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**EXTERNAL AUDIT REPORT – BEST VALUE**

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**1 INTRODUCTION**

- 1.1 The Council's external auditor undertakes a review of the Council's progress with the best value agenda as part of the normal programme of work each year. The report for the current year is likely to be one of the matters that Audit Scotland consider when they come back to carry out the follow up to the audit of best value and community planning carried out in 2005/06. The action plan attached to the report has been agreed with the external auditor.

**2 RECOMMENDATION**

- 2.1 Members note the report and attached action plan.

**3 KEY MESSAGES FROM THE REPORT**

**Acknowledgement of Progress**

- 3.1 The report is broadly positive in particular it acknowledges the Council has:
- Responded positively to the Best Value report.
  - Completed all of the improvement actions .
  - Made significant progress revising corporate planning & strategic management.
  - A sound basis from which to take forward the best value and improvement agenda.

**Further Challenges**

- 3.2 It does flag up further challenges for the Council recognising that whilst there has been a significant improvement in the Council's readiness to deliver best value across its operations the Council must now focus on turning strategies into action and embedding best value principles throughout the organisation to better demonstrate continuous improvement.

**E Government Targets and Customer Contact Centre**

- 3.3 A timetable for meeting e-government targets should be established to take full advantage of opportunity for more effective and efficient working. Related to this a clearer timetable for developing the customer contact centre as part of overall strategy to meet e-government targets is required.

**Planning and Budgeting**

- 3.4 More clarity around performance expectations in corporate & service plans (SMARTer) action plans is required. Budgets should be better

aligned with corporate priorities with more use made of benchmarking and unit cost information

### **Efficient Government Savings**

- 3.5 A programme of efficiency savings to meet central government targets with systematic process for identifying, measuring, monitoring and reporting of efficiencies should be developed. The Council faces a significant challenge to rationalise its property portfolio, release efficiency savings and develop its estate to improve services. An action plan for shared services is required and the Council should continue identifying and taking forward opportunities for shared services.

### **Performance Management and Improvement**

- 3.6 Much work is required to create a culture of performance and improvement across all Council service areas. To assist with this roll out of the performance management system across all of the Council should take place in a shorter timescale than currently envisaged. Risk management arrangements are not sufficiently developed as an effective management tool.

### **Corporate Resources**

- 3.7 Greater corporate responsibility for delivering cross cutting themes eg efficiency, performance and risk management is required to ensure priority within individual departments to delivering key corporate initiatives. There is a need for additional corporate resource in the short to medium term to ensure recently developed improvement plans and strategies are implemented and to sustain the current pace of reform.

## **4 CONCLUSIONS**

- 4.1 The report acknowledges the progress made by the Council to date but identifies a number of key challenges the Council must address before it can demonstrate it has embedded a culture of continuous improvement. In particular the report identifies a requirement for additional resources in the short to medium term to provide the corporate capacity needed to do this.

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