

Best Value Assurance Report

Report by: Dr Grace Vickers, Chief Executive

1. Purpose of Report

The purpose of this report is to advise council of the initial findings and recommendations of the Best Value Assurance Report for Midlothian Council considered by the Accounts Commission at their meeting on 13 June 2019 and to note that a final report, with the Accounts Commissions Findings, will be published on 4 July 2019.

2. Background

- 2.1** Audit Work to support the Best Value Assurance Report for Midlothian Council was carried out between January and March 2019. The audit focused on 5 key questions:
- 2.2** The audit work was carried out by a team of auditors and best value auditors from Ernst & Young and Audit Scotland and involved an extensive review of documentation and interviews with elected members, council officers and partners. The draft report was produced in June and the final report with the Accounts Commission's findings will be published on 4 July 2019. The draft report is attached as an appendix.
- 2.3** The report concludes that the Council has delivered a number of ambitious projects since the Council's last Best Value report, in particular in relation to schools, community campuses, housing and transport. Other key points in the report include:
- The council still needs to focus on some key requirements for Best Value, including financial sustainability, financial management and transformation.
 - There are risks around the council's successful delivery of change due to its past track record and the scale of the challenge in both the medium and longer term.
 - Elected members need to work together to urgently agree the medium-term financial strategy and transformation programme.
 - Performance across services is mixed and the council is among middle performing councils using benchmarking indicators.
 - The council makes good use of data to understand and improve its performance.
 - Partnership working continues to be a strength at the council.
- 2.4** The report includes a set of recommendations for the Council. These are detailed below and will inform the improvement action plan which will be presented to Council following publication of the final report:

- As a matter of urgency, officers and elected members need to work together to develop and agree the medium-term financial strategy and progress the council's transformation plans.
- The council needs to develop and sustain more constructive relationships between members and between members and officers. It needs to implement effective cross-party governance arrangements to ensure that it delivers the medium-term financial strategy and transformation plans.
- The council needs to ensure that workforce planning reflects the medium-term financial strategy.
- The council should undertake a review of its capital programme, to ensure that the timeframes for delivery are achieved going forward and that monitoring and reporting mechanisms are enhanced to drive more accurate analysis and planning around capital work.
- The council need to continue to implement financial planning arrangements to address budget gaps, underpinned by robust financial budgeting and monitoring arrangements.
- The council should refine its vision in light of the outcome of consultation work through the Services with Communities transformation workstream and to ensure that it focuses its activity most effectively.
- Elected members need to exercise appropriate scrutiny at all times, take ownership for personal development plans and take up relevant training opportunities.
- The council should continue to build on positive elements of community empowerment. It should look to increase community ownership of local neighbourhood plans and work with communities to improve how they monitor progress.

2.5 The Accounts Commission will also issue a set of findings based on the Best Value Assurance Report and its recommendations as part of the final report to be published in July. These findings will also inform the improvement action plan.

2.6 The Council has a duty to respond to the Commission's findings and the recommendations set out in the report. To respond to this duty Council will be presented with the proposed improvement action plan following the summer recess and publication of the final report in July 2019.

3 Report Implications

3.1 Resource

No additional resources are required as a result of this report, however future improvement planning actions will consider any future resource requirements.

3.2 Risk

The Council has a duty to respond to the Accounts Commissions findings and this will be addressed following publication of the final report on 4 July 2019.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

3.4 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:

- Reducing inequalities in learning outcomes
- Reducing inequalities in health outcomes
- Reducing inequalities in economic circumstance

Best Value guidance identifies two cross-cutting themes which Best Value organisations should fully embrace across all activities by which they deliver their outcomes. The cross-cutting themes are Equality and Sustainability.

3.5 Impact on Performance and Outcomes

The duty of Best Value in Public Services is as follows:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance,
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

The above considerations inform the developing Medium Term financial Strategy.

3.6 Adopting a Preventative Approach

The Best Value duty supports the need to consider preventative approaches where appropriate and possible.

3.7 Involving Communities and Other Stakeholders

The report was produced following engagement with both officers and partners and following a significant review of documentation available, including documents from partners and communities.

3.8 Ensuring Equalities

Whilst equalities is a key requirement for Best Value organisations, there are no equalities issues to be considered for this report.

3.9 Supporting Sustainable Development

Sustainability is a key requirement for Best Value organisations and this will inform the developing improvement plan to be brought to Council post summer recess.

3.10 IT Issues

There are no IT issues arising from this report.

4 Summary

The council recognises the need to deliver against the duty of Best Value and this will be considered further following publication of the final Best Value Assurance Report and the development of the improvement action plan which will be brought to Council following the summer recess.

5 Recommendations

Council is asked to note the initial Best Value Assurance Report. Following the publication of the final report in July 2019, an improvement action plan will be submitted to Council for consideration in August 2019.

Appendices: **Midlothian Council - Best Value Assurance Report**

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Background Papers: **None**