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## Press release

Embargoed until 00.01 hours, Thursday 13 May 2010

### Accounts Commission welcomes progress at The Highland Council and the potential for future improvement

**The Highland Council has strong leadership and knows where it needs to improve, according to the Accounts Commission. It is also focused on issues that matter to local people and works well with partners. However, it needs to make sure it can better demonstrate value for money.**

The Highland Council is generally delivering good quality services resulting in high and improving levels of customer and citizen satisfaction. Some improvement is required in areas such as adult social work and the management of housing rent arrears.

Chair of the Accounts Commission, John Baillie, said: "The council benefits from strong political and managerial leadership. We particularly welcome evidence that elected members now provide clear and consistent community leadership and strategic direction, combining concern for local issues with a shared ambition for the community as a whole."

The council has made tangible progress on areas of improvement identified in the first Best Value audit in 2006. A culture of continuous improvement has developed and deepened, and the council clearly knows where it needs to improve based on feedback from communities.

John Baillie continued: "The Commission also welcomes evidence that the council is aware of, and working on, the challenges for its future financial planning. The council should now look to improve its corporate asset management and workforce planning and ensure it has effective mechanisms which allow it to test for value for money and demonstrate competitiveness. Elected members need all these things to allow them to make clear decisions especially when budgets are under increasing pressure."

The council should also, as a matter of urgency, make progress on its review of pay and terms and conditions, and to resolve continuing legacy issues from former district and regional council structures. These have been outstanding for some years and the Commission says they present a significant financial and staff morale risk.

The Commission also notes the action taken by the council on issues relating to Caithness Heat and Power and expects to consider a report from the Controller of Audit on this separately.

Two new judgements have been introduced to the audit, on the direction and pace of change and on the prospects for future improvement. The judgements for The Highland Council are that it is improving well and it is well placed to deliver future improvement.

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#### Notes to Editors:

1. The first phase of audits of Best Value and Community Planning (BV1) has been completed, with at least one report and findings published on all councils. Best Value 2 (BV2) is the second phase and has been tested at five councils, with 'pathfinder audits'. Today's BV2: *The Highland Council* report and findings are the fourth of these pathfinder audits to be published.

2. The issues identified in this report will inform the Assurance and Improvement Plan for the scrutiny of The Highland Council over the next three years. Local audit and inspection teams will continue to monitor progress. The three-year Assurance and Improvement Plan sees audit and inspection bodies work together to target and streamline their work for each council, across

Scotland. This involves improving the planning and scheduling of scrutiny activity; developing a single corporate assessment and implementing a shared risk assessment framework.

3. Best Value is the duty placed on local authorities to demonstrate their on-going commitment to providing better services to local people.
4. The Accounts Commission for Scotland was set up in 1975. The Commission checks whether local authorities, fire and police boards spend public money properly and effectively.
5. The Audit of Best Value is undertaken by Audit Scotland on behalf of the Accounts Commission. It responds to the Local Government in Scotland Act 2003, which gave councils a new power to promote or improve the well-being of their area and the people living within it and responsibilities including:
  - making arrangements which secure Best Value, defined as 'continuous improvement in the performance of the authority's functions, having regard to efficiency, effectiveness, economy and equal opportunities.
  - discharging their duties in a way which contributes to sustainable development
  - maintaining a community planning process
  - making arrangements for reporting to the public on their performance
  - meeting new rules relating to trading.