

**REPORT TO: AUDIT AND PERFORMANCE REVIEW COMMITTEE – 16
DECEMBER 2009**

**SUBJECT: OVERVIEW OF THE AUDITS OF BEST VALUE AND
COMMUNITY PLANNING 2004-09 – AUDIT SCOTLAND**

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

1.1 The Audit and Performance Review Committee Is asked to consider the overview of the audits of Best Value and Community Planning 2004-09 by Audit Scotland and the future audits in relation to BV2.

1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to audit and performance functions of the Council.

2. RECOMMENDATION

2.1 The Audit and Performance Review Committee Is asked to consider the overview of the audits of Best Value and Community Planning 2004-09 by Audit Scotland and the future audits in relation to Best Value 2.

3. BACKGROUND

3.1 As part of the revised Performance Management Framework, the Committee will receive reports on the outcome of national audits.

3.2 A national overview of the audits of Best Value and Community Planning across the 32 councils in Scotland has been published by Accounts Commission. A copy of the report is attached (**Appendix**).

3.3 The first Best Value and Community Planning audit report on individual Councils was published in September 2004, and the last was published in May 2009. Much has changed in those four and a half years, both in local government and in the way the Accounts Commission has worked with Audit Scotland to evolve and improve the audit.

3.4 The key messages are:-

- Effective political and managed leadership is central to good performance.
- Councils work well with partners at a local level but need to show what this is achieving.
- Effective performance management is essential to improve services.

- Good councils scrutinise performance, challenge existing ways of doing things and demonstrate value for money.
 - Best Value councils manage their people, property and money in a way that improves services and delivers value for money.
 - Good customer care, listening to and working with local people helps improve services.
 - The impact of equalities activity needs to be demonstrated.
 - Sustainable development activity needs to be more coordinated.
- 3.4 Having completed the first phase of the Best Value audits, the Accounts Commission are now rolling out the second phase, known as Best Value 2. The Commission undertook a wide-ranging consultation exercise earlier in 2009, which set out the principles of the developing approach. Details of the consultation process, with a summary of the responses, can be found on the Accounts Commission website <http://www.audit-scotland.gov.uk/BV2/index.php>.
- 3.5 Best Value 2 provides an opportunity for the Commission to assess progress in councils since their first Best Value audit and to compare them with the characteristics of a Best Value council, which were set out in the consultation document and which have received broad support from the local government community.
- 3.6 The Best Value 2 approach will be more proportionate and risk based, resulting in audits that are more specific to the issues in individual councils. The audit will be more searching in assessing the impact of a council's actions, and will provide clearer judgements on the council's direction of travel and capacity for future improvement.
- 3.7 The Accounts Commission and Audit Scotland are committed to delivering a Best Value audit that is proportionate, but this does not necessarily mean that all councils will receive less scrutiny all of the time. Depending on the outcomes of the risk assessment process, some scrutiny goes up rather than down. Overall, however, the amount of audit and inspection experienced by local government will reduce in time.
- 3.8 The amount of scrutiny applied by audit and inspection agencies in councils will depend to a large extent on how good a council is at assessing its own performance. If a council has effective self-evaluation processes, and clear plans to address areas of poor performance, then the scrutiny bodies are likely to need to do less work. There is an important link, therefore, between a council's approach to self-evaluation and the amount of scrutiny that it receives.

- (a) Single Outcome Agreement/Service Improvement Plan**
The Council is committed to delivering better public services year on year through Best Value, accept the key principles of accountability, ownership, continuous improvement and transparency. Elected Members and senior managers will ensure the Best Value contributes to the corporate priorities of the Council and confirming the future direction.
- (b) Policy and Legal**
The Council has a legal duty to delivering Best Value and part of it delivery is to address recommendations arising from any Best Value audit reports.
- (c) Resources (Financial, Risks, Staffing and Property)**
There are no financial requirements arising directly from this report. However, there may be risks associated with not addressing the recommendation from national audit reports.
- (d) Consultations**
None.

5 CONCLUSION

- 5.1 The Audit and Performance Review Committee is asked to consider the recommendations arising out of the national overview of Best Value and Community Planning audit reports on individual Councils. The Accounts Commission is introducing a new audit regime, Best Value 2, from April 2010. There is potential to reduce the audit burden on the Council within the new regime and the Council has in place good self evaluation processes and is addressing areas of poor performance.**

Author of Report:
Background Papers:
Ref: