

Report

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Report to:	Performance and Review Scrutiny Forum
Date of Meeting:	2 March 2010
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Overview of the audits of Best Value and Community Planning 2004-2009
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1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ provide the Performance and Review Scrutiny Forum with a summary of the information contained within the Accounts Commission's recent report entitled 'Making an impact: an overview of the audits of Best Value and Community Planning 2004-2009'

2. Recommendation(s)

2.1 The Forum is asked to note:-

- (1) the key points of the Accounts Commission's report
- (2) the actions underway or planned to respond to the findings

3. Background

3.1 The Accounts Commission recently published 'Making an impact: an overview of the audits of Best Value and Community Planning 2004-2009'. Having now completed audits of all 32 Scottish councils, the report summarises the impact that Best Value has had on local government and identifies the main issues arising from the individual audit reports. The report does not refer to audit results for individual councils, except to note that hearings were heard for West Dunbartonshire and Aberdeen City Councils.

3.2. The covering Press Release to the audit report noted that John Baillie (Chair of the Accounts Commission) said that, under BV2, the Accounts Commission now wished to see *'greater challenge of how services are delivered, more effective working with partners, and more focus on where efficiencies can be made and how best to use resources'*.

3.3. This report to the Forum summarises the key points from the Commission's publication and relates these to South Lanarkshire Council's position as it continues to respond to its Best Value duty.

4. Key points from report

4.1 Some of the most significant events within Scottish local government are acknowledged as having had an impact on how councils have responded to Best Value. These include:-

- ◆ proportional representation and multi-member wards which required local authorities to develop new ways of working both politically and managerially. This has impacted on approaches to governance and decision making, scrutiny, and the setting of priorities
- ◆ the Concordat and the removal of ring-fenced funding, together with the introduction of Single Outcome Agreements and corresponding impact on partnership working
- ◆ changes to scrutiny as a result of the Crerar review
- ◆ significant changes in managerial leadership at Chief Executive level, in a number of councils, since 2006/2007

4.2 The report also notes the difficulties which will exist well into the future as a result of the local, national, and international economic downturn.

4.3 In terms of patterns or trends in performance across councils the report concluded that there was no evidence of correlation between performance and factors such as size of council, political make up/structure, demography or geography.

4.4 It should be noted that the report confirms that within BV2 there will be an increased focus on service performance and the extent to which councils are able to improve outcomes for local communities. This was reinforced in the recent consultation on BV2 which referred to the audits arriving at a conclusion on 'direction and pace of change' and 'capacity to improve'.

4.. Paragraphs 4.6 – 4.11 highlight some of the main points made in the report, and also note (where relevant) work underway within South Lanarkshire.

Part 1 – the impact of Best Value

4.6 As a result of the BV1 audits the report notes that for the first time, the Scottish public has an overall picture of how well their councils are performing. The widespread local and national media coverage has raised the public profile and understanding of councils' performance.

4.7 Audit Scotland's experience in conducting the audits confirmed that councils with effective approaches to assessing their own performance were in a better position to deliver Best Value. Self assessment is a key element of BV2 and South Lanarkshire Council will demonstrate this formally through the implementation of the Public Service Improvement Framework (Empower).

4.8 The report refers to a number of important issues which were raised as a result of BV audits together with other external audit work, ie need for better performance management; improved public reporting; and greater challenge and scrutiny in councils. South Lanarkshire Council continues to address these areas through the work of the Corporate Improvement Advisory Board, the continued development of the performance management framework, and in terms of scrutiny by addressing a number of improvement actions from our Best Value Audit Report Improvement Action Plan.

Part 2 – What did the audit tell us?

4.9 The key points noted within the audit report relate to:

Key message	Detailed comment	South Lanarkshire BV1 audit position
Effective political and managerial leadership being central to good performance	This requires a clear and ambitious vision with priorities established and well communicated. Decision making should be open and transparent and constructive challenge encouraged. Areas of	BV1 position - The council benefits from strong leadership and clear direction and is able to marshal its resources effectively to deliver on its established priorities.

Key message	Detailed comment	South Lanarkshire BV1 audit position
	weakness identified during the audits included priorities being too vague or numerous, and plans lacking detail on targets and responsibilities.	<p>BV1 action plan – Make scrutiny and decision-making more open and transparent by implementing good practice guidance and by having scrutiny forums in public.</p> <p>Other activity - Mid Term Review of Connect.</p>
Whilst councils work well with partners, what is this really achieving?	The report points to the need for more to be done to co-ordinate and measure the effectiveness of joint working, and further consideration on how best to cope with performance management systems for community planning and SOAs.	<p>BV1 position - The council and its partners have a strong vision for the area. The council sets clear priorities and has a good record of delivering on these.</p> <p>BV1 action plan - Improve the reporting of the impact of community planning by developing more effective outcome measures.</p> <p>Other activity – Roll out of IMPROVe and Phase 2 focus on SOA.</p>
Effective performance management is an area where many councils had room for improvement and most had actions included within their BV Audit Report action plans	There was too much reliance on SPIs and not enough evidence of meaningful information on service costs. There is a need to ensure that the performance management system reports on outcomes as well as projects and activities, and that reporting of performance is balanced.	<p>BV1 position - The council has good arrangements to support service delivery and continuous improvement, including effective approaches to performance management. The council's performance management and reporting arrangements are sound and are improving.</p> <p>BV1 action plan - Improve the balance of Public Performance Reporting.</p> <p>Other activity – Roll out of IMPROVe (Outcome Focus). Unit cost/productivity work ongoing as part of SPI/LPI analysis.</p>
Good councils scrutinise performance and challenge existing ways of doing things	<p>There must be effective and challenging scrutiny by elected members, which is open and transparent. Performance information should be analysed and presented in a way which is helpful to elected members.</p> <p>The most common problem with councils service review programmes has been a lack of fundamental challenge and options appraisal.</p>	<p>BV1 position - The council has established procedures and policies which aim to support good governance. Improvements are required to enhance accountability arrangements to ensure that decision-making takes place in an open and transparent environment. Very little scrutiny takes place in open discussion and scrutiny forums do not meet in public. The membership and conduct of the Risk Management and Audit Forum does not meet good practice guidance.</p> <p>BV1 action plan –</p> <ul style="list-style-type: none"> - Make scrutiny and decision-making more open and transparent by implementing good practice guidance and by having scrutiny forums in public. - Ensure elected members are more fully engaged in community planning, risk management and the continuing review programme. <p>Other activity – Connect and Resources' quarterly performance reports reviewed. (Q2 and Q4 to Committee)</p> <p>Service review guidance updated.</p> <p>Role of Performance and Scrutiny Forum in considering service reviews and national diagnostics reports.</p>
Councils need to do more to	Councils need to demonstrate cost-effectiveness across services, prove they	BV1 position – South Lanarkshire is a tightly managed council that performs very well and

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demonstrate value for money	<p>are competitive, and have carried out market testing. It is noted that issues relating to competitiveness featured in 23 out of 32 BV audit reports.</p> <p>Best Value councils manage their people, property and money in a way that improves services and delivers value for money – there is a long way to go before most councils establish a way of aligning their resources with strategies, plans and targets. However, it is noted that financial management is generally sound, but that there is the need to improve longer-term financial planning.</p> <p>It is noted that shared services and agreed common processes have not been progressed in many councils or partnerships.</p> <p>A positive staff culture was a defining feature of successful BV councils, but overall councils have been slow to develop strategic approaches to workforce management and planning.</p> <p>In terms of asset management more could be done, which included corporate asset management frameworks and assets being recognised as a corporate as opposed to departmental resource.</p>	<p>displays many of the characteristics of Best Value. The council demonstrates strong financial stewardship and has a comprehensive medium to longer-term financial strategy which considers financial pressures and is reviewed and updated regularly.</p> <p>The council needs to develop a forward looking workforce strategy and review its approach to staff surveys.</p> <p>The council has a sound framework for managing and maintaining its physical assets.</p> <p>BV1 action plan –</p> <ul style="list-style-type: none"> - Develop a forward looking workforce planning strategy - Review staff survey arrangements to improve the return rate <p>Other activity –</p> <ul style="list-style-type: none"> - Service Review Guidance updated - Unit cost/productivity work ongoing as part of SPI/LPI analysis - Clyde Valley Shared Services Review - Asset Management Diagnostic - Alternative Service Delivery Projects
Good customer care helps improve services	<p>Some councils had difficulty in establishing effective ways for the public to contact the council and access information or services. Whilst many councils make use of customer surveys and Citizens Panels, there is inconsistency. The report notes that a number of councils are working with the Improvement Service and Consumer Focus Scotland to develop a more consistent approach to customer surveys. Listening to and working with local people bring real benefits – there must be effective ways of involving local communities and having an understanding of what people need and expect from their council. Overall, the report concludes that community engagement activity is not being done in the most efficient and effective way. It also notes that it would be beneficial for community engagement to be coordinated across community planning partners.</p>	<p>BV1 position - The council's customer care arrangements are good, and work is under way to develop an overall customer care strategy.</p> <p>BV1 action plan –</p> <ul style="list-style-type: none"> - Make community planning more inclusive by involving more partners beyond main public sector agencies. - Fully implement the Community Engagement Framework. - Address the imbalance of customer satisfaction across the four main geographic areas. <p>Other activity – Customer Contact Diagnostic.</p>
The impact of equalities activity needs to be demonstrated	<p>Whilst councils have progressed with their duties as an employer, they have made less progress in terms of equalities relating to service delivery.</p>	<p>BV1 position - The council has invested in mainstreaming equalities; it has good strategies, systems and processes in place and is making good progress. The council now needs to develop more outcome-focused indicators to ensure this activity is having the intended impact.</p> <p>Other activity</p> <ul style="list-style-type: none"> - equality impact assessment is now

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		<p>considered in relation to new policies, strategies, functions and financial decision making. This leads to greater consultation with communities about the impact of the Council's work on them. The outcomes of the consultation are subsequently published</p> <p>- effective monitoring of service uptake is currently inconsistent across services and needs to be tighter. A report on Equal Opportunities monitoring categories was presented to the Equal Opportunities Forum on 8 December 2009, which considered this and anticipated some of the new duties in the Equality Act effective from April 2010.</p>
<p>Sustainable development activity needs to be more coordinated</p>	<p>Noted that councils in the central belt focus on major urban regeneration projects which contribute to social and economic sustainability, whilst rural and island communities have focussed on maintaining good transport links and access to services. However, councils are not good at capturing and measuring the impact of sustainable development activity.</p>	<p>BV1 position - The council's progress on sustainable development has been limited in recent years. Recent efforts at re-energising this agenda need to be maintained to ensure that sustainable development is mainstreamed effectively into policy development and service delivery.</p> <p>BV1 action plan - Ensure that the recent efforts on sustainable development are maintained and tangible progress is achieved.</p> <p>Other activity –</p> <ul style="list-style-type: none"> - Sustainable Development is a council priority. - Empower and 2012 Connect review will further integrate sustainability as part of the way we work.

Part 3 – The way forward for Best value

- 4.10 The audit report confirms that BV2 will be more proportionate and risk based and that it will:
- be more searching in assessing the impact of the council's actions
 - provide clearer judgements on the council's direction of travel and capacity for future improvement
- 4.11 It is also noted that, based on the results of individual risk assessments, some councils may find a reduction in the level of scrutiny applied to them but this is linked to being able to demonstrate robust self assessment.

5. Next steps for South Lanarkshire Council

- 5.1. South Lanarkshire Council is already committed to the principles of Best Value and continuous improvement. The Forum is asked to note that the Corporate Improvement Unit and Corporate Improvement Advisory Board will continue to progress the Best Value agenda as detailed in paragraphs 4.6 – 4.9 above and continue to provide relevant advice and support on Best Value to officers and elected members.

6. Employee Implications

- 6.1. There are no employee implications.

7. Financial Implications

- 7.1. There are no financial implications.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

18 February 2010

Link(s) to Council Improvement Themes/Values

- ◆ All Improvement Themes

Previous References

- ◆ None

List of Background Papers

- ◆ Accounts Commission Report (October 2009) Making an Impact – an overview of the audits of Best value and Community planning 2004-09

Contact for Further Information

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

Helen Black, Improvement Manager

Ext: 4618 (Tel: 01698.454618)

E-mail: helen.black@southlanarkshire.gov.uk