk and Counter Fraud Strategy
- ICT strategy
- Capital Strategy



Area strategies

- Anti-Poverty Strategy
- Climate Change Strategy
- Community Safety Strategy
- Economic Strategy
- Health Improvement Health Inequalities Alliance Action Plan
- Joint Commissioning Strategy
- Local Transport Strategy
- Open Space Strategy
- Reshaping Care for Older People Strategy
- West Lothian Local Development Plan

Seven annual management plans

(developed by each council service to set out the key activities and outcomes that services will work to achieve in the year and the required resources)



- Education Services
- Planning, Economic Development and Regeneration Services
- Corporate Services
- Housing, Customer and Building Services
- Operational Services
- Social Policy Services
- Finance and Property Services

Source: Audit Scotland and West Lothian Council

Public consultations form an important part of the council's corporate planning process

22. The corporate plan makes clear reference to the public consultations the council has undertaken to identify what matters to the people of West Lothian and how it works with its partners.

- 23.** The council has carried out two large-scale public consultations in the current corporate planning period. The first in 2012, Delivering Better Outcomes, asked local people their views on the relative importance of the council's proposed priorities, with opportunities for people to make their own proposals. Local people were asked to consider different ways of delivering services so the council could achieve its priorities and balance its budget. The council got around 3,000 responses and 17,000 comments. It carried out a second consultation, primarily focused on budget choices, in 2014. This received around 3,500 responses and 40,000 comments.
- 24.** Summaries of the responses to both consultations were reported to elected members prior to them approving the corporate plan and annual budgets. The responses and how they would be taken forward were also made publicly available, so respondents could see how the council had addressed their comments. The ranking of priorities in the corporate plan is in line with the ranking identified through the 2012 consultation. Communities were generally supportive of the council's proposals on priorities, delivery options and budget measures. In developing the council's Corporate Plan and supporting financial strategy for the period 2018/19 to 2022/23, the council undertook a further large scale four-week consultation in October and November 2017.
- 25.** The council also carries out ongoing engagement and consultation. Consultations on specific themes, including health and social care, licensing, and housing are carried out via online surveys, public meetings, postal surveys and focus groups. Actions that the council has taken subsequently are published in the 'You Said/We Did' section of the council website to demonstrate the impact local people can have on council services.
- 26.** The CPP asked the West Lothian Citizens' Panel to complete a Quality of Life Survey approximately every three years up until 2013. The results, and the CPP's actions in response, were detailed in the Community Panel Newsletter. The panel is made up of over 3,000 residents and is broadly representative of the West Lothian population. In 2013, 57 per cent of panel members responded to the survey and 88 per cent of them were satisfied or very satisfied with West Lothian as a place to live. The CPP is currently carrying out an online quality of life survey that is open to all residents of West Lothian. The council uses this survey data in its planning.
- 27.** The council has nine Local Area Committees (LACs), one for each electoral ward, and all councillors from that area are members. Each committee discusses local issues and scrutinises the local impact of council policies. They regularly engage with local community groups who are invited to attend the LAC. The committees also award small community grants, and receive ward specific reports from council services and partner organisations who attend the committee.

There are good examples of how the council has involved local people in planning and improving its services but it will need to do more to empower communities

- 28.** Since 2011 the council has operated a Citizen Led Inspection programme (CLI) where members of the community are invited to directly observe and inspect council services and assess whether they meet local needs. Inspectors assess services against seven key criteria and each is graded on a five point range, from unsatisfactory to excellent. This led to suggested improvements in how services could:
- better meet customer needs and preferences
 - streamline internal systems and processes
 - publish information customers will find useful.

- 29.** Between 2011 and 2015, eight CLIs were carried out before the council paused the programme to learn lessons and design a new programme that will cover up to 2018. The assessment of the initial programme found that while it led to useful recommendations, the level of commitment required from both the inspectors and council services could be prohibitive. This, in turn, may exclude sections of the community from becoming involved.
- 30.** This led to the council designing a refreshed programme that acknowledges CLIs can be used in different ways depending on the conditions and complexity of the service area being inspected. As well as the original 'full' CLI, now branded 'Customer Inspection', it introduced two new, more targeted, options ([Exhibit 4](#)).
- 31.** The last full CLI was undertaken in November 2014 and a pilot of the lighter 'Customer Look-See' inspection was carried out in September 2015. In 2017 two of the new CLI 'Customer Experience: Look-See' have been undertaken. These looked at the council's Customer Information Services, which deals with customer enquiries, and the council's cemetery services. A full CLI of Business Gateway, which provides economic development services within West Lothian, is currently underway.

Exhibit 4

Citizen Led Inspections

West Lothian Council has designed three options for Citizen Led Inspections.

Type of Inspection	Focus:	Carried out:
Customer Experience: Look-See	Customers visit council services and assess offerings	When service areas have been changed or there is a performance issue
Customer Inspection	Customers independently assess and evaluate services	On a planned programme of activity, agreed through consultation with inspectors, and focussed on services with high levels of customer interaction
Customer Re-design: Customer Journey	Customer will work with services undergoing service redesign to ensure customer views are considered	On a programme, but also where intervention is identified (due to service redesign or performance issues)

Source: West Lothian Council

- 32.** The council has made efforts to empower local communities by involving them in decisions about how services are best delivered, through consultations, the Citizen's Panel and CLIs. Local communities have also taken on responsibility for the activity schedules at local community centres ([Case Study 1](#)).
- 33.** The Community Empowerment Act places significant expectations on public bodies, and the council must build on its experience in consulting with its residents and communities as it takes forward the task of redesigning its services for the future. The council is currently investigating the transfer of assets such as buildings or land, to local community groups, with one proposal being taken forward so far. This has resulted in Craigsfarm in Livingston being transferred to community ownership. The farm is currently being redeveloped for community use, having secured £1.25 million of third party funding, and work is expected to be completed in Spring 2018. The council has received a further five applications for assets to be transferred to community ownership. Two are currently live and being progressed, one was withdrawn by the group

making the application and one was not considered to be a valid application. The group that have made the other application are currently considering whether to provide additional information or to withdraw the application.

Case Study 1: The council is involving local communities in deciding how they use community centres.

Within West Lothian, council community centres are run in partnership with management committees formed of local people. Thirty seven local management committees are responsible for developing the programme of activities delivered at community centres within their areas to meet local needs.

The management committees rent the centres from the council and decide upon the letting fees and policies for each centre. They can use income they generate and can redecorate and furnish the centres to meet their needs. The council retains ownership of the centre and pays for utilities and centre staff, an arrangement that has been cost neutral for the council in that it has not cost more than if the council ran the centres in a more traditional manner.

The council is currently progressing partnership agreements with each management committee to ensure that, although priorities and programmes are set by the committee to meet local needs, activities are aligned to council priorities.

Source: Audit Scotland and West Lothian Council

The council has appropriate governance arrangements to conduct its business but there is scope to strengthen some of them

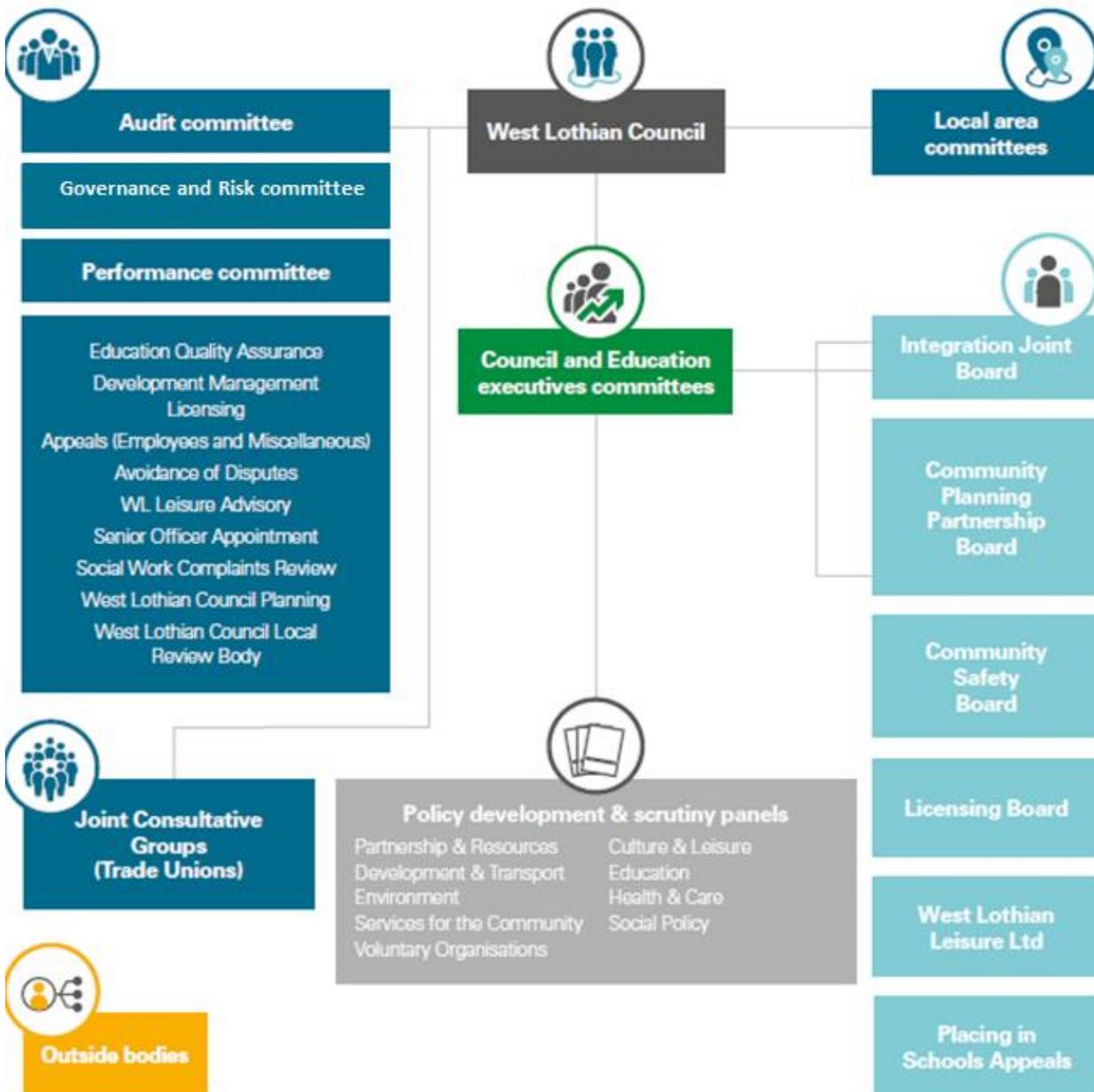
34. For the last decade West Lothian has been run by minority administrations. Following the May 2017 local government elections, a Labour minority formed the current administration ([Appendix 1](#)).
35. The Standing Orders regulate the way the council goes about its business. The Scheme of Administration sets out the membership, powers and responsibilities for full council, the Council Executive (12 elected members) and the Education Executive (18 elected members) and its other governance bodies. This includes its other main committees and subcommittees, policy development and scrutiny panels (PDSPs) and local area committees ([Exhibit 5](#)). All committees, including the Executive, have members from the different political parties, although membership does not reflect the overall make-up of the council.
36. The present decision-making structure was introduced in 2007. The main structural changes since the last Best Value report in 2005 were a reduction in the number of policy-making committees and subcommittees and the introduction of PDSPs. The PDSPs do not have voting rights. They can and do include representatives from community bodies and the trade unions alongside the seven councillors on each one. The PDSPs support development of new policies for the council and scrutinise how existing policies are working to consider where changes are needed. They also consider service performance reports during the year, which allows them to scrutinise officers in their implementation of policy decisions. PDSPs are not decision-making bodies like council committees and they make recommendations to the Council Executive or Education Executive to inform their decisions.
37. There are risks to effective scrutiny however, as the current membership of the PDSPs is such that most have a majority of councillors from the administration, and most of those councillors are also members of either the Council Executive or the Education Executive. This means that the scrutiny functions of the PDSPs are being carried out by members of these policy making bodies. This risk is mitigated in part as the PDSPs can include members who are not

councillors and Standing Orders require that the views expressed by all members of PDSPs are reported to the Executive Committee(s).

Exhibit 5

Governance arrangements in West Lothian Council

West Lothian Council has a number of scrutiny panels aligned to service areas but these panels lack the formal powers of council committees.



Source: West Lothian Council

38. Up until the 2017 elections, the chair of the Audit and Governance Committee was a member of the administration. Again, this effectively resulted in the administration leading on scrutiny of the council and, effectively, the administration itself, in audit and governance matters. Subsequent to the elections, the remit of the Committee was split into two, the Audit Committee and the Governance and Risk Committee. The chairs of both of the new committees are not currently members of the administration. It is too early to tell how the two new committees will operate. There is scope for significant

overlap in their remit, and currently three of the five elected members of each committee are the same.

39. The Performance Committee is the main committee that considers corporate performance, including central education services. The Education (Quality Assurance) Committee (EQAC) considers the quality of performance at schools and other education establishments, primarily reviewing the results of internal and external inspection reports. Both these committees are chaired by councillors who are not members of the administration. Of the 13 elected member representatives on the EQAC, 11 are also on the Education Executive responsible for approving recommendations made by the EQAC. Only one of the five elected members of the Performance Committee is also on the Executive.
40. The appointed auditor made a number of recommendations relating to governance arrangements in the 2016/17 Annual Audit Report. These included formalising some arrangements and ensuring that elected members from outside the decision-making committees have enough involvement in scrutinising council decisions. In response, the council has asked officers to review the Scheme of Administration and to bring advice and suggested changes to a subsequent council meeting.

The council has appropriate risk management procedures but it could better report and manage strategic risks

41. The appointed auditor has reported in the Annual Audit Report that the Audit, Risk and Counter Fraud Manager fulfils a role both as head of internal audit and also risk manager. This has the potential to create a conflict of interest. This risk is mitigated by management who ensured that the internal audit of the council's risk management process during 2016/17 was undertaken by another local authority's internal audit team, as part of a partnership arrangement.
42. This audit of risk management resulted in a positive report on how the council manages risks within services, and concluded that its risk management framework outlined appropriate processes for managing risks. However the appointed auditor has reported that members did not have oversight over risks or how they are being managed. Risks were not reported to, or monitored by, the council or a council committee, for example the Audit and Governance Committee. Good practice (as defined within Best Value Guidance) recommends that councillors should have visibility of risks to allow robust scrutiny and challenge to management on the appropriateness of these risks and how they are being managed.
43. The revised audit, governance and risk committee structures are designed to allow greater focus on risk management within the council. The council has said that the corporate risk register for high and strategic risks will be a standing item on the committee's agenda. If the risk register is appropriately considered by the Committee going forward, this will strengthen scrutiny of how the council is managing strategic risks.

Effective challenge and scrutiny is dependent upon all councillors

44. Between the May 2017 election and late September 2017, the SNP delayed nominating councillors to join several PDSPs and committees, including three of the key scrutiny committees (the Performance Committee, the Audit Committee and the Governance and Risk Committee). The SNP has now nominated a member of the Audit Committee but has yet to announce councillors to sit on the other two key scrutiny committees. There are risks to the effectiveness of committees if all positions are not taken up. It is incumbent on the council as a whole, including all councillors, to ensure that the statutory duty of Best Value, including effective scrutiny, is fulfilled.

45. The council offers training to elected members through the year. It held 19 events during 2016/17. The content of training was broad and covered a range of subject matters corresponding to the breadth of responsibilities held by elected members. Special interest events, specific to councillors sitting on PDSPs or of a personal interest, were generally attended by less than a third of councillors, but around two thirds of councillors attended some of the more general training events.
46. Following the May 2017 elections, the council provided induction training for new and returning members. During the course of our audit work we met with elected members from the three major political groupings, including returning and newly elected councillors, and all were positive about the nature and extent of the training provided. Senior officers in the council respond to, and provide informal briefings to, members when they have queries. This includes the Head of Finance and Property Services, or the finance member of staff assigned to each political grouping, responding to queries or briefing requests. The council's human resources team are in the process of developing and progressing individual training plans and records of training undertaken for members.

Councillors need to play a more active role at committees and PDSPs to provide effective scrutiny

47. At committee and PDSP meetings, we observed limited challenge and enquiry from members to performance information reported. We recognise that these meetings were mostly shortly after the election, and a number of members were new. A review of minutes showed a lack of evidence recorded of any challenge and scrutiny which may have occurred at other meetings. Robust challenge and involvement from elected members in driving improvement of council performance at a corporate level, linked to the council's priorities, is a key element of a commitment to delivering Best Value.
48. The main committees for consideration of performance are the Performance Committee, and for schools, the Education (Quality Assurance) Committee. According to its remit, the focus of the Performance Committee is considering the council's corporate performance, including ensuring that performance management arrangements cover Best Value considerations. In practice, we observed that there has tended to be more focus on service performance reports than overall corporate performance reporting. At the time of this report, council officers were planning to review how to improve reporting and scrutiny of corporate performance. Following a recommendation in the Annual Audit Report, the council plans to record more detailed minutes of questions and discussions at the Performance Committee.

Part 2

How well is the council performing?



Overall, outcomes for the community are improving, and performance relative to other councils is strong

West Lothian Council is performing well compared to other councils, showing an improvement in relative performance in recent years and maintaining high performance in particular service areas.

The council engages in a lot of good improvement activity, and has effective systems for managing performance. It regularly reports progress against planned actions and targets.

The council recognises there are areas where services need to improve further. It could set out more clearly the levels of performance and specific outcomes it hopes to achieve to help meet its priorities. This would help the council better monitor and consistently report progress in these areas.

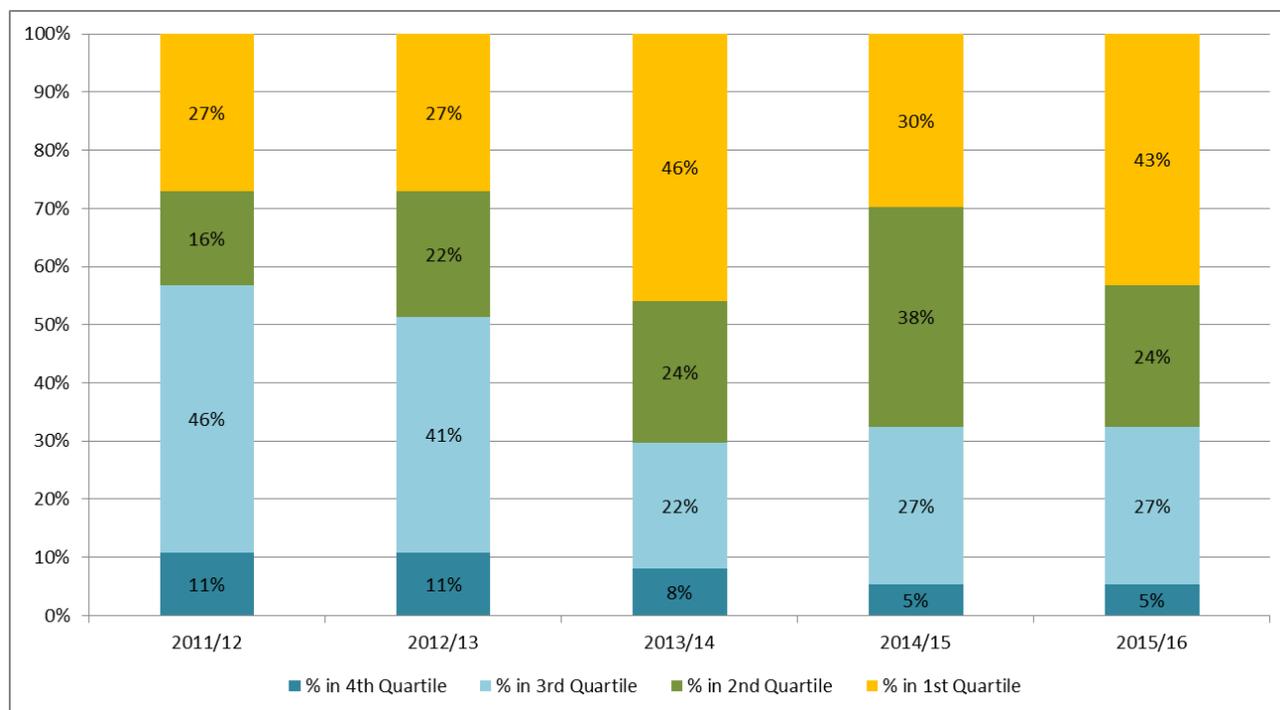
West Lothian Council has continued to perform well compared to other councils

49. West Lothian Council is performing well as measured by the council's results across a range of national data. The corporate plan and supporting strategies run for a five-year period and provide insight into performance over the longer term. Annual service plans show progress against the previous year's plans.
50. National indicators show the council's performance has improved in the last five years compared to other councils. The outcomes-focused indicators from the Improvement Service's Local Government Benchmarking Framework, that is, those measuring performance rather than cost, show the following:
- In 2015/16 around 67 per cent of the council's performance indicators were in the top two quartiles, a significant increase from 2011/12 (43 per cent).
 - Forty-three per cent of indicators are now in the top quartile.
 - In the same period the council has also reduced the number of indicators in the bottom quartile, where they were amongst the poorest performing councils, from 11 per cent to only five per cent ([Exhibit 6](#)).

Exhibit 6

Comparing West Lothian's performance over time

The percentage of West Lothian's recurring outcome focused performance indicators in the top two quartiles has increased from 43 per cent of indicators in 2011/12 to 67 per cent in 2015/16.



Note: This analysis is based on 37 single-year outcomes based indicators that were reported as part of the Local Government Benchmarking Framework every year within the five-year period. Comparing council performance involves considering how all councils are performing, from lowest to highest, for each indicator. Relative performance against other councils is divided into four equal bands, or quartiles. The first quartile contains the best performing councils for that indicator and the fourth quartile contains the poorest performing councils.

Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2015/16

51. While performing well as a council, there is some mixed performance across individual services. There has been an increase in most education indicators, with improving educational attainment meaning West Lothian now outperforms the Scottish average. The overall percentage of pupils entering a positive destination, such as further education, training or employment, also increased between 2011/12 and 2015/16, although this decreased between 2014/15 and 2015/16 and is now below the Scottish average. In recent years, there has been a marked increase in educational attainment and the councils' results compare favourably to both Scotland as a whole and similar councils. Compared to the seven other councils in its benchmarking family group, West Lothian Council is within the top two councils for most education indicators.¹

52. Within social work services there was an increase in the proportion of eligible adults receiving access to Self Directed Support funding and in the number of adults rating the care they receive at home as good or excellent. Both of these

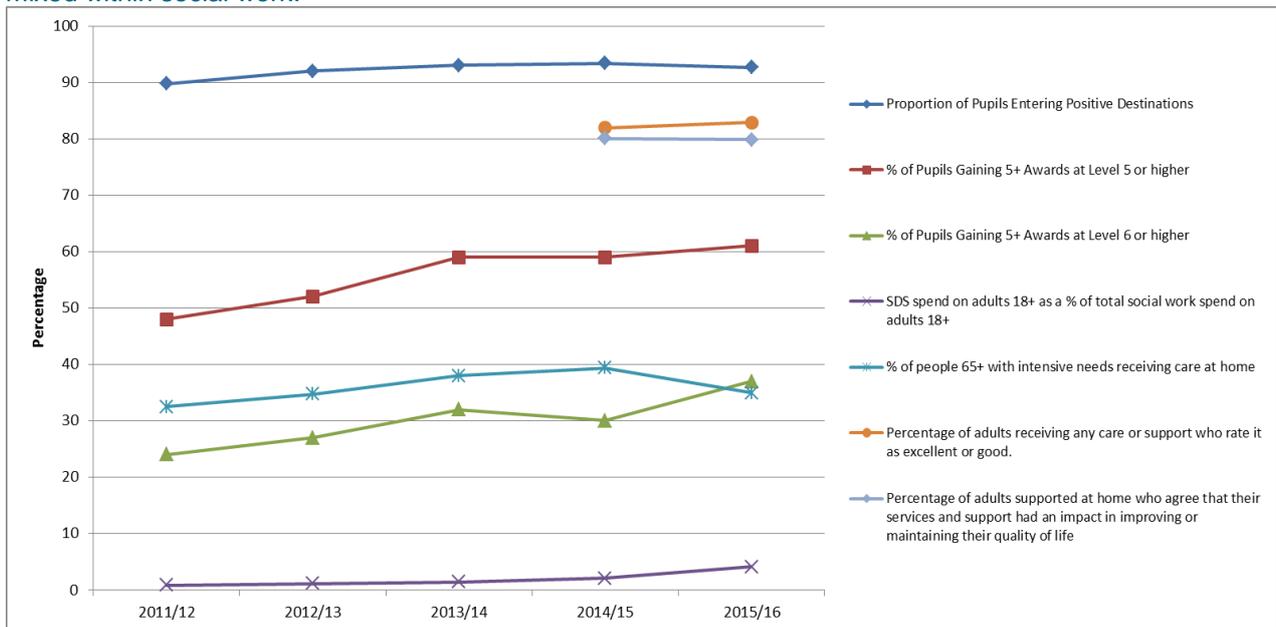
¹ For benchmarking purposes the Improvement Service's LGBF splits councils into family groups of eight councils to allow useful comparisons to be made between groups of councils based on size, geography or other characteristics. For environmental, culture and leisure, corporate and economic development services these groups are mainly based on population density. For children's services (including education), social care and housing services, levels of deprivation are the main characteristic used to group councils. For education services, West Lothian is grouped with the following councils for benchmarking: Clackmannanshire; Dumfries and Galloway; Falkirk; Fife; Renfrewshire; South Ayrshire; and South Lanarkshire.

measures, however, remain below the Scottish average. Conversely, the proportion of elderly residents with intensive needs receiving care at home has reduced but remains above the Scottish average (Exhibit 7). The council is working to support more people to receive care at home and to remain at home for longer. In recent months, however, the number of people experiencing delays to being discharged from hospital has been increasing. The most recent data shows that West Lothian had more people delayed than over two-thirds of other councils, and more people are experiencing delays of over three days.²

Exhibit 7

Trends in selected education and social work indicators, 2011/12-2015/16

The majority of education indicators have been increasing within West Lothian but performance has been mixed within social work.



Notes:

1. Data is not available for all indicators for 2011/12 to 2015/16
2. **Proportion of Pupils Entering Positive Destinations:** This is a valuable outcome measure for schools in their function of preparing young people for life beyond school. It is an aggregate measure of a wide range of post school destinations for young people.
3. **% of Pupils Gaining 5+ Awards at Level 5/6 or higher:** These indicators provide a measure of achievement for pupils at higher levels of attainment.
4. **SDS spend on adults 18+ as a % of total social work spend on adults 18+:** Self Directed Support allows people needing support to choose how their support needs will be met. This indicator calculates the cost of Direct Payment and Managed Personalised Budget spend on adults as a proportion (%) of the total social work spend on adults (aged 18+).
5. **% of people aged 65+ with intensive needs receiving care at home:** This indicator measures the extent to which the council is maintaining people with intensive needs in the community. Home care is one of the most important services available to local authorities to support people with community care needs to remain at home.
6. **% of adults receiving any care or support who rate it as excellent or good:** This indicator measures the proportion (%) of all adults surveyed who rated the care or support received as excellent or good.
7. **% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life:** This indicator measures the proportion (%) of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life.

Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2015/16

² Delayed discharge census, August 2017, Information Services Division Scotland. Data extracted October 2017.

- 53.** The Care Inspectorate has recently led a joint inspection of services for children and young people in West Lothian. This aimed to assess the range of services available to children across West Lothian from a range of organisations, and the difference these services are making to the lives of children, young people and families. The review identified a number of strengths in services delivered by West Lothian Council and its partner organisations ([Section 4 - paragraph 107](#)).

The council has effective systems for managing performance

- 54.** National comparisons show generally high levels of performance across services in West Lothian. This suggests that the council's performance management framework is operating effectively, and it has effective systems for managing performance. The council uses the Pentana performance management software (previously called Covalent) as its central performance management system. As well as reporting performance, Pentana allows the council to set and review targets and highlights if performance is below target.
- 55.** The council has reviewed progress against the corporate plan and strategies during the last five years and developed scorecards to show whether it is meeting selected targets. It uses these scorecards to monitor progress, and the results are reported to relevant PDSPs. A review of the corporate plan was reported to the Partnership and Resources PDSP on 1 April 2016. This included an overview of progress against what the council said it would deliver in the corporate plan. A scorecard showing the status of corporate performance indicators broken down by the eight corporate priorities was also reported.
- 56.** The review indicated that the council was making good progress and had met most of its agreed performance measures. Across the 90 commitments and 141 performance indicators in the corporate plan scorecard, 14 were assessed as amber (failing to meet their target) and nine as red (significantly below target). The council published a review of its performance to the end of the current corporate planning period (2012 to 2017) which was delivered to all local homes and businesses.

The way the council monitors and reports its performance does not always clearly demonstrate the impact of services on local people

- 57.** The council has developed a wide range of performance indicators and scorecards for each service area and for the corporate plan. The corporate plan scorecard links performance indicators to individual services, whilst service management plans link performance indicators to specific corporate priorities. This provides a high-level link between performance at corporate level and service level. However the performance indicators at the different levels are not always the same measures, and there is a lack of clarity around how service level performance indicators tie in with corporate plan performance indicators. This makes it difficult to see how service level performance impacts on the council's priorities and vision. The council could also set out more clearly the levels of performance and specific outcomes that it aims to achieve to help meet its priorities.
- 58.** Performance is monitored by management and reported to members through a number of routes. The EMT reviews the annual service management plans which detail key achievements and actions from the previous year, as well as progress against performance indicators. This gives senior officers an opportunity to assess overall council performance in the previous year and identify where services have not met performance targets. Each PDSP also has the opportunity to scrutinise management plans and performance against prior years and annual targets. This depends on the effectiveness of elected member scrutiny, as we discuss in [Part 1](#).

The council publishes a range of performance information in accessible formats but could further improve the content by providing information on trends and targets

59. An annual performance report is publicly available for each council service, detailing progress against performance indicators and council targets. These include trend charts, normally covering a five-year period, and comment on factors that have influenced the trend in performance. The reports contain indicators under four broad categories: customer results; service standard; efficiency; and effectiveness. Presenting indicators across all four categories is an effective way of providing a comprehensive overview of service performance. Where available, the council includes information on comparator authorities to provide additional context on the council's performance.
60. The council's flagship public performance reporting document is Factfile. Published annually, this presents selected performance aligned to the eight corporate priorities. As we found in our 2005 report, the council's public performance reporting tends to focus on positive aspects of performance, only highlighting positive changes, or high profile investment, rather than also including areas for improvement. The document has been refined each year and is easily understood, using design features such as infographics to explain how the council is performing.
61. In addition to this annual report, prior to the 2017 election the council provided an end of term report on performance within their quarterly newsletter Bulletin ([Exhibit 8](#)). This is printed and delivered to every household and also available online. The council website can translate documents into a range of languages, audio output and can resize content, helping to ensure that performance information is available to people with specific needs. The subset of performance published in Factfile (and the 2017 end of term report) does not refer to targets or how specific council actions have contributed to improved performance. This can make it difficult to assess how the council is contributing to improving outcomes.
62. As well as Factfile, the council makes a range of performance information available on its website relating to service performance and linked to themes identified within the corporate plan. Although the council publishes comprehensive performance information, the main public performance publications report mainly on key achievements and investments under each corporate priority. Little information on trends and targets is provided to inform the public and to support scrutiny of annual changes in performance.

Exhibit 8

The council provides summary performance information to the public

The information is provided in accessible format but would benefit from the inclusion of targets and trend information to illustrate how the council is performing.



Source: an extract from Priority 4: Improving the quality of life for older people, Bulletin Spring 2017, West Lothian Council, 2017

Part 3

Is the council using its resources effectively?



The council has managed its finances well but must address significant challenges as it refreshes its financial strategy

The council has robust financial management arrangements. However it faces a significant funding gap of £73.5 million over the next five years. Savings are currently being identified but some significant changes to service delivery are required and these may be difficult to deliver within the timeframe required.

The council has significant useable reserves, notably in its capital fund. But low levels of uncommitted reserves could reduce its ability to react to unexpected changes in circumstances. Although debt is increasing, the cost of making interest and capital repayments remains relatively low compared to other councils.

The involvement of councillors will be key to ensuring the council can identify savings and drive improvement to address the funding gap. Councillors need to take the lead in determining priorities and scrutinising budget saving proposals to ensure these can be delivered in the required timescale, particularly in 2018/19.

There is a longstanding issue within the council around high levels of sickness absence and the council should look at how it can address this as soon as possible.

The council has established robust financial management arrangements

63. Existing financial management arrangements within the council are robust. The council has processes to ensure that financial performance is scrutinised at both operational (service) level and through to the EMT. Financial performance is reported to the Council Executive throughout the year. Council officers lead a Modernisation Board and Programme Change Board to oversee the delivery of savings programmes.
64. The council set a balanced budget of £435.7 million in 2016/17 and reported an underspend against budget of £1.8 million (0.4 per cent). This was primarily due to additional funding of £1.7 million received near to the end of the financial year, which has been earmarked for use in 2017/18.
65. During 2016/17, officers provided in-year budget monitoring reports that included forecast outturn to the Council Executive on a regular basis. There were no major fluctuations in the outturn projections provided to members during the year. This demonstrates tight financial control, an understanding of the budget and good in-year management of financial pressures. Actions to

address service pressures were included in monitoring reports, enabling members to have appropriate oversight of how these were being managed.

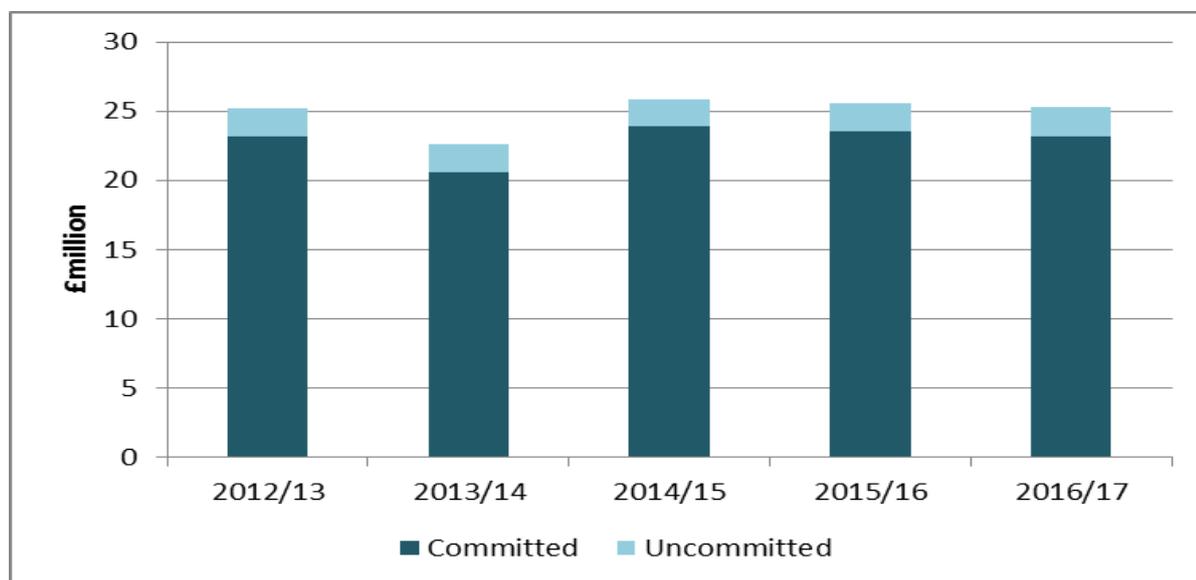
The council maintains a low level of uncommitted reserves although overall its usable reserves are high

66. The council's level of usable revenue reserves as a percentage of net expenditure on cost of services has been maintained over the last five years. In addition, the council operates a separate insurance fund as well as its requirement to maintain the housing revenue account. Total usable revenue reserves represent about eight per cent of expenditure on net cost of services.
67. In line with its reserve policy, the council has uncommitted general fund reserves of around £2 million (representing approximately 0.5 per cent of net expenditure) ([Exhibit 9](#)). This is one of the lowest uncommitted General Fund balances in Scotland and could impact on the council's ability to react to sudden or unexpected changes in circumstances. In response to a recommendation from the appointed auditor to consider whether its target level of uncommitted reserves remains appropriate, the council stated that it still believes this is the case. It also stated that it will continue to review this as part of the budget setting process.

Exhibit 9

The council's General Fund

The council has maintained the level of General Fund reserves that it holds although only around £2 million of this has not been committed to specific projects.



Source: West Lothian Council's audited accounts 2012/13-2016/17

68. The council has established a significant capital fund in recent years. This amounted to £88 million at 31 March 2016 and £65 million at 31 March 2017 as the fund was used to support the council's significant capital investment activity. This has reduced the amount of additional borrowing required at this time. Total useable reserves, including both capital and revenue funds, totalled around £104 million at the end of 2016/17.

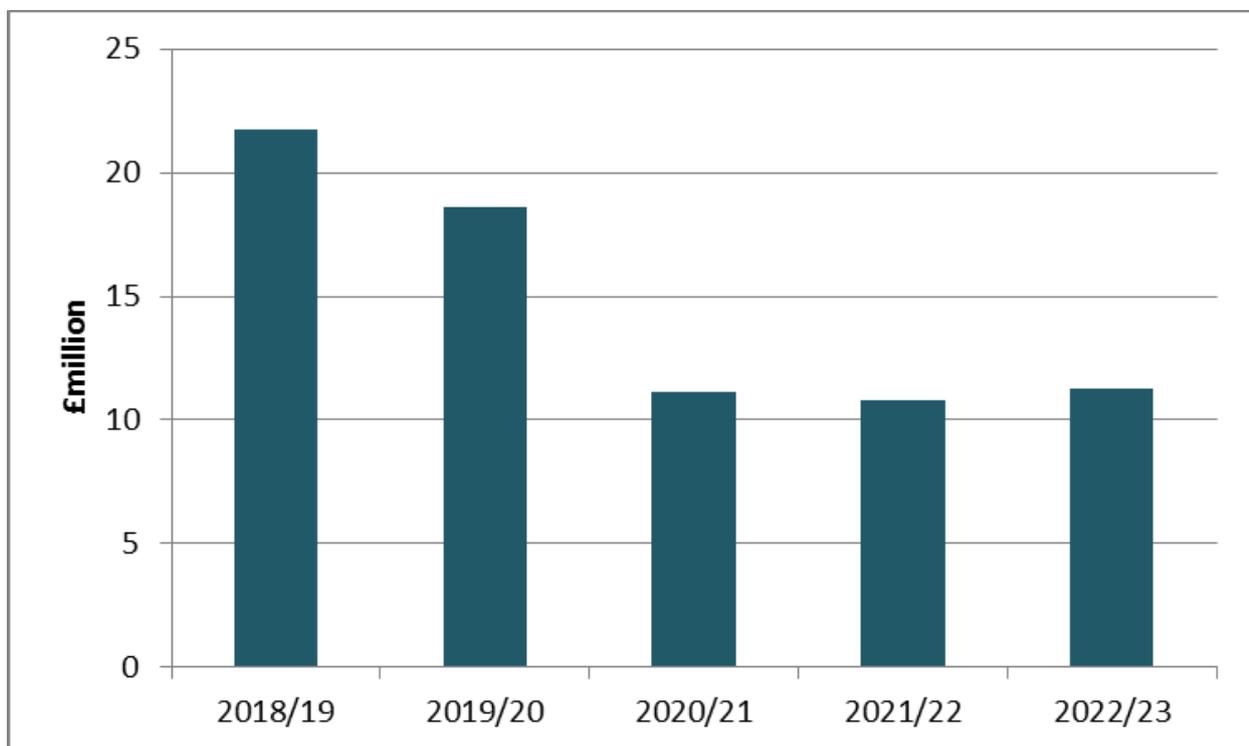
The council faces a significant funding gap of £73.5 million over the next five years

69. As requested by councillors in February 2017, management submitted a paper to the newly elected council Executive in June 2017 outlining the forecast budget gaps for the forthcoming five years. This reported that the forecast funding gaps total £65.7 million over the period. In September 2017 this forecast was updated to £73.5 million due to changes in the assumptions on pay rises. Fifty five per cent of the savings are required in the first two years. ([Exhibit 10](#)).

Exhibit 10

West Lothian's forecast budget gap

Over the next five years the council is facing a projected budget gap of £73.5 million



Source: West Lothian Council

70. The forecast budget gap is based on a model with the following key assumptions:

- a three per cent annual council tax increase which, coupled with the house building programme in the area, results in the majority of the increase in forecast income
- further reductions in the expected single year Local Government finance settlements in 2018/19 and 2019/20, followed by increases in the next three years
- a 2.0 per cent pay rise assumption in the first two years and 1.5 per cent thereafter resulting in staff costs increasing by £27.3 million. This assumption was revisited following announcements by the Scottish Government in September 2017 about public sector pay and the potential impact of this on the council. This changed the forecast figure, increasing it by around £7 million from the £66 million that the council had reported previously.

71. Demographic pressures and increasing demands for services account for £28.4 million (38.6 per cent) of the estimated budget gap to be addressed. This is heavily weighted to social care costs, driven by a rise in older residents.
72. The council has successfully delivered over £35 million of savings over the last three years, demonstrating that it can meet financial challenges. However, management recognise that delivering further savings will be increasingly challenging.
73. Due to statutory requirements and central government targets, there is historically less flexibility to make savings in education and social work than in other service areas. Most interest costs are also relatively fixed for councils. Compared to other councils, West Lothian Council spent a high proportion of its total spending on these three areas in 2015/16. This means the council needs to generate savings across areas that impact on customer facing and statutory services. Council officers have identified around half of savings proposals as being difficult to deliver, either operationally or strategically.

The council has been reducing the length of its budget forecasts in recent years but is now refreshing its financial strategy for the next five year period

74. The Accounts Commission has stressed the need for long-term financial strategies, supported by medium-term financial planning, so that councils can respond to the acknowledged demographic and fiscal pressures. West Lothian Council prepares its financial strategy to cover the same period as the corporate plan, which currently covers 2012-17, in line with the timing of local elections. There is strong evidence of the council delivering this financial strategy over the last five years, and of it using the results from public consultations when setting its budget.
75. The council set multi-year indicative budgets over the period covered by the current financial strategy. For example, in January 2015 it set a budget for the three-year period 2015/16 to 2017/18, ie including the current financial year. This represented good practice.
76. In setting the 2017/18 budget, however, only a one year budget was approved. Alongside the budget, members agreed to officers developing a corporate and financial plan for the period 2018/19 to 2022/23, to be considered after the May elections. During the 2017/18 budget setting process, officers presented members with an overall outlook for local government finance. But while the council's EMT had initially considered a financial context report in June 2016, the budget papers did not report on the early estimates of the likely budget gaps for the council over the next five years. The council was in a minority of local authorities that did not provide this information to members at this time.
77. Members committed £2.2 million of reserves to support one-off spending in 2017/18 as part of balancing the budget, without full knowledge, through the budget papers, of the scale of the estimated future funding gap facing the council. There is a duty on council officers to provide all members with an understanding of the financial position in which they operate and the future challenges faced in order to reduce the risk of short-term decision making.
78. Councillors, however, have indicated that they had been briefed on the size of potential budget gaps and have no concerns around the information provided to them on this. They feel there is good engagement and open communication between officers and members around the financial position of the council.

Councillors from all political groupings need to be more involved as the council plans how it will make savings to close the budget gap

- 79.** Councillors on the Council Executive approved a process in June 2017 such that the EMT would develop savings proposals and report back in early autumn 2017, outlining their plans for public consultation. In September 2017, the Council Executive considered an update from officers. This set out the revised estimated budget gap of £73.0 million (since further revised to £73.5 million). It also set out plans for the public consultation which ran from 16 October to 12 November 2017.
- 80.** Results from the public consultation will be reported to the relevant PDSPs for consideration in December 2017. This will be members' first formal involvement in the process for agreeing council priorities and considering savings proposals, although members will have been working with officers in their individual party budget groups since the consultation went public. The council's new five year corporate plan and supporting corporate strategies, including the financial strategy, are due to be approved in February 2018.
- 81.** The process of public consultation prior to the formal involvement of members in the savings and efficiencies process is similar to the approach taken by the council in 2012. Savings were subsequently delivered over the course of the 2012-17 corporate plan. However with further significant savings now required, and potentially difficult decisions to be made, earlier involvement by councillors in identifying priorities would have reduced the significant risk to the council of failing to deliver savings in the required timescales, particularly in 2018/19.
- 82.** The council has no history of a cross-party group bringing together councillors from all political parties to consider the budget proposals. Officers work closely with councillors to discuss the impact of savings plans in detail outwith committees, but this does not allow formal scrutiny of the plans. While each PDSP has a slightly different remit, they would appear to be the appropriate panel to scrutinise proposed savings plans for their relevant service areas, prior to them being passed to the Council Executive for approval. This would demonstrate good practice that there has been robust scrutiny of savings plans.
- 83.** To prepare the new Corporate Plan, the council is analysing the administration manifesto alongside the proposed corporate priorities to demonstrate links between the two. There is an inherent risk in not consulting with councillors from all political groupings at this stage, especially with a minority administration, as there may not be a consensus that the correct priorities have been identified.
- 84.** The budget setting and financial planning process clearly considers the impact of budget proposals and savings plans on how the council operates. The council needs to do more to ensure that, when councillors scrutinise the budget savings that the council is delivering, they also consider how these are affecting service performance. Once savings plans are approved, financial performance is scrutinised by the Council Executive and the Audit Committee independently of performance information which is reported through PDSPs. More joined-up reporting would aid effective scrutiny.

The council is investing in assets in line with its strategic priorities

- 85.** The council has invested significantly in capital infrastructure such as schools and partnership centres which aligned to its priorities. By the end of 2017/18, the council will have invested around £257 million over the lifetime of the five year general services capital programme. The council approved its asset management strategy in 2013, for the period 2013/14 - 2017/18. The strategy was aligned with the period of all the council's strategies and set a high-level framework for managing the council's assets in line with its priorities.

86. Key elements of investment during 2016/17 and 2017/18 include the following:

- Schools estate programme major projects and annual improvements expenditure of £37 million, including a new primary school in South Armadale and development works for the new West Calder High School.
- £43 million investment in operational buildings, including £20 million in the Whitehill Service Centre.

87. The council has a good record of delivering on its capital programme and responding flexibly to accelerate spend where possible. To align with the next cycle of corporate planning, the council is in the process of developing a 10-year general services capital plan which will be phased for years 1-5 individually (2018-2023) and then years 6-10 as one phase (2024-2027).

88. In response to the needs of the community, the council has embarked on an ambitious 1,000 new build council housing programme at a total cost of £115 million between 2012/13 and 2017/18. The council invested £27 million in this flagship initiative in 2016/17, although this was £17 million less than originally budgeted due to slippage or delays related to obtaining statutory consents and permissions. A housing capital budget of £77.2 million was approved for 2017/18, including £60.7 million for the remaining investment in the new build housing programme. The 2017/18 budget partly reflects the under-delivery in the new build programme to date. Funding of the house building programme is predominantly through borrowing of £53.5 million, with final right to buy sales generating £5.6 million. The retention and growth in council housing will significantly increase rental income in the future and, in accordance with the business plan, is designed to support the cost of servicing the increased debt.

The council has an affordable level of borrowing

89. At 31 March 2017, the council's total short and long term borrowing was £604 million. This consists of loans of £535 million from the Public Works Loan Board (PWL B) which provides loans to local authorities, and £69 million of market loans. In addition, the council has long term liabilities relating to two schools' public private partnership (PPP) finance leases of £63 million. The council has short term investments and cash totalling £140 million.

90. The council's policy is to limit variable rate borrowing to a maximum of 35 per cent of all borrowing although currently almost 100 per cent of borrowing is at fixed rate. The council holds significant short term investments totalling £125 million at 31 March 2017. This is invested in line with the investment strategy approved annually by the council in the Treasury Management Strategy.

91. Although the council's net external debt has been increasing in recent years, and the costs of servicing this debt has also increased, debt levels remain relatively low. General Fund debt is approximately the same as the council's annual income, placing it within the middle third of Scottish councils on this measure, and the cost of interest and debt repayments is relatively small compared to other councils. The council has accelerated elements of borrowing to fund the 2017/18 capital programme while interest rates continue to be low. The capital fund will be used in future when rates are forecast to rise.

The council has high levels of sickness absence but is working to improve this

92. In 2011 and 2012, the council approved revisions to its Policy and Procedure on Sickness Absence Management. These revisions provided additional limited discretion to extend the scope of circumstances in which certain absences could be disregarded. Disregarding the absence means that, under certain circumstances, the absence will not result in the employee progressing along the sickness absence procedures. The absence, however, still counts towards

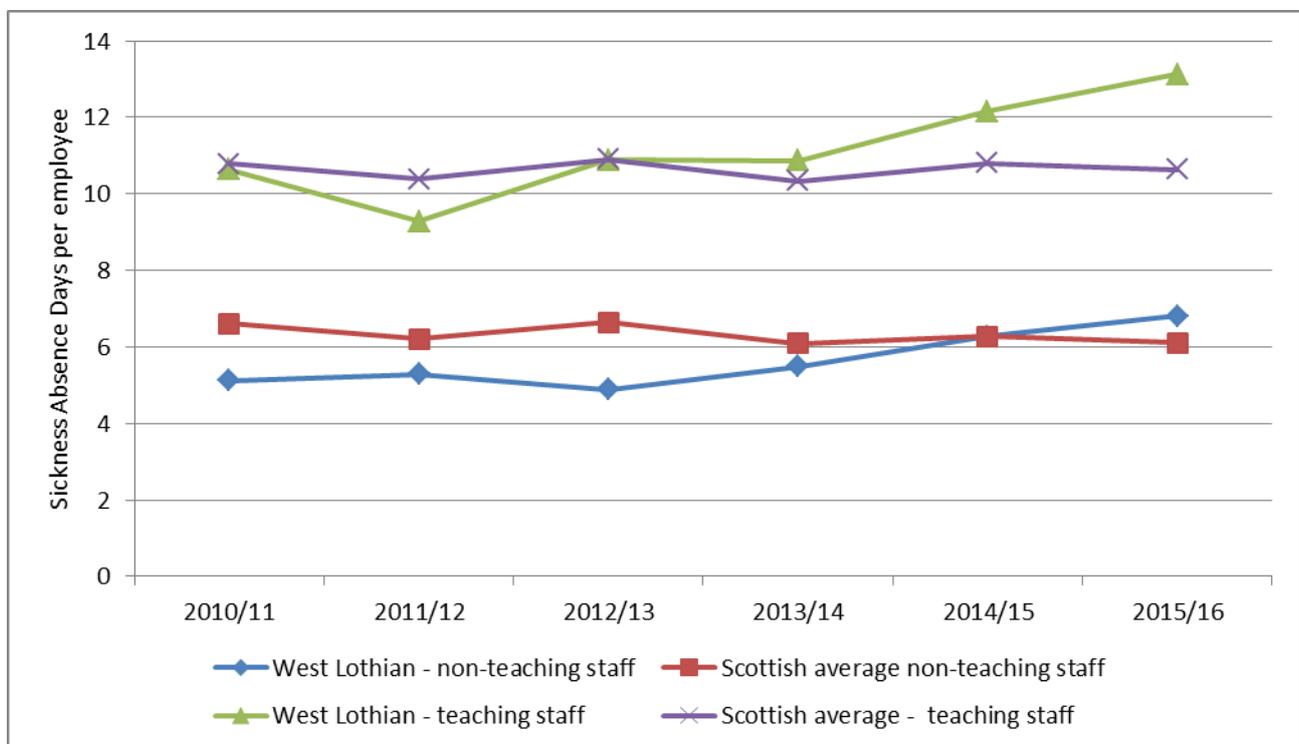
the council's overall absence rate. West Lothian is the only council in Scotland with a disregard policy in relation to sickness absences.

93. Since these changes were approved in 2012/13 the council's sickness absence rate has risen year on year. West Lothian Council is now one of the councils with the highest rates of sickness absence. An increasing proportion of the days lost to sickness absence are due to long-term absences that are covered by the disregard policy. Levels of sickness absence are higher than comparable councils and are now higher than the Scottish average for both teaching and non teaching staff ([Exhibit 11](#)).

Exhibit 11

Sickness absence

The average number of staff days lost due to sickness absence is higher in West Lothian than the Scottish average.



Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2015/16

94. Management are aware of this deteriorating position and have taken a number of mitigating actions to try to improve performance. These have included refresher training for line managers, a standing item on management team agendas and quarterly reports going to the Policy and Resources PDSP to ensure that there is active monitoring of performance. Human Resources also provide dashboard reports to individual services to monitor performance and raise this as an area of focus at all staff levels.
95. The council are now actively engaging with other councils to identify how they can better manage sickness absence and with trade unions to discuss the implications of introducing a new procedure. Since this represents approved council policy, officers are also discussing the issue with councillors as they recognise the need to ensure that any changes to procedures are supported by elected members.

The council is refreshing its people strategy and workforce plans to ensure that it has a workforce that can effectively deliver future services

- 96.** West Lothian Council's People Strategy 2013-17 was designed to support the council's aim of improving services by acknowledging the important role that a skilled and motivated workforce plays in achieving improvements. To ensure that the council delivers the aims of the strategy, the Human Resources Programme Board was tasked with progressing and monitoring the strategy outcomes and regularly reviewing them. The strategy identified nine key activities which were completed within specified timescales and integrated into service management plans where appropriate. The refreshed People Strategy 2018-2022 for the next planning cycle aims to build on the progress of the current plan by, for example, making explicit links between business, financial and workforce planning.
- 97.** The council has progressed its workforce planning arrangements in recent years, publishing detailed workforce plans for individual services and creating a dedicated workforce group to scrutinise recruitment. If service managers identify vacancies they want to fill they must complete a form to detail the impact on performance indicators and services if the vacancy is not filled. The EMT has the final decision over whether the vacancy is to be filled. This centralised process allows the council to manage its workforce effectively. Following councillors approving the new corporate plan and savings proposals, the council must ensure that workforce plans are aligned to them and refreshed regularly.
- 98.** In the last five years the council has maintained staffing levels at around 8,000 people (over 6,500 full time equivalent staff). There have been no compulsory redundancies but staffing levels have partly been managed through a voluntary severance scheme for staff. In 2016/17, 42 staff left under the scheme, at a cost of £0.95 million, bringing the total leaving over the five-year period to 170 staff at a cost of around £4.5 million.

Part 4

Is the council working well with its partners?



There is good evidence that the council is working well with its main partners to support local communities

Partnership working between the council and other agencies is well developed and available indicators suggest that it is having a positive impact in the area.

Services for children and young people which are delivered by the council and its partners have recently received a positive inspection.

A number of partnership centres enable citizens to access a range of services delivered by the council and its partners in a single location which is designed to meet local needs.

An arm's length external organisation (ALEO) provides leisure and cultural services in West Lothian. The council must assure itself that the governance arrangements for the ALEO are appropriate and allow sufficient oversight and scrutiny of finances and performance, and with information reported publicly where possible.

There is a history of effective partnership working within the West Lothian area

- 99.** The council is part of West Lothian's CPP. In the 2014 audit of West Lothian Community Planning Partnership (CPP) the Accounts Commission identified a long standing and strong tradition of partnership working within West Lothian. Representatives from Police Scotland and Scottish Fire and Rescue Services regularly report to councillors on performance across a range of indicators at council level (to the Services for the Community PDSP) and provide more detailed local information to the council's nine Local Area Committees.
- 100.** There are clear links between the council's corporate plan and the CPP's Local Outcomes Improvement Plan; they share a common purpose and there are links between their identified priorities. The current corporate plan includes a specific workstream identifying partnership working as a focus for the council:

"Working with partners to deliver outcomes: The council will explore opportunities to integrate certain services in order to provide services that are effective, flexible and affordable. A key consideration will be providing services in a more efficient way which would reduce the amount of duplication in support services and management."

- 101.** West Lothian's performance across a range of indicators over the decade from 2004/05 to 2014/15 suggests the council and CPP are having a positive impact, with improvement across 10 of the 16 Community Planning Outcomes Profile indicators. Nine of the indicators also compare favourably to Scotland ([Exhibit 12](#)). Significant improvements were achieved in increasing local wage levels and reducing crime statistics. However there has been a downwards trend in performance indicators relating to the health of local citizens.

Exhibit 12

Community Planning Outcomes Profile indicators, 2004/05 and 2014/15

West Lothian has generally improved across the majority of indicators and, in 9 of the 16, the performance improvements in West Lothian over the period were better than the trend for Scotland as a whole.

Indicator	West Lothian Trend	Compared to Scotland
 The percentage of babies with a healthy birth weight in West Lothian increased by 1.2 percentage points to 91.3%, compared to a national increase of 0.9 percentage points to 90% across Scotland.		
 The rate of Primary 1 children with a healthy body mass index in West Lothian decreased by 1.5 percentage points, compared to a national increase of 1.6 percentage points across Scotland		
 Emergency admissions for age 65 and over per 100,000 of the population increased by 13.8% in West Lothian		
 West Lothian experienced a higher proportion of unplanned hospital attendances compared to the national average. For instance, unplanned hospital attendance rates per 100,000 people increased by 13.5% in West Lothian, compared to a national decrease of 3.3%.		
 Early mortality rates in West Lothian decreased by 7.6%, compared to a national decrease of over 14%.		
 Fragility (a weighted combination of three indicators: de-population, rural de-population & old age dependency ratio) increased by almost 4% in West Lothian, compared to a 1% increase across Scotland.		
 S4 tariff score in West Lothian increased by 20%, compared to a national increase of 15.1% across Scotland. S4 tariff scores in West Lothian was above the national average in 2014/15.		
 The percentage of school leavers entering positive destinations in West Lothian increased significantly by over 17 percentage points to 93.4%, compared a national increase of 8.7 percentage points across Scotland. In 2014/15 West Lothian was above the national average.		
 The employment rate in West Lothian decreased by 0.4 percentage points to 76.5%, compared to a national increase of 0.1 percentage points across Scotland but was still above the national average in 2014/15.		
 Median weekly earnings for CPP residents who are employed in West Lothian increased by 29.9% over the ten year period, compared to a national increase of 27.8%. Median weekly earnings in West Lothian was above the national average in 2014/15.		
 The rate of those claiming out of work benefits decreased in West Lothian by 3.4 percentage points to 15.9%, compared to a national decrease of 2.1%, with the Scottish average at 16.2% in 2014/15.		
 The rate of survival for newly born enterprises decreased by 3.1 percentage points to 65%, compared to a national decrease of 5.4 percentage points to 62.8% over the period 2004/05 to 2014/15.		
 The rate of carbon emissions (tonnes per capita) in West Lothian decreased by 30.7%, compared to a national decrease of 34.8% across Scotland.		
 Total crime decreased by over 46% in West Lothian to 426 crimes per 10,000 of the population, compared to a national decrease of over 44% with 479 crimes per 10,000 of the population in 2014/15.		
 The number of dwelling fires in West Lothian increased by 4.2% over the ten year period, compared to a national increase of 12.5%.		
 Child poverty in West Lothian decreased by almost 6 percentage points to 15.9% and was below the 2014/15 national average of 17% - a 4.9% decrease across the 10 year period.		

A number of services from across partners have been located in partnership centres

102. One way that the council is enabling joint working is through co-locating services. As well as the shared Civic Centre campus, where amongst others the council, Police Scotland and Livingston Sheriff Court are located, eight Partnership Centres are either operational or currently being developed ([Case study 2](#)). These provide a central point for customers to access a range of services. The centres are tailored to specific local needs and requirements. They provide different services and have been delivered in different ways.

Case study 2: Partnership Centres in West Lothian

West Lothian Council has three partnership centres, and plans for another five.

Current centres

- Bathgate Partnership Centre: A wide range of council services are located within the partnership centre, as well as the management committee led Bathgate Community Centre.
- Fauldhouse Partnership Centre: A newly constructed building housing council services, leisure facilities and other services including a GP practice, pharmacy and Jobcentre Plus.
- Strathbrock Partnership Centre (Broxburn): Hosts a range of social and health care facilities provided by the council, NHS Lothian and the voluntary sector.

Planned centres

- Blackburn Partnership Centre: This is due to open in late 2017, providing services by the council, NHS and other partners. NHS Lothian was the lead partner in financing and constructing the centre.
- East Calder Partnership Centre: Work is underway on a new facility which will house services such as a library, community centre and services to support access to work.
- Linlithgow Partnership Centre: The County Buildings are being redeveloped to accommodate a range of council services, including the library and Customer Information Services. Police Scotland will also relocate from the existing police station.
- Whitburn Partnership Centre: Plans have been developed to transform the Burgh Halls into the primary civic building with plans for complimentary facilities to be located in the community centre. Plans include a new library and location for Customer Information Services.
- Armadale Partnership Centre: Plans are in place to extend and adapt the community centre to accommodate Early Years, Customer Information Services and housing services at the centre, with further proposals to develop a youth space at a separate location.

Source: West Lothian Council

The West Lothian Integration Joint Board is operational and now needs to ensure it is leading integrated services

103. The Public Bodies (Joint Working) (Scotland) Act 2014 established the legal framework for integrating health and social care in Scotland. The West Lothian Integration Joint Board (IJB) was legally established on 21 September 2015 and from 1 April 2016 took on the relevant functions and resources delegated to it from both the council and NHS Lothian. One of the three council Depute Chief Executives is the Chief Officer of the IJB and is jointly responsible to both the Chief Executive and the Chief Executive of NHS Lothian.

- 104.** The IJB has developed a 10 year strategic plan covering the period 2016-2026, in conjunction with the IJB Strategic Planning Group. Key stakeholders include the council, NHS Lothian, charity and voluntary groups, health and social care professionals, staff trade unions. Representatives of service users and carers were all represented on the planning group. The strategy links to the council's current corporate plan and 'Our Health, Our Care, Our Future', NHS Lothian's Strategic Plan 2014-24. The council has delegated a number of social care services to the IJB but children's social work services remain the responsibility of the council.
- 105.** The IJB has developed its strategic plan, and now needs to ensure that it is integrating services to improve outcomes for the people of West Lothian. The council delegated an increased budget to the IJB for 2017/18 reflecting the forecast growth in demand. Similarly NHS Lothian also made available increased resources; however, financial challenges remain in achieving break-even. The IJB is committed to working with its parent organisations in developing a medium term financial strategy to help deliver its strategic plan.
- 106.** A number of the savings options that the council is proposing to address its funding gap relate to social care services that are now delegated to the IJB. The Chief Officer of the IJB (as a Depute Chief Executive of the council) and other senior council staff who work with the IJB have been involved in the design of savings options. However, the council did not have any formal discussions with the IJB about the proposals before the public consultation. Council savings in these areas will directly impact on how the council will deliver services on behalf of the IJB, and on the amount of budget delegated to the IJB in future years. Earlier engagement with the IJB around proposed savings would help to ensure that the strategic implications for the IJB can be fully considered by both the IJB and the council.

Partners are working well together to provide children's services in West Lothian

- 107.** The recent joint inspection of children's services led by the Care Inspectorate identified a number of ways that partners across West Lothian are working well together. Outcomes for children, young people and families have improved and there is evidence of committed leadership, a shared vision and effective joint planning arrangements. Leadership and commitment from partners, including the council, was found to be a major strength within West Lothian.
- 108.** Inspectors also pointed to the presence of joint working across partner organisations, at both managerial and operational levels, as a significant strength within the area. Cross-partner systems for sharing information and for monitoring, managing and reporting performance are well developed. A number of initiatives that the council is involved in were highlighted as areas of good practice, and highlight the effective partnership working within West Lothian ([Case study 3](#)).

Case study 3: Partnership working to deliver services for children and young people in West Lothian

Three examples of effective joint working to deliver services within West Lothian were highlighted as good practice examples for other Community Planning Partnerships:

- **Domestic Abuse and Safe and Together:** The partnership is focussed on coordinated early intervention (rather than traditional post incident involvement). Upon launching this initiative there was strong leadership support from within the council, and councillors were actively engaged in ensuring that services delivered by different agencies were coordinated. A number of different service teams, including council staff, have been brought into a single multi-agency service to provide a range of intervention options.
- **Whole Family Support Service:** This service was developed to meet the needs of those families who had been in contact with various different services for a number of years. The council matched funding

received from Big Lottery and, in April 2016, the new service was launched. A wide range of partners, including Barnardo's, Circle, Homestart, West Lothian Youth Action Project, West Lothian Drug and Alcohol Service and Children 1st are all involved in providing support to clients. An operational management group and strategic governance group oversee activity and monitor that the service is delivering agreed outcomes.

- West Lothian Youth Justice: Youth Justice Services and Criminal Justice Services in West Lothian were integrated into a single service, the Criminal and Youth Justice Service, in 2010. This has allowed youth justice services (where possible) to be extended up to the age of 21. Although there is a focus across the partnership on early intervention, this means that if justice services become involved then they are better able to meet the needs of children and young people.

Source: Services for children and young people in West Lothian: Report of a joint inspection, Care Inspectorate, August 2017

The council identified concerns about partnership arrangements with West Lothian Leisure, and has taken steps to improve these, but more can be done to improve transparency and accountability

- 109.** West Lothian Leisure (WLL) was established in 1998 to provide a range of leisure services to the people of West Lothian on behalf of the council. During 2016, WLL became a limited company. From 1 April 2017, additional leisure and cultural services and assets were transferred from the council to WLL.
- 110.** The West Lothian Leisure Advisory Committee is the council committee responsible for oversight of the council's relationship with WLL. In 2016/17 the council's internal auditors undertook a review of financial monitoring and reporting in relation to WLL, and made a number of recommendations for improvement. Financial information about the leisure trust is commercial in nature and so is considered in private at committee meetings. Performance information in respect of WLL is now reported separately to the committee but is still considered in private. There may be scope to report some of this publicly.
- 111.** During 2016/17, three councillors who sat on the WLL Board (and are directors of the company) were also members of the Advisory Committee. This effectively meant that the councillors were being asked to scrutinise decisions for which they have been responsible. The Accounts Commission's 2011 report [*How councils work: Arm's-length external organisations \(ALEOs\): are you getting it right?*](#) states that 'the councillor or officer who scrutinises an ALEO on behalf of the council, or makes funding decisions affecting an ALEO, should not be a board member of the ALEO.'
- 112.** Since the May elections no members of the Advisory Committee are also directors of WLL; however the Scheme of Administration has not been changed to set out that this should not occur. In response to a recommendation from the appointed auditor, the council plans to undertake a review of governance and scrutiny of WLL by February 2018. As part of its review of governance and scrutiny of WLL, the council must ensure that it can effectively scrutinise the actions and decisions of WLL. It must assure itself that governance arrangements at WLL are appropriate and functioning as intended. This has become even more important following the transfer of responsibility for culture services to WLL.
- 113.** The council's internal auditors also reviewed the council's processes for making grants to voluntary and not-for-profit organisations, and concluded that certain aspects of these arrangements were unsound. While controls were considered effective in respect of social policy grants, there was a risk of a lack of effective oversight by members, as required information on contract performance had not been properly reported to the Social Policy PDSP. The council has since revised its processes for managing these grant awards with responsibility now transferred from Area Services staff to officers in Planning, Economic Development and Regeneration. The new processes are in their

infancy and should be the focus of further scrutiny to measure their effectiveness going forward.

The 'Accelerating Growth: Edinburgh and South East Scotland City Region Deal' has now been signed

- 114.** The council is one of six local authorities within the Edinburgh and South East Scotland City Region Deal. The City Region Deal was approved in July 2017, with commitment from the Scottish and UK Governments to provide significant investment, along with additional investment from the councils as well as universities within the region. The council is currently involved in the process of identifying appropriate projects to be included in the deal.
- 115.** This provides an opportunity for the council to work with its partners to use this investment to improve economic performance in the region, deliver services more effectively and tackle inequality and deprivation.

Part 5.

Is the council demonstrating continuous improvement?



West Lothian Council has demonstrated a commitment to continuous improvement, and officers recognise that there is a need to review how services are provided to meet future demand

Since the last Best Value audit, the council has continued to demonstrate a number of strengths although some previously identified areas for improvement still remain.

Self evaluation, through the West Lothian Assessment Model, has been central to developing the council's culture of improvement.

While the council has developed different ways to deliver services, more wide-ranging change and transformation is required. In the summer of 2017 the council established a new centralised transformation team to take this forward.

The council received a positive Best Value report in 2005 and continues to perform well, although some of the areas recommended for improvement still remain

116. In 2005 the council was subject to an audit of Best Value and Community Planning. The Controller of Audit and the Accounts Commission noted the clear and ambitious vision for the area and a strong culture and commitment to self-assessment and improvement throughout the council. They highlighted good partnership working, and the council's strong track record in delivering services focused on the needs of its communities. West Lothian's Best Value timeline is set out in [Appendix 1](#).

117. In subsequent years the annual risk-based and proportionate Shared Risk Assessment carried out by Audit Scotland and other scrutiny agencies did not identify the need for a further audit of Best Value. Across this period the council has continued to perform well, and has continued to show improvement in performance ([Part 2](#)). The challenges facing local government have changed significantly since the 2005 report, and the council has done well to maintain its strong performance. However some areas for improvement identified in the previous audit remain ([Exhibit 13](#)).

Exhibit 13

Comparing selected Best Value judgements, 2005 and 2017

West Lothian Council has continued to perform well although, despite progress, some areas for improvement that were identified in 2005 still remain.

Controller of Audit Judgement 2005	Controller of Audit Judgement 2017
West Lothian Council is characterised by very effective leadership and a strong culture of continuous improvement that is well embedded throughout the organisation.	The council has a well developed culture of improvement. The EMT provides effective leadership and works constructively with elected members.
<p>The council is open and transparent and makes a wide range of information about services and performance available.</p> <p>The council's public performance reporting should show performance against targets, demonstrating tangible outcomes for service users. It should also provide a more balanced view of its performance, identifying areas for improvement as well as good performance.</p> <p>Although performance management information needs to be developed further, there is evidence of good performance across a range of services.</p>	<p>The council continues to publish a wide range of information. Factfile reports a range of performance information in an accessible format.</p> <p>As in 2005, the content could be improved by including performance against targets and trend analysis. Although this is reported elsewhere, including some of this within corporate publications would make it more easily accessible. The information selected continues to focus on well performing areas.</p> <p>Overall outcomes for the community are improving, and performance relative to other councils is strong.</p>
<p>The council has a streamlined committee structure, developed to support it in delivering the objectives identified in the community and corporate plans.</p> <p>The broad remits of the committees, and the overarching role of the Policy, Partnership and Resources Committee, have been successful in keeping a focus on key priorities and helping the council to combat the tendency to view services in isolation rather than from a 'joined up', user perspective.</p>	<p>Since the last audit, the council has reduced the number of decision-making committees, and it has introduced thematic PDSPs.</p> <p>The Performance Committee, the main committee for scrutiny of performance, receives an annual report on the council's performance. In general, however, the Committee has focussed on service performance reports rather than overall corporate performance reporting and has not provided council-wide scrutiny as originally intended.</p> <p>The council is now reviewing the role and work schedule of the Performance Committee.</p>
Financial management is strong and budgets are clearly linked to priorities.	Financial management continues to be strong and the financial strategy is closely linked to the corporate plan.
<p>Elected members need to develop their scrutiny role. While some scrutiny occurs in forums outwith the formal committee structure, increased scrutiny by committees would improve transparency and public accountability.</p> <p>The production of more consistent information about performance across all services will assist effective scrutiny.</p>	Elected members' scrutiny and challenge at committees and PDSPs could still be more effective. The council could be more transparent in minuting the scrutiny and challenge that takes place.
The council is at an advanced stage in developing a comprehensive system for ensuring continuous improvement – the West Lothian Assessment Model (WLAM).	The WLAM is well embedded and understood within the council and, alongside the council's improvement strategy, shows the council has a commitment to self-assessment and continuous improvement.

The council has a well developed culture of improvement

118. The council has an improvement strategy which guides how it pursues continuous improvement throughout the council. The current strategy covers 2014-2017 with previous ones covering 2008-2010 and 2011-2013. Each strategy has varied in approach and scope, but formalising its improvement activity over this sustained period of time demonstrates the council's commitment to continuous improvement. The council consulted with internal and external partners on its current strategy, including the Improvement Service and Quality Scotland. This gave the council assurance that the strategy was well designed, complied with relevant legislation (including Best Value), and was informed by inspection frameworks.

119. The strategy states the core purpose of all improvement activity within the council is to help 'deliver high-performing services that meet customer needs'. It also identifies five common activities to drive improvement within the council: planning; external assessment; consultation and engagement; self-assessment; and performance management.

120. To support the delivery of the council's eight corporate priorities, three intended outcomes were identified within the improvement strategy:

- West Lothian Council is high performing and achieving
- Services are self aware and improving
- Services are designed and improved to meet the needs and preferences of customers.

Performance indicators are identified within the strategy to measure if each of these outcomes is being achieved. Examples of the activities that services should carry out to help them continuously improve are also aligned to one of the three outcomes.

121. The strategy applies to all parts of the council. The central Performance and Improvement Service coordinates and progresses improvement activity across the council, with Education Services leading on performance and quality assurance within schools.

The council's main self-assessment tool, the West Lothian Assessment Model (WLAM), is well embedded

122. Self-assessment is a key component of the council's Improvement Strategy. The council's self-assessment framework, WLAM, has been in place since 2003/04 and is well used and understood throughout the council. The WLAM is primarily based upon the European Foundation for Quality Management (EFQM) but also draws upon other standards and models. The WLAM was created by the council and partner agencies Quality Scotland and Investors in People Scotland. Outside the council it is known as the Public Service Improvement Framework (PSIF) and is widely used across local government and other public and third sector organisations in Scotland.

123. The WLAM cycle runs for three years, most recently from 2014-2017. For the purposes of assessment, the council has been split into 37 service units and each unit carries out an assessment at least once in the three year cycle. Each service unit reviews their own performance and improvement in line with a set process, assisted by the Performance and Improvement Service to ensure consistency across the reviews. The outcomes of assessments are reported to a three person review panel chaired by the Chief Executive. The other two members of the panel are drawn from tier 1 or 2 of the management

structure (Deputy Chief Executive or Head of Service) and from tier 3 (service unit manager).

- 124.** The WLAM provides a strong process through which the council attempts to achieve continuous improvement and tackle underperformance through self-assessment. Whilst risk based, the WLAM ensures all service units carry out a self assessment in each three year cycle, meaning there is a focus on improvement for all services and not just those that are underperforming. Where there is underperformance or where risks have been identified, services will be subject to more frequent scrutiny by their review panel. This is with the aim of improving performance and accelerating the pace of improvement.
- 125.** Service units are placed on one of three reporting cycles based on the review panel's findings. Service units report back to the review panel more regularly where there have been performance issues or where there are perceived risks to their performance. The WLAM has two elements. It looks at what service units have done (enablers) and what they have achieved (results). Service units are then given an overall score based on the findings from both elements of the assessment ([Exhibit 14](#)).

Exhibit 14

Elements of the West Lothian Assessment Model (WLAM)

Through the WLAM, council services assess their performance by looking at what they have done (Enablers) and what they have achieved (Results)

Enablers	Results
Leadership Service Planning People Resources Partnerships and resources Services and processes	Customer Results People Results Community Results Key Results

Source: West Lothian Assessment Model Framework, West Lothian Council

- 126.** There are tools and templates to help service units feed the outcomes of the WLAM assessment, and other improvement processes, into their management plans. Every service unit improved their WLAM score between their last two assessments, but the pace of improvement varied between service units. To assess the impact and effectiveness of the WLAM framework we looked at two assessments of major service units in the 2014-17 cycle ([Case Study 4](#)).
- 127.** Review panels set out recommendations for services and ask them to report back on actions and progress. This gives services a clear picture of what the review panel expects them to take forward in order for the service to improve. These recommendations are often focused on process, for example looking at reviewing targets and improving benchmarking. More recommendations about outcomes and strategic priorities, to accompany those about performance management, could help to demonstrate how the WLAM process contributes to improvements in these areas.

Case study 4: *The council actively pursues continuous improvement through a well embedded self-assessment process, although this could produce more strategic recommendations*

To assess the impact and effectiveness of the WLAM framework, we looked at the reports and outcomes from WLAM assessments of two major service units.

Analysis showed a consistency of approach between years and across the services, both in terms of how the services reported and how the review panel carried out their role. Both services referenced actions and activities from their annual management plans in their assessment materials which demonstrates a link between the planned day-to-day activity of the services and the WLAM process.

The review panels made recommendations for how the service units could improve performance. When the service unit next reported to the panel, it reported on the actions it had taken and progress against these recommendations. The recommendations across the services focused on process and how performance management can be improved, and only had limited reference to strategic aims.

Social Policy – Community Care: In August 2014, the review panel received a WLAM report on the service which stated that the next WLAM review was scheduled for March 2016. After it carried out its review, the panel asked the service to prepare another full WLAM assessment report within 12 months.

The panel considered a full review in August 2015, with management outlining what actions had been taken to address the 2014 review. The panel then made several recommendations centred on reviewing the service's performance indicators, increasing staff involvement in day-to-day performance management and, as it is a customer focused service, reviewing the complaints process. The recommendations also referred to using performance information to support the strategic aim of improving waiting times. The panel asked for the council's Performance and Improvement Service to provide an update report on the service within 12 months so it could review progress against the recommendations again.

In August 2016 the panel received an updated WLAM review. Several of the 2015 recommendations on performance indicators had not been addressed and were carried forward. The recommendations on complaints and waiting times were expanded to become more stretching and to build on improvements already made. The service was asked to prepare a full report so the panel could review their progress again and it reported back to the panel in August 2017. Progress was seen against recommendations and the panel will receive an update report from the Performance and Improvement Service within 12 months.

Education Services – Educational Psychology and Additional Support Needs (ASN): In September 2014, the review panel received a WLAM report on the large WLAM unit 'Education: Quality Assurance, Active Schools and Instrumental Music'. The panel made several recommendations about performance indicators and performance management, and asked for a full assessment report from the service within 12 months.

Between 2014 and 2015 the council created a separate WLAM unit made up of Educational Psychology and ASN to allow it to monitor performance within these services more closely. In October 2015, the review panel received a full WLAM report from these services which gave a breakdown of past performance. The panel made several recommendations, again all focussed on performance information. The service was asked to provide another full WLAM assessment report to the panel within 12 months. The panel in 2016 was suspended to give the service time to develop the improvement recommendations. During this time the corporate team worked with the service to monitor progress and support the improvements.

In June 2017, the panel received the second WLAM report from the new service unit. Again the recommendations focused on the nature of performance indicators, targets and performance management. It was noted, however, that Educational Psychology was performing well against its targets, but there were more serious performance issues within ASN. The panel decided that Educational Psychology will not require a full review for three years. However it asked ASN to prepare a full WLAM report in 2018 so that it could monitor improvement more closely.

Performance trends for Community Care and Educational Psychology and ASN varied over the 2014-17 WLAM cycle, with improvement against some, but not all, performance indicators. This was in line with many individual services within West Lothian Council.

Source: Audit Scotland review of West Lothian Council WLAM guidance and reviews

128. The council's new WLAM programme, covering 2017-2020 has now been drafted and service self-assessments are due to begin shortly. The council has also been considering a new approach to overall performance management and has decided to revert to using the EFQM Excellence Model for self-assessment. This is the model that the PSIF was originally based on and will allow the council to benchmark performance against a range of different

organisations. The council is working with Quality Scotland to prepare for the transition to the EFQM.

The council needs to develop new approaches to delivering services to successfully deliver the required savings

- 129.** Prior to the public consultation exercise, council officers began developing savings proposals as the basis of the upcoming five year financial strategy. Indications of the scale of the challenge and the forecast financial gaps have been considered by the EMT since June 2016, in advance of the requirement to develop the next Corporate Plan. Key considerations for the council include what services to deliver; and how services can be made more efficient while continuing to meet, and respond to, existing and new customer needs and expectations. Central to this is how the council can better use technology to improve the customer experience.
- 130.** In recent years the council has introduced a new service delivery model as an attempt to modernise the services offered to customers. Customer and Community Services was formed to bring together staff from several different services into a single business group. The council has now created a generic customer service role. This means customers can now access a variety of council services, specifically offered to meet local needs, through a single member of staff who is trained on, and can access, various council systems. Making more services available through this route, or accessible online, depends on the council having the appropriate technology and knowledge.
- 131.** The council's Customer Service Strategy, which currently includes the council's approach to digitalising services, is being refreshed. This presents an opportunity for the council to examine how it can best use technology to deliver services. The council has been considering a number of options about how to develop their approach to digital service delivery. These include retaining digitalisation of services within the customer service strategy, embedding this as a theme in all council strategies and service plans, or having a stand-alone digital strategy. It is also considering how to better coordinate investment in computer hardware, software licences and renewals, and reliance on legacy systems to remove barriers to digitalising services
- 132.** The council has acknowledged that it needs to continue to examine how it delivers services as the scale of the challenge increases. It is considering a range of options to build on the progress already made through partnership working, service redesign and use of technology. Council officers began establishing a central 'transformation team' to provide corporate support for transforming service delivery over the next five-year cycle in the summer of 2017. The team of around 15 full time equivalent staff on secondment includes senior and specialist staff. The team's remit includes developing the council's approach to a digital strategy to increase the efficiency and effectiveness of services.

Recommendations



The council has a strong track record of consulting local people on its savings plans. But it needs to continue to increase its programme for community involvement in reviewing and improving services through the Customer Led Inspection programme following a pause in activity. This will provide a positive base to fully implement the Community Empowerment (Scotland) Act 2015. (paragraph 31)

The council should review and enhance the Scheme of Administration to provide clarity that chairs of the key scrutiny committees should not be members of the administration, and to ensure that it allows for sufficient involvement in scrutiny arrangements from elected members who are not members of the council's decision-making committees. (paragraph 40)

The council should work with elected members to help ensure they are fully involved through the committee and PDSP structure in monitoring, scrutinising and driving the council's performance (paragraphs 47 to 48).

The council should be clear on the key performance indicators that support its vision and priorities so that it is able to effectively monitor whether it is achieving its vision. (paragraphs 57)

All members now need to take the lead in setting the priorities for the council, and ensure that savings proposals are in line with those priorities. Councillors should be involved at an early stage in identifying priorities in future years, to reduce the risk of delays when they need to make difficult decisions. (paragraphs 76, 77, 80 and 81)

With changes to the structure and responsibilities of West Lothian Leisure, the council must ensure that governance arrangements are robust and fit for purpose. (paragraph 110 and 112)

Service transformation will be central to the council being able to meet customer needs whilst responding to upcoming challenges. The council must ensure this is considered alongside proposed savings options and that it continues to make progress on developing and embedding its approach to digital service delivery. (paragraph 131 and 132)

Next steps

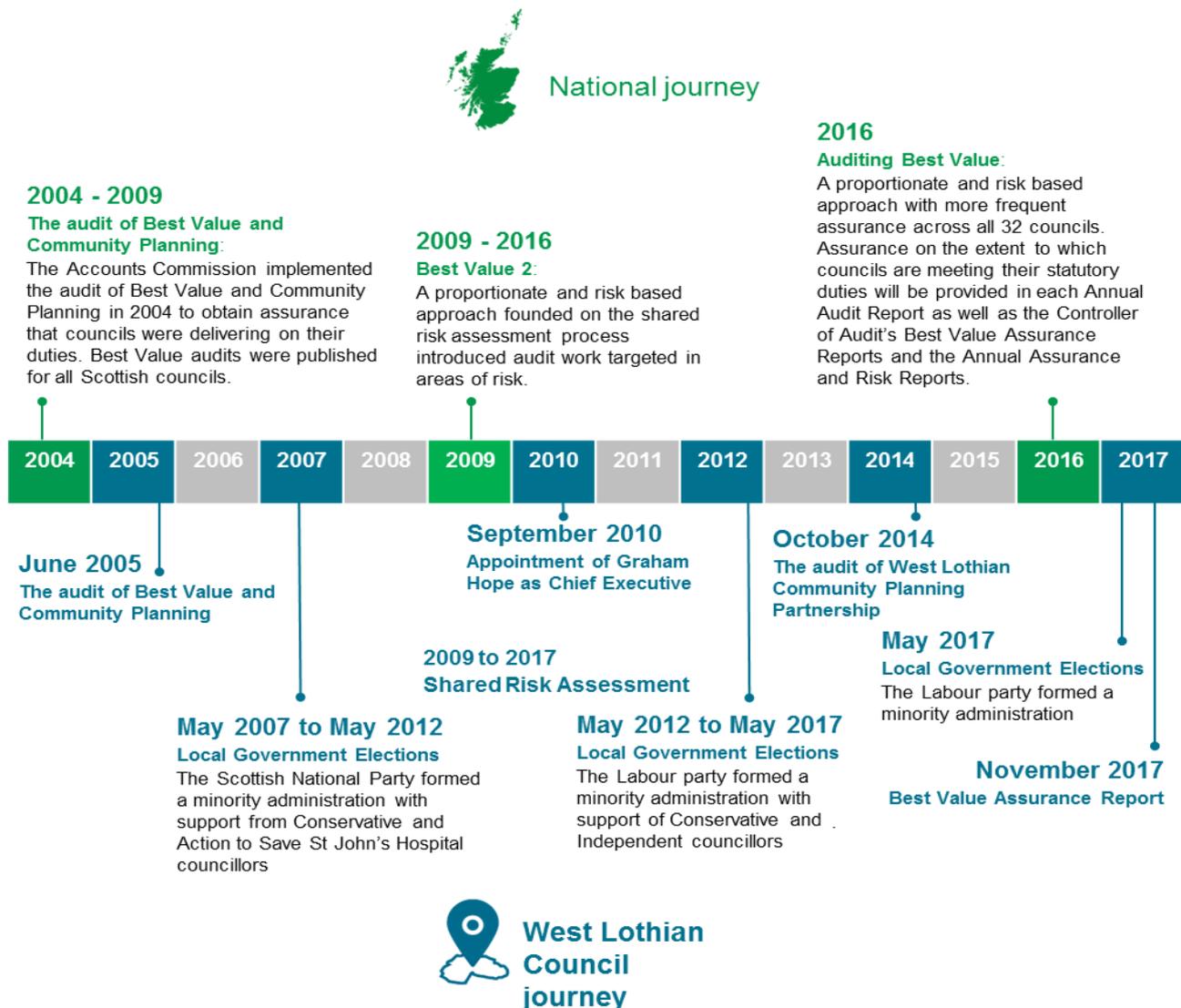
Future audit work

133. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Audit conclusions will be reported each year through the Annual Audit Report. As part of our work in 2017/18 we will follow up the progress the council is making to implement the recommendations outlined above.

- 134.** Our audit work will continue to be shaped by the Shared Risk Assessment. This is a joint approach agreed by Audit Scotland, other scrutiny partners such as Education Scotland and the Care Inspectorate, and the appointed auditor using information about local government to plan scrutiny activity that is proportionate and based on risk. This approach will contribute to the audit intelligence and help us decide about the timing of audits and the focus of audit work at individual councils.

Appendix 1

Best Value audit timeline



June 2005 – The audit of Best Value and Community Planning:

The Accounts Commission's 2005 findings highlighted evidence of a strong commitment to improvement within the council, specifically a clear and ambitious strategic vision supported by a positive organisational culture, and learning from internal and external good practice. Improvements around developing the role of elected members and performance reporting were also identified.

November 2017 – Best Value Assurance Report:

The Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five year audit appointment for each council. This is the fourth of its kind. The report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities.