

**ANGUS COUNCIL**

**8 SEPTEMBER 2016**

**ACCOUNTS COMMISSION BEST VALUE AUDIT REPORT 2016**

**REPORT BY RICHARD STIFF, CHIEF EXECUTIVE**

**ABSTRACT**

The purpose of this report is to introduce the Controller of Audit's report on the Best Value Audit of Angus Council undertaken prior to the 2016 recess. The Council is invited to consider and comment on the findings set out in the report.

**1. RECOMMENDATION(S)**

It is recommended that the Council:

- (i) formally receives and notes the publication of the 2016 Best Value Audit
- (ii) considers and comments on the findings set out in the Best Value Audit report published by the Accounts Commission.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN**

This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

The Best Value Audit relates to all council functions and activity and therefore is relevant to the council's part in the delivery of all local outcomes set out in the Angus Community Plan and Single Outcome Agreement.

**3. BACKGROUND**

Angus Council has been the subject of a Best Value (BV) Audit on three occasions with previous audits being reported in 2004 and 2010. The 2010 report stated that the Council was making slow progress in improving its corporate processes to help it deliver Best Value. In particular, the council lacked a coherent framework for monitoring service performance, making it difficult to demonstrate how it was focusing on priorities for improving services. This, together with poor relations between political groupings, meant that scrutiny and challenge were judged as being ineffective.

Since 2010 the council's approach to addressing the issues set out in the 2010 BV report has been monitored by its local auditors and scrutiny partners. As members are aware, the council introduced and developed a substantial change programme, 'Transforming Angus'. Initially this led to substantial changes in management structure with most of the former management team retiring and a more streamlined management and committee structures being introduced. Subsequently Transforming Angus has focused on achieving significant culture change and a series of major projects aimed at modernising the delivery of services and helping to reduce costs.

As a result of the significant changes in the council noted above the Controller of Audit determined that the 2016 audit of Best Value should focus on four main issues:

- the impact of the new council management structure on how the council is delivering services

- the effectiveness of the council's leadership including member/officer working relationships
- whether there are effective systems of scrutiny and performance management across all services that help the council identify and prioritise areas where it needs to continue to improve
- how the Transforming Angus programme is contributing to the Council's vision for the people of Angus and will help meet the financial pressures it faces.

#### **4. THE 2016 BV AUDIT REPORT**

The fieldwork required to undertake the BV review was undertaken by Audit Scotland and its partners earlier in 2016. This included interviews and focus groups and was supported by substantial scrutiny of council policies, reports and finances. The Accounts Commission received and considered the report and its findings on 11 August 2016. The report, attached as Appendix 1, was approved for publication.

The 2016 report highlights that since the 2010 audit important improvements have been made in the strategic leadership provided by both senior managers and elected members.

In particular, the report highlights that:

- the council knows where it wants to be and how it plans to get there
- there have been important and beneficial changes in the culture and approach across the organisation
- there are good working relations between elected members and senior managers, with regular briefings to help keep members informed and member-officer groups to oversee key developments
- revised political management arrangements have helped strengthen scrutiny

The progress being made through the council's Transforming Angus programme is also welcomed in the audit report, with the auditors looking for a further increase in the pace of change.

The Accounts Commission recommends that the council should:

- maintain the strong political and senior officer leadership needed to ensure that the desired organisational change and projected savings are achieved
- continue to support elected members to develop more open forms of scrutiny; greater focus on priorities; and increased awareness of approaches taken by other councils
- provide a more coherent approach to performance management to help prioritise improvement and aid scrutiny
- continue to improve the budget process

It should be noted that the report has statutory status and is made by the Controller of Audit under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003). The council, is obliged to supply a copy to each elected member and to make copies of the report available for public inspection.

#### **5. PROPOSALS**

It is proposed that the council notes and considers the findings set out in the attached report.

The council is not required to prepare or submit a specific action plan in response to the report, but clearly the Accounts Commission's findings have a significant bearing on our work and will need to be taken account of in the development of council strategy, policies and operations.

Any comments or observations made by elected members will be used to inform developments in response to the audit findings.

**6. FINANCIAL IMPLICATIONS**

There are no financial implications directly arising from this report.

**7. CONSULTATION (IF APPLICABLE)**

The Executive Management Team and the Heads of Corporate Improvement and Finance and Legal and Democratic Services have been consulted in the preparation of this report.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 – Accounts Commission Best Value Audit Report, Angus Council, issued August 2016