



AUDIT OF BEST VALUE AND COMMUNITY PLANNING - BEST VALUE 2

BOARD MEETING: 30 APRIL 2009

1. PURPOSE OF REPORT

- 1.1 To inform the Community Planning Partnership (CPP) Board of the progress made by the Accounts Commission and Audit Scotland in their development of an audit framework in relation to the next generation of Best Value and Community Planning Audits (Best Value 2).
- 1.2 To inform the CPP Board of the decision of the Accounts Commission to select East Ayrshire Council as a 'pathfinder' for the Best Value 2 programme.

2. BACKGROUND

- 2.1 The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning, and Audit Scotland is responsible for auditing these duties based on Section 102(1) of the Act.
- 2.2 The Accounts Commission developed a timetable for the first round of Audits and all thirty two councils were subject to scrutiny between 2004 and 2008.
- 2.3 In its guidance at that time, Audit Scotland stated that a successful Council will:
 - work with its partners to identify a clear set of priorities that responds to the needs of the community both in the short and long term;
 - be organised to deliver those priorities;
 - meet and clearly demonstrate that it is meeting the community's needs; and
 - operate in a way that drives continuous improvement in all its activities.
- 2.4 East Ayrshire Council was subject to audit in 2006, the result of which provided a very positive final report widely accepted as one of the best in Scotland. Comments from Audit Scotland at that time included:

"The Council demonstrates a clear commitment to Best Value supported by effective leadership. There is evidence that the Council does well in:

- Community planning and joint working;
- Financial stewardship;
- Managing risk; and
- Customer focus."

"East Ayrshire has shown a commitment to Best Value and Community Planning through its strategic vision and leadership and there is evidence that it can recognise areas for improvement and take action to address them."

3. BEST VALUE 2

3.1 In 2007, the Accounts Commission started the process of evaluating the effectiveness of audits by consulting with councils, consumer organisations and the Scottish Government. A draft framework for the new audit arrangements has been produced and all councils have been asked to comment on its appropriateness.

3.2 There are several features of the proposed new approach and these include:

- 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-evaluation;
- clear audit reporting and transparency of audit process;
- support for improvement and the sharing of good practice; and
- a more streamlined scrutiny focus on shared risk assessments undertaken with the other local government scrutiny bodies.

3.3 As highlighted above, it is anticipated that there will be a greater focus on partnership working, reflecting the level of partnership working and joint working arrangements to meet planned objectives within Community Planning Partnership Single Outcome Agreements. It is anticipated that the new audit arrangements will focus on:

- the quality of local authority leadership of and participation in partnership activity;
- the effectiveness of local performance management arrangements;
- the effectiveness of local governance and performance management arrangements; and
- whether or not local objectives and targets are being met.

3.4 A full copy of the Best Value 2 proposals and consultation documentation is available at www.audit-scotland.gov.uk.

4. BEST VALUE 2 – PATHFINDER

4.1 In tandem with the consultation identified at paragraph 3.1, the Accounts Commission plans to carry out five Best Value and Community Planning Audits in 2009 using the new Best Value 2 framework with ‘pathfinder’ councils.

4.2 East Ayrshire Council has been invited by the Accounts Commission to be one of the five pathfinder councils to work with Audit Scotland in testing and developing the new framework during 2009. The other four councils are Angus, Dundee City, Highland and Scottish Borders.

4.3 The five pathfinder councils provide a range of geography, size and urban/rural mix. Three of the councils, namely Angus, Dundee City and Highland, have been selected due to the opportunities they present for integrated or co-ordinated Best Value 2 audit work, alongside the proposed pilot Best Value audit work with Her Majesty’s Inspectorate of Constabulary for Scotland at Tayside Police and the Northern Constabulary during 2009.

4.4 Audit Scotland has also stated that the choice of councils was based on a range of risk factors arising from the results of previous audits and inspections. It is anticipated that East Ayrshire would be assessed as low risk based on these results.

5. RECOMMENDATIONS

5.1 The Community Planning Partnership Board is requested to:

- i) note the changes to the audit approach that will be taken by the Accounts Commission;
- ii) note that East Ayrshire has been selected as a 'pathfinder' council for Best Value 2 and agree to participate in the audit process during 2009; and
- iii) otherwise note the content of the report.

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20 April 2009