
Report To:	Policy and Resources Committee	Date:	27 March 2018
Report By:	Head of Inclusive Education, Culture and Corporate Policy	Report No:	PR/07/18/GMcG/KB
Contact Officer:	Karen Barclay, Corporate Policy Officer	Contact No:	01475 712065
Subject:	Audit Scotland Reports on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils and Accounts Commission Report 'Auditing Best Value – a summary of the overall framework for our new approach'		

1.0 PURPOSE

1.1 The purpose of this report is to summarise Audit Scotland's 2017 Best Value Assurance Reports (BVARs) on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils, as well as a report on feedback provided by local authorities (including Inverclyde) on the new approach to auditing Best Value, as contained in the Account Commission report entitled 'Auditing Best Value – a summary of the overall framework for our new approach'.

2.0 SUMMARY

2.1 Summaries of the key issues from Audit Scotland's Reports on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils are set out in sections 5, 6, 7, 8 and 9. A summary of feedback provided by Councils (including Inverclyde) on the new approach of auditing Best Value is summarised at section 10.

2.2 Areas highlighted at the four Councils include:

- the Council's vision;
- performance;
- arm's length external organisations' (ALEOs) governance arrangements; and
- self-evaluation.

2.3 A number of case studies are included in the Reports, brief details of which are outlined in the Appendix. APPENDIX

2.4 In the Accounts Commission report mentioned at paragraph 1.1, Councils, in general, expressed strong support for the new approach to auditing Best Value with local authorities saying that they value the positive assurance provided where things are working well.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- a. notes the content of Audit Scotland's BVARs on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils and takes cognisance of the recommendations made in respect of each Council;

- b. notes that Officers are exploring Renfrewshire Council's Tackling Poverty Programme with the aim of establishing how we might learn from that Council's approach to this area of work; and
- c. notes the feedback provided by local authorities (including Inverclyde) regarding the new approach to auditing Best Value.

Wilma Bain

Corporate Director – Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 The findings of Audit Scotland reports on local authorities are reported initially to the Corporate Management Team (CMT) and thereafter to the Policy and Resources Committee, together with details of potential improvement actions for possible implementation. Consideration of such reports ensures that the Council is kept updated about issues raised by Audit Scotland regarding other councils; additionally, this information provides us with the opportunity to explore how we might learn from other local authorities with the aim of improving local service delivery.
- 4.2 Summaries of the key issues and recommendations in the reports on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils are set out in sections 5, 6, 7, 8 and 9. Outlined in the Appendix are details of case studies included in the BVARs. Officers are exploring Renfrewshire Council's Tackling Poverty Programme with the aim of establishing how we might learn from that Council's approach to this area of work.
- 4.3 The documents reviewed in this report are the new BVARs which aimed to offer a rounded and comprehensive analysis of a Council's performance. A BVAR will be produced for each local authority every five years. The documents cover:
- the clarity of a Council's priorities and the quality of long-term planning to achieve these;
 - how effectively Councils are evaluating and implementing options for significant changes in delivering services;
 - how effectively Councils are ensuring that Elected Members and Officers have the right knowledge, skills and time to lead and manage delivery of Council priorities;
 - how effectively Councils are involving citizens in decisions about services; and
 - the quality of Councils' Public Performance Reporting to help citizens gauge improvement.
- 4.4 As the Committee will be aware, Inverclyde Council was the first local authority to be audited by Audit Scotland as part of its new process of Best Value Audit. Inverclyde's BVAR was published on 1 June 2017 and a report on its contents, together with an Improvement Plan, was submitted to Inverclyde Council on 29 June 2017.
- 4.5 At the time of writing, six other Best Value reports have been published by Audit Scotland:
- Renfrewshire BVAR
 - East Renfrewshire BVAR
 - East Dunbartonshire BV follow up
 - West Lothian BVAR
 - Orkney Islands BVAR
 - Clackmannanshire BVAR.

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5.0 RENFREWSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

- 5.1 Renfrewshire Council's BVAR was published on 31 August 2017. The key areas of focus were:
- the Council's vision;
 - performance and outcomes;
 - change and improvement plans;
 - process and results of self-evaluation;
 - financial management and planning;
 - workforce planning;

- community and citizen engagement;
- ALEOs' governance arrangements; and
- transformation change and service redesign.

5.2 Renfrewshire Council – Key messages

Audit Scotland found that Renfrewshire has a clear and ambitious vision to revitalise the area's economy and address poverty and inequality, adding that it recognises that this vision can only be achieved over a long period of time. Additionally, the Council's partners share this vision and Renfrewshire's Council Plan, management structures and performance management arrangements are well aligned to it.

- 5.3 Since its 2006 Best Value Report, Audit Scotland note that Renfrewshire Council has maintained a steady pace of change, supported by effective leadership that has allowed it to improve the way it plans, manages and delivers its business. Audit Scotland also note that Renfrewshire has made these improvements at the same time as dealing with financial constraints and challenging socio-economic issues such as high levels of economic deprivation, low population growth and an increasing elderly population.
- 5.4 Since its Best Value Report 11 years ago, Renfrewshire has continued to make progress to improve governance arrangements, although there have been difficult working relationships between the main political parties and limited cross-party working. Additionally, Elected Members have not made the most of the training and development opportunities available to them.
- 5.5 Audit Scotland note that, historically, the operation and performance of the Audit, Scrutiny and Petitions Board has been weak, resulting in overall effectiveness of scrutiny at the Council being put at risk. Following last year's Scottish local government elections, Renfrewshire reviewed and revised the remits of its committees and established the Audit, Risk and Scrutiny Board.
- 5.6 Since 2006, Renfrewshire has steadily improved the performance of its services. Overall, the Council's performance is also improving and is comparable to similar local authorities in its family group. Additionally, the Council has implemented initiatives which have been delivered with Partners and are focused on making a difference at a local level.
- 5.7 Audit Scotland said that Renfrewshire has effective financial management and a sound medium-term financial strategy. Over a number of years, it has built up reserves - the level of which is significant for a Council the size of Renfrewshire - which are earmarked for specific purposes and aligned to the Council's strategic objectives. In common with other local authorities, Renfrewshire faces a significant funding gap in the medium-term.
- 5.8 Renfrewshire and its partners are good at working with, and involving, communities and will need to continue to work together on joint priorities and to strengthen the partnership working that already exists. Audit Scotland also said that, given the likely funding gaps in future budgets, the Council will need to work with the people who use its services to inform decisions about how those services will be delivered. This will provide a positive base for them to go further and fully implement the provisions of The Community Empowerment (Scotland) Act 2015.
- 5.9 Audit Scotland note that Renfrewshire has a good record of delivering services differently, adding that it works well with partners and has developed a number of new approaches to service delivery. Finally, in order to meet future challenges, the Council must agree a medium and long-term Workforce Strategy and implement its Organisational Development Strategy; this will be critical to managing how future services are delivered.

5.10 Renfrewshire Council – Recommendations

Audit Scotland made a number of recommendations for Renfrewshire Council, advising that it should:

- ensure Elected Members improve cross-party working, given the financial challenges that exist and the important decisions that will need to be made in the future;
- ensure Elected Members take advantage of the training and development opportunities provided so that they have the necessary skills and knowledge to perform their role effectively;
- review its governance arrangements to ensure they provide a relationship with Renfrewshire Leisure Limited that is clear, independent and more easily understood by the public;
- develop a detailed medium and long-term Workforce Strategy and Plan and implement its Organisational Development Strategy (as implementing these Strategies will be critical to managing how future services are provided);
- prioritise how services need to be provided in future to meet the savings in its medium-term Financial Strategy;
- be aware of the need for Community Planning Partners to plan their budgets and finances together to provide a clearer picture of the overall resources available; and
- together with Partners, continue to involve communities and work together on joint priorities and to strengthen partnership working (which will provide a positive base to ensure The Community Empowerment [Scotland] Act 2015 is fully implemented).

6.0 EAST RENFREWSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

6.1 East Renfrewshire Council's BVAR was published on 7 November 2017. The key areas of focus were:

- vision and target outcomes;
- performance;
- planning of resources;
- community engagement;
- ALEOs' governance arrangements;
- shared services;
- self-evaluation; and
- plans for transformation.

6.2 East Renfrewshire Council – Key messages

Audit Scotland found that East Renfrewshire's clear vision and strategic direction reflect its knowledge and understanding of the local area, adding that the vision is well supported by Elected Members, Officers and the Council's Partners.

6.3 Audit Scotland said that the Council's Elected Members should have a more transparent and active role in the scrutiny and challenge of decisions, as well as a greater oversight of the Council's transformation. However, East Renfrewshire's CMT provides clear direction and leadership and there are good working relationships between Councillors and the CMT.

- 6.4 It was noted that there was a steady pace of change under East Renfrewshire's Public Services Excellence Programme 2009/15. Additionally, during the last two years, the Council developed a more ambitious programme of business transformation, and the scale and rate of change have increased significantly; however, with this programme comes a risk to the capacity of the workforce and continuing service provision. Like a number of local authorities, Renfrewshire has an increasing demand from growing numbers of children and older people which is already putting pressure on Council services.
- 6.5 Audit Scotland said that East Renfrewshire continues to perform well, highlighting that children's services and education continue to improve from an already-high level. However, the performance of other Council services is more varied, partly reflecting the Council's range of policy priorities. That said, it is nonetheless encouraging to note that the results from the Citizens' Panel indicate that most residents are satisfied with services.
- 6.6 Partnership working at East Renfrewshire is well established and there are good working relationships with the Culture and Leisure Trust, well-established arrangements for integrated health and social care services and promising examples of joint working with other public bodies.
- 6.7 Audit Scotland said that East Renfrewshire's financial position is strong and that they have high levels of reserves and low levels of borrowing. However, the Council consistently underspends its revenue budget, generating high levels of unplanned year-end balances. It forecasts it will need to save over £26 million by 2020/21. Options for achieving these savings have been developed by Officers and consultation with Elected Members, Council employees and the public took place in Autumn 2017.
- 6.8 It is noted that East Renfrewshire has a period of accelerated change ahead, against a backdrop of demanding budget reductions and ambitious organisational development. Audit Scotland said that East Renfrewshire requires a better view of Council-wide progress in delivering its change programme, together with a fully integrated approach to financial and service planning. To secure Best Value, the Council should also consider different models of service delivery as part of its business transformation programme.
- 6.9 East Renfrewshire Council – Recommendations

Audit Scotland made a number of recommendations for East Renfrewshire Council, advising that it should ensure:

- that Elected Members take a more transparent and active role in scrutiny, as well as a greater oversight of the Council's transformation;
- it adopts a more strategic and co-ordinated approach to planning and managing corporate resources and transformation programmes, to encompass financial strategies and plans, workforce plans and asset management;
- it identifies why its revenue budget is consistently underspent and introduce more realistic budgeting policies and practices which reflect actual spending levels and patterns more closely;
- it continues to enhance its engagement with its communities and partners, progress the City Deal and work with the Community Planning Partnership to implement The Community Empowerment (Scotland) Act 2015; and
- it includes a wider variety of options appraisals as part of its approach to business transformation and service review (to ensure Best Value).

7.0 ORKNEY ISLANDS COUNCIL: BEST VALUE ASSURANCE REPORT

7.1 Orkney Islands Council's BVAR was published on 14 December 2017. The key areas of focus were:

- the Council's strategic direction;
- governance;
- how the Council manages its resources;
- partnership working;
- community engagement and empowerment;
- equal opportunities;
- change and improvement; and
- performance and outcomes against the Council's priorities.

7.2 Orkney Islands Council – Key messages

Audit Scotland said that Orkney Islands Council has a very good understanding of the area and its communities with clear priorities and ambition that reflect these. Additionally, the Council's leadership is stable and effective, with a strong focus on doing what is right for the communities of Orkney.

7.3 Since Orkney's Best Value Report in 2008, there have been gradual improvements in how it plans and manages its activities. The Council has improved its planning framework, performance management, the use of self-evaluation and the way it engages with communities. Additionally, the Council's pace of improvement has increased during the past three years since it focused improvement work around a change programme and its medium-term financial planning.

7.4 Orkney has benefited from a strong financial position for many years with income generated through marine port activities contributing to substantial financial reserves which have allowed the Council, to some extent, to supplement local government funding, to help protect front-line services. Nevertheless, certain cost-saving decisions have been taken, for example, the Senior Management Team has been halved in size.

7.5 Orkney has been slow to develop some of the other essential tools for using resources efficiently; examples include workforce planning, medium to long-term financial plans, asset management planning and digital and IT arrangements. However, the pace of progress has picked up in recent years and Audit Scotland said that it is important that the Council maintains the increased pace to ensure it makes the best use of public money. Additionally, Orkney should prepare longer-term financial plans to ensure that the sustainability, feasibility and practicalities of current spending plans, and to demonstrate that dependency on the Strategic Reserve Fund, to subsidise service delivery, is limited to the short-term.

7.6 Orkney residents show very high levels of satisfaction with Council services; indeed, some of the highest levels in the country. Additionally, external service inspections have been positive, especially in the Education Service. However, when measured against the Local Government Benchmarking Framework, improvement in service performance has tended to be slower in Orkney Islands Council than comparable local authorities.

7.7 Audit Scotland notes that Orkney Islands Council works well with its Partners and local communities and that there are some examples of good community engagement and progress in empowering communities. That said, the Council and the Orkney Community Planning Partnership do not yet measure, monitor and report sufficient evidence to demonstrate how effectively they are making progress towards delivering their outcome priorities for the community.

7.8 Orkney Islands Council – Recommendations

Audit Scotland made a number of recommendations for Orkney Islands Council, advising that it should:

- maintain the current pace of improvement and, in particular, ensure it makes progress with:
 - developing a detailed workforce plan that considers future workforce needs, current capacity, supply and recruitment, skills and financial constraints
 - managing capital projects effectively to avoid slippage and the negative impact on delivering strategic priorities
 - longer-term financial planning to ensure the sustainability, feasibility and practicalities of current spending plans (this should be done with reference to the Strategic Reserve Fund)
 - implementation of the IT Strategy and Digital Strategy, including the associated capital programme and completion of the review of capacity;
- support a culture of improvement and build on the self-evaluation work already in place in services and further develop a corporate approach;
- build on its good examples of community engagement and participation to improve consistency of approach across all the communities, including those that are 'hard to reach';
- set out how its activities will contribute to improved outcomes for communities so that it can evidence and monitor the impact;
- ensure, with Community Planning Partners, that clear performance management arrangements are in place to demonstrate that they are making progress towards delivering positive outcomes for the community; and
- consider how it can enhance its training and development programme for Elected Members and encourage better uptake by Councillors of personal development opportunities.

8.0 **WEST LoTHIAN COUNCIL: BEST VALUE ASSURANCE REPORT**

8.1 West Lothian Council's BVAR was published on 23 November 2017. The key areas of focus were:

- the Council's vision and priorities;
- community and citizen engagement;
- performance and outcomes;
- financial management and planning;
- resource management, including workforce planning;
- ALEOs' governance arrangements and working with partner organisations; and
- performance management, including the process and results of self-evaluation.

8.2 West Lothian Council – Key messages

Audit Scotland note that West Lothian has a clear vision to improve the quality of life for local people, adding that this vision is shared by its Partners and informed by local people through public consultation and ongoing engagement. The Council has also set clear priorities to support achieving this vision.

- 8.3 The Council's Executive Management Team provides strong leadership to the Council and there are good working relationships between Elected Members and Officers. At the time of issuing the Report, West Lothian was refreshing its Corporate Plan 2013/17 and has shown an awareness of the challenges ahead.
- 8.4 Since its 2005 Best Value Report, West Lothian has continued to demonstrate a number of strengths, for example, outcomes for local people are improving and the Council continues to perform well in comparison to other local authorities. Additionally, effective processes are in place to manage performance, there is a clear commitment to continuous improvement, as well as a well-developed self-evaluation process. However, some areas for improvement identified in the 2005 Report are outstanding.
- 8.5 Audit Scotland said that potential exists to improve how West Lothian monitors and reports on what it does to improve outcomes for local people. By better articulating, monitoring and reporting how Key Performance Indicators link to its priorities, the Council will be better able to show if, and how, its actions have made a positive difference to the lives of local people.
- 8.6 West Lothian has managed its finances effectively. However, during the next five years, it will need to address a budget gap of £73.5 million. At the time of issuing the BVAR, West Lothian Officers were identifying savings proposals and carrying out a public consultation as the Council refreshed its Financial Strategy to align with its next five year Corporate Plan. However, Audit Scotland note that Elected Members were not involved in determining priorities until the public consultation was issued in mid-October 2017, four months before they needed to agree the Budget. Audit Scotland said that earlier involvement by Elected Members in identifying priorities would have reduced the risk to the Council of failing to deliver the savings in the required timescales, particularly in 2018/19.
- 8.7 Audit Scotland acknowledges West Lothian's commitment to involving local people in identifying priorities and determining how services are delivered. The Council also works well with its Partners to deliver services in a joined-up way. However, Audit Scotland said that the Council needs to develop new approaches to delivering services so that it can successfully deliver the required savings, adding that it is important that it continues to work with local people in this respect. It also needs to build on this to deliver the requirements of The Community Empowerment (Scotland) Act 2015.
- 8.8 Since its last Best Value Report, West Lothian has introduced new governance and scrutiny arrangements, including new committees and Policy and Development Scrutiny Panels (PDSPs). While Audit Scotland note that the Panels provide opportunities for Elected Members to scrutinise policy development and its impact on services, the Council's overall arrangements are less effective, in practice, in supporting scrutiny of Council-wide performance. Furthermore, West Lothian's formal committee structure provides limited opportunity for Elected Members from outside the decision-making structure to scrutinise Council-wide performance. Audit Scotland said that, to provide effective scrutiny, Councillors need to play a more active role in committees and PDSPs. Additionally, the Council needs to assure itself that governance arrangements for its leisure trust are appropriate.
- 8.9 West Lothian Council – Recommendations

Audit Scotland made a number of recommendations for West Lothian Council, advising that it should:

- continue to increase its programme for community involvement in reviewing and improving services through the Customer Led Inspection Programme following a pause in activity (this will provide a positive base to fully implement The Community Empowerment [Scotland] Act 2015);

- review and enhance its Scheme of Administration to provide clarity that chairs of its key scrutiny committees should not be members of the Administration, and that it allows for sufficient involvement in scrutiny arrangements for Elected Members who are not members of the Council's decision-making committees;
- work with Elected Members to help ensure they are fully involved through the committee and PDSP structure in monitoring, scrutinising and driving its performance;
- be clear on the Key Performance Indicators that support its vision and priorities so that it is able to effectively monitor whether it is achieving its vision;
- ensure that all Elected Members take the lead in setting the priorities for the Council and ensure that savings proposals are in line with those priorities;
- make sure that Elected Members are involved at an early stage in identifying priorities in future years, to reduce the risk of delays when they need to make difficult decisions;
- ensure that, in terms of changes to the structure and responsibilities of West Lothian Leisure, governance arrangements are robust and fit for purpose;
- be aware that service transformation will be central to it being able to meet customer needs while responding to upcoming challenges and ensure this is considered alongside proposed savings options; and
- continue to make progress on developing and embedding its approach to digital service delivery.

9.0 CLACKMANNANSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

9.1 Clackmannanshire Council's BVAR was published on 25 January 2018. The key areas of focus were:

- the Council's vision and priorities;
- performance and outcomes against the Council's priorities;
- financial management and planning;
- community engagement;
- partnership working;
- self-evaluation; and
- plans for achieving transformation.

9.2 Clackmannanshire Council – Key messages

Audit Scotland said that Clackmannanshire faces an acute financial position which requires it to achieve further savings of around £29 million during the next three years. This is a substantial saving when considered in the context of the Council's annual budget of £118 million. However, Audit Scotland note that Clackmannanshire receives good quality information about its finances and has a clear understanding of the scale of the financial challenge it faces.

9.3 Although Clackmannanshire has recently made significant savings, it has not yet made the transformational changes required to secure its financial position. While it has used reserves to balance budgets, this approach is not sustainable and the Council must now make difficult decisions about the services it can afford to deliver. The Council is

currently reviewing how it operates and will need to balance the drive for savings against the need for sufficient Officer time and skills to support change.

- 9.4 Audit Scotland note that Clackmannanshire's strategic priorities are well-established. However, in recent years, political instability has affected its focus and ability to make the decisions required for lasting progress. Recently, however, there are signs of more effective working relationships across political groups – but this will be tested as the Council deals with the difficult decisions ahead. While it was acknowledged that Elected Members and Officers work constructively on a day-to-day basis, there is less evidence of the coherent, combined political and Officer leadership required to implement and maintain change.
- 9.5 On a positive note, during a period of budget reductions and service cuts, the Council has maintained service performance and customer satisfaction in a number of key areas. However, the pace of improvement is slow in some areas and not evident in others.
- 9.6 Encouragingly, Audit Scotland said that Clackmannanshire works well with its Partners to identify local priorities and to help deliver services. Additionally, it worked closely with stakeholders to develop the new Local Outcomes Improvement Plan (LOIP) 2017/27. Audit Scotland note that the LOIP includes a more focused set of local priorities which provide a clear basis for prioritising resources in the future.
- 9.7 In Clackmannanshire's Best Value and Community Planning Report 2007, Audit Scotland concluded that the Council faced significant challenges with limited resources. While the Council has made improvements in some areas, its financial challenges are much more significant which means that it now needs to take both urgent and decisive action. Audit Scotland added that, only then, will Clackmannanshire be in a position to demonstrate the pace, depth and continuity of improvement associated with Best Value.
- 9.8 Clackmannanshire Council - Recommendations

Audit Scotland made a number of recommendations for Clackmannanshire Council, advising that it should:

- ensure Elected Members and Officers build on their constructive working relationships to provide the coherent, combined leadership necessary to secure the Council's financial position;
- consider savings options and decide how best to direct resources to priorities (and work with communities to develop options and prepare for the difficult decisions it has to make);
- further develop its working relationships with its Community Planning Partners to ensure their combined resource is directed towards the strategic local outcomes;
- balance the drive for savings with the need for sufficient Officer time and skills to support change; and
- consider how it could make for more use of external assistance (for example, from other local authorities) to support improvement.

10.0 AUDIT SCOTLAND – REVIEW OF THE NEW APPROACH TO AUDITING BEST VALUE IN COUNCILS

- 10.1 In 2016, the Accounts Commission agreed the overall framework for a new approach to auditing Best Value which is based upon the following principles:
- The essential elements of Best Value remain as relevant and critically important today as when it was first established.

- There is a real need for the pace, depth and continuity of improvement to increase across local government and driving improvement will be at the core of the audit process for Best Value.
- There can be no compromise on the importance of good governance in Councils, including the need for effective scrutiny arrangements that contain the checks and balances that lie at the heart of our system of government.
- A proportionate and risk-based audit approach should be taken but the Commission requires more frequent assurance on Best Value across all 32 Councils.
- Greater synergy, and a better experience for Councils, can be achieved through integrating audit processes across the range of audit work applied in local government, alongside continued joined-up working with other scrutiny bodies.
- Audit work should have a strong focus on the quality of service experienced by the public and the outcomes achieved by Councils for their communities.

10.2 At the Accounts Commission meeting on 8 February 2018, a report entitled *Auditing Best Value – Review* presented a review of the first year of the new approach to auditing Best Value. Attached as an Appendix to the report was a document entitled *Audit Scotland – Review of the new approach to auditing Best Value in Councils* which included feedback from local authorities on how they found the new process; Inverclyde Council contributed to this feedback which is summarised in paragraphs 10.3-10.8.

10.3 Audit Scotland note that Councils, in general, expressed strong support for the new approach to auditing Best Value with local authorities saying that they value the positive assurance provided where things are working well.

10.4 It was reported that the local authorities said they recognise the importance of demonstrating to local citizens that Councils are being held to account for how effectively they demonstrate Best Value in delivering services.

10.5 Audit Scotland said that, overall, Councils said the BVARs are a fair reflection of their activities and areas for improvement, adding that all local authorities said they appreciated the clarity and readability of the Reports.

10.6 It was noted that the majority of Councils said that, overall, the experience of the process and its outcomes was a positive one which produced reports which were appreciated, considered useful and include details of clear areas for improvement.

10.7 Audit Scotland reported that BVAR Teams were integrated, with Performance Audit and Best Value staff and local auditors working together. This arrangement was recognised by Councils with feedback suggesting they welcomed the benefits of the integrated approach.

10.8 Finally, Audit Scotland advised that the Review demonstrates that the new approach to auditing Best Value is fit for purpose and meets the Accounts Commission's objectives for the new approach.

11.0 IMPLICATIONS

11.1 Financial Implications - One off Costs

Cost centre	Budget heading	Budget year	Proposed spend this report	Virement from	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

Financial Implications - Annually Recurring Costs/(Savings)

Cost centre	Budget heading	With effect from	Annual net impact	Virement from (if applicable)	Other comments
n/a	n/a	n/a	n/a	n/a	n/a

11.2 Human Resources: There are no direct human resources implications arising from this report.

11.3 Legal: There are no direct legal implications arising from this report.

11.4 Equalities: There are no direct equalities implications arising from this report.

11.5 Repopulation: Provision of Council Services which are subject to close scrutiny with the aim of delivering continuous improvement for current and potential citizens of Inverclyde support the Council's aim of retaining and enhancing the area's population.

12.0 CONSULTATION

12.1 There was no requirement to consult on the contents of this report.

13.0 CONCLUSION

13.1 The BVARs on Renfrewshire, East Renfrewshire, Orkney Islands, West Lothian and Clackmannanshire Councils were published between August 2017 and January 2018. The main findings of the documents are summarised in this report. While Inverclyde Council was the first in Scotland to be audited under the new process - and a report on our BVAR, together with an Improvement Plan, was submitted to Inverclyde Council in June 2017 - we recognise the importance of keeping abreast of the BVARs of the following five local authorities to be audited, including the case studies mentioned in the Appendix. Additionally, it is useful to learn about the feedback provided by local authorities in terms of the new approach to auditing Best Value.

14.0 LIST OF BACKGROUND PAPERS

14.1 Renfrewshire Council – Best Value Assurance Report, 31 August 2017

East Renfrewshire Council – Best Value Assurance Report, 7 November 2017

Orkney Islands Council – Best Value Assurance Report, 14 December 2017

West Lothian Council – Best Value Assurance Report, 23 November 2017

Clackmannanshire Council – Best Value Assurance Report, 25 January 2018

Audit Scotland – Review of the new approach to auditing Best Value in Councils, February 2018

Audit Scotland Reports on Renfrewshire, East Renfrewshire, Orkney Islands and West Lothian Councils and Recommendations for Inverclyde Council

Case studies

1. Renfrewshire Council

- **Case study 1 – The Tackling Poverty Programme**

In 2014, Renfrewshire's Tackling Poverty Commission was set up to assess the nature, causes and impact of child poverty in Renfrewshire. The Commission was the first of its kind in Scotland and it proposed several recommendations focussing on making a difference at a local level.

- **Case study 2 – Renfrewshire's Child Wellbeing Survey – improving outcomes for children**

The Achieving Step Change Programme, established in 2010, aims to ensure that Renfrewshire's plans for children's services focus on improving outcomes for children and incorporates their views in the process.

- **Case study 3 – Renfrewshire Community Safety Partnership (CSP): daily tasking**

Partnership daily tasking takes place each day in the CSP Hub to review incidents from the previous 24 hours. Details are then passed to the most appropriate service to look at an earlier intervention approach to resolve the issue before it worsens. The outcomes of each incident are monitored to identify patterns of persistent behaviour which means that resources, including people and money, are deployed based on evidence.

2. East Renfrewshire Council

- **Case study 1: Educational attainment is very good and continues to improve, including in the most deprived areas**

The performance of pupils gaining five or more awards in both Level 5 and 6 or above is the highest in Scotland and second highest for pupils in areas of deprivation. An example of a change made by the Council is the adoption of a 33-week period in 2006 (our secondary schools have 32 periods per week). This has enabled East Renfrewshire to maximise teaching time and deliver curricular benefits, such as more time for PE.

- **Case study 2: The Council has budgeted an extra £1.6 million for roads maintenance in 2017/18 but most of the backlog remains**

In 2016, East Renfrewshire's road network overall was placed 25 out of the 32 Scottish local authorities. The Council provided an additional £1.6 million in 2017/18, covering both roads and footpaths, to address some of the backlog but a significant amount will remain. A service review is underway to investigate ways of reducing the backlog, including potential sources of funding.

- **Case study 3: The Council works with Glasgow City Council on parking penalty charge notice processing**

In 2012, East Renfrewshire agreed that Glasgow City Council would provide back-office support services for penalty charge notice processing and the Council considered that the partnership had been successful.

- **Case study 4: The Council works closely with the Police at multiple levels**

Each Monday, a meeting between Council Officers, Police Officers, and Officers from Fire Scotland focuses on achieving 'Greater Results in Partnership' (GRIP). The Partnership meetings review incidents from the previous week; live issues; and take pre-emptive measures which make tangible improvement to outcomes for local residents. A shared plan addresses issues such as community safety, anti-social behaviour and multiple visits by public bodies to the same address.

3. Orkney Islands Council

- **Case study 1: Orkney Research and Innovation Campus**

The vision for the multi-agency funded Campus is to support the growth of existing research and innovation activity; support the expansion of companies in Orkney's marine renewables, energy and low carbon sectors; and attract academic institutions and businesses with an interest in carrying out a wide range of research projects in an island setting including energy resources, transport needs, culture and economy.

- **Case study 2: Our Islands – Our Future (OIOF)**

Since 2013, Orkney Islands, Shetland Islands and Western Islands Councils have worked closely to raise the profile of the islands through the OIOF Campaign. The main objectives of the initiative are to get the UK and Scottish Governments to recognise the specific issues and opportunities for the islands and to secure changes that will help the Councils to do more for the economic and social sustainability of their respective communities.

- **Case study 3: Islands Link Officer**

Under its Empowering Communities Project, the Council funds two pilot Island Link Officers on the islands of Papa Westray and Stronsay which provide some of the services provided by the Orkney's main Customer Services Team in Kirkwall. The project's objective is to provide remote communities with a closer link to the Council.

4. West Lothian Council

- **Case study 1: The Council is involving local communities in deciding how they use community centres**

West Lothian's community centres are run in partnership with management committees made up of local people who have responsibility for developing the programme of activities delivered at the centres.

The committees rent the centres from the Council and decide the letting fees and policies for each facility. The Council retains ownership of the centres and pays for utilities and staff. However, the management committees can use the income they generate to redecorate and furnish the centres to meet their needs. This arrangement has not cost more than if the Council ran the centres in a more traditional manner. West Lothian is progressing partnership agreements to ensure the priorities and programmes set by the committees are aligned to Council priorities.

- **Case study 2: Partnership Centres in West Lothian**

West Lothian Council has three Partnership Centres (and plans for another five) which provided a 'one stop shop' facility for local people. Bathgate Partnership Centre provides a wide range of Council services, as well as a base for the Bathgate Community Centre. The Fauldhouse Partnership Centre also provides Council services, as well as leisure facilities, a GP practice, pharmacy and a base for Jobcentre Plus. Finally, the Strathbrock Partnership Centre hosts a variety of social and healthcare facilities provided by the Council, NHS Lothian and the voluntary sector.

- **Case study 3: Partnership working to deliver services for children and young people in West Lothian**

Three examples of effective joint working to deliver services in West Lothian were highlighted as good practice examples for other Community Planning Partnerships. The first one is 'Domestic Abuse and Safe and Together' which is a partnership focused on co-ordinated early intervention, rather than post-incident involvement. The second initiative, the 'Whole Family Support Service', was developed to meet the needs of families who had been in contact with various services for a number of years. A wide range of partners – including the West Lothian Youth Action Project and Children 1st - are involved in providing support to clients. Lastly, 'West Lothian Youth Justice' focuses on early intervention and comprises the integration of Youth Justice Services and Criminal Justice Services with a focus on early intervention.

- **Case study 4: The Council actively pursues continuous improvement through a well-embedded self-assessment process, although this could produce more strategic recommendations**

The West Lothian Assessment Model assists Council services to assess their performance by looking at what they have done (Enablers) and what they have achieved (Results).

5. Clackmannanshire Council

- **Case study 1: Councillors reversed decisions designed to improve the Council's financial position**

On 9 February 2017, reports were presented with the aim of protecting the Council's financial position during the medium and long term. Elected Members agreed that compulsory redundancies would be used as a last resort and that a tender exercise should be undertaken for external expertise to review and redesign how the Council provides services. Two weeks later, however, the Administration submitted an amendment to reverse the decisions it had proposed and voted through. The amendment required a vote on changes to Standing Orders, which was defeated. The Labour Administration resigned during the Special Meeting and the decision on the budget was deferred.

However, despite not having an agreed Budget, on 23 February 2017, the Council opted to increase its Council Tax. Setting Council Tax without reference to an agreed Budget is an exceptional situation but the Council had a legal requirement to set the Council Tax. While the Council finally agreed its Budget 2017/18 on 27 March 2017, the decisions agreed on 9 February 2017 were reversed.

- **Case study 2: Working with an external consultant, the Council changed its management and approach in housing and revenues services**

Following a review in housing and revenues services, a range of changes and improvements were implemented. For example, despite a reduction in staff levels, the Council increased the percentage of homeless people housed from 57% to 87% and increased its Council Tax collection rate to the highest ever level since 2009.