

Summary

Best Value 2

Proposals for consultation



 ACCOUNTS COMMISSION

Prepared by Audit Scotland
March 2009

Summary

This document summarises the consultation paper that sets out how the Accounts Commission proposes to approach the second phase of Best Value audits, BV2.

The consultation provides an opportunity for Scotland's local authorities and other interested parties to influence how BV2 develops. The consultation closes on 31 May 2009.

This summary sets out:

- the background to Best Value
- an overview and key aspects of BV2
- how to respond to the consultation proposals.

About us

Our 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
- requires councils to publish information every year about how they perform.

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

1. The background to Best Value

Local authorities have a legal duty under the Local Government in Scotland Act 2003 to continually improve the services they provide.

In 2004, we began a programme of in-depth audits of Best Value. The Best Value audit process offers clear

and impartial information to local people, local authorities and policy makers throughout Scotland on:

- how well councils are run
- how good their services are
- whether they are using public money well.

There is also scope to hold public hearings when the audit identifies issues of significant concern.

The first round of Best Value audits has been a powerful force for improved performance and accountability in local government, identifying good practice and also highlighting unsatisfactory performance.

BV1 is now complete, and its findings have helped us to decide the scope and approach for BV2 audits. BV2 also takes account of wider changes in local government in Scotland between 2003 and 2009, such as new relationships between national government and local authorities, and the increased focus on outcomes and the views of citizens and service users arising from the Crerar scrutiny review.

Although Best Value is about much more than financial efficiency, this remains a fundamental element. BV2 will focus on local authorities' performance in providing high-quality services while delivering value for money.

We have worked closely with our local government scrutiny partners to develop BV2: HM Inspectorate of Education (HMIE), the Social Work Inspection Agency (SWIA), the Scottish Housing Regulator (SHR), the Care Commission, and HM Inspectorate of Constabulary for Scotland (HMICS).

2. BV2: the second phase of Best Value audits

An overview of BV2

The BV2 audit process will continue to:

- ensure local authorities are publicly accountable
- support improvement in local services: that is, help local authorities to improve the services they provide.

It will provide assurance that councils are using public money efficiently and effectively, and that they are driving continuous improvement. It will be informed by the issues that matter most to local communities, such as:

- the quality of local services
- how safe people feel
- what support is available for vulnerable people such as homeless people and older people
- the quality of the local environment.

The audit framework for BV2 will consist of a corporate assessment and performance assessment.

The proposed characteristics we would look for in a council during a BV2 corporate assessment can be found at: www.audit-scotland.gov.uk They are summarised at [Appendix 1](#) of this document. The corporate assessment will also examine councils' approach to sustainability and equalities issues.

The performance assessment will report on how successful the council has been in meeting its local improvement targets and national and local outcomes as set out in its Single Outcome Agreement (SOA). It will also report on the quality and efficiency of local services, how

quickly they are improving and whether they are responsive to local needs.

What are the key aspects of BV2?

The following points are linked to a series of questions to which we are inviting responses in a separate consultation paper available at: www.audit-scotland.gov.uk

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. This information will help us to assess the scope of BV2 audit required for each council. We will use SOA data to inform our risk assessments.

We will issue guidance about the scope and coverage of self-evaluation, but we will not require a particular self-evaluation methodology or template.

BV2 will be the focus for more streamlined scrutiny

The BV2 audit process will be founded on shared-risk assessments undertaken with the other 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:

- Direction and pace of change judgement, which will report on the council's record in improving the services it provides.

- Capacity for future improvement judgement, which will assess the council's prospects of further improvement.

- Councils' self-awareness, as reflected in local self-evaluation activity, will be an important factor influencing these judgements.

We believe that these new judgements will provide a clear signal to the public about the performance of their local council and will also help those responsible for services to track improvement over time.

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 local authorities assess and respond to the views of the people who use their services, and of local citizens generally. The priorities of local people will be an important element of 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.

3. How to respond to the consultation proposals

The full consultation paper is available at www.audit-scotland.gov.uk

If you have any enquiries, please contact us by:

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

You can respond to the consultation:

- using the response form in [Appendix 2](#) of the consultation paper
- 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

Consultation on BV2 closes on 31 May 2009.

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 strategies⁶ 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

Notes:

- 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

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If you require this publication in an alternative format please contact us to discuss your needs.

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



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