

South Ayrshire Council
Report by Chief Executive
to South Ayrshire Council
of 9 December 2021

Subject: Best Value Assurance Report

1. Purpose

- 1.1 The purpose of this report is to advise Members of the findings of the Audit Scotland Best Value Assurance Report and seek approval of a draft action plan to address the issues identified in the report.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 notes the contents of the Audit Scotland Best Value Assurance Report published on 27 October 2021 ([Appendix 1](#));**
- 2.1.2 accepts the recommendations of Audit Scotland and the findings of the Accounts Commission;**
- 2.1.3 approves the draft action plan attached as [Appendix 2](#);**
- 2.1.4 requests that quarterly updates on progress against the action plan are presented to the Audit and Governance Panel; and**
- 2.1.5 requests that a summary of the Council's decisions in respect of the Best Value Assurance Report 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. 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.
- 3.2 In addition, 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 first assurance report on South Ayrshire Council since Deloitte were appointed as external auditor.
- 3.3 The detailed audit work for this report was undertaken remotely by Audit Scotland and Deloitte between January 2021 and June 2021.

- 3.4 Audit Scotland published the assurance report in October 2021 and it was considered by the Accounts Commission on 7 October. The Accounts Commission published their findings on 27 October 2021.
- 3.5 The Council is required to consider the findings of the Accounts Commission at a full Council meeting within three months of receiving them having given due notice in a newspaper circulating in the local authority area. Where the findings contain recommendations, the authority shall decide whether to accept any or all of those recommendations and what, if any, action to take in response to those recommendations. As soon as practicable after the meeting, the Council are required to notify the Commission of any decisions made and publish a summary (approved by the Commission) of any such decisions.
- 3.6 The key messages contained within the report are detailed in pages 9 and 10 of Appendix 1. The recommendations of the report are as follows:
- 3.6.1 The Council should assure itself that it has the capacity and skills required to increase its pace of improvement in key aspects of Best Value, such as community planning and empowerment, financial and workforce planning, and transformation. Where appropriate, external support should be sought from other Councils, or the Improvement Service, to help with focusing its areas of improvement. (paragraph 122).
- 3.6.2 The Council should prepare both medium- and long-term financial plans. The plans should consider changes to both income and expenditure, identify both budget gaps and set out the actions necessary to address those gaps. There should also be a clear linkage to Council's priorities. (paragraph 64).
- 3.6.3 The Council should improve and embed workforce planning, so that service workforce plans are developed consistently across the Council. The plans should include clear links to the Council's priorities and to its strategic change programme. (paragraph 79).
- 3.6.4 The Council should make sure that its transformation work is fully aligned and integrated to its Covid-19 recovery planning work and improve its approach to its strategic change programme by:
- adding greater detail about individual projects;
 - setting clear timelines for each project; and
 - developing a benefits realisation tracker to assess whether the Council has achieved its aims. (paragraphs 126 and 127).
- 3.6.5 The Council should improve performance reporting by:
- setting targets for its KPIs;
 - including a summary of performance against KPIs in its performance reports to members;
 - increasing the frequency of reports to Elected Members; and
 - making performance reports more accessible to the public (paragraphs 34, 49 and 53).

3.6.6 To help them carry out their roles, including their responsibilities under Best Value, Elected Members should take advantage of the learning and development opportunities provided by the Council. The Council should continue to work with Elected Members to understand and address the reasons for the variable uptake of training. (paragraph 32).

3.7 The findings of the Accounts Commission are as follows:

3.7.1 The Commission accepts the Interim Controller of Audit's report on Best Value in South Ayrshire Council and we endorse his recommendations, which we expect the Council to act on within the next 12 months.

3.7.2 We are pleased that the Council has responded quickly to the challenges of the Covid-19 pandemic and that, with its partners, it has in place a clear vision for the people of South Ayrshire. Disappointingly, however, the momentum that the Commission reported in previous Best Value work in South Ayrshire Council from 2014 to 2016 has slowed in key areas. We therefore expect an increase in the pace and depth of change.

3.7.3 We urge Council Elected Members with officers to demonstrate more leadership and commitment in how the Council transforms itself as it moves to recovery. We noted in our previous findings the need for the Council to assure itself that it has the right capacity at strategic level to deliver the change needed. We note in this report the Council's recent management restructuring but would underline our view of the importance of continued assurance around capacity and leadership development.

3.7.4 Such transformation work needs to be more coherently set out in the Council's plans and priorities, backed with performance information and key performance indicators showing progress against targets. Specifically, fundamental elements of this approach need to be progressed: robust financial plans in the medium and longer term are needed and the Council needs to more urgently implement its approach to workforce planning. We therefore emphasise the Controller's recommendations in these vital aspects of Best Value, especially given the significant financial challenges ahead that will require difficult decisions by members in how the Council provides its services.

3.7.5 Community empowerment and robust planning at locality level are core components of Councils and communities working together to improve outcomes for people. We therefore expect the Council to further build on the good relations with its partners in delivering and demonstrating progress against their commitments to community wealth-building and tackling poverty, including in the context of the Ayrshire Growth Deal.

3.7.6 It is also vital that progress is made against other elements of the engagement and relationships between the Council and its citizens: more comprehensive and accessible public performance reporting and reinstating good public access to Council meetings.

3.7.7 Taking a robust approach to the duty of Best Value will support the Council in addressing local inequalities and is therefore fundamental. We intend to maintain a very close interest in how the Council moves forward. We ask the Controller of Audit to keep us informed of progress as appropriate,

including monitoring through the annual audit and in future Best Value reporting.

3.8 The Council previously established a Best Value Member/ Officer Working Group comprising:

- Councillor Peter Henderson, Leader of the Council;
- Councillor Brian McGinley, Portfolio Holder for Resources and Performance;
- Councillor Iain Campbell;
- Councillor Brian Connolly;
- Eileen Howat, Chief Executive;
- Douglas Hutchison, Depute Chief Executive and Director – People;
- Kevin Carr, Assistant Director – Place; and
- Kevin Anderson, Service Lead - Policy, Performance and Community Planning.

4. Proposals

4.1 Members of the Best Value Member Officer Working Group have discussed the recommendations from Audit Scotland, the Commission's findings and the draft action plan attached at Appendix 2 and propose that Members are asked to:

4.1.1 accept the recommendations outlined at 3.6 and note the findings as detailed at 3.7; and

4.1.2 approve the action plan for reviewing and evaluating progress and request that quarterly updates are provided to the Audit and Governance Panel.

4.2 Officers have also reviewed the report in detail and a number of operational actions have been identified which will be monitored through the Best Value Officer Working group.

4.3 As detailed in 3.7.1, the Accounts Commission expects the Council to act on the recommendations within 12 months. Whilst every effort will be made to meet this timescale, it is important to recognise that the results of the Local Government Election in May 2022 may impact on Members' priorities and the directions given to officers in respect of addressing the financial pressures, workforce planning and transformation.

5. Legal and Procurement Implications

5.1 The Local Government in Scotland Act 2003 places statutory duties on Councils in relation to Best Value and the required actions will be addressed through approval of the recommendations contained within this report

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 There are no financial implications at this stage although additional resources may be required once the sufficiency of capacity and skills is established (para 3.6.1) .

7. Human Resources Implications

- 7.1 Whilst there are no human resources implications identified at this stage it is recognised there may be a requirement once the Council has considered the capacity and skills required to increase its pace of improvement in key aspects of Best Value, such as community planning and empowerment, financial and workforce planning, and transformation. (para 3.6.1)

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 Rejecting the recommendations would result in reputational damage and further criticism from Audit Scotland, the Accounts Commission and Scottish Government

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 3](#).

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - 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 this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

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 Peter Henderson, Portfolio Holder for Corporate, Councillor Brian McGinley, Portfolio Holder for Resources and Performance and members of the Best Value Working Group, 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>
A summary of the Council's decisions in respect of the Best Value Assurance Report is sent to the Accounts Commission for approval	16 December 2021	Chief Executive
A summary of the Council's decisions in respect of the Best Value Assurance Report is published	31 January 2022	Chief Executive

Background Papers **None**

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