



REPORT TO: SPECIAL MORAY COUNCIL ON 25 OCTOBER 2023

SUBJECT: BEST VALUE PROGRESS REPORT ON MORAY COUNCIL

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 To ask the Council to consider the Best Value Thematic Review Report on Moray Council by Grant Thornton (“the auditors”) and the associated Improvement Action Plan.
- 1.2 This report is submitted to Council in terms of Section 103E of the Local Government (Scotland) Act 1973, as amended by the Local Government (Scotland) Act 2003.

2. RECOMMENDATIONS

2.1 The Council is invited to:

- i) welcome the areas of strength recognised in the Best Value Thematic Review report on “Leadership and Development of New Strategic Priorities” in Appendix 1 including the work undertaken in relation to community engagement in forming the new Corporate Plan;**
- ii) consider and note the findings, seeking clarification on points as required; and**
- iii) agree the Improvement Action Plan in Appendix 1 of the report.**

3. BACKGROUND AND INTRODUCTION

- 3.1 Changes have been made to the Best Value audit process in line with the revised Code of Audit Practice 2020. These changes are summarised below:

Integrating Best Value

- 3.2 The Best Value audit is now integrated into the annual audit process. Auditors will report yearly in their Annual Audit Reports on progress made in implementing recommendations from previous Best Value reports, alongside issues arising from current audit work.

Thematic reporting

- 3.3 A new annual thematic focus to Best Value reporting has been introduced. Auditors will report annually on specific themes identified by the Commission. That is the subject matter of this report. This will also be summarised in the Annual Audit Report.
- 3.4 The Commission will then produce an annual overview report, summarising key findings and judgements from this thematic reporting. The theme for this year is leadership in the development of the council's strategic priorities. And the year two theme is workforce innovation.

Reporting on individual Councils

- 3.5 As before, each Council will have a report focussed on Best Value once in the audit cycle, starting from October 2023 and concluding by the end of the audit appointments in August 2027. Moray Council is one of the council's being reviewed in the first year of the cycle. The Controller of Audit then reports on this cycle to the Accounts Commission which will then decide how it wishes to respond.

The Thematic Review

- 3.6 The Thematic Review considers 5 specific areas:
- How clear is the new Council vision and 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 priorities.
 - Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them.
- 3.7 There are four areas of improvement recommended by the auditors. A representative of the Council's External Auditor will present the report at the meeting.
- 3.8 The four areas of improvement are set out below:
- 3.8.1 To undertake more work around participatory budgeting – engagement with the community is a major aspect of the work ongoing to bridge the budget gap. Stage 1 of the Public Communication and Engagement Strategy has been undertaken and will be reported to the meeting of the Council on 25 October 2023 following which it is anticipated that stage 2 will commence. Participatory budgeting will continue to be utilised as far as practicable.

- 3.8.2 To review the Capital Plan in line with council priorities and affordability thresholds – this work is ongoing as part of the Short to Medium Term Financial Strategy.
- 3.8.3 That an annual self-evaluation is undertaken of effective and efficient cross party working to support continuous improvement – Further work has been planned and will be captured in the revised Best value Action Plan due to be reported on 7 November 2023 to the Corporate Committee.
- 3.8.4 That further training is provided to members of Audit and Scrutiny Committee – This is in progress.
- 3.9 In conclusion, work is already underway to address the actions identified in the Thematic Review and progress will be reported together with wider Best Value activity according to the established reporting cycle for this work.

4. SUMMARY OF IMPLICATIONS

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

The Council is committed to delivering better public services year on year through Best Value and its key principle of continuous improvement.

(b) Policy and Legal

The Council has a legal duty to deliver Best Value and to address any findings containing recommendations arising from any Best Value Assurance Reports.

(c) Financial Implications

There are no direct financial implications arising from this report.

(d) Risk Implications

As the Council operates with small teams/specialists there is an ongoing risk associated with workforce issues and capacity. Accordingly it will be important that continuous improvement in delivery of Best Value including the thematic actions is resourced properly and/or other work reprioritised given the tight resourcing across current services.

Improved results from less resources will require even more rigorous prioritisation than previously seen. Failure to do this is likely to introduce other risks such as the capacity for IMP and other improvement activity which is at the core of financial sustainability.

There is a risk that delayed progress in some of the actions has a substantial impact on the Council's future financial position.

There remains a risk that lack of progress towards making the significant changes in the Council to produce the required improvements in performance and outcomes may result in further audit scrutiny and intervention.

The issues relative to leadership do not have simple tangible remedies and will need ongoing attention. There is a need to focus on these as both significant and challenging if the Council wants to improve.

(e) Staffing Implications

There are no implications arising directly from this report and actions have been/will be incorporated into existing resources and work plans.

(f) Property

None.

(g) Equalities/Social 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 Impact

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

(i) Consultations

CMT and the Chief Financial Officer have been consulted in terms of development of the action plan.

5. CONCLUSION

5.1 The Council has already begun work on the majority of the areas identified for action in the Thematic Review and progress will be the subject of further reports.

Author of Report: Rhona Gunn, Depute Chief Exec (EEF)
Background Papers: Letter dated 2 February 2022 from Secretary to Accounts Commission enclosing the Controller of Audits Best Value Assurance Report on Moray Council.
Letter dated 18 February 2022 from Secretary to Accounts Commission enclosing a copy of the finding of the Accounts Commission on the Control of Audits Best Value Assurance Report on Moray Council.
Best Value Assurance Report Detailed Plan Strategic Summary (SPMAN-1108985784-334)
[Best Value Assurance Report Strategic Action Plan \(Appendix 1\)](#) – Moray Council on 28 October 2020
[BVAR Action Plan Report 001](#) (20.01.2021)
[BVAR Action Plan Report 002](#) (10.03.2021)
[Covid Related Pressures and Service Prioritisation Report and Appendix](#) (10.3.21)
[BVAR Action Plan Report 003](#) (12.05.2021)
[BVAR Action Plan Report 004](#) (30.06.2021)
[BVAR Action Plan Report 005](#) (15.09.2021)
Scottish Government published advice and guidance on Coronavirus (COVID-19) protection levels and decision making framework
[BVAR Action Plan Report 006](#) (19.01.2022)
[Report to Council 15 March 2022](#) (Item 03)

Ref:

[Best Value Progress Report 29 June 2022 \(Item 17c\)](#)
[Best Value Progress Update 4 October 2023 \(Item 6\)](#)
SPMAN-1108985784-906 / SPMAN-1108985784-911