

MEETING: 11 JUNE 2020**REPORT BY: SECRETARY TO THE COMMISSION****BEST VALUE ASSURANCE REPORT: NORTH AYRSHIRE COUNCIL**

Purpose

1. The purpose of this paper is to introduce for the Commission's consideration the Controller of Audit's Best Value Assurance Report for North Ayrshire Council.

Background

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide more regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. It is intended that this will be achieved by the Controller of Audit submitting a Best Value Assurance Report (BVAR) on each council at least once during the five-year audit appointment and by Best Value being reported in annual audit reports.
3. The attached BVAR (Appendix 1) is on North Ayrshire Council. This is the first BVAR on the council and reports on the progress made by the Council since previous Best Value reports. The Controller of Audit reported to the Accounts Commission on the Council in January 2011 and the Commission's findings were published in [March 2011](#) (set out in Appendix 2).

The Controller of Audit report

4. The BVAR is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
5. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - the accounts of local authorities audited under the Act;
 - any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - the performance by a local authority of their statutory duties in relation to best value and community planning.
6. A copy of the report is being sent to the Council, which is obliged to supply a copy to each elected member of the Council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the Council it is effectively in the public domain.
7. The report concludes with a series of recommendations proposed by the Controller of Audit which are to be part of the Commission's considerations.

Procedure

8. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
9. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
10. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
11. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the council of its decision, which the Commission does before making the decision public.

Conclusion

10. The Commission is invited to:
 - a) consider the Controller of Audit's BVAR on North Ayrshire Council; and
 - b) decide in private how it wishes to proceed.

Paul Reilly
Secretary to the Commission
1 June 2020

BEST VALUE ASSURANCE REPORT: NORTH AYRSHIRE COUNCIL

See separate paper.

**BEST VALUE AND COMMUNITY PLANNING REPORT – NORTH AYRSHIRE COUNCIL:
COMMISSION FINDINGS**

MARCH 2011

1. The Accounts Commission accepts this report from the Controller of Audit on North Ayrshire Council's performance of its statutory duties on Best Value and Community Planning. The Commission accepts the Controller of Audit's judgements that, in respect of these duties, the council's overall performance is satisfactory and that it has fair prospects for future improvement.
2. The Commission recognises encouraging signs since mid-2009 of a real increase in the commitment to addressing the key Best Value characteristics of performance management, improved resource management and the engagement of elected members in improvement activity. The Commission very much welcomes the aims of the council's change programme and the associated improvement activity.
3. The Commission also welcomes evidence that North Ayrshire Council is performing well in some important service areas such as education, housing, social work, planning and libraries. The council has a clear focus on the challenges of its area and progress is being made in key outcomes related to caring for and supporting the most vulnerable people in the area.
4. While recognising this progress and good service performance, the Commission notes that many of the activities and developments designed to secure a culture of continuous improvement are at an early stage and there is much still to be achieved. It is too soon in the current change process to form a judgement on its lasting impact.
5. When looked at over the whole period since the first Best Value report on the council was published in 2005, the progress is disappointing. We welcome the council's awareness of its own development needs and urge it to continue to strengthen the process of change and improvement.
6. The council must achieve demonstrable and enduring change in the key processes that ensure Best Value. This is essential if the council is to be able to sustain good service performance, extend that level of performance to other service areas and demonstrate that it is achieving value for money.
7. In particular, the Commission urges the council to make progress in establishing sufficiently robust performance management arrangements to support elected members in their scrutiny role. The council also needs to develop a financial strategy and secure comprehensive improvement in its ability to demonstrate that it is using resources efficiently. Improvements in asset management and procurement of goods and services are essential to this. The council should continue to strengthen its work with health partners, and its approach to sharing resources with partners to address priority outcomes.
8. The increasing commitment of elected members to their scrutiny role is encouraging. The Commission urges elected members to continue to develop this, and to play a full part in leading and supporting change management in the council. The council should ensure that managers are equipped with an understanding of continuous improvement and the capacity to implement change throughout the organisation.

9. On behalf of the Commission, Audit Scotland will continue to work closely with other scrutiny bodies to deliver an annual shared risk assessment of North Ayrshire Council and agree a schedule for audit and inspection work to assess continued progress. External auditors will monitor progress on the key issues identified in these findings and report on them as part of the annual audit process, and the Controller of Audit will consider as appropriate whether to make a further report to the Commission.