



Moray Council

Tuesday, 11 June 2024

NOTICE IS HEREBY GIVEN that a Special Meeting of the **Moray Council** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 11 June 2024 at 14:00.**

BUSINESS

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests ***
3. **Best Value in Moray Council** 5 - 34
Report by Interim Chief Executive

Watching the Meeting

You can watch the webcast live by going to:

http://www.moray.gov.uk/moray_standard/page_43661.html

Webcasts are available to view for 1 year following the meeting.

You can also attend the meeting in person, if you wish to do so, please come to the High Street entrance door and a member of staff will be let into the building.

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| GUIDANCE NOTES |
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- * **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

MORAY COUNCIL

Moray Council

SEDERUNT

Councillor Kathleen Robertson (Chair)
Councillor Donald Gatt (Depute Chair)

Councillor James Allan (Member)
Councillor Peter Bloomfield (Member)
Councillor Neil Cameron (Member)
Councillor Tracy Colyer (Member)
Councillor Theresa Coull (Member)
Councillor John Cowe (Member)
Councillor John Divers (Member)
Councillor Amber Dunbar (Member)
Councillor Jérémie Fernandes (Member)
Councillor David Gordon (Member)
Councillor Juli Harris (Member)
Councillor Sandy Keith (Member)
Councillor Scott Lawrence (Member)
Councillor Graham Leadbitter (Member)
Councillor Marc Macrae (Member)
Councillor Paul McBain (Member)
Councillor Neil McLennan (Member)
Councillor Shona Morrison (Member)
Councillor Bridget Mustard (Member)
Councillor Derek Ross (Member)
Councillor John Stuart (Member)
Councillor Draeyk van der Horn (Member)
Councillor Sonya Warren (Member)
Councillor Ben Williams (Member)

| | |
|------------------|---------------------------------|
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REPORT TO: SPECIAL MORAY COUNCIL ON 11 JUNE 2024

SUBJECT: BEST VALUE IN MORAY COUNCIL

BY: JOHN W MUNDELL OBE, INTERIM CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 To ask members to consider the Accounts Commission Findings on the Controller of Audit's Statutory Report on the Council in relation to its Best Value duty.
- 1.2 This report is submitted to Council in terms of Section 103E local Government (Scotland) Act 1973 which require the Council to consider the findings of the Accounts Commission within 3 months of receiving them.

2. RECOMMENDATION

2.1 It is recommended that the Council:

- (i) note the Accounts Commission's findings and key messages;**
- (ii) fully accept the Accounts Commission's findings (Appendix 1);**
- (iii) note that the Corporate Committee meeting on 24 April 2024 considered the Accounts Commissions findings along with recent external audit recommendations and a strategic self-assessment against the Best Value statutory guidance criteria;**
- (iv) note that the Corporate Committee agreed a Best Value Action Plan 2024-2027 at its meeting on 24 April (Appendix 2) setting out the Council's priorities for the next 3 years to enable it to meet its Best Value duty with progress to be monitored on a quarterly basis and an annual review based on further strategic self-assessments; and**
- (v) endorse the Best Value Action Plan 2024-2027 agreed by the Corporate Committee and the steps agreed for monitoring progress, quarterly reporting along with an annual self-assessment.**

3. BACKGROUND

- 3.1 The Accounts Commission for Scotland is responsible for reporting on the performance by local authorities relative to their statutory duties for Best Value and Community Planning. In recognition of the significant changes to the environment in which local authorities deliver services, revised statutory guidance was published in 2020 and resulted in a new approach to auditing and reporting on the performance of Councils against their duty of Best Value.
- 3.2 This revised approach to auditing requires reporting on Best Value thematic areas as directed by the Accounts Commission, and this thematic work is now fully integrated into the Annual Audit Report (AAR) each year of the five-year audit appointment.
- 3.3 The Council's external auditors, Grant Thornton, undertook the Best Value Thematic Review for 2022/23. This thematic work assessed the effectiveness of the Council's leadership of the development of new strategic priorities. Both the AAR and Best Value thematic work were presented at a special meeting of the Council on 25 October 2023.
- 3.4 As part of the new arrangements, the Account Commission necessitates the Controller of Audit to report to the Commission on each Council's performance on its duty of Best Value at least once over the five-year audit appointment. Moray Council was in the first tranche of Councils to be assessed under the new Best Value assessment regime.
- 3.5 The Controller of Audit Report was received by the Council on 28 February and was considered by the Accounts Commission on 7 March 2024. The Accounts Commission published their findings on the same date. These findings, including the Controller of Audit's report, are shown in **APPENDIX 1**. The Council's Political Group Leaders and the Chief Executive attended the Accounts Commission meeting.
- 3.6 The Council is required to formally consider the findings of the Moray Council Best Value Report and the Accounts Commission's findings in newspaper adverts to inform the public of the time, place and purpose of the meeting and this has been undertaken. Thereafter, the Council is required to notify the Accounts Commission of any decisions made and publish a summary of the decision in the local newspaper.
- 3.7 Whilst progress was highlighted in some areas (including seeking external assistance in cross party working) there were recommendations in the report which the Council needs to address.

4. ACCOUNTS COMMISSION'S FINDINGS AND KEY MESSAGES

- 4.1 The Accounts Commission's findings are set out in **APPENDIX 1** and they referred to the Best Value Assurance Report (BVAR) for Moray Council published in 2020 which reported that the Council had previously received six Best Value reports from 2006 which consistently highlighted improvements had been delivered but the pace of progress had been slow and expressed concerns about whether momentum would be maintained.

- 4.2 The Controller of Audits report also highlighted that important aspects of Best Value raised in previous reports in 2022 and in the 2022/23 AAR continued to be issues the Council needed to prioritise including that the Council had not approved its Corporate Plan by October 2023. The Council's Corporate Plan was approved along with the 2024/35 budget at its meeting on 28 February 2024.
- 4.3 The report acknowledged the Council has a finely balanced political leadership position with changes in Members and leadership since the Council elections in 2022. Reference was also made to decision-making that appeared to be time consuming and challenging due a lack of effective cross-party working.
- 4.4 Auditors also identified in the AAR that there was some confusion at the Audit and Scrutiny Committee on its remit.
- 4.5 The report referred to the Council's use of external support to develop collaborative leadership, scrutiny and improve member and officer working relationships including the introduction of the Strategic Leadership Forum.
- 4.6 Key messages from the Accounts Commission's report are shown below:
- i. The Council should ensure that members work effectively together to act on key decisions in an effective and efficient manner.
 - ii. The Council should ensure all Audit and Scrutiny Committee Members are clear on their remit.
 - iii. The Council should undertake further consultation and engagement to ensure local communities are more involved in participatory budgeting.
 - iv. The Council needs to finalise the performance and delivery framework for its new Corporate Plan. It should implement annual self-evaluation to identify strengths as well as areas for improvement.
 - v. The Council needs to report performance in a more timely manner.
 - vi. The Council needs to increase its pace of transformation and identify savings to ensure its financial sustainability.
 - vii. The Council should keep the affordability of its capital plan and related revenue implications under review.
 - viii. The Council should continue to monitor any slippage of the capital plan.
 - ix. The Council should review its forecasting process to ensure the most accurate projections.
- 4.7 The Corporate Committee on 23 April 2024 agreed the Best Value Action Plan (item 5a on the agenda) (**APPENDIX 2**) which takes account of the best value feedback from various sources including Grant Thornton, external advisers, strategic self-assessment and critically the Account Commission report and sets out the Council's priorities for the next three years to enable it to address the improvements needed to meet its Best Value duty.

- 4.8 It is important to note that the Council's Corporate Management Team will be managing performance of the approved Best Value Action Plan by driving the delivery of the actions with regular monthly progress monitoring updates. There is no doubt that the delivery of the identified improvements is challenging but nonetheless, achievable. It is essential that the improvement priorities are delivered at the appropriate pace and within the targeted time and sustained for the future.
- 4.9 In addition, the Best Value Action Plan will be monitored on a quarterly basis and reviewed annually by the Corporate Committee based on a Council wide strategic self-assessment. By October 2024, Members will receive updates that will include the following:
- Short To Medium Term Financial Strategy – June 2024
 - Published Public Performance Report – June 2024
 - Transformation Strategy – August 2024
 - Short To Medium Term Savings Plan – August 2024
 - Review Reserve's Policy – September 2024
 - Workforce Plan – September 2024
 - Asset Management Strategy (Phase 1) – September 2024
 - Revised Capital Strategy and Corporate Asset Management Plan – September 2024
 - Sustainable Development Statement – September 2024
- 4.10 The outcome of a forthcoming meeting which the Commission undertakes following all reports on Best Value between, with the Chair of the Commission, members of the Commission and representatives of the Council, will be reported at the meeting.
- 4.11 It is recommended that the Council considers the findings of the Accounts Commission and the Controller of Audit's Report and agrees with the findings in full which are addressed in the refreshed Best Value Action Plan detailed in **Appendix 2**.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Council's Corporate Plan and LOIP set out priority service delivery areas. The Best Value Action Plan compliments these plans. It enables the Council to deliver on its strategic priorities through a focus on organisational health, the Council's capacity to deliver on their priorities and on its accountability to the public.

(b) Policy and Legal

The Council has a legal duty to deliver Best Value and to comply with any findings containing recommendations arising from any Best Value Assessment Reports.

(c) Financial implications

Financial sustainability is a key component of Best Value and there are no immediate financial implications arising from the report. However, more effective.

(d) Risk Implications

Several of the Best Value themes feature on the Council's Corporate Risk Register including Leadership, financial sustainability and workforce development. Failure to address the Best Value actions identified would have very serious implications for the Council in terms of external audit scrutiny and in terms of reputation.

(e) Staffing Implications

There are no additional staffing implications arising directly from this report. Work is currently being accommodated within existing resources. It is anticipated however that additional resources will be required to ensure timely progression of the priority areas of work.

(f) Property

None.

(g) Equalities/Socio Economic Impact

This is covered in terms of the inspection regime itself and the Council's duty to deliver Best Value.

(h) Climate Change and Biodiversity Impacts

This is a key component of Best Value.

(i) Consultations

All Elected Members and Heads of Service were involved in the Council-Wide Strategic Self-Assessment exercise. CMT/SMT have contributed to the Consolidated List of Improvement Actions and the Strategic Self-Assessment.

6. CONCLUSION

- 6.1 The Council received external findings from the Accounts Commission and Controller of Audit's Report in relation its performance against its Best Value duty. In response to the findings, the Council must deliver its refreshed and approved Best Value Action Plan 2024-2027 timeously and fully comply with its statutory obligations to build trust and confidence in its ability to deliver Best Value with sustainable improvements and financial stability.**

Author of Report:
Ref:

John W Mundell OBE, Interim Chief Executive
SPMAN-1108985784-972 / SPMAN-1108985784-983 /
SPMAN-1108985784-986

Best Value

Moray Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
March 2024

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Accessibility

You can find out more and read this report using assistive technology on our [website](#).

For information on our accessibility principles, please visit: www.audit-scotland.gov.uk/accessibility.

Key facts

| | | |
|---|----------------|---|
|  | 864 | Square miles |
|  | 96,410 | Population |
|  | 3,800 | Workforce (FTE) |
|  | 26 | Elected members 9 Conservative, 1 Conservative non-aligned, 9 SNP, 3 Labour, 3 Independent and 1 Green (minority Conservative administration) |
|  | £31m | Savings required by 2025/26 (Cumulative funding gap of £31 million projected for the period 2023–26) |
|  | £258.2m | Net revenue budget 2022/23 |
|  | £43.4m | Capital budget 2022/23 |

Commission findings

- 1** The Commission welcomes and endorses the Controller of Audit's report on Best Value in Moray Council.
- 2** We note that the council has received six Best Value reports since 2006. These reports have consistently highlighted that while the council has made improvements, the pace of progress has not been fast enough.
- 3** Despite this extended series of reports, the council still needs to accelerate the pace of change to deliver the significant progress needed to demonstrate Best Value for its citizens. Our specific findings that follow are therefore focused on supporting the council to make the necessary improvements.
- 4** The Commission is extremely concerned by the council's reliance on unidentified savings to deal with its significant forecasted budget gap, and agrees with the Controller that the continued use of useable reserves is not sustainable.
- 5** To bridge its budget gap and ensure its financial sustainability, the council must accelerate the pace and ambition of its transformation plans, and most importantly it must show clear, sustained evidence of this transformation. We therefore expect the council's Improvement Modernisation Programme to set out clear deliverables, deadlines and lines of accountability. In doing so the council must ensure strong financial management and put in place arrangements to ensure the accuracy of its forecasting and its in-year budget monitoring.
- 6** The council has an ambitious capital plan, much of which is planned to be financed through loans. We are surprised that capital and revenue plans are not more clearly integrated, especially given the revenue implications of the high level of borrowing planned, and this should be done as a matter of urgency. The council should also demonstrate how it intends to prioritise its capital investment in line with the council plan.
- 7** At the time of considering the Controller's report in March 2024, the council still had not published its annual performance report for 2022/23, and is therefore not meeting its statutory requirement to publish this information in a timely manner. While the council has an effective approach to reporting service performance,

it must make improvements in the timeliness of overall performance reporting and urgently finalise its approach to self-evaluation. We expect the council to set out a timeline to deliver these improvements. This will enable the council to promptly address areas of poor performance relative to other councils.

- 8** We acknowledge long-standing issues with recruiting senior staff, particularly in finance as well as in the leadership of its transformation programme. As a result of these issues, the Commission has real concerns about the capacity of the council to make the step change that is needed to deliver its transformation plans at the scale and pace required whilst also maintaining and improving everyday service delivery. The council therefore needs to demonstrate how it will close this capacity gap.
- 9** Linked to this, the council has long-standing issues related to a lack of effective cross-party working, highlighted in previous Best Value reports, and this continues to be a strong concern expressed in the Annual Audit Report (particularly regarding the Audit, Risk and Scrutiny Committee) and the Controller's report. We are therefore pleased to see that the council has sought external support and strongly encourage the continued use of this support, particularly in light of the forthcoming retirement of the Chief Executive. Further, we are pleased to note that the council's recent Budget for 2024/25 was agreed on a cross-party basis, and hope that these encouraging signs continue.
- 10** The way in which public audit operates means that, inevitably, there can be time lags between audit work being completed and reports coming to the Commission. In Moray's case, it appears to the Commission that, since the Annual Audit Report was completed, some positive steps have been taken, though these steps have not yet been subject to audit. We note that the council intends to bring its improvement actions together in a Best Value action plan, by April 2024. It will be important for this plan to consider the issues highlighted in this and previous reports to demonstrate sustained pace and momentum.
- 11** The actions identified from the audit will be followed up in future annual audit reports to the council, and the Commission asks the Controller of Audit to monitor the council's progress and report back to the Commission with any concerns if she deems it necessary.
- 12** We also look forward to our forthcoming meeting with the council, which we undertake following all reports on Best Value, where we will be looking to discuss all of the Commission's findings, in particular around effective political leadership and the council's Best Value action plan.

Controller of Audit report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 annual audit which reported in October 2023. [Appendix 1](#) includes the 2022/23 Annual Audit Report (AAR), and [Appendix 2](#) includes a link to the Best Value Statutory Guidance. The reporting of Best Value is now undertaken through the annual audit at each council and includes detailed work each year focusing on a Scotland-wide theme. The theme this year concerns councils' leadership of the development of new local strategic priorities.

2. The Best Value Assurance Report (BVAR) for Moray Council published in August 2020 highlighted that the council has received six Best Value reports since 2006 which have consistently highlighted that, while there have been improvements, the pace of progress has been slow. The Commission considered a progress report in 2022 and concluded that they were encouraged by the steps the council had taken but were concerned about whether momentum would be maintained.

3. My report highlights that the council continues to face challenges in demonstrating Best Value. [Appendix 3](#) shows a timeline of Best Value audit activity at Moray Council; while [Appendix 4](#) provides a summary of progress reported in the 2022 progress report and 2022/23 AAR against the recommendations made in the 2020 BVAR. Important aspects of Best Value raised in previous reports continue to be issues the council needs to prioritise.

4. The AAR noted that, as at October 2023, the council had not yet approved its new Corporate Plan. The council is now due to consider its revised Corporate Plan at its full council meeting in February 2024.

5. The council has a finely balanced political leadership position and there have been changes in leadership and elected members since the local government election in 2022. Decision-making appears to be time consuming and challenging due to a lack of effective cross-party working. This, alongside emerging national issues such as the Verity House Agreement and the challenging financial position, have contributed to the delay in agreeing the Corporate Plan.

6. Auditors identified in the AAR that there was some confusion within the Audit Risk and Scrutiny Committee on its remit, with often lengthy discussions on what issues should be escalated rather than the issue at hand. The council has used external support to develop its collaborative leadership, scrutiny, and improve member and officer working

relationships including the introduction of a Strategic Leadership Forum. This is an area auditors will keep under close review.

The council should ensure that members work effectively together to act on key decisions in an effective and efficient manner.

The council should ensure all Audit and Scrutiny Committee members are clear on their remit.

7. The council engages well with citizens and communities. The auditors found the council's community engagement work to inform the new Corporate Plan to be an area of strength. The council has undertaken a consultation exercise for the 2024/25 budget asking citizens to consider strategic priorities. It has also involved local communities in smaller-scale participatory budgeting exercises, a recent example being the refurbishment of a community playpark. These amount to some 0.26 per cent of council expenditure, below the Scottish Government target of one per cent.

The council should undertake further consultation and engagement to ensure local communities are more involved in participatory budgeting.

8. The council reports performance and progress internally through its service committees, and it reports progress on its corporate plan annually to full council. It is updating its corporate delivery framework to align with its draft Corporate Plan. It is therefore too early to assess its effectiveness in demonstrating progress toward the new priorities.

9. The council has undertaken some self-evaluation exercises, including community learning and development. The AAR noted the council lacked an established approach to corporate self-evaluation. It had previously adopted the Public Sector Improvement Framework self-evaluation approach but suspended its use due to the Covid-19 pandemic in 2020, and it has not applied this since. The council is currently developing an approach to corporate self-evaluation.

The council needs to finalise the performance and delivery framework for its new Corporate Plan. It should implement annual self-evaluation to identify strengths as well as areas for improvement.

10. The council's annual performance reporting is not done in a timely manner. It has yet to publish its annual performance report for 2022/23. The last annual performance report to Audit and Scrutiny Committee was for 2020/21 Local Government Benchmarking Framework (LGBF) data in February 2023.

The council needs to report performance in a more timely manner.

11. Auditors' analysis of the most recent LGBF data shows a declining picture of service performance relative to other councils. In 2022/23, 47 per cent of performance indicators were in the upper two quartiles of performance, compared to 54 per cent in the relevant 'base years' for these indicators.¹

12. The council has financial, workforce and asset plans that align with the priorities in its current Corporate Plan. The digital strategy and plan were approved by the council's Corporate Committee in August 2023. The medium-term financial plan (MTFP) currently extends to 2025/26 and the council is looking to extend this further to capture a longer time frame. The council revises its MTFP three times a year, taking into account budget setting and its use of reserves.

13. A report to council in January 2024 identified a £31 million cumulative budget gap over the three-year period covered by the MTFP to 2025/26 after using £17.2 million of reserves. The council plans to bridge its budget gap, primarily from savings from 2024/25 onward. It has identified that it must make £20 million of savings in 2024/25 of which only £6.5 million are currently identified. The continued use of earmarked reserves to bridge the budget gap is not sustainable beyond the short term unless the council identifies savings at pace.

14. The council approved its Improvement and Modernisation Programme (IMP) in December 2018. This is integral to it delivering the savings component of its budget gap and achieving sustainable transformation in line with its 'Council of the Future' ambitions.

15. The IMP incorporates digital, service restructure, asset and other transformation projects. The council has delivered its projected £2.3 million savings from the IMP and other transformation schemes up to 2022/23. It has also projected future savings of £2.4 million over the life of identified projects.

16. The council needs to increase its pace of change to achieve the required future savings. In November 2023, a report to Corporate Committee noted that eight of the 14 active projects within the IMP and

¹: The LGBF covers over 100 indicators and base years range from 2007 to 2019 depending upon when each indicator was introduced.

transformation programme were off target. Some £13.5 million of savings are still required to be identified to bridge the 2024/25 budget gap. The council recognises this as a priority. It is developing a programme of further transformation and intends to report this in April 2024. The auditors will follow-up on progress through their annual audit work.

The council needs to increase its pace of transformation and identify savings to ensure its financial sustainability.

17. The AAR noted that the council has an ambitious capital plan with £501 million total expenditure between 2023/24 and 2032/33, of which £400.5 million (80 per cent) is planned to be financed through loans. This level of borrowing has significant revenue implications for the council in an already challenging financial climate. In January 2024, the council scaled back its ten-year capital plan to £351.4m expenditure, with £272.2 million to be financed from a similar proportion of borrowing, equivalent to 77 per cent. The council plans to offset this borrowing to a significant degree with external funding including Learning Estate Investment Programme funding.

The council should keep the affordability of its capital plan and related revenue implications under review.

18. There have been recurring underspends in the council's capital programme. These have increased in the past five years from a 12 per cent underspend to a 35 per cent underspend. These are in part attributable to the Covid-19 pandemic and to council decisions to manage and reduce its capital spend. Capital underspends can result in additional costs to the revenue budget through extending the council's borrowing requirement over time.

The council should continue to monitor any slippage of the capital plan.

19. The AAR highlighted that the council also has a history of underspend against its revenue budget and its forecasted year end position. In 2021/22, it returned a £6.8 million underspend; and in 2022/23 a £17 million underspend. Allowing for one-off savings and additional income this amounts to only a two per cent variation in outturn for 2022/23. Inaccurate forecasting can impact on decisions taken by members on the allocation of financial resources to deliver council priorities.

The council should review its forecasting process to ensure the most accurate projections.

20. The draft council priorities and the Local Outcomes Improvement Plan clearly reflect issues of inequality, including child poverty and supporting vulnerable members of the community. The council uses equality impact assessments to consider the risks and implications of its decisions.

21. The current 2019-2024 Corporate Plan references the councils aims to protect and sustain the environment. The council declared a climate change emergency in June 2019. In 2020 it introduced its Climate Change Strategy and action plan with the aim of becoming carbon neutral by 2030. These, together with the Local Development Plan, are designed to provide a coordinated local response to the expected challenges of climate change. The delivery of this target remains challenging.

22. Previous Best Value reporting has highlighted capacity and skills pressures with some recruitment challenges in key posts. This remains a challenging issue for the council and it should continue to review its capacity to deliver on its priorities.

Appendix 1.

2022/23 Annual Audit Report

This report summarises the findings from the 2022/23 annual audit of Moray Council.

This Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.



Appendix 2.

Best Value

[The Local Government in Scotland Act 2003](#) introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development.
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Appendix 3.

Moray Council Best Value progress

| Moray Council Best Value timeline | | |
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|   | <p>Feb 2006 Audit of Best Value and Community Planning</p> | <ul style="list-style-type: none"> • Moray Council has a very long way to go to respond to its statutory duties on Best Value. Significant work is needed to create a culture of improvement. • Since 2004 new political leaders and the chief executive have started to make a considerable difference and introduced a series of reforms. Implementation of these will take time. |
|   | <p>August 2007 Progress report on the audit of Best Value and Community Planning</p> | <ul style="list-style-type: none"> • The pace of change has been steady. The council needs to sustain the pace of improvement to deliver better outcomes for local communities. • Elected members need to set a clearer strategic direction and ensure that there is sufficient capacity to sustain improvement. |
|   | <p>February 2009 Progress report</p> | <ul style="list-style-type: none"> • The council has demonstrated a willingness to progress improvement and has an increased openness to external advice. • Elected member leadership has improved; the council has clearer priorities and more systematic performance management. • A more structured approach is required to manage strategic priorities, and to ensure continuous improvement in services. • Elected members need to increase their commitment to personal development. |
|   | <p>September 2012 Moray Council Targeted Best Value audit work</p> | <ul style="list-style-type: none"> • Political and officer leadership has improved. The council needs to consolidate its strategic planning to demonstrate progress. • Elected members and officers are challenging performance more effectively. • The council is making progress with improvement. It needs to improve governance and reporting and prioritise its improvement programmes. |
|   | <p>October 2015 Progress report</p> | <ul style="list-style-type: none"> • Progress with strategic planning and improvement action plans – ten-year community plan, and corporate plan link to service planning and performance review. • Council showed a shared commitment to develop these but must increase the pace of change to meet its Best Value duties. |

Moray Council Best Value timeline



August 2020

Best Value Assurance Report

- Continued political instability and lack of focus has resulted in a slow pace of change. Some progress toward significant strategic decisions (eg revised corporate plan, learning estate review).
- The financial position is extremely challenging and reliance on reserves to balance the budget is unsustainable.
- Performance reporting is service-focused and does not clearly show council progress with its overall priorities.
- Performance relative to other councils has deteriorated over the past five years, particularly in educational attainment.
- Staff capacity to deliver change is a significant risk to the delivery of Best Value.















March 2022

Progress report

- Progress in some important areas; challenges remain in delivering strategic change. Elected members need to work better together to deliver the council's priorities.
- The council was quick to respond to the Covid-19 pandemic, but this impacted the overall pace of transformation.
- Improved capacity to drive strategic change but recruitment challenges in key posts eg head of transformation.
- Decision-making is challenging. Elected members need to work constructively together and ensure a shared and clear view on scrutiny and the remit of the Audit and Scrutiny Committee.
- The council should continue to seek external support. It needs to continue to address capacity to ensure its priorities are achievable and that it protects the wellbeing of its staff.

Appendix 4.






Progress against 2020 BVAR recommendations

| Collaborative leadership | | |
|---|--|---|
|  ⋮  | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> • The council needs to continue to progress its governance review, including reviews of committee structures, schemes of delegation and reporting to committee. • The elected member development strategy should be implemented through programmed activity and personal development plans. |
|  ⋮  | 2022 Progress report conclusions | <ul style="list-style-type: none"> • Elected members need to work better together to deliver council priorities. This should be a priority and external support will be helpful. • A governance review is being finalised and the remit of the Audit and Scrutiny Committee is still to be agreed. • Council plans to implement elected member development strategy from May 2022. |
|  ⋮  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> • Lack of effective cross party working – decision-making is time consuming and challenging. • Members remain unclear on remit of the Audit and Scrutiny Committee including what should be escalated to the council. • Auditors recommend further members training. The council has committed to a briefing on this topic by 31 March 2024. |
| Performance management | | |
|  ⋮  | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> • The council needs to complete its performance management suite of documents. This should include key indicators to support priorities and address the level of reporting at an overall council level versus service level. |
|  ⋮  | 2022 Progress report conclusions | <ul style="list-style-type: none"> • Council has made good progress. Performance reports focus on strategic priorities and improvement. • Emphasis now on refining performance management to drive priorities and outcomes. |
|  ⋮  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> • Delays in signing off the Council Plan and delivery framework. • Annual performance reporting is not timely. • Auditors recommended the council implement an annual self-evaluation to identify strengths and areas for improvement. |




Service performance

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|--|--|---|
|   | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> • The council should investigate and better understand the reasons for poorer satisfaction levels in housing. • Development work is required to improve educational attainment, alongside making significant changes to the school estate. |
|   | 2022 Progress report conclusions | <ul style="list-style-type: none"> • The Scottish Housing Regulator has no major concerns and actions are being taken to better understand tenant satisfaction. • Measures have continued to be taken to improve attainment; it is not possible to make national comparisons given lack of data during Covid-19 pandemic. |
|  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> • Performance in 2021/22 significantly below the national average for 'Proportion of council dwellings meeting Scottish Housing Quality Standards'. The latest 2022/23 service report shows a slight improvement but the council continues to underperform. |




Financial sustainability

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|   | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> • The medium- and longer-term financial position needs to be addressed and the continued reduction in the council's reserve position halted before the position becomes acute. |
|   | 2022 Progress report conclusions | <ul style="list-style-type: none"> • Financial position improved over the last two years; reserves are sustainable in the medium term. • The council plans to use significant Covid-19 reserves to balance its budget in 2022/23 and 2023/24. • It plans to develop new transformation projects to deliver the savings required and ensure services are financially sustainable. |
|  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> • Budget underspends – council needs to improve its financial management. • Developing Medium to long term financial strategy. • Significant funding gap over the three years to 2025/26. Identification of further savings will be challenging. |

Transformation

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|  | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> The council needs to make some difficult strategic decisions on areas such as, asset management, leisure services, flexible working, income generation and service transformation in education and social work. |
|  | 2022 Progress report conclusions | <ul style="list-style-type: none"> Council approved a revised and re-prioritised an Improvement Modernisation Programme (IMP). IMP more clearly aligns with priorities and sets short and medium- to long-term targets. |
|  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> Major transformation is needed to close the funding gap. IMP programme is currently unlikely to deliver the scale of transformation required. Council needs to progress this at pace. Council has an asset strategy spanning ten-year period to 2032/33. Council need to consider the revenue implications and affordability. |

Partnership working and Community engagement

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|---|--|--|
|  | Controller of Audit BVAR recommendations 2020 | <ul style="list-style-type: none"> The council needs to continue working with CPP partners to determine clear outcome milestones and performance reporting. |
|  | 2022 Progress report conclusions | <ul style="list-style-type: none"> Performance management is being refocused. This is an evolving area of work which has been affected by the pandemic. |
|  | 2024 AAR and BV thematic conclusions | <ul style="list-style-type: none"> Community empowerment is reflected in council priorities; good engagement over the corporate plan. Examples of participatory budgeting, but council are not achieving the one per cent of expenditure target. |

Best Value

Moray Council



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BEST VALUE ACTION PLAN 2024-2027

| | BV CRITERIA | Ref | Best Value Improvement Outcome | Proposed Action | Priority 1 = High E = existing | Delivery Date | CMT/SMT Lead |
|-----|--|--|--|---|--------------------------------------|------------------|-------------------------|
| 1. | Vision and Leadership | | | | | | |
| 1.1 | Collaborative Leadership – ensuring members and officers work effectively to secure key decisions | BV 4 Q P’ship in self-assessment EA1/2 GT_AAR_R4 Rec 2 (Ac_CoA) | Members and senior managers have: <ul style="list-style-type: none"> developed a culture that encourages collaborative working. a clear shared vision for Moray. collectively enabled progress towards a sustainable financial position. <u>Measures</u> Survey of members and senior officers reflects improved relationships. Council makes timely decisions on key issues by December 24: <ul style="list-style-type: none"> Budget savings to close budget gap for 25/26. Transformation strategy. Key service projects impacting on sustainability. | Collaborative Working <ol style="list-style-type: none"> Best value relationships project successfully concluded (May 24). Review undertaken to assess the level to which relationships have improved across Members/snr officers and clarity regarding roles and responsibilities. (Dec 24). Collaborative leadership programme established drawing on best practice (Oct 24). Joint political leadership continues to develop so members work effectively on key decisions including financial sustainability. | 1 | Dec 24 | CEx/Council Leader (CL) |
| 1.2 | Community and Partner Engagement on Council priorities | BV 4 Q P’ship in self-assessment | Council vision for moray is shared with/developed in partnership with its citizens, employees, key partners and other stakeholders. <u>Measure:</u> Employee survey will show 75% of employees are aware of Council priorities with the aim of increasing overall employee participation in the employee survey. Public feedback will be included in report to council on Corporate Plan review at 3 year review point. Citizens engagement will be measured using the Scottish Social Attitudes Survey. | Vision and Priorities Engagement <ol style="list-style-type: none"> Build Council vision, priorities and values into employee engagement programme work. Promote vision and priorities in public communication and engagement and social media. Working with Community Planning Partners (CPP) to develop shared engagement. Take forward engagement and consultation on service specific proposals e.g. for libraries and leisure. Establish Community survey/panel, jointly with partners if agreed. Staff survey – add questions on priorities. | 3 | Jun 25 | DCE (ECOD) |
| 1.3 | Leadership Development Action | Accounts Commission Controller of Audit Report _ Recommendation 2 (Ac_CoA) | Leadership is effective and there is good collaborative working. <u>Measure:</u> Employee survey result shows greater than a 20 % improvement in leadership question results. Focussed leadership survey for councillors and senior managers shows culture of co-operation and partnership. 90% appraisals completed. | Leadership Development Action <ol style="list-style-type: none"> Establish leadership development programme to address corporate and individual leadership needs. | 1 | Dec 24 | H HR, ICT & OD |

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| 1.4 | Continuous Improvement – implement self-evaluation. | (GT_TR_R3) (Ac_CoA) | Corporate approach to continuous improvement and annual self-evaluation established as basis to identify strengths and areas for improvement. <u>Measure:</u> Best Value Corporate self-evaluation completed, and Improvement Action Plan agreed and actions implemented as per timetable. Completed our first set of Service Plans with improvement actions agreed. Completed first set of services and improvement actions agreed. Corporate improvement focus identified. | Continuous Improvement i. Re-establish Public Service Improvement Framework (PSIF) as service continuous improvement tool. ii. Align other improvement tools to PSIF. iii. Put in place measure to address gap. iv. Continue corporate BV self-assessment for yearly. v. Agree updated BV action plan for continuous improvement. vi. Consider and establish service score cards to provide overview to develop and track service improvement corporately. | 2 | March 26 | CEx / DCE (ECOD) |
| 1.5 | Performance Reporting – to ensure that the Council reports performance in a timely manner | AC CoA | Cycle of performance improvement in place. <u>Measure:</u> Annual report to council to monitor progress on Corporate Plan. Public Performance Report (PPR) published. | Ensure clear timescales are in place for reporting of performance: i. Finalise the performance and delivery framework for the new Corporate Plan. ii. Publish Public Performance Report (PPR). | 3 | June 24 | DCE (ECOD) |
| BV2 | Governance and Accountability | | | | | | |
| 2.1 | Effective Scrutiny - ensure all Audit and Scrutiny Committee members are clear on their remit | Ac CoA | Audit and Scrutiny (A&S) Committee members are clear on their remit. <u>Measure:</u> All of A&S members report and demonstrate awareness of role. | Undertake a 6-month review of the impact of training, ascertain changes in practice and consider further opportunities for development. | 3 | Oct 24 | HoGSP |
| 2.2 | Sound Governance - arrangements of Health and Social Care Integration Scheme | EA7 | Clear and effective governance and accountability arrangements in place covering partnerships, specifically Health & Social Care Moray (HSCM) for performance monitoring and the early identification of any significant financial and service risks. <u>Measures</u> Collective agreement that specific delivery plans in place to reduce budget deficit that can be relied upon for partner financial planning. | i. Review effectiveness of monitoring and scrutiny for Health and Social Care Moray (HSCM) established at Council 24/01/24. ii. Develop arrangements for additional assurance, in particular on financial management. iii. Ensure effective ongoing partnership and collaborative working arrangements for Council/Moray Integrated Joint Board (MIJB) management/ leadership. | 1 | Jan 25 | CEx |
| 2.3 | Risk Management | | Effective risk management is in place. Risks are identified, monitored and managed. <u>Measure:</u> Business continuity plans (including civil contingencies and emergency plans) are in place to allow an effective and appropriate response to planned and unplanned events and circumstances. | i. Risk management is undertaken. ii. Corporate overview of business continuity and resilience. iii. Business Continuity Plans to be in place for all services. iv. Business impact assessments (resilience) completed for all services. | E | April 24 2025 | HoGSP |

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| | | | Risk Management Plans are in place and are demonstrably monitored and managed. | | | | |
| 2.4 | Digital Resilience Management | | Resilience plans in place for information systems as part of wider Digital/Resilience Strategy. | Digital Monitor Complete implementation of Cyber Resilience Plan. Complete Business Continuity Plans/work for corporate and service cyber resilience. | E | | H HR, ICT & OD |
| BV3 Effective Use of Resources | | | | | | | |
| 3.1 | Transformation and Sustainable Services - increase its pace of transformation and identify savings to ensure its financial sustainability | AC CoA GT_AAR_R2 Ac_OR-R2 | The Council has a Transformation Strategy with clear vision for the long term on how it will change services and realise efficiencies to close future budget gaps. <u>Measures:</u> Initial set of projects developed and agreed (Jun 24). Expanded set of projects developed with financial benefits (Dec 24). Future council programme identified with major change and transformation (Jun 25). Savings achieved to contribute to closing budget gap (Apr 26). | Transformation and Sustainable Services Action i. Stage 1: Refresh and refocus - new developing transformation strategy agreed, financial projects, new areas and acceleration/expansion (May 24). ii. Stage 2: Further develop and define strategy, specifying projects and savings (Aug 24). iii. Stage 3: Future council programme (normal business). iv. Establish corporate oversight to ensure pace, prioritisation, new opportunities, ongoing development and delivery of benefits. v. Build in engagement with communities and staff about the need for change and impact any mitigation of proposed changes. | 1 | Aug 26 | CEX / DCE (ECOD) |
| 3.2 | Workforce Planning - to ensure plan for skills needed to deliver future services, focusing on collaborative and flexible working | AC_OR-R5) EA8 | There is the organisational capacity to deliver services through effective use of all employees and other resources. Good communication with all staff promotes a citizen and improvement-focused culture that delivers meaningful actions and outcomes. There are effective arrangements in place to support transformation and to provide distributed leadership and support across the Council. <u>Measure:</u> New Workforce Plan agreed and implemented in support of the Transformation Strategy. | Workforce Planning I. Improve use of workforce data in ensuring effective workforce planning. II. Update Workforce Plan to reflect new models of service delivery and ways of working, including how the Council is: <ul style="list-style-type: none"> • Identifying and addressing skills gaps, at operational and leadership levels. • Making best use of existing workforce by collaborating with partners to overcome recruitment challenges. iii. Develop actions to support workforce culture aligned to Transformation Strategy and to support the issues identified from employee survey results. | 2 | Sept 24 | CEX |

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| | | | Management review undertaken to ensure arrangements are in place to take the "Future Council" forward. (March 25). | Workforce Working Group established to advance the above. | | | |
| 3.3 | Financial Management – ensuring the Council has plans in place, financial performance is reported in a clear, timely and accurate manner and financial plans are monitored to ensure sustainability of future service provision | Ac CoA AcC2 GT_AAR – R3 | <p>Financial plans show how the local authority will align service provision with funding to ensure the sustainability of its services in the future.</p> <p>Short to Medium Term Financial Plans show a balanced budget with reduced reliance on reserves.</p> <p>Long-term financial plans prepare for a range of funding levels and linked to strategic priorities.</p> <p><u>Measures</u> Financial planning is viewed as improving in line with recommendations by reporting of the 2023/24 Annual Audit Review in September 2024.</p> | <p>Financial Management</p> <ul style="list-style-type: none"> i. The Council will keep the affordability of its capital plan and related revenue implications under review, including review of the Capital Strategy and Corporate Asset Management Plan (CAMP). ii. The Council will strengthen monitoring of the delivery of the Capital Plan and take action to address any slippage. iii. The Council will review its Asset Management Strategy to ensure optimum arrangements are in place and the property portfolio is reduced wherever possible. iv. The Council will review its forecasting process to ensure the most accurate projections. v. The Council will review its Reserves Policy to ensure alignment with financial planning including investment in Transformation. vi. The Council will review its Short to Medium Term Financial Strategy. vii. The Council will review its Medium to Long Term Financial Strategy. viii. The Council will develop a Savings Plan for the short to medium term. | 1 | <p>Sept 24</p> <p>Ongoing quarterly</p> <p>Sept 24 (First Phase)</p> <p>Dec 24</p> <p>Sept 24</p> <p>June 24</p> <p>Oct 24</p> <p>Aug 24</p> | CEx / DCE (EEF) / CFO |
| BV4 | Partnerships and Collaborative Working | | | | | | |
| 4.1 | Partnership Working for Moray - maximise the potential of collaboration working across public sector | AC_OR_R3 | <p>A Moray Plan is agreed that aligns priorities across community planning partners to maximise the impact of resources on priorities.</p> <p><u>Measures</u> New priorities agreed by Community Planning Partnership.</p> | <p>Moray Plan</p> <ul style="list-style-type: none"> i. Work with Community Planning Partners (CPP) to develop shared priorities for incorporation into Local Outcome Improvement Plan (LOIP). ii. Investigate and develop potential single Moray Plan. iii. Identify opportunities to maximise the impact of resources and budgets through alignment of activity. | 2 | Oct 25 | CEx / DCE (ECOD) |

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| | | | | iv. Continue development and delivery of Locality Plans, involving service users and local communities in the design of services. | | | |
| BV5 | WORKING WITH COMMUNITIES | | | | | | |
| 5.1 | Community Budget Engagement - ensuring local communities are more in Participatory Budgeting | Ac CoA GT_AAR_R6 / GT_TR_R1 Ac_CoA) | The Council’s approach to embedding a Participatory Budgeting approach and principles within its financial decisions and planning is established and continues to grow. <u>Measures</u> Increase in budget value (% council budget) where PB principles have been used to influence future direction. | Community Budget Engagement i. Progress arrangements to mainstream Participatory Budgeting (PB)– develop guidance for services and establish skills development approach. ii. continue to build on approach to date of involving communities across its financial planning and service/policy change processes and undertake reviews as applicable. iii. Engage key stakeholders (e.g. Community Engagement Group, Community Councils) on progress and feedback for PB approaches and local priorities. iv. Deliver specific traditional PB exercises for appropriate funding. v. Develop approaches to wider PB i.e. participatory democracy. | 2 | Jun 25 | DCE (EEF / ECOD) |
| BV6 | Sustainable Development | | | | | | |
| 6.1 | Sustainable Development | | Sustainable development is reflected in the Council’s vision and priorities, highlighted in plans at corporate and service level as appropriate and is a guiding principle for all our activities. | Develop a Sustainability Statement that draws together the range of work the Council has in place to deliver sustainability. Identify any gaps that require consideration and action. | 3 | Sept 2024 | DCE (EEF) |
| BV7. | Fairness & Equality | | | | | | |
| 7.1 | Equalities Action | | The Council engages with and involves equality groups and takes account of socio-economic disadvantage when making strategic decisions. Note: no new or additional actions or recommendations have been identified for this theme at this time. This represents normal business for the Council. | Equalities Action i. Equality and socio-economic duty addressed in our Corporate Plan and Local Outcome Improvement Plan (LOIP). ii. Integrated Impact Assessments (IIAs) carried out for strategic decisions and budget decisions. iii. Equality and socio-economic impact considered in every committee decision. iv. Equality outcomes are set and reviewed. v. Views of equality groups sought during consultation. | 2 | Normal business | HoGSP |

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| | | | | vi. Staff are trained in equalities and the Council equalities as an employer. | | | |