

Leadership of the development of new local strategic priorities

Best Value thematic work in councils 2022/23

Moray Council

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Your key Grant Thornton
team members are:

Angela Pieri

Engagement Lead

T 0161 214 6337

E Angela.L.Pieri@uk.gt.com

Rebecca Lister

Audit Senior Manager

T 020 7728 2529

E Rebecca.Lister@uk.gt.com

Hannah McKellar

Engagement Manager

T 0131 659 8568

E Hannah.L.McKellar@uk.gt.com

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The contents of this report relate only to the matters which are required to be reported in line with the Programme for BV thematic work in councils 2022/23 as required by Audit Scotland. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the organisation or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Practice 2021). We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Scope of the audit (1)

When discussing the Local government in Scotland Overview 2022, William Moyes, Chair of the Accounts Commission said: “Councils are operating in a complex and increasingly volatile, unprecedented and unpredictable environment. Strong leadership from councils is needed now more than ever, with new and returning councillors being able and willing to make difficult decisions about where and how to spend highly pressurised resources.”

This report concludes on the effectiveness of the Council’s leadership of the development of the Council’s strategic priorities, following the recent local government elections.

The Accounts Commission’s Strategy (2021-26) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

The Accounts Commission’s approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body’s performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.
- The Accounts Commission reports nationally on thematic aspects of local government bodies’ approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

Scope of the audit (2)

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the Council's strategic priorities.

In carrying out the work auditors have considered the following questions:

- How clear is the new Council vision and its priorities?
- How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council?
- How effectively do the Council priorities reflect the need to reduce inequalities and climate change?
- How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities?
- Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?



Scope of the audit (3)

An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the Council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for Council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

Executive Summary (1)

We have carried out an overview of the effectiveness of Council leadership (officers and elected members) in developing new local strategic priorities following the elections in May 2022. Our review considered five areas (as listed below) and we have concluded on the effectiveness of leadership in each of these areas.

	Question	Findings	Conclusion
1	How clear is the new Council vision and its priorities?	<p>The Council have drafted a new Council plan however this has not yet been finalised due to delays encountered with the new Council membership as well as considering emerging national issues including the Verity House agreement and the challenging financial position. There have been a number of changes to the leadership of the Council since the elections including two members who left the administration group and the Convenor resigning from their post resulting in a decision to approve a new structure consisting of a Leader, Depute Leader and Civic Leader. A by-election was also held in early November following the resignation of one of the new intake of councillors. Over half of the councillors elected in the latest elections are new councillors and a number being new to local government. These significant changes and challenges to the Council leadership have contributed somewhat to delays in preparing and finalising the new Council plan. The plan is currently going through a revised stakeholder engagement phase with timings pushed back to 2024 to finalise and approve the corporate plan.</p> <p>The Council is currently drafting a corporate delivery framework which aligns with the corporate plan alongside refreshing departmental service plans which enables the Council to set out and monitor performance against priority areas.</p>	<p>We have reviewed the draft Council plan and are satisfied that the new draft Council plan includes a clear vision with clear priorities for the Council however as the plan has not yet been approved, it has not yet been made available for publication. Priorities have been agreed in draft by the Council and are currently subject to community engagement. We are satisfied that the new plan priorities are broad enough that they capture the main issues impacting the local economy. Given the delays in producing a new corporate plan, the Council will need to ensure there is a depth of pace attached to the finalisation of the corporate plan to ensure delivery of implementation, monitoring of outcomes and progress on delivering new Council priorities can commence.</p> <p>We have gained assurance that in preparation for the new corporate plan, priorities are being informed and developed in conjunction with a range of stakeholders and community partners through the Local Outcome Improvement Plan (LOIP).</p>

Executive Summary (2)

	Question	Findings	Conclusion
2	How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council?	<p>The Council has had due regard to the importance of ensuring the views of citizens and communities are reflected in the priorities and decisions taken by the Council. This is evident through priorities and outcomes set out in the Council’s draft corporate plan centered around “Build thriving, resilient, empowered communities”. It is positive to note the steps the Council are taking to ensure communities are a key focus of the Council’s decision-making process and that views are heard and acted upon.</p> <p>A number of events were held to obtain feedback and views on the initial visions and priorities of the draft corporate plan. The first draft of the plan included a section on stakeholder engagement undertaken to update the corporate plan which demonstrates to stakeholders how their input has reflected the priorities and vision of the Council plan.</p> <p>Feedback on the plan highlighted priorities from local communities including budgets, housing, roads, climate, social services, refuse services, transport, digital connectivity and economic development. All of which have been factored into the broader priorities of the Council within the draft corporate plan. Further updates to priorities have been made as a result of national emerging issues, revised priorities have been agreed in draft by the Council and currently going through a revised period of public consultation alongside consultation of the 2024/25 budget.</p>	<p>We have found the work undertaken by the Council in relation to community engagement in forming the new corporate plan to be highlighted as an area of strength for the Council and an example of good practice. The Council have effectively listened to the views of citizens and communities and reflected these in the draft priorities within the new Council plan. It is currently too early to assess the effectiveness of decisions taken by the Council in line with the new corporate plan.</p>

Executive Summary (3)

	Question	Findings	Conclusion
3	How effectively do the Council priorities reflect the need to reduce inequalities and climate change?	<p>One of the values of the new Corporate Plan is to 'Tackle poverty and inequality'. Poverty and inequality has been expressed as a central priority in the new Corporate Plan Vision and Priorities, with specific reference to child poverty and supporting vulnerable members of the community. One of the ways in which the Council seek to address this priority is through the Local Outcome Improvement Plan (LOIP) which is adopted by the Moray Community Planning Partnership of which Moray Council partner alongside a range of other partner organisations. We have obtained assurance that the Council has an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities however it is too early to assess the effectiveness of the action plan in tackling these priorities. The Council also use equality impact assessments as a way of ensuring that the risks and implications of decisions are considered.</p> <p>The draft corporate plan includes the following priority "Build a stronger, greener, vibrant economy". This priority addresses the area of sustainability both in environmental and financial regards. Moray Council introduced a Climate Change Strategy in 2020 which, together with the Local Development Plan, is designed to provide a coordinated and appropriate response to help all within Moray to deal with the challenges that climate change is expected to bring.</p>	<p>We are satisfied that the draft priorities of the Council within the draft Council plan clearly articulates the importance of its plans to reduce inequalities as well as ensuring stakeholders have been involved in identifying local needs and inequalities to inform priorities.</p> <p>The Council also has appropriate arrangements in place to reflect the sustainability of the environment and in particular climate change as a key priority in its vision and Council plan.</p>

Executive Summary (4)

	Question	Findings	Conclusion
4	How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities?	<p>We have obtained evidence that the Council has taken decisions to show how it will deliver on its priorities, allocate and align resources to priorities and secure sustainability of its services into the longer term. The priorities of the Council plan are broad in nature and therefore, provides the Council with flexibility in future years to respond to changes in the local community. The Council have also evidenced large investment in projects such as economic development including the Moray Growth Deal to meet strategic priorities relating to 'Build a stronger, greener, vibrant economy'.</p> <p>One of the biggest challenges that the Council will face in the medium to longer term relates to capital investment in services to help in the delivery of Council priorities. We highlight the fact that the Council has an ambitious capital plan which results in significant amounts of planned borrowing. The capital plan shows a total expenditure between 2023/24 and 2032/33 of £501 million of which £400.5 million (80%) is planned to be financed through loans. This is a significant amount of planned borrowing and therefore will be significant revenue implications for the Council in an already challenging financial climate.</p>	<p>Overall, we are satisfied that the Council has appropriate delivery plans and that there is alignment of financial, workforce and asset plans with draft Council priorities however digital plans are yet to be finalized.</p> <p>The Council will need to review the affordability of the capital plan and prioritise capital projects in line with its priorities. The Council also faces significant financial challenges with a significant funding gap estimated for 2024/25. As a result of a challenging financial future, it is important that there is increased focus on ensuring there is engagement with local citizens and communities especially around financial planning and future budgeting priorities.</p>

Executive Summary (5)

	Question	Findings	Conclusion
5	Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?	<p>We have identified some continuing risks relating to cross party working in order to progress key decisions including finalising the new Council plan. Strong and cohesive leadership is important in ensuring delivery of Council priorities and it is important that effective leadership and governance arrangements are in place to help tackle a number of difficult decisions that will be required to be made as a result of a challenging financial climate, increasing demand for services and reduction in resources. This will result in a need for transformational change and will require strong leadership and guidance by officers and elected members.</p> <p>The Council has made some positive steps in addressing the issues relating to the remit of the Audit and Scrutiny Committee however this issue has not yet been fully resolved and further work is required to ensure all committee members are clear on the remit of the Audit and Scrutiny Committee.</p>	<p>There has been some issues in cross party working between members in order to finalise the Council plan and set Council priorities. There has been a delay in finalising the Council plan which is partly due to a number of changes with the leadership and members since the local government election in 2022, as well as other emerging national issues. The Council remains finely balanced which provides some challenges in progressing key decisions including finalising the new Council plan.</p> <p>Further work has been planned around the theme of 'Collaborative leadership' by the Council, including the use of external support, to improve the way councillors and officers work together and to ensure that Council meeting time is used effectively. This work is currently in progress and the Council aim to capture findings in a revised Best Value action plan.</p>

The Council's improvement actions from this review are included at Appendix 1 of this report. It also sets out the Council's response to audit recommendations made.

1. Council Vision and Priorities (1)

How clear is the new Council vision and its priorities?

The [Local Government in Scotland Overview 2022](#) published by the Accounts Commission, outlined a number of themes impacting local government bodies as well as the impact of the covid-19 pandemic, long-standing and growing demographic pressures and the growing cost of living crises. The overall Scottish population is projected to fall over the next 25 years, with an ageing population. Data within the report shows that overall life expectancy has fallen as well as health life expectancy, of which deprivation has a large impact on both.

Increasing financial hardship is expected as the cost of living rises rapidly, with the greatest affects felt by those already experiencing poverty. Poverty rates have been rising in recent years, with the highest rates among children. This trend is seen across all 32 councils but in recent years poverty rates have increased at a faster rate in councils with lower levels of deprivation.

In this challenging environment, with scarce resources, councils need to set a clear vision, focused on the needs of its communities. Following the council elections in May 2022, councils should have reviewed their priorities and to meet best value expectations have reviewed priorities in conjunction with partners. It is important that citizens and communities are included to ensure services meet their needs.

Has the Council published a clear vision, with clear priorities for the Council? Is it communicated to its citizens, staff and other partners?

The new Corporate Plan 2024-2029 has not yet been published by the Council. This was due to be approved at Council Committee in September 2023 however, further updates to priorities were made as a result of national emerging issues including the Verity House agreement and the challenging financial landscape. Revised priorities have been agreed in draft by the Council and are currently going through a revised period of public consultation alongside consultation of the 2024/25 budget.. We have obtained a draft copy of the new corporate plan which includes a clear vision “A Moray where people prosper, free from poverty and inequality”.

The vision is underlined by four values; “Fair, Ambitious, Improving and Responsive”. The corporate plan includes three key priorities being:

- Tackle poverty and inequality;
- Build a stronger, greener, vibrant economy; and
- Build thriving, resilient, empowered communities.

The Council also hold a 10-year Plan (Local Outcome Improvement Plan (LOIP)). The Plan is derived from the Community Planning process which helps public agencies work together in a Community Planning Partnership (CPP). It aims to tackle the greatest differences in outcomes between and within Moray communities and to focus on where they can add greatest value by working in partnership.

1. Council Vision and Priorities (2)

The vision of the partnership is "*Raising Aspirations through Expanded Choices, Improved Livelihoods and Wellbeing*".

The partnership have identified four main priority areas to deliver their vision:

1. Developing a diverse, inclusive and sustainable economy;
2. Building a better future for our children and young people in Moray;
3. Empowering and connecting communities; and
4. Improving wellbeing of our population.

The Council plan has not yet been published as it is yet to be approved by full Council. Our review of the draft Council plan includes a clear vision with clear priorities for the Council.

Were the Council's priorities developed with partners and aligned with their priorities?

A report to the Council on 19 January 2022 made reference to a number of indicators that suggested a review of the Corporate Plan may come forward in 2022/23. These included the May 2022 local government elections, emerging issues from the Covid pandemic, the Scottish Government Programme and the opportunity to refresh the Local Outcomes Improvement Plan (LOIP) at its five-year mid-point. The local government elections in May 2022 resulted in a high number of new councillors and political change for the Council and as a result the Council identified the need to revisit the corporate plan and whether it was still fit for purpose.

In May-June 2022 the Council undertook data analysis and internal work to research emerging issues relevant to the local population and Council area. External factors and issues were also taken into consideration and captured through a PESTLE (political, environmental, social, technical and economic) assessment. The Council engaged with service managers across all Council services to identify progress on plan priorities and new and emerging pressures that should be considered for inclusion in future priorities.

In June-November 2022 the Council undertook community and stakeholder engagement to feed into the LOIP and Corporate Plan. This engagement with the local community included focus groups and a meeting held with a number of discussion groups at the event to inform feedback on emerging issues and local priorities. A leadership forum event was also undertaken which shared information with senior managers within the council and gathered feedback, there was also a presentation at the employee conference in November 2022 on the data profile for Moray and the influences on the corporate plan.

In May-September 2022 the Council looked for political input by reviewing the political review and direction of the Council corporate plan as well as community response and feedback. It was also highlighted to the Council by officers that the design and delivery of services would need to be considered in the corporate plan against a backdrop of a challenging financial outlook in the medium to longer term.

1. Council Vision and Priorities (3)

It was highlighted at the February 2023 Council meeting that the review of the LOIP was on hold due to resourcing as well as further consideration required by community planning partners. It was found that the evidence from the Moray research undertaken that there was not a significant change in the underlying issues which were addressed in the LOIP and that refresh of the LOIP would be considered at a later date.

At the date of drafting this report, work continues to refresh the corporate plan and support delivery and political direction.

Our review of the new draft corporate plan includes a section on community engagement. This highlights the work undertaken by the Council in preparing the corporate plan and the community engagement undertaken. This includes feedback from the community session undertaken looking at feedback on the plan, local priorities, vision and key topics for different community areas and groups. **We have found the inclusion of this in the report and the work undertaken by the Council in relation to community engagement to be highlighted as an area of strength for the Council and an example of good practice. We are satisfied the Council's draft priorities have been developed with partners and aligned with their priorities.**

Has the Council clearly set out what performance they want to achieve in their priority areas?

A corporate delivery framework is being developed alongside the Council plan to set out the actions and outcomes planned for the implementation of the corporate plan. This framework is used to enable implementation and monitoring of the Corporate Plan. Performance of the corporate delivery framework is reported to full Council on an annual basis within the annual public performance report as well as regular reports on progress to the Council.

Departmental service plans are also in place and are in the process of being updated to set out the planned strategic and service level priorities and outcomes it intends to deliver aligning with financial planning, corporate and community planning partnership strategic priorities. Progress against service plans is monitored regularly within progress updates to service committees as well as an annual review each year.

The corporate delivery framework is currently being developed alongside the draft Council plan alongside a refresh of departmental service plans. It is currently too early to assess whether the delivery framework provides clear measures for delivery against priorities as indicators in the draft plan have not yet been finalised.

1. Council Vision and Priorities (4)

Conclusion

Overall, we are satisfied that the draft Council plan includes a clear vision with clear priorities for the Council however as the plan has not yet been approved, it has not yet been made available for publication. We are however, satisfied that the draft plan priorities are broad enough that they capture the main issues impacting the local economy. Given the delays in producing a new corporate plan, the Council will need to ensure there is a depth of pace attached to finalisation and implementation of the corporate plan to ensure, monitoring of outcomes and progress on delivering new Council priorities can commence.

We have gained assurance that in preparation for the new corporate plan, priorities are being informed and developed in conjunction with a range of stakeholders and community partners through the LOIP. The Council is currently drafting a corporate delivery framework to align with the corporate plan alongside refreshing departmental service plans which enables the Council to set out and monitor performance against priority areas. It is currently too early to assess the effectiveness of the corporate delivery framework against delivery of the Council plan.

2. Citizen and community engagement (1)

How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the Council?

Recovery from the pandemic will require councils to have enhanced working alongside their local communities. Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in decisions that affect their everyday lives. Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services should be a core part of determining a council's vision and priorities.

Is community empowerment reflected in the high-level goals of the Council and embedded in strategic plans?

Moray Council created a new Communities Service in April 2021 bringing together Adult and Family learning, Youth Work and community development through the Community Support Unit. A Community Learning & Development (CLD) Strategic Plan was approved by the Community Planning Partnership (CPP) Board in September 2021 and covers the period September 2021 to August 2024. The CLD Plan is produced by the strategic partnership which brings together providers of community learning and community development in Moray.

The plan includes four strands:

1. Learning for Life
2. Active Citizens and Communities
3. Participation and Community Voice
4. Workforce Development

The four strands are then underpinned by three cross-cutting themes; Addressing the impacts of rurality and poverty, improving mental health and well-being and addressing social isolation and helping people to reconnect. The work of the CPP and the CLD strategic plan is aligned to the Moray Council corporate plan where one of the priorities is '*Creating opportunities for a vibrant economy.*'

The CLD Strategic Partnership meet regularly to monitor progress in delivery of the CLD strategic plan. A self evaluation exercise was undertaken to reflect on the first year of the new CLD Plan and assess how well the partnership are working together. The self evaluation identified an overall rating of Good and identified examples of improved partnership working, enhanced collaborative working linked to external funding investments and new strands of work being developed strategically.

2. Citizen and community engagement (2)

Improvement areas were noted including; acknowledging more could be done to promote the work being done in the delivery of the CLD Plan, reflecting on what had been learned in the first year of the plan and identifying areas to work collectively to address and recognition of the need to look back and look forward to revisit and reformat priorities based on any changes in Moray.

We are satisfied that community empowerment is reflected in the high-level goals of the Council and is embedded in strategic plans.

To what extent is the organisation involving local people in decision making processes? Any examples of communities designing and co-producing services?

To ensure local people are involved in the decision-making process Moray Council ensure there is an active consultation process to engage with the local community on key issues and decisions. The Moray Council website has a section on 'Consultation and Have your Say' which allows members of the public to provide their views and ideas on key strategies and decisions. The Council also undertakes involvement of local communities in participatory budgeting exercises, a recent example being the refurbishment of a community playpark. The Council met with local residents to identify the priorities of the design of the park and the community helped write a scope of service to suppliers in order to co-design the park which was subsequently installed.

We are satisfied from our review performed that the Council provides opportunities for involving local people in decision making processes and there are examples of communities designing and co-producing services.

Have members and senior managers worked effectively with communities to identify priorities that respond to the needs of communities?

Extensive work was undertaken by the Council in ensuring stakeholders were engaged in helping form the new corporate plan which has helped drive Council priorities for the future however, **more could be done by the Council to ensure more stakeholders are involved in participatory budgeting exercises which will be key in allocating pressured financial resources to priority areas and in turn helping to demonstrate economy, efficiency and effectiveness of use of resources. Further consultations and engagement should be undertaken to ensure local communities are more involved in participatory budgeting exercises. (Action plan recommendation raised - see Appendix 1).**

A number of events were held to obtain feedback and views on the corporate plan. The draft plan has included a section on stakeholder engagement undertaken to update the corporate plan which demonstrates to stakeholders how their input has reflected the priorities and vision of the Council plan.

Feedback on the plan highlighted priorities from local communities including budgets, housing, roads, climate, social services, refuse services, transport, digital connectivity and economic development. All of which have been factored into the broader priorities of the Council within the draft corporate plan.

Further updates to priorities have been made as a result of national emerging issues. Revised priorities have been agreed in draft by the Council and currently going through a revised period of public consultation alongside consultation of the 2024/25 budget.

We are satisfied that members and senior managers have worked effectively with communities to identify priorities that respond to the needs of communities.

2. Citizen and community engagement (3)

Do priorities reflect a leadership role for communities and CPP particularly in shaping recovery from Covid-19 and making decisions about local services?

Moray Council's new corporate plan includes the priority 'Build a stronger, greener, vibrant economy' and 'Build thriving, resilient, empowered communities' which includes focus on Internal workings and Partnership relationships. To help meet this strategic priority Moray Council form part of the Moray Community Planning Partnership. The CPP have recently adopted a new Community Engagement Strategy with a launch event being held in March 2023 with enabled participants to take part in a co-design process to collaboratively explore themes to help drive the community strategy.

In November 2021 a session was held for third sector and community groups with support from the Council to explore and understand what good community engagement looked like. An invitation was extended to participants to become involved in writing the refreshed plan however no one came forward. The third sector felt their views had been well captured to be included in the refreshed strategy . The Council acted on this response and implemented more focus on stakeholder engagement for the corporate plan in late 2022.

A number of events were held to obtain feedback and views on the new corporate plan, and we have noted areas of good practice which have been included within the draft corporate plan in relation to the high level of stakeholder engagement involved in the production of the new corporate plan.

Is the Council learning from the innovative ways communities were involved in developing and delivering support during the pandemic and putting more flexible governance and decision-making structures in place now to provide more opportunities for more local participation in decision making?

Discussions with management have highlighted the positive way in which partnership working was engaged during the early stages of the covid-19 pandemic and the learning that has been adopted through that process. The pandemic brought to light how important it is to engage with partners and local communities in order to deliver services required in a more efficient and effective manner. The learning brought about from the pandemic has been used in informing Council priorities and the ways in which priorities can be delivered through wider stakeholder engagement. The pandemic also brought about varying arrangements of governance and decision-making structures where meetings were moved online when there were physical restrictions in place and since the easing of lockdown restrictions many organisations have moved to hybrid working approaches to flexibly meet the needs of decision makers. Council meetings at the Council have resumed to in person meetings however the local public have access to attend these meeting both virtually and physically to provide more opportunities for local participation in decision making.

We are satisfied the Council is learning from innovative ways in which communities were involved in developing and delivering support during the covid-19 pandemic. As a result of the pandemic flexible governance and decision-making structure such as hybrid Council meetings has provided more opportunities for local participation in decision making.

2. Citizen and community engagement (4)

Conclusion

The Council has had due regard to the importance of ensuring the views of citizens and communities are reflected in the priorities and decisions taken by the Council. This is evident through draft priorities centered around Partner Relationships. It is positive to note the steps the Council are taking to ensure communities are a key focus of the Council's decision-making process and that views are heard and acted upon. We have found the work undertaken by the Council in relation to community engagement to be highlighted as an area of strength for the Council and an example of good practice.

3. Reducing inequalities and tackling climate change (1)

How effectively do the Council priorities reflect the need to reduce inequalities and climate change?

Reducing Inequalities

Council priorities are expected to reflect the Best Value expectations that all activity should contribute to tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens, alongside a focus on sustainable development, including climate change.

[The Local government in Scotland Overview 2022](#) report notes that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

How clearly does the Council and its community planning partners reflect its plans to reduce inequalities in its vision and strategic priorities? Have equality groups been involved in identifying local needs and inequalities to inform priorities?

One of the values of the new Corporate Plan is to 'Tackle poverty and inequality'. Poverty and inequality has been expressed as a central priority in the new Corporate Plan Vision and Priorities, with specific reference to child poverty and supporting vulnerable members of the community.

One of the ways in which the Council seek to address this priority is through the Local Outcome Improvement Plan (LOIP) which is adopted by the Moray Community Planning Partnership of which Moray Council partner alongside a range of other partner organisations.

The LOIP was refreshed in September 2020 and as part of the evidence gathering, engagement was undertaken with those who had experienced poverty as well as taking account of the Joint Needs Assessment for Children's services plan as well as work undertaken by the community engagement group to ensure local needs and inequalities were used to inform priorities.

The LOIP outlines four priorities which were developed in conjunction with partner organisations and clearly articulates its priorities to reduce inequalities including:

1. Developing a diverse, inclusive and sustainable economy;
2. Building a better future for our children and young people in Moray;
3. Empowering connecting communities; and
4. Improving wellbeing of our population.

3. Reducing inequalities and tackling climate change

(2)

Progress against the LOIP is reviewed on a quarterly basis by the Community Planning Board which members from the Council sit on the board. The most recent performance monitoring report published in March 2023 shows that there is overall good progress against the priorities however the report noted further improvement was required in areas including; increased participation, skill and pay levels with reduced gender inequality through apprenticeships at all levels as modern and graduate apprenticeship numbers remain below pre covid baseline.

An apprenticeship campaign is being planned to increase awareness. Improvement was also identified as being required against the priority relating to 'the impact of poverty on children, young people and families is mitigated'. The progress report notes that there is a "lack of lead officer support available to the multi-agency Child Poverty Group and general capacity continues to limit the pace of progress. The cost of living crisis further compounds the urgency to co-ordinate activities across the partnership".

We are satisfied that the Council and its community planning partners clearly reflect its plans to reduce inequalities in its vision and strategic priorities. We are also satisfied that equality groups have been involved in identifying local needs and inequalities to inform priorities.

Does the Council have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities?

The need to reduce inequalities is reflected in a range of plans and strategies including:

- Locality Plans
- Community Learning and Development Plan 2021-24
- Mid-term review of Community Learning and Development Plan 2021-24
- Moray CLD Strategic Partnership Self-Evaluation 2022
- Children's Services Plan 2023-26 (includes Child Poverty Plan)

Performance and delivery frameworks underpin each of these plans and strategies which is monitored by relevant committee boards e.g. Education, Children's and Leisure Services Committee and Community Planning Board.

We are satisfied the Council have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.

Do the Council's Covid-19 recovery and renewal plans support those most affected and address inequalities?

During the covid-19 pandemic the Council held recovery and renewal plans in place in order to support those most affected by the pandemic. Recovery and renewal plans are no longer updated as plans and priorities have since been refreshed to include actions to support those who have been most affected by the pandemic and address inequalities. This is evident within corporate plan documents such as; community learning and development plan, Moray Economic Strategy and Childrens' Services Plan. Recovery plans are also incorporated into departmental service plans.

3. Reducing inequalities and tackling climate change

(3)

Does the Council use equality impact assessments and Fairer Scotland assessments to inform its strategic decisions? Is this information considered and acted on at the planning stage?

The Council has a duty to demonstrate that they consider or have due regard to their equality obligations. Moray Council use equality impact assessments (EIA) in order to facilitate this. Key decisions undertaken by committees (such as budget decisions and major policies and strategies) are required to produce an equality impact assessment alongside the considered report. EIA's are summarised in the committee reports and published as part of the papers for the committee meetings where relevant to inform the decision-making process. From August 2021 these are being tracked for monitoring purposes and are published on the Council's website. **We are satisfied that the Council use equality impact assessment to inform strategic decisions and is considered and acted on at the planning stage alongside relevant committee reports.**

Is the Council identifying a need to implement human rights-based approaches in its design and delivery of services?

Each Committee covering report which is used to inform decision making makes reference to risks and implications of recommendations of the report with reference to Equalities and The Equality Duty. The EIA screening questions makes reference to whether the activity/proposal/policy would have an impact on groups with protected characteristics as well as focusing on human rights. The Council hold an equality and diversity policy as well as publish equality outcomes where progress is reported on every second year. The policy includes reference to the Humans Rights Act 1998 as well as a range of other equalities legislation. **We are satisfied that the Council has due regard to human rights-based approaches in its design and delivery of services.**

Tackling climate change

Around two-thirds of councils have formally declared a climate emergency, and [COSLA's Blueprint for Local Government](#) states that climate change is a 'greater threat than COVID'. The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

How clearly does the Council reflect sustainability of the environment, and in particular climate change, in its vision and priorities?

The draft corporate plan includes the following priority "Build a stronger, greener, vibrant economy". This priority addresses the area of sustainability both in environmental and financial regards.

Moray Council introduced a Climate Change Strategy in 2020 which, together with the Local Development Plan, is designed to provide a co-ordinated and appropriate response to help all with Moray to deal with the challenges that climate change is expected to bring. On the 27 June 2019, Moray Council declared a Climate Change Emergency. Subsequently a Climate Change Strategy and action plan was prepared and adopted with the aim of Moray Council becoming carbon neutral by 2030. To ensure the Strategy remains relevant and accounts for ongoing national policy development, it is subject to review at 3-year intervals.

3. Reducing inequalities and tackling climate change

(4)

Outcome measures have been identified for all actions which are proposed to be the primary method for monitoring progress on climate change objectives and targets. These indicators are reviewed annually to ensure they are fit for purpose to monitor progress on actions for the lifespan of the strategy.

We are satisfied that the Council clearly reflects sustainability of the environment and in particular climate change in its vision and priorities.

Conclusion

We are satisfied that the priorities of the Council within the Council plan clearly articulates the importance of its plans to reduce inequalities as well as ensuring stakeholders have been involved in identifying local needs and inequalities to inform priorities. We have also obtained assurance that the Council has an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.

The Council use equality impact assessments as a way of ensuring that the risks and implications of decisions are considered. The Council also has appropriate arrangements in place to reflect the sustainability of the environment and in particular climate change as a key priority in its vision and Council plan.

Overall, we are satisfied the Council ensures that priorities reflect the need to reduce inequalities and climate change and has a number of arrangements in places to address this.

4. Alignment of delivery plans (1)

How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the Council's priorities?

Delivery plans

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a council will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

Are the Council priorities clearly reflected in service plans?

Corporate and administrative priorities are captured and reported in departmental service plans. Service plans set out what the service aims to develop over the coming year and the targets that should be achieved in terms of performance.

Work is currently in progress to revise the Corporate Plan following the local government elections in May 2022 and to take account of the issues from the Covid pandemic that are likely to influence future service requirements and the Scottish Government programme for government. The Council agreed that Service Plans be prepared as normal and that they be further reviewed as required as part of the normal 6 monthly performance reporting framework to take account of any revisions and change in direction in the new Corporate Plan.

The updated draft of the Corporate Plan is developing and has had input from Heads of Service and is consistent with the content of the 2023/24 Service Plans and is not anticipated that further review would be required, subject to any amendments to the final Corporate Plan that is approved by the Council.

The service plans viewed show the strategic outcome or priority as per the corporate plan, action, planned outcome, outcome measures, completion target, lead and priority rating. The strategic outcome/priority is then broken down into further service level outcomes and priorities. **Service plans will require some refresh as a result of the new corporate plan to ensure new priorities are mapped to service delivery.**

Do service plans demonstrate how the Council will improve in its service priority areas?

As mentioned above service plans will require refresh however, we are satisfied from our review of the directorate plans available that plans demonstrate how the Council will improve service priority areas. This is demonstrated through service performance measures and actions combined with the anticipated outcomes, officer responsible for delivery as well as the timescale for delivery of the priority. However, it is currently too early to assess the effectiveness of service plans in the delivery of the service priorities.

4. Alignment of delivery plans (2)

Has the Council taken an innovative approach when considering how services will be delivered in the future?

There are examples where the Council has taken an innovative approach to deliver services such as digital services which have been in place for a number of years prior to the pandemic which allows some services to be accessed 24/7 and enabled a smooth transition to remote and hybrid working as lock down restrictions were in force during the covid-19 pandemic. There has been a move of customer contact hubs into libraries to help provide easy access to the public and drive efficiencies for the Council.

Transformation and an innovative approach to delivering services will be key in futures years to enable delivery of services and Council priorities against what is expected to be a challenging future financial backdrop. The Council will need to continue to share information on transformation projects across the Council and also encourage innovation across all levels of the organisation and ensure there is an opportunity for input and ideas from all levels to help drive transformational change across the Council and service delivery. It is also important that the Council not only have an inwards facing approach but look outwards to others to help provide examples of innovative practice or innovative ways in designing services.

Financial Plans

Is there evidence that the Council has effectively aligned it's 2023/24 budget to its new priorities?

The Council have prepared a three-year financial plan which was considered at full Council alongside the annual budget. The stakeholder engagement undertaken by the Council identified priorities such as tackling inequalities, economic growth and transformation, climate change, health and social care, infrastructure, education and focus on local communities. These priorities have been reflected in the new Council plan as referred to within the 'Council Vision and Priorities' section of this report. **We are therefore satisfied that the Council has aligned it's 2023/24 budget to its new priorities.**

Does the Council have a medium term and / or long-term plan that effectively demonstrates that financial resources are allocated to deliver its new priorities?

Our review of the budget and MTFS shows that the most significant allocation of capital expenditure is being allocated to economic development, corporate, industrial portfolio, libraries and leisure, parks and open spaces, road improvements and schools. The larger proportions of the revenue budget are being directed to education, education resources and communities, IJB (covering health and social care) and environmental and commercial services. **We are therefore satisfied that the Council is appropriately allocating funding to areas matched with local priorities.**

4. Alignment of delivery plans (3)

Can the Council demonstrate how engagement with its citizens and communities have influenced its budget decisions?

Council members are in continuous engagement with its citizens and communities, and this allows councilors to understand the priority areas impacting their local constituency. The budget setting process then takes due regard to Council plan priorities as informed by the local community to allocate financial resources to priority areas however, it is recognised by the Council that since the pandemic there has been less engagement with communities on financial planning. **As a result of a challenging financial future, it is important that there is increased focus on ensuring there is engagement with local citizens and communities especially around financial planning and future budgeting priorities.**

Workforce Plans

Are workforce plans in place, across the Council, that demonstrate that it has the staff in place with the skills required to deliver services in line with its priorities?

The workforce and organisational development strategy approved at the Corporate Committee in April 2023 is designed to help the Council to develop and maintain a skilled, motivated and flexible workforce and deliver sustainable services. The workforce strategy outlines the corporate vision and Council priorities and recognises that while the corporate plan is under review the workforce strategy is designed to be flexible and enabled to adapt to future priorities and demands. The workforce priorities included within the plan align with those high-level priorities set out in the corporate plan.

Our review of workforce plans show the actions required to be taken in order to achieve Council priorities and sustainable service delivery. A formal annual review of the workforce plan and strategy is undertaken by the corporate committee.

It is too early at this stage to comment on the effectiveness of workforce plans in place to demonstrate the Council has the staff in place with the skills required to deliver services as workforce strategies and plans have only just been approved with target timescale for completion in March 2024, however, we believe that the workforce plans are aligned to draft Council priorities and is a positive step in ensuring plans are in place to help deliver services in line with priorities and with the workforce required.

Asset Plans

Does the Council have an asset strategy and plans in place that demonstrate that it has the right assets to support delivery of services in line with its priorities?

The Council have an asset strategy which spans a 10-year period to 2032/33. The capital plan was approved at the March 2023 full Council meeting alongside the revenue budget. The capital plan shows a total expenditure between 2023/24 and 2032/33 of £501 million of which £400.5 million (80%) is planned to be financed through loans. This is a significant amount of planned borrowing and therefore will be revenue implications for the Council. It is not clear from the capital plan what the estimated revenue costs will be to the Council across this ten-year period. There are risks associated with the capital plan where it is not evident how these risks have been considered such as potential interest rate rises in future years and the revenue implication of this.

4. Alignment of delivery plans (4)

The Council will need to review the affordability of the proposed capital plan and its revenue implications. A review of the capital plan and estates strategy should be carried out and identify through scenario planning and sensitivity analysis whether the proposed capital plan is affordable in the short to medium term. It is also important that the Council considers what is affordable to ensure continued financial sustainability as well as identify what capital priority areas are to ensure delivery of Council plan priorities. (Action plan recommendation raised- see Appendix 1).

Do the Council's annual and longer-term capital plans include projects that are aligned to the asset plans to support improved services? Is the extent of 'slippage' on key projects a concern?

The greatest areas of spend over the next 10 years as outlined within the capital plan relates to; corporate, majority focusing on the Council's vehicle and plant replacement program and how this moves to a zero-emission fleet. Economic development, this includes the capital components of the Moray Growth Deal. Road improvements, includes expenditure on resurfacing and reconstruction. Learning estate strategy and schools, this includes plans for new build/refurbishment of schools. These areas of spend are aligned to Council priority areas to support improved services. Council priorities includes focus on economic development, environment, people (including children's services) and sustainability all of which are consistent with greater levels of spend as per the capital plan.

As at 31 December 2022 the Council had incurred £16.682m of expenditure against a full year budget of £42.867m. It was estimated in December that there was likely to be a total projected expenditure for the year of £36.468m . The final outturn position for 2022/23 financial year was £28.3m. Issues such as volatile conditions within the construction industry and in supply chains of materials, resulting in contractors declining to tender for works or increasing prices significantly above estimates as well as delays in construction works and delivery of goods have meant programmes started to slip within the financial year.

Underspends incurred by the Council have increased from 9% to 35% in the past five years. **There is a theme of recurring underspends at the Council however this has significantly increased in the past two years . It is important the Council look to ensure that the budget provides a realistic reflection of the anticipated spend for the year and projects that look to be slipping there is appropriate challenge and scrutiny of delivery to ensure projects are delivered on time and to budget to avoid projects slipping into future years which impacts on future capital planning and financing. We do however understand that shortages of labour and rising inflation has impacted delivery of projects however the Council should ensure that it is appropriately monitoring delivery of capital spend.**

The Council should continue to monitor any slippage of the capital plan as this can have adverse implications for the revenue budget where more money is borrowed than required and interest payments that have been made on projects slip into future years, extending the borrowing requirement. The Council should ensure it does not borrow in advance of need and that any slippage on capital projects is appropriately actioned in a timely manner to ensure there is minimal revenue implications.

4. Alignment of delivery plans (5)

Digital Plans

Does the Council have a digital strategy and plans in place that demonstrate how its digital infrastructure supports delivery of services in line with its priorities?

Moray Council holds an ICT and Digital Strategy which runs from 2020-2023. The digital strategy sets out how ICT services will help support the delivery of Moray Council's Corporate Plan in line with corporate priorities. The ICT strategy is monitored through the HR, ICT and Organisational Development and Strategy Governance and Performance Services' service plans. Quarterly service performance information is provided as well as within six monthly service performance reports and an annual review of the strategy and plan which is overseen by the Corporate Committee. **A refresh of the ICT strategy is due to be presented to the Corporate Committee in August 2023 to align with the new corporate plan. This will ensure that priorities within the new corporate plan are aligned with how digital infrastructure supports delivery of services in line with new corporate priorities.**

Conclusion

Can the Council demonstrate that it has taken decisions to show how it will deliver on its priorities, allocate and align resources to its new priorities and secure sustainability of its services into the longer term?

We have seen evidence that the Council has taken decisions to show how it will deliver on its priorities, allocate and align resources to priorities and secure sustainability of its services into the longer term. The priorities of the Council plan are broad in nature and therefore, provides the Council with flexibility in future years to respond to changes in the local community. The Council have also evidenced large investment in projects such as economic development including the Moray Growth Deal to meet strategic priorities relating to 'Build a stronger, greener, vibrant economy'. Overall, we are satisfied that the Council has appropriate delivery plans and that there is alignment of financial, workforce and asset plans with Council priorities however digital plans are yet to be finalised. One of the biggest challenges that the Council will face in the medium to longer term relates to capital investment in services to help in the delivery of Council priorities. We highlight the fact that the Council has an ambitious capital plan which results in significant amounts of planned borrowing and the Council will need to evidence and reflect their updated considerations on the affordability of this programme to avoid the risk of wider financial challenges.

5. Leadership (1)

Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

Effective leadership from councillors, chief executives and senior officers, is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever. Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councillors and officers must be clear on their roles in setting the vision and planning for its delivery. Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. Working relationships between members and between members and officers should be constructive and productive. Councillors should show a commitment to agreed Council priorities and work together to achieve them.

Is there effective collaborative working between members and with members and officers towards the achievement of the priorities?

There have been a number of changes to the leadership of the Council since the prior year local government elections. Two members left the administration group and the Convener resigned from their post resulting in a decision to approve a new structure consisting of a Leader, Depute Leader and Civic Leader.

In addition, a by-election was held in early November following the resignation of one of the new intake of councillors from an opposition party in May. The recent BVAR Report notes "*The council works with three tiers of governance. The CMT meet with the administration group; group leaders meet at least once a month; and business goes through formal committees. In December 2020, the Chief Executive met with group leaders to discuss political management and ways of working, but this can still be difficult especially where there are areas of political difference. Cross-party working arrangements can be affected by longstanding political differences between some groups and some poor relationships. The administration group has been able to gain support for key decisions, but this can be time-consuming, challenging and relies on the support of other elected members*".

Review of meeting minutes and observation of Council meetings has identified that there continues to be challenges on cross party working arrangements to progress key decisions. Our review has found that key decisions are being made however due to challenges in cross party working, the ability to gain support for key decisions continues to be time-consuming and challenging. This is largely due to the political make up of the Council where the political balance is finely balanced and therefore provides challenges in progression in key decision- making areas and creating pace for change. (Action plan recommendation raised- see Appendix 1).

5. Leadership (2)

Is there evidence that members have taken decisions that contribute to the achievement of the priorities, in particular when allocating resources and in setting and monitoring performance targets?

There is a risk that progression of Council priorities is hindered due to a lack of effective cross party working arrangements. This risk has been highlighted within Audit Scotland Best Value Assurance Reports for a number of years and it is important that the Council urgently act upon this issue to mitigate against future risks of non-delivery of Council priorities. The Council is aware of the significant financial challenges that it faces in the short to medium term and significant decisions will need to be made on areas such as finances and service delivery. Lack of effective cross-party working will make it extremely difficult for members to agree on difficult decisions that need to be made which could impact on pace of delivery of priorities, effective service delivery and financial sustainability. **The Council will need to ensure that members work effectively together in order to act on key decisions in an effective and efficient manner.**

Do members and officers demonstrate mutual respect, trust, honesty and openness and appropriate behaviours?

There are respective codes of conduct for both officers and Elected Members. We have not identified instances of members or officers not demonstrating appropriate behaviours however as mentioned above we have identified a lack of collaborative working across political parties in order to progress key decisions. In some cases, there are instances where members allow political differences to impact progression of key decisions, examples being the annual budget setting process and renewal of the corporate plan which has taken longer to finalise in part due to political differences.

Is there a corporate approach to self-evaluation that supports continuous improvement in priority areas?

Monitoring of service plan progress and service performance in key areas is monitored and reported to ensure a process of continuous improvement. However, self-evaluation is something that could be improved upon at the Council. There are examples of best practice in other Councils that undertake an annual self evaluation questionnaire considered by committees such as Audit Committees using various frameworks and tools such as the Public Service Improvement Framework (PSIF). This allows councils with the opportunity to evaluate on strengths and weaknesses and draw any themes arising from results of self evaluations to implement any necessary action plans to support continuous improvement in priority areas and ensure it is demonstrating compliance against the CIPFA Code of Principles for Delivering Good Governance (revised 2016).

We recommend that Moray Council look to implement an annual self evaluation and consider the results of this evaluation on an annual basis to identify strengths as well as areas for improvement in order to support continuous improvement. (Action plan recommendation raised- see Appendix 1).

5. Leadership (3)

Have any issues been identified with the capacity and skills of senior officers that could impact on the ability of the Council to deliver its objectives? Has there been turnover of senior officers?

We have considered the capacity and skills of senior officers which could impact on the ability of the Council to deliver its objectives. **The Council has not experienced high turnover of senior officers and we have not identified from our discussions with management and review of Council reports any significant issues with the capacity and skills of senior officers in place at the Council.**

Issues were identified in previous BVAR reports relating to the previous cohort of elected members in relation to effective scrutiny. In response to this finding, a workshop was led in late 2022 for elected members by the Improvement Service to clarify the scrutiny remit of the Audit and Scrutiny Committee and approve a Scrutiny Guide. The Council have also appointed two external members (co-opted independent members) to provide appropriate technical expertise.

It is positive to note the steps that the Council have taken to address this issue and provide further clarification on the remit of the Audit and Scrutiny committee for members in the way of producing a formal scrutiny guide. **Our attendance at recent audit and scrutiny committees since being appointed as new external auditors has however already identified instances where there have been challenges between members in relation to actions to be taken regarding the remit of Audit and Scrutiny committee.**

There continues to be some confusion between members on what should be escalated to Council and what should be contained and actioned within the remit of the Audit and Scrutiny Committee.

We have found that there has been lengthy debates on which committee issues should be escalated to rather than focusing on how to resolve the issue at hand. This presents a risk to resolving identified issues in a timely manner.

We recommend that further training is provided to members to provide further clarification and guidance on the remit of audit and scrutiny to ensure implementation of the scrutiny guide for members is being actioned. (Action plan recommendation raised - see Appendix 1).

Conclusion

We have identified some continuing risks relating to the lack of effective cross party working in order to progress key decisions. Strong and cohesive leadership is important in ensuring delivery of Council priorities and it is important that effective leadership and governance arrangements are in place to help tackle a number of difficult decisions that will be required to be made as a result of a challenging financial climate, increasing demand for services and reduction in resources. This will result in a need for transformational change and will require strong leadership and guidance by officers and elected members.

The Council has made some positive steps in addressing the issues relating to the remit of the Audit and Scrutiny Committee however this issue has not yet been fully resolved and further work is required to ensure committee members are clear on the remit of the Audit and Scrutiny Committee.

The Council remains finely balanced which provides some challenges in progressing key decisions including finalising the new Council plan. Further work has been planned around the theme of 'Collaborative leadership' by the Council, including the use of external support, to improve the way councillors and officers work together and to ensure that Council meeting time is used effectively. This work is currently in progress and the Council aim to capture findings in a revised Best Value action plan.

Appendices

Appendix 1. Improvement Action Plan (1)

We have identified four recommendations for the Council as a result of best value thematic review carried out. We have agreed our recommendations with management, and we will report on progress on these recommendations during the course of the 2023/24 audit. The matters reported here are limited to those that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you.

Issue and risk

1. Community Engagement - Participatory Budgeting

Given the financial challenges that lie ahead for the Council, decisions will need to be made regarding available financial resource and how it is allocated and prioritized which has the potential to have a knock-on impact on service delivery.

Recommendations

It is important that the Council undertake more work around participatory budgeting and ensure key stakeholders including partners and individuals are involved within participatory budgeting exercises to ensure that financial resources are distributed to priority areas and reflective of priority areas for the local population.

Management response

The questionnaire to be issued for the 2024/5 budget consultation exercise asks the public to consider our draft strategic priorities alongside our finances. The results will help ensure that our resources are aligned to priorities.

Responsible Officer: Chief Executive

Target date: 31 March 2024

Appendix 1. Improvement Action Plan (2)

Issue and risk

2. Alignment of delivery plans - Asset Plans

The capital plan shows a total expenditure between 2023/24 and 2032/33 of £501 million of which £400.5 million (80%) is planned to be financed through loans. This is a significant amount of planned borrowing and therefore will be revenue implications for the Council. In our view the current capital plan is unaffordable.

Recommendations

The Council will need to review the affordability of the proposed capital plan and its revenue implications. A review of the capital plan and estates strategy should be carried out and identify through scenario planning and sensitivity analysis whether the proposed capital plan is affordable in the short to medium term. It is also important that the Council considers what is affordable to ensure continued financial sustainability as well as identify what capital priority areas are to ensure delivery of Council plan priorities.

Management response

The indicative 10-year capital plan will be reviewed as part of the financial planning process. As a short-term savings measure, capital budget managers have also been asked to review planned expenditure for 2023/24 with a view to delaying projects or otherwise reducing expenditures in 2023/24.

Responsible Officer: Chief Financial Officer

Target date: 31 March 2024

Appendix 1. Improvement Action Plan (3)

Issue and risk

3. Leadership - Cross Party Working

Key decisions are being made by Council members however due to lack of effective cross party working, the ability to gain support for key decisions continues to be time-consuming and challenging. This is largely due to the political make up of the Council where there the political balance is finely balanced and therefore provides challenges in progression in key decision-making areas and creating pace for change. There is a risk that progression of Council priorities is hindered due to a lack of effective cross party working arrangements.

Recommendations

Lack of effective cross-party working will make it extremely difficult for members to agree on difficult decisions that need to be made which could impact on pace of delivery of priorities, effective service delivery and financial sustainability. The Council will need to ensure that members work effectively together in order to act on key decisions in an effective and efficient manner. We recommend that Moray Council look to implement an annual self evaluation and consider the results of this evaluation on an annual basis to identify strengths as well as areas for improvement in order to support continuous improvement.

Management response

Further work has been planned and will be captured in a revised Best Value Action Plan for the Council.

Responsible Officer: Chief Executive

Target date: 31 December 2023

Appendix 1. Improvement Action Plan (4)

Issue and risk

4. Leadership - Audit and Scrutiny Committee

There continues to be some confusion between members on what should be escalated to Council and what should be contained and actioned within the remit of the Audit and Scrutiny Committee. We have found that there has been lengthy debates on which committee issues should be escalated to rather than focusing on how to resolve the issue at hand. This presents a risk to resolving identified issues in a timely manner.

Recommendations

We recommend that further training is provided to members to provide further clarification and guidance on the remit of audit and scrutiny to ensure implementation of the scrutiny guide for members is being actioned.

Management response

A briefing on this topic will be arranged for Elected Members.

Responsible Officer: Head of Governance, Strategy & Performance and Head HR, ICT & OD

Target date: 31 March 2024



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