

Best Value 2

Proposals for consultation



The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 41 joint boards (including police and fire and rescue services). Local authorities spend over £19 billion of public funds a year.

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

Contents

Foreword
page 2

Introduction and background
page 4

About this paper

Why do we need a BV audit process,
and who is it for?
page 5

About BV2

The impact of Best Value audits
page 6

**Part 1. BV2, joint scrutiny and
self-evaluation**
page 8

What will be different about BV2?

Risk assessment and joint scrutiny
planning for BV2
page 9

The impact on councils
page 10

Self-evaluation and BV2

Supporting improvement and helping
to build improvement capacity
page 11

**Part 2. Our proposals for the new
BV2 audit approach**
page 13

The BV2 corporate assessment
framework
page 14

Service performance assessments

Statutory performance indicators

Auditing partnership working
page 15

Single Outcome Agreements

A stronger voice for citizens and
serve users
page 16

**Part 3. Managing and reporting the
audit**
page 17

Peer involvement

Reporting council performance as
part of BV2
page 18

The role of the Accounts Commission
in considering and responding to BV2
audit reports
page 19

Quality assurance and moderation

The annual audit process

Audit fees
page 20

Part 4. Sustainability and equalities
page 22

Sustainability

Equalities
page 23

**Part 5. How to respond, and
next steps**
page 24

How to respond to this consultation

Next steps
page 25

**Appendix 1. A summary of the
proposed corporate characteristics
of a Best Value council**
page 26

**Appendix 2. Consultation questions
and response form**
page 28

**Appendix 3. The proposed
transition timetable for BV2
and SRA**
page 37

**Appendix 4. Options for reporting
capacity for future improvement
and direction and pace of change
judgements**
page 38

Foreword



The new best value audit approach (BV2) will have a stronger outcome and improvement focus and will help streamline local government scrutiny.



This consultation paper invites you to comment on the Accounts Commission's proposals for the next phase of Best Value audits (BV2) of Scottish councils.

Local authorities in Scotland have a statutory duty to deliver best value and continuous improvement in their services. We have now completed audits of Best Value and Community Planning in every council in Scotland. These report to the public how well their council is managed, how good its services are and whether services are improving.

The audits have improved performance and accountability in local government and have brought unsatisfactory performance to the public's attention.

In 2007, we started to evaluate the effectiveness of the audits. We commissioned an independent review and consulted councils, consumer organisations and the Scottish Government.

We identified improvements required in the audit approach. During the last year we have discussed these widely with local government and other interested parties. We have concluded that self-evaluation and improvement support need to feature more strongly in the audit, and that a greater focus on services and outcomes and on partnership working is required. We also want to produce clearer, easier to read audit reports.

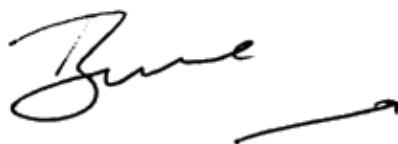
We have now developed proposals for BV2 that we believe will help us to achieve these aspirations and they are set out in this consultation paper. As well as our experience to date, they take into account important developments such as the concordat between local and national government and the scrutiny reform agenda. A major proposal is for us to carry out shared risk-assessments with colleagues in Her Majesty's Inspectorate of Education (HMIE), Social Work Inspection Agency (SWIA), Scottish Housing Regulator

(SHR), the Care Commission, NHS Quality Improvement Scotland (NHS QIS) and Her Majesty's Inspectorate of Constabulary for Scotland (HMICS) leading to joint scrutiny plans. This will lead to more streamlined and better coordinated scrutiny and will in time deliver overall reductions in the amount of time spent on scrutiny for local government.

Before making decisions about BV2, we want to consider comments on our proposals from the general public, members and officers in local government and bodies that work as partners with local government. We will be holding meetings with council convenors and chief executives, with COSLA, SOLACE, Consumer Focus Scotland and the Scottish Government to discuss our proposals in more detail.

Following this consultation we will finalise arrangements for BV2 and we will test these initially in five BV2 pathfinder audits carried out with our scrutiny partners in the second half of this year.

I hope that you will take the time to respond to this consultation exercise to help us shape the development of BV2 and ensure that our audits continue to contribute to improving local government throughout Scotland.



John Baillie
Chair, Accounts Commission for
Scotland

Introduction and background



Scottish councils provide vital public services that matter to local people. Best Value audits provide an independent assessment on how well councils are managed and on the quality of local services.



About this paper

1. The Accounts Commission's role is to:

- examine how Scotland's 32 councils and 34 joint boards manage their finances
- help these bodies manage their resources efficiently and effectively
- promote Best Value
- require councils to publish information every year about how they perform.

Audit Scotland provides the services we require to carry out our role.

2. This paper sets out how the Accounts Commission proposes to approach the second phase of, audits of Best Value and Community Planning (BV2) We are working to develop these proposals with our local government scrutiny partners: HMIE, SWIA, SHR, the Care Commission, NHS QIS and HMICS.

3. The paper provides an opportunity for Scotland's 32 local authorities and other interested parties to influence how BV2 develops. The consultation closes on 31 May 2009. **Part 5** explains how to respond.

4. This paper:

- provides an overview of the background to Best Value
- describes our current thinking on how we would like to improve the Best Value audit process (BV2)
- sets out how we view BV2's role within the wider reform and streamlining of public scrutiny in Scotland
- explains the transition arrangements for introducing BV2.

5. A number of consultation questions are interspersed throughout the paper. We also list these in **Appendix 2**.

6. This document is complemented by a shorter summary, which focuses specifically on the main issues on

which we are consulting. A version is available at: www.audit-scotland.gov.uk

Why do we need a BV audit process, and who is it for?

7. We introduced a programme of Best Value audits (BV1) in response to the Local Government in Scotland Act 2003, which placed a legal duty of continuous improvement on local authorities and led to the introduction of community planning on a statutory basis.

8. Councils have a key role in providing community leadership. They deliver a wide range of services including education, social work, housing, roads, refuse collection and leisure services. They are also responsible for regulatory activities such as planning and environmental health.

9. These vital public services, delivered directly or in partnership with others, involve substantial resources: councils spend around £17 billion each year, employ around 258,000 full-time equivalent staff

Overview of consultation document

Scope	Issues covered	Pages
Introduction and background	What is Best Value? Why we are consulting on BV2, and how we think these proposed changes will lead to benefits for councils, local people and other interested parties.	4–7
Part 1. BV2, joint scrutiny and self-evaluation	Shared risk-assessments and joint scrutiny planning with inspectorates; council self-evaluation; helping councils to improve through the BV2 audit.	8–12
Part 2. Our proposals for the new BV2 audit approach	The corporate and service assessment framework; using SPIs; auditing partnership; Single Outcome Agreements; a stronger voice for citizens and service users.	13–16
Part 3. Managing and reporting the audit	Involving external peers (senior council officers, elected members) in BV2; proposals for grading and scoring; the role of the Accounts Commission; quality assurance; the annual audit process; audit fees.	17–21
Part 4. Sustainability and equalities	How we plan to address sustainability and equalities in BV2.	22–23
Part 5. How to respond to the consultation, next steps	How you can respond to the consultation exercise; how, following this consultation exercise, we plan to test out the BV2 audit approach through a series of BV2 pathfinders audits.	24–25

and use assets worth about £26 billion. For those reasons we are planning a strong focus in BV2 on how councils use their resources. This is increasingly important against a background of difficult global and national economic challenges that are placing financial resources under ever greater pressure.

10. Best Value has already been a powerful force for improving performance and accountability in local government, identifying good practice and also shining a light on those councils where performance is unsatisfactory. The BV2 audit process will continue to promote public accountability and support improvement, independently of both Scottish ministers and the Scottish Parliament.

11. What matters locally varies from place to place, and BV2 will take account of this. It will be informed by the issues that are most important to local communities, such as the quality of local services, how safe people feel, the support available for vulnerable and at-risk groups, and the quality of the local environment. It will offer clear and impartial information to local people on how well their council is being run, how good its services are, and whether it is using public money well.

12. Although the statutory duty of Best Value applies to local authorities, other public bodies are expected also to demonstrate Best Value in delivering their functions. The Auditor General for Scotland is developing his approach to auditing Best Value in the NHS and central government, and the Auditor General has agreed with the Commission that similar principals should inform the audit approach across the whole of the public sector.

Exhibit 1

The principles underpinning our approach to BV2

- A focus on outcomes as well as corporate performance management processes.
- An emphasis on the effectiveness of partnership working.
- Improved coverage of service performance and the use of resources.
- A proportionate and risk-based approach, founded on self-assessment.
- Clear audit reporting and transparency of audit process.
- Support for improvement and the sharing of good practice.

Source: Audit Scotland

About BV2

13. The development of BV2 is taking place at a time of significant change within public services in Scotland. Changes include:

- the concordat between national and local government
- the development of partnership-based Single Outcome Agreements (SOAs)
- a national commitment to more proportionate and better coordinated scrutiny, focusing on the needs of citizens and people who use public services.

14. We are committed to ensuring that BV2 will play an important role in improving public services and streamlining the scrutiny of public services.

15. It is six years since the introduction of the Best Value legislation, and ten years since Best Value was introduced on a voluntary basis. Councils have therefore had a significant period of time to establish the culture and processes necessary for continuous improvement. Many have used this time well and have made good progress; others still have some distance to travel.

16. Our approach to BV2 will reflect the fact that Best Value is now well established. We will continue to hold all councils to account for how well they are performing and improving. We are also keen to ensure that the audit process offers an appropriate challenge to spur high performers to continued improvement

17. The principles underpinning our approach to the development of BV2 are set out in [Exhibit 1](#).

18. Best Value is not just about external scrutiny. Local government's response to Crerar¹ makes it clear that councils want to take ownership of their own improvement agendas, with effective self-evaluation playing an increasingly important role. BV2 will place a much stronger emphasis on the range and quality of information on performance, improvement, and outcomes that councils are able to provide through self-evaluation.

19. Councils rightly expect the level of scrutiny they experience to reflect the level of commitment they demonstrate to Best Value, and their record in improving services and outcomes for local people. We are committed to ensuring that BV2 will be proportionate in this way.

¹ The Crerar review. The report of the independent review of regulation, audit, inspection and complaints handling of public services in Scotland. The Scottish Government, September 2007.

The impact of Best Value audits

20. In 2007, we commissioned an independent review² that provided a comprehensive analysis of the impact and effectiveness of the Best Value audit process. The overall conclusion was that the audit is well established and credible and has been effective in broad terms, but it also identified a number of areas where the audit approach could be strengthened.

21. In particular, the review suggested the need for a stronger outcome and citizen focus in the audit, together with a greater emphasis on supporting continuous improvement. It also raised issues of consistency and transparency between audits and the need for better coverage of service performance.

22. We consulted councils and other stakeholders in late 2007 and early 2008 about the next phase of Best Value audits. The feedback helped us to develop our Best Value Improvement Plan, the main elements of which are set out in [Exhibit 2](#). We sent a briefing paper on the plan's main elements to councils and other interested parties in May last year.

Exhibit 2

Best Value 2: key improvement areas

- Developing of a single corporate assessment framework for local government.
- Delivering a proportionate and risk-based audit.
- Developing transparent and robust audit tools.
- Forming clearer judgements about local authority performance.
- Delivering a well-organised BV2 audit with effective internal governance and accountability arrangements.
- Developing proposals for peer involvement in BV2.
- Auditing community leadership and partnership performance.
- Strengthening service performance and use of resources reporting.
- Delivering a more citizen-focused audit.
- Identifying and sharing good practice.
- Developing more citizen-friendly BV reporting.

Source: Audit Scotland

Part 1. BV2, joint scrutiny and self-evaluation



BV2 will support streamlined and proportionate local government scrutiny through shared risk-assessment and its emphasis on self-evaluation by councils.



What will be different about BV2?

23. Building on the strong foundations of BV1, we are working closely with our local government scrutiny partners to developing BV2 so that it:

- minimises the scrutiny burden
- strengthens the assessment of service performance and outcomes
- draws clearer links between corporate leadership and service performance
- places a stronger emphasis on community leadership and partnership performance.

24. The key changes we are planning between BV1 and BV2 are set out in [Exhibit 3](#).

Risk assessment and joint scrutiny planning for BV2

25. The BV2 audit process will be founded on an ongoing shared risk-assessment, updated annually, that involves all the relevant scrutiny bodies. This should deliver more proportionate and better targeted scrutiny, improving its overall effectiveness in holding public bodies to account and helping to ensure improvement.

26. The risk-assessment process should form the starting point for all joint scrutiny planning, leading to a scrutiny plan for each council. The plan will set out the scrutiny activity to be undertaken (both corporate and service-based), and how and when this work will be done.

27. These shared risk-assessment arrangements are being developed jointly with HMIE, SWIA, the Care Commission, the Scottish Housing Regulator, NHS QIS, and HMICS. Our current thinking on how shared scrutiny risk assessment and joint

Exhibit 3

Best Value 2: developments and changes from BV1

BV2 will be more proportionate and risk-based

The size and focus of audit in each council will vary to reflect the council's performance. We will place a much stronger emphasis on the range and quality of information that councils provide about how they are performing and improving (including SOA) data as part of our risk assessments to assess the scope of BV2 audit required for each council.

BV2 will be the focus for more streamlined scrutiny

The BV2 audit process will be founded on shared risk assessments undertaken with the other main local government scrutiny bodies and updated annually. These will form the basis for decisions about what scrutiny is required in each council, and how it will be carried out. We will also develop a single corporate assessment that will be used by all the local government scrutiny bodies and carried out in an integrated way.

BV2 will introduce clearer judgements of council performance

We are proposing two new judgements of the council's overall performance:

- A direction and pace of change judgement, which will report on the council's record in improving the services it provides.
- A capacity for future improvement judgement, which will assess the council's prospects of further improvement.

BV2 will include a clearer assessment of how council services perform

We will draw on a broader range of performance information and work closely with other scrutiny bodies to integrate their judgements, to provide a clearer picture of how council services perform.

BV2 will have a stronger focus on partnership working

The audit will assess how effectively councils are working with other partner organisations, such as police and fire and rescue services, the NHS and the voluntary sector. Our longer-term aim is to review how well public bodies work together in local areas to deliver high-quality outcomes and services for local people while using public money as effectively as possible.

BV2 will listen more closely to what local people have to say

BV2 will have a stronger focus on the way the councils assess and respond to the views of the people who use their services, and of local citizens generally. The priorities of local people will inform BV2 risk assessments.

BV2 will involve senior officers and elected members (from other bodies) in audit teams

We will introduce arrangements for involving peers in audit teams carrying out corporate assessments of local authorities. The presence of officers and members will complement the expertise within Best Value teams and provide opportunities for learning that will benefit local government.

BV2 will provide greater support for improvement

We plan to strengthen the support we can provide for improvement by providing more and better access to guidance and examples of good practice.

Source: Audit Scotland

scrutiny planning will be delivered is shown in [Exhibit 4](#).

28. The content of the shared risk-assessment process is still under development, but it will focus on service performance and the delivery of local outcomes, the efficiency and effectiveness with which resources are being used. Local self-evaluation evidence (including the views of local people and service users) will inform the process. Progress against national and local outcomes and the qualitative assessments of local SOA developments contained in the annual reporting process to the Scottish Government will also be used to inform local risk-assessment activity.

29. Audit Scotland, on our behalf, will be responsible for coordinating and managing the shared risk-assessment process. Local appointed auditors will play a key role in this process and Audit Scotland has already aligned its priorities and risk framework which supports the annual audit process with BV2 themes to promote an integrated audit approach.

30. It will be important that the joint scrutiny planning process does not focus solely on the risks of poor performance and outcomes, but also provides opportunities to identify good practice and supporting improvement. We are working with our scrutiny partners to build this into the design of the shared risk-assessment framework.

The impact on councils

31. [Exhibit 5](#) shows how this new approach might apply to three councils with differing risks.

32. All of Scotland’s local government scrutiny bodies are committed to working together to develop and introduce these new arrangements.

33. The Scrutiny Risk Assessment (SRA) proposals aim to:

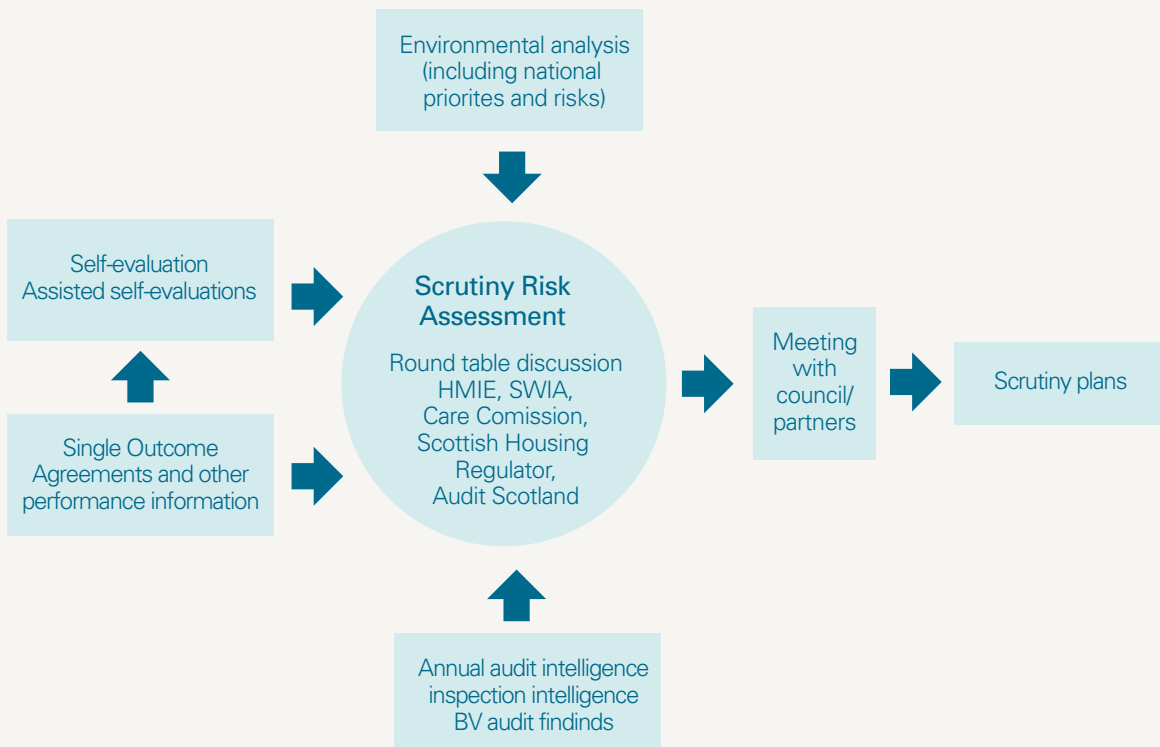
- improve the coordination and scheduling of local scrutiny activity
- identify opportunities to reduce the overall level of scrutiny

- maximise the scope to streamline scrutiny through new ways of working, for instance by joining up to deliver planned activity, or developing new joint approaches
- improve national and local information and intelligence
- improve arrangements for scrutiny bodies to rely on each other’s work
- inform councils about the type and level of scrutiny and improvement support they will receive in future
- deliver more coherent improvement support from local government scrutiny bodies.

34. A summary of the transition arrangements towards joint scrutiny planning can be found at [Appendix 3](#).

Exhibit 4

Framework for joint scrutiny risk assessment



Source: Audit Scotland/Reducing the Burden Action Group (RBAG)

Exhibit 5

How a shared risk-assessment approach might apply in practice

Council A	High-quality leadership, generally good service performance, but questions about social work performance.	Small scale risk-assessed targeted corporate BV audit work (building on annual audit judgements), supported by detailed social work inspection and improvement support activity. Ongoing risk assessment and improvement support across all services (for example, supported self-evaluation).
Council B	Weak leadership and patchy service performance.	Detailed corporate assessment audit work, coordinated and aligned with a programme of risk-assessed service inspections. All audit and inspection activity to be linked with an agreed programme of corporate and service-based improvement support.
Council C	Recent significant changes in political and officer leadership, but history of generally solid service performance.	Targeted corporate assessment audit and inspection work aligned with a rolling programme of risk-based and proportionate service inspection activity, drawing on service self-evaluation evidence. Ongoing risk assessment and improvement support across all services.

Source: Audit Scotland

Consultation questions: risk assessment and joint-scrutiny planning

- How do you view our proposals for shared risk assessment and joint scrutiny planning as a basis for streamlining the scrutiny of local government and ensuring that BV2 is more proportionate and risk-based?
- Are there other factors that we need to take into account?

Self-evaluation and BV2

35. Rigorous self-evaluation should be a central part of councils' performance management to support continuous improvement. The Scottish Government's Reducing the Burden Action Group (RBAG) has defined a set of high level principles for self-evaluation. We endorse these principles, and expect councils' approaches to self-evaluation to comply with them.

36. Auditors and inspectors will review self-evaluation evidence and consider the arrangements underpinning them as a key part of the shared risk assessment process. We may require a periodic submission from each council to inform the shared risk assessment process, if limited self evaluation evidence is available, but we will not advocate any particular self-evaluation methodology.

Consultation questions: self-evaluation

- Do you believe self-evaluation should be at the heart of the risk assessment process?
- How do you view our approach to the use of self-evaluation evidence within the BV2 audit process? How might we change or further develop it?

37. The thoroughness of the self-evaluation process and the quality of evidence it provides will affect the level of scrutiny applied.

Supporting improvement and helping to build improvement capacity

38. We agree that it is important that external scrutiny can and should contribute to improvements in services for local people. We plan to strengthen our impact in this area by better dissemination of information about good practice through:

- online access to a database of good practice, links to improvement resources such as good practice guides, and improved search capability on Audit Scotland reports
- conferences and workshops to support improvement (linked to national studies, overview reports and Best Value reports)

- supporting material to accompany reports, such as presentation material, self-assessment checklists, frequently asked questions and good practice guides
- regular updates on audit and improvement, promoting useful websites and publications
- placing greater emphasis on improvement planning as part of the BV2 audit process. We also anticipate that the introduction of peer involvement will help build improvement capacity.

39. We are working with partners in the Improvement Service, COSLA, SOLACE, CIPFA and other professional bodies to deliver these improvements.

Consultation questions: good practice/support for improvement

- How do you view our proposed approach to capturing and disseminating good practice and strengthening improvement support as part of BV2?
- What other actions should we be taking beyond those proposed?

Part 2. Our proposals for the new BV2 audit approach



The BV2 audit framework will have a stronger emphasis on service outcomes and the views of citizens and service users.



Exhibit 6

The links between the corporate assessment framework for BV2 and Scottish ministers’ statutory guidance

BV2 corporate assessment framework	Scottish ministers’ Best Value guidance
Vision and strategic direction	Commitment and leadership
Partnership working and community leadership	Responsiveness and consultation (partners) Joint working
Community engagement	Responsiveness and consultation (citizens and service users)
Governance and accountability	Sound governance at a strategic, financial and operational level
Use of resources Performance management and improvement	Sound management of resources Use of review and options appraisal Competitiveness, trading and the discharge of authority functions
Governance and accountability	Accountability
Equalities	Equal opportunity arrangements
Sustainability	Sustainable development

Source: Audit Scotland

BV2 corporate assessment framework

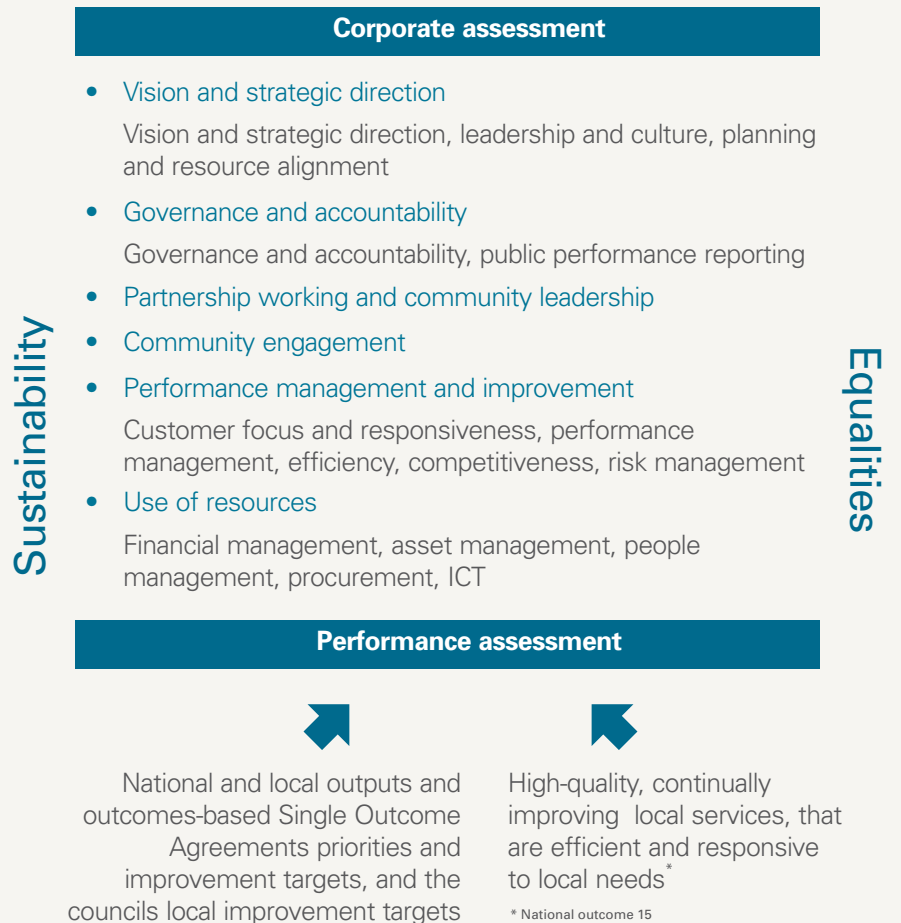
40. The scope of the corporate assessment needs to enable us to form a judgement on the extent to which a local authority is meeting its obligations under the Local Government in Scotland Act 2003. Exhibit 6 places the scope of the proposed corporate assessment framework in the context of statutory Best Value guidance.

41. The audit framework for BV2 sets out our proposed approach to corporate and service assessments (Exhibit 7). The framework will also underpin all joint scrutiny planning activity with our scrutiny partners.

42. We have set out the characteristics of a Best Value council that would be examined during a BV2 corporate assessment; this will help to ensure that the basis of our audit judgements is clear. These are summarised at Appendix 1 and the full set is available at www.audit-scotland.gov.uk

Exhibit 7

The audit framework for BV2



Source: Audit Scotland

43. The characteristics are derived from a range of sources that include:

- the statutory guidance issued by Scottish ministers under s2(1)(a) of the Local Government in Scotland Act 2003
- national standards, such as the National Standards for Community Engagement³
- I&DeA ideal authority benchmark material
- CIPFA/SOLACE Corporate Governance in Local Government Guidance Note (2008)
- Audit Commission key lines of enquiry (KLOEs) for corporate governance inspections and use of resources assessments.

44. These BV2 characteristics, and a related set of audit tools and other guidance, will be refined through the BV2 pathfinder audits (See [Part 5, next steps](#)). Auditors will take account of local risk assessments when applying these tools and other guidance.

45. The characteristics and audit approaches will be reviewed after the BV2 pathfinder audits.

Consultation questions: single corporate assessment

- How do you view the proposed corporate characteristics of a Best Value council, as set out in [Appendix 1](#)?

Service performance assessment

46. Our assessment of service performance in BV1 has been hampered by the limited national and local data available. We have drawn on inspection evidence in education, social work and housing performance, and our plans for improved joint working and sharing information with inspectorates should enable

us to integrate this evidence more effectively in future.

47. In BV2 we aim to:

- draw on a broader range of data, including national performance statistics, CIPFA and other financial data, and local performance information (including SOA data)
- work more closely with service inspectorates (HMIE, SWIA, SHR) to better coordinate and integrate scrutiny work to provide more seamless BV audit reporting, based on a shared annual risk assessment
- develop an approach to assessing how councils are achieving local and national outcomes, drawing on a wider range of evidence from councils themselves and other scrutiny bodies
- provide a clearer focus on the extent to which councils are achieving economy, efficiency and effectiveness in their service delivery arrangements (including shared services).

Consultation questions: service performance

- We propose broadening our service and outcome evidence, and relying more on locally available data and improved joint working with inspectorates. What else should we do to improve service reporting within BV2?

Statutory Performance Indicators

48. Our 2008 *SPI Direction* signals a major change. We have incorporated Public Performance Reporting (PPR) for a range of functions and service areas within *the Direction*, reflecting a desire to see councils report more effectively to their communities and citizens and service users how they are securing Best Value.

49. This approach is also consistent with the development of SOAs and the expectation that they will be used by councils to report publicly on progress in addressing the needs of their communities and delivering locally agreed objectives.

50. The challenge now for councils is to meet fully the responsibilities placed on them by the 2003 legislation and demonstrate publicly that they are securing Best Value, including a proper balance between quality and cost.

Auditing partnership working

51. In developing our approach to BV2, we are committed to increasing the focus on partnership working. This reflects the increasing reliance councils place on partnership activity and joint working to meet their objectives, as reflected in partnership SOAs and other joint plans and strategies.

52. We recognise that, while councils are the statutory lead agency in relation to community planning, they cannot be held to account for the performance of other agencies such as the NHS and voluntary sector partners. However, they can be assessed on their ability to:

- develop a shared vision for their area
- bring together other stakeholders
- mobilise people and resources to enable effective partnership working and deliver high-quality outcomes.

53. BV2 will therefore assess the effectiveness of local community planning and other partnership processes by auditing:

- the quality of local authority leadership of, and participation in partnership activities
- the effectiveness of local performance management arrangements

- the effectiveness of local governance and performance management arrangements
- whether or not local objectives and targets are being met.

54. An immediate change of emphasis in BV2 will be a clearer focus on the contribution that partners are making to community planning and other partnership activity. To achieve this, we are discussing with the Auditor General for Scotland how NHS and central government auditors can work with local government auditors to take a common approach to auditing partnerships.

55. Our longer-term direction of travel will be towards assessing how public bodies work together within their geographical area to deliver high-quality outcomes for local people and make most effective use of public resources.

Consultation questions: partnerships

- What are your views on our proposed approach to auditing partnership performance, and the longer-term direction of travel that we are signalling?

Single Outcome Agreements

56. We are conscious that SOAs are still at an early stage of development, and we recognise that they are not intended to provide comparative information. This reflects their basis in the local context and their primary role as a mechanism for aligning public sector activity to national priorities. The Scottish Government and other interested parties are still developing the arrangements for SOA monitoring, governance and accountability and any independent assessment of performance against SOA commitments.

57. We have no plans to audit the delivery of SOAs in the near future but they are of significant interest to our audit work because:

- they clearly indicate a council's priorities for the immediate future, which will be of interest in relation to specific policy areas and client groups
- the process of developing Community Planning Partnership SOAs gives some indication of how well community planning, including community engagement, is functioning
- the area profile contained within an SOA communicates a council's (and its partners') understanding of local needs
- the service planning, budgeting and performance management processes underpinning SOAs indicate how effectively they are being translated into action
- they will form an important part of PPR; this will inform our future approach to statutory performance information.

58. In the short term, local auditors will review the management arrangements for SOAs in councils. This will include examining the approach the council and its partners are taking to monitoring performance against the 2008/09 SOA and developing the 2009/10 SOA. They will use the SOA performance and outcome evidence contained in the annual reporting process to the Scottish Government to inform the local risk assessment and joint scrutiny process.

Consultation questions: SOAs and BV2

- Is our proposed approach to considering SOAs as part of BV2 an appropriate reflection of their current status and maturity? If not, what more should we be doing?

A stronger voice for citizens and service users

59. The Best Value duty on councils requires them to ensure that services are responsive to the needs of their

communities, citizens and service users, and that consultation arrangements are open, fair and inclusive. The National Performance Framework contains a similar commitment to public services that are 'high quality, continually improving, efficient, and responsive to local people's needs'.

60. We are committed to strengthening the way in which the views and experiences of local citizens and the people who use local services are assessed and reported as part of BV2. One aspect of this will be more robust auditing and reporting of how councils are consulting and listening to the people they serve. This has been an area of mixed performance in the first round of Best Value audits.

61. Local people's priorities and issues of local concern will be important elements of the local shared risk-assessment process. We are developing ways of making more effective use of the available data on local people's views on the quality of council services.

62. We are also working with consumer research and consultation experts to develop a framework for auditing the effectiveness of council's consultation arrangements, which reflects best practice in this area and can act as a spur for further improvement through the audit process.

63. We do not anticipate involving service users directly in the corporate assessment process, but we will work closely with colleagues in service inspectorates to use the evidence they gather from service users as part of their inspections when reporting BV2 audit judgements.

Consultation questions: citizen focus

- What more do you think the Commission should do to take the views of citizens and service users into account as part of BV2?

Part 3. Managing and reporting the audit



The audit will offer a clear judgement on whether councils are delivering continuous improvement. It will be delivered more efficiently and be better integrated with the annual audit.



Peer involvement

64. We intend to introduce arrangements to involve senior officers and elected members (from other bodies) as members of audit teams conducting corporate assessments. Their knowledge and experience will complement the expertise within the Best Value team. As well as adding value to the audit team we believe that this will provide learning opportunities for peer members and officers to apply in their own councils, building improvement skills and capacity within local government. We will also include senior officers and elected members in the moderation panels we use to ensure that BV reports are fair, consistent and of satisfactory quality.

65. A key challenge in implementing these proposals will be creating a sufficiently large pool of members and officers to avoid concerns of potential bias or prejudice in the audit process, while maintaining quality and consistency. We are currently discussing with COSLA and SOLACE how peers might be involved in BV2, and we will pilot possible approaches during the pathfinder audits.

Consultation questions: peer involvement

- What issues, if any, would you like to raise about our proposals for officer and member peer involvement as part of BV2?

Reporting council performance as part of BV2

66. We are considering whether to introduce clearer judgements for reporting council performance. We do not favour using a single score for a council, but we are keen to introduce clearer formal Best Value audit judgements.

67. The proposed new judgements are:

- direction and pace of change judgement, based on the council's record in securing continuous improvement in its services

(including an assessment of how well the council is currently performing)

- a capacity for future improvement judgement, based on the prospect of further improvement.

68. This is an important change, but it should be seen as a development of our existing approach to expressing these judgements in the summary conclusions section of current BV1 audit reports. We see it as providing a more transparent and consistent approach to reporting councils' achievement of Best Value.

69. The judgements would take account of:

- local circumstances within individual councils
- the relative weighting of different elements of the corporate assessment framework

- corporate capacity and service performance judgements.

70. We are not planning to introduce a rules-based framework for arriving at these judgements, as we believe this would run the risk of distorting council priorities. We believe that, while we must be clear about the sources of evidence that will be used to inform these new judgements, we must also allow auditors to apply their professional judgement. A transparent moderation process will ensure this approach is consistent between councils and over time.

71. Our proposed approach to delivering composite 'direction and pace of change' and 'capacity for future improvement' judgements, is set out in [Exhibit 8](#) and [Exhibit 9](#).

Exhibit 8

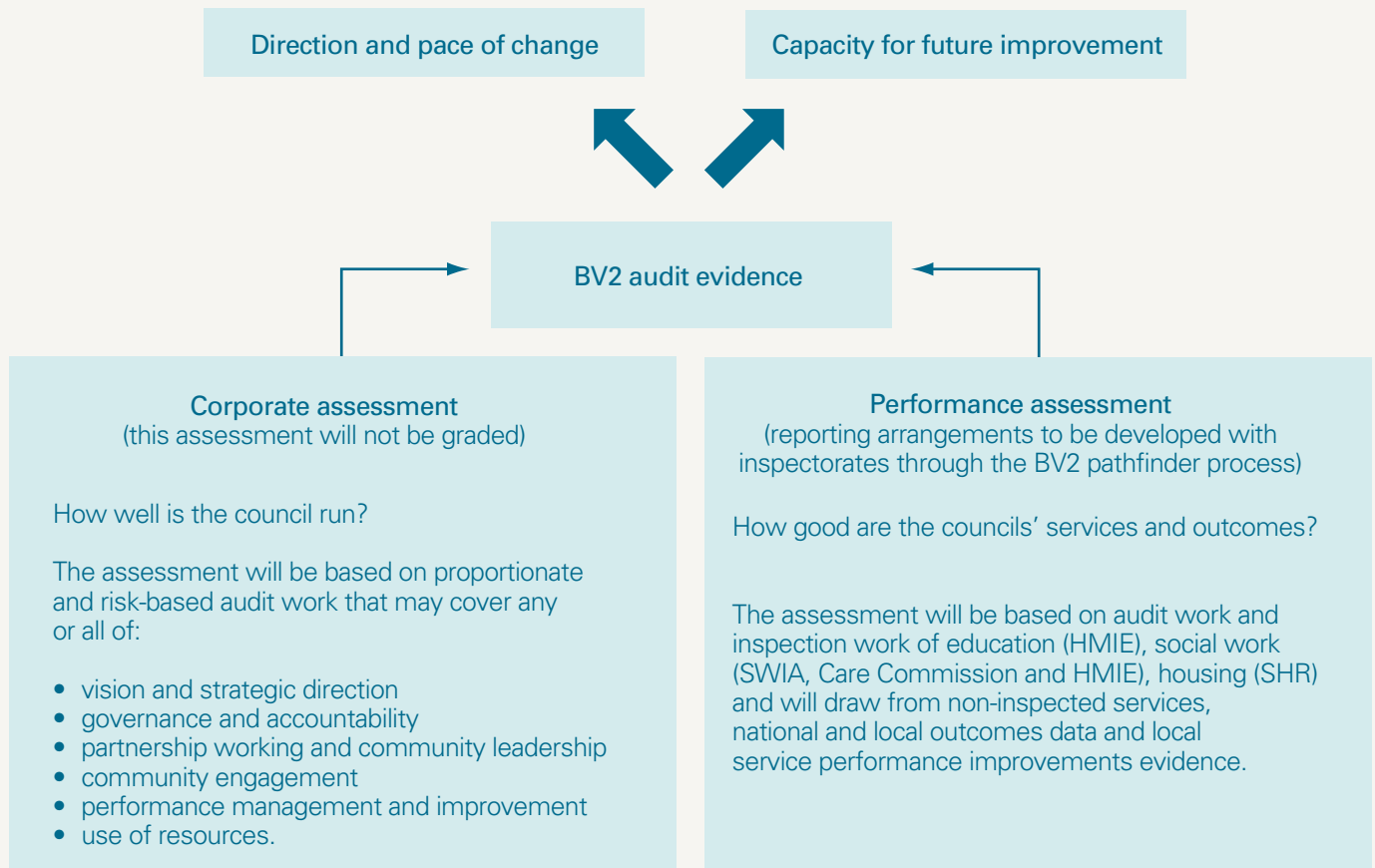
Evidence sources for 'direction and pace of change' and 'capacity for future improvement' judgements

Judgement	Key evidence sources
Direction and pace of change	This judgement would be constructed around analysing performance trends over time, based on audit evidence gathered as part of the BV2 audit process and the councils own performance and self evaluation data. It will include follow-up to BV1 audit recommendations, quantitative analysis of performance data (SPI and a range of other service performance data trends and outcome data), the achievement or otherwise of local improvement targets, and assessing progress against previous inspection reports. Assessing the pace of change will reflect and take into account local circumstances.
Capacity for future improvement	This judgement is likely to take significant account of the qualitative assessments of organisational leadership and the extent to which a continuous improvement culture has been established. It would be based on BV audit assessments of: <ul style="list-style-type: none"> • the quality and effectiveness of the council's performance management systems and processes • local scrutiny and challenge arrangements • the emphasis, in terms of time and other resources, that the organisation has given to improvement activity (including self evaluation) • how effectively it has improved services. The council's self awareness, as reflected in its self-evaluation and any subsequent audit work, would also be important factors influencing the judgement, as would be the outputs from the annual risk-assessment process.

Source: Audit Scotland

Exhibit 9

BV2 grading and assessment reporting framework



Source: Audit Scotland

72. Both proposed judgements would also reflect inspectorates' judgements of leadership and capacity for improvement in the main council services: education, social work and housing.

73. We have not yet decided how to report 'direction and pace of change' and 'capacity for future improvement' judgements. Our options range from bespoke narrative judgements, through template narrative judgements to codified text (for example 'weak' to 'excellent'). [Appendix 4](#) presents a range of options; we are seeking stakeholders' views on these options.

74. Whatever summary reporting option is selected, BV2 audit reports are likely to look different from BV1 audits because of:

- the more proportionate and risk-based audit approach

- the broader service coverage
- our commitment to making the reports more meaningful to local people.

75. We will test out new reporting styles and content in the pathfinder audits.

Consultation questions: grading/scoring

- What are your views on the proposal to introduce formal judgements on 'direction and pace of change' and 'capacity for future improvement'?
- Which of the options for reporting set out in [Appendix 4](#) do you favour?

The role of the Accounts Commission in considering and responding to BV2 audit reports

76. The introduction of BV2 provides a timely opportunity for us to review our role in relation to Best Value audits. This role currently involves:

- considering the Controller of Audit's Best Value report and making findings
- publishing findings, issuing a media release and discussing the findings with the media and stakeholders
- visiting each council to discuss our report
- receiving an improvement plan from each council

- where necessary holding a public hearing (this has happened twice for Best Value reports)
- commenting on Best Value themes in findings on the Controller of Audit's annual overview report
- commissioning national studies on Best Value themes
- we would welcome any comments about how we discharge this role.

77. We are also interested in views on our performance more broadly. We therefore invite comments on how we might:

- improve how we consult with both individual councils, and with the local government community more generally to take on board their views and concerns
- communicate more effectively with the Scottish Parliament to promote our work and explain the important role that councils play in leading communities and providing services for local people
- better communicate the findings from our work to interested parties locally and nationally.

Consultation questions: The role of the Accounts Commission

- What changes, if any would you like to see in how we handle Best Value audits and other relations with councils?
- What comments do you have on any other aspects of the Commission's work?

Quality assurance and moderation

78. We have a well-developed set of quality assurance arrangements underpinning the Best Value audit process which apply to the scoping of audit work, the conduct of the audit, forming judgements and audit reporting. This includes internal quality review work and moderation processes (including a strong independent element to ensure they are consistent and fair).

79. A council may have concerns about the content of a Best Value audit report (which is formally a report from the Controller of Audit) that have not been resolved through the audit process. The council may communicate its views to the Accounts Commission who can, if they wish, ask the Controller of Audit to do further audit work. The Commission also has powers to hold a public hearing at which it can hear directly from the council and others with an interest in the council's performance. Councils may also consider applying for a judicial review if they wish to challenge aspects of the audit process.

80. We believe that the current arrangements work well. However, as part of the development of BV2 we are reviewing our existing quality management arrangements and considering if any additional quality assurance or control arrangements might be needed in response to the:

- potential introduction of more formal grading of aspects of council performance
- introduction of more proportionate and risk-based audit approaches
- introduction of peer involvement
- increased reliance that we will be placing on the work of inspectorates.

81. We will issue more detailed information on our proposed quality assurance arrangements for BV2 once this review work is complete.

The annual audit process

82. The annual financial audit continues to be an essential element of scrutiny. Appointed auditors build up evidence and intelligence about a council throughout their five-year audit appointment. This will be valuable in helping to target activity as part of the joint-scrutiny planning process. There are also opportunities to coordinate work undertaken as part of the annual audit with the work required to support BV2 judgements and other scrutiny activity, further reducing the overall scrutiny burden.

83. We will continue to integrate the delivery of the Best Value and annual audits. Local auditors will play an important role in the joint scrutiny, risk-assessment process. If the risk assessment identifies detailed work and the local auditor is best placed to do it, some of the audit tools developed to support the corporate assessment framework will be applied as part of the annual audit. Our local auditors will work closely with the central Best Value team, all audit work will be coordinated and senior members of audit teams will contribute to overall Best Value judgements.

Audit fees

84. When the statutory audit responsibility for Best Value was introduced in the 2003 Act, the then Scottish Executive added £2.5 million to the local government settlement to cover Best Value, including Best Value audit. That funding was distributed to councils using the core allocation formula, which approximates to

relative populations. In 2008/09, the total charges for Best Value audits (both central fixed charges and local audit fees) were £1.7 million.

85. We are conscious that councils are facing significant financial pressures and efficiency challenges, and that audit fees and the broader cost of external scrutiny need to be considered in that context.

86. We are taking on additional responsibilities for scrutiny gatekeeping and coordination and we are committed to doing this within existing resources. Similarly, at the national level the overall cost of the Best Value audit process should be the same or less than in BV1. Through a combination of a more proportionate and risk-based audit model and re-engineering the audit process we will be able to undertake BV2 audits more efficiently. For many councils the more proportionate audit approach will lead to a shorter and more focused audit. For others the level of external scrutiny may increase.

87. A key test we will apply when evaluating BV2 pathfinder audits will be the extent to which they deliver the efficiency improvements that we are anticipating.

88. We are currently reviewing our overall fees strategy and as part of that process we will be considering how we might make the fees for BV2 more transparent and flexible. Any change to the funding and charging mechanism will need to be agreed with COSLA and the Scottish Government.

Consultation questions: Audit fees

- What changes, if any, would you like to see to the fee regime for BV2?

Part 4. Sustainability and equalities



Sustainability and equalities will be an integral element of BV2.



Sustainability

89. The most widely adopted definition of sustainable development is that proposed by the Brundtland Commission⁴ in 1987, which suggests that it ‘meets the needs of the present without compromising the ability of future generations to meet their own needs’.

90. Most BV1 audit reports contained a section on councils’ approaches to sustainability, but we are keen to adopt a more integrated approach to this issue as part of BV2. It is likely that in future our Best Value audit work on sustainability will focus on environmental sustainability in line with the broader direction of travel in government policy in this area. However, we will retain an ongoing interest in social and economic sustainability.

91. Audit Scotland is working on our behalf with the Sustainability Commission and the Scottish Sustainability Network (SSN) to develop a consistent and coherent approach to addressing sustainability issues within BV2.

Equalities

92. The duty of Best Value also encompasses equalities. In November 2008, we published *The impact of the race equality duty on council services*. This report found that while councils had developed policies on race equality, they needed to ensure that these had a positive impact on people from minority ethnic communities, through the design and delivery of services. The report concluded that councils needed to build a better understanding of the needs of their minority ethnic communities, ensure that their approach to race equality is considered routinely when planning and evaluating services, and give more priority to race equality in delivering services.

93. We included some coverage of equality issues in BV1 audits. Most audit reports contained a section covering councils’ approaches to race, gender, disability and sexual orientation, and their approaches to working with specific communities of interest such as travellers or faith groups. But, we recognise this is an area that should be further developed in BV2.

94. Audit Scotland is working with the Equalities and Human Rights Commission (EHRC) and other interested parties to develop a consistent and coherent approach to addressing equalities within BV2. This approach would be consistent with the more integrated approach to the treatment of equalities issues underpinning current government policy.

95. We are also in the process of undertaking an equalities impact assessment of the BV2 audit process, which we will publish after the BV2 pathfinders are completed.

96. Our early thinking on integrated audit frameworks for sustainability and equalities can be found at www.audit-scotland.gov.uk

Consultation questions: sustainability and equalities

- What further developments of our approach to auditing sustainability would you like to see introduced as part of BV2?
- What further developments of our approach to auditing equalities would you like to see introduced as part of BV2?

Part 5. How to respond, and next steps



Your consultation response will help shape the BV2 audit which will be tested at BV2 pathfinder sites later this year.



How to respond to this consultation

97. We welcome your responses to this consultation paper and the questions it poses. [Appendix 2](#) lists all the consultation questions set out throughout the document. You can respond:

- using the response form in [Appendix 2](#)
- online using the electronic response form at www.audit-scotland.gov.uk
- by sending comments, clearly headed 'BV2 consultation', by post to: Ian Metcalfe, Freepost, RLXZ-UJTY-HCAU, Audit Scotland, 18 George Street, Edinburgh, EH2 2QU
- by email, clearly headed 'BV2 consultation', to BV2@audit-scotland.gov.uk

98. Consultation on BV2 will close on 31 May 2009. We cannot take late responses into account. If you have any enquiries about this consultation please contact us by:

- email at BV2@audit-scotland.gov.uk
- telephone: 0131 625 1861
- fax: 0845 146 1009

99. We intend to publish a summary of BV2 consultation responses. The final framework document is due to be published later in 2009.

100. Respondents may be named in the summary of responses, although we will not link specific findings to individuals or organisations. Responses will automatically be considered to be in the public domain unless they are clearly marked as being confidential. Responses may be published or disclosed in accordance with access to information regimes such as the Freedom of Information Act 2000 and the Data Protection Act 1998. If we

receive an information request, we will make every effort to consult with you before disclosing any of the information.

Next steps

101. We have put in place a timetable setting out the transition period between now and the introduction of the BV2 audit. The timetable, and how it relates to this consultation, is set out in [Appendix 3](#).

102. As part of that process we are planning five BV2 pathfinder audits. The five councils selected as pathfinders are:

- Angus Council
- Dundee City Council
- East Ayrshire Council
- The Highland Council
- Scottish Borders Council.

103. These councils provide a mix of geography, size and urban/rural mix. Three of them (Angus, Dundee and Highland) have been selected because of the opportunities they present for integrated or coordinated BV2 audit work alongside the proposed pilot of Best Value audit work with HMICS at Tayside Police and Northern Constabulary during 2009.

104. We will be evaluating the pathfinders so that we can assess how effectively they deliver against these objectives.

Appendix 1.

A summary of the proposed corporate characteristics of a Best Value council

Vision and strategic direction

The council has a clear and ambitious vision for what it wants to achieve for its locality and communities to secure high-quality services and effective outcomes for local people. The vision is effectively promoted by the member and officer leadership of the council, and supported by staff and partners. It is backed up by clear plans and strategies to secure improvement, with resources aligned to support their delivery.

- Vision and strategic direction¹
- Leadership and culture²
- Planning and resource alignment³

Partnership working and community leadership⁴

The council works effectively through partnerships at all levels. This includes both mandatory partnerships (for example, community planning, Regional Transport Partnership, Community Health Partnership, Criminal Justice Authority) and partnerships where there are communities of interest (for example, older people, gypsy/travellers), including collaborative working, networks and partnerships at regional or sub regional level.

It identifies partners with whom it can deliver sustained improvements in outcomes for citizens, and finds its partnership working on effective consultation and analysis of need. Programmes and projects are visible and relevant to local communities and innovation is encouraged. Clear objectives are set for all partnership activity. Activities and tasks carried out in partnership are subject to the council's performance management framework and carry the same burden of accountability as activities carried out solely by the council.

- Right partners, right relationship
- Effective leadership
- Good governance, demonstrable outcomes

Community engagement⁵

The council understands the needs of its different communities and involves them in developing a local vision, setting priorities and shaping services. It has clear strategies for consultation, representation and participation, which reflect the national standards for community engagement⁶, and it can demonstrate that its community engagement activity is securing improved outcomes for local people.

- Commitment and dialogue
- Involvement and support
- Impact and change

Governance and accountability⁷

The council is committed to high standards of probity and can demonstrate high standards of governance and accountability. It has effective political and managerial structures and processes to govern decision-making and the exercise of authority within the organisation, supported by mature and effective relationships between members and officers. There are effective scrutiny arrangements and the council is committed to effective public performance reporting as a key element of effective public accountability. It clearly sets out service standards that reflect the needs of local people and other stakeholders and is balanced in its presentation of the council's strengths, weaknesses and challenges for the future.

- Governance and accountability (structure and policies, roles and relationships)
- Scrutiny and challenge
- Public performance reporting (balanced reporting, information that's useful to citizens)

Performance management and improvement

The council has a performance management culture that is embedded throughout the organisation. The council's performance management framework is comprehensive and integrated with service planning and delivery. Staff have a customer-first culture. The council is able to demonstrate significantly improved outcomes for citizens and more effective and efficient services as a consequence of its performance management arrangements.

- Customer focus and responsiveness
- Performance management
- Efficiency
- Competitiveness
- Risk management

Use of resources⁸

The council is making the best use of use of its key resources (people, money, assets, staff) to deliver the council's strategic objectives.

- Financial management
- Asset management
- Managing people
- Procurement
- ICT

1 Best Value Guidance areas: Commitment and Leadership
 2 Best Value Guidance areas: Commitment and Leadership and Responsiveness and Consultation
 3 Best Value Guidance: Sound Governance at Strategic, Financial and Operational Level
 4 Best Value Guidance: Joint Working, and Responsiveness and Consultation
 5 Best Value Guidance: Responsiveness and Consultation
 6 National Standards for Community Engagement. Communities Scotland. 2005
 7 Best Value Guidance: Commitment and Leadership, and Accountability
 8 Best Value Guidance: Sound Management of Resources

Appendix 2.

Consultation questions and response form

Which organisation(s) do you represent?

Risk assessment and joint scrutiny planning

1. How do you view our proposals for shared risk assessment and joint scrutiny planning as a basis for streamlining the scrutiny of local government and ensuring that BV2 is more proportionate and risk-based?

2. Are there other factors that we need to take into account?

Self evaluation

3. Do you believe self-evaluation should be at the heart of the risk-assessment process?

4. How do you view our approach to the use of self-evaluation evidence within the BV2 audit process? How might we change or further develop it?

Good practice/support for improvement

5. How do you view our proposed approach to capturing and disseminating good practice and strengthening improvement support as part of BV2?

6. What other actions should we take beyond those proposed?

Single corporate assessment

7. How do you view the proposed corporate characteristics of a Best Value council, as set out in Appendix 1?

Service performance

8. We propose broadening our service and outcome evidence, and relying more on locally available data and improved joint working with inspectorates. What else should we do to improve service reporting within BV2?

Partnerships

9. What are your views on our proposed approach to auditing partnership performance, and the longer-term direction of travel that we are signalling?

SOAs and BV2

10. Is our proposed approach to considering SOAs as part of BV2 an appropriate reflection of their current status and maturity? If not, what more should we be doing?

Citizen focus

11. What more do you think the Commission should do to take the views of citizens and service users into account as part of BV2?

Peer involvement

12. What issues, if any, would you like to raise about our proposals for officer and member peer involvement as part of BV2?

Grading/scoring

13. What are your views on the proposal to introduce formal judgements on 'direction and pace of change' and 'capacity for future improvement'?

14. Which of the options for reporting set out in Appendix 4 do you favour?

The role of the Accounts Commission

15. What changes, if any, would you like to see in how we handle Best Value audits and our relations with councils?

16. What comments do you have on any other aspects of the Commissions work?

Audit fees

17. What changes, if any, would you like to see to the fee regime for BV2?

Sustainability

18. What further developments of our approach to auditing sustainability would you like to see introduced as part of BV2?

Equalities

19. What further developments of our approach to auditing equalities would you like to see introduced as part of BV2?

Other comments

Please continue on a separate sheet if required

Thank you for taking time to complete this questionnaire.

Please return the survey by 31 May 2009 to
BV2@audit-scotland.gov.uk

or by post to:
Ian Metcalfe, Freepost, RLXZ-UJTY-HCAU, Audit Scotland,
18 George Street, Edinburgh, EH2 2QU

Appendix 3.

The proposed transition timetable for BV2 and SRA

	BV2 consultation	BV2 pathfinders	Joint scrutiny planning
January 2009			Development of shared risk-assessment principles and framework with HMIE, SWIA, Scottish Housing Regulator and Care Commission
February 2009			First pass of joint risk-assessment to identify high, medium and low risk councils and select councils for pathfinder audits (including single corporate assessment and service performance elements)
March 2009	Publication of Commission's draft BV2 audit proposals for consultation	Announcement of pathfinder audits	
April 2009	Consultation period	BV2 pathfinder audits: council self-evaluations and BV2 scoping and risk assessment	Detailed joint risk-assessment and scrutiny planning
May 2009			
June 2009	Analysis of responses		
July 2009	Publication of Commission's BV2 audit approach		
August 2009		BV2 pathfinder audits: audit and inspection activity as required	
September 2009			
October 2009			
November 2009			
December 2009		Evaluation of BV2 pathfinders	Draft national joint scrutiny plan for local government
January 2010		Roll out of BV2 audits	Implementation of national joint scrutiny plan

Appendix 4.

Options for reporting 'capacity for future improvement' and 'direction and pace of change' judgements

Option 1: Narrative and bespoke 'capacity for improvement' and 'pace and direction of travel' judgements

A 'bespoke' audit assessment, the scope of which varies from council to council reflecting the specific audit coverage that has taken place based on local risk assessment activity. The audit judgements would be expressed in narrative form, with no standardised language – effectively a 'bespoke' audit assessment.

How might this look?

This would not look significantly different from our current approach to reporting on these two aspects of council performance. Each Best Value audit report would, in the overall conclusions section, contain a commentary on the council's 'capacity for future improvement' and 'direction and pace of change', but the language used to express the judgements would vary from audit to audit.

The overall conclusions section of the Best Value audit report would continue to provide an appropriate context for the broader performance assessment of the council contained within the detailed report.

Accounts Commission comments:

While this option allows for a high degree of sensitivity to local circumstances, we feel it has a number of significant downsides. The lack of standardisation would make tracking improvements over time by councils very difficult and it might be difficult for the public to interpret.

Option 2: Narrative but standardised 'capacity for improvement' and 'pace and direction of travel' judgements

A BV2 audit assessment that uses a form of standardised and codified audit evidence combined with professional judgements to arrive at a narrative audit judgement that reflects the specific local audit and inspection, which has taken place based on local risk assessment activity.

How might this look?

Each Best Value audit report, in the overall conclusions section, contain a commentary on the council's 'capacity for future improvement' and 'direction and pace of change', using a form of words, with published definitions of what they mean, the language used to express the judgements would be consistent. For example:

	Performance dimension	
	Capacity/capability or prospect for improvement	Pace and direction of travel
Potential assessment judgement language	Strongly placed	Improving strongly
	Well placed	Improving well
	Uncertainly placed	Improving adequately
	Poorly Placed	Not improving adequately

The overall conclusions section of the Best Value audit report would continue to provide an appropriate context for the broader performance assessment of the council contained within the detailed report.

Accounts Commission comments:

The challenge of this option would be creating a series of definitions that can effectively balance local circumstances and varying levels of service and corporate performance in ways that are not over simplistic and reductive.

We believe though that this option allows for a relatively high degree of sensitivity to local circumstances and that the level of standardisation would allow for tracking improvements over time by councils, and be relatively straightforward for the public to interpret.

Option 3: A fully codified rules-based framework, similar to the Audit Commission’s Comprehensive Performance Assessment

A formal ‘rules-based’ algorithmic framework for arriving at and reporting BV2 audit judgements based on standardised language and/or formal scores – effectively a Comprehensive Performance Assessment model.

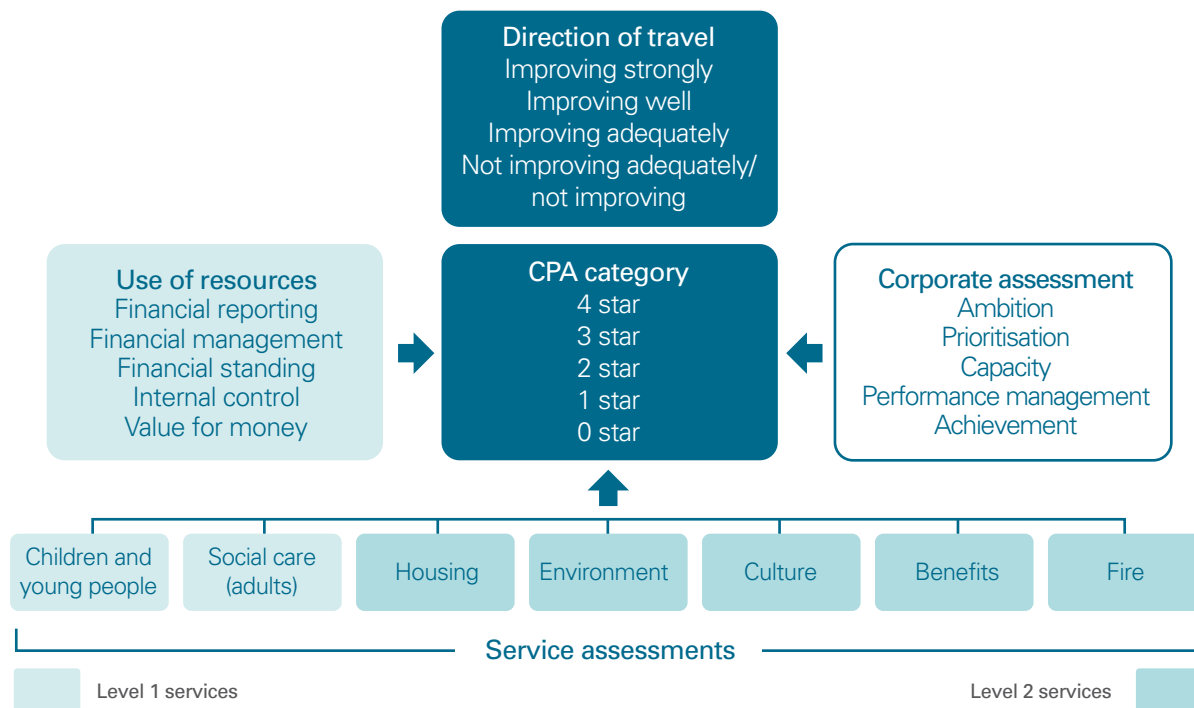
How might this look?

This would involve each Best Value audit containing judgements on the council’s ‘capacity for future improvement’ and ‘direction and pace of change’ derived using a standardised algorithm drawing on service and corporate performance assessment scores.

The Audit Commission’s model as illustrated below (Exhibit 10) is based on a star-rating category. But, an approach of this kind could be reported using narrative rather than star-based performance assessments. It would, however rely upon a consistent set of service assessment gradings being available.

Exhibit 10

Audit Commission Comprehensive Performance Assessment (CPA) reporting and grading framework



Corporate assessment scores:

- 1 – below minimum requirements – inadequate performance
- 2 – at only minimum requirements – adequate performance
- 3 – consistently above minimum requirements – performing well
- 4 – well above minimum requirements – performing strongly

Option 3 (continued)

Accounts Commission comments:

We understand the argument that a model of this kind would be straightforward for the public to understand and provides a very clear framework for tracking improvements over time in local government services.

However, we see a danger that a rules-based framework for arriving at these judgements, runs the risk of councils distorting their priorities to improve their score, and that such a model would also lack sensitivity to local circumstances.

There might also be difficulties deriving consistent service scores at a time when cyclical service inspections are being reduced in response to the scrutiny reform agenda.

Best Value 2

Proposals for consultation

If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

You can also download this document at:
www.audit-scotland.gov.uk



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