

**MEETING: 13 JUNE 2019**

**REPORT BY: SECRETARY TO THE COMMISSION**

**BEST VALUE ASSURANCE REPORT: MIDLOTHIAN COUNCIL**

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### **Purpose**

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

### **Background**

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide more regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. It is intended that this will be achieved by the Controller of Audit submitting a Best Value Assurance Report (BVAR) on each council at least once during the five-year audit appointment and by Best Value being reported in annual audit reports.
3. The attached BVAR (Appendix 1) is on Midlothian Council. This is the first BVAR on the council and reports on the progress made by the council since previous Best Value reports. The Controller of Audit reported to the Accounts Commission on the council in May 2012 and the Commission's findings were published in [June 2012](#) (set out in Appendix 2). This followed on from a previous Controller of Audit Best Value report on the council, the findings on which were published in [June 2008](#) (Appendix 3).

### **The Controller of Audit report**

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

## **Procedure**

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

## **Conclusion**

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

**Paul Reilly**  
**Secretary to the Commission**  
**4 June 2019**

**APPENDIX 1:**

**BEST VALUE ASSURANCE REPORT: MIDLOTHIAN COUNCIL**

See separate paper.

## **APPENDIX 2:**

### **AUDIT OF BEST VALUE - MIDLOTHIAN COUNCIL: COMMISSION FINDINGS**

#### **JUNE 2012**

1. The Commission welcomes progress made in a short period of time by Midlothian Council towards putting in place many of the essential elements of Best Value. Elected members and officers have worked well together and demonstrated shared leadership to increase the pace of change and improvement in the council.
2. This progress is shown by improvements in a number of key areas including how the council works with its partners and engages with its communities; in how it evaluates its performance; and in how it manages its employees.
3. The Commission is also encouraged that the council shows good awareness of where and how it needs to improve. This has been helped by its Business Transformation Strategy. The Commission emphasises the need for the council to ensure that this programme continues to be delivered as planned and the Commission has asked the local auditor to continue to closely monitor progress.
4. The Commission notes in particular the early progress made on shared services. This is a significant area, but the council needs to be clearer about its long-term strategy in relation to shared services.
5. The council's awareness would be helped further by better use of information such as customer views and comparative information with other councils' performance.
6. Improvements in performance have been seen in a number of council services but this is not yet consistent across all service areas and too many still perform below the Scottish average. The Commission notes, for example, the need for improvement to planning, housing and aspects of education services, most notably secondary education.
7. Because many of the elements of Best Value have only relatively recently been put in place, the council needs both to consolidate and accelerate its pace of improvement to help deliver improved services and, through it working with its partners, better outcomes for the people of Midlothian.

## **APPENDIX 3:**

### **AUDIT OF BEST VALUE - MIDLOTHIAN COUNCIL: COMMISSION FINDINGS**

#### **JUNE 2008**

1. The Commission accepts this report on the performance of Midlothian Council's statutory duty to secure Best Value and to initiate and facilitate the community planning process. The Commission recognises that the report gives a broad picture of the council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.
2. Midlothian Council has an ambitious vision based on its understanding of local needs and issues and we welcome its effective engagement with communities and its generally sound financial management. We also recognise the work the council is doing in house building and improving the quality of its school estate. However, the council has some way to go before it is in a position fully to demonstrate Best Value and continuous improvement. While many of the necessary processes are in place, there is a need for more effective implementation and clearer priorities.
3. The council needs to take corporate action to:
  - drive initiatives through to completion
  - deal with the areas where there are significant service deficiencies
  - improve its standards of customer care
  - take forward the important people management issues which have not yet been fully delivered
  - put in place and use effective processes to support continuous improvement across all areas
  - work at ensuring that its priorities can be delivered within the agreed timescales.
4. In addition, we consider that particular attention should be given to:
  - elected members and senior officers providing a clearer focus on Best Value and support for continuous improvement
  - scrutiny arrangements consistently providing members with timely information about service performance
  - ensuring the competitiveness of its services, with the use of options appraisals and benchmarking and, where appropriate, market testing
  - considering how best to build managerial and professional capacity within the council.