

National Park Authority

Audit Committee Meeting

Agenda Item 14



Best Value in Public Services

Paper for noting

1. Introduction

- 1.1 Scottish Ministers expect all Accountable Officers to comply with the duty of Best Value placed upon them. Compliance with the duty of Best Value is an auditable requirement and subject to scrutiny under the terms of section 22(1)(c) of the Public Finance and Accountability (Scotland) Act 2000.
- 1.2 Audit Scotland has reported as a key risk that we have not formally considered the “Best Value in Public Services, Guidance for Accountable Officers”, issued by the Scottish Government in March 2011. In 2014 we agreed to consider the guidance in full and develop a policy for approval by the Audit Committee with a revised target date of 31st March 2015.
- 1.3 This paper summarises the current status of the work involved in developing a policy and provides background to the requirements of the Best Value guidelines.

2. Best Value Requirements

- 2.1 Under the terms of the Scottish Public Finance Manual (SPFM) all public sector organisations and their Accountable Officers have a duty to “make arrangements to secure continuous improvement in performance while maintaining an appropriate balance between quality and cost; and to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development”.
- 2.2 Compliance with the duty of Best Value requires a systematic approach to self-evaluation and continuous improvement. The guidance considers delivery of Best Value across 5 generic and 2 cross-cutting themes.
- 2.3 The best value themes are:
 - 2.3.1 **Vision and Leadership:** “a best value organisation will have in place a clear vision and strategic direction for what it will do to contribute to the delivery of improved outcomes for Scotland’s people, making Scotland a better place to live and a more prosperous and successful country. The strategy will display a clear sense of purpose and place and be effectively communicated to all staff and stakeholders. The strategy will show a clear direction of travel and will be led by senior staff in an open and inclusive leadership

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approach, underpinned by clear plans and strategies (aligned to resources) which reflect a commitment to continuous improvement.”

- 2.3.2 **Effective Partnerships:** “A Best Value organisation will show how it, and its partnerships, are displaying effective collaborative leadership in identifying and adapting their service delivery to challenges that clients and communities face. The organisation will have a clear focus on the collaborative gain that can be achieved through collaborative working and community engagement in order to facilitate the achievement of its strategic objectives and outcomes.”
- 2.3.3 **Governance and Accountability:** “A Best Value organisation will be able to demonstrate structures, policies and leadership behaviours which support the application of good standards of governance and accountability in how the organisation is improving efficiency, focusing on priorities and achieving value for money in delivering its outcomes. These good standards will be reflected in clear roles, responsibilities and relationships within the organisation. Good governance arrangements will provide the supporting framework for the overall delivery of Best Value and will ensure open-ness and transparency. Public reporting should show the impact of the organisations activities, with clear links between the activities and what outcomes are being delivered to customers and stakeholders. Good governance provides an assurance that the organisation has a suitable focus on continuous improvement and quality. Outwith the organisation, good governance will show itself through an organisational commitment to public performance reporting about the quality of activities being delivered and commitments for future delivery.”
- 2.3.4 **Use of Resources:** “A Best Value organisation will show that it is conscious of being publicly funded in everything it does. The organisation will be able to show how its effective management of all resources (including staff, assets, information and communications technology (ICT), procurement and knowledge) is contributing to delivery of specific outcomes.”
- 2.3.5 **Performance Management:** “A Best Value organisation will ensure that robust arrangements are in place to monitor the achievement of outcomes (possibly delivered across multiple partnerships) as well as reporting on specific activities and projects. It will use intelligence to make open and transparent decisions within a culture which is action and improvement oriented and manages risk. The organisation will provide a clear line of sight

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from individual actions through to the National Outcomes and the National Performance Framework. The measures used to manage and report on performance will also enable the organisation to provide assurances on quality and link this to continuous improvement and the delivery of efficient and effective outcomes.”

- 2.3.6 **Cross Cutting Theme – Sustainability:** “The goal of Sustainable Development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations. Sustainability is integral to an overall Best Value approach and an obligation to “act in a way which it considers is most sustainable” is one of the three “public bodies duties” set out in section 44 of the Climate Change (Scotland) Act 2009.”

“The concept of “sustainability” is one which is still evolving. However, five broad principles of sustainability have been identified as:

- promoting good governance;
- living within environmental limits;
- achieving a sustainable economy;
- ensuring a stronger healthier society; and
- using sound science responsibly.”

- 2.3.7 **Cross Cutting Theme – Equality:** “Equality is integral to all our work as demonstrated by its positioning as a cross-cutting theme. Public Bodies have a range of legal duties and responsibilities with regard to equality. A Best Value organisation will demonstrate that consideration of equality issues is embedded in its vision and strategic direction and throughout all of its work. The equality impact of policies and practices delivered through partnerships should always be considered. A focus on setting equality outcomes at the individual Public Body level will also encourage equality to be considered at the partnership level.”

- 2.4 The Best Value guidance provides information on the types of evidence that “an organisation working to secure Best Value will be able to demonstrate”. Across the 7 themes explained above there are 72 types of strategic and operational evidence that are required to demonstrate the achievement of Best Value.

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3.0 Best Value Self-Assessment: Current Status

- 3.1 The Finance & Performance team have been working with a wide range of staff across the organisation to establish our current level of performance against the 72 types of strategic and operational evidence required to demonstrate best value, including preparing an evidence log of the individual reports and processes that will support our self-assessment results.
- 3.2 This work is substantially complete and a report on the self-assessment results is being prepared for executive review in March. This will allow Audit Scotland to review our self-assessment as part of the year end audit.
- 3.3 The self-assessment results will be presented to the Audit Committee in June.

4.0 Draft Self-Assessment Status

- 4.1 It appears that we are performing well in the majority of the best value themes and that there are some gaps and weaknesses that will require to be addressed. This will be explained in detail to the June Audit Committee but on initial review it would appear that there are no significant risks to the organisation in terms of our compliance with these guidelines.

5.0 Role of Board Members

- 5.1 The Best Value guidelines explain the responsibilities of Board Members in relation to Best Value as:
“In addition the guidance on Best Value in the SPFM imposes a corporate responsibility on the Boards of Public Bodies to promote the efficient and effective use of staff and other resources by the bodies concerned in accordance with the principles of Best Value. This responsibility for Best Value remains with individual Board Members when they are also members (by virtue of their original Board membership) on relevant subgroups of the Board, Standing Committees and other relevant engagement mechanisms”.

6. Recommendation

- 6.1 Members are asked to note the contents of this report.

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