Best Value Assurance Report

South Ayrshire Council

ACCOUNTS COMMISSION

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The Accounts Commission holds councils, health and social care integration joint boards and other local government bodies in Scotland to account and helps them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance, financial stewardship and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils, integration joint boards and various joint boards and committees
- assessing the performance of councils and integration joint boards in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

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Contents

Links

⊕ PDF download

⬐ Web link

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

Commission findings

1 The Commission accepts the Interim Controller of Audit's report on Best Value in South Ayrshire Council and we endorse his recommendations, which we expect the council to act on within the next 12 months.

2 We are pleased that the council has responded quickly to the challenges of the Covid-19 pandemic and that, with its partners, it has in place a clear vision for the people of South Ayrshire. Disappointingly, however, the momentum that the Commission reported in previous Best Value work in South Ayrshire Council from 2014 to 2016 has slowed in key areas. We therefore expect an increase in the pace and depth of change.

3 We urge council elected members with officers to demonstrate more leadership and commitment in how the council transforms itself as it moves to recovery. We noted in our previous findings the need for the council to assure itself that it has the right capacity at strategic level to deliver the change needed. We note in this report the council's recent management restructuring but would underline our view of the importance of continued assurance around capacity and leadership development.

4 Such transformation work needs to be more coherently set out in the council's plans and priorities, backed with performance information and key performance indicators showing progress against targets. Specifically, fundamental elements of this approach need to be progressed: robust financial plans in the medium and longer term are needed and the council needs to more urgently implement its approach to workforce planning. We therefore emphasise the Controller's recommendations in these vital aspects of Best Value, especially given the significant financial challenges ahead that will require difficult decisions by members in how the council provides its services.

5 Community empowerment and robust planning at locality level are core components of councils and communities working together to improve outcomes for people. We therefore expect the council to further build on the good relations with its partners in delivering and demonstrating progress against their commitments to community wealth-building and tackling poverty, including in the context of the Ayrshire Growth Deal.

6 It is also vital that progress is made against other elements of the engagement and relationships between the council and its citizens: more comprehensive and accessible public performance reporting and reinstating good public access to council meetings.

7 Taking a robust approach to the duty of Best Value will support the council in addressing local inequalities and is therefore fundamental. We intend to maintain a very close interest in how the council moves forward. We ask the Controller of Audit to keep us informed of progress as appropriate, including monitoring through the annual audit and in future Best Value reporting.

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 .

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 are shown in Exhibit 2.

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

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.

Key messages

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.

Part 1

Does the council have clear strategic direction?

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.

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 at a greater rate than the national average. This 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.[1]

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 Local Outcomes Improvement Plan 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 2018-22 '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. 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 ongoing 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 since the original plan while retaining six priorities (Exhibit 3, page 13). 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.

Fair and Effective Leadership
Commitment 1
Leadership that promotes fairness

Closing the Gap
Commitment 2
Reduce poverty and disadvantage

Grow Well, Live Well, Age Well
Commitment 3
Health and care systems that meet people's needs

South Ayrshire Works
Commitment 4
Make the most of the local economy

Stand up for South Ayrshire
Commitment 5
Increase the profile and reputation of South Ayrshire and the Council

A Better Place to Live
Commitment 6
Enhanced environment through social, cultural and economic activities

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 and 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 directors' 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. It 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 (page 49), 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
Creation of supporting hubs	• Established a call centre and seven humanitarian assistance centres to coordinate and deliver a range of services, such as delivering free school meals.
Children and young people	• Delivered 25,044 daily packed lunches and 52,610 weekly lunch boxes to children eligible for free school meals between April and August. • Provided childcare to over 400 families, where parents were designated key workers at 12 Childcare and Learning Hubs. • Continued to deliver education via online platforms. • Purchased and distributed approximately 1,500 IT devices across six schools to address digital deprivation and support access to learning. • Offered specific support for vulnerable children and young people and those with learning disabilities. • Identified social work, school nurse and health visitor contacts for each school to better support children and families.
Adult Services	• South Ayrshire Integration 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.
Digital	• Provided 2,000 staff with technology to work at home. • Delivered 145 IT devices to low-income households and those who were shielding and appointed a digital champion who provided weekly online support.
Those who are shielding	• Identified over 4,000 people on the shielding list and provided support in cooperation with the Health and Social Care Partnership and GP practices. • Delivered a national food box to over 1,900 people that were shielding. • Arranged over 600 prescriptions deliveries for those who were shielding or isolated in their homes with the partnership with local pharmacies.
Business	• Distributed £23.3 million in grants to eligible businesses.[1] • Carried out 2,472 interventions to local businesses, helping them comply with government trading standards guidelines. • Delivered a webinar for over 100 hospitality businesses on the Covid-19 guidelines in partnership with two Ayrshire Councils and others.

Cont.

Exhibit 4 (continued)

Area of support		Activity
	Communities	• Provided £17,981 of funding to community groups to help them deliver their community food support. • Purchased £63,034 worth of food supplies and made available for communities/food banks. • Helped coordinate volunteering in partnership with Voluntary Action South Ayrshire.
	Housing	• Supported sheltered housing residents and addressed increased demand for homeless temporary accommodation (over 400 cases). • Continued to deliver an emergency repair service during lockdown, providing members with a weekly briefing and highlighting the service availability on the council website.
	Environment	• Continued waste collection with minimum disruption.
	Health and wellbeing	• Created an information hub on the council website to support healthy and active lifestyles.

Note: 1. 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 with access to virtual meetings, however, no suitable hybrid model was found with the information and communications technology (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 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'.[2] In its November 2020 paper 'Transitioning to the new normal: Political Governance' the Improvement Service noted that about half of councils were 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.

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, and elected members utilise these meetings to discuss and inform their decision-making process prior to formal council meetings. The council has also 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 (published in December 2020).

The council offers structured training to elected members, but since 2017 elected members attended fewer than half of available 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 personal development plans for each member.

Part 2

How well is the council performing?

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 about 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.

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).
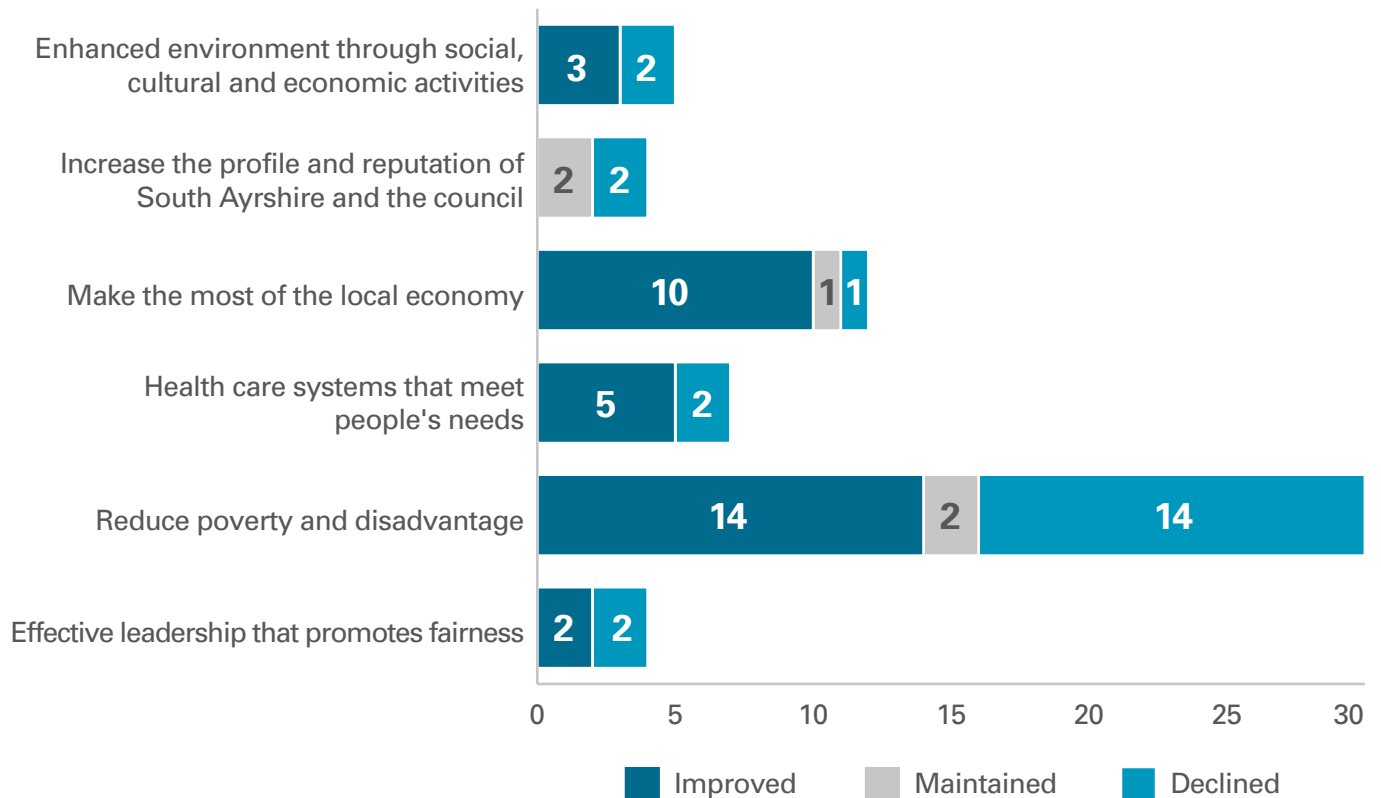
35. Performance varied by priority area (Exhibit 5):

- 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.

Priority area	Improved	Maintained	Declined
Enhanced environment through social, cultural and economic activities	3		2
Increase the profile and reputation of South Ayrshire and the council		2	2
Make the most of the local economy	10	1	1
Health care systems that meet people's needs	5		2
Reduce poverty and disadvantage	14	2	14
Effective leadership that promotes fairness	2		2

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 is 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 22). 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.

The council's analysis of national benchmarking data showed improvement in about 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 about 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 for the remaining 19 per cent.

Our analysis of a subset of national benchmarking data shows the council's performance improved in about 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 Assurance 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.

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.

Effective leadership that promotes fairness

− % 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

Health care systems that meet people's needs

− 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

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 councils. 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 24). 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.

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 about 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, page 25).

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.
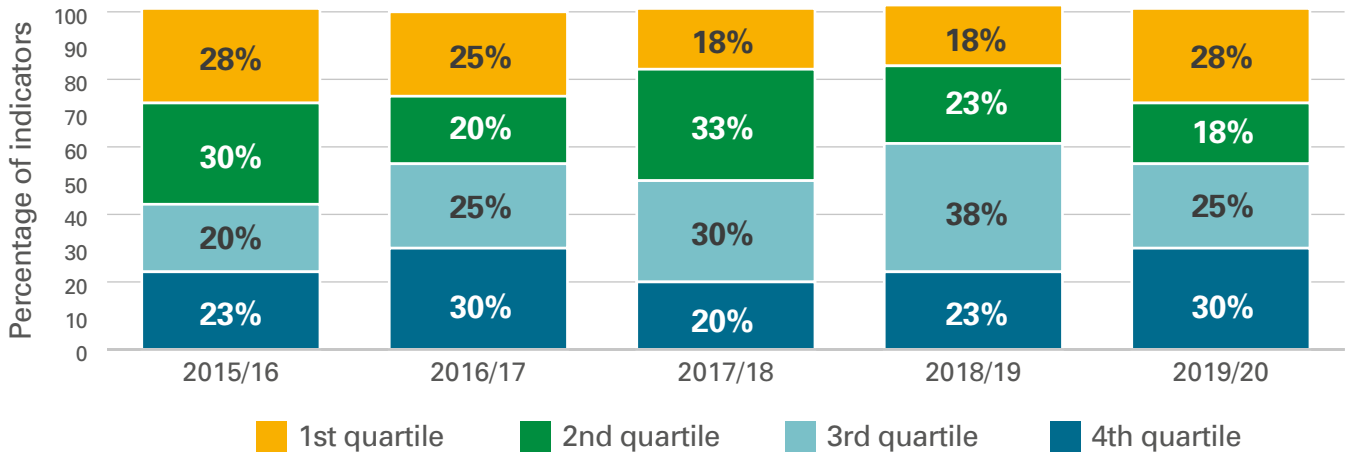
Notes:
1. Measuring council performance involved considering how all councils are performing, from lowest to highest for each indicator. From this it is possible to see how one council compares with all councils. Performance relative to other councils is divided into four equal bands, or quartiles. The 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% due to rounding.
2. 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.
3. 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

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.

Exhibit 8
South Ayrshire Council's performance against LGBF satisfaction indicators compared with Scotland level performance, 2019/20
South Ayrshire performed above the national figure for nine out of 11 indicators.

Indicator	Satisfaction level

Indicator	Rank	South Ayrshire	Scotland
% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	15	81.2	80.0
% of adults supported at home who agree that they are supported to live as independently as possible	11	82.3	80.8
% of adults supported at home who agree that they had a say in how their help, care or support was provided	19	74.9	75.4
% of carers who feel supported to continue in their caring role	6	37.4	34.3
% of adults satisfied with libraries	6	81.9	72.4
% of adults satisfied with parks and open spaces	1	91.0	83.5
% of adults satisfied with museums and galleries	6	76.1	69.3
% of adults satisfied with leisure facilities	6	76.2	70.1
% of adults satisfied with refuse collection	20	77.0	74.3
% of adults satisfied with street cleaning	32	51.1	62.6
% of adults satisfied with local schools	5	78.8	71.8

■ South Ayrshire
■ Scotland
● South Ayrshire Council's rank out of 32 councils

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

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 a 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 KPI 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 (page 27) 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.

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 28th ranked council to 1st in 2019/20.

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

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 2019–24. 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 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.

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. This included 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. This is 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.
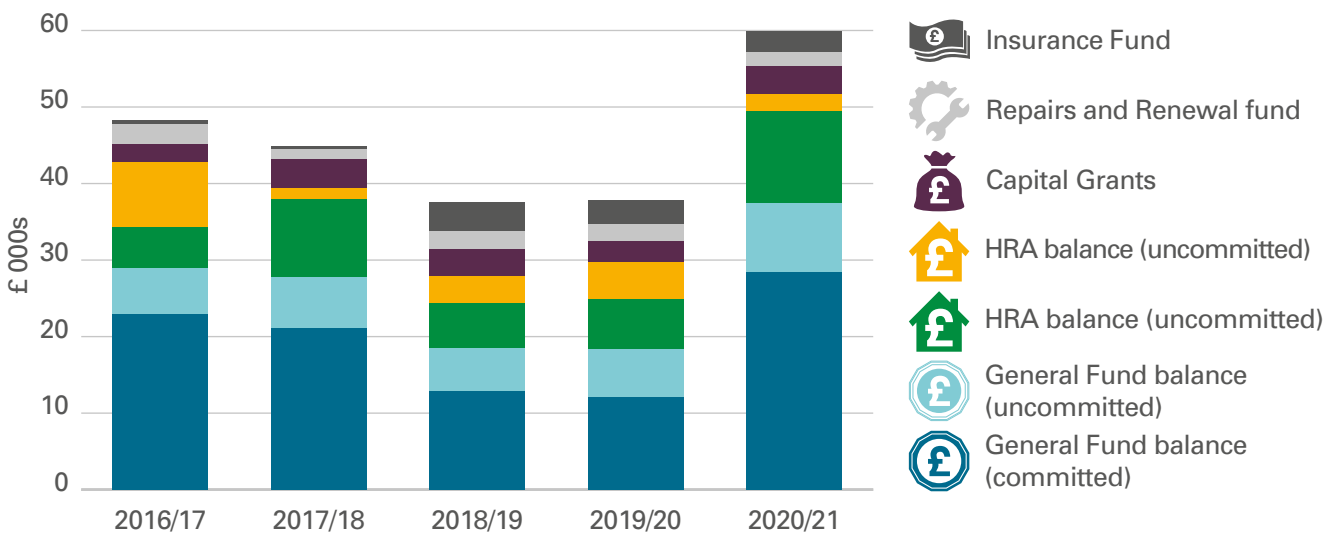
Source: South Ayrshire Council Annual Accounts

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 include 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 those planned for 2021/22, detailed in , 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.

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.

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.
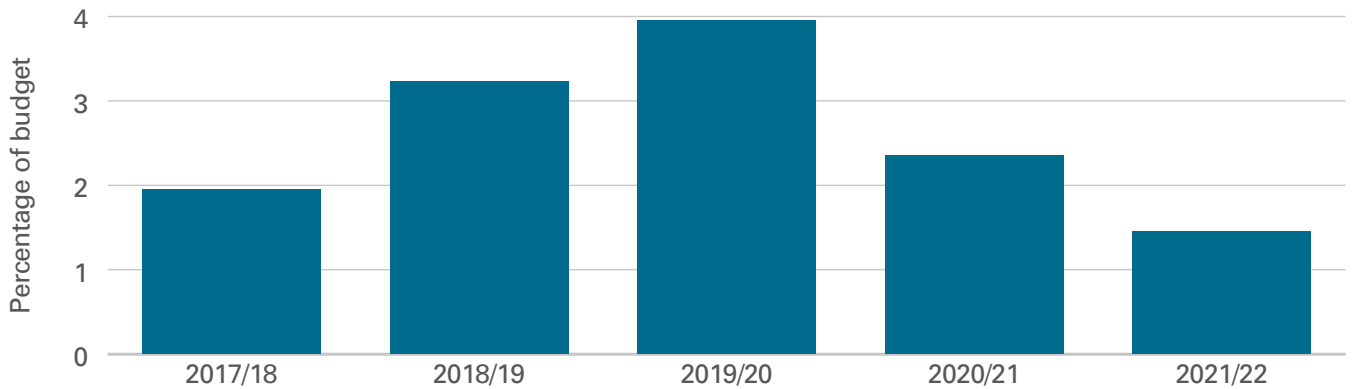
Source: South Ayrshire Council Annual Accounts

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 33).

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.

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.
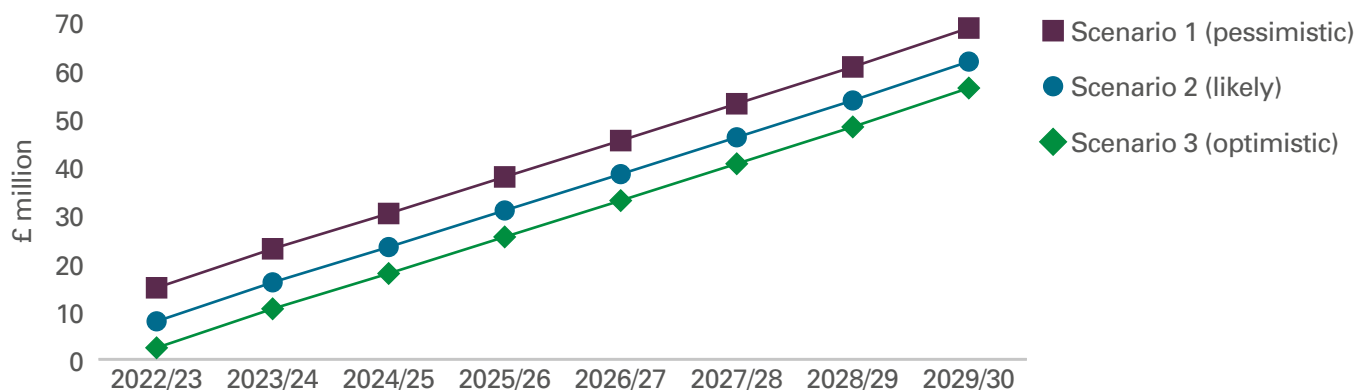
Source: South Ayrshire Council Financial Strategy

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. This 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 CO2 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 (page 36), '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 2022–25 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.

82. The outcome of each workstream is expected to inform service planning and the 2022–25 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.

Exhibit 12
Future Operating Model – Workstreams
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.

Workstream	
1. Workforce Analysis	Developing options to determine workstyles and digital requirements by job role.
2. Health, Safety and Wellbeing	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.
3. Support for Homeworking: Digital/Equipment	Consider any financial, equipment and digital support which employees will need to support future workstyles.
4. Support for Homeworking: Employee and Manager Guidance	Consider ways to ensure issues regarding engagement, isolation, performance management and communication are addressed to support future workstyles.
5. Workplace: Office Accommodation	Consider what office accommodation will be required to support future workstyles.
6. Face-to-Face Service Delivery	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

Part 4

Is the council working well with its partners?

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, and 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.

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 to address the CPP leadership's 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 have 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 Local Outcomes Improvement Plan 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 LOIP's, 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

- educational psychologist placements across all schools to support young carers and looked after children learners

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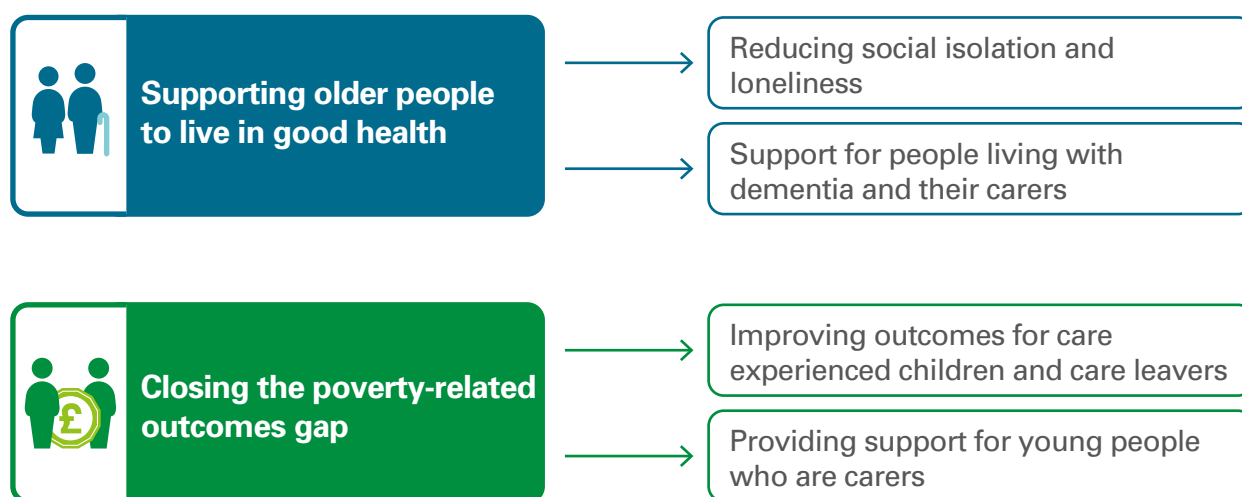- Health and Social Care Partnership
- Communities Reference Group
- Scottish Enterprise
- Scottish Fire and Rescue Service
- Police Scotland
- NHS Ayrshire and Arran
- Strathclyde Partnership for Transport
- Ayrshire College
- Skills Development Scotland
- Ayrshire Chamber of Commerce
- University of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

- 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
Local Outcomes Improvement Plan (LOIP) strategic priorities
CPP LOIP priorities have remained consistent since 2017 but have been reviewed since the Covid-19 pandemic

| Supporting older people to live in good health | → | Reducing social isolation and loneliness |
| | → | Support for people living with dementia and their carers |

| Closing the poverty-related outcomes gap | → | Improving outcomes for care experienced children and care leavers |
| | → | Providing support for young people who are carers |

Source: Local Outcomes 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 has 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.

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 about 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 its 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.

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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 leads on improving outcomes and reducing financial inequality. It includes tackling child and period poverty.

- Wallacetown SDP leads on improving the area through community representation, capital investment and regeneration.

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. 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 with 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.

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, coordinating 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.

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The Community Empowerment (Scotland) Act 2015

Requires CPPs 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.

97. In 2019, South Ayrshire Council approved a series of place-making 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 place-making projects in Troon and £106,500 match funding in North Carrick. **The North Carrick Community Benefit Company (NCCBC)** *(i)* 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.

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 (page 43). 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.

i

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.

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 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 and 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

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). 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.

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.
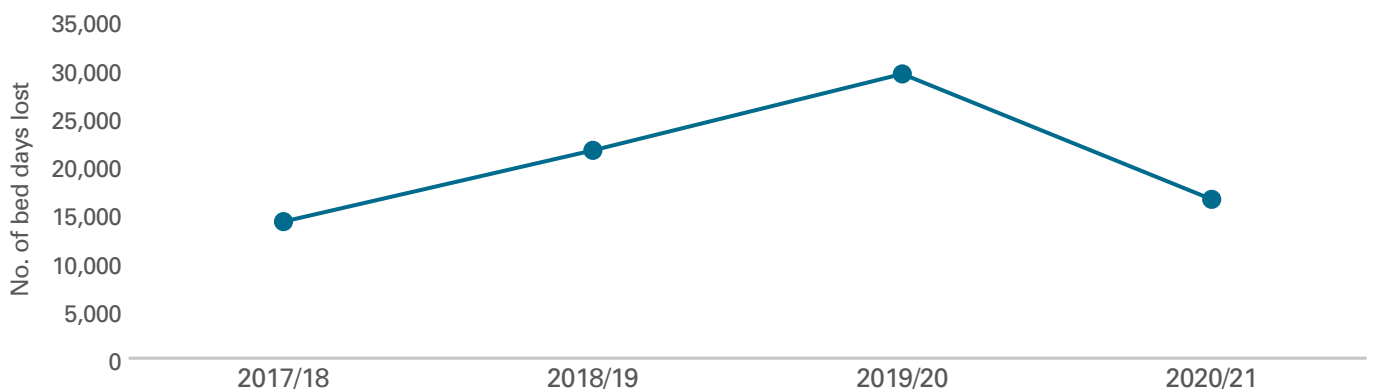
Source: South Ayrshire Integration Joint Board Annual Performance Reports

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. 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 Champions Board (Case study 3, page 46), 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** *(i)* 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.

i

Locality planning

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.

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'** *i*. 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.

Source: South Ayrshire Champions Board

'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'.

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.

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 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 among elected members.

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.

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 *(i)* 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.

i

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.

Part 5

Is the council demonstrating continuous improvement?

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.

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).

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 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 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 2019–22, 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, page 52). 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 CLT and the Leadership Panel.

126. In December 2020, the council approved its strategic change programme for the period 2020–30. At this time, the council agreed to establish three temporary posts: a project implementation coordinator 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.

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
Leadership Elected members and the Corporate Leadership Team (CLT) demonstrate effective managerial leadership with focus on delivering on the priorities. There are good relations between members and officers, with new scrutiny arrangements working well and starting to make a difference.	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. The council's leadership 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.	Part 1 Part 2 Part 5
Finances The council will need to address difficult decisions that lie ahead in reshaping council services in response to reducing resources. The council will need to revise its medium and longer-term financial plans, and accompanying reserves strategy, to ensure they are sustainable. There is scope for the council to consider more radical approaches to future service design.	The council's budget reporting is effective. 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. 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. 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.	Part 1 Part 3
Community engagement The council is strengthening its approach to community engagement. The council has made good progress in setting up locality planning groups required for health and social care partnerships. Embedding approaches to community engagement and linking the outcomes to the business planning framework	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. Work to develop place plans has been very slow. Plans are now in place but focus mainly on council activities. 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.	Part 4
Transformation 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. The council needs to ensure that all improvement activity is effectively integrated and prioritised.	The council's approach to transformation has been historically information and communications technology focused and has not looked at the transformation of core council activity. There has been some very recent progress in transformation, but the council has lacked pace and ambition and is behind other councils.	Part 5

Source: Audit Scotland

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.

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**

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

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

4. **Digitally confident**

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

6. **A workforce for the future**

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

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.

Recommendations

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 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)
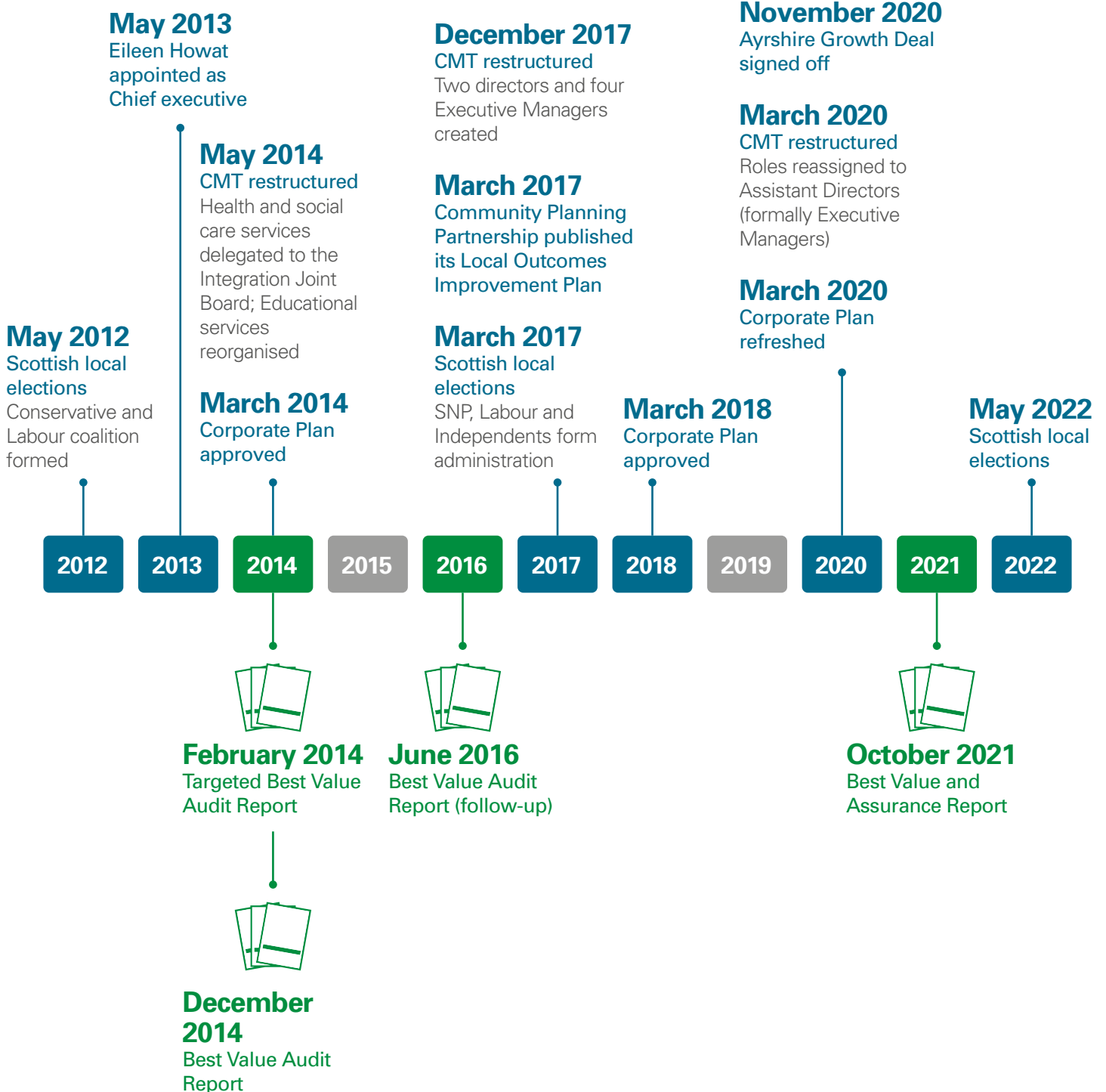
Endnotes

1   South Ayrshire Strategic Economic Plan Vision 2030, South Ayrshire Council, January 2021.

2   Audit dimensions and best value for the year ended 31 March 2020, Deloitte, September 2020.

Appendix
Best Value audit timeline

Council journey

May 2012
Scottish local elections
Conservative and Labour coalition formed

May 2013
Eileen Howat appointed as Chief executive

May 2014
CMT restructured
Health and social care services delegated to the Integration Joint Board; Educational services reorganised

March 2014
Corporate Plan approved

December 2017
CMT restructured
Two directors and four Executive Managers created

March 2017
Community Planning Partnership published its Local Outcomes Improvement Plan

March 2017
Scottish local elections
SNP, Labour and Independents form administration

March 2018
Corporate Plan approved

November 2020
Ayrshire Growth Deal signed off

March 2020
CMT restructured
Roles reassigned to Assistant Directors (formally Executive Managers)

March 2020
Corporate Plan refreshed

May 2022
Scottish local elections

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

February 2014
Targeted Best Value Audit Report

June 2016
Best Value Audit Report (follow-up)

October 2021
Best Value and Assurance Report

December 2014
Best Value Audit Report

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.

Best Value Assurance Report
South Ayrshire Council

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