

**MEETING: 13 JUNE 2019**

**REPORT BY: SECRETARY TO THE COMMISSION**

**BEST VALUE ASSURANCE PROGRESS REPORT: CLACKMANNANSHIRE 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 Progress Report for Clackmannanshire 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 in all councils.
3. The attached report (Appendix 1) is a progress report on the previous BVAR, which the Controller of Audit reported to the Commission in [January 2018](#), upon which the Commission published findings (Appendix 2). This followed on from a Controller of Audit Best Value report on the council published in [September 2007](#) (findings in Appendix 3).
4. In its January 2018 findings, the Commission required the Controller of Audit to report on the progress made by the council in June 2019 or earlier if the Controller identifies concerns that he considers should be brought to our attention before then.

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

5. The Best Value Assurance Progress Report 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).
6. 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.
7. 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.
8. 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**

9. 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.
10. 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.
11. 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.
12. 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 Best Value Assurance Progress Report follow-up report on Clackmannanshire 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 PROGRESS REPORT: CLACKMANNANSHIRE COUNCIL**

See separate paper.

## **APPENDIX 2:**

### **AUDIT OF BEST VALUE - CLACKMANNANSHIRE COUNCIL: COMMISSION FINDINGS: JANUARY 2018**

1. The Commission accepts the Controller of Audit's report on Best Value in Clackmannanshire Council. We endorse the recommendations set out by the Controller of Audit in his report and expect the council to act upon them.
2. We are seriously concerned about the council's financial position. The Controller of Audit reports the need for savings of £29 million over the next three years, from an annual budget of £118 million. We underline the Controller of Audit's view that urgent and decisive action is needed by the council to address these required savings.
3. The council previously agreed a new strategic model for providing services and this now needs to be taken forward. In doing so, the council must consider carefully a balance between finding savings and ensuring it has the officer capacity and time to identify those savings and deliver change, while still maintaining the performance of its services.
4. To do so, clear political leadership is needed. This was not in evidence in the political instability in recent years. The duty of Best Value is the responsibility of the whole council: this needs to be fulfilled by members working collectively. Combined leadership between members and officers is also vital.
5. The need to ensure sustained effective leadership and improvement is substantial. The design and implementation of transformational change in a complex organisation is demanding, and more so when carried out under time and resource pressure. The task of securing the necessary changes to sustain services and demonstrate Best Value is urgent. It is our view therefore that the council should seek external assistance of appropriate quality and experience.
6. The challenges faced by the council and its partners in improving outcomes and reducing inequalities for the people of Clackmannanshire are significant. The local outcome improvement plan provides an important vehicle for the council and its partners to help prioritise resources. We encourage the council to build on this partnership working, and its good record of engaging with communities, to deliver the required change.
7. We require a further report by the Controller of Audit on the progress made by the council in June 2019 or earlier if the Controller identifies concerns that he considers should be brought to our attention before then. In line with our new approach to auditing Best Value, the annual audit process will be used to monitor and report such progress.

## **APPENDIX 3:**

### **AUDIT OF BEST VALUE AND COMMUNITY PLANNING: CLACKMANNANSHIRE COUNCIL – SEPTEMBER 2007**

#### **COMMISSION FINDINGS**

1. The Commission accepts this report on the performance of Clackmannanshire 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. The council faces a number of significant challenges which are specific to its situation. They arise from the scale of the council, the social and economic circumstances of its area and its geographical location and transport links. The council's progress towards Best Value has not matched its aspirations due to its limited capacity, high numbers of priorities and lengthy improvement agenda.
3. To achieve Best Value the council needs to improve aspects of its corporate activity, including:
  - effective leadership by elected members
  - sharper prioritisation and clearer articulation of vision, priorities and policies with resource decisions
  - consistent vision in corporate and community plans
  - political structures which give clarity on roles and responsibilities
  - a coherent approach to competition in relation to service delivery mechanisms
  - development of a Human Resources strategy.
4. The council has successful achievements to its name in a number of areas of service provision such as child and adult care, recycling, traffic light repair and dealing with planning applications and noise complaints. There are areas where it needs to improve, including educational attainment, aspects of housing, respite care, food hygiene and trading standards inspections, cultural and community services and refuse complaints. It also needs to make urgent progress in implementing Single Status for its workforce and in the collection of council tax.
5. The council has shown that it can work with others, particularly in the development of its community planning partnership. Because of issues of scale and capacity, it is vital that it now places the highest priority on more joint working, sharing management and service delivery arrangements with others, particularly other councils. We look forward to receiving an improvement plan from the council which addresses the questions raised in the Best Value report and these findings and sets realistic timescales for developing the joint working referred to above.