

MEETING: 10 JUNE 2021

REPORT BY: SECRETARY TO THE COMMISSION

BEST VALUE ASSURANCE REPORT: ABERDEEN CITY 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 Aberdeen City Council.

Background

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide 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 Aberdeen City Council. It is accompanied by an extended case study on the council's approach to digital (Appendix 2). Audit Scotland propose, if the Commission is agreeable following its consideration of the Controller of Audit report, to publish the case study on their [digital e-hub](#) on their website.
4. This is the first BVAR on Aberdeen City Council and it reports on the council's progress since previous Best Value reports. The Controller of Audit reported to the Accounts Commission on the Council in June 2015 and the Commission's findings were published in [July 2015](#) (set out in Appendix 3).

The Controller of Audit report

5. The Controller of Audit's BVAR is made 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). 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 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.
12. Aberdeen City Council issued a bond in 2016. To comply with the Market Abuse Regulation, the Council is obliged to notify the London Stock Exchange at each stage when the Controller of Audit report and Commission's decision are made public. The audit team is in close contact with council officials to ensure proper adherence with the regulations.

Conclusion

13. The Commission is invited to:
 - a) consider the Controller of Audit's BVAR on Aberdeen City Council; and
 - b) decide in private how it wishes to proceed, including the approach to the proposed case study (as referred to in paragraph 3).

Paul Reilly
Secretary to the Commission
1 June 2021

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APPENDIX 1

See separate paper.

ABERDEEN CITY COUNCIL DIGITAL E-HUB CASE STUDY

APPENDIX 2

See separate paper.

BEST VALUE AND COMMUNITY PLANNING REPORT –
ABERDEEN CITY COUNCIL: COMMISSION FINDINGS
JULY 2015

1. The Commission accepts this report by the Controller of Audit on the Audit of Best Value of Aberdeen City Council. The Commission welcomes the progress by the council in a number of areas since the Commission's Best Value report on the council in 2009, including financial planning and management, and openness to alternative service delivery arrangements. There is a great deal more improvement to be delivered and consolidated. We are encouraged by the council's self-awareness in recognising how it needs to improve.

2. The priority for the council, given its history, must be to continue its momentum, to evidence improvements and to ensure that these are firmly embedded throughout the council.

3. In particular, the council needs to:

- ensure the council's vision is translated into clear objectives and targets with links to service plans
- take further steps to encourage and consolidate elected members' ownership of the council's vision
- make better use of the development framework for elected members so that members' development needs are being met to help them fulfil their roles, and ensure elected members are receiving consistent information on service performance to enable them to discharge their scrutiny role effectively
- review and strengthen arrangements for employee engagement and communication to ensure all employees have a full understanding of the council's vision and priorities.

4. As it is too early to assess the effectiveness of much of the improvements put in place or which have yet to be fully implemented, we require the Controller of Audit to note our continuing interest in the council and to monitor and report back if there is evidence that improvements are not being delivered or embedded.