

MEETING: 9 SEPTEMBER 2021

MINUTES OF PREVIOUS MEETING

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Minutes of the 481<sup>st</sup> meeting of the Accounts Commission held via online meeting on Thursday 12 August 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)  
 Andrew Burns  
 Andrew Cowie  
 Sheila Gunn  
 Christine Lester  
 Tim McKay  
 Stephen Moore  
 Sharon O'Connor  
 Pauline Weetman  
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Commission  
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)  
 Michelle Borland, Business Manager, PABV (Item 5)  
 Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) (Item 11 and 13)  
 Carol Calder, Senior Manager, PABV (Item 10)  
 Lucy Carter, Policy Manager, PABV  
 Blyth Deans, Audit Manager, PABV (Item 10)  
 Fiona Kordiak, Director, Audit Services  
 Diane McGiffen, Chief Operating Officer (Item 12)  
 Mark Roberts, Audit Director, PABV (Item 5)  
 Kathrine Sibbald, Senior Manager, PABV (Item 13)  
 Owen Smith, Senior Manager, AQA (Item 11 and 13)  
 Martin Walker, Associate Director, Corporate Performance and Risk (Item 12)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 10 June 2021
5. Dynamic work programme quarterly update
6. Secretary's update report
7. Interim Chair's update report
8. Interim Controller of Audit update report
9. Any other business
10. Local government overview 2020/21: scope (in private)
11. Audit Quality update (in private)
12. Audit Scotland update (in private)
13. New audit appointments – retention of audits (in private)
14. New audit appointments update (in private)
15. Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Sophie Flemig.

2. Declarations of interest

No declarations of interest were made.

3. Order of business

It is proposed that items 10 to 15 be considered in private because:

- Item 10 requires the Commission to discuss the scope of an overview report which may require consideration of confidential policy matters in advance of audit work and subsequent publication.
- Item 11 requires the Commission to consider confidential commercial and policy matters in relation to the quality of audit.
- Item 12 requires the Commission to consider confidential policy matters in relation to Audit Scotland.
- Items 13 and 14 require the Commission to consider confidential commercial and contractual matters in relation to the appointment of auditors.
- Item 15 may require the Commission to consider matters of a confidential nature.

4. Minutes of meeting of 10 June 2021

The minutes of the meeting of 10 June 2021 were approved as a correct record.

Arising therefrom, the Commission:

- Noted advice from the Secretary:
  - In relation to item 5 (first bullet point), that a response to the consultation by the UK Secretary of State for Business, Energy and Industrial Strategy on improving the UK's audit, corporate reporting and corporate governance systems in the private sector had been submitted and shared with members.
  - In relation to item 5 (second bullet point), that the approach to engaging with the public would be discussed by members in a private session with Audit Scotland's Head of Communications following this meeting.
  - In relation to item 5 (third bullet point), that a contingency planning exercise around capacity and responsiveness would take place by the end of the year.
  - In relation to item 7, that the requested information in relation to the Best Value Assurance Report on Aberdeen City Council had been provided by the Controller of Audit, shared with members and published on the Commission website.
  - In relation to item 8, that a response to the consultation by the Acting Ethical Standards Commissioner on his draft strategic plan for 2021-24 had been submitted and shared with members.

- In relation to item 12 (second bullet), that the Best Value Assurance Report on Aberdeen City Council was published on 24 June.
- In relation to item 12 (third bullet):
  - That following discussion between the Interim Chair, Interim Deputy Chair and the Controller of Audit, the case study appended to the Commission report has been published by Audit Scotland on its website EHub.
  - That the Controller of Audit will discuss with the Commission at its October meeting the governance of the EHub.
  - That, following a request from Pauline Weetman, that the identification of good practice in Best Value Assurance Reports will be the subject of discussion by the Best Value Working Group.

*Action: Secretary*

- In relation to item 14, that Commission members had discussed a latest draft of the Commission Strategy at their Autumn Strategy Seminar on 11 August.
- In relation to item 17 (first bullet point), that following discussion with the Interim Chair, he had slightly revised the Commission 2022 meeting schedule – incorporating committee meetings in February 2022 – which would be circulated to members.
- In relation to item 17 (second bullet point), that he was continuing to discuss with the Interim Chair a schedule of Insight Programme speakers.
- Noted advice from the Interim Director of PABV, following queries by Stephen Moore in relation to item 8, that:
  - Child poverty would feature in a paper on equalities matters, to be considered by the Performance Audit Committee at its next meeting.
  - Human rights considerations in public service redesign would feature in a proposed paper to the Commission's committees on public sector reform, which is proposed for the committees' November meetings.

## 5. Dynamic work programme quarterly update

The Commission considered a report by the Interim Director of PABV proposing an update of the work programme.

During discussion, the Commission:

- Noted advice from Mark Roberts that he had had a fruitful discussion with Sophie Flemig on how to develop participative auditing, upon which he would report further to the Commission.
- Agreed a proposal by Christine Lester that the tracking of finances in relation to drug and alcohol policy considered as the subject of an output in the work programme, upon which the Interim Director will report further.

*Action: Interim Director of PABV*

- Following a query from Stephen Moore:
  - Noted advice from the Interim Director that an output on children with additional support needs was part of the longer-term work programme, and that the matter continued to be monitored in policy cluster work.
  - Agreed that an output in this regard in the shorter term be considered as part of Local Government Overview reporting.

*Action: Interim Director of PABV*

- Noted advice from the Secretary and Interim Director, in response to a query from Pauline Weetman, that consultation around the dynamic work programme remained under discussion.
- Noted advice from the Interim Director, in response to a query from Pauline Weetman, that he was still considering how to provide the Commission with more information on resources to inform its refreshing of the work programme.
- Noted advice from the Interim Director, in response to a query from Geraldine Wooley, that a proposed thematic summary of Best Value best practice examples was in response to a suggestion made by respondents to the Commission's consultation on the work programme earlier in the year.
- Agreed that further consideration be given to impact reporting, and in particular outstanding impact reports for previously published performance audits.

*Action: Interim Director of PABV and Secretary*

Following discussion, the Commission:

- Noted the progress in delivering the work programme from April to July
- Approved the proposed updated work programme.

*Action: Interim Director of PABV*

## 6. Secretary's update report

The Commission considered and noted a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on his report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- In relation to paragraph 15, noted advice from Stephen Moore that any outputs around children with additional support needs (see paragraph 5) be considered alongside the wider issue of people with learning disabilities.

*Action: Interim Director of PABV*

- In relation to paragraph 17, noted advice from Sharon O'Connor on the roundtable event on climate change hosted by Audit Scotland on 19 July in which she and Andrew Burns participated.

- In relation to paragraph 19, agreed a proposal by Tim McKay that consideration be given to including an output in the work programme on public libraries, to be considered in the first instance as part of the Local Government Overview report.

*Action: Interim Director of PABV*

- In relation to paragraph 57, in response to a point by Stephen Moore, that a watching brief be kept on the work of the Children and Young People's Mental Health and Wellbeing Joint Delivery Board.

*Action: Interim Director of PABV*

- Noted advice from the Secretary, in response to a query from Sheila Gunn, that he would report back on any policy position of COSLA in relation to councillor safety.

*Action: Secretary*

Following discussion, the Commission:

- Agreed with the proposal that its next update on Scotland's new financial powers be delayed until the Fiscal Framework Review is published (paragraph 21)
- Agreed not to respond to the consultations highlighted at paragraphs 84, 88, 138 and 206 of the report.
- Noted the report and in particular, in relation to paragraph 173, that the Secretary will propose to the Commission a draft response at the next meeting on the consultation by the Acting Ethical Standards Commissioner on the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

*Actions: Secretary*

#### 7. Interim Chair's update report

The Commission considered a report by the Interim Chair providing an update on recent and upcoming activity.

The Commission:

- Noted advice from the Interim Chair that she had been invited, in her capacity as Chair of Young Scot and Deputy Chair of the Developing the Young Workforce board, to be a member of the Reform of Scottish Qualifications Authority and Education Scotland Practitioner and Stakeholder Advisory Group.
- Noted the report.

#### 8. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

#### 9. Any other public business

The Interim Chair, having advised that there was no business for this item, closed the public part of the meeting.

The live stream of the meeting was stopped at this point.

10. Local Government Overview 2022: project scope (in private)

The Commission considered a report by the Interim Director of PABV proposing a project scope for the Local Government Overview 2022.

During discussion, the Commission:

- Agreed a proposal by Stephen Moore that a historical perspective to council performance be provided in the project scope, to reflect the needs of a new cohort of councillors at the May 2022 local government elections.

*Action: Interim Director of PABV*

- Agreed further in this regard that careful thought be given to promotional activities on the Commission's work in relation to new councillors, including in conjunction with the Improvement Service as appropriate.

*Action: Secretary*

- Agreed, following a point by Christine Lester, that any output on public libraries (see item 6) include consideration of internet access and digital exclusion.

*Action: Interim Director of PABV*

- Agreed, following a point by Christine Lester, that consideration be given to including reference to the Scottish Government's proposals on a National Care Service.

*Action: Interim Director of PABV*

- Noted further in this regard advice from the Interim Chair that the Commission will have further opportunity to comment in a response to the Scottish Government's consultation on its proposals.

*Action: Secretary*

- Agreed, following a point by Geraldine Wooley, that consideration be given to making the structure of the Overview report be consistent with that of the Commission Strategy.

*Action: Interim Director of PABV*

- Agreed, following a point by Pauline Weetman, that consideration be given to including a forward-looking presentation of challenges and success factors for councils.

*Action: Interim Director of PABV*

Following discussion, the Commission approved the scope of the Local Government Overview 2022 and accompanying scope flyer leaflet, subject to the team considering, in conjunction with the audit sponsors (the Interim Chair and Interim Deputy Chair) the points raised in discussion.

11. Audit Quality update (in private)

The Commission considered a report by the Associate Director, AQA providing an update on the progress made by Audit Scotland in addressing the quality improvement areas identified in paragraphs 12 and 13 of the *Quality of Public Audit in Scotland 2021* report published in June 2021.

Following discussion, the Commission:

- Noted the action taken by Audit Scotland in response to the issues raised in *Quality of Public Audit in Scotland 2021*.

- Agreed that the Director of Audit Services, Audit Scotland, be invited to speak further to the Commission's committees at their August meeting.

*Action: Secretary*

- Noted that the Director of Audit Services would be responding to The Institute of Chartered Accountants of Scotland (ICAS) on the risk of material misstatements (ROMMs) raised by ICAS at two of the audits that ICAS reviewed.
- Noted the recommendations made by AQA in the report.
- Agreed that further updates on progress will be provided by AQA to the Commission's committees at their November meetings, including specifically on the ROMMs matter and on the outcome of root cause analysis work currently being undertaken by Audit Scotland.

*Action: Associate Director, AQA*

- Noted advice from the Interim Chair that she would also be monitoring the matter in her capacity as a member of Audit Scotland Board and of its Audit Committee.

12. Audit Scotland update (in private)

The Commission considered and noted a report by the Chief Operating Officer of Audit Scotland on providing an update on the business of Audit Scotland, particularly in relation to the progress of its Strategic Improvement Programme and on its plans for the return of its staff to office working.

13. New audit appointments – retention of audits (in private)

The Commission considered a report by the Associate Director, AQA proposing the retention of audits by Audit Scotland or by private firms as part of the round of new audit appointments from Spring 2022.

Following discussion, the Commission:

- Noted that Audit Scotland Audit Services Group is able to undertake audits of public interest entities.
- Agreed that no audits within the Commission's remit be retained either by Audit Scotland or a private firm in the new audit appointment arrangements.

*Action: Associate Director, AQA*

14. New audit appointments update (in private)

The Commission noted an update from the Interim Chair on the progress made in the new audit appointments project.

15. Any other private business (in private)

The Interim Chair, having advised that there was no business for this item, closed the meeting.

Close of meeting

The meeting closed at 12.40pm.

**MEETING: 7 OCTOBER 2021**

**REPORT BY: SECRETARY TO THE COMMISSION**

**AUDIT SCOTLAND BOARD UPDATE**

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### **Purpose**

1. This report provides an update on the business of the Audit Scotland Board.

### **Background**

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.<sup>1</sup>
3. Audit Scotland (i.e. its Board) consists of the Auditor General, the Chair of the Commission, and three other members.<sup>2</sup> These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.<sup>3</sup>
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)<sup>4</sup>, the Commission, the Auditor General and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

### **Current Board business**

7. This report provides the Commission with the latest available minute from the meeting of the Audit Scotland Board, in this case the meeting of 2 June 2021. The minute is attached in Appendix 1.
8. The agenda for the latest Audit Scotland Board meeting of 22 September 2021 is attached in Appendix 2. The Interim Chair will provide a verbal update on any relevant business for members’ interest and invites questions from members to this end.

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<sup>1</sup> Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

<sup>2</sup> Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

<sup>3</sup> The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

<sup>4</sup> *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.



## **Conclusion**

9. The Commission is invited to consider this update for its interest and seek further information from the Interim Chair as appropriate.

**Paul Reilly**  
**Secretary to the Commission**  
**29 September 2021**

# Minutes Board



Wednesday 2 June 2021, 12.00noon  
Audit Scotland by Video conference

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## Present:

Alan Alexander (Chair)  
Stephen Boyle  
Elma Murray  
Jackie Mann  
Colin Crosby

## Apologies:

There were no apologies.

## In attendance:

Diane McGiffen, Chief Operating Officer  
Martin Walker, Associate Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager  
Simon Ebbett, Communications Manager  
Antony Clark, Interim Director of Performance Audit and Best Value and Controller of Audit  
Parminder Singh, International Liaison Manager  
Gayle Fitzpatrick, Corporate Governance Manager  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Owen Smith, Senior Manager, Audit Quality and Appointments  
David Blattman, Human Resources (HR) and Operational Development (OD) Manager

## 1. Private meeting of Board members

The Board met privately and there were no matters arising.

## 2. Welcome and apologies

*Diane McGiffen, Chief Operating Officer, Martin Walker, Associate Director, Corporate Performance and Risk, Stuart Dennis, Corporate Finance Officer, and Simon Ebbett, Communications Manager, joined the meeting.*

The Chair welcomed attendees to the meeting and noted there were no apologies.

## 3. Declarations of interest

There were no declarations of interest.

## 4. Items to be taken in private

The Chair invited members to agree that the reports at items 23, 24, 25 and 26 of the agenda be considered in private based on the reasons set out on the agenda. The Board agreed.

## **5. Chair's report – verbal update**

The Chair noted that the meeting followed quickly on from the May meeting of the board and that it was primarily focused on considering annual reports from the Board's committees, annual reports from Audit Scotland officials in order to recommend the 2020/21 Annual report and accounts for signing to the Auditor General for Scotland as Accountable Officer. He advised that therefore, business updates were short verbal updates since the May meeting.

The Chair advised of the meeting of the New Audit Appointments Steering Group held on Wednesday 26 May, a verbal update on which would be shared under Item 26 of today's agenda. The Chair also advised of routine meetings with the Auditor General for Scotland, Chair of the Accounts Commission and the Chief Operating Officer. The Board welcomed the update.

## **6. Accountable Officer's report – verbal update**

Stephen Boyle invited the Board to note the coverage and enquiries received following the publication of the Scottish Colleges report and advised that membership of the Scottish Parliament's Committees and the Scottish Commission for Public Audit were still to be announced. The Board noted that the Insight session with colleagues on the election results and hosted by Newsdirect on 1 June 2021 had been well attended.

Turning to external engagement, Stephen advised of recent meetings with Gareth Davies, Comptroller and Auditor General, National Audit Office, with Robert Scott, HM Chief Inspector of the Scottish Fire and Rescue Service and with Sally Loudon, Chief Executive of COSLA.

Stephen advised the Board of the continuing engagement with colleagues following the audit quality results and the improvement plan.

The Board welcomed the update.

## **7. Accounts Commission Chair's report – verbal update**

Elma Murray invited the Board to note she had held regular meetings with the Auditor General for Scotland, the Chief Operating Officer and the Interim Controller of Audit.

Elma advised the Board that Committees of the Accounts Commission had taken place on 27 May 2021 and of a meeting of the Best Value Working Group. The members noted the working group will reduce its consideration of New Audit Appointments business due to the forthcoming procurement process.

Elma invited members to note that the Accounts Commission would consider a Best Value Assurance Report for Aberdeen City Council at its forthcoming meeting on 10 June 2021 and that the Commission would hold its mid-year strategy seminar in August.

Elma invited members to note that the Accounts Commission had published a joint forward work programme with the Auditor General for Scotland and that the recently published Local Government Overview report had received good coverage. The Board noted the Accounts Commission's Annual report was scheduled for publication on 3 June 2021.

The Board welcomed the update.

## 8. Review of draft minutes: Board meeting 19 May 2021

The Board considered the minutes of the meeting of 19 May 2021, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting. The Board noted the number of actions arising as result of reporting audit quality. The Board agreed that the review of the fees and funding model would consider the implications for Local Government and was provided with that reassurance.

## 9. Governance arrangements: review of standing orders

Martin Walker introduced the Governance arrangements: review of standing orders report, copies of which had been previously circulated.

Martin invited the Board to agree that the variations to the standing orders continue to be kept under review and considered at each Board meeting until further notice, to agree that the Accountable Officer become a formal member of the Human Resources and Remuneration Committee and to note the development work on live streaming virtual meetings and the options for extending the access to face to face and hybrid meetings.

The Chair advised that during his annual appraisal he referenced how the Board have supported public access to meetings and that this remains a standing item for the Board.

Jackie Mann, Chair of the Remuneration and Human Resources Committee (Remco) confirmed the agreement for the Accountable Officer to be a member of Remco, and Martin Walker agreed to ensure this is captured in the respective standing orders for both the Board and Remco as appropriate.

Following discussion, the Board accepted the recommendations contained within the report.

**Action ASB142: Martin Walker to update the standing orders for the Board and Remco, recording that the Accountable Officer is a member of Remco. (July 2021)**

## 10. Review of action tracker

The Board noted the updates provided on the action tracker.

## 11. Covid-19 – verbal update

Martin Walker provided a verbal update on developments in relation to Covid-19.

The members noted the developments in the external environment.

The Board noted the publication of the Scottish Colleges summary report on 25 May, the Local Government Overview published on 27 May, the forward work programme, all of which featured responses to the pandemic. The Board also noted publications of a Social Care blog and PPE briefing paper to be published on 3 and 16 June 2021 respectively.

Martin advised the Board that Management Team are scheduled to consider options on phased access to offices and other workplaces at its forthcoming meeting on 8 June 2021.

Following discussion, the Board welcomed the update.

## **12. Strategic improvement programme – verbal update**

Martin Walker provided a verbal update on developments within the Strategic improvement programme.

Martin invited the Board to note a range of reports have been published including the joint work programme and equality outcomes and future publications scheduled including the annual report on Quality of Public Audit in Scotland and members noted the ongoing development of audit methodology on climate change.

The Board welcomed additional information on the Best Companies results that Audit Scotland was ranked in the top 40 of the best places to work in Scotland and in the top four accountancy firm in the UK. Martin advised that Management Team had considered Audit Scotland's People strategy at its meeting on 1 June and approved the business case for a new business management system on 25 May 2021. The Board noted the Strategic Improvement Programme Board is due to meet on 22 June which will consider Phase 2 of the building capacity project which in turn will inform Audit Scotland's future workforce plan and planned engagement with colleagues through a programme of events over the coming months.

Following discussion, the Board welcomed the update.

## **13. Q4 Financial performance report**

Stuart Dennis introduced the Q4 Financial performance report, copies of which had been previously circulated.

Stuart invited the Board to note the financial results for the 12 months to 31 March 2021 and which had been considered at the Audit Committee meeting immediately prior.

The Board noted the financial results for the 12 months to 31 March 2021.

## **14. 2020/21 Annual report on international work**

*Antony Clark, Interim Director of Performance Audit and Best Value and Controller of Audit, and Parminder Singh, International Liaison Manager, joined the meeting.*

Antony Clark introduced the 2020/21 Annual report on international work, copies of which had been previously circulated.

Antony invited the Board to consider and approve the 2020/21 International annual report before its scheduled publication as part of a suite of corporate Audit Scotland reports on 11 June 2021.

During discussion, the Board congratulated the team for maintaining an international presence during travel restrictions and noted that in some cases, virtual meetings had opened up further opportunities for increased engagement with audit agencies. The Board welcomed the ability for Audit Scotland to decline requests in some circumstances and recognised that as global restrictions ease there may be future opportunities for international travel to enhance learning and develop best practice.

Following discussion, the Board welcomed the report and recorded their appreciation to the team before approving the 2020/21 Annual report on international work for publication.

*Antony Clark and Parminder Singh left the meeting.*

## **15. 2020/21 Annual report on complaints**

*Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.*

Gayle Fitzpatrick introduced the 2020/21 Annual report on complaints, copies of which had been previously circulated.

Gayle invited the Board to consider and note the report and advised of the implementation of Audit Scotland's renewed Complaints handling procedure six months ahead of schedule.

During discussion, the Board sought clarification of how complaints about colleagues are captured and whether the scope of the report may be broadened to include these in future years if relevant. In addition, the members agreed they would welcome further analysis on the split of complaints received for the Auditor General for Scotland, Accounts Commission and Audit Scotland and Gayle Fitzpatrick agreed to revert to members with further information.

Following discussion, the Chair invited any comments from the members on the report and there being none the Board noted the 2020/21 Annual report on complaints.

**Action ASB143: Gayle Fitzpatrick to provide further detail of how complaints about colleagues is captured together with the further analysis requested. (July 2021)**

## **16. 2020/21 Annual report on freedom of information and environmental information**

Gayle Fitzpatrick introduced the 2020/21 Annual report on freedom of information and environmental information, copies of which had been previously circulated.

Gayle invited the Board to review the performance in 2020/21 and to note that the number of requests had increased slightly from previous years.

During discussion the Board noted there were no issues to report from the four main areas of interest for freedom of information requests which comprise reports, contracts, policies and governance.

The members noted there have been no environmental information requests and Gayle Fitzpatrick agreed to review the messaging around the policy.

Following discussion, the Board noted the 2020/21 Annual report on freedom of information and environmental information.

**Action ASB144: Gayle Fitzpatrick to review the visibility of Audit Scotland's role in responding to Environmental Information Requests (September 2021)**

*Gayle Fitzpatrick left the meeting.*

## **17. 2020/21 Annual report from the Chair of the Audit Committee**

Colin Crosby introduced the 2020/21 Annual report from the Chair of the Audit Committee, copies of which had been previously circulated.

Colin invited the Board to consider and approve the 2020/21 Annual report from the Chair of the Audit Committee.

During discussion, the members noted an amendment to the report to state that the Committee fully endorses the actions taken by Audit Scotland to improve the delivery of audit quality.

Following discussion, the Board approved the 2020/21 Annual report from the Chair of the Audit Committee, subject to the amendment referenced.

**Action ASB145: Gayle Fitzpatrick to update the report to reflect the agreed amendment. (June 2021)**

## **18. 2020/21 Annual report from the Chair of the Remuneration and Human Resources Committee**

Jackie Mann, introduced the 2020/21 Annual report from the Chair of the Remuneration and Human Resources Committee, copies of which had been previously circulated.

Jackie invited the Board to consider the work of the committee during 2020/21 and to discuss and agree areas which the committee should take forward as priority areas for 2021/22. In addition, Jackie advised of a proposed amendment to the report to remove reference to the forthcoming recruitment of the Controller of Audit as this responsibility falls solely to the Accounts Commission, while recognising Audit Scotland's employer responsibilities.

Following discussion, the Board approved the 2020/21 Annual report from the Chair of the Remuneration and Human Resources Committee, subject to the agreed amendment.

The Chair recorded his appreciation to both Jackie Mann and Colin Crosby, new members of the Board and their performance in their respective new roles as Chair of the respective Committees.

**Action ASB146: David Blattman to update the report to reflect the agreed amendment. (June 2021)**

## **19. Policy on the provision of non-audit services by Audit Scotland's external auditor**

*Elaine Boyd, Associate Director, Audit Quality and Appointments, and Owen Smith, Senior Manager, Audit Quality and Appointments, joined the meeting.*

Elaine Boyd introduced the Policy on the provision of non-audit services by Audit Scotland's external auditor, copies of which had been previously circulated and invited the Board to consider and approve the policy.

The Board welcomed the recommendation received from the Audit Committee to approve the policy and in the absence of further comment, the Board approved the policy on the provision of non-audit services by Audit Scotland's external auditors.

## **20. Counter Fraud Policy review**

*David Blattman, HR&OD Manager, joined the meeting.*

David Blattman introduced the Counter Fraud Policy review report, copies of which had been previously circulated.

David invited the Board to consider and approve the updated Counter Fraud Policy.

The Board sought clarification that the reference to staff includes all workers, Board members, Auditor General for Scotland and how this links to the Code of Conduct. The members were assured that the annual fit and proper process provides additional disclosure by colleagues and members' registers of interests are publicly available. David Blattman agreed to review the policy and report back to the Board.

Following discussion, the Board approved the Counter Fraud Policy, subject to clarification of the points raised.

**Action ASB147: David Blattman to review the policy and provide an update to the Board. (July 2021)**

*David Blattman left the meeting.*

## **21. 2020/21 Governance statement and certificate of assurance**

*Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.*

Gayle Fitzpatrick introduced the 2020/21 Governance statement and certificate of assurance report, copies of which had been previously circulated.

Gayle invited members to note the Audit Committee's recommendation to the Board and confirmed there were no issues arising from the review process and sought approval from the Board to recommend the report to the Accountable Officer in support of the annual governance statement.

Following discussion, the Board approved the 2020/21 Governance statement and certificate of assurance.

*Gayle Fitzpatrick left the meeting.*

## **22. Audit summary report for the year ended 31 March 2021**

Stuart Dennis introduced the Audit summary report for the year ended 31 March 2021 report, copies of which had been previously circulated.

The Chair invited members to the Board to note consideration of the 2020/21 Audit summary report by the Audit Committee immediately prior to today's Board meeting and in the absence of any comments the Board confirmed they were content.

## **Items taken in private**

### **23. Quality of public audit in Scotland 2020/21**

Elaine Boyd introduced the Quality of public audit in Scotland 2020/21 report, copies of which had been previously circulated.

Elaine invited the Board to approve the Quality of public audit in Scotland annual report 2020/21 for publication as part of the suite of annual reports.

During discussion, the Board considered the detailed plan to address specific areas of focus for improvement and welcomed the pace and depth of the programme being implemented.

Elma Murray advised that the Accounts Commission welcomed the work and reporting by the Audit Quality and Appointments team.



The members welcomed the rapid response by Audit Scotland to put in place a detailed action plan for the improvements required to limited and specific areas. In addition, the Board welcomed the support provided to Elaine to ensure she is content with progress and future delivery of quality audit.

Following discussion, and subject to minor editorial amendments, the Board approved the Quality of public audit in Scotland annual report 2020/21 for publication on 11 June 2021.

*Elaine Boyd and Owen Smith left the meeting.*

## **24. 2020/21 Q4 Corporate performance report**

Martin Walker introduced the 2020/21 Q4 Corporate performance report, copies of which had been previously circulated.

Martin invited the Board to review the performance in quarter four, the overall performance in 2020/21 and consider whether any additional management action is required.

During discussion, the Board noted the areas relating to delivery of audit quality and the increased cost of audit delivery as a result of remote auditing and considered the various factors which contribute to this and how future hybrid working may further impact on these.

Following discussion, the Board welcomed the impressive performance overall reported during 2021/21.

## **25. Draft Annual Report and Accounts: Year ended 31 March 2021**

Stuart Dennis introduced the Draft Annual Report and Accounts: Year ended 31 March 2021 report, copies of which had been previously circulated.

Stuart invited the Board to note the amendments discussed and agreed at the Audit Committee meeting immediately prior to today's Board meeting.

The Chair invited members to note and approve the 2020/21 Audit Scotland annual report and accounts for the year ended 31 March 2021 which had been recommended to the Board by the Audit Committee, subject to the amendments agreed.

The Board recommended the 2020/21 Annual report and accounts to the Auditor General for Scotland, being Accountable Officer of Audit Scotland, to sign the accounts on 8 June 2021.

**Action ASB148: Stephen Boyle to submit the Annual Report and Accounts for laying in Parliament. (11 June 2021)**

## **26. New audit appointments verbal update**

Elaine Boyd provided a verbal update on developments concerning the new audit appointments.

Elaine invited the Board to note the forthcoming publication of the Code of Audit Practice on 8 June 2021 and thanked the Board, Auditor General for Scotland and the Accounts Commission for their engagement and support.

The Board noted the Steering Group had considered the development of the invitation to tender (ITT) criteria, tender interview panel and the procurement schedule. In terms of procurement confidentiality arrangements Elaine advised relevant guidance will be issued within the next few weeks. The members noted an issue around the ownership of the procurement strategy which is being considered and also noted advice being sought from the Scottish Government in relation to the limitation of liability in relation to grant claims.

Following discussion, the Board welcomed the update.

*Elaine Boyd left the meeting.*

## **27. Any other business**

There was no other business.

## **28. Review of meeting**

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion. The Chair thanked everyone for their contributions.

## **29. Date of next meeting: 22 September 2021**

The members noted the next meeting of the Audit Scotland Board is scheduled for 22 September 2021.

# Agenda

Wednesday 22 September 2021 at  
10.00am

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1. Private meeting of members
  2. Welcome and apologies
  3. Declarations of interest
  4. Items to be taken in private
- 

## Standing items

- |  |                 |
|--|-----------------|
| 5. Chair's report - verbal update                          | For information |
| 6. Accountable Officer's report - verbal update            | For information |
| 7. Accounts Commission Chair's report - verbal update      | For information |
| 8. Review of minutes:                                      |                 |
| • Board meeting: 2 June 2021                               | For approval    |
| • Human Resources and Remuneration Committee: 3 March 2021 | For information |
| • Audit Committee: 12 May 2021                             | For information |
| • Audit Committee: 2 June 2021                             | For information |
| 9. Review of action tracker                                | For information |
| 10. Covid-19 update  | For information |
- 

## Strategic priorities

- |  |                 |
|--|-----------------|
| 11. Strategic Improvement Programme update | For information |
|--|-----------------|
- 

## Business planning, performance and governance

- |                                     |                 |
|-------------------------------------|-----------------|
| 12. Q1 Financial performance report | For information |
| 13. Q1 Corporate performance report | For information |
- 

## Governance

<b>14. Annual review of corporate governance policies</b>	For approval
<b>15. Annual policy review of records management policies</b>	For approval
<b>16. Annual policy review of Freedom of Information and Environmental Information requests</b>	For approval
<b>17. Information Security Management Policy review</b>	For approval
<b>18. Proposed Board and Committee meeting schedule 2022</b>	For approval

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## Conclusion

<b>19. Any other business</b>	For discussion
<b>20. Review of meeting</b>	For discussion
<b>21. Date of next meeting</b>	For information

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## Items to be taken in private

<b>22. New audit appointments update</b>	For information
[Item to be taken in private to support the effective conduct of business, commercial sensitivity]	
<b>23. 2022/23 Draft budget proposal</b>	For approval
[Item to be taken in private to support the effective conduct of business, commercial sensitivity and intended for future publication]	
<b>24. Discussion paper – Medium Term Financial Plan</b>	For discussion
[Item to be taken in private to support the effective conduct of business, commercial sensitivity]	
<b>25. Discussion paper – Future funding and fee arrangements</b>	For discussion
[Item to be taken in private to support the effective conduct of business, commercial sensitivity]	
<b>26. Audit Committee risk workshop</b>	For discussion
[Item to be taken in private to support the effective conduct of business]	

**MEETING: 7 OCTOBER 2021**

**REPORT BY: SECRETARY TO THE COMMISSION**

**BEST VALUE ASSURANCE REPORT: SOUTH AYRSHIRE 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 South Ayrshire Council.

**Background**

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide 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 South Ayrshire Council. This is the first BVAR on the council and reports on the progress made by the Council since previous Best Value reporting. The Controller of Audit previously reported to the Accounts Commission on the Council in [February 2014](#) and the Commission’s findings were published in February 2014 (**Appendix 2**). The Commission required a progress report, which was presented to the Commission in [December 2014](#) and the Commission’s findings were published in December 2014 (**Appendix 3**). A further follow-up report was presented to the Accounts Commission in [June 2016](#) and the Commission’s findings were published in June 2016 (**Appendix 4**).
4. Since then, Best Value follow-up work has been integrated with the annual audit, and reported in the [2016/17](#), [2017/18](#), [2018/19](#) and [2019/20](#) annual audit reports.

**The Controller of Audit report**

5. 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).
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**

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

**Paul Reilly**  
**Secretary to the Commission**  
**29 September 2021**

**BEST VALUE ASSURANCE REPORT: SOUTH AYRSHIRE COUNCIL**

See separate paper.

**BEST VALUE AUDIT – SOUTH AYRSHIRE COUNCIL:**  
**COMMISSION FINDINGS**

**FEBRUARY 2014**

1. The Accounts Commission accepts the Controller of Audit's report on the targeted Best Value audit covering leadership and culture, performance management and scrutiny in South Ayrshire Council.
2. We are seriously concerned about the council's inability, over a number of years, to fulfil and sustain its statutory Best Value responsibilities, ie continuous improvement in the above areas. The depth and pace of improvement in these areas have been inadequate and, while there are signs of improvement, these should have been established much earlier. However, we acknowledge and recognise that the performance of council services raised no significant concerns.
3. The people of South Ayrshire and its communities are entitled to expect the leadership of the council to take the steps necessary to embed and sustain continuous improvement and to address the major challenges facing the council. It is the responsibility of all councillors to provide strong strategic leadership and to ensure that the council has the senior management capacity to support change and sustain improvement. Equally, the public and council staff expect senior management to provide clear leadership and consistent corporate working to address the lack of progress to date and help deliver the future success of the council. In particular, the chief executive has a key leadership role in embedding a positive organisational culture.
4. Councillors and senior officers must have a clear and shared understanding of their respective roles and responsibilities. Working together, they must build trust and confidence that each will deliver what is expected of them in leading and managing the council. However well intended, it is not the role of a council Leader to be involved in the operational management of a council; that is the responsibility of the chief executive.
5. We are also concerned that the council has not had a corporate plan since 2012 and that this is likely only to be resolved in March 2014. A corporate plan has a key role in ensuring that all departments and individual staff are focussed on common strategic objectives. Without a plan, there is no clear statement of the council's priorities for services and improvement. Nor is there clear information about how it will address significant national issues, such as health and social care integration, in the context of other priorities and challenges.
6. Scrutiny and performance management arrangements are ineffective. Councillors must ensure that the council's scrutiny arrangements are fit for purpose and transparent. They must also insist on receiving comprehensive information that is accurate, timely and consistent across services. Officers must ensure that performance reports support effective scrutiny and that the underpinning management processes support service improvements. Commission findings South Ayrshire Council Page 5
7. We require progress to be made as a matter of urgency. Otherwise, the weaknesses identified by the targeted audit of Best Value will increasingly have a negative impact on the services that the council provides for people and communities in South Ayrshire and on the public's confidence in the council.



8. It is essential that the corporate plan and supporting service and resource plans are in place and that these are implemented and monitored from the start of the 2014/15 financial year. These must include a clear commitment to Best Value and how that will be achieved and sustained. Within these plans, the Commission requires explicit references to the significant weaknesses highlighted in the Controller of Audit's report. Those explicit references should set out specifically what will be done, by whom and when, and how progress will be measured and reported.
9. We are of the firm view that Best Value can only be achieved when councillors and officers have the necessary support and skills to carry out their roles. The challenges the council faces in establishing and sustaining effective leadership and improvement are both deep rooted and substantial. The council as a matter of urgency needs to seek external assistance through, for example, peer support and assistance from the Improvement Service.
10. We require a further report by the Controller of Audit on the progress made by the council by December 2014 at the latest, and earlier if the Controller identifies concerns that he considers should be brought to our attention before then. When we receive the Controller's report we will decide what further action we need to take. This may include a requirement for further reports from the Controller over time until the Commission is satisfied that a culture of improvement at the council is embedded fully.

**BEST VALUE FOLLOW UP AUDIT – SOUTH AYRSHIRE COUNCIL:  
COMMISSION FINDINGS**

**DECEMBER 2014**

1. The Accounts Commission accepts the Controller of Audit's report on South Ayrshire Council. The Controller's report is in response to our findings on the Best Value report in February 2014 in which we noted that the challenges facing the council were deeprooted and substantial.
2. We welcome the council's positive response to our previous findings. We note that, in a relatively short time period, the council has made a good start in developing an improved framework to help it demonstrate Best Value. It now needs to ensure that this framework is effective in practice and leads to sustained improvements in governance, services and outcomes for communities in South Ayrshire.
3. More work is required in the range of areas highlighted in the Controller's report. We would highlight in particular the following points which are crucial in maintaining the momentum that the council has built in recent months:
  - The Best Value Working Group needs to continue to provide strong political leadership of the council's improvement agenda and ensure that the actions the council is taking to achieve Best Value are sustained.
  - The council needs to satisfy itself that it has sufficient management capacity to deliver its improvement agenda and meet the challenges the council faces.
  - The council needs to ensure that the new business planning framework is fully established and that, as intended, it provides focus on service performance and continuous improvement.
  - The council needs to progress service reviews, including robust appraisal of options for service delivery, to identify new and better ways of delivering services and to act on the results of those reviews to improve services.
  - The council needs to ensure that there is a shared understanding among officers and all elected members of their respective roles, and to ensure that the four new scrutiny panels provide effective and transparent scrutiny of performance.
4. We are encouraged by the council's achievements but it has a long way to go to embed fully all the characteristics of a Best Value council. We require the Controller of Audit to report again within 18 months.

**BEST VALUE FOLLOW UP AUDIT – SOUTH AYRSHIRE COUNCIL:  
COMMISSION FINDINGS**

**JUNE 2016**

1. The Commission accepts the Controller of Audit's report on follow-up work in relation to Best Value in South Ayrshire Council.
2. In our findings in December 2014 we welcomed the positive response by the council to our critical findings in February that year. This was highlighted by evidence of significant action to address weaknesses. We now acknowledge and welcome the considerable further progress made by the council.
3. A strong culture of improvement is in place, built upon shared leadership by members and officers and improved relationships between elected members, demonstrated by the effectiveness of the Best Value Working Group and better scrutiny arrangements. The development of the senior management team has also been a significant contributory factor, and there have been encouraging efforts by the council to learn from other organisations in finding new ideas and fresh thinking.
4. It is imperative for the council to sustain its momentum, so that it can meet its duty of Best Value and in particular, address difficult decisions that lie ahead in reshaping council services in response to reducing resources. The momentum will be helped by:
  - continuity in the stability of its leadership arrangements
  - embedding its improvement culture further, at all levels in the council
  - continuing with the full appraisal of options for the future delivery of services
  - further improving its approach to engaging service users and communities.
5. We will maintain our interest in the council's progress. The Controller of Audit will continue to monitor progress through the annual audit.

# South Ayrshire Council

## Best Value Assurance Report

ACCOUNTS COMMISSION 

Prepared by Audit Scotland

October 2021

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# Contents

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# Key facts



**476**  
square  
miles

Area

**112,610**

Population  
(2019)

**8,155**

Council  
houses

**28**

Elected members

- 12 Scottish Conservative and Unionist Party
- 9 Scottish National Party
- 5 Scottish Labour Party
- 2 Independent

**£284.9**  
million

Revenue budget  
2021/22

**£2.4 -  
£14.8**  
million

Revenue budget gap  
2022/23

**£426.6**  
million

General services  
capital budget  
2021/22 – 2030/31

**£146.6**  
million

Housing revenue  
account capital  
budget 2021/22 –  
2025/26

# Audit approach

1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report.
2. In addition, the Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on South Ayrshire Council. A summary timeline is included at Appendix 1.
3. This report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver services. The pace and depth of this improvement is key to how well councils meet their priorities in the future.
4. Our work covers many Best Value themes in the statutory guidance but does not cover them all. Our audit approach is proportionate and risk-based, it reflects the context, risks and performance of the individual council. It also draws on the information from audit and scrutiny work we have carried out in previous years as shown in [Exhibit 1](#).

## Exhibit 1 - Assessing Best Value across the audit appointment period

Best Value themes reported within the wider scope sections of Interim and Annual Audit Reports

Best Value characteristics	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Performance, outcomes and improvement	✓	✓	✓	✓		
Vision and leadership		✓	✓	✓		
Governance and accountability	✓	✓	✓	✓		
Effective use of resources	✓	✓	✓	✓		
Partnership and collaborative working	✓	✓	✓	✓		
Working with communities	✓	✓	✓	✓		
Sustainable development				✓		
Fairness and equality				✓		
Best Value Assurance Report					✓	
Best Value Assurance Report follow-up						✓

Source: Audit Scotland

5. In keeping with this approach, we conducted some initial work to identify risks and council initiatives to build into the scope of our audit. This included a review of previous audit and inspection reports and intelligence, review of key council documents, initial meetings with senior officers and reflection on our wider public sector knowledge and experience. Key areas of focus for our audit included ([Exhibit 2](#)):

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## Exhibit 2

### Key areas of focus for our audit



The council's vision and priorities including the approach to developing the council plan and how the council is preparing upcoming strategies and plans, particularly its response to the Covid-19 pandemic.



An assessment of how the council monitors and responds to trends in performance and outcomes; and the council's approach to reporting on these activities.



The leadership, culture and working relationships within the council, and the effectiveness of governance and scrutiny arrangements.



How the council demonstrates continuous improvement, including how the council uses performance management, benchmarking, self-assessment and external scrutiny.



How the council monitors, reports and manages its finances and other resources. This includes the council's medium and longer-term financial planning, including workforce planning and any transformational activity.



The council's financial sustainability including how well the council is managing its financial resources and planning for the future, including the impact of the Covid-19 pandemic.



How effectively the council delivers services with others, including the IJB, other councils and other partners.



How the Council engages with communities, staff and other stakeholders.



Transformational change and service redesign such as developing new and more effective ways in which to provide local services.

Source: Audit Scotland

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6. The Covid-19 pandemic has affected all areas of South Ayrshire Council's activities. To reflect this, we report on how well the council has responded to immediate pressures, and how well placed it is to respond to the challenges in the medium to longer term.



**7.** Significant findings have been updated to ensure that the overall position of the council is accurately reported. This means that, where appropriate, this report presents evidence on historical arrangements, some of which may have changed in the light of the Covid-19 pandemic. It also presents the council's planned response to Covid-19. The effectiveness of these responses will be followed up by local auditors in future years.

**8.** The detailed audit work for this report was undertaken remotely between January 2021 and June 2021. Our audit work included:

- interviews with elected members and senior officers (and senior representatives from partner organisations)
- observing a range of council committees and panels
- reviewing council documentation
- analysis of national reports and data, including the Improvement Service's Local Government Benchmarking Framework.

**9.** We will continue to audit Best Value at the council. This will include a follow-up on the findings from this report as well as more detailed audit work on other Best Value characteristics as appropriate.

**10.** We gratefully acknowledge the cooperation and assistance provided to the audit team by all elected members and officers contacted during the audit.

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# Key messages

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- 1** The council has set a clear vision, which reflects local needs and is supported by, and well-aligned to, the plans and work of its partners. The council also responded well to the challenges of the Covid-19 pandemic.
- 2** There are good working relationships between officers and elected members, but the council's leadership - elected members and management - has made limited progress on key aspects of Best Value. Progress has been particularly slow in community planning, financial and workforce planning, transformation and some aspects of community empowerment. While there has been some very recent progress, the council's leadership needs to increase its ambition, pace and focus to deliver improvements in these important areas.
- 3** The council reported improved performance in over half of its key performance indicators (KPIs) between 2017/18 and 2018/19. The council's performance in national benchmarking data has improved over the last five years, but performance has declined compared to other councils. Despite this, satisfaction with services is higher than Scotland as a whole across many service areas. The council has taken action to address areas of poorer performance, and external scrutiny bodies noted good progress against scrutiny reports and recommendations.
- 4** Performance reports to members are detailed and balanced, and there is good scrutiny by members. But the council has not set targets for the majority of its KPIs, reports lack a summary of overall progress towards priorities, performance is only reported once a year and recent changes to KPIs may make it difficult for the council to demonstrate progress against priorities. Publicly available performance reports focus mainly on areas of positive performance and lack information on how areas of poorer performance will be addressed.
- 5** The council has a structured approach to continuous improvement, centred on self-evaluation activity and cross-party working. But, relative to other councils, South Ayrshire's approach to transformation has been slow and inconsistent, lacking drive and urgency.
- 6** The council has effective financial management arrangements in place, its short-term financial planning is effective, and it has a history of delivering services within budget. It is also one of the first councils in Scotland to approve a specific carbon budget to support its climate change commitments. However, the council faces an estimated budget gap of between £56 million

and £69 million between 2022/23 and 2029/30 and there is no clear medium-term financial plan in place linked to council priorities.

- 7** The council's approach to workforce planning is not fully embedded or consistently deployed throughout the council with no clear link between workforce planning and council priorities.
- 8** Members of the public have been unable to view formal council meetings since March 2020, limiting the transparency and openness of council business.
- 9** The Integration Joint Board's (IJB) governance arrangements have improved over the last year. The investment in the leadership team of the Health and Social Care Partnership has contributed to this improvement. The IJB has made improvements in children's services, however, it has made slow progress in addressing other performance issues. It has recently set out plans for transformational change and there is evidence of recent improvement in delayed discharges.
- 10** The Community Planning Partnership (CPP) previously lacked strategic direction and focus. The CPP has made improvements to its structure and remit, leading to better working relationships between partners. The CPP is also clearly focused on tackling deprivation and reducing inequalities, working well with partners, including the third sector, to achieve this. However, the CPP has been slow to develop local place plans – which have been predominantly led by the council, with limited input from partners. And the CPP has work to do to improve outcomes for communities and to develop performance information to demonstrate that it is delivering positive outcomes for its communities.
- 11** The council uses a range of methods to engage with communities across South Ayrshire and recently introduced a community engagement strategy to deliver better and more consistent stakeholder engagement. In responding to the pandemic, the council's relationships with communities and partners have been strengthened. The council worked well with partners to provide support to vulnerable individuals and communities, while continuing to deliver other vital services. However, the council has more work to do to empower communities and currently lacks a strategic drive for participatory budgeting activity.

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# Part 1

## Does the council have clear strategic direction?

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**The council has set a clear vision and priorities, which are aligned with the Local Outcomes Improvement Plan. These priorities are shared by partners and elected members.**

**There are good working relationships between the Corporate Leadership Team and elected members.**

**The council responded quickly to the Covid-19 pandemic, effectively delivering services and meeting the needs of communities. The council worked well with partners to provide support to vulnerable individuals and communities while continuing to deliver other vital services.**

**Members of the public have been unable to attend formal council meetings during the course of the Covid-19 pandemic, limiting the transparency and openness of council business.**

**The council offers structured training to elected members, but the average attendance rate per member for briefing sessions from 2017/18 to 2020/21 was 47 per cent.**

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### The local context

**11.** South Ayrshire encompasses the main towns of Ayr, Girvan, Maybole, Prestwick and Troon, as well as large rural areas stretching from Dundonald in the north to Ballantrae in the south.

**12.** South Ayrshire has a population of approximately 112,610 and in 2019 had the 19th highest population out of all 32 council areas in Scotland. In terms of overall size, the 45 to 64 age group was the largest in 2019, with a population of 33,272. In 2019, 25 per cent of the population was aged over 65. The proportion of older people is projected to increase, while the proportion of younger age groups, especially the working age group is estimated to decline greater than the national average, which will increase the pressure on public services, particularly health and social care.

**13.** The economy of South Ayrshire is built around lots of local economies, often based in the larger towns but extending into rural areas. These economies are also often disconnected from each other, meaning they are relatively small, have limited access to the labour market and little prospect of growth. It limits opportunities for people to find suitable work where they live. South Ayrshire struggles to retain its young talent, some leave home to complete further and higher education in other parts of the country, but some are forced to leave by a lack of clear career pathways within the area.<sup>1</sup>

**14.** South Ayrshire has some significant pockets of deprivation which are often characterised by generally poorer outcomes, ten per cent of the South Ayrshire population falls within some of the most deprived areas in Scotland.

### **The council has set a clear sense of direction and the council plan is aligned to the LOIP priorities**

**15.** South Ayrshire's Community Planning Partnership (CPP) published its Local Outcomes Improvement Plan (LOIP) in 2017. The CPP led an iterative process to develop the LOIP, which was informed by data such as locality profiles, including the Scottish Index of Multiple Deprivation. It proactively involved communities throughout the process to ensure that the LOIP priorities aligned with local needs and expectations. As a result, the LOIP identified two specific themes:

- Supporting older people to live in good health
- Closing the poverty-related outcomes gap for children and young people.

**16.** The council set out its priorities in March 2018, in its council plan 2018- 2022 'Our People, Our Place' and developed an ambitious vision 'to be the best it can be for all people and places to have the opportunity to reach their full potential'. To achieve this, it intended to tackle inequalities and make the best use of its available resources, by targeting areas or groups which need them most (paragraph 35). The administration outlined the council's priorities, which were based on the political manifestos of the administration parties from the 2017 local government elections. These were then developed with input from officers, in its 'Programme for Effective Governance 2017-22'. There is a broad consensus among members, officers and partners that the priorities reflect local needs and are well embedded in key council activities. But the council did not consult directly with residents to develop the plan. At that time, the budget consultation was on going to identify which services should be prioritised and where savings could be made. However, this was not linked to the council plan being developed and its result was not fed into the development of the council plan.

**17.** The CPP refreshed the LOIP in 2019 to reflect recent work conducted, including work on mental health issues, building safer communities and tackling violence against women. The council plan aligns well with the LOIP. The council refreshed its plan in March 2020. The refreshed plan articulates its vision as 'making a difference every day' and updated narratives to reflect progress made

<sup>1</sup> South Ayrshire Strategic Economic Plan Vision 2030, South Ayrshire Council

since the original plan while retaining six priorities ([Exhibit 3](#)). The council sets Key Performance Indicators to monitor performance against each priority area, which we discuss in detail at paragraph 33

### Exhibit 3

#### South Ayrshire Council priorities

The council refreshed its corporate plan in March 2020, but its priorities have remained consistent and reflect local needs



Source: Council Plan 2018-2022 (2020 mid-term refresh), South Ayrshire Council, 2020

### There are good relationships between the Corporate Leadership Team and elected members

**18.** The council has 28 elected members, representing eight multi-member wards. Following the 2017 local government elections, the Scottish National Party (SNP), Labour and two independent councillors formed a coalition administration. The opposition is the Conservative and Unionist Party, the largest party in the council with 12 members. For the first three years of the council term, the Council Leader was Councillor Douglas Campbell (SNP). When he stepped down in June 2020, Councillor Peter Henderson (SNP) was elected as the Leader of the Council.

**19.** The relationships between members and the Corporate Leadership Team (CLT) are constructive, working well together to deliver council priorities. The CLT regularly engages with members, and provides good support.

## The CLT has been restructured to streamline roles and responsibilities, freeing up directors' strategic capacity

20. The council recognised that a restructure of the organisation was required to acknowledge the strategic direction of the new administration, set out in its 'Programme for Effective Governance 2017-22'. The council also sought to create a less hierarchical structure, address problems with duplication of work and a lack of clear accountability for aspects of service delivery. This prompted the council to restructure the CLT in December 2017. The restructure led to the replacement of seven heads of service posts with four executive manager posts. These executive manager posts were intended to provide a greater level of support for the two directors.

21. Despite the restructure, directors were still required to dedicate a significant amount of their time to operational activity. The administration approved a further restructure of the CLT in March 2020, to free up strategic capacity at director level. Executive managers were renamed assistant directors and were given control over budgets and staffing. Members of the administration and the CLT are positive about the restructure, and the changes have freed up director's strategic capacity.

## The council responded quickly and effectively to the challenges of the Covid-19 pandemic

22. The Accounts Commission's [Local government in Scotland Overview 2021](#) describes how the Covid-19 pandemic is having a profound impact on all aspects of society, including the economy, jobs, and the physical and mental health of the public. Councils have been at the centre of the response to the pandemic, supporting communities through these difficult times. The council was quick to respond to the challenges of Covid-19 pandemic, working well with partners to provide support to vulnerable individuals and communities, while continuing to deliver other vital services. In March 2020, it adopted a formal civil emergency planning style approach to deal with the immediate impact on communities and service delivery, consisting of two senior officer groups. The Silver Group, consisted of assistant directors and heads of service, who liaised with partners and handled operational issues and reported to the Gold Group, which was made up of members of the CLT, which concentrated on making strategic decisions.

23. The Ayrshire Local Resilience Partnership was established in response to the Covid-19 pandemic, led by the chief executives of the Ayrshire Councils, health board, police and fire. It established close working relationships with businesses and local voluntary groups to deliver a range of collaborative services and support including, sharing information on supplies of PPE, staff shortages, advice for community councils and flexible property use for vaccination sites and testing.

24. The council adapted well to the rapidly changing situation by directing staff and other resources to services in demand, and its investment in digital technology, further detailed in Part 5, supported the council in delivering more services remotely. It initially focused on three areas:

- delivering free school meals for children
- supporting those who were shielding
- supporting volunteer groups and individuals who work with communities.

25. [Exhibit 4](#) highlights some of the key activities that the council delivered alongside its partners during the Covid-19 pandemic.

## Exhibit 4

### Summary of council's response to Covid-19 (as of August 2020)

Area of support	Activity
<b>Creation of supporting hubs</b>	<ul style="list-style-type: none"> <li>• Established a call centre and seven humanitarian assistance centres to coordinate and deliver a range of services, such as delivering free school meals.</li> </ul>
<b>Children and young people</b>	<ul style="list-style-type: none"> <li>• Delivered 25,044 daily packed lunches and 52,610 weekly lunch boxes to children eligible for free school meals between April and August.</li> <li>• Provided childcare to over 400 families, where parents were designated key workers at 12 Childcare and Learning Hubs.</li> <li>• Continued to deliver education via online platforms.</li> <li>• Purchased and distributed approximately 1,500 IT devices across six schools to address digital deprivation and support access to learning.</li> <li>• Offered specific support for vulnerable children and young people and those with learning disabilities.</li> <li>• Identified social work, school nurse and health visitor contacts for each school to better support children and families.</li> </ul>
<b>Adult Services</b>	<ul style="list-style-type: none"> <li>• South Ayrshire Integrated Joint Board developed a mobilisation plan, which provided additional activities (eg increasing care provision, digital support and outreach from day services) to support the IJB's response to the Covid-19 pandemic.</li> </ul>
<b>Digital</b>	<ul style="list-style-type: none"> <li>• Provided 2,000 staff with technology to work at home.</li> <li>• Delivered 145 IT devices to low-income households and those who were shielding and appointed digital champion who provided weekly online support.</li> </ul>



Area of support	Activity
<b>Those who are shielding</b>	<ul style="list-style-type: none"> <li>• Identified over 4,000 people on the shielding list and provided support in co-operation with the Health and Social Care Partnership and GP Practices.</li> <li>• Delivered a national food box to over 1,900 people that were shielding.</li> <li>• Arranged over 600 prescriptions delivery for those who were shielding or isolated in their homes with the partnership with local pharmacies.</li> </ul>
<b>Business</b>	<ul style="list-style-type: none"> <li>• Distributed £23.3 million in grants to eligible businesses</li> <li>• Carried out 2,472 interventions to local businesses, helping them comply with Government trading standards guidelines.</li> <li>• Delivered a webinar for over 100 hospitality businesses on the Covid-19 guidelines in partnership with two Ayrshire Councils and others.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Provided £17,981 of funding to community groups to help them deliver their community food support.</li> <li>• Purchased £63,034 worth of food supplies and made available for communities /food banks.</li> <li>• Helped coordinate volunteering in partnership with Voluntary Action South Ayrshire.</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>• Supported sheltered housing residents and addressed increased demand for homeless temporary accommodation (over 400 cases).</li> <li>• Continued to deliver an emergency repair service during lockdown, providing members with a weekly briefing and highlighting the service availability on the council website.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Continued waste collection with minimum disruption.</li> </ul>
<b>Health and wellbeing</b>	<ul style="list-style-type: none"> <li>• Created an information hub on the council website to support healthy and active lifestyles.</li> </ul>

Note: The council distributed a total of £42.9 million grants to businesses during 2020/21.  
Source: Annual Performance Report 2019/20, South Ayrshire Council, 2020

## The council's service improvement and recovery plans draw on services' experiences during the pandemic

26. The council is considering how it could learn from the Covid-19 pandemic, to develop new ways of working and service delivery for the longer term. In June 2020, the Gold Group (paragraph 22) was expanded to form the Covid-19 Recovery Group, to oversee recovery planning and membership included the service lead for risk and safety and the human resources manager. In July 2020, the Covid-19 Recovery Group published a strategic framework to direct

planning for recovery and renewal. Each service has produced a service improvement and recovery plan. These plans focus on improvements to deliver council priorities, considering the opportunity for different ways of working and sustainable (green) ways of service delivery. Examples of changes proposed as a result of the pandemic include enhancing services delivery online and increasing opportunities for partnership working. This partly reflects the result of the Covid-19 citizen survey (carried out in September 2020), highlighting that over half of respondents stated that the council could do more online. These improvements are, however, mainly operational in nature.

### **The council has been slow to provide the public with access to its meetings during the Covid-19 pandemic**

**27.** The council publishes agendas, reports and minutes on its website, enabling members of the public and stakeholders to obtain information on key decisions made by the elected members.

**28.** In March 2020, similarly to other councils, the council decided to cancel all meetings and amended the Scheme of Delegation, to allow decision-making during the Covid-19 pandemic to be largely undertaken by officers in consultation with elected members. The council reinstated meetings from August 2020, but as was permitted by legislation these were not held in public. The council has provided members of the public with remote access on request, to present their appeals at specific meetings, for example education appeals, the appeals committee, the meetings of the regulatory licensing panel and the regulatory planning panel.

**29.** Prior to the Covid-19 pandemic, meetings of the council were not available to view online live. Nor were they recorded for later viewing. In May 2020 the council started considering options to provide the public access to virtual meetings, however, no suitable hybrid model was found with the ICT systems the council had in place. Further consideration of the different options was then undertaken. In September 2020 the appointed auditor recommended in a report<sup>2</sup> to the audit and governance panel, that 'In the interest of continuous improvement, it [the council] should consider if there are any lessons learned from other public bodies or other ways of engaging with wider stakeholders, for example by webcasting Council and Panel meetings to reach a wider audience'. In its November 2020 paper 'Transitioning to the new normal: Political Governance' the Improvement Service notes that around half of councils are now live-streaming meetings or allowing members of the public to participate. Since the Improvement Service report, many other councils have provided the public with remote access to meetings. The council only agreed in June 2021 to commence the live streaming of some meetings, which will begin in October 2021, and it has taken much longer for the council to establish arrangements for members of the public to remotely access these meetings, limiting the transparency and openness of council business.

<sup>2</sup> Audit dimensions and best value for the year ended 31 March 2020, Deloitte

## **Members work in the best interests of the residents of South Ayrshire, and there is a good level of challenge and scrutiny at meetings**

**30.** In addition to the full council meetings, the council has 11 decision-making and scrutiny panels, each comprising elected members from across political parties. There is a good degree of cooperation between members, despite political differences, and they work in the best interests of the residents of South Ayrshire.

**31.** Officers provide members with sufficient information and there is a good level of scrutiny and challenge at meetings. The council also regularly provide informal briefing sessions to members prior to formal meetings, elected members utilise these meetings to discuss and inform their decision-making process prior to formal council meetings. The council also has established a number of cross-party member/officer working groups, examples include:

- Best Value Working Group, this cross party group was established in March 2015 and has been leading the council's best value activity.
- A cross-party short-term member/ officer working group was established in April 2021 to consider how eight golf courses owned by the council will operate going forward.
- Sustainable Development and Climate Change member/officer working group was established in June 2019. Key proposals from this group have led to the development of a carbon budget (paragraph 71).
- Lone Working member/officer working group was established in October 2020, which produced lone working guidance for councillors and was published in December 2020.

## **The council offers structured training to elected members but, since 2017, elected members attended fewer than half of training briefing sessions**

**32.** The council has a structured approach to training of elected members, by using member training briefings and internal and external training sessions, and members are happy with the training provided. However, members have not fully utilised the opportunities offered. The average attendance rate per member for briefing sessions from 2017/18 to 2020/21 was 47 per cent. To address the low attendance, the council has emphasised the importance of members attending briefings and requested feedback from members to ascertain how training can be improved. The council has started recording the sessions and expanded online learning to make training more accessible. The council is now considering a more personalised development package, which includes developing personal development plans for each member.

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# Part 2

## How well is the council performing?

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The council reported improved performance in over half of its key performance indicators between 2017/18 and 2018/19. The council has updated its performance indicators from 2019/20. But it may be more difficult for the council to demonstrate progress against priorities due to the lack of trend data and some of the new indicators being less clearly linked with the associated priorities.

The council's performance in national benchmarking data has improved in around 60 per cent of the relevant indicators in the last five years, but its performance has declined in comparison to other councils. Despite this, satisfaction with services is higher than Scotland as a whole across many service areas.

Performance reports to members are detailed and balanced, and there is a good level of scrutiny. However, the council has not set targets for the majority of its key performance indicators, reports lack a clear summary of overall progress and performance is not reported frequently enough.

Performance reports to the public focus mainly on areas of positive performance and lack information on how poorer performance will be addressed.

The council has taken action to address areas of poorer performance, and external scrutiny bodies noted good progress against scrutiny reports and recommendations.

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## The council reports on performance against its priority areas, but has not set targets for the majority of its key performance indicators

**33.** Up until 2018/19 – the latest year for which there is published performance data – the council reported annually against 85 key performance indicators (KPIs). The indicators were aligned to each of the council's six priorities. The number of indicators for each priority varied, from five for the priority 'effective leadership that promotes fairness' through to 33 indicators for 'reducing poverty and disadvantage'.

**34.** The council set targets for 14 of the 85 KPIs. Performance improved for 34 of the 62 KPIs (55 per cent) for which trend information was available. Performance declined for 23 indicators (37 per cent) and was maintained in the remaining five (eight per cent).

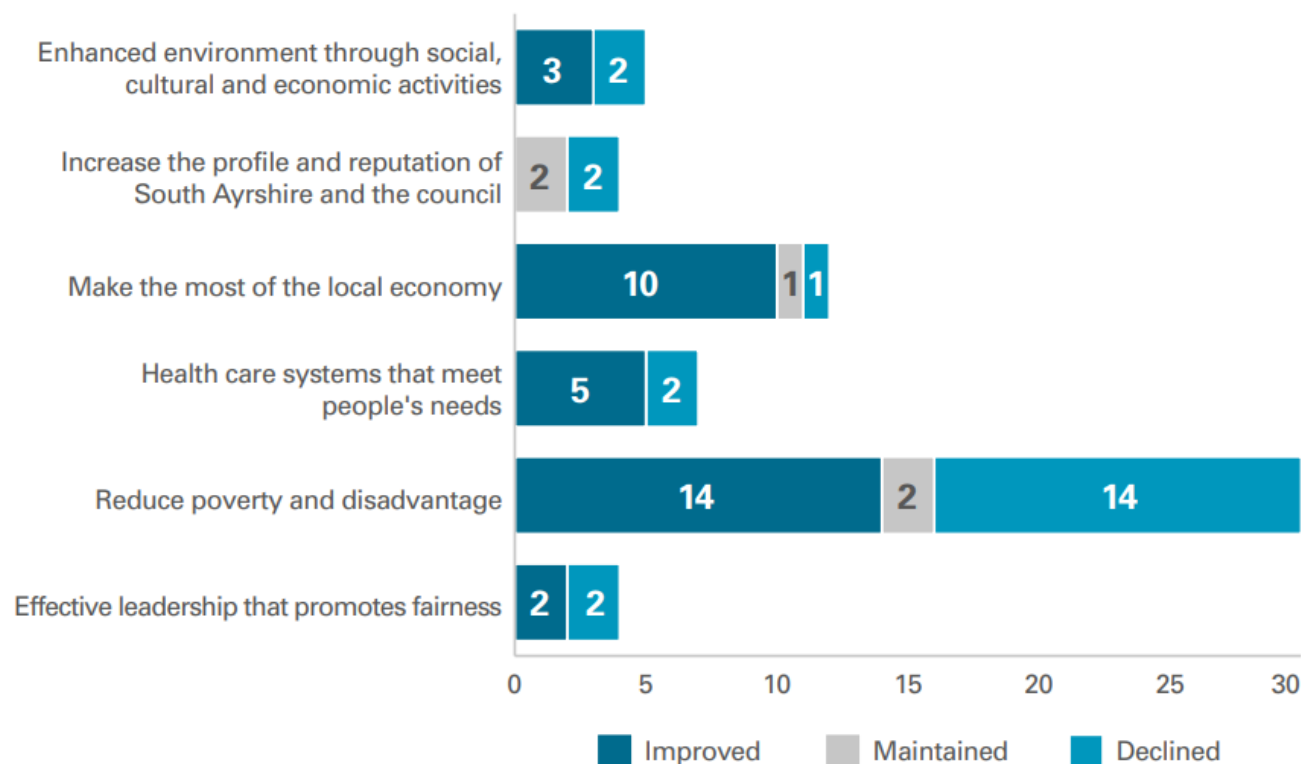
**35.** Performance varied by priority area ([Exhibit 5, page 20](#)):

- Performance improved in ten KPIs (83 per cent) for the 'make the most of the local economy' priority. This included increases in the number of businesses supported by economic development and the number of jobs created and safeguarded by council economic development activity. Seventy-one per cent of indicators against the priority to have healthcare systems to meet people's needs improved (five KPIs).
- Performance improved in 14 KPIs (47 per cent) for the 'reduce poverty and disadvantage' priority. This included some mixed performance in closing the education attainment gap. The attainment gap between the most and least disadvantaged school leavers decreased for numeracy but increased for literacy.

## Exhibit 5

### South Ayrshire Council performance by priority area, 2017/18 to 2018/19

The council's performance improved in a high proportion of KPIs linked to making the most of the local economy, but performance was mixed for reducing poverty and disadvantage



Source: Audit Scotland using South Ayrshire Council performance data







## The council has updated its KPIs, reducing duplication, but in some cases the links between the priorities and the indicators are less clear

**36.** In response to elected members requests for higher level and more streamlined performance information the council updated its performance management framework in 2020. As part of this work there will be a new set of KPIs. The KPIs were agreed in consultation with service leads during the development of the council plan. The revised KPIs are more evenly spread among the six priority areas and have less duplication, with the removal of some of the Local Government Benchmarking Framework (LGBF) indicators.

**37.** For some priority areas these changes have meant the link between what is being measured and the associated priority commitment is less clear. This is most clearly seen in two of the six priorities: effective leadership and health care systems that meet people's needs ([Exhibit 6, page 21](#)). Only 25 of the 90 new KPIs were in the previous set. Many will lack trend data for the first year. Both these issues will impact on the council's ability to effectively monitor and demonstrate progress against its priorities.

**Exhibit 6****Sample of KPI changes for 2019/20**

Some of the changes to the KPIs mean they less clearly link to the priority commitment being measured

 <b>Effective leadership that promotes fairness</b>	
 % of members attending and accessing training and development	 Number of digital services offered to residents
 Services reporting that the new ICT service better meets their needs	 Number of transactions completed online
 % of adults who feel they can influence decisions	 Number of visitors to archive
 % of young people agreeing that they can influence decisions affecting their local area	 Number of events and exhibitions/ attendance
 % of council spend influenced by participatory budgeting	 Number of genealogy visitors and enquiries
 <b>Health care systems that meet people's needs</b>	
 Rate of alcohol related hospital stays per 100,000 population	 Number of collaborative tools in production use
 Numbers attending health development programmes	 Cost reduction of business-related meeting travel
 Carers who feel supported to continue in their caring role.	 Time reduction of business-related meeting travel
 No of carers who have had a carers assessment	 Number of specialist accommodation units delivered
 % of approved medical adaptations to properties completed	 Number of successfully completed property projects.
 Indicators removed from previous set	 Indicators added to new set

Source: information provided by South Ayrshire Council

## The council's analysis of national benchmarking data showed improvement in around 30 per cent of indicators over a three-year period

38. The Improvement Service's LGBF data brings together a wide range of information detailing how all Scottish councils perform in delivering services, including residents' satisfaction. It contains around 90 cost and performance

indicators across all council services and allows councils to monitor their performance consistently over time. Due to the impact of Covid-19 on education in 2019/20, education indicators have been excluded from all trend analysis. The council's annual LGBF report to members showed improved performance between 2017/18 and 2019/20 for 31 per cent of the indicators. The council's performance declined for 50 per cent of the indicators, while performance was maintained performance for the remaining 19 per cent.

### **Our analysis of a subset of national benchmarking data shows the council's performance improved in around 60 per cent of indicators over a five-year period**

**39.** We analysed South Ayrshire's performance against a subset of 40 LGBF indicators that mainly measure performance and outcomes rather than cost. This is consistent with the LGBF analysis across other Best Value reports. Between 2015/16 and 2019/20:

- performance improved in 25 indicators (63 per cent). This included improvements across the majority of indicators in corporate services, environmental services and economic development
- performance declined in 15 indicators (38 per cent). There were declines in two out of four adult social care indicators, including a 22 per cent fall in the proportion of care services rated good or better by the Care Inspectorate.

**40.** The Covid-19 pandemic has affected the comparability of 2019/20 education data with previous years. The cancellation of exams in 2020 meant the grades were awarded based on teacher estimates and therefore cannot be used for trend analysis. The joint report, [Improving outcomes for young people through school education](#), by the Accounts Commission and Auditor General for Scotland, published in March 2021, noted that measuring progress has been hampered by the pandemic, which could create risks around accountability.

**41.** Looking at education data for 2018/19 instead, the council's performance improved in eight of 12 education indicators between 2014/15 and 2018/19. There were improvements in many attainment measures, including for pupils living in the most deprived areas.

### **Since 2016, South Ayrshire council's performance has declined in comparison to other Scottish councils**

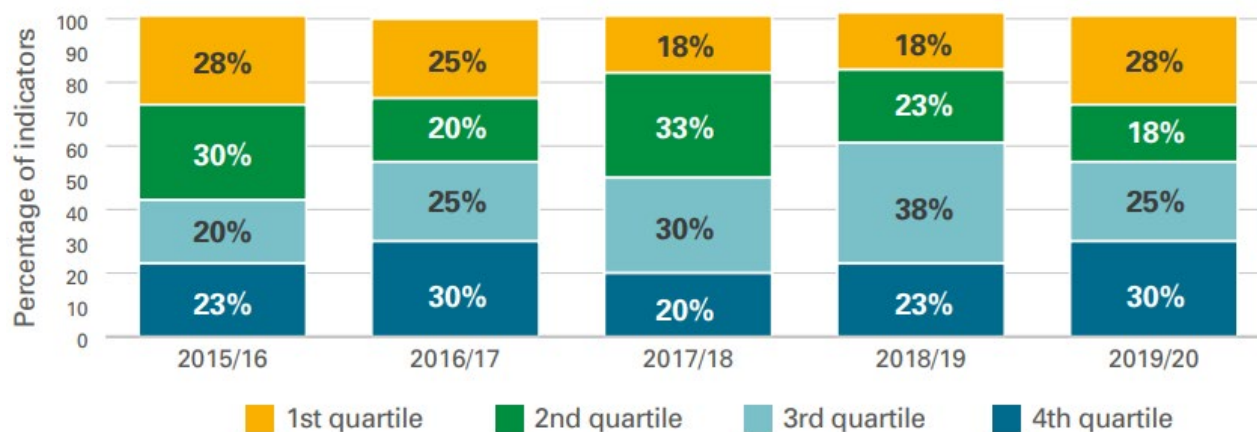
**42.** The LGBF allows councils to compare their performance with that of other councils and with Scotland as a whole. Relative performance is assessed by dividing performance into four quartiles. Quartile one contains the best performing councils and quartile four contains the poorest performing quartiles. South Ayrshire Council was in the top half of all councils for 45 per cent of indicators in 2019/20. The council has seen a decline in performance relative to other councils compared with 2015/16, when it was in the top half for 58 per cent of indicators ([Exhibit 7, page 22](#)). Indicators where the council moved out of the top half of performers in the period included in the proportion of care services rated good or excellent by the Care Inspectorate and in street cleanliness.



## Exhibit 7

### South Ayrshire Council's performance relative to other councils, 2015/16 to 2019/20

South Ayrshire's performance in comparison to other councils was poorer in 2019/20 compared with 2015/16, after fluctuating during the period



Notes: Measuring council performance involved considering how all councils are performing, from lowest to highest for each indicator. From this it is possible to see how one council compares with all councils. Performance relative to other councils is divided into four equal bands, or quartiles. The first quartile contains the best-performing councils for that indicator and the fourth quartile the lowest performing councils. Some columns may total to more than 100 per cent due to rounding.

The analysis is based on 40, mainly outcomes-based, indicators which were reported every year within the five-year period. The analysis excludes satisfaction and most cost-based indicators as high or low cost cannot be easily determined as positive or negative as these may be influenced by a council's priorities and local circumstances. Due to comparability issues, indicators related to education attainment have also been excluded.

The collection of some social care data included in the analysis was impacted by Covid-19 and these indicators have therefore been calculated slightly differently for 2019/20.

Source: Audit Scotland; Local Government Benchmarking Framework, Improvement Service, 2019/20

**43.** The LGBF groups councils together that are facing similar challenges of population density and deprivation. These are known as family groups. In 2019/20 the council performed better than the rest of its family group in around half of indicators. By service area:

- it performed well against comparators in housing and economic development
- performance was below comparators in many indicators across adult social care and, despite improvements in recent years, in environmental services.

### Satisfaction with council services is higher than for Scotland as a whole for nine of the 11 satisfaction indicators

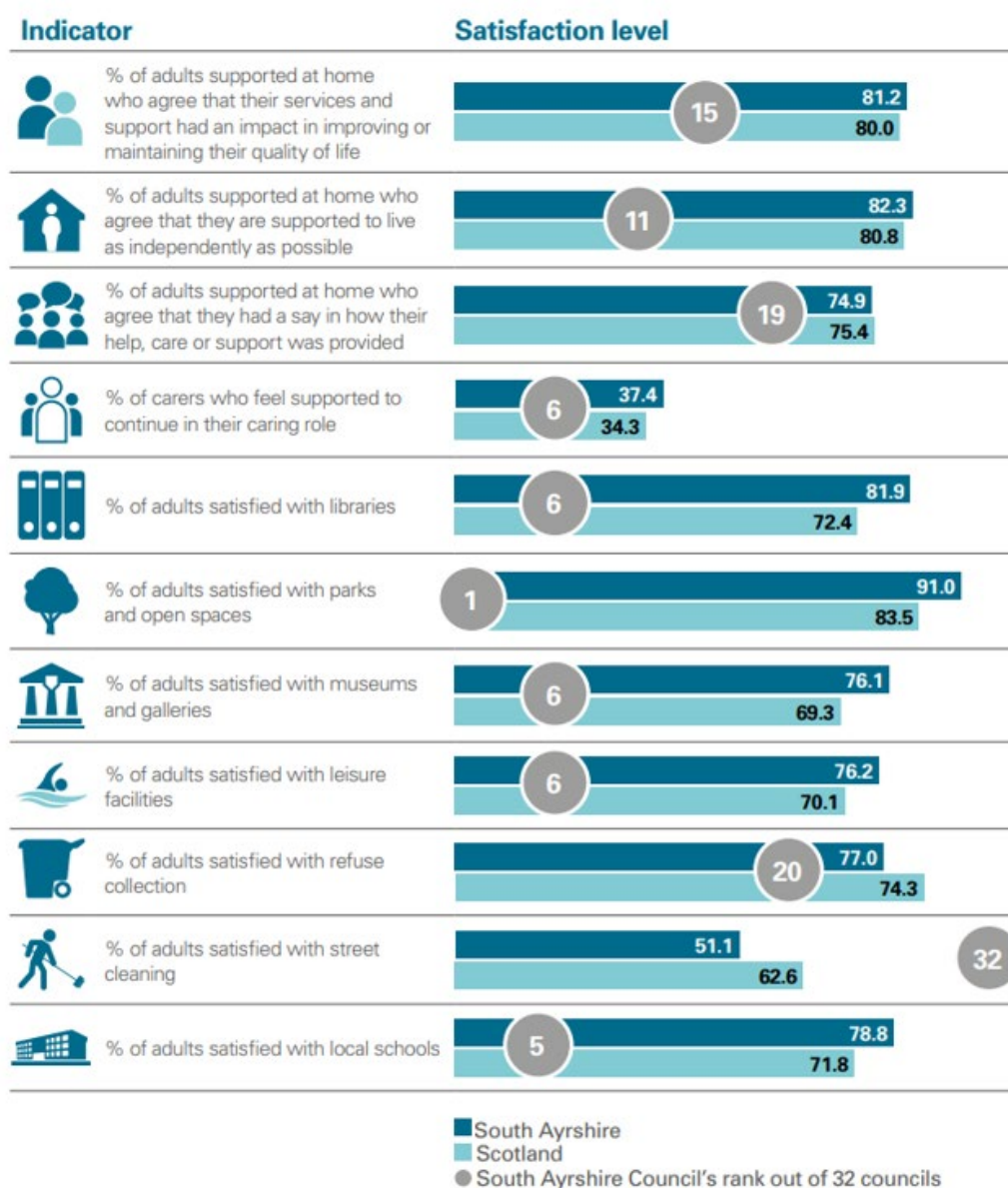
**44.** The LGBF also includes several indicators relating to residents' satisfaction. National trends show falling satisfaction against all 11 indicators. In South Ayrshire, satisfaction fell in nine of the 11 satisfaction indicators over a five-year

period, including large falls in those satisfied with street cleaning (20 percentage points) and refuse collection (13 percentage points). South Ayrshire's levels of satisfaction were higher than the national figure for nine of the 11 indicators. This included indicators related to culture and leisure facilities and three out of four social care indicators ([Exhibit 8](#)).

## Exhibit 8

### South Ayrshire Council's performance against LGBF satisfaction indicators compared with Scotland level performance, 2020

South Ayrshire performed above the national figure for nine out of 11 indicators



Source: Audit Scotland; Local Government Benchmarking Framework, Improvement Service, 2019/20

45. The council's 2019/20 tenant satisfaction survey, carried out for the Scottish Housing Regulator, found that tenants were positive about housing services, with South Ayrshire generally performing better than Scotland as a whole. Ninety-four per cent of respondents were satisfied with the overall service provided, compared with 90 per cent for Scotland. Ninety-eight per cent of

reactive repairs were completed correctly the first time, compared with 92 per cent for Scotland.

### **External scrutiny reports noted areas of good work and positive progress, along with some areas for improvement**

**46.** The Care Inspectorate carried out a follow up to a joint inspection on services for children and young people in 2018. The previous report had found that leaders were not working together effectively and that improvements were not being seen in the safety and wellbeing of young people. The follow-up work found that leadership had been strengthened, and there was considerable cross-party commitment to the work. There were improving trends in outcome gaps for young people from deprived areas and in the safety and wellbeing of vulnerable young people. It was noted that there was the potential to better capture and evaluate performance information and that more work was needed to better demonstrate improved outcomes from the work being carried out by partners.

**47.** Education Scotland carried out an inspection of community learning and development (CLD) services in 2019. It noted that there was a commitment to improving outcomes for young people, particularly those with experience of care. Data being collected was showing mainly stable or positive trends, for example, the number of young people in lower income areas registered for CLD youth provision increased over a three-year period, from 86 per cent to 95 per cent. CLD officers use performance information well, to target need and make improvements, but the sharing of targets and analysis of performance information could be improved among partners.

### **Performance reports to members are detailed and balanced, and there is high level of scrutiny, but reports are not frequent enough and lack a clear summary of overall progress**

**48.** Performance against each of the priorities in the council plan is reported to members once a year through the service and performance panel. The reports are balanced and detailed, with graphs for trends and a narrative for each indicator. The exact figures are not always clear from the graphs, though members also have access to the data through the council's performance management system Pentana. There is a high level of engagement and scrutiny from members on performance reports. Members we spoke to were positive about the information and support given by officers.

**49.** The performance reports lack a summary of how many indicators have improved or declined, as a whole or by priority area, making it difficult to get an overall sense of how the council is doing against each priority. The reports also do not clearly indicate against each KPI whether it has improved or declined. The [2018/19 annual audit report](#) for South Ayrshire recommended that performance should be reported more regularly to members. In response, the council has increased the frequency of reports on the actions being carried out against each priority area, but performance is still only reported annually to both CLT and members. This creates a risk that the council would be unable to respond quickly to areas of concern.

## The council has taken action to address areas of poorer performance, for example its work to improve post school destinations

50. There are examples of the council taking action to address areas of underperformance that have led to improved performance. [Case study 1](#) details the work done by the council and its partners to improve the proportion of school leavers going on to positive post school destinations. The council's economic and regeneration service has been carrying out increased engagement and support with business, including the use of business advisor clinics, with a particular focus on engaging with rural areas. Economic development performance has improved across areas such as the number of business gateway start-ups, the number of businesses being supported, and jobs created and safeguarded by council economic development activity.

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### Case study 1: Post School destination improvement work

The percentage of school leavers in South Ayrshire going on to positive destinations, for example education, employment or training, had remained at 94 per cent between 2015/16 and 2018/19. During this same period other councils' performance improved, meaning South Ayrshire's ranking fell from 13th to 28th. The council identified there were issues around performance in this area through its self-evaluation work.

The council carried out further analysis of the young people who were not going on to positive destinations, which found that many of them had initially progressed to college but had not sustained their placement. Ayrshire College and Skills Development Scotland worked together with the council to implement strategies to support young people at risk of dropping out. This included earlier identification of who they were and the provision of support by the college and council employability and skills officers.

Following this work there has been a significant improvement in South Ayrshire's performance in post school destination data. Between 2018/19 and 2019/20 the number of school leavers going on to positive destinations increased from 94 per cent to 98 per cent. The national figure fell during that same period, from 95 per cent to 93 per cent. South Ayrshire rose from 28<sup>th</sup> ranked council to 1<sup>st</sup> ranked in 2019/20.

Source: Summary statistics for attainment and initial leaver destinations, Scottish Government, February 2021 and information provided by South Ayrshire Council

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51. The council report on the 2019/20 LGBF indicators notes the low performance in street cleanliness scores and in resident's satisfaction with street cleanliness. Performance for both indicators fell between 2017/18 and 2019/20. There had been an additional 6,685 households added to the waste collection service in recent years, with no additional resource allocated to this work. This resulted in resources from street cleansing being used to make sure waste collections were completed on time. To address this the council approved additional posts, which were filled in 2020, and are expected to lead to improvements in performance in future data.

52. The latest council KPI data, for 2018/19, shows an increase in the number of people presenting as homeless, with 871 applications made during the year, up

from 760 the year before. The council was required by the Scottish Government to produce a rapid rehousing transition plan (RRTP) for 2019-2024. The council's RRTP, published in February 2019, sets out how the council will work towards ending homelessness and includes a five-year action plan. The RRTP recognises that applications might continue to increase in the coming years, as national trends have shown this happens when there is an expansion of rights. It anticipates that this number will come down in years four and five of the plan. This work is also supported by the strategic housing investment plan, which sets out how the council will increase the supply of affordable housing. As part of these plans the council aims to have 51 per cent of social lets and 25 per cent of registered social landlord lets going to homeless households.

### **The council's public performance reporting is not easily accessible, and lacks information on why performance has declined and on the council's proposed response**

**53.** The council's 2019/20 annual public performance report includes a narrative on performance against the six priority areas and a table of 2018/19 LGBF performance indicators. While the report does highlight some areas of poorer performance, it places more emphasis on positive achievements. It lacks information on why performance has declined in some areas or on actions being taken to address this. Performance reporting is not easily accessible on the council website, there is no link from the home page and there are broken links to reports within the performance section.

# Part 3

## Is the council using its resources effectively?



**The council has effective financial management arrangements in place and a history of delivering services within budget.**

**The current estimated gap of between £56 million and £69 million for the period to 2029/30 still needs to be addressed. The long-term financial strategy is outdated with the projected funding gap likely to be understated. The level of savings required to date has not been significant.**

**The council approved a carbon budget to support its climate change commitments. It has reduced its carbon emissions by 26 per cent between 2014/15 and 2018/19 and has set targets in line with the Scottish Government's target to reduce emissions by 75 per cent by 2030 and to net zero by 2045.**

**The council continues to invest in its capital programme, in particular its school estate. The impact of Covid-19 and the UK's withdrawal from the EU present risks to future programmes, and associated changes to working practices have prompted a review to rationalise property assets.**

**The council's approach to workforce planning is not fully embedded or consistently deployed throughout the council with no clear link between workforce planning and council priorities.**

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### **The council has effective financial management arrangements in place**

**54.** The council has effective financial management arrangements in place and has a good track record of delivering services within budget and managing short-term financial risk. Over the last five years, the council has consistently reported an underspend against its budget and has historically achieved over 90 per cent of its planned savings.

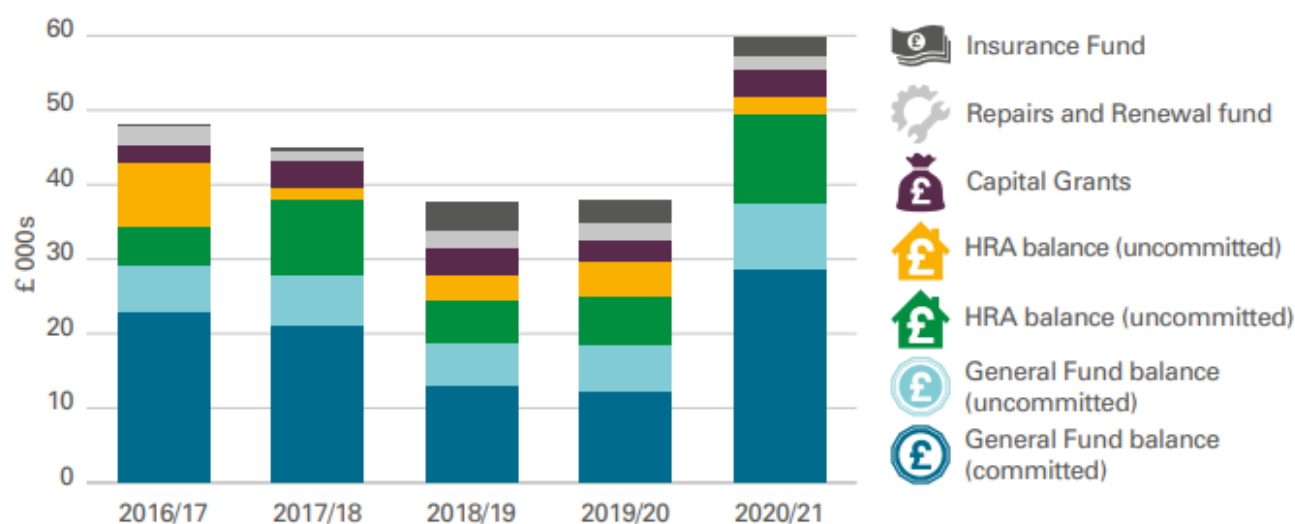
**55.** The council achieved an underspend of £8.039 million in 2020/21 for 'normal service' activity excluding the impact of Covid-19, after earmarking £5.772 million to be carried forward for use in 2021/22. In addition, an underspend of £9.482 million was achieved against Covid-19 related activity, after earmarking £12.016 million to be carried forward for use in 2021/22. This has largely been achieved as a result of the significant levels of Covid-19 funding provided by the Scottish Government, including both specific grant funding to support local business and the local community in general, and substantial un-ringfenced funding to help the council mitigate the general increased costs or loss of income suffered as a result of the pandemic. £21.498 million of Covid-19 funding has been carried forward to 2021/22, including £3.838 million allocated to the Health and Social Care Partnership. This is in line with the levels of funding carried forward across all councils and reflects funding received in February and March 2021 to support the recovery and renewal process into 2021/22.

**56.** The council reviews its reserves policy on an annual basis, taking account of known commitments, potential liabilities and the risk profile of the council. The level of uncommitted reserves has remained consistently above the minimum level of two per cent of net expenditure ([Exhibit 9](#)). The level of committed general fund reserves has increased significantly in 2020/21 from £12.149 million to £28.423 million as a result of the significant carry forwards of Scottish Government funding from 2020/21 to support the council's continued response to Covid-19.

## Exhibit 9

### South Ayrshire Council Reserves 2016/17 to 2020/21 (£m)

The level of committed general fund reserves has increased significantly in 2020/21



Source: South Ayrshire Council Annual Accounts

## The council has an effective process for identifying, assessing and managing risks

57. The council also has an effective process for identifying, assessing and managing risks, including the specific risks arising as a result of Covid-19. A clear risk management policy is in place and both the Leadership Panel and the Audit and Governance Panel scrutinise the strategic risk register on a six-monthly basis. The strategic risk register was updated during 2020/21 to fully consider the impact of Covid-19 on both the council's response and recovery, including mitigating actions. Budget management reports also clearly identify the financial risks arising as a result of Covid-19, with the impact on costs and income being closely monitored throughout the year.

## The council's budget reporting is effective

58. Budget reporting is timely, accurate, open and transparent. Elected members are involved in the budget and financial planning process through member/ officer working groups and each service is heavily involved in the budget setting process, putting forward service pressures and potential savings options. Elected members have not, had to make significant decisions to prioritise – or de-prioritise – services.

59. A budget working group, comprising representatives from the political groups that make up the administration, meets on a regular basis throughout the year, with increased frequency prior to the formal budget meeting. This allows elected members to have early discussions with officers on savings proposals and prepare the formal budget proposals. Officers also support the opposition group in the preparation of their budget proposals.

60. As part of the annual budget setting process, the council also consults with the community. For the 2021/22 budget, this was done during December 2020 and January 2021 under the banner 'Let's discuss "Our Future"' with the survey open online for a period of six weeks. A total of 611 people responded, which is a slight reduction from the 711 responses in 2019/20 and in part impacted by the council's inability to promote this in the normal way due to the Covid-19 pandemic.

61. Budget management reports are scrutinised by the CLT and the Leadership Panel on a quarterly basis. These provide a good overall picture and includes appropriate narrative explanations for significant variances against budget.

## The council has not yet had to make significant savings to balance its budget

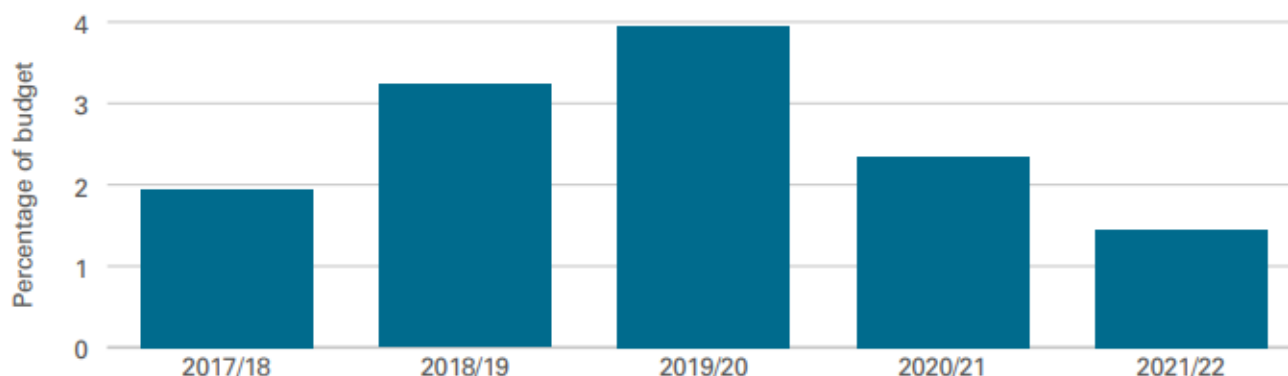
62. The level of savings achieved over the last four years to balance its budget and planned for 2021/22, detailed in [Exhibit 10 \(page 31\)](#), amount to £25 million, which is less than four per cent of the overall budget. Additional savings have not had to be made due to the Scottish Government providing additional funding.



## Exhibit 10

### South Ayrshire Council savings achieved as a percentage of budget for the period 2017/18 to 2021/22

The level of savings achieved over the last four years and planned for 2021/22 totals £25 million, however this is a small percentage of the overall budget.



Source: South Ayrshire Council Annual Accounts

**63.** In agreeing savings proposals to put forward as part of the formal budget process, the budget working group has a history of agreeing proportionately higher savings in the Chief Executive and Place Directorates than in the People Directorate (incorporating communities, schools, leisure) and social care. There is therefore an indirect prioritisation to front-line services and council priorities. However, this is not explicitly published as part of the Administration's formal budget papers and therefore is not as open and transparent as it could be.

### The council's financial planning is not sufficiently well developed to provide assurance about its financial sustainability, with no medium-term financial plan in place

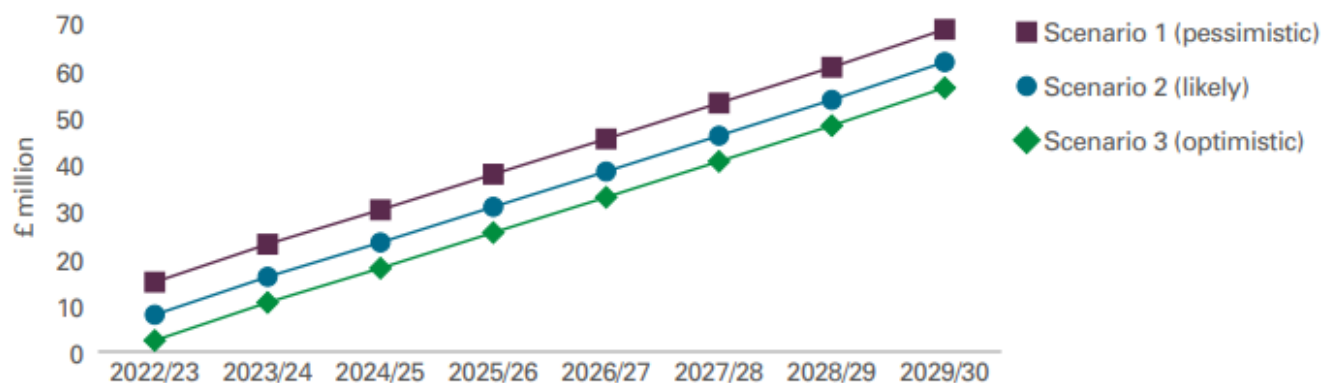
**64.** The council's financial planning is not sufficiently well-developed to provide assurance about its financial sustainability in the medium- to long-term. There is no clear medium-term financial plan, with a linkage to council priorities, in place, with the 2021/22 budget simply setting out indicative scenarios for 2022/23 which estimate a budget gap of between £2.380 million and £14.819 million. A ten-year financial strategy covering the period 2020/21 to 2029/30 was approved by the council in October 2019. This recognised that the council faces significant financial challenges over the longer term. Scenario-based modelling was undertaken due to the uncertainties regarding the level of grant funding.

**65.** The current estimated funding gap for the eight-year period 2022/23 to 2029/30 is between £56 million and £69 million ([Exhibit 11, page 32](#)).

## Exhibit 11

### South Ayrshire Council Cumulative funding gap (£m)

The current estimated funding gap for the eight-year period up until 2029/30 is between £56 million and 69 million.



Source South Ayrshire Council Financial Strategy

**66.** As reported within the 2019/20 annual audit report, the local auditor recommended that the council build into the scenarios the impact of demand pressures on costs to the council along with the estimated changes in funding to get a fuller picture of the likely challenges that it faces. The current modelling is limited in relation to growth in demand. Demographic predictions show that the number of people aged 75 and over in South Ayrshire is projected to increase by 85 per cent which will have a significant impact on the demand for older people's services. The strategy has not been updated since October 2019 to expand on the cost impact of these demand pressures. The funding gap, therefore, is likely to be higher than currently estimated. In addition, the impact of Covid-19 on future income and costs has not been quantified. The council plans to approve an updated medium-term financial plan in October 2021.

**67.** While the council has a history of achieving savings agreed as part of its annual budget, the current general fund reserve balance of £47.236 million would be diminished by 2027/28 if recurring savings are not identified, based on the current estimates.

**68.** The council has not set aside any significant funding to invest in transformational activity as part of its annual budget setting process. While there is an 'efficiency and improvement fund' of £1.794 million as part of the committed general fund balance, the use of this fund is not actively considered as part of the budget process to drive forward transformational change. A sum of up to £250,000 has been agreed to fund temporary short- to medium-term staffing requirements to deliver specific pieces of work required for the delivery of the strategic change programme over the first two years is discussed further at [paragraph 126](#).

## The council is among the first in Scotland to approve a specific carbon budget to support its climate change commitments

**69.** In June 2019 the council approved its first sustainable development and climate change strategy which is intended to drive delivery of the council's climate change duties over the next four years.

**70.** The council has reduced its carbon emissions by 26 per cent between 2014/15 and 2018/19 through increasing resource efficiency, encouraging behaviour change of employees and investing in renewable energy. It has set targets in line with the Scottish Government's targets to reduce emissions by 75 per cent by 2030 and net zero by 2045. Specific examples of changes include:

- The council has been running electric vehicles since 2012 and now has 71 electric/ hybrid cars and vans in the fleet
- LED lighting replacements across the council are estimated to make savings of 1,281 tonnes of CO<sub>2</sub> between 2019 and 2020 and save over £374,000 annually.
- Working with Zero Waste Scotland, the council introduced an enhanced waste collection schedule between 2018 and 2019. This has resulted in £652,000 savings, a reduction in waste and an increase in recycling.

**71.** In March 2021, the council approved its first carbon budget, alongside its revenue and capital budgets. The carbon budget sets carbon emission targets for each directorate, with the aim of reducing these in line with the climate change target reduction set by the Scottish Government of 75 per cent by 2030 and net zero by 2045. As part of the 2021/22 budget, the council also assessed and reported the additional investment and expenditure pressures for their carbon impact. Further work is still required to determine the level and targeting of investment across the council to allow it to meet its overall reduction target. While still at an early stage, this is a positive first step in the council's approach to budgeting for carbon reduction, and South Ayrshire is currently one of only a few Scottish councils which have set a carbon budget.

## The council's capital programme has been impacted by the Covid-19 pandemic

**72.** Covid-19 has had an impact on the council's capital programme. This has included some delays in projects due to the shut-down of the construction industry at the end of March 2020, re-profiling of works and potential additional costs in construction contracts due to alternative specifications as a result of difficulties in sourcing material.

**73.** For 2020/21, the council approved capital budgets of £42.132 million (general services) and £21.269 million (housing) in March 2020. These were adjusted throughout the year, with actual expenditure reported at the end of the year of £33.334 million (general services) and £17.504 million (housing).

**74.** The council has made significant investment in its education and early years' estate in recent years including early years facilities. Projects have ranged from extensions and alterations to the opening of the Cherry Tree Early Years Centre and the completion of the Queen Margaret Academy via a Design, Build,

Finance and Maintain contract in 2019/20. As part of the approval of the ten-year capital programme in March 2021, further significant investment is planned, including:

- Carrick Academy (Maybole Campus) - £50 million
- Education Campus (St John's Primary and Wallacetown Early Years Centre) - £16 million
- Girvan Primary School - £22 million
- School refurbishment programme - £22 million
- Shared campus project (Glenburn and St Ninian's Primary School) - £16 million.

**75.** A significant proportion of the housing capital expenditure in 2020/21 was in relation to new builds, which accounted for £9.3 million of the expenditure in the year. Due to Covid-19 restrictions, a number of areas of planned work were unable to progress, including the internal modernisation of council houses, the annual programme for central heating replacement, window replacement and fire and smoke alarm compliance work. An ambitious five-year housing capital budget of £146.598 million for the period 2021/22 to 2025/26 was approved in January 2021.

**76.** The council has recognised that there is a risk to the future capital programmes as a result of the ongoing uncertainty caused by the Covid-19 pandemic, together with the impact of the UK's withdrawal from the EU. In particular, as a result of significant supply problems with a range of construction materials and global demand, this is likely to increase the actual costs of individual projects over the allocations currently included within the capital programmes. The council has not, at this stage, quantified the impact of this on the ten-year plan but instead plans to monitor it on a project-by-project basis.

### **The council's changes to working practices, due to the Covid-19 pandemic, has prompted a review to rationalise its property assets**

**77.** The council's asset base supports the delivery of its objectives and priorities and the capital programme is aligned with the council's strategic priorities. The council is reviewing its future operating model in light of the many services which managed to work fully from home during the pandemic. This review will also consider the potential to rationalise its property assets. This is also an opportunity to consider the carbon efficiency of buildings and how this aligns to the sustainable development and climate change strategy.

**78.** As part of the 'Future Operating Model' project, discussed further in paragraph 81 and detailed in [Exhibit 12](#), 'workplace - office accommodation' is being considered as a specific workstream taking into account the findings of the workforce analysis from '*workstream 1 - Developing options to determine workstyles and digital requirements by job role*' to determine what office space and buildings will be required as well as the layout and configuration of these. This work is still at an early stage.

## **The council's approach to workforce planning is not fully embedded or consistently deployed throughout the council with no clear link between workforce planning and council priorities**

**79.** A corporate workforce plan is in place which runs to 2022 along with a workforce planning toolkit, released in 2019, to assist services and teams to develop their own workforce plans. However, the guidance and toolkits are not embedded or consistently deployed throughout the council, and plans do not extend beyond 2022. There is also no clear link between workforce planning and the council's priorities. The council plans to embed the workforce planning templates as mandatory to inform the 2022-2025 workforce plan.

**80.** The council was proactive in communicating with staff during the pandemic with the move to remote working. The Employee Covid Recovery Survey shows that 80 per cent (of 1,285 respondents) agreed that they were kept up to date during the period with changes and recovery plans in relation to both the council as a whole and their own service area.

**81.** Following feedback received through the Employee Covid Recovery Survey, a 'Future Operating Model' project commenced in March 2021. A steering group has been established and six workstreams identified, as illustrated in [Exhibit 12](#). The council has recognised that to be successful, engagement and consultation is fundamental, and trade unions are participating in every workstream. Employees are also expected to be fully involved.

A steering group has been established which contains six workstreams to embed lessons learned from the Covid-19 pandemic and review how it will operate in the future.

<b><i>Workstream 1 – Workforce Analysis</i></b>	Developing options to determine workstyles and digital requirements by job role
<b><i>Workstream 2 – Health, Safety and Wellbeing</i></b>	Determine workforce support including any changes to policies and procedures; health safety and risk requirements and support for employee health and wellbeing to ensure the success of future workstyles
<b><i>Workstream 3 – Support for Homeworking – Digital/ Equipment</i></b>	Consider any financial, equipment and digital support which employees will need to support future workstyles
<b><i>Workstream 4 – Support for Homeworking - Employee and Manager Guidance</i></b>	Consider ways to ensure issues regarding engagement, isolation, performance management and communication are addressed to support future workstyles.
<b><i>Workstream 5 – Workplace – Office Accommodation</i></b>	Consider what office accommodation will be required to support future workstyles
<b><i>Workstream 6 – Face to Face Service Delivery</i></b>	Consider where and how any face-to-face services may be delivered, taking into account changing customer trends, digitalisation and staff and customer feedback.

Source: Future Operating Model, South Ayrshire Council

**82.** The outcome of each workstream is expected to inform service planning and the 2022-2025 council workforce plan. Clear alignment is needed with the council's transformation projects (discussed further at [paragraph 123](#)), to allow the council to have information on the numbers, cost and skills of the current and desired workforce and facilitate the transition from the current workforce composition to the desired workforce.

### **The council does not have a strategic programme for developing leadership skills**

**83.** While there are examples of officers progressing into leadership roles, and development activity within individual teams, there is no strategic programme for developing leadership skills and capacity. Similar to workforce planning discussed above, there are succession planning toolkits and templates in place to help managers to capture and consider succession critical criteria and risks. However, these are not embedded or consistently applied.

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# Part 4

## Is the council working well with its partners?

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The Community Planning Partnership (CPP) leadership previously lacked strategic direction and focus. Since 2018, the CPP has made improvements to its structure and remit, leading to better working relationships between partners. The CPP still has work to do to improve outcomes for communities and to develop performance information to demonstrate positive outcomes are being delivered. The CPP is clearly focused on tackling deprivation and reducing inequalities and works well with an active third sector to achieve this. The level of child poverty in South Ayrshire is higher than the national average but increasing at a slightly slower rate.

The council uses a range of methods to engage with communities across South Ayrshire and recently introduced a community engagement strategy to deliver better and more consistent stakeholder engagement.

The CPP has more to do to fulfil the Community Empowerment Act and has been slow to develop and deliver place plans. The council has made good progress in some aspects of the Community Empowerment Act, such as asset transfers and provision of funding for local level projects, but lacks the strategic drive needed to increase participatory budgeting activity.

The Integration Joint Board (IJB) has improved its governance arrangements over the last year, the investment in the leadership team of the Health and Social Care Partnership has contributed to this improvement. But the IJB has made slow progress in addressing performance issues, particularly in delayed discharges. There has been recent improvement with a commitment to invest in transformational change.

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## The CPP leadership previously lacked strategic direction and focus, but there are now good working relationships between partners

84. The South Ayrshire Community Planning Partnership (CPP) has been working together since 2015 to improve service delivery and tackle inequality, in line with the Community Empowerment (Scotland) Act 2015. A change in the CPP's leadership in 2017 presented an opportunity for a review of governance and operational practice and address the CPP leadership having a lack of strategic direction and focus, which had resulted in slow progress with improvement activities and a lack of collaborative work between partners. The CPP implemented a series of changes in 2018, examples of these changes, and their impact include:

- Thematic delivery partnerships having clear remits and are focused on targeted priority areas to tackle health and social inequalities set within delivery plans. Groups are well attended and provide regular updates on progress and have broad representation across partners.
- Community representatives now meet regularly to explore ways of improving community engagement across the CPP. The Communities Reference Group is chaired by Voluntary Action South Ayrshire (VASA) and reports directly to the Community Planning Board,
- Place planning has been recently adopted across small pockets of South Ayrshire to tackle deprivation and inequality through improved partnership working.

85. The CPP leadership is now more informed and connected, increasingly engaged and challenging across all partners. This has increased the momentum for improvement activity and encouraged collaboration. The South Ayrshire CPP has good working relationships with partners. All partners demonstrate a genuine commitment and enthusiasm to working together for the citizens of South Ayrshire.

## The LOIP has consistently focused on priorities where partnership working can make the most difference

86. The structure and content of the LOIP has helped partners to focus on a small number of strategic priorities where joint working is likely to be most effective ([Exhibit 13, page 39](#)). These strategic priorities link well into the LOIPs wider priorities of supporting older people to live in good health and closing the poverty related gaps for children and young people. The CPP has consulted with communities and has utilised data analysis to identify the needs of communities. This has resulted in focused work to create real improvements and opportunities for those communities. Examples include:

- looked after children apprenticeship placements across partner organisations to provide work experience and future employment opportunities.

### Community planning partners:

- South Ayrshire Council
- Communities Reference Group
- Scottish Enterprise
- Scottish Fire and Rescue Service
- Police Scotland
- NHS Ayrshire and Arran
- Strathclyde Partnership for Transport
- Ayrshire College
- Skills Development Scotland
- Ayrshire Chamber of Commerce
- University of the West of Scotland
- Scottish Natural Heritage
- Voluntary Action South Ayrshire
- Jobcentre Plus (DWP)



- educational psychologist placements across all schools to support young carer / looked after children learners.
- bypassing the homeless pathway to provide automatic housing pathways for looked after young adults.
- Dementia-friendly communities to support and encourage carers and people with dementia to be part of the community.
- Carers' cards providing a range of support and resources, including free leisure access to young carers and looked after children.

## Exhibit 13

### LOIP strategic priorities

CPP LOIP priorities have remained consistent since 2017 but have been reviewed since the Covid-19 pandemic



Source: Local Outcome Improvement Plan (2020), The South Ayrshire Community Planning Partnership

## The CPP has reviewed its priorities in light of the Covid-19 pandemic

87. The CPP has reviewed its priorities to reflect the impact of the Covid-19 pandemic. The CPP is proposing that the financial impact of Covid-19 should be a major focus for the CPP. The CPP agreed in January 2021 that the strategic theme of 'Closing the poverty-related outcomes gaps for children and young people should be redefined as 'closing the poverty-related outcomes gaps' to reflect the wider impact on the family and community and will include economic and lifelong learning activity. Actions to support these priority areas are driven by the strategic delivery partnerships.

## A lack of comprehensive performance information makes it difficult for the CPP to demonstrate outcomes for the community

88. Strategic delivery partnerships (SDP) regularly provide summary reports on progress to the CPP Board, but these do not contain performance information and tend to focus on actions rather than outcomes. Two SDPs have developed performance information to measure success:

- The Integrated Children’s Services SDP contains a suite of comprehensive performance information across five priorities, and trend data allow progress to be tracked annually.
- The Community Safety SDP have also recently identified a variety of performance indicators that are tracked annually through Pentana.

89. The Wallacetown SDP, Communities and Population Health SDP and the Financial Inclusion SDP are at early stages of developing action plans and performance information. The CPP plans to publish a score card in 2021 tracking the progress against its objectives.

### Strategic delivery partnerships

- Integrated Children’s Services SDP leads on the Children’s Services Plan.
- Community Safety SDP works to reduce violence and antisocial behaviour and improve fire and road safety.
- Communities and Population Health SDP leads on community-based activities that support broad health improvement and well-being outcomes.
- The Financial Inclusion SDP lead on improving outcomes and reducing financial inequality. It includes tackling child and period poverty.
- Wallacetown SDP lead on improving the area through community representation, capital investment and regeneration.

## The CPP performed poorly compared to both Scotland as a whole, and its family group

90. The Improvement Service’s Community Planning Outcomes Profile (CPOP) is a set of 18 standard measures to help assess whether residents’ lives are improving. It includes measures of child poverty, employment and carbon emissions. The CPP’s performance against the CPOP indicators is mixed, with the CPP demonstrating improvement against nine of the 18 measures between 2014/15 and 2018/19. In comparison, Scotland as a whole improved in 13 indicators. To summarise:

- In 2018/19 the CPP performed above Scotland and in the top half of its family group of eight councils in around a third of indicators. It performed comparatively well in educational attainment, median earnings and crime rates.
- The CPP performed below national performance and in the bottom half of their family group in many health and employment rated indicators, as well as child poverty.

## The level of child poverty is higher than the Scottish average, and follows the rising national trend, but is increasing at a slightly slower rate

91. The council’s indicators show child poverty was on the increase, even before the onset of the Covid-19 pandemic. CPOP figures for 2018-19 showed that South Ayrshire had a slightly higher proportion of children living in poverty (19.2

per cent) than the Scottish average (18.1 per cent) and its family group (18.8 per cent). South Ayrshire's child poverty levels have increased at a slightly slower rate than the Scottish average from 2014/15 to 2018/19.

## Work to develop place plans has been very slow. Plans are now in place but focus mainly on council activities

**92.** The CPP identified Ayr North and Girvan Glendoune as areas where communities experienced poorer outcomes and where partners could undertake targeted work to support improved outcomes. The council has led on the development of the place plans and action plans were to be prepared for the work and the council was due to publish its first progress report in October 2018 – a year later than the Scottish Government deadline. The slow progress can be attributed to the issues around strategic direction and focus ([paragraph 84](#)). A consultation was undertaken in 2019, but the Covid-19 pandemic further delayed the place planning process. The place plans were finally published in 2021, nearly four years later than required by the Community Empowerment Act.

The Community Empowerment (Scotland) Act 2015 (the Act) requires CPP's to produce a locality or neighbourhood plan for each locality it has identified as experiencing significantly poorer outcomes. These were to be published in October 2017.

**93.** The two place plans (the locality plans required by the Community Empowerment Act) were published in June 2021. They highlight improvements to be delivered in the short and medium term with an associated budget of £1.5 million dedicated to the two plans. The council led on the plans, carrying out extensive consultation in 2019 using the place standard approach to identify community priorities. Improvements identified include:

- Street and spaces, including derelict properties
- Work and local economy support and opportunities
- Traffic congestion / safety concerns and parking provision
- Influence and sense of control of local communities
- Care and maintenance of property
- Play and recreation facilities

**94.** The council has developed a team-based approach to take place plans forward, bringing together staff from across a range of services. The team provides a dedicated resource at a local level and is responsible for engaging with the community, co-ordinating and resourcing actions within the place plans and monitoring and evaluating the progress and impact of place plans.

**95.** The CPP partners and community groups reviewed the plans before publication. Some actions link to the police, the business sector and third sector organisations. However, the plans are dominated by council activities and services and do not yet clearly link with health or social care services.

**96.** Despite the lack of place plans, some significant improvements have been made across South Ayrshire. The council has made significant investment since 2017 in the Ayr North and Girvan localities, including:

- £32 million for adapted and affordable housing,
- over £66 million in new school builds and early years redevelopment.
- sports and recreation investment of £432,000 on playpark improvements, £7 million in a new athletics centre and £965,000 on a football pitch facility.

**97.** In 2019 South Ayrshire Council approved a series of placemaking projects, totalling £287,000 for the Ayr North and Girvan areas. These projects sought to address some of the issues raised in conversations with communities.

**98.** Further place-making activity has taken place across South Ayrshire. In 2019 the council committed £102,600 to placemaking projects in Troon and £106,500 match funding in North Carrick. The North Carrick Community Benefit Company (NCCBC) developed Community Action Plans in 2019 for each town and village within the area, with considerable community input. These plans were formally consolidated as place plans by the council leadership panel in October 2019. The projects being undertaken focus on environmental improvements and play and recreation, ranging from new equipment in play areas, upgraded paths, benches and community noticeboards. The council has allocated a further £54,000 to place plans in 2021, alongside £500,000 per annum from 2019 to 2022 in capital expenditure.

### **The North Carrick Community Benefit Company**

The NCCBC was established in 2014 with the principle aim of administering grant funding from renewable energy sources and any other source that fits with the company and its charitable status. The NCCBC is a Company Limited by Guarantee and registered as a Charity.

The NCCBC is administered by a board made up of local people, and with many of the day to day activities undertaken by a dedicated development officer.

## **There are examples of partnership working arrangements between the council and its partners, that have had a positive impact for the people of South Ayrshire**

**99.** There are examples of partnership working that have had a positive impact for the people of South Ayrshire, these include:

- The Reducing Violence Joint Action Group, which is part of the Community Safety SDP. Members from the emergency services, council, local business and community groups worked together to plan the response to criminal incidents that were occurring in Ayr and Prestwick during weekends in the festive period. Targeting resources based on how busy each night was expected to be, and using approaches such as taxi marshals, CCTV and additional police officers, led to a reduction in incidents in December 2019 compared to the year before.
- The North Carrick Learning Community Partnership (NCLCP), whose membership includes the council and some members of the CPP, led work in 2019/20 that assisted families access food, clothing, housing and benefits support. The NCLCP also set up a young volunteers group to support young people to gain funding and organise events for other young people in their community.
- The 'Team Round Wallacetown' approach to improve and tackle inequalities in Wallacetown, North Ayr, is described in Case study 2. It

is the first defined area across South Ayrshire that is benefitting from a range of partners working together to tackle the range of problems suffered through deprivation and inequality. This piloted approach may lead to further place approaches being developed across other areas. It is still however, at an early stage of development and has just recently been embedded into the CPP governance structure, having been initiated by the council.

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## Case study 2: Wallacetown

Wallacetown has long been identified as an area experiencing the severest of deprivation in South Ayrshire. Increasingly high levels of poverty, poor housing conditions, lack of employment opportunities, high levels of crime, drug use and health inequalities have led to the creation of a multi-disciplinary task force to work with the community to collectively reduce inequalities and improve outcomes for those living in the area.

Third sector organisations work with health, housing, education, social care, environmental, police and fire services and residential groups work to provide holistic support within the community. A workshop was held in January 2020 to explore what is being achieved already and what could be achieved if things were done differently and develop a vision for the area.

The Violence Reduction Unit now has a presence within Wallacetown to prevent violence through enforcement, prevention and tackling attitudes. The unit looks at the impact on a community as a result of violence, identifies risk factors and develops innovative solutions.

Newton Primary School has been a focal point for service delivery and support for parents and the community, especially during the Covid-19 pandemic.

Prevention is the key message, and partnership working across the schools, third sector organisations will be supported by a police inspector resource. Learning from the Wallacetown initiative will inform future multi-agency activity across South Ayrshire.

Source: Audit Scotland

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## The governance arrangements between the IJB, council and NHS have been strengthened to provide clearer strategic direction

**100.** South Ayrshire was one of the first areas in Scotland to form an IJB, in April 2015. The governance arrangements between the IJB, council and NHS have recently been reviewed, and there is now a clearer understanding of where responsibilities lie between partners. Training has taken place with all IJB members, and quarterly three-way meetings are held to discuss and resolve issues as they arise and work towards improving integration.

**101.** The governance arrangements have been enhanced with the investment in the leadership team of the Health and Social Care Partnership (HSCP) over the last two years, including the appointments of the head of children, family and justice; head of community health and care services; chief social work officer; chief finance officer and senior manager for planning and performance.

**102.** Following a significant overspend in 2018/19, the IJB achieved a breakeven position in 2019/20 and has reported an underspend of £10.206 million in 2020/21, which has been carried forward in reserves. This gives the IJB the opportunity to invest in transformational activity as well as to manage the recovery and renewal process. This was largely achieved due to non-recurring funding received from the Scottish Government allocated for specific purposes late in 2021 to support costs in 2021/22.

**103.** The IJB approved its medium-term financial strategy (MTFS) in December 2019, which estimated a cumulative deficit on a “do nothing” scenario of £58.1 million by 2024/25. Management had developed transformation plans to address this challenge, but these have been overtaken by events since March 2020 and responding to the Covid-19 pandemic. An updated MTFS is due to be completed in August 2021.

### **The IJB has made slow progress in addressing specific performance issues since its establishment and has only recently begun investing in transformation**

**104.** The most recent IJB annual performance report (for 2019/20) sets out its performance against 19 national performance and satisfaction indicators. Of these, 11 are the same as or better than the Scottish average, three are slightly worse and five are significantly worse. Those which are significantly worse relate to emergency admission rates, readmissions to hospital and delayed discharge. These have been significantly impacted in 2020/21 by the Covid-19 pandemic. Improvements have been made in Children’s services, with a significant reduction in “Out With Authority” placements which also resulted in savings of £2.7 million being achieved.

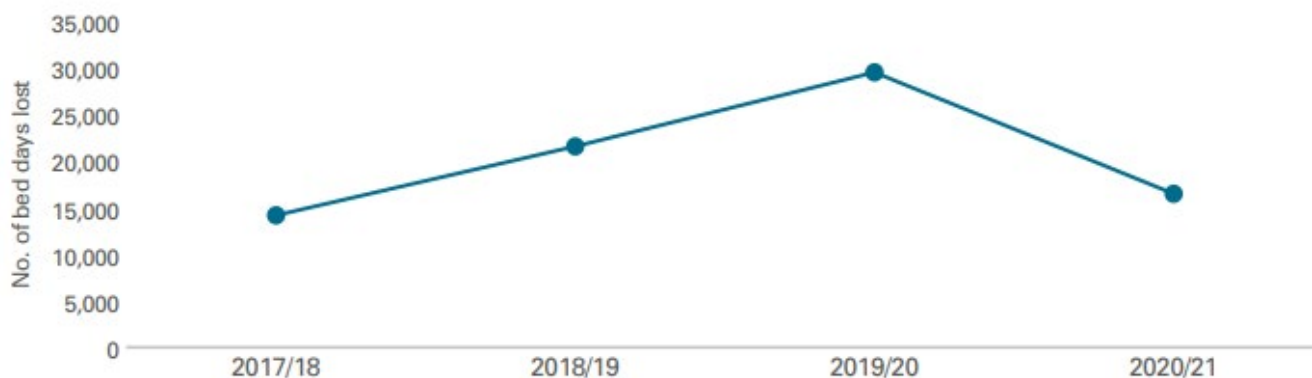
**105.** In 2018/19, the IJB incurred a significant overspend of £3.3 million against its budget requiring a loan from the council to be repaid in future years. This arose due to the demand for placements for vulnerable children and increasing demand for adult social care services. The IJB’s decision to reduce its spend on care home places led to an increase in delayed discharge days, as illustrated in [Exhibit 14 \(page 44\)](#). The IJB recognised the detrimental impact of this decision on service users and is taking forward the lessons learned, with some improvements noted in 2020/21.

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#### **Exhibit 14**

##### **Number of bed days lost due to delayed discharges**

The number of bed days lost due to delayed discharges increased between 2017/18 to 2019/20, however improvements were made in 2020/21



Source: South Ayrshire Integration Joint Board Annual Performance Reports

**106.** As part of the initial response to the Covid-19 pandemic and the declining performance with delayed discharges the HSCP implemented an action plan. This included building capacity into the reablement team, implementing changes within the responder team to reduce admissions to hospital and enhancing intermediate care screening of GP calls. Additional care home beds and care home provision was also commissioned, with the costs being met by the Scottish Government on a temporary basis. This resulted in some significant improvements in performance in 2020/21, while recognising that progress needs to continue into 2021/22.

**107.** Despite the slow progress since the establishment of the IJB it has now begun to invest in transformation for the future in recognition of the significant demographic challenges on the horizon. A recent example of this transformational change is the redesign of elderly mental health beds. The focus was to reduce the capacity of inpatient wards for mental health and transfer patients to the community where possible. This resulted in South Ayrshire enabling the move of four long-stay, hard-to-place individuals from hospital to a vacant floor of a council elderly care home. This enabled the closure of the NHS ward, with financial resources transferred to accommodate the additional costs.

### **The council and the HSCP work well with local communities, and locality plans have helped drive forward community-led initiatives**

**108.** Following public consultation, the IJB agreed to six localities in 2014. Since 2015, community representative groups from each locality have informed and influenced decision making within the IJB. Two reviews have taken place since then, in 2017 and 2019, to improve the process based on the groups feedback and experience.

**109.** Health and Social Care Partnership (HSCP) locality plans are in place for all six localities and broadly align with the priorities set within the LOIP. The council and the health board, through the HSCP, have developed strong links with both the third sector and local communities, for example the

Locality planning is a key element of health and social care integration and its legal basis is set out within the Public Bodies (Joint Working) (Scotland) Act 2014.

Champions Board ([Case study 3](#)), and locality plans are driving community led initiatives on the ground. Newsletters on progress are distributed across the locality and highlight activities and services being provided in the local area.

**110.** The HSCP has carried out a significant amount of participatory budgeting activity across the localities since 2016. More than £900k of funding has been provided by the HSCP and the council to support over 530 local organisations. Funding criteria align with locality planning priorities such as supporting people living with long term health conditions and tackling social isolation and loneliness. Feedback from the participatory budgeting events has been mainly positive, but some communities reported feeling more disadvantaged than others. Learning from these events has fed into understanding the process to improve future events.

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### Case study 3: Champions Board

South Ayrshire's Champions Board exists to give care experienced young people a voice and to use their care experience to create positive change. The Champions Board is working with young people with care experience in the area, engaging them in meaningful dialogue and building successful relationships to give young people an opportunity to be heard and listened to by care staff, policy makers and corporate parents.

The Champions Board provides awareness training sessions on corporate parenting, the collective responsibility of elected members, staff, and partner agencies, for providing the best possible care and safeguarding for the children who are looked after by them.

The changes secured by South Ayrshire Champions Board so far include:

- the council adopting a 'Family Firm' approach to ensure every young person with care experience in South Ayrshire is given support to access a wide range of vocational learning opportunities, including apprenticeships
- the Champions have been working closely with the Head of Children's Health, Care and Justice services, and a range of council services to raise awareness of 'The Promise'. The Champions Board developed a number of actions that will be implemented as part of the community planning activity to really make a difference to care experienced children, young people and their families in South Ayrshire
- free access to South Ayrshire sport and leisure facilities for all looked after children
- care experienced young people will not have to apply for housing through the homeless system
- all staff will receive induction training on their role as a corporate parent.

#### 'The Promise'

An independent care review published seven reports, with 'The Promise' narrating a vision built on five foundations for change, to transform how Scotland cares for children and families as well as the unpaid and paid workforce. Scotland has an ambition 'to be the best place in the world to grow up' so that children are 'loved, safe, and respected and realise their full potential'.

Source: South Ayrshire Champions Board

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## The council has been working well with its partners on the Ayrshire Growth Deal

**111.** The Ayrshire Growth Deal (AGD) represents a £250 million investment across the three Ayrshire councils. The deal was the first non-City Region deal in Scotland and was signed off by the Scottish and UK Governments in November 2020. The three Ayrshire councils and their partners have worked together to develop the deal, which is anchored in a commitment to creating a growing, innovative, more productive and inclusive economy.

**112.** South Ayrshire Council leads on the procurement workstream within the community wealth building and digital programmes within the AGD. This is at an early stage of development with outcome mapping and capturing the benefit realisation. A benefits realisation plan will be finalised in summer 2021. The Scottish Government has committed funding of up to £3 million to support Scotland's first regional approach to CWB.

Community Wealth Building (CWB) is about how organisations, known as Anchor Institutions, work with their partners in considering the goods that they buy, the people they employ, the assets they own and the powers available to them in bringing about change to maximise local economic opportunities.

## The council has recently developed a community engagement strategy to improve stakeholder engagement

**113.** The council uses a range of methods to engage with communities across South Ayrshire. Citizen panels inform quality of life surveys, consultations are frequently posted on the website and representatives across various communities, including the Youth Forum and Champions Board, play an important role in improving service delivery.

**114.** However, the council recognised even though it has a wide range of community engagement activities, these were not consistent across the council and it needs to improve its assessment of the impact of engagement and use lessons learned to improve future community engagement.

**115.** The council responded by developing a community engagement strategy in 2020. This includes a stakeholder engagement communications plan to encourage and improve the consistency of the council's approach to involving communities in the future of council services. The recently established Communities Reference Group, part of the CPP structure, also encourages community influence at board level.

## South Ayrshire has an active and diverse third sector that has contributed to improvements across local communities

**116.** Education Scotland reviewed the community learning and development (CLD) service in 2019. The review highlighted an active and diverse third sector operating across South Ayrshire that contributed to improvements across local communities. Third sector organisations have reported having constructive relationships with the council, including the council providing a range of practical and financial support. The report also recognised the range of activities and support provided by the CLD team particularly around improving outcomes for young people, increasing wellbeing and reducing isolation.

The Community Empowerment (Scotland) Act 2015 aims to give communities more influence over how the council and its community planning partners deliver services. It provides formal routes for communities to become more involved, including participatory budgeting, participation requests and community asset transfers.

## The council has made good progress in some aspects of the Community Empowerment Act, but it lacks strategic drive to further expand participatory budgeting activity

**117.** The council recognises the need for further engagement and capacity building work within its place plans and could do more to encourage citizen influence through participatory budgeting. Participatory budgeting activity has been primarily led by the HSCP and has supported the relevant locality plans. The council has made little progress to mainstream participatory budgeting; since 2017/18, the council has distributed funding of £624,400 to 331 groups. This appears to be due to a lack of strategic drive and there being significant scepticism about participatory budgeting amongst elected members.

**118.** The council has delivered resources and funding through collaboration with communities through its range of forums and engagement activity. Examples include youth summer holiday activities being proposed and designed by school pupils and grant funding to third sector and community groups to support their activities. Housing tenant groups have also led on directing housing revenue account expenditure, scrutinising performance and led inspections into the quality and improvement of the housing stock.

**119.** The Community Empowerment Act makes it easier for communities to take ownership of land and buildings, in a process known as asset transfer. The council's community asset transfers team provides support for community groups through the transfer process but also works with community groups to align their needs and capacity with alternative solutions. This includes providing seed funding to attract additional external funding, signposting to other advisory bodies, funding for renovations and reduced rent and lease agreements. Six community groups are currently being supported at various stages of the transfer process. The council has completed three transfers since 2017.

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# Part 5

## Is the council demonstrating continuous improvement?

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**The council's leadership, elected members and management has made limited progress in key aspects of Best Value since 2016. Progress has been particularly slow in community planning, financial and workforce planning, transformation and some aspects of community empowerment.**

**The council's approach to transformation has lacked pace and ambition and is behind other councils.**

**The council has engaged externally to develop and share best practice and has a structured approach to cross-party working and self-awareness.**

**The council has responded positively to inspection reports and scrutiny recommendations.**

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### **The council's leadership, elected members and management has made limited progress in key aspects of Best Value since 2016**

**120.** In its 2016 Best Value follow-up report, the Accounts Commission noted that major improvements had been made at the council since the previous critical Best Value audit carried out in February 2014. The Accounts Commission stated that it was imperative for the council to sustain its momentum, so that it could meet its duty of Best Value and, in particular, address difficult decisions that lay ahead in reshaping council services in response to reducing resources. The report identified areas for improvement, including political and management leadership, scrutiny, financial sustainability, continuous improvement, and customer/citizen focus.

**121.** The council has a structured approach to continuous improvement, centred on self-evaluation activity and cross-party working (paragraph 31). The council has been using the 'How Good is Our Council' (HGIOC) approach to self-evaluation since 2010. HGIOC is linked to the Performance Management Framework and focuses on key performance indicators, services are continually reviewed based on inspection reports, and service reviews are triggered by performance. There has been an increased focus on self-evaluation in recent

years, with training being provided to officers and members and a “Guide to Self Evaluation” was published in August 2019.

**122.** However, despite this the council's leadership, elected members and management has made limited progress on key aspects of Best Value. Progress has been particularly slow in community planning, financial and workforce planning, transformation and some aspects of community empowerment. And, while there has been some very recent progress, the council needs to increase both its ambition and pace across these important areas ([Exhibit 15, page 51](#)).

## Exhibit 15

### Comparison of 2016 Best Value judgements

A comparison of Controller of Audit judgements in 2016 and 2021 shows that South Ayrshire Council hasn't made adequate progress in some key aspects of best value since 2016.

Controller of Audit judgement 2016	Controller of Audit judgement 2021	Ref
<p><b>Leadership</b></p> <p>Elected members and the Corporate Leadership Team (CLT) demonstrate effective managerial leadership with focus on delivering on the priorities.</p> <p>There are good relations between members and officers, with new scrutiny arrangements working well and starting to make a difference.</p>	<p>The relationships between elected members and the CLT are constructive, working well together to deliver priorities. Performance reports are detailed, balanced and there is a good level of challenge and scrutiny at meetings from elected members.</p> <p>The council's leadership has made limited progress on key aspects of Best Value. Progress has been particularly slow in financial and workforce planning, transformation and aspects of community planning and empowerment.</p>	<p><a href="#">Part 1</a></p> <p><a href="#">Part 2</a></p> <p><a href="#">Part 5</a></p>
<p><b>Finances</b></p> <p>The council will need to address difficult decisions that lie ahead in reshaping council services in response to reducing resources.</p> <p>The council will need to revise its medium and longer-term financial plans, and accompanying reserves strategy, to ensure they are sustainable.</p> <p>There is scope for the council to consider more radical approaches to future service design.</p>	<p>The council's budget reporting is effective.</p> <p>The council's financial planning is not sufficiently well developed to provide assurance about its financial sustainability, and the council doesn't have a medium-term financial plan.</p> <p>Elected members have not had to make significant decisions to deprioritise services and the Administration's decisions on proposed savings are not open and transparent.</p> <p>The council is considering lessons learned from the Covid-19 pandemic. Services have produced a service improvement and recovery plan, focusing on improvements and ways to work differently. The council also has ambitious sustainability plans, being one of the first Scottish councils to set a carbon budget.</p>	<p><a href="#">Part 1</a></p> <p><a href="#">Part 3</a></p>
<p><b>Community engagement</b></p> <p>The council is strengthening its approach to community engagement.</p> <p>The council has made good progress in setting up locality planning groups required for health and social care partnerships.</p> <p>Embedding approaches to community engagement and linking the outcomes to the business planning framework</p>	<p>The CPP leadership previously lacked strategic direction and focus, which resulted in slow progress with improvement activities and a lack of collaborative work between partners. The CPP implemented a series of changes in 2018 to address this.</p> <p>Work to develop place plans has been very slow. Plans are now in place but focus mainly on council activities.</p> <p>The council has developed a community engagement strategy to improve stakeholder engagement and improve the consistency of the council's approach to involving communities in the future development of council services.</p>	<p><a href="#">Part 4</a></p>
<p><b>Transformation</b></p> <p>The council has sustained the pace of, and commitment to, improvement. There is clear leadership by both officers and elected members, which is making a positive difference to how services demonstrate Best Value.</p> <p>The council needs to ensure that all improvement activity is effectively integrated and prioritised.</p>	<p>The council's approach to transformation has been historically information and communications technology (ICT) focused and has not looked at the transformation of core council activity. There has been some recent progress in transformation, but the council has lacked pace and ambition and is behind other councils.</p>	<p><a href="#">Part 5</a></p>

## The council's approach to transformation has lacked pace and ambition and is behind other councils

**123.** The council's approach to transformation has historically been information and communications technology (ICT) focused and has not looked at the transformation of core council services. The council has lacked pace and ambition and is significantly behind other councils.

**124.** The Transform South Ayrshire (TSA) programme was established in 2016 focusing on digital and ICT. The programme was disbanded one year later due to lack of resources and direction, but it formed the basis of the ICT capital investment programme. A digital strategy was then approved in May 2019 covering the period 2019-2022, which set out the council's priorities and commitments to become a digital organisation and continue the evolution of council services using digital technology. The council recognised that it was faced with a number of challenges which required ICT capital investment before progressing with other transformational work, including a data network that was not fit for purpose, outdated hardware and outdated technology.

**125.** In March 2020, the council agreed proposals for a strategic change programme 'The South Ayrshire Way Strategic Change Programme – Preparing for the Future'. This sets out six high level themes to provide a framework for the alignment of change activity ([Exhibit 16](#)). Governance arrangements were also agreed at this time, which included a strategic change programme office and a strategic change executive having responsibility for the management of the programme and report to ELT and the Leadership Panel.

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### Exhibit 16

#### The South Ayrshire Way Strategic Change Programme – Preparing for the Future

Six high level strategic themes provide an overarching framework for the alignment of the change activity.

-  **1. Delivering Council Plan Priorities**

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-  **2. Services which are designed to be fit for purpose and sustainable**

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-  **3. Customer at the heart of what we do**

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-  **4. Digitally confident**

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-  **5. Maximising the use of our assets**

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-  **6. A workforce for the future**

Source: The South Ayrshire Way Strategic Change Programme – Preparing for the Future, South Ayrshire Council, 2020

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**126.** In December 2020, the council approved its strategic change programme for the period 2020-2030. At this time, the council agreed to establish three temporary posts: a project implementation co-ordinator and two project implementation officers, to be funded for a period of 18 months. The first recruitment exercise, which was advertised internally, did not identify any appropriate candidates. A subsequent external recruitment exercise has resulted in three applicants being offered posts to start in summer 2021. Despite this initial progress, the programme currently lacks the level of detail required at a project level, with no clear timelines or details of the intended financial or operational benefits.

**127.** The council updated the governance and monitoring framework in December 2020. The strategic change executive, comprising key members of the CLT and having responsibility for the management of programme delivery, are not due to meet for the first time until mid-2021 and the Benefits Review tracker is still at a pilot stage. Significant progress is therefore required to make the transformational change needed given the long-term financial challenges the council faces.

**128.** These recent developments indicate positive signs, with the establishment of governance and monitoring arrangements and investment in resources to support the programme. However, it is still too early to tell whether the programme will be sufficient to deliver the change required, considering the length of time the council has taken to reach this point. It is essential that the council continues to progress with a view to materialising change.

## **The council engages externally to develop and share best practice**

**129.** The council has worked with the Improvement Service and with other councils to inform its thinking on changes to the way it works:

- The council visited Wigan Council to understand how it could adopt some of the transformational work that Wigan Council had undertaken. This informed the council's 'employee deal', which is a commitment between the council, elected members and officers to work in partnership to deliver the councils six priorities.
- The council sought the support of the Improvement Service to assist with the development of service improvement and recovery plans (paragraph 26).
- When developing its carbon budget (paragraph 71), the council drew on the experience of Aberdeenshire Council. The council has received a lot of interest from other councils in relation to its carbon budget, and it is in the process of sharing best practice through the Sustainable Scotland Network Local Authority Forum.

## **The council has responded positively to inspection reports and scrutiny recommendations**

**130.** Overall, the council is responding effectively to audit, scrutiny and inspection reports. For example, the 2018 Care Inspectorate follow-up to an earlier inspection of services for children and young people noted that the

council's pace of improvement in addressing recommendations was appropriate (paragraph 46). The Leadership Panel reviews inspection reports and requests updates on improvement actions that have been implemented. The majority of follow-up reports in recent years note that improvements have taken place and that recommendations have been met.



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# Recommendations

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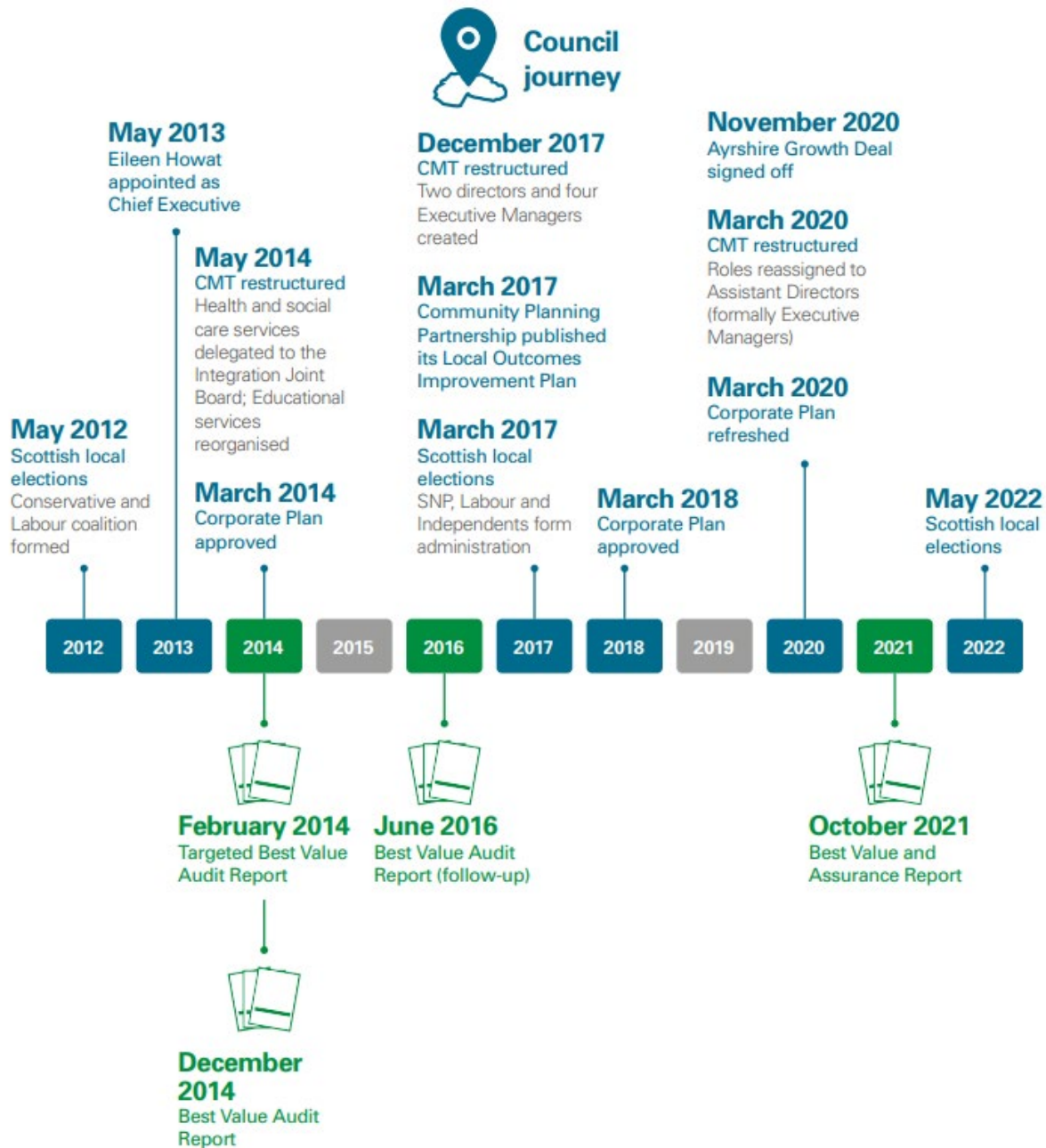
## Any reference to 'the council' specifically means the corporate leadership team, elected members and officers.

- The council should assure itself that it has the capacity and skills required to increase its pace of improvement in key aspects of Best Value, such as community planning and empowerment, financial and workforce planning, and transformation. Where appropriate, external support should be sought from other councils, or the Improvement Service, to help with focusing its areas of improvement. (paragraph 122)
- The council should prepare both medium- and long-term financial plans. The plans should consider changes to both income and expenditure, identify both budget gaps and set out the actions necessary to address those gaps. There should also be a clear linkage to council's priorities. (paragraph 64)
- The council should improve and embed workforce planning, so that service workforce plans are developed consistently across the council. The plans should include clear links to the council's priorities and to its strategic change programme. (paragraph 79)
- The council should make sure that its transformation work is fully aligned and integrated to its Covid-19 recovery planning work and improve its approach to its strategic change programme by:
  - adding greater detail about individual projects
  - setting clear timelines for each project
  - developing a benefits realisation tracker to assess whether the council has achieved its aims. (paragraphs 126 and 127)
- The council should improve performance reporting by:
  - setting targets for its KPIs
  - including a summary of performance against KPIs in its performance reports to members
  - increasing the frequency of reports to elected members
  - making performance reports more accessible to the public (paragraphs 34, 49 and 53)
- To help them carry out their roles, including their responsibilities under Best Value, elected members should take advantage of the learning and development opportunities provided by the council. The council should

continue to work with elected members to understand and address the reasons for the variable uptake of training. (paragraph 32)

# Appendix 1

## Best Value audit timeline



**February 2014: Targeted Best Value Audit Report**

The Accounts Commission expressed its concern about the council's lack of progress in leadership, performance management and scrutiny.

**December 2014: Best Value Audit Report**

The Accounts Commission welcomed the council's quick response to its previous report, but emphasised that it must keep the positive momentum going to sustain improvement.

**June 2016: Best Value Audit Report (follow-up)**

The Accounts Commission welcomed the considerable further progress made by the council.

# South Ayrshire Council

## Best Value Assurance Report

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

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**MEETING: 7 OCTOBER 2021**

**REPORT BY: SECRETARY TO THE ACCOUNTS COMMISSION**

**STATUTORY PERFORMANCE INFORMATION: DRAFT 2021 DIRECTION**

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### **Purpose**

1. This report proposes a draft 2021 Statutory Performance Information (SPI) Direction to act as a basis for consultation with stakeholders with a view to subsequent approval and publication by the Commission in December 2021.

### **Background**

2. Section 1(1)(a) of the Local Government Act 1992 (the 1992 Act), gives the Accounts Commission the power to direct (as it thinks fit) relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission's opinion, "facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing Best Value in accordance with section 1 of the Local Government in Scotland Act 2003) between:
  - i. the standards of performance achieved by different relevant bodies in that financial year or other period; and
  - ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods."
3. Such information is also to facilitate the drawing of conclusions about the discharge of those bodies' functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for the "improvement in the achievement of outcomes").
4. This power pre-dates its powers in relation to Best Value, although the Commission has in recent years continued to use the power to emphasise what it sees as the importance of councils reporting performance to their citizens and communities. The Commission has also taken the view that the local government community should take greater ownership of the public performance reporting and performance benchmarking agenda. For that reason, the Commission has endorsed and supported the development of the SOLACE and COSLA-led local government performance benchmarking framework (LGBF) project. The Commission has also been increasingly less prescriptive about the requirements in its SPI Direction.
5. Further background information can be found at Item 8 of the Commission's [November 2018 meeting papers](#) when the Commission last considered its SPI Direction.
6. At its meeting on 8 December 2018, the Commission approved a three-year SPI Direction with two indicators, as set out on the [Commission website](#). As the end of current SPI Direction period is approaching, the Commission is required to review its strategy in relation to its powers under the 1992 Act and thus consider publishing a new Direction.

## 2021 review

7. To help the Commission consider its SPI strategy, we have reviewed councils' responses to the 2018 Direction. This review comprised three main activities:
  - A desktop review of council websites, particularly on the reporting of performance information.
  - A review of 2019/20 annual audit reports (AARs).
  - A review of the 26 Best Value Assurance Reports (BVARs) published to date.
8. There follows a summary of the findings of each of these review activities in turn.

### ***Council website review***

9. A desktop review of all 32 council websites was undertaken from July to September 2021. It was designed as a 'snapshot' of how councils are fulfilling their responsibilities. Recognising the issues around digital exclusion, we should of course acknowledge that councils do make use of other mediums - such as newsletters, tax leaflets and social media - to report their performance to the public. For the purpose of this exercise, however, a reasonable assumption has been made that councils should be making effective use of their websites as a primary vehicle for the reporting of their performance to the public in an accessible way.
10. **Appendix 1** outlines the approach and results of this review, as well as the review of AARs and BVARs, which are detailed in paragraphs 11-15. Councils have generally responded well to the requirements of the Direction, with no evidence to suggest that any council is responding unsatisfactorily. There is however variation between councils. A summary of findings is below:

### **Statutory Performance Indicator 1**

- Councils largely provide an easily accessible source of performance information at council-wide level that is up to date. However, there is room for improvement in the accessibility and ease of navigation of websites.
- Only three councils had clear statements on the impact of Covid-19 on performance reporting.
- Outcome priorities are clear and information on performance against outcomes is generally clear.
- All councils have an accessible place for people to find information on equality impact assessments, complaints, consultations and engagement activity, but there is variation in how results, and the council's response to these results, is reported.
- While all councils included LGBF indicators and provided a clear link to the LGBF website, only 17 councils used benchmarking information to report improvement activity. The level of detail provided varied significantly between councils.

### **Statutory Performance Indicator 2**

- While most councils provide information on their transformation programmes and inspections, the level of information varies.
- Only half of councils provide clear information on service reviews.

- Of the 26 BVARs published to date, 18 councils have a clear statement on their response to the report but only 10 show progress reports.
- Information on opportunities for- and actions resulting from- community engagement is generally clear.

### ***Review of annual audit reports***

11. Auditors have a statutory responsibility to satisfy themselves that councils have made the necessary arrangements for collecting, recording, and publishing statutory performance information. The Code of Audit Practice 2016 requires auditors to report a conclusion on the effectiveness and appropriateness of the arrangements along with recommendations for any improvement.
12. Annual planning guidance requires auditors to ensure they have sufficient evidence on which to base their conclusion on the suitability of the arrangements. This year's guidance notes that the Covid-19 pandemic is expected to have had a substantial impact on performance reporting. The guidance therefore expects auditors to identify further areas for improvement and to follow up recommendations made in previous years and consider whether they have been actioned.
13. As part of the 2021 Annual Assurance and Risks Report, Audit Scotland undertook a review of auditors' assessments of councils' approaches to public performance reporting in the 2019/20 annual audit reports (AARs). This review, alongside some further work from the support team found that:
  - 32 AARs included commentary on performance reporting at the council, but there was significant variation in the level of detail provided, with commentary ranging from one sentence to an exhibit showing trends in performance of a range of indicators. Of these:
    - 18 AARs conclude that public performance reporting is satisfactory
    - Seven highlight improvements required in public performance reporting, including currency and clarity of reporting
    - Seven AARs do not make a specific conclusion on public performance reporting (four of which explicitly state that they have delayed their review of public performance reporting to the 2021/22 audit, largely due to Covid-19 impacting on audit work).
  - Six AARs did not specifically refer to the SPI Direction when reporting on public performance reporting.
  - 11 AARs refer to the impact of Covid-19 on delays to performance reporting.

### ***Review of Best Value Assurance Reports***

14. **Appendix 2** summarises the Controller of Audit's recommendations and the Commission's findings relating to councils' approaches to public performance reporting, as reported in all 26 BVARs to date. While all BVARs report on councils' performance reporting, eight of the 21 BVARs published since 2018 include a recommendation on the council's approach to public performance reporting. The Commission has also used its findings to highlight an area of improvement in this regard in six BVARs since 2018.
15. Only one of the BVARs to date makes direct reference to the council's approach to fulfilling the requirements of the SPI Direction. It will be important, therefore, that the Commission's interest in ensuring that its SPI Direction is being fulfilled features in its



approach to assessing Best Value. This can be discussed further with the Controller of Audit as the Commission takes forward its approach to auditing Best Value.

### ***Informal feedback***

16. Results of the review were discussed with the LGBF Board at its meeting on 23 September. Feedback indicated:

- The Board is considering as part of its strategic plan how it can encourage good practice in councils on using LGBF (and wider) information for public performance reporting.
- The Board is mindful of the impact of Covid-19 on councils' capacity to report performance, and thus is pleased with the outcome of our review that councils have continued to respond well to the requirements of the Direction.

17. Results of the review were also discussed with Scottish Performance Management Forum (SPMF) – made up of those council officers responsible for managing performance information - on 30 September. Feedback from representatives of the 25 councils present indicated:

- The forum can recognise the significant potential of how councils make more use of their self-assessment activities in public performance reporting, as required by the Direction.
- In saying that, they also recognise a need for councils to learn and collaborate more in relation to self-assessment.
- Officers recognise and experience political tensions in balancing the reporting of good and poor performance.
- Officers recognise a need to making information more accessible, for example beyond simply publishing plans or performance reports.

### **Overall conclusions**

18. A summary of overall conclusions to be drawn from the 2021 review exercise is thus:

- Councils have responded well to the 2018 Direction and therefore there is a strong case for maintaining the strategy of the Commission that it uses its powers in the 1992 Act to continue to encourage sector-led improvement through a descriptive rather than prescriptive approach.
- Councils all report, to varying degrees, performance information that can be compared over time and across different bodies.
- Nevertheless, there is significant variation in the degree to which councils are satisfying the requirements of the Direction.
- There is scope for more consistency in the reporting of progress against the Direction in the annual audit.
- Covid-19 has negatively impacted performance and performance reporting, but not to a degree that has significantly compromised councils' response to the SPI Direction.
- There is scope for improvement in how councils can:
  - Improve accessibility of their performance pages to ensure more easy

access for their citizens and communities

- Report performance against their Best Value duty, and in particular reporting progress against previous Best Value assessments.
- Report comparative benchmarking information, including relating to the LGBF.
- Clarify the impact of Covid-19 on performance and performance reporting.

## **Proposed 2021 Direction**

### ***Strategy***

19. The evidence from the review shows steady and positive progress by councils, but with potential of 'turning up the volume' on certain areas such as reporting progress against their Best Value duty, reporting their own assessments of their performance, and increasing the accessibility of information. It is also however worth recognising how the policy environment has changed in such a short period of time, not least by the Covid-19 pandemic.
20. In considering a new Direction, the Commission will wish to take the opportunity to underline its priority in its newly published Strategy to report on how councils work with and empower their communities as they contribute to Scotland's recovery from the pandemic. The Commission can therefore regard the Direction as an important tool in promoting the principle that the relationship between local government and its different communities needs to be based on a mutual understanding between local government and its communities about its performance and where it needs to improve.
21. Given this strategic importance, therefore, the Commission can take the opportunity to give more prominence to the importance of its Direction, taking the opportunity as it promotes its Strategy to different stakeholders to underline the benefit of using this power in this way.
22. The Commission can also further consider how it wishes to make use of its other powers to encourage continued improvement in how councils fulfil the requirements of the Direction. For example, the Commission will wish to consider its requirements from the annual audit as part of the 2022/23 planning guidance, to be considered in Autumn 2022. (This will of course need to be done in the context of other pressures on the work programme.)
23. In agreeing such a Direction, the Commission will also be able to underline its support for the importance of benchmarking and in particular the role played by the Scottish Local Government Benchmarking Framework.

### ***Content***

24. Given the conclusions of the review, it is proposed that the Commission adopt a 2021 Direction as set out in **Appendix 3** (proposed changes are in highlighted text) This largely follows the previous Direction but with some important revisions:
  - Introducing an expectation that councils (with their partners as appropriate) report their progress in recovery from the pandemic (which may or not include, for example, progress against a recovery plan).
  - Underlining the importance of self-assessment of performance.
  - To reflect the Commission's ambitions with the integrated audit, including

reference to the annual audit's role in assessing performance against the Best Value duty.

- To reflect the Commission's ambitions with co-ordinated scrutiny of local government, including reference to the assessments of other scrutiny and inspection bodies
- To reflect the Commission's strategic priority, including reference to empowering communities and ensuring accessibility to the performance information reported publicly.

25. The positive momentum demonstrated by the review suggests that the three-year period covered by the current Direction has been effective. It is therefore proposed that such a timeframe be applied to a new Direction.

### **Consultation on the draft Direction**

26. Section 2 (3) of the 1992 Act requires the Commission to consult with 'such associations of relevant bodies and such other persons as it sees fit' before giving a direction which imposes a new requirement on any relevant body. It is for the Commission to determine which associations and bodies it wishes to consult and the manner in which it will undertake any consultation activity.

27. The Commission has consulted informally with the LGBF Board and the SPMF. It is proposed that the Commission now consult formally with these bodies along with all councils, COSLA and SOLACE, before approving its Direction in December. It is also proposed to write to the Scottish Government to keep it apprised of progress.

### **Next steps**

28. It is proposed that the Commission consider a draft Direction following the above consultation at its meeting in December 2021, with a view to publishing the draft Direction by the end of the year. The Commission can also consider proposals in December on how to promote the Direction and to maximise its effectiveness.

### **Conclusion**

29. The Commission is asked to:

- a) Note councils' progress against the requirements of the 2018 SPI Direction.
- b) Agree its overall approach and thus the terms of the proposed three-year Direction as set out in Appendix 3, to be applied first in the year ending 31 March 2023.
- c) Agree that this forms the basis of formal consultation with stakeholders.
- d) Agree to consider the results of this consultation and a draft Direction at its December 2021 meeting, with a view to publishing the new Direction shortly thereafter.

**Paul Reilly**  
**Secretary to the Commission**  
**29 September 2021**

## APPENDIX 1:

### SPI DIRECTION REVIEW 2021

# Our direction

ACCOUNTS COMMISSION 

## Our aims (Commission Strategy 2021-26):



### Securing public audit

Through securing and overseeing the audit of local government, reporting on its use of public money.



### Helping to improve

To help local government improve by it using our work and findings to be more efficient and effective in its use of public money and in improving outcomes for communities



### Seeking to assure

To seek to assure the public about the performance of local government, including governance, financial stewardship and effectiveness in delivering services and improving outcomes for communities.



### Improving performance reporting

To seek to ensure councils report their performance to their communities effectively, through our [Statutory Performance Information Direction](#).

## Reductions in indicators



## Our priorities for the next five years

The next five years will see Scotland start its recovery from the Covid-19 pandemic. We want our work to influence that recovery while we continue in our role of reporting on the performance of local government and helping it to improve. We will use our statutory powers to shine a spotlight on the following priority areas:

### Inequalities

What contribution local government makes to lessening the impact of inequalities, particularly poverty, on different communities.

We will report on the contribution and performance of local government services to those impacts, and in particular the critical role of health and social care services.



### Funding

The impact of funding on local government's ability to fulfil its role.

We will report upon the stability of funding and the financial sustainability of local government bodies.

### Recovery

What contribution local government makes to Scotland's response to, and recovery from, the pandemic.

We will report on how well local government is helping economic recovery and on how such recovery ensures social justice.



### Communities

The relationship between local government and its different communities.

We will track how local government is working with, empowering, and ensuring that communities help drive the planning of local public services. In doing so, we will report on how council partners, including community planning partners and the third and voluntary sector, help develop this relationship between public services and people

## SPI 1 – Improving local services and local outcomes

- Service performance
- Progress against outcomes agreed with partners
- Benchmarking (LGBF) and progress over time

## SPI 2 – Demonstrating Best Value

- Reporting performance against BV duty
- Response to audit assessments
- Community engagement and empowerment

Public performance reporting requirements: balance and currency

# What we looked at in 2021



# What we were looking for: SPI 1



## Improving public services

- Performance across primary services
- PPR – balance & currency
- Areas for improvement
- Actions taken / planned
- Impact of Covid-19 on performance (& reporting)
- Complaints & consultations
- Equality impact assessments



## Improving local outcomes

- Council / CPP: clear / consistent outcome priorities
- Council / CPP: reporting of outcome performance
- Council reference to partnership working



## Benchmarking / LGBF

- Hyperlink to LGBF?
- LGBF data used within PPR?
- LGBF info used for improvement activity?



# What we found: SPI 1



## Improving public services

- Clearly accessible performance information - 31
- Up to date performance reports (at least within the last year) - 26
- Three-year trends - 26
- Report identifying improvements required – 32
- Improvement actions – 26 (detail varied).
- **Clear statements on impact of Covid-19 on performance reporting - 3**
- Good information on complaints and consultations, but detail varied
- Easily accessible equality impact assessments - 31



## Improving local outcomes

- Refer to partnership working in performance reports - 29
- Set out outcome priorities clearly (i.e. outcomes either directly aligned to CPP priorities or closely linked) - 32
- Clear information on performance against outcomes – 27 (detail varied; for those that didn't, reports found in committee papers)



## Benchmarking / LGBF

- Linked to the LGBF website – 32 (but most not to the specific council)
- Included at least one performance report that included LGBF indicators - 32.
- **Benchmarking information to report improvement activity - 17 (detail varied)**

# What we were looking for: SPI2



## Best Value

- Change/transformation programmes
- Self-assessments
- Service reviews
- Inspections
- Plans to improve against assessments of its performance against its duty of BV?
- Equalities outcomes and mainstreaming reports



## Engaging with communities

- Reporting on community engagement / empowerment
- Reporting on response to what council is doing / has done



## Best Value

- Information on:
  - Change/transformation programmes - 25
  - Inspections - 20
  - **Self-assessments or service reviews - 14**
  - **Response to BVARs - 18**
  - **Progress reports on most recent BV report – 10 (some out of date)**
- Equalities outcomes & mainstreaming reports generally easily accessible & clear on progress against outcomes



## Engaging with communities

- All 32 provide contact details for community planning teams, to encourage feedback from its communities
- Most councils (28) and CPPs (29) outline how they have responded to feedback from their communities, but extent varies

# Review of Annual Audit Reports



All 21 comment on performance reporting

8 include a recommendation from the Controller of Audit

6 include findings from the Commission, noting the need to:

Improve clarity of reporting performance against objectives

Include more long term trend information

Balance reporting – reasons for underperformance and planned improvement

# Commission thinking points

Steady progress  
but  
inconsistency

Accessibility &  
inequalities

Best Value and  
improvement –  
progress reports

Benchmarking

Impact of Covid-  
19 on  
performance (&  
reporting)

Monitoring &  
assessing:  
Role of audit

Self  
assessments  
and service  
reviews

## APPENDIX 2:

### BVAR recommendations and findings in relation to public performance reporting

Council	Year	SPI ref?	Relevant recommendations or Commission findings
<a href="#">Inverclyde</a>	2017	No	None
<a href="#">Renfrewshire</a>	2017	No	None
<a href="#">East Renfrewshire</a>	2017	No	None
<a href="#">Orkney Islands</a>	2017	No	<b>Recommendation:</b> The council should set out how its activities will contribute to improved outcomes for communities so that it can evidence and monitor the impact. <b>Commission finding:</b> Both the council and the partnership, however, could do more to demonstrate how outcomes for communities are improving
<a href="#">West Lothian</a>	2017	No	<b>Recommendation:</b> There is scope to improve how the council monitors and reports what it does to improve outcomes for local people. <b>Commission finding:</b> It is (also) important that public information is balanced and demonstrates the links between actions and outcomes for local people.
<a href="#">Fife</a>	2018	No	None
<a href="#">East Ayrshire</a>	2018	No	None
<a href="#">West Dunbartonshire</a>	2018	No	None
<a href="#">Glasgow City</a>	2018	No	None
<a href="#">East Lothian</a>	2018	No	<b>Recommendation:</b> In delivering its vision, the council should report the benefits the Transformation programme projects are having for customers and communities; and the savings that are being realised. <b>No relevant Commission finding.</b>
<a href="#">Dumfries and Galloway</a>	2018	No	<b>Commission finding:</b> It is important that the council is better able to report more consistently and coherently – internally and to its citizens – about how it performs and where it needs to improve this performance
<a href="#">South Lanarkshire</a>	2019	No	None

Council	Year	SPI ref?	Relevant recommendations or Commission findings
<a href="#">Stirling</a>	2019	Yes (indirect)	<p><b>Recommendation:</b> The council needs to improve its public performance reporting, to show a summary of the council's performance against the business plan objectives.</p> <p><b>Commission finding:</b> It needs to report more clearly to elected members and the public on its performance against its priorities</p>
<a href="#">North Lanarkshire</a>	2019	No	<p><b>Recommendation:</b> Performance information on the council's website should be kept up-to-date to improve accountability to the public.</p> <p><b>Commission finding:</b> Ensuring good service performance information that is readily available and communicated well to citizens is also important</p>
<a href="#">Midlothian</a>	2019	No	None
<a href="#">Perth and Kinross</a>	2019	No	<p><b>Recommendation:</b> It also needs to make public performance reporting more transparent, clear and balanced. The Annual Performance Report should include ambitious targets and be clear about the reasons for underperformance and planned improvement actions.</p> <p><b>No relevant Commission finding</b></p>
<a href="#">Scottish Borders</a>	2019	No	<p><b>Recommendation:</b> Ensure performance reports to members and the public are more comprehensive and balanced, and that they cover service performance and delivery of the Fit for 2024 programme.</p> <p><b>Commission finding:</b> It also needs to get better at the reporting of performance – both in terms of information considered by members and in reporting to the public</p>
<a href="#">Highland</a>	2020	No	None



Council	Year	SPI ref?	Relevant recommendations or Commission findings
<a href="#">Argyll and Bute</a>	2020	No	<p><b>Recommendation:</b> Improve performance management reporting to provide a balanced picture of long-term trends in performance against its targets (paragraphs 27–33). Use benchmarking information to drive continuous improvement</p> <p><b>Commission finding:</b> [better performance reporting] will also help make clearer to stakeholders what progress it is making on key outcomes and objectives and how it intends to address areas of service underperformance</p>
<a href="#">North Ayrshire</a>	2020	No	None
<a href="#">Moray</a>	2020	No	None
<a href="#">Dundee City</a>	2020	No	None
<a href="#">Aberdeenshire</a>	2020	No	None
<a href="#">City of Edinburgh Council</a>	2020	No	<p><b>Recommendation:</b> [improve its performance reporting by] publishing easily accessible, up-to-date performance information on its website.</p> <p><b>Commission finding:</b> The council needs to better articulate and deliver its ambition. We underline the Controller’s recommendations to provide clearer priorities and direction (notably through its Adaptation and Renewal Programme) and to ensure better reporting of performance against objectives (particularly to elected members and the public)</p>
<a href="#">Aberdeen City Council</a>	2021	Yes (direct)	<p><b>Recommendation:</b> To supplement current council and CPP performance reports, and aid public understanding and scrutiny, the council should produce an annual performance report more clearly reporting the longer-term progress made in improving outcomes.</p> <p><b>No relevant Commission finding</b></p>
<a href="#">East Dunbartonshire Council</a>	2021	No	None

## **APPENDIX 3:**

### **PROPOSED PUBLICATION OF INFORMATION (STANDARDS OF PERFORMANCE) DIRECTION 2021**

#### **LOCAL GOVERNMENT ACT 1992**

#### **THE PUBLICATION OF INFORMATION**

#### **(STANDARDS OF PERFORMANCE) DIRECTION 2021**

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:

*“facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –*

- i. the standards of performance achieved by different relevant bodies in that financial year or other period; and*
- ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods”*

2. This Direction is given to all local authorities, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.

3. Each of the bodies referred to in paragraph 2 shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers, publish the information specified in the schedule to this Direction for all those activities which are carried out by the body

4. The periods for which the information in the schedule must be published are the financial years ending 31st March 2023, 2024 and 2025.

5. In the schedule, the term ‘Best Value’ shall be interpreted in accordance with the definition and requirements of Part 1 of the Local Government in Scotland Act 2003.

#### **Schedule**

Each council will report a range of information in the following areas:

#### **Statutory Performance Indicator 1: Improving local services and local outcomes**

- Its performance in improving local public services, both provided by itself and in conjunction with its partners and communities.
- Progress against the desired outcomes agreed with its partners and communities, including in relation to recovery from the Covid-19 pandemic.

The Commission expects the council to report such information to allow comparison (i) over time and (ii) with other similar bodies (thus drawing upon information published by the Local Government Benchmarking Framework and from other benchmarking activities).

## **Statutory Performance Indicator 2: Demonstrating Best Value**

- Its assessment of how it is performing against its duty of Best Value, including self-assessments and service review activity, and how it has responded to this assessment.
- Audit assessments (including those in the annual audit) of its performance against its Best Value duty, and how it has responded to these assessments.
- Assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.
- In particular, how it (in conjunction with its partners as appropriate) have engaged with, responded to and help empower its communities, including hard-to-reach communities.

In satisfying the requirements set out in this schedule, the Commission expects the council to take cognisance of current statutory guidance on Best Value requirements in relation to public performance reporting, and in particular to ensure:

- Balance in reporting areas of improvement that have been achieved and not achieved.
- As much timeousness and currency as is practical.
- Easy access to its performance information for its citizens and communities.

MEETING: 7 OCTOBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

SECRETARY'S UPDATE REPORT

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**Purpose**

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, including issues relating to Covid-19.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
  - The Controller of Audit report to the Commission, updating the Commission on his activity.
  - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
  - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

**Commission business**

***Publications and activities***

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download statistics for the Commission's published reports over the last 12 months. [Appendix 2](#) provides additional information on the overall engagement that reports and other business have received on social media.
4. On 16 September Interim Deputy Chair, Tim McKay published a [blog](#) on digital exclusion., which has been which have been viewed 249 times.
5. On 21 September, Commission member Sharon O'Connor and Auditor General Stephen Boyle took part in a discussion panel session with Carrie Lindsay, Executive Director for Education and Children's Services at Fife Council, at the Scottish Learning Festival on 21, talking about the performance audit *Improving outcomes for young people through school education*. The discussion was facilitated by Patrick McFall from the Communication Team. The session was well received by the around 80 delegates who attended it.
6. On 23 September the Commission published its [Strategy 2021-26](#). It has been downloaded 135 times. It reached 2,618 social media users and the engagement rate on Twitter (like, share or comment) was 3.5 per cent. Engagement rates over 2 per cent are considered strong.
7. On 29 September the [East Dunbartonshire Best Value Assurance Report \(BVAR\)](#) was published. As of 30 September (one day after publication) the post had reached 1,748 people on social media and had an engagement rate on Twitter of 3.5%. The animation has been viewed 140 times and the Deputy Interim Chair's vlog viewed 97 times. The report was also covered by [Scottish Housing News](#).

### ***Forthcoming publications and activities***

8. During October, the following activities are planned:
  - On 4 October, the Interim Chair will publish a blog on her reflections on the Christie Commission, ten years since that report was published. This complements a [similar blog](#) by the Auditor General published on 7 September.
  - On 7 October, the Commission will publish its performance audit thematic report on the impact of Covid-19 on Scottish councils' benefit services.
  - On 21 October, the Commission and Auditor General will publish an update arising from the climate change roundtable event hosted by Audit Scotland in June 2021. The paper will summarise the key themes emerging from the event and look forward to other audit work in the future. The Commission's sponsors on climate change matters, Andrew Burns and Sharon O'Connor, have been involved in overseeing this paper. A report on this area of work will be considered by the Commission in January (a previous such paper was considered last by the Commission at its January 2020 meeting).
  - On today's agenda is a proposal to publish on 28 October an update on community empowerment.
  - On 25 October, the Commission will be issuing its four-monthly newsletter to all Scottish councillors, and at the start of November, a similar newsletter will be issued to community groups and made available to the public.

### ***Other Commission business***

9. At its last meeting, the Commission noted that the Interim Chair would issue a response on behalf of the Commission to the Constitution, Europe, External Affairs and Culture Committee's [call for views](#) on funding for culture in Scotland. The response can be found on the [members' SharePoint site](#).
10. At its last meeting, the Commission agreed to respond to the Scottish Government's [consultation](#) on the minimum income guarantee. On 16 September, the Commission [responded](#) to the consultation.
11. At its last meeting, the Commission agreed the proposed approach to responding to the Scottish Government's consultation on the terms of the Covid-19 inquiry (paragraph 60) and that this will include matters raised by Stephen Moore. The response is available on the [members' SharePoint site](#).
12. On 6 September, the Accounts Commission and Auditor General for Scotland [announced](#) that they are issuing an invitation to tender for appointing external auditors for the financial years 2022/23 to 2026/27 (closing date noon 29 November 2021).
13. The Communications team have been active in promoting the application process for the next Chair of the Commission, including with an animation and the Secretary's [blog](#) outlining the role.
14. On 29 September, Interim Chair, Elma Murray replied to the Local Government, Housing and Planning Committee on follow up questions to its session with Elma Murray, Antony Clark and the Local Government Overview audit team on 31 August 2021. The letter has been saved on the [Members' SharePoint site](#).
15. On 29 September, the Commission responded to the consultation by the Acting Ethical Standards Commissioner on a revised Code of Practice for Ministerial Appointments to

Public Bodies in Scotland. The response is on the [members' SharePoint site](#). A similar response made separately by the Auditor General is also available.

16. Earlier this year the Commission and Audit Scotland [responded to](#) the principles-based consultations carried out by CIPFA on revisions to the Prudential and Treasury Management Codes. CIPFA has now issued a consultation to affect the consequent detailed changes to the codes. It is proposed that, since this is a more technical consultation, that Audit Scotland respond on the Commission's behalf.
17. Member queries on the September Secretary report have been saved on [the members' SharePoint site](#).
18. Members are asked to review the Members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with the Interim Chair and Audit Scotland's work programme and communications teams. Members are asked to share their thoughts on the schedule, as well as any suggestions for further communications directly to the [schedule](#).

### **Auditor General**

19. On 1 September, the Auditor General, Professor Alan Alexander, Diane McGiffen and Stuart Dennis gave evidence to the Scottish Commission for Public Audit on the Audit Scotland Annual Report and Accounts 2021.
20. On 2 September, the Auditor General and Mark Roberts [gave evidence](#) to the Public Audit Committee on Audit Scotland's strategic priorities and forward work programme.
21. On 7 September, the Auditor General [published](#) a blog about his reflections on the Christie report which was published ten years ago.
22. On 9 September, the Auditor General, Antony Clark and audit team [gave evidence](#) to the Public Audit Committee on the education outcomes report.
23. On 14 September, the Auditor Generals for Scotland and Wales [shared](#) their views on how their organisations responded to the pandemic.
24. On 30 September, the Auditor General published a briefing paper on the [Covid-19 vaccination programme](#).

### **Audit Scotland**

25. On 8 September, the Scottish Commission for Public Audit reappointed Professor Alan Alexander OBE as Chair of Audit Scotland. His appointment runs from 4 October 2021 to 3 October 2024.
26. On 9 September, Audit Scotland [published](#) its environment, sustainability and biodiversity plan 2021-2025 – Our route map to net zero.
27. On 15 September, Audit Scotland [published](#) its latest briefing on the impact of Covid-19 on Scotland's public finances.

### **Issues affecting Scottish local government**

#### ***Scottish Government***

28. On 31 August, the Scottish Government opened a [consultation](#) on its overarching

approach to Scotland's first tax framework, seeking views on how devolved and local tax powers should be used as part of the 2022-23 Scottish budget (close on 26 October). It is proposed that Audit Scotland issues a joint response on behalf of the Commission (which will also be on behalf of the Auditor General for Scotland).

29. On 7 September, the Scottish Government published its [Programme for Government](#) 2021-22, setting out the actions in the coming years, including [12 bills](#) for this parliamentary year. Commitments from the programme include:
  - Prioritising Scotland's recovery from the Covid-19 pandemic
  - Holding an independence referendum by the end of 2023
  - Work to establish a National Care Service within five years
  - Extra funding for frontline healthcare and mental health services
  - A new system of "wraparound" childcare before and after school and during the holidays
  - Work to develop a minimum income guarantee
30. As part of its Programme for Government, the Scottish Government [announced](#) the creation of the Whole Family Fund, which will aim to reduce the number of children and young people in care by 2030.
31. On 22 September, the Scottish Government [announced](#) that Finance Secretary Kate Forbes will publish the 2022-23 Scottish Budget and the Medium Term Financial Strategy on 9 December 2021, following [agreement](#) of the date with the Finance Committee.
32. On 27 September, the Scottish Government [published](#) a supporting document to the Budget (Scotland) Act 2021 amendment Regulations 2021, providing details of Level 2 and 3 budget changes to the budgets presented in the Act.

#### *Local government general*

33. On 2 September, the Scottish Government [published](#) the 2021 Councillors' Code of Conduct, setting out the amended code of standards of behaviour to be followed by elected members of local authorities. This is now subject to Parliamentary scrutiny and approval, and I will keep the Commission informed of progress.
34. On 22 September, the Scottish Government [published](#) statistics on Council Tax Reduction recipients and the income foregone for local authorities from April to July 2021.

#### *Health and social care*

35. On 31 August, the Scottish Government [announced](#) £2.6 million funding to provide short-term care for acutely unwell patients in their own homes. The funding is shared between ten health boards so they can continue to develop Hospital at Home services to avoid admissions to hospital.
36. On 31 August, to mark International Overdose Awareness Day, the Scottish Government [launched](#) a national marketing campaign to raise awareness of the signs of a drug overdose and the life-saving medication naloxone.

37. On 8 September, the Scottish Government [published](#) principles and standards of care relating to national neurodevelopmental specification for children and young people, outlining seven standards for services to support children and young people who have neurodevelopmental profiles with support needs and require more support than currently available.
38. On 14 September, the Scottish Government [announced](#) the allocation of £10.83 million for the remainder of this year to help improve access to Child & Adolescent Mental Health Services, as part of the £120m Mental Health Recovery & Renewal Fund.
39. On 16 September, the Scottish Government [launched](#) a consultation on the proposals for strengthening the Health and Social Care Standards to enable people living in adult care homes to maintain family and friendship connections to support their health and wellbeing (close on 15 October). It is proposed that the Commission does not respond to this as it relates to specific wording within a subsection of the standards.
40. On 24 September, the Scottish Government [published](#) an evaluation report on Scottish Strategy for Autism, looking at a range of developments at a local and national level.

### *Education*

41. On 31 August, in response to the OECD [report](#) outlining recommendations for senior phase assessments, Cabinet Secretary [Shirley-Anne Somerville](#) stated that the government will consider options outlined in the report and noted she will update parliament on how the work will be taken forward and on the implementation of OECD recommendations on Curriculum for Excellence.
42. On 31 August, the Scottish Government published a [report](#) on the financial sustainability of the childcare sector and an [overview](#) of local authority support for partner providers.
43. On 7 September, the Scottish Government [published](#) the latest school estate statistics for 2021, showing schools buildings are in their best condition since recorded figures began.
44. On 23 September, the Scottish Government [announced](#) the launch of a new [website](#), featuring a basic awareness e-learning course for education staff and a toolkit of LGBT inclusive education teaching resources.

### *Welfare*

45. On 31 August, the Scottish Government [published](#) high level statistics on applications for the Scottish Child Payment up to 30 June 2021, showing more than 108,000 children have benefited.
46. On 10 September, the Scottish Government [confirmed](#) that Scotland's Child Disability Payment will open for new applications nationally from 22 November.
47. On 16 September, the Scottish Government [announced](#) that low-income families will benefit from an uplift in benefits into the winter period, helping around 148,000 children.
48. On 23 September, the Scottish Government [announced](#) that a new legislation has been laid to the Parliament, which will extend eligibility for the Child Winter Heating Assistance payment to young people aged 16 to 18 in receipt of personal independence payments.
49. On 24 September, the Scottish Government [published](#) Fair Work First Guidance to



encourage and support employers to adopt fair work practices within their organisation. It is relevant to public bodies as an employer and in administering public funding.

50. On 30 September the Scottish Government [launched](#) a consultation on the replacement of the Scottish Qualifications Authority and the reform of Education Scotland. It is proposed that Audit Scotland issues a joint response on behalf of the Commission (which will also be on behalf of the Auditor General for Scotland).

### *Communities*

51. On 2 September, the Scottish Government [announced](#) that work to extend superfast broadband to rural communities has started.
52. On 8 September, the Scottish Government [published](#) asset transfer guidance for considering social value in relation to the Community Empowerment (Scotland) Act 2015.
53. On 8 September, the Scottish Government [announced](#) the Rural Communities 'Ideas into Action' fund (£1.5 million) for rural community groups.
54. On 10 September, the Scottish Government [published](#) a report on the work of the 2021 Affordable Housing Investment Benchmarks Working Group, presenting findings from a review of affordable housing investment benchmarks.
55. On 14 September, the Scottish Government [published](#) quarterly statistics on new housebuilding and the supply of affordable housing. The number of new-build homes completed in the year to end September 2020 decreased by 28 per cent on the previous year.
56. On 27 September, the Scottish Government [opened](#) a consultation as part of the review of the National Strategy for Community Justice (close on 8 November). It is proposed that Audit Scotland issues a joint response on behalf of the Commission (which will also be on behalf of the Auditor General for Scotland).
57. On 28 September, the Scottish Government [announced](#) that according to the latest statistics for 2020/21, recorded crime remains at one of the lowest levels in nearly 50 years.

### *Economy and Business*

58. On 6 September, Highlands & Islands Enterprise (HIE) [published](#) its latest Business Panel survey, which found that over half of businesses in the Highlands and Islands are now operating at pre-pandemic levels or beyond.
59. On 15 September, the Scottish Government [announced](#) that the economy grew 4.7 per cent between April to June 2021, mainly due to change in GDP.
60. On 17 September, the Scottish Government [announced](#) that it will progress plans to develop a green port model, underpinned by fair work conditions and net-zero ambitions, without cooperating with the UK Government.
61. On 21 September, the Scottish Government [published](#) a summary of the Scottish business support funding (£4.4 billion) delivered since the start of the pandemic.
62. On 22 September, the Scottish Government [published](#) monthly GDP estimates for July. Scotland's onshore GDP fell by 0.2% in July and output remained 2.4% below the pre-pandemic level in February 2020.

### *Covid-19 measures*

63. On 8 September, in response to an initiated question, Minister for Transport Graeme Dey [announced](#) £42 million funding to support bus operators to maintain services between October 2021 and March 2022.
64. On 9 September, the Scottish Government [announced](#) a new £10 million Long Covid Support Fund to improve the coordination of a range of existing services across health and social care and the third sector.
65. On 9 September, the Scottish Parliament [voted](#) to approve the Scottish Government's proposals for Covid vaccination certifications for entry to nightclubs and other unseated events. Measures will come into force from 18 October.
66. On 14 September, the Scottish Government [confirmed](#) that it had accepted the Joint Committee on Vaccination and Immunisation's [recommendation](#) to extend the offer of vaccination to 12-15 year olds. On 27 September, the Scottish Government [announced](#) that letters offering a Covid-19 vaccination to all 12–15-year-olds who haven't yet received their jab are arriving.
67. On 14 September, the Scottish Government [published](#) Racial Equality: Immediate Priorities Plan for recovery from Covid-19, which focuses on inequalities which disproportionately impact minority ethnic communities.
68. On 15 September, the Scottish Government [updated](#) guidance on care homes, which will allow care home residents to choose a friend or relative as a 'named visitor' who will be able to visit them, even during a managed Covid-19 outbreak.
69. On 20 September, the Scottish Government [confirmed](#) that residents in care homes for older people will be the first to be offered Covid booster vaccinations.
70. On 24 September, the Scottish Government [announced](#) additional £10 million for the Tenant Hardship Loan Fund for councils to provide grants to tenants who are worst affected by the pandemic, to avoid eviction.

### *Climate change*

71. On 31 August, the Zero Emissions Social Housing Taskforce [published](#) its report on achieving net zero in social housing and includes a number of recommendations.
72. On 2 September, the Scottish Government [published](#) the second annual progress report on Land Use Strategy 2016-21, as required under The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.
73. On 7 September, the Scottish Government [published](#) its initial response to the final report of the Just Transition Commission. The response sets out the government's long-term vision for just transition and provides details on the National Just Transition Planning Framework.
74. On 13 September, the Scottish Government [launched](#) a week-long programme of events and initiatives across the country to engage businesses, organisations and communities in Scotland's response to the global climate emergency, ahead of COP26.
75. On 15 September, the Scottish Government [announced](#) that a new Just Transition Commission will be established, which will report annually on the progress made to ensure a greener, fairer future and support the development of the Just Transition Planning Framework.

76. On 16 September, the Scottish Government [published](#) its public engagement strategy for climate change, setting out its framework for engaging the people of Scotland in the transition to net zero.
77. On 23 September, Transport Scotland [published](#) a summary report on different scenarios on decarbonising transport. It aims to understand the magnitude and range of change required for Scotland to meet its climate change targets.

#### *Other matters*

78. On 31 August, the Registrar General [published](#) the annual review of demographic trends for Scotland's Population 2020, examining various topics including Covid-19 deaths and health inequality.
79. On 7 September, the Scottish Government [published](#) a communications and engagement plan for the Equality Data Improvement Programme.
80. On 8 September, the Scottish Government [announced](#) that the Scottish Land Court and the Lands Tribunal for Scotland are to be unified to form an expanded Land Court.
81. On 21 September, Transport Scotland [published](#) its research strategy 2021-2024. It highlights a commitment to deliver the National Transport Strategy 2 Vision (published in early 2020) and the opportunities the pandemic presents to bring forward more sustainable transport policies and behaviours.
82. On 22 September, the Scottish Government [published](#) a letter from the Chief Statistician to public bodies to inform them of the publication of new guidance on the collection of data on sex and gender. Each public body has been asked to submit a summary of its plans for adoption of the guidance by the end of November.

#### **Scottish Parliament**

83. In September, SPICe published;
  - A [blog](#) on the effect on Scottish households of removing the Universal Credit uplift
  - Two blogs on the progress of health and social care integration - one [blog](#) considering whether Integration Authorities are successfully integrating; the second [blog](#) considering whether data gaps have been addressed.
  - A [blog](#) on the Programme for Government 2021-22: A fairer, greener Scotland.
  - A [briefing](#) on Scotland's business base, showing various aspects of Scottish business stock, such as by sector, size and local authority.
  - A [briefing](#) on economic development, looking at the activities delivered by the economic development agencies such as SE and HIE, the direction of economic development strategy, and current economic development programmes.
  - A [briefing](#) on Covid-19 support for tenants and landlords provided by the UK/Scottish Government during the pandemic. The main points are summarised in the [blog](#).
  - A [blog](#) on Scotland's new fiscal powers, setting out key themes that emerged from the [report](#), which looks at levels of public understanding of Scotland's new budget powers.
  - A [briefing](#) on Scotland's second quarter GDP figures.

- A [briefing](#) on the Council Tax Reduction Scheme.
- A [blog](#) on the Covid-19 vaccination certificate scheme

### **Parliamentary Committee news**

#### *Public Audit Committee*

84. The Committee took evidence on and considered;
- Audit Scotland's strategic priorities and forward work programme - [2 September](#)
  - The Accounts Commission and Auditor General's Section 23 report Improving outcomes for young people through school education report published in March 2021 - [9 September](#)

#### *Local Government, Housing and Planning Committee*

85. The Committee [published](#) a letter from Shona Robison, Cabinet Secretary for Social Justice, Housing and Local Government to advise that the government has decided not to reopen the Help to Buy (Scotland) scheme and the First Home Fund for the next financial year.
86. In September, following the agreement on its [work programme](#), the Committee [took evidence](#) on and considered its key priority areas, and changes to electoral arrangements in six local authority areas (Highland Council, Argyll and Bute Council, North Ayrshire Council, Shetland Islands Council, Orkney Islands Council, and Comhairle nan Eilean Siar).

#### *Finance and Public Administration Committee*

87. In September, the Committee [took evidence](#) on and considered pre-budget scrutiny 2022-23, the impact of Covid-19 on public finances, budget information on climate change, and the National Performance Framework.

#### *Covid-19 Recovery Committee*

88. In September, the Committee [took evidence](#) on and considered ministerial updates on Coronavirus legislation, vaccine certification and Coronavirus Act Reports.

### **COSLA**

89. On 6 and 13 September, COSLA [highlighted](#) the lack of engagement from the Scottish Government regarding its consultation on the National Care Service. In particular, it [raised concerns](#) on no costings setting out in the proposal, questioning if now is the time for another costly and protracted re-structuring.
90. On 15 September, COSLA [stated](#) jointly with YouthLink Scotland, the national agency for youth work, that they are fully committed to resuming indoor youth work services, including safe access to facilities after the pandemic.
91. On 15 September (Scottish Housing Day), COSLA [highlighted](#) ongoing work in housing, including recovery from Covid-19 and the measures to address climate emergency.
92. On 21 September, COSLA [welcomed](#) the Scottish Government's announcement on further support (a £320 uplift) for low income families in winter to tackling child poverty.

## **SOLACE**

93. On 2 September, SOLACE UK [published](#) a report on best practice from eight local partnerships where local government (health, housing services) and the voluntary sectors are working together, having a positive impact on the health and wellbeing of their local communities.
94. On 6 September, SOLACE UK [stated](#) that the forthcoming Spending Review addresses the ongoing and widening funding gap while welcoming the UK Government's commitment on further investment on social care.

## **Improvement Service**

95. On 10 September, the Improvement Service (IS) [published](#) a blog, discussing how language used in job adverts can affect who applies, and what the IS is doing about it.
96. On 15 September, the Improvement Service [announced](#) that it has developed the Protecting People team. The team will offer strategic support for local authorities and their CPP partners to improve outcomes for people affected by all forms of gender-based violence and/or psychological trauma.
97. On 21 September, the Improvement Service [published](#) a briefing on Place and Wellbeing: Integrating Land Use Planning and Public Health in Scotland.

## **Commissioner for Ethical Standards**

98. On 16 September, the Commissioner [published](#) the Scottish Government's response to the Commissioner's [report](#), following a survey of board members on time commitment, remuneration and other barriers that are having an impact on the diversity of boards.

## **Scottish Public Sector Ombudsman (SPSO)**

99. The SPSO's [September newsletter](#) outlines statistics on complaints and learning points from decision reports, statistics on Scottish Welfare Fund reviews and case studies.

## **Scottish Housing Regulator (SHR)**

100. On 31 August, the SHR [published](#) its National Report on the Scottish Social Housing Charter 2020/21, showing that around nine out of ten tenants remain satisfied with the quality of the homes and services their landlord provides.

## **Other UK audit bodies**

101. On 3 September, Audit Wales [published](#) a report on regenerating town centres in Wales, recommending the Welsh Government works with local authorities to review and address transport challenges facing town centres and suggests they consolidate funding to reduce bureaucracy.
102. On 15 September, Audit Wales [published](#) a report about key trends and challenges facing public services. It covers developments in public services between 2010/11 and 2019/20 and the response to COVID.
103. On 22 September, the National Audit Office (NAO) [published](#) a report on investigation into underpayment of State Pension, finding that an estimated 134,000 pensioners, mostly women, were underpaid pensions of over £1 billion because outdated computer systems led to mistakes.
104. On 24 September, the NAO [published](#) a lessons learnt report on the UK Government's

delivery of programmes at speed, including in response to Brexit and Covid pandemic.

## UK Government

105. On 7 September, the Prime Minister [made](#) a statement outlining plans on [reforming social care](#) and restructuring the funding arrangements. This includes increasing National Insurance contributions by 1.25 percentage points from April 2022, as part a health and social care levy.
106. On 7 September, the Chancellor [wrote](#) to the Treasury Committee to confirm the launch of Spending Review 2021 and the date of the Autumn Budget as 27 October.
107. On 15 September, the Prime Minister [announced](#) changes to his government appointments in a reshuffle. Alister Jack remains the Secretary of State for Scotland. Michael Gove becomes the Secretary of State for Housing, Communities and Local Government, taking on cross-government responsibility for levelling up and ministerial responsibility for the Union and elections.

## UK Parliament

108. On 8 September, the Public Accounts Committee [published](#) a report on the DWP's employment support programmes. The report criticised the department for its failure to explain inequality in employment figures.
109. On 17 September, the Scottish Affairs Committee [published](#) its report on renewable energy, recommending Ofgem be given a statutory duty to consider net zero targets in decision making.

## Public policy news

110. In September, the Fraser of Allander Institute published:
  - A [blog](#) on the implications of the rise in social care spending in England on Scottish taxpayers
  - A [blog](#) on the proposed National Care Service.
  - [Findings](#) of a study which showed that on average the support delivered by unpaid carers would cost the taxpayer approximately £114,000 per year to deliver equivalent care.
111. On 1 September, the Institute for Public Policy Research (IPPR) Scotland [published](#) a report considering the future of working time in Scotland and urged the Scottish Government to expand plans for a four-day week pilot.
112. On 13 September, Policy Exchange [published](#) a report on the future of equality and reforming the Equality Act 2010, examining the background of the Act, the public sector equality duty, the meaning of "direct discrimination", harassment and subjective testing and the exclusion of controversial beliefs in the act.
113. On 14 September, the Nuffield Foundation [published](#) findings which show that in the UK, more than one in three children in families with a child under five are living in poverty, highlighting a sustained increase in child poverty since 2013-14, with the two child-limit and reductions of in-work support driving inequalities, with a growth of unpaid work and the private rental market deepening poverty.
114. On 14 September, the Joseph Rowntree Foundation [published](#) a report exploring inequalities ethnic minority communities face in accessing affordable and secure homes.

115. On 14 September, the Social Market Foundation [published](#) opportunity and disruption indices, which rank the impact of the net zero transition across local authorities. It warns the devolved administrations face relatively high levels of disruption, with the distance of some communities in Scotland from the nearest decarbonising industrial cluster.
116. On 23 September, the Institute for Fiscal Studies [published](#) a chapter about inequality as part of the Deaton Review. It states that there is good reason to remove unfair causes of inequality and prevent unfair consequences, as it argues there is a need to consider a wider range of approaches to address the distribution of assets and wealth.
117. On 23 September, the Mental Welfare Commission [published](#) a report highlighting mental health services in Scotland are affected by racial inequalities. It found the application of mental health legislation differs across ethnic groups, while perceived risks either to oneself or to others also varied across ethnicities.
118. On 14 September, UK Public Sector Audit Appointments [published](#) the findings from quality of audit services survey carried out with audited bodies on their 2019-20 accounts, highlighting that the auditors' concerns around the pandemic intensifying the ongoing problem of timeliness of local government audit completion in England and around the wider local audit regime.

## **Conclusion**

119. The Commission is invited to:

- a) Agree that Audit Scotland, on the behalf of the Commission, responds to the following consultations:
- CIPFA: revisions to the Prudential and Treasury Management Codesn (paragraph 16)
  - Scottish Government: its overarching approach to Scotland's first tax framework (paragraph 28)
  - Scottish Government: the replacement of the Scottish Qualifications Authority and the reform of Education Scotland (paragraph 50).
  - the Scottish Government: review of the National Strategy for Community Justice (paragraph 56).
- b) Agree that the Commission does not respond to the consultation highlighted at paragraph 39.

**Paul Reilly**  
**Secretary to the Commission**  
**1 October 2021**

## **Appendix 1 - Accounts Commission reports in past 12 months – downloads**

<b>Report</b>	<b>Date</b>	<b>Report downloads/ blog views</b>
<a href="#">East Dunbartonshire Best Value Assurance Report</a>	29 Sept 21	90
<a href="#">Accounts Commission Strategy 2021-26</a>	23 Sept 21	135
<a href="#">Digital exclusion blog - Tim McKay</a>	16 Sept 21	249 views
<a href="#">Children and young people mental health blog - Controller of Audit</a>	31 August	364 views
<a href="#">Best Value Assurance Report: Aberdeen City Council</a>	24 Jun 21	656 (+103)
<a href="#">Accounts Commission annual report 2020/21</a>	3 Jun 21	252 (*)
<a href="#">Local government in Scotland Overview 2021</a>	27 May 21	2,147 (+341)
<a href="#">Equality Outcomes 2021-25</a>	27 Apr 21	426 (+44)
<a href="#">Mainstreaming equality and equality outcomes: progress report 2019-21</a>	27 April 21	390 (+69)
<a href="#">Improving outcomes for young people through school education</a>	23 Mar 21	5,767 (+646)
<a href="#">Local Government in Scotland: Financial Overview 2019/20</a>	26 Jan 21	2,505 (+141)
<a href="#">Digital progress in local government</a>	14 Jan 21	2,692 (170)
<a href="#">Digital progress in local government – supplement 1 (checklist)</a>	14 Jan 21	305 (*)
<a href="#">Digital progress in local government – supplement 2 (methodology)</a>	14 Jan 21	132 (*)
<a href="#">Housing Benefit Performance audit: annual update 2020</a>	8 Dec 20	322 (*)
<a href="#">Best Value Assurance Report: The City of Edinburgh Council</a>	26 Nov 20	1,565 (+56)
<a href="#">Covid-19 Strategic Scrutiny Group</a>	5 Nov 20	841 (*)
<a href="#">Best Value Assurance Report: Aberdeenshire Council</a>	22 Oct 20	1,116 (+44)

Key:

Figures as of 30 September 2021

(x) Increase in numbers since last month

\* This figure is below 30

n/a Not applicable



**Appendix 2: Accounts Commission social media engagement data**

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publicatns
<b>Oct 20</b>	617 (+12)	10,700	526	34	26	34	0	1
<b>Nov 20</b>	639 (+22)	23,400	730	106	49	53	3	2
<b>Jan 21</b>	683 (+30)	50,000	2,400	128	94	103	9	2
<b>Feb 21</b>	686 (+3)	11,000	307	20	9	10	1	0
<b>Mar 21</b>	701 (+15)	36,100	2,100	76	66	138	10	1
<b>Apr 21</b>	704 (+3)	3,300	n/a	1	1	0	0	0
<b>May 21</b>	726 (+22)	46,300	836	122	95	148	9	1
<b>Jun 21</b>	740 (+14)	56,900	513	348	113	174	8	1
<b>Jul 21</b>	758 (+18)	7,700	24	5	16	26*	0	0
<b>Aug 21</b>	757 (-1)	11,200	339	48	3	13	0	0
<b>Sep 21</b>	765 (+8)	13,600	584	43	35	39	0	1

Figures as at 24 September 2021

Increase on previous month shown in brackets.

\* Please note that this figure was incorrect in the August Secretary report. It has been revised from 229 to 26.

**MEETING: 7 OCTOBER 2021**

**REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION**

**INTERIM CHAIR'S UPDATE REPORT**

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**Purpose**

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.

**Engagement and Audit Scotland business**

2. The engagements and work in the period of 1 to 30 September have been as follows:

***Audit Scotland Board and Committee meetings***

- 1 September – Audit Committee – The main matters discussed were Organisational response to Covid-19; Audit Quality update, Q1 Financial performance report; Review of risk register; Internal audit reports; Digital security update and governance reports.
- 22 September – Audit Scotland Board meeting - The main items of substance covered were our Governance arrangements; Strategic improvement programme update; Q1 Financial performance report and Q1 Corporate performance report; Annual policy reviews of records management, freedom of information and environmental information requests and security management; proposed Board and Committee meeting dates for 2022. Copies of the key papers have been loaded onto the Commission's SharePoint site and brought to members attention.
- 22 September – feedback meeting with Colin Crosbie, Independent Audit Scotland Board member, following his attendance at the Commission meeting earlier in September
- 27 September – Board Development Workshop which considered our role in Strategy setting, how we continue to work towards world class public audit, and how we work as a team.

***Audit Scotland engagement***

- 13 September – Catch up with Mark Taylor, Audit Director, Audit Services to discuss an update on the Scottish Exchequer, engagement with the Finance Committee and the development of strong Commission engagement with the Parliament.
- 15 September - Monthly catch up with Stephen Boyle, Auditor General for Scotland. These meetings focus on joint areas of interest and how we can work well together including our joint Parliamentary engagement.
- 15 September – Monthly catch up with Diane McGiffen, Chief Operating Officer. These meetings tend to focus on operational matters and the support required for the Commission.

- 16 September – Catch up with Leigh Johnston, Senior Manager, Performance Audit and Best Value in advance of November Strategic Scrutiny Group meeting to discuss the Health and Social Care Strategic Intelligence Group.
- 22 September – Monthly catch up with Antony Clark, Interim Controller of Audit and Director of Performance and Best Value, to discuss key areas of work and intelligence.
- 29 September – Unlocking skills, achieving potential – Understanding the barriers to change in Scotland’s justice system Knowledge Café organised by Audit Scotland colleagues.

### ***External engagement***

- 14 September – Catch up with Brenda Campbell, Deputy Director for Local Government at Scottish Government, to provide an update on the Commission work programme and strategy and discuss ongoing changes in the Civil Service. This was my final meeting with Brenda who is leaving the Scottish Government in October and is being replaced by Ellen Leaver.
- 14 September – ‘Christie Commission – 10 years on’ interview for the Improvement Service’s [Thought Leadership Series](#) with Lynn Sharp Communications Officer at the Improvement Service to offer my perspective on the impact of Christie as Chair of the Accounts Commission.
- 16 September – Catch up with Gerry Cornes, Chief Executive of East Dunbartonshire Council
- 23 September – Solace Scotland Springboard Event – to offer my perspective on my leadership journey both as a former Chief Executive and as Interim Chair of the Accounts Commission on how to build a successful career in local government (and beyond) and the qualities that make a great leader.
- 29 September – catch up with Sean Neill, Director of Local Government at Scottish Government to discuss how we engage with the Parliament and Minister and key policy areas emerging from the Scottish Government
- 29 September – Introductory meeting with Ellen Leaver who is the new Deputy Director for Local Government and taking over from Brenda Campbell.

### **Commission business, development and support**

3. Commission business has been as follows:

- Regular catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant to the Commission.
- 1 September – Preparatory meeting for September Commission meeting Antony Clark, Paul Reilly, Tim McKay, Interim Deputy Chair, and Jillian Elgin.
- 1 September – Strategy Seminar catch up meeting with Andrea Quinn, external facilitator, in advance of Commission meeting on 9 September.
- 8 September – Account Commission pre-meeting.
- 9 September – Accounts Commission meetings.

- 14 September – Strategic Scrutiny catch up with Brian McNulty and Tina Yule who has replaced Brian as Chair of the Strategic Operational Group, and Carol Calder, Strategic Scrutiny Group Secretary.
- 16 September – met with Geraldine Wooley, Commission member, and Mark Roberts, Audit Director, Martin McLaughlin, Senior Audit Manager, to discuss the briefing on Business Support and Economic Recovery.
- 22 September – Forward Planning meeting with Tim McKay, Paul Reilly, Lucy Carter, Policy Manager for the Commission, and Jillian Elgin to plan up and coming Commission business.
- 23 September – Communications monthly catch up meeting with Paul Reilly, Lucy Carter, Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement and public profile.
- 23 September – Monthly sponsor catch up and issues and investigations discussion with Tim McKay and Local Government Overview team to discuss the approach, timing, and emerging messages for the Local Government Overview due for publication in May.
- 27 September – Preparatory meeting for October Commission meeting Antony Clark, Paul Reilly, Tim McKay and Jillian Elgin.
- 29 September – National Care Standards sub-group meeting with the following Commission members: Stephen Moore, Christine Lester, Andrew Burns and Audit Scotland colleagues Jillian Matthews, Audit Manager, Angela Canning, Audit Director and Mark MacPherson, Audit Director.
- 30 September – New Ways of Working with Ministers discussion with Tim McKay, Christine Lester Performance Audit Committee Chair and Paul Reilly.

4. Other areas of work have included:

- Signed off the Commission Strategy which was published on 23 September.
- Commented on and signed off East Dunbartonshire Findings.
- Wrote my Christie Commission Blog – due for publication on 4<sup>th</sup> October to align with Challenge Poverty week.
- Commented on and signed off responses to the following consultations:
  - Equalities, Human Rights and Civil Justice Committee on Pre-budget Scrutiny 2022/23.
  - Minimum Income Guarantee
  - Public inquiry to investigate the handling of the Covid-19 pandemic in Scotland
  - Ethical Standards Commissioners Code of Practice for Public Appointments consultation.
- Attended the APSE 2021 Annual Conference in Birmingham to speak about the APSE Local by Default report, diversity and equalities and the Christie Commission.

- Attended the Education Reform Stakeholder Panel on 14<sup>th</sup> September and met with Professor Ken Burns who is leading the review on Education Reform on 23<sup>rd</sup> September.
- Visited Ayrshire DYW (Developing Young Workforce) on 28<sup>th</sup> September with Mr Hepburn MSP to see their progress in engaging employers and young people to create employment opportunities. And attended the Transforming Employment Support Leadership Group co-chaired by Ministers and Cosla.

### **Forthcoming activities**

5. My forthcoming engagement activities include:

- 4 October – Monthly catch up with Diane McGiffen, Chief Operating Officer
- 5 October – Scottish Leaders Forum event with Deputy First Minister and Councillor Alison Evison, Cosla President.
- 6 October – Accounts Commission pre-meeting.
- 7 October – Accounts Commission meeting.
- 12 October – Best Value Working Group meeting
- 12 October – Monthly catch up with Antony Clark, Interim Controller of Audit
- 13 October - Quarterly catch up with Simon Ebbett, Communications Manager
- 13 October – Forward Planning meeting with Tim McKay, Paul Reilly, Lucy Carter and Jillian Elgin.

### **Conclusion**

6. The Commission is invited to:

- a) Note this report and enquire about any areas of interest.
- b) Consider whether there are any changes that they would wish to see to the format and content of the report for the future.

**Elma Murray**  
**Interim Chair**  
**30 September 2021**

**MEETING: 7 OCTOBER 2021**

**REPORT BY: INTERIM CONTROLLER OF AUDIT**

**INTERIM CONTROLLER OF AUDIT UPDATE REPORT**

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### **Purpose**

1. This report provides an update on my engagement activity during September 2021.

### **Engagement**

2. Please note below my engagements in September:
  - **1 September** – Audit Scotland Board meeting for Audit Quality update agenda item.
  - **1 September** – Karen Watt, Chief Executive, Scottish Funding Council (SFC) – meeting to discuss the development of SFC’s approach to managing the performance of colleges and universities and reporting on the effectiveness of public investment in Scotland’s higher education (HE) and further education (FE) sectors in improving outcomes.
  - **2 September** – Pre meeting with Sharon O’Connor, the Auditor General for Scotland and Carrie Lindsay, Association of Directors of Education in Scotland (ADES President) ahead of their joint session on the Education Outcomes report at the Scottish Learning Festival on 21 September.
  - **3 September** – Monthly engagement meeting with Secretary to the Commission.
  - **3 September** – Bi-monthly engagement meeting with Communications Advisor and Policy Manager to the Commission.
  - **6 - 17 September** – Annual leave.
  - **21 September** – Attendance at the Scottish Learning Festival to observe Sharon O’Connor, the Auditor General for Scotland and Carrie Lindsay, Executive Director Education and Children’s Services, Fife Council (ADES President) delivering a joint session on the [improving education outcomes](#) audit report.
  - **22 September** – Monthly engagement meeting with Interim Chair of the Commission.
  - **23 September** – Joint Local government overview (LGO) Issues and Investigations (I&I) discussion with Commission sponsors and the team.
  - **23 September** – Bi-monthly engagement meeting with Chair of the Financial Audit and Assurance Committee (FAAC).
  - **28 September** – Quarterly engagement meeting with Steve Grimmond, Chair, Solace Scotland.

- **30 September** – Regular catch-up meeting with Audit Scotland colleagues leading on the Best Value (BV) approach to councils and Integrated Joint Board (IJBs) (Fiona Mitchell-Knight, Carol Calder, and Leigh Johnston).

### **Forthcoming activities**

3. My upcoming engagements in October include:

- **1 October** – Monthly engagement meeting with Secretary to the Commission.
- **6 October** – Introductory meeting with Fiona Duncan, Chair, The Promise Oversight Board and colleagues (Claire Stuart, Head of Evidence and Fi McFarlane, Head of Oversight).
- **8 October** – Scottish Leaders Forum (SLF) Accountability and Incentives Action Group.
- **12 October** – Monthly engagement meeting with Interim Chair of the Commission.
- **13 October** – Regular engagement meeting with Sally Loudon, Chief Executive, COSLA.
- **19 October** – Pre meeting with Jennifer Wallace, Head of Policy at the Carnegie Trust and Anna Fowlie, Chief Executive of the Scottish Council for Voluntary Organisations (SCVO) in advance of Audit Scotland 2021 keynote event on how public services and public audit need to change in response to the impact of Covid-19.
- **20 October** – Meeting with Improvement Service to discuss joint working on auditing Best Value in IJBs focusing in particular on how self-evaluation can be embedded into the new BV audit approach.
- **28 October** – Audit Scotland 2021 keynote event – I will be leading this joint session with Jennifer Wallace, Head of Policy at the Carnegie Trust and Anna Fowlie, Chief Executive of the Scottish Council for Voluntary Organisations (SCVO). The event will be focusing on how public services and public audit need to change in response to the impact of Covid-19. Given Jennifer and Anna's backgrounds there is likely to be a strong focus on how we might shift towards a wellbeing economy, including consideration of the key contribution that the third sector and communities can play in improving local outcomes. Collaborative leadership and addressing inequalities are likely to feature heavily as topics too.

**Antony Clark**  
**Interim Controller of Audit**  
**22 September 2021**