

# Midlothian Integration Joint Board Audit and Risk Committee



## Best Value Framework

**Thursday, 6 June 2024**

**Item number: 5.5**

### Executive summary

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The IJB is governed by the same regulations that govern Local Authorities. Under these regulations the IJB has a statutory duty to deliver best value. The most recent revised statutory guidance on Best Value is attached to this report – this lays out what best value means and how local authorities can ensure that it is properly delivered. Fundamentally, best value means that the body (in this case the IJB) has proper arrangements to secure continuous improvements in how it delivers its functions. Elements of the guidance does not apply directly to the IJB – it is a strategic planning body and does not directly deliver any health or social care services but the broad principles do apply.

Audit Scotland prepared best value questionnaire for IJBs to allow the IJB to clearly understand how the IJB could deliver its best value duty. A paper was presented to this committee at its March 2022 meeting working through this questionnaire and that the IJB prepare a best value framework.

The IJB show now prepare a best value framework which they can the use on an annual basis to ensure that their duty of best value has been achieved.

#### **Committee members are asked to:**

- Request that the IJB develop a best value framework which can then used to assess the delivery of best value.
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## 1. Purpose

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This paper updates the committee on the duty of Best Value, on how that applies to the IJB and how the IJB can ensure that this duty is delivered.

## 2. Recommendations

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2.1 Committee members are asked to

- Request that the IJB develop a best value framework which can then used to assess the delivery of best value.

## 3. Background and main report

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3.1 The IJB is constituted under s106 of the Local Government Scotland Act 2003. As such, along with all such bodies covered by this act, it has a statutory duty to secure best value.

3.2 These duties are –

- The duty of Best Value, being to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and in making those arrangements and securing the balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development.
- The duty to achieve break-even in trading accounts subject to mandatory disclosure.
- The duty to observe proper accounting practices.
- The duty to make arrangements for the reporting to the public of the outcome of the performance of functions.

The IJB has no trading accounts and this duty is not required.

3.3 The revised best value guidance (2020) is attached to this report for information.

3.4 There are seven broad themes against which the IJB can assess its compliance against its duty of best value. These are –

- 1 – Vision and Leadership
- 2 – Governance and Accountability
- 3 – Effective Use of Resources
- 4 – Partnerships and Collaborative Working
- 5 – Working with Communities
- 6 – Sustainable Development

## 7 – Fairness and Equality

- 3.5 Each of these themes is discussed further in the guidance which lays out, in considerable detail, both the importance of these themes and offers thoughts on how they can be delivered.
- 3.6 As is mentioned above the IJB, although covered by this duty, is a strategic planning body and does not deliver operational services in the way that Councils do. In order to clarify how IJB could ensure that they were addressing their duty of best value, Audit Scotland prepared a questionnaire. At its meeting in March 2022, the Audit and Risk committee the committee having requested that draft responses to the questionnaire be completed. This document is attached for information (appendix 2)
- 3.7 The committee agreed to recommend to the IJB that an appropriate Best Value framework is drawn up. This will mean that having agreed such a framework, then on an annual basis the achievement of best value will be considered by looking at the work and actions of the IJB to deliver against the seven themes laid out above.
- 3.8 The IJB partners have slightly different approaches to Best Value. Midlothian Council is, of course covered, by the 2003 Act and the guidance as attached but NHS Lothian has a slightly different model. Health Boards have a statutory duty under the Public Finance and Accountability (Scotland) Act 2000) to use their resources 'economically, efficiently and effectively'. This is, to all intents and purposes, the same as the duty of best value.
- 3.9 The IJB, when issuing directions to its partners, should also include a specific requirement for the partners to deliver the services recognising their duty of best value.

## 4. Policy Implications

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- 4.1 There are no further policy implications arising from this report.

## 5. Equalities Implications

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- 5.1 There are no equalities implications arising from this report.

## 6. Resource Implications

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- 6.1 There are no resource implications arising from this report.

## 7 Risks

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- 7.1 There are no further risks arising from this report.

## 8 Involving People

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8.1 There are no direct implications for involving people as a result of this report.

## 9 Background Papers

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9.2 None

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**Appendix 1 – Best Value – Revised statutory guidance 2020.**

**Appendix 2 – IJB Audit and Risk Paper – Best Value, consideration of the Audit Scotland Questionnaire. Presented to the committee at its March 2022 meeting.**