

South Ayrshire Council

**Report by Chief Executive
to South Ayrshire Council
of 30 August 2016**

Subject: Response to the June 2016 Best Value Audit Report

1. Purpose

- 1.1 The purpose of this report is agree the response developed by the Best Value Working (BVWG) to address the matters raised by Audit Scotland and the findings of the Accounts Commission.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 agrees to continue the tenure of the BVWG and considers its membership and remit as detailed in 4.1 to 4.2;**
- 2.1.2 approves the response developed by the BVWG;**
- 2.1.3 approves the action plan for reviewing and evaluating progress as outlined in Appendix 1; and**
- 2.1.4 requests that a summary of the Council's decisions in respect of the Best Value Audit is sent to the Accounts Commission for approval and subsequent publication.**

3. Background

- 3.1 The Local Government in Scotland Act 2003 places statutory duties on Councils in relation to Best Value and Community Planning.
- 3.2 Audit Scotland undertook a Best Value follow up report in March 2016 and this was presented to the Accounts Commission on 9 June. Audit Scotland concluded that:

The Council has sustained its improvement journey and has kept a positive momentum in addressing the weaknesses the Commission has previously highlighted and Councillors, senior managers and staff spoken to by Audit Scotland think that the Council has changed greatly over the last few years, with clearer leadership and a more positive culture now in place. This view is also shared by our scrutiny partners in the Local Area Network.

The improvement framework is maturing and embedding across the Council. There is evidence that this framework and more effective scrutiny is starting to make a difference. There is scope for the Council to consider more radical approaches to future service design.

The Council has continued to make good progress, but this needs to continue to ensure that the Council is fulfilling its Best Value duties. The financial context facing all Councils means that tough decisions will be required about how to effectively deliver services and make financial savings.

The Council should consider the following areas in particular:

- Maintaining strong political and senior officer leadership, including the commitment to cross-party working, through, for example, the BVWG.
- Revising its medium and longer-term financial plans, and accompanying reserves strategy, to ensure they are sustainable.
- Considering the scope for more radical approaches to service redesign.
- Ensuring that all improvement activity is effectively integrated and prioritised. This applies particularly to the service review programme and the Business Improvement Team, which are important catalysts for improving outcomes for the citizens of South Ayrshire.
- Embedding approaches to community engagement and linking the outcomes to the business planning framework.
- Reviewing the work of the scrutiny panels to ensure that their workloads are manageable and thus enable Members to scrutinise effectively.

3.3 A final report reflecting the findings of the Accounts Commission was published on the 29 June. A report was taken to Council on 30 June to allow initial consideration of the findings prior to the summer recess.

3.4 The Accounts Commission identified within their findings that:

It is imperative for the Council to sustain its momentum, so that it can meet its duty of Best Value and in particular, address difficult decisions that lie ahead in reshaping Council services in response to reducing resources. The momentum will be helped by:

- continuity in the stability of its leadership arrangements;
- embedding its improvement culture further, at all levels in the Council;
- continuing with the full appraisal of options for the future delivery of services; and
- further improving its approach to engaging service users and communities.

3.5 This report has been prepared to meet the requirement that the Commission's findings are considered at a meeting of the Council within three months of receiving them, and they are then notified of any decisions made.

4. Proposals

4.1 It is proposed that the BVWG continues as a group and with its current membership as listed below, in order to address the points raised by Audit Scotland and the Accounts Commission.

- Cllr Bill McIntosh (Council Leader and Conservative Group Leader);
- Cllr John McDowall (Depute Council Leader and Labour Group Leader);
- Cllr Alan Dorans (SNP Group Leader);
- Cllr Brian Connolly (Independent);
- Eileen Howat, Chief Executive;
- Valerie Andrews, Executive Director - Resources, Governance and Organisation;
- Douglas Hutchison, Director of Educational Services; and
- Mark Baker, Head of Policy and Performance.

4.2 The current remit of the BVWG is to ensure we achieve best value, with a focus on ensuring sound governance, good management, public reporting of performance and a focus on improvement. In order to do this the working group will:

4.2.1 ensure that the Council is consistently focused on fulfilling its statutory Best Value responsibilities; and

4.2.2 consider various strands of work undertaken by Members and officers and consider if Best value is being delivered in a sustained fashion.

4.3 The BVWG has considered the findings of Audit Scotland and the Accounts Commission and has recommended that they be addressed through a programme of work covering the next 18 months, that is attached as Appendix 1 to this report.

4.4 Progress will be kept under review by the BVWG, and updates provided to the Audit and Governance Panel every 6 months, to allow them to scrutinise whether momentum in terms of the Council meeting its duty of Best Value is continuing and whether appropriate progress is being made.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that the Council will be prevented from being able to provide assurance that it is delivering Best Value and may result in further action by the Accounts Commission.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of the report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council's Strategic Objective of 'Improve the way we work as a Council' and within that to the outcome 'SO6.5 – Transformational change and Improvement driven by a performance improvement culture and self-evaluation with all services systematically reviewed using a standard methodology every five years'. It also contributes to outcome 'SO6.9 – Governance arrangements that provide an effective framework for decision making and scrutiny'.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Bill McIntosh, Portfolio Holder for Corporate, Strategic and Community Planning, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking

14.1 If the recommendations above are approved by Members, the Chief Executive will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the

Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented.

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Summary of the Council's decisions in respect of the Best Value Audit to be sent to the Accounts Commission for approval and subsequent publication	30 September 2016	Chief Executive
First six monthly evaluation report to be provided to the Audit and Governance Panel by the Best Value Working Group	8 February 2017	Head of Policy and Performance

- Background Papers**
- Report to South Ayrshire Council of 30 June 2016 – [Findings of Accounts Commission – Best Value Report](#)
 - Report to South Ayrshire Council of 5 March 2015 – [Targeted Best Value Audit Work/ Accounts Commission Findings](#)
 - Report to Audit and Governance Panel of 11 February 2015 – [Targeted Best Value Audit Work 2015](#)
 - Report to Leadership Panel of 20 January 2015 – [Targeted Best Value Audit Work 2015](#)
 - Report to South Ayrshire Council of 18 December 2014 – [Targeted Best Value Follow Up](#)
 - Report to South Ayrshire Council of 22 April 2014 – [Targeted Best Value Audit Work/ Accounts Commission Findings](#)
 - Accounts Commission report – February 2014 - [South Ayrshire Council Targeted Best Value Audit Work 2013](#)

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Date: 19 August 2016

Appendix 1 – Action Plan in response to the Accounts Commission and Audit Scotland’s Best Value Audit Recommendations

<i>Recommendation</i>	<i>Proposal (Existing reference numbers relate to agreed SIP actions)</i>	<i>Responsibility</i>	<i>Timescale</i>
<p>AC1 - Continuity in the stability of its leadership arrangements.</p> <p>AS1 - Maintaining strong political and senior officer leadership, including the commitment to cross-party working through, for example, the Best Value Working Group.</p>	<p>BV1 - Council to agree to continue the tenure of the BVWG and confirm its membership and remit.</p> <p>BV2 - Refresh the BVWG remit and action plan, to focus on the recommendations identified by the Accounts Commission (AC2-AC4) to ensure that appropriate momentum continues and relevant outcomes are achieved.</p>	<p>Council</p> <p>Best Value Working Group</p>	<p>30 Sep 2016</p> <p>30 Sep 2016</p>
<p>AC2 - Embedding its improvement culture further, at all levels in the Council.</p> <p>AS2 - Ensuring that all improvement activity is integrated and prioritised effectively. This applies particularly to the service review programme and the Business Improvement Team, which are important catalysts for improving outcomes for the citizens of South Ayrshire.</p>	<p>BV3 - Continue to further develop the performance management (including self-evaluation) and business planning cycles of the Council to ensure staff at all levels across the Council are engaged in the improvement of the quality of services.</p> <p>BV4 - Examine the interdependencies across the various programmes to ensure resources and projects are in alignment and to ensure Best Value is being delivered.</p>	<p>Best Value Working Group CMT</p> <p>EOG</p>	<p>31 Jan 2018</p> <p>31 Dec 2016</p>
<p>AC3 - Continuing with the full appraisal of options for the future delivery of services.</p> <p>AS3 - Considering the scope for more radical approaches to service redesign.</p>	<p>BV5 - Continue with the service review programme whilst ensuring full options appraisals are undertaken and innovative methods of service delivery are considered during the process, and with links to the Transform South Ayrshire Programme supported by the Business Improvement Team. (links to BV4)</p>	<p>Best Value Working Group EOG</p>	<p>31 Jan 2018</p>

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<i>Recommendation</i>	<i>Proposal (Existing reference numbers relate to agreed SIP actions)</i>	<i>Responsibility</i>	<i>Timescale</i>
<p>AC4 - Further improving its approach to engaging service users and communities.</p> <p>AS4 - Embedding approaches to community engagement and linking the outcomes to the business planning framework.</p>	<p>BV6 - BVWG to evaluate progress and provide direction for community engagement and consider the potential for the Public Processes Panel to undertake a review of this area of work.</p>	<p>Best Value Working Group</p>	<p>31 Dec 2016</p>
<p>AS5 - Revising its medium and longer-term financial plans, and accompanying reserves strategy, to ensure they are sustainable.</p>	<p>BV7 – Council is already committed to reviewing its medium and long term financial plans while recognising the challenge this represents when single year grant settlements are received from the Scottish Government.</p> <p>FI 9.1 (SIP Action) Review and refresh a medium term financial plan annually.</p>	<p>Head of Finance and ICT</p>	<p>31 Dec 2016</p>
<p>AS6 - Reviewing the work of the scrutiny panels to ensure that their workloads are manageable and thus enable members to scrutinise effectively.</p>	<p>BV8 - Through the 2017 Member Officer Working Group to review arrangements for various democratic and administrative issues in preparation for the next Local Government Election in May 2017, scrutiny panel workloads and panel remits will be reviewed.</p>	<p>Member Officer Working Group</p>	<p>31 Mar 2017</p>