
Report To:	Policy and Resources Committee	Date:	21 May 2019
Report By:	Head of Organisational Development, Policy and Communications	Report No:	PR/11/19/SMcN/KB
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Subject:	Audit Scotland Report on South Lanarkshire Council		

1.0 PURPOSE

1.1 The purpose of this report is to summarise the main points of Audit Scotland's 2019 Best Value Assurance Report (BVAR) on South Lanarkshire Council.

2.0 SUMMARY

2.1 A summary of the key issues from Audit Scotland's Report on South Lanarkshire Council is set out in section 5.

2.2 Areas highlighted at the local authority include:

- employee and community engagement;
- performance;
- partnership working; and
- digital inclusion.

2.3 A number of case studies are included in the Report, information on which is outlined in the Appendix. APPENDIX

2.4 There are no potential improvement actions arising from South Lanarkshire's BVAR for implementation by Inverclyde Council.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- a. notes the content of Audit Scotland's BVAR on South Lanarkshire Council and takes cognisance of the recommendations made in respect of that local authority.

Ruth Binks
Corporate Director – Education, Communities and Organisational Development

4.0 BACKGROUND

- 4.1 The findings of relevant Audit Scotland reports on local authorities are reported initially to the Corporate Management Team and thereafter to the Policy and Resources Committee, together with details of potential improvement actions for implementation by Inverclyde Council, as appropriate. Consideration of such reports ensures that we are 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 BVAR on South Lanarkshire Council are set out in section 5. Outlined in the Appendix are details of case studies included in the Report.
- 4.3 The document reviewed in this report is one of the new BVARs which aim to offer a rounded and comprehensive analysis of a Council's performance. A BVAR will be produced for each local authority at least once every five years. The Reports 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 Members 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.

Min. Ref.
Inv. Coun.
29.6.17
Para 361

4.5 At the time of writing, a number of other Best Value reports have been published by Audit Scotland and reported on to the Policy and Resources Committee:

	<u>Publication date</u>
Falkirk BV follow-up	1 February 2018
Clackmannanshire BVAR	25 January 2018
Orkney Islands BVAR	14 December 2017
West Lothian BVAR	23 November 2019
East Dunbartonshire BV follow-up	16 November 2017
East Renfrewshire BVAR	7 November 2017
Renfrewshire BVAR	31 August 2017.

A report on the above BVARs (excluding the follow-up documents) was considered by the Policy and Resources Committee at its meeting on 27 March 2018.

Min. Ref.
P&R
Cttee.
27.3.18
Para 212

4.6 Additionally, the following Best Value reports were published by Audit Scotland, the key issues of which were reported to the meeting of the Policy and Resources Committee on 5 February 2019:

Min. Ref.
P&R
Cttee.
5.2.19
Para 76

	<u>Publication date</u>
Dumfries and Galloway BVAR	22 November 2018
East Lothian BVAR	1 November 2018
Glasgow City BVAR	23 August 2018
West Dunbartonshire BVAR	28 June 2018
East Ayrshire BVAR	29 May 2018
Fife BVAR	24 May 2018.

5.0 SOUTH LANARKSHIRE COUNCIL: BEST VALUE ASSURANCE REPORT

5.1 South Lanarkshire Council's BVAR was published on 28 March 2019. The key areas of focus were:

- the Council's vision and strategic direction, including how well the leadership of the local authority works together to deliver priorities that reflect the needs of the community;
- the effectiveness of South Lanarkshire's governance, decision-making and scrutiny arrangements;
- an overall assessment of outcomes and performance and the reporting of these;
- how the Council plans the use of resources including asset management, financial planning and workforce planning, to support delivery of its priorities;
- delivery of services through partnership and collaborative working, including progress with health and social care integration;
- community engagement and responsiveness and its impact on the Council's priorities and activities; and
- how effectively South Lanarkshire's self-assessment framework drives continuous improvement in service priorities.

5.2 South Lanarkshire Council – Key messages

Audit Scotland said that South Lanarkshire performs well. Since its last Best Value Report ten years ago, the Council has demonstrated steady improvement and has a comprehensive and structured approach to continuous improvement. Additionally, evidence exists that service redesign and capital investment are improving outcomes for local people and resulting in efficiencies that will help ensure financial sustainability.

5.3 Effective leadership is in place at the Council, together with a clear strategic direction. Audit Scotland also noted that Elected Members and Officers work well together.

5.4 While the Council can demonstrate improved performance in many services, there are other areas where improvement is needed. Audit Scotland found that the results from service satisfaction surveys differ from those of National Household Surveys; it was therefore suggested that the reasons for this anomaly need to be explored and addressed.

5.5 South Lanarkshire is aware of the need to review the number and quality of its targets, as well as how it measures progress against achieving them. By doing so, the Council will be able to provide Elected Members with a clearer picture of its performance against strategic objectives.

5.6 Audit Scotland commented that the Council works well with a range of public sector, business and academic partners, with the aim of improving outcomes for local residents. However, while partners have a shared vision, it is noted that the links between South Lanarkshire's Connect Plan 2017/22 and the Community Planning Partnership's Community Plan 2017/27 could be clearer. Additionally, Audit Scotland said that the Community Planning Partnership Board should take a more active role in driving partnership working.

- 5.7 At South Lanarkshire, improvement is required around how the Council uses community engagement to shape services. However, Audit Scotland note that the Council has recently set up a Community Participation and Empowerment Team which will review the Council's approach to community participation and engagement.
- 5.8 South Lanarkshire understands its responsibilities in terms of The Community Empowerment (Scotland) Act 2015 – and has a history of transferring assets to community groups – but, together with its partners, has been slow to progress parts of the legislation, including the preparation of Locality Plans.
- 5.9 On a positive note, Audit Scotland found that financial management at South Lanarkshire is sound and that the Council has a strong track record of delivering large-scale capital projects on time and on budget; for example, the Schools Modernisation Programme, more details of which are outlined in the Appendix. Additionally, the Council has established a good process in terms of long-term financial planning. While the Council's future financial plans will be challenging, Audit Scotland's view is that South Lanarkshire is well placed to address the projected funding gaps.
- 5.10 There are no potential improvement actions for Inverclyde Council arising from South Lanarkshire Council's BVAR.
- 5.11 South Lanarkshire Council – Recommendations

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

- take steps to ensure the links are clearer between its Connect Plan 2017/22 and the Community Planning Partnership's Community Plan 2017/27, with a sharper focus on key areas of activity;
- prepare Locality Plans as a matter of urgency;
- conduct an employee survey and use the results to drive improvement and share good practice;
- explore how Elected Members can improve public scrutiny of key decisions, performance and financial reports;
- review the training and development needs of Elected Members and thereafter devise a plan to ensure they have the skills required to effectively carry out the scrutiny and challenge aspects of their remits;
- ensure its performance indicators provide meaningful information and are appropriate to the reporting level;
- review the current arrangements for assessing resident satisfaction with the aim of ensuring that meaningful data is available to help inform the shaping of future services;
- take steps to ensure the Community Planning Partnership Board takes a more active role in driving partnership working, the monitoring of outcomes and feeding back to the Thematic Sub-Groups;
- review its governance structures to ensure they support community-based activity;
- devise a Digital Inclusion Strategy and ensure it complements its Digital Strategy; and

- implement revised community engagement arrangements – including consistent and high-quality consultation across all Council Services - with the aim of improving how it is used to shape services.

6.0 IMPLICATIONS

6.1 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

- 6.2 Human Resources: There are no direct human resources implications arising from this report.
- 6.3 Legal: There are no direct legal implications arising from this report.
- 6.4 Equalities: There are no direct equalities implications arising from this report.
- 6.5 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.

7.0 CONSULTATION

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

8.0 CONCLUSION

- 8.1 The BVAR on South Lanarkshire Council was published on 28 March 2019; the main findings of the document are summarised in this report. While Inverclyde Council was the first in Scotland to be audited under the new Best Value process, we recognise the importance of keeping abreast of the BVARs of the following local authorities to be audited, including the case studies outlined in the Appendix.

9.0 LIST OF BACKGROUND PAPERS

- 9.1 South Lanarkshire Council – Best Value Assurance Report, 28 March 2019.

Audit Scotland Report on South Lanarkshire Council

Case studies

1. **Case study 1: The Council has replaced the entire primary school estate with modern accommodation**

Between 2004 and 2018, South Lanarkshire's Schools Modernisation Programme replaced 126 primary schools (either via refurbishment or new build) with modern accommodation; the initiative has been delivered on budget (of £869 million). The Programme will be complete when the remaining three schools open during the 2018/19 academic year. The modernised schools – which have been positively received by stakeholders including teaching staff and parents – are a key element in the delivery of a number of objectives in the Council's Connect Plan 2017/22.

2. **Case study 2: Working with the University of the West of Scotland**

The Council engaged with the University following the latter's indication to vacate its Hamilton campus and possibly move out with the area if an appropriate alternative site could not be found in South Lanarkshire. When a suitable site for the new state-of-the-art campus was identified at Hamilton International Park, the Council intervened to progress the proposal as restrictions prevented the landlord from leasing the site directly to the University. The University later moved into its new premises in time for the 2018/19 academic year.

South Lanarkshire Council and the University went on to form a joint venture to maximise the financial potential from their unused sites in Hamilton. By combining the former University Campus with an adjacent Council site, the sale value will significantly increase. Additionally, the Council's Planning Committee approved plans for the development of a *Hamilton Urban Village* which is expected to generate significant capital receipts for the Council and the University and enable redevelopment in that part of Hamilton.

3. **Case study 3: The Council hosts the Supplier Development Programme**

South Lanarkshire Council hosts the Programme which is a business support initiative that provides training and information to help small- and medium-sized local businesses to bid for public sector contracts. Membership of the Programme comprises all Scottish local authorities, as well as other public sector bodies.

The Programme delivers and facilitates training events throughout the country, together with web-based training. An annual *Meet the Buyer* event provides a unique opportunity for delegates to meet a wide range of Scottish and UK public bodies and business support agencies.