

EAST AYRSHIRE COUNCIL

SPECIAL POLICY AND RESOURCES COMMITTEE – 24 JANUARY 2006

BEST VALUE AND COMMUNITY PLANNING AUDIT SUBMISSION

Report by the Chief Executive

1. PURPOSE OF REPORT

- 1.1 To provide an update for Members on progress in the preparation of the Council's Best Value and Community Planning Audit Submission and to seek approval to the outline Improvement Agenda.

2. BACKGROUND

- 2.1 The Accounts Commission has responsibility for auditing the compliance of Councils in relation to the provisions of the Local Government in Scotland Act, 2003. This is being done through the Audit of Best Value and Community Planning, which is undertaken by Audit Scotland.
- 2.2 A report to the Corporate Governance Committee of 16 November 2004 advised of the selection by Audit Scotland of East Ayrshire Council as one of eleven councils to be audited in 2004/05.

3. THE AUDIT SUBMISSION

- 3.1 Arrangements for the preparation of the Council's Audit Submission have been managed through the Corporate Management Team and progress in this respect reported through the Corporate Governance Committee.
- 3.2 Members will recall that the Assistant Director (Best Value) and Audit Manager from Audit Scotland held a briefing session for Elected Members on 15 December 2005. Additionally, the Chief Executive provided a detailed briefing for all Members, outlining the audit process and the timetable agreed by Audit Scotland.
- 3.3 In relation to the audit timetable, we are now approaching the first milestone in the process, which requires that the Council's Best Value and Community Planning Audit Submission be forwarded to Audit Scotland by 27 January 2006.
- 3.4 It is important to recognise that the Council's Audit Submission is only the start of the process. This forms the Council's summary of the progress made in the key areas highlighted within Audit Scotland's Audit Guide, which in turn directly reflect the requirements of the Local Government in Scotland Act, 2003 and supporting Statutory Guidance. As such, Audit Scotland has indicated that the Best Value and Community Planning Audit Submission is not designed to be a public document, until the Audit is completed, and in the interests of promoting an open and frank self-

assessment, advise that, in the meantime, the Council's Audit Submission should only be shared with the Audit Team.

- 3.5 In recognition of this requirement, the Council's current draft Audit Submission has not been submitted as part of this report, but copies have been placed in the Members' Information Point for reference purposes. A personal copy of the final Audit Submission document will be forwarded to all Elected Members.
- 3.6 The content of the Council's Audit Submission is simply a factual account of our progress in the key aspects and statutory requirements relating to Best Value and Community Planning, in many instances, reported previously to Council Committees. The Council is also required as part of the Audit process, to provide an indication of its own assessment in these areas and, to facilitate this, the Corporate Management Team undertook a Strategic Self-Assessment of Performance. Input was gained from Professor Arthur Midwinter as a 'Critical Friend' and the outcome of this process was validated by the Council's Risk and Audit Scrutiny Group at its meeting on 12 December 2005, when the Group also heard from Professor Midwinter in the matter. The corporate level Strategic Self-Assessment is included as a key element of the Council's Audit Submission.
- 3.7 The Council is also required as part of the audit process, to set out areas where it feels further improvement might be beneficial. These high level, strategic improvement areas are detailed within the Audit Submission and, in summary, cover the following:-
- **Asset Management:** Progress the implementation of the medium and long term action plan points included in the Council's adopted Corporate Asset Management Strategy.
 - **Scrutiny:** Review the impact of the scrutiny arrangements currently in place, with particular emphasis on maximising challenge and improvement obtained from existing mechanisms.
 - **Trading and Competitiveness:** Implement fully the CIPFA/LASAAC Guidance Note 'A Best Value Approach to Trading Accounts, ensuring that review and option appraisal activity is embedded within existing service delivery arrangements.
 - **Performance Management:** Further develop the existing systematic, integrated, and strategic approach, to better link feedback from performance review into the Council's corporate and service related budget setting strategy, and resultant service delivery impact.
 - **Spending Review/Budget Profile:** Identify areas for cost reduction across Council services, whilst at the same time building a case for an improved share of the Scottish Executive's 3-yearly

Block Allocations, all with a view to diverting more resources to Community Plan priorities at the frontline.

- **Alignment of Political and Management Structures:** The Council will review its Political and Management Structures as part of its preparations for the 2007 local authority elections.
- **Sustainability:** Better co-ordinate the Council's approach to sustainable development across all Council services, to achieve improved outcomes.
- **Procurement:** Demonstrate the achievement of significant cost reductions through the application of modern procurement/purchasing arrangements.

3.8 These improvement areas will be subject to review by Audit Scotland and, following issue by Audit Scotland of the Council's final Audit Report, an Improvement Plan will thereafter require to be prepared by the Council and agreed with Audit Scotland.

4. FINANCIAL IMPLICATIONS

4.1 None arising directly from this report.

5. LEGAL AND POLICY IMPLICATIONS

5.1 The Local Government in Scotland Act, 2003 provides the statutory basis for the delivery of Best Value and Community Planning. The Audit of Best Value and Community Planning assesses the extent to which individual council's are fulfilling their duties in this regard.

6. RECOMMENDATIONS

6.1 Committee is asked to:-

- (i) note the process in relation to the preparation of the Council's Best Value and Community Planning Audit Submission;
- (ii) note the requirement that the Council's Audit Submission should not be a public document, at this stage in the process;
- (iii) note further that copies of the draft Audit Submission are available within the Members' Information Point;
- (iv) agree the high-level strategic improvement areas set out at para 3.7 of the report; and
- (v) note that following further contextual changes to the draft Audit Submission as required, a copy of the final Council Submission to Audit Scotland will be forwarded to all Elected Members.

Fiona Lees
Chief Executive
18 January 2006

BACKGROUND INFORMATION

Audit Scotland Audit Guide for East Ayrshire, December 2005

Any person wishing further information should contact Fiona Lees, Chief Executive (Tel: 01563 576019) or John Clayton, Head of Corporate Development and Communication (Tel: 01563 576165)

IMPLEMENTATION OFFICER

Fiona Lees, Chief Executive