

The Audit of Best Value
and Community Planning

South Ayrshire Council

Best Value audit report

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
June 2016


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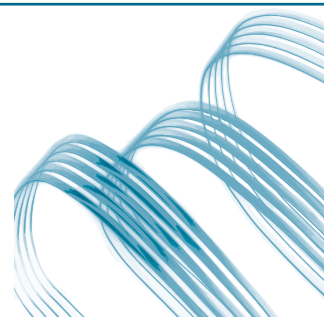
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Commission findings



- 1** The Commission accepts the Controller of Audit's report on follow-up work in relation to Best Value in South Ayrshire Council.
- 2** In our findings in December 2014 we welcomed the positive response by the council to our critical findings in February that year. This was highlighted by evidence of significant action to address weaknesses. We now acknowledge and welcome the considerable further progress made by the council.
- 3** A strong culture of improvement is in place, built upon shared leadership by members and officers and improved relationships between elected members, demonstrated by the effectiveness of the Best Value Working Group and better scrutiny arrangements. The development of the senior management team has also been a significant contributory factor, and there have been encouraging efforts by the council to learn from other organisations in finding new ideas and fresh thinking.
- 4** It is imperative for the council to sustain its momentum, so that it can meet its duty of Best Value and in particular, address difficult decisions that lie ahead in reshaping council services in response to reducing resources. The momentum will be helped by:
 - continuity in the stability of its leadership arrangements
 - embedding its improvement culture further, at all levels in the council
 - continuing with the full appraisal of options for the future delivery of services
 - further improving its approach to engaging service users and communities.
- 5** We will maintain our interest in the council's progress. The Controller of Audit will continue to monitor progress through the annual audit.

Controller of Audit report



Summary

- 1.** South Ayrshire Council has sustained the pace of, and commitment to, improvement, which I reported to the Commission in December 2014. The council has gone on to make further progress over the last 18 months. There is clear leadership by both officers and elected members, which is making a positive difference to how services demonstrate Best Value.
- 2.** The council's Best Value Working Group, established in response to the Commission's critical findings in February 2014, continues to be an important element in arrangements for political leadership on Best Value. Political relationships more generally have matured, with working arrangements focused on the council delivering on the priorities that matter most to the people of South Ayrshire. Members and officers have good relationships, with new scrutiny arrangements working well and starting to make a difference.
- 3.** The council has completed recruitment to its senior manager team and appointed new staff to key positions. The council has effective corporate leadership and management who are driving improvement and change. This will be important as the council responds to some big challenges over the next few years, such as reductions in spending.
- 4.** The council has continued to improve over the last two years. In response to earlier concerns by the Commission the council began to develop an improvement framework to help it demonstrate Best Value. This is now established across the council, and provides a platform from which the council is beginning to deliver service improvements that will lead to better outcomes for the citizens of South Ayrshire.
- 5.** Council leadership and staff are showing commitment to improving services and this will help ensure the council maintains its focus on Best Value. Continued effective leadership will be important in making even more progress in future, and the developing culture of improvement across the council can deliver increasing benefits to the communities of South Ayrshire.

Background

6. This report updates the Commission on the council's progress following a previous [Best Value audit report](#)  in December 2014. This is my third report on South Ayrshire Council in 28 months. In February 2014, I [reported to the Commission](#)  that despite signs of progress over the previous 12 months, South Ayrshire Council could not demonstrate that it was achieving Best Value. This was due to significant weaknesses in its strategic direction, leadership, performance management, and scrutiny. The Commission expressed serious concern about the council's inability, over a number of years, to fulfil its Best Value responsibilities and achieve continuous improvement. It considered the challenges facing the council were deep-rooted and substantial and requested a further report in six months time.

7. In its findings on my report in December 2014, the Commission noted that the council had responded positively to its previous findings. There was clear evidence of it taking significant actions, over a relatively short period, aimed at addressing the weaknesses identified in February. These included developing an improvement framework and agreeing a corporate plan, although it was too early for the council to provide evidence of the full impact of the new arrangements.

8. The Commission said the council needed to ensure its improvement framework was effective in practice. The framework had to make lasting improvements in governance – in areas such as roles and responsibilities, and scrutiny – and in services to, and outcomes for, the communities of South Ayrshire. The Commission requested a follow-up report in 18 months to review progress, and my report is structured around its findings in December 2014, which were as follows:

- The Best Value Working Group needs to continue to provide strong political leadership of the council's improvement agenda and ensure that the actions the council is taking to achieve Best Value are sustained ([paragraphs 9–10](#)).
- The council needs to satisfy itself that it has sufficient management capacity to deliver its improvement agenda and meet the challenges the council faces ([paragraphs 12–20](#)).
- The council needs to ensure that the new business planning framework is fully established and that, as intended, it provides focus on service performance and continuous improvement ([paragraphs 21–23](#)).
- The council needs to progress service reviews, including robust appraisal of options for service delivery, to identify new and better ways of delivering services and to act on the results of those reviews to improve services ([paragraphs 24–35](#)).
- The council needs to ensure that there is a shared understanding among officers and all elected members of their respective roles, and to ensure that the four new scrutiny panels provide effective and transparent scrutiny of performance ([paragraphs 36–42](#)).

There is clear leadership of the council's improvement agenda

The council's Best Value Working Group provides effective leadership for the council's improvement agenda

9. The council set up its Best Value Working Group (BVWG) in response to the Commission's February 2014 findings. At that time, its purpose was to ensure an immediate and effective response to required improvements. Since then, the group has continued to play a central role in ensuring councillors are committed to, and taking a lead on, achieving Best Value. It has also continued to hold senior management to account for delivering Best Value. The group is cross party and includes the leaders of all political parties. Its role is to ensure that the council is fulfilling its duty to provide Best Value, and that all improvement activity across the council can be, and is, maintained. The BVWG's work programme and membership highlights the council's commitment to, and focus on, improvement ([Exhibit 1](#)).

Exhibit 1 Best Value Working Group



The BVWG remit, agreed in March 2015, is to:

- ensure that the council is consistently focused on fulfilling its statutory Best Value responsibilities
- consider various strands of work undertaken by members and officers and consider if Best Value is being delivered in a sustained fashion.

To fulfil this remit, the group meets every quarter, and considers a wide range of information including the council plan, results of departmental self-assessments, and updates on the service review programme.

Source: South Ayrshire Council

10. Political leadership and management in the council have matured. As we would expect in any council, there are still debates and disagreements between politicians. But elected members have put improved working relationships in place that focus on agreeing and delivering on the priorities that matter to the people of South Ayrshire. The BVWG is currently leading on refreshing the council plan to extend it to 31 March 2018. This is to give the new council, to be elected in May 2017, a stable position to start with. It is also to ensure Best Value initiatives continue while the council develops a new plan and revenue budget for 1 April 2018. This is a positive step forward for the council. It demonstrates maturity in the political relationships within the council and a proactive approach to effective strategic and business planning. Members have also established regular meetings between policy portfolio holders, who are senior councillors in the Administration that have responsibility for particular strategic policy areas of the council, and panel chairs. This allows joined-up consideration of issues, and also provides a mechanism for all views to be discussed.

11. The Commission's December 2014 findings commented on the need for a shared understanding among officers and all elected members of their respective roles. Since 2014, development work at the council has focused on these issues, including sessions facilitated by the Improvement Service and member training events. Evidence indicates that there are good relations between members and officers at South Ayrshire Council, they are clear about their distinctive roles and responsibilities, and respect these.

The Corporate Management Team is providing the council with effective managerial leadership

12. In December 2014, the council was still in the process of recruiting staff to a number of senior positions. This has now been completed and the new corporate management team (CMT) and other senior managers are well embedded in the work of the council. The council has an effective corporate leadership team. Monthly CMT meetings are well attended with a strategic agenda, a good level of discussion and resultant direction across the organisation.

13. The CMT has a robust corporate approach and greater focus on priorities, delivering improvements and meeting financial challenges. Managers across the council consider it is a more corporate organisation with leaders setting an example for this change in culture. Their experience is of a much more dynamic and vibrant council. New senior management appointments include the Director of Educational Services, Head of Children's Health Care and Criminal Justice, Head of Property and Risk, and Head of Policy and Performance. Coming from outside the council, they have brought fresh ideas and approaches to which the council is responding positively. The CMT is also looking beyond the council and beyond South Ayrshire for opportunities to learn how best to improve services and to engage expert support where appropriate. For example, the council commissioned the Society of Information Technology Management (SOCITM), to help assess digital and IT services across the council. It has now appointed a Digital Transformation Manager to make the improvements identified.

14. The council's 'South Ayrshire Way' initiative is an example of how it is promoting a corporate culture in which all employees are focused on improving services and meeting customers' expectations ([Exhibit 2, page 9](#)).

Continued effective leadership will be needed to manage future financial pressures

15. The financial pressures facing local government are significant. South Ayrshire Council prepares three-year revenue and capital budgets, and in December 2014, it agreed budgets for 2015/16, 2016/17 and 2017/18. The 2015/16 revenue budget included £4.154 million of savings and a £1 million draw on uncommitted reserves, and the 2016/17 budget included a further £4.553 million of savings. These were necessary to meet expected reductions in the council's revenue funding from the Scottish Government. However, the council's actual revenue allocation for 2016/17 was £196.237 million, a reduction of £6.833 million over the previous year, and lower than the council had previously estimated in December 2014. After making adjustments, mainly in respect of the transfer of the integration of health and social care and council tax income, the budget for the year was set at £187.135 million in March 2016. The lower than expected funding from central government meant the council had to make further expenditure reductions of £3.239 million.

Exhibit 2

Examples of clear leadership



The South Ayrshire Way

The South Ayrshire Way initiative, championed by the chief executive, is the council's approach to changing its corporate image and identity, as part of influencing wider organisational culture and change. It sets consistent corporate standards for customer service and communications. These include developing and implementing a customer charter, redesigning office and reception environments, and introducing a dress code and communication standards for staff. The council's aim is to fully embed these cultures and behaviours into its people management processes.



Integration of health and social care

The Public Bodies (Joint Working) (Scotland) Act 2014 provides the framework for the integration of health and social care services in Scotland. After it became law in February 2014, the council demonstrated clear leadership in bringing together health and social care services under unified management. The council successfully worked in partnership with the local health board to create a local scheme of integration. It did this through a Transitional Integration Board established in February 2014, then through a Shadow Integration Joint Board throughout 2014/15. It was among the first councils to have an integration scheme approved. This became fully operational on 1 April 2015 and the inaugural meeting of the South Ayrshire Integration Joint Board took place on 2 April 2015.

Source: South Ayrshire Council

16. The savings made by the council rely in large part on the restriction of service provision and staffing reductions ([Exhibit 3, page 10](#)) as well as substituting some elements of revenue expenditure with specific reserve contributions, for example, a £0.750 million drawdown on the Repairs and Renewal Fund. The council used some £2.155 million of non-earmarked reserves in its 2016/17 budget to replace reduced capital grant allocation from the Scottish Government.

17. The council's current indicative budget for 2017/18 shows a budget deficit of £5.428 million – based on a 1.5 per cent reduction in allocation – and £7.374 million – based on a 2.5 per cent reduction. The financial strategy approved in December 2014 had future years' estimates included beyond 2017/18, but they are now out of date because of the significant changes to the settlement in 2016/17 and continuing uncertainty for future years. A revised medium-term strategy is planned for later this year following the spending review announcements.

Exhibit 3

Examples of reducing the budget

The council is proposing to reduce spending through a mix of efficiency measures, reductions in service, increases to fees, and service redesign savings. Some examples of proposed savings are given below:

Improving processes to increase use of 'self-service' for online HR processes by employees.

Estimated saving £250,000 over two years

Reduction in primary school management.

Estimated saving £134,000

Reduced costs in transport, both in additional support needs and mainstream transport.

Estimated savings £200,000 over two years

Increase in bereavement charges for burial and cremation.

Estimated increase in income to the council of £25,000 for 2016/17, £57,000 for 2017/18

Increase in swimming lesson fees to reflect modernised and enhanced lesson programme.

Estimated increase in income to the council of £30,000

Modernise the waste management service by changes to shift working and collection patterns and frequency.

Estimated saving £375,000

Work with service providers of supported living services for people with learning disabilities to review then redesign arrangements for 24-hour care and improve outcomes.

Estimated saving £600,000 over three years

18. Financial sustainability is achieved when a council has the capacity to meet the current and future needs of its communities. South Ayrshire's financial position is sustainable currently and in the foreseeable future. However, rising demand, increasing costs of services and reductions to central funding will continue to place a strain on the council's ability to deliver services at the current levels. The council has a strong reserves position with £42.140 million of usable reserves available, although a significant proportion of this has been earmarked including:

- £3.5 million for the workforce change fund
- £1.5 million for the affordable homes strategy
- £1.8 million for spending commitments in 2016/17.

19. The council plans to use some £3.811 million of reserves during 2016/17. While this figure is currently manageable in the overall context of available reserves, in the longer term it is not a sustainable strategy.

20. The council delivers a broad range of services to its communities. Members and senior managers will need to maintain the clear leadership demonstrated since 2014 to guide the council through this challenging period. They will need to direct improvement activity to help with decision-making on how the council should be providing services in future and to help minimise the impact of spending reductions in some services. They need to consider more radical changes in service design and delivery and, when doing so, ensure that they carry out a thorough consideration of all the options available. The BVWG will have a vital role in this process.

The performance management framework provides a sound base for improvement

The council has an established business planning and performance framework that managers and councillors clearly understand

21. The council's performance management framework (PMF) was agreed in October 2014. It centres on a hierarchy of plans that set out what the council intends to achieve. This ranges from the overall vision that it shares with its partners for South Ayrshire, down to identifying how individual employees contribute towards the objectives and outcomes that the council is committed to delivering ([Exhibit 4, page 12](#)).

22. The Service and Improvement Plans (SIPs) are an important part of the framework, and all services now use SIPs ([Exhibit 5, page 13](#)). A recent positive development was introducing a challenge process for all of the SIPs in June 2015 that focused specifically on public performance reporting.

Exhibit 4

South Ayrshire Council's performance management framework




	Plan: Priorities and plan	Review: Evaluate and scrutinise	Revise: Learn and improve
 <p>Community planning partnership level</p>	<p>Single Outcome Agreement (SOA)</p> <p>The partnership's vision and ten-year outcomes for residents relating to quality of life and opportunities</p>	<p>SOA progress report</p> <p>Annual report on progress made across the partnership towards the short- and medium-term outcomes</p>	<p>Best Value 2</p> <p>External audit focusing on the difference the council and its partners are making for local communities</p>
 <p>South Ayrshire Council corporate level</p>	<p>Council plan</p> <p>The council's three-year strategic objectives and strategic outcomes in support of the delivery of the SOA and to improve the effectiveness of the council</p>	<p>Annual performance report</p> <p>Yearly reporting on overall progress towards strategic objectives</p> <p>Interim performance reporting</p> <p>Six-monthly reporting on progress towards strategic objectives and three-monthly reporting against improvement themes</p>	<p>Corporate self-evaluation report</p> <p>Annual review using How Good is Our Council (HGIOC) that is used to inform the update of the improvement themes within the council plan, reflecting priorities from reviews, inspections, performance reports and customer feedback</p>
 <p>South Ayrshire Council service level</p>	<p>Service and Improvement Plans (SIPs)</p> <p>For each service, the key actions and performance targets set out over three years, that will support the delivery of the strategic objectives and strategic outcomes of the council plan and thereby the SOA</p>	<p>SIP performance reporting</p> <p>Six-monthly reporting on progress against agreed performance measures, key actions and sub-actions</p> <p>Performance development review</p> <p>Regular monitoring and management of performance by individual officers and management teams</p>	<p>Service self-evaluation (HGIOC)</p> <p>Systematic service reviews</p> <p>Scrutiny of performance at panels</p> <p>Member scrutiny reviews</p> <p>Audits and inspections</p> <p>Benchmarking</p> <p>Reviewing customer feedback</p> <p>Risk management</p>

Exhibit 5

Service Improvement Plans (SIPs)

SIPs profile the range of services the council provides, and set out an assessment against the following questions:

Q1

What key outcomes have we achieved?

Q2

How well do we meet the needs of our stakeholders?

Q3

How good is our delivery of key processes?

Q4

How good is our management?

Q5

How good is our leadership?



SIPs include a detailed plan stating the intended outcomes for the service. This sets out the key performance measures for each outcome, including the latest performance and trend information. A SIP includes an improvement action plan and a statement of progress against the action and proposed timescale.

Source: South Ayrshire Council

23. The council's PMF also uses 'How Good is Our Council' (HGIOC) as its self-evaluation and assessment process. In December 2014 this had only been recently introduced, with Education services at the forefront and other services beginning to look at the technique. HGIOC is now in established use across all services, including non-regulated or inspected services that have not historically used self-evaluation in South Ayrshire. The council provides corporate support, including facilitated events for all services, to maintain consistent standards in the process. There is good evidence that service managers recognise the significance of the process that has been put in place, with the increased focus on where services need to improve. Services use the improvement actions identified from this self-assessment exercise to feed into the annual refresh of their SIPs.

The council's service review programme provides a sound platform to improve services

24. The council has established a service review programme to help improve and transform services ([Exhibit 6](#)). It revised its service review guidance in 2016, and has a plan to cover all services over five years. Service reviews follow a nine-stage process that includes topic selection, approval, consultation and options appraisal. The reviews reported to date suggest that the process is robust. Service reviews are inclusive; that is service review groups involve staff at all levels and other stakeholders. Consultation procedures during the reviews include staff, trade unions and people who use services. For example, the service review of out-of-school care involved pupils, and the property maintenance review had two tenants on the review team.

Exhibit 6

Examples of service reviews



Service reviews undertaken to date

- Homecare services
- Day care services
- The communities service
- ICT
- Additional support for learning
- Out-of-school care
- Waste management



Service reviews under way and planned

- Employability services
- Planning services
- Facilities management
- Fleet management
- Enterprise and economic development
- General services housing
- Procurement

Source: South Ayrshire Council

25. Every review includes an equality-impact assessment. These consider the impact on what are known as protected characteristics, which include age, disability, race and sexual orientation. They also involve extending the impact assessment to other characteristics and issues that are relevant to South Ayrshire, such as health, human rights, rurality and deprivation.

26. The arrangements for service reviews provide a sound platform for the council to transform and improve services. Reviews that the council has already completed are starting to deliver a positive impact for the people who use services, as well as delivering financial savings for the council. An example is the property maintenance service review ([Exhibit 7, page 15](#)).

Exhibit 7

Positive impact of the property maintenance service review

The council completed a service review of property maintenance in April 2015. The review included consultation and a full options appraisal exercise and recommended that the service remain in-house but with improvements. The council developed a property maintenance improvement plan that includes the following:



A new repairs guide and description to help staff recognise and prioritise repairs correctly, with accompanying training.



Developing a business case for a work scheduling system that would allow employees to pick up job details on a smartphone, and also prioritise jobs based on urgency and location. This would increase productivity and customer service as a result. This business case has been approved and is being taken forward.



Providing tenants with more detailed information about the timing and scheduling for the repair, including how to contact the relevant council employee directly to arrange the timing.



Changing the requirement for work vans to be parked centrally overnight, which had created a time lag for employees starting work and travelling to jobs. Employees now take the vans home overnight, and vans carry more stock, reducing travel time to jobs and multiple visits to the stores.

The council has reported a positive impact of these changes. This includes an overall average increase in productivity of staff of 15 per cent from the previous year. Better working practices, such as providing telephone numbers for tenants to arrange convenient repair times, have improved customer relations.

The council is also reporting an increase in the number of jobs that were completed on target. The improvement trend has gone from 68 per cent in 2013/14, to 82 per cent in 2014/15 and 87 per cent in 2015/16.

Source: South Ayrshire Council

The Business Improvement Team offers additional capacity to support the pace and depth of improvement

27. In December 2014, the council was in the process of establishing a Business Improvement Team (BIT) to provide additional capacity to drive improvement activity in services. The BIT started work in April 2015 with a remit that includes redesigning services. Its focus during this time has been on council-wide projects rather than service-specific activities and in its first eight months, the team had realised savings of £234,000 over the following four projects:

- Reduction in colour printing: avoiding £21,000 costs by doing work in-house instead of using consultants.
- Saving £47,000 by negotiating with suppliers for a property maintenance work scheduling system.
- Reducing costs by £162,000 over the five-year contract through improved procurement arrangements for the work scheduling system.
- A £4,000 rebate from BT from a project targeting unnecessary phone-lines.

28. The BIT's work with the child welfare and protection team is forecast to release the equivalent of one full-time equivalent staff post.

29. The council is currently considering how best to continue the team's work, and ensure the maximum impact from this. The leadership's current thinking is that the team will be most effective if it can be used flexibly, depending on what is needed on individual projects. In some cases, the team will simply support improvement activity being led at service level, in other situations there may be a need for a greater role, for example in larger-scale service changes. Overall, while its achievements so far have been relatively small scale, the BIT has significant potential in acting as a catalyst for larger-scale change, and ensuring all areas of the council are meeting strategic objectives and standards consistently.

30. The BIT also has the potential to contribute to staff and leadership development. Staff are seconded to the team from various roles across the council. There can be distinct advantages in bringing employees from services into the corporate centre for a period to work on change and improvement projects. Effectively managed, these staff can then return to service areas with fresh thinking and ideas, and as champions of Best Value.

31. The council recognises that it can further improve and coordinate its approach to service reviews and improvement. It is introducing a tiered approach to service reviews so as to differentiate large-scale cross-cutting reviews from smaller-scale reviews of individual services. The same methodology will be used, but the use of resources will vary as well as the level of approval. To date, recognising financial pressures, the review programme has largely focused on finding savings. However, it will be important for the council to develop a more mature and integrated process where the service review programme reflects the priorities for the council more explicitly, and contributes more to the redesign and transformation of services. There will be a continued need for financial savings and sustainability, but it is important that the council is equally concerned with focusing service provision towards achieving outcomes for users, and the impact of reductions in spending on service users and the priorities for South Ayrshire.

The council is strengthening its approach to community engagement

32. Community engagement is about responsiveness to customers, citizens and communities. It is an important element of Best Value. South Ayrshire Council uses various methods for seeking and taking on board the views of the communities it serves. These include:

- asking service users their views as part of the service review process
- compiling systematic information about people's views through a citizen panel survey every two years
- a consultation process to help the council in considering budget options
- specific local community engagement initiatives such as a family fun and information day for council tenants.

33. The council has made good progress in setting up locality planning groups required for health and social care partnerships. The council has included neighbourhood and locality planning as a priority of the partnership. This will enable communities to speak up on local needs and influence how these should be prioritised. Initial meetings have been held in each locality that were well attended by local people. The council plans to build on this approach and broaden the scope of these planning groups to include wider strategic issues as well as health and social care. This aims to contribute to meeting the requirements of community empowerment legislation. This is a positive approach and should reduce duplication and lead to a more joined-up approach to working with local communities.

34. A further example of the council's community engagement activities is a recent event in the Maybole town centre to ask people for their views on design proposals for the town. This focused on what the town should be like after a bypass is completed, and involved almost 300 local people. The council used results of the exercise to successfully apply to the Town Centre Community Capital Fund. This will allow an upgrade of the town hall gardens and provide for a new heritage display. Similar events are being planned in other towns.

35. The council can build on this momentum across all community engagement activity, and ensure that the outputs from engagement are integrated into improvement activity and procedures. The council has established a corporate working group to help coordinate community engagement activity, and it is developing training to ensure that staff have the skills and knowledge required to implement this approach.

Scrutiny has been strengthened and is well focused

36. The December audit report noted that the council had introduced four new scrutiny panels in July 2014: Audit and Governance; Service and Performance; Partnerships; and Public Processes. Over the last 18 months these new arrangements have become well established and have led to stronger and more focused scrutiny activity. The four panels are also working well across their responsibilities, sharing relevant information with each other more effectively. For example, the Audit and Governance Panel agreed improvement themes and actions should be incorporated into the SIPs and subsequently scrutinised by the Service and Performance Panel.

37. Panel members are asking relevant questions and requesting further information where required. Elected members, senior managers, and service staff agree that scrutiny has increased and has become more effective since the new scrutiny panels were introduced. Improvements include:

- using action logs so that no actions are missed and there is effective follow-up
- reporting by exception to increase efficiency
- cross-party representation on all panels.

38. The Service and Performance Panel has an important role in the council's improvement framework, with all SIPs being subject to rigorous review and challenge by its members. As well as performance information, improvement actions from HGIOC feed into the SIPs and councillors say they now have an overarching view of how services are performing and where improvement is required. Although service performance is reported on an exception basis, councillors have access to the council's performance management system for more detailed information if they have a particular interest.

39. There are examples of where focused scrutiny of performance is leading to improved services ([Exhibit 8, page 19](#)).

40. The Public Processes Panel has created the space for members to constructively challenge Leadership Panel decisions. Members have the opportunity to 'call-in' decisions by the Leadership Panel to submit them to further scrutiny by the Public Processes Panel. The panel has used this power three times since our last report, to consider decisions on:

- rationalising office accommodation in Ayr
- the service review of out-of-hours school care
- introducing permits for street cafes.

41. It has provided additional scrutiny of decisions, ensuring that the necessary information is in place for councillors to take decisions. The panel has agreed with two decisions and sent one decision back to the Leadership Panel for further consideration.

42. The council is continuing to monitor how effective its scrutiny panel arrangements are, and look for ways to improve them. One issue identified so far is that some panels have heavy workloads, including the Service and Performance Panel. The council has identified it will need to consider this to ensure it does not hamper effective scrutiny of performance and outcomes.

Exhibit 8

Impact of scrutiny on services



Bed and Breakfast accommodation

In 2014, the council's Leadership Panel agreed a temporary accommodation action plan for the homelessness service. The key aim was to reduce the use of temporary bed and breakfast (B&B) accommodation. This recognised the risks to, and negative impact on, service users and the significant financial costs to the council. During 2013 and 2014, some 40 people on average were in B&B accommodation every night of the year.

Since February 2015 the council has not used any B&B accommodation, using a range of alternative solutions through the private sector instead. These include using more supported accommodation, and increasing lets from the private sector and registered social landlords. The Service and Performance Panel has been monitoring this outcome and asking questions of relevant officers. In November 2015, it requested further information from officers that allowed it to confirm the success of the plan.

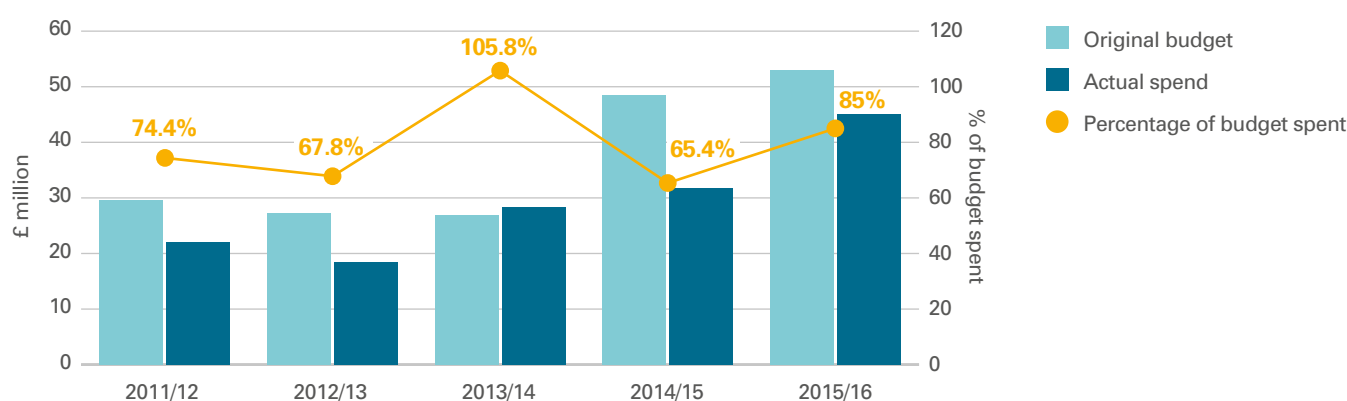
The council is also forecasting £100,000 savings due to reducing the amount of housing benefit lost as a result of using B&B accommodation.



Capital programme spending

How well the council delivers capital projects has a direct impact on the lives of its citizens and plays a significant role in the economic wellbeing of the area. Historically the council's performance in delivering modest capital programmes has been poor. Audit Scotland has reported to the Audit and Governance Panel consistently about this issue over the last few years.

Responding to the need to improve performance, the council agreed to restructure the Property and Risk Service in August 2014. The new structure included an increased complement of professional staff. Capital programmes are now more ambitious while the percentage of the budget being spent has increased.



The Audit and Governance Panel has reviewed progress against Audit Scotland recommendations, and has required reporting to enable it to scrutinise performance against the whole capital programme.

Management recognises it still has work to do, and expects further improvement as the new structure becomes more firmly rooted.

Conclusions



43. Since my last report 18 months ago, the council has sustained its improvement journey and has kept a positive momentum in addressing the weaknesses the Commission has previously highlighted. I am pleased to report that councillors, senior managers and staff we spoke to think that the council has changed greatly over the last few years, with clearer leadership and a more positive culture now in place. This view is also shared by our scrutiny partners in the Local Area Network.

44. The improvement framework is maturing and embedding across the council. There is evidence that this framework and more effective scrutiny is starting to make a difference. There is scope for the council to consider more radical approaches to future service design.

45. The council has continued to make good progress, but I am clear that this needs to continue to ensure that the council is fulfilling its Best Value duties. The financial context facing all councils means that tough decisions will be required about how to effectively deliver services and make financial savings. The council should consider the following areas in particular:

- Maintaining strong political and senior officer leadership, including the commitment to cross-party working, through, for example, the Best Value Working Group.
- Revising its medium and longer-term financial plans, and accompanying reserves strategy, to ensure they are sustainable.
- Considering the scope for more radical approaches to service redesign.
- Ensuring that all improvement activity is effectively integrated and prioritised. This applies particularly to the service review programme and the Business Improvement Team, which are important catalysts for improving outcomes for the citizens of South Ayrshire.
- Embedding approaches to community engagement and linking the outcomes to the business planning framework.
- Reviewing the work of the scrutiny panels to ensure that their workloads are manageable and thus enable members to scrutinise effectively.

South Ayrshire Council

Best Value audit report

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ISBN 978 1 909705 98 2

This publication is printed on 100% recycled, uncoated paper

