

Report

Report to:	Performance and Review Scrutiny Forum
Date of Meeting:	29 September 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	North Ayrshire Council and Moray Council Best Value Assurance Reports (BVAR) Published by the Accounts Commission
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an overview of the recent Best Value Assurance Reports (BVAR) published by the Accounts Commission

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the contents of the report be noted.

3. Background

- 3.1. South Lanarkshire Council was audited by Audit Scotland in October and November 2018, with the final report being published by the Accounts Commission on 28 March 2019.
- 3.2. South Lanarkshire Council considered the BVAR at its meeting on 26 June 2019. An action plan was presented to Council for approval, addressing each of the BVAR recommendations.
- 3.3. On 19 September 2019, the Forum agreed to consider summaries of BVAR reports as they are published by the Accounts Commission, in order to place the South Lanarkshire audit in context and keep members informed about noteworthy Best Value developments elsewhere.
- 3.4. This report summarises the key themes and recommendations from BVARs published since the last meeting of the Performance and Review Scrutiny Forum, namely:-
- ♦ North Ayrshire Council (published 20 June 2020)
 - ♦ Moray Council (published 27 August 2020)

4. Summary of Key Messages and Recommendations

4.1. The key messages for North Ayrshire Council are:-

- ◆ The Council has a strong culture of continuous improvement. It has significantly improved and continued to make progress since the last Best Value report in 2011. Council priorities, plans, actions, and outcomes are clearly linked. Staff play an active role in identifying and driving improvement. The Council is delivering improvements for communities and residents
- ◆ There is a strong culture of collaborative working at North Ayrshire Council. Elected members and officers work well together, and the Council works effectively with a wide range of partners including the Community Planning Partnership (CPP), the Integration Joint Board (IJB) and private business. There is joint ownership of, and commitment to, delivering agreed strategic priorities. The Council Plan, the Local Outcome Improvement Plan and local community plans are all clearly aligned and focused on addressing North Ayrshire's key challenges
- ◆ Despite significant economic and demographic challenges, the Council is performing well and is a frequent award winner and early adopter for national pilots. Council performance over the last five years has been improving, although it has levelled off in the last year. Priority areas are generally performing well, with the exception of education. Performance management arrangements are clearly focused on priority areas and data is used to drive improvements
- ◆ The Council's arrangements for financial planning and management are good, overall, and it has significantly improved its asset management and procurement arrangements since the last Best Value report. While the Council has made clear progress with its transformation agenda, including setting aside money to fund savings projects, it still faces a significant shortfall and savings plans fall short of the estimated funding gap
- ◆ The Council is committed to community empowerment and is recognised by the Scottish Government and COSLA as a sector leader. The Council's approach is focused on embedding community empowerment in everyday business. The Council works well with a wide number of communities and groups including young people and tenants. The Council is committed to community empowerment and is recognised by the Scottish Government and COSLA as a sector leader. The Council's approach is focused on embedding community empowerment in everyday business. The Council works well with a wide number of communities and groups including young people and tenants

4.2. The recommendations are that the Council:-

- ◆ should fully develop and deliver detailed transformation plans to meet the current estimated funding shortfall. To achieve this, it should ensure sufficient arrangements are in place to support, monitor and deliver the expected outcomes. This includes:-
 - ◆ developing the transformation themes into projects and further developing the governance arrangements to ensure the Council has the skills needed to implement the next stage of transformation
 - ◆ developing a robust benefits realisation tracker to assess whether the Council has achieved its aims
- ◆ must evolve workforce planning across all services, and clearly align service workforce plans to the transformation projects, in order to:-
 - ◆ identify the numbers, cost and skills of the current and desired workforce
 - ◆ effectively facilitate the transition from the current workforce composition to the desired workforce
- ◆ should work with locality partnerships to make clear what the intended impacts are of locality plans and make them publicly available
- ◆ should review its Public Reporting online portal, North Ayrshire Performs, to make it more user friendly and accessible

4.3. The key messages for Moray Council are:-

- ◆ The Council has received six Best Value reports since 2006, consistently highlighting Best Value issues and slow progress in addressing these. This has continued, since 2015, with political instability and lack of focus resulting in a slow pace of change. Recent progress is now being made toward some significant strategic decisions
- ◆ Recent progress includes a corporate management team restructure, committee structure review, new performance management framework and a review of the learning estate strategy. Most of these are still at an early stage. Progress against the Council's transformational plan has so far been limited
- ◆ The Council's financial position is extremely challenging, and it continues to rely on lots of small savings and using reserves to balance its budget. This is unsustainable over the medium term and the Council is at risk of depleting its general fund reserves in four years
- ◆ Performance relative to other councils has deteriorated over the past five years, particularly in educational attainment. Overall, Moray is one of the lowest performing Scottish local authorities, a significant decline since 2014/2015, when Moray was placed 12th. The Council has put in place additional measures to give young people more opportunities to improve attainment
- ◆ Council properties are in poor condition predominantly because the condition of Moray's learning estate is the worst in Scotland. The Council has previously found it difficult to make decisions regarding key assets, but it is now starting to work together to agree and implement strategies
- ◆ Workforce morale is good and staff commitment to change is positive, but staff survey responses have identified workload issues. The capacity of staff to deliver change has been identified as a limiting factor in several areas in this report. This represents a significant risk in delivering Best Value going forward
- ◆ The strategic focus of the Community Planning Partnership (CPP) on outcome and performance has also been slow to improve, though the CPP demonstrated good partnership working in addressing issues in children's services
- ◆ The Council demonstrates some good progress in implementing community empowerment and has developed a corporate engagement strategy to involve communities in the future of council services

4.4. The recommendations are that:-

- ◆ The Council needs to make some difficult strategic decisions on areas such as asset management, leisure services, flexible working, income generation and service transformation in education and social work
- ◆ The Council needs to complete its performance management suite of documents. This should include key indicators to support priorities and address the level of reporting at an overall council level versus service level. Improvements to reporting should include a review of targets and better summary of key areas of good and poor performance and any specific actions to be taken
- ◆ The medium and longer-term financial position needs to be addressed and the continued reduction in the Council's reserve position halted before the position becomes acute
- ◆ The elected member development strategy should be implemented through programmed activity and personal development plans
- ◆ To help streamline processes, the Council needs to continue to progress its governance review, including reviews of committee structures, schemes of delegation and reporting to committees
- ◆ Considerable development work and additional measures are required to improve educational attainment, alongside making significant changes to the school estate

- ♦ The Council should investigate and better understand the reasons for poorer satisfaction levels in housing, learning from councils with higher satisfaction results
- ♦ The Council needs to continue working with CPP partners to determine clear outcome milestones and performance reporting

5. Next Steps and Recommendations

- 5.1. All BVAR reports and recommendations are available on the Audit Scotland website.
- 5.2. Further reports will be brought to the Forum as these BVARs are published, to keep Members informed on Best Value themes, topics and developments elsewhere in Scotland.

6. Employee Implications

- 6.1. There are no employee implications.

7. Financial Implications

- 7.1. There are no financial implications.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no climate change, sustainability or environmental implications as a result of this report.

9. Other Implications

- 9.1. There are no risk implications as a result of this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

Paul Manning

Executive Director (Finance and Corporate Resources)

8 September 2020

Link(s) to Council Values/Ambitions/Objectives

- ♦ Achieve results through leadership, good governance and organisational effectiveness

Previous References

- ♦ None

List of Background Papers

- ♦ North Ayrshire Council BVAR published by the Accounts Commission on 20 June 2020
- ♦ Moray Council BVAR published by the Accounts Commission on 27 August 2020

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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