

Report title	Gap analysis and Action Plan resulting from the self-assessment against the Best Value guidance
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Department	CEX Office
Exempt?	No

<p>Purpose of report:</p> <ul style="list-style-type: none"> • For information

<p>Synopsis of report:</p> <p>This report shares the outcome of the self-assessment against the guidance on the Best Value Duty, a workstream of the non-statutory Best Value response programme. A gap analysis and action plan has been developed to ensure continuous improvement and demonstration of delivery of the Best Value Duty.</p>
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1. Context and background of report

- 1.1 In August 2023, the Government consulted with the wider public sector seeking views on the draft statutory guidance on the Best Value Duty.
- 1.2 The guidance provides greater clarity to the local government sector on how to fulfil the Best Value Duty by describing what constitutes best value, the standards expected by the department and the models of intervention at the Secretary of State for Levelling Up, Housing and Communities' disposal in the event of failure to uphold these standards.
- 1.3 In December 2023, the Council received a non-statutory Best Value Notice (NS-BVN) from the Department for Levelling Up, Housing and Communities (DLUHC). (Non-statutory) Best Value Notices provide an opportunity for early engagement with an authority that is exhibiting indicators of potential best value failure and where there is confidence that the authority has the capability and capacity to make its own arrangements to secure continuous improvement.
- 1.4 A programmatic approach has been taken to respond to the NS-BVN and one of the workstreams identified was to self-assess against the Best Value Duty guidance.
- 1.5 To note that at the time the workstream was initiated and work commenced, the guidance was still in draft and the outcome of the consultation was not published. The outcome of the consultation was the release of the [statutory guidance on Best Value Duty](#) on 08 May 2024

2. Report

- 2.1 The statutory guidance on the Best Value Duty sets out seven overlapping themes of good practice for running an authority that meets and delivers best value. These themes are:



Continuous improvement is the outcome of all the themes working well together.

- 2.2 The guidance further defines best value themes by providing a description of the theme and what is expected along with 'characteristics of a well-functioning authority'. There are 73 separate characteristics across the 7 themes described in the statutory guidance.
- 2.3 The Council's response to the NS-BVN is to assure DLUHC that we are a well-functioning authority. Therefore, one of the first workstreams in the NS-BVN response programme was identified as a self-assessment against the seven Best Value themes and each 'characteristic of a well-functioning authority'. A robust systematic process was developed to assess and reflect on current position against the Best Value Duty.

Process:

- 2.4 For each theme and characteristic, an initial narrative and evidence to support the narrative was prepared by the workstream team (Head of Business Planning, Projects and Performance and Graduate Policy Officer), based on general knowledge of the Council and services provided. This was then used in a series of workshops with relevant Corporate Heads of Service and subject matter experts from across the organisation depending on the requirement of the characteristic. In this way, the narrative was further developed and expanded, and the evidence library further populated.
- 2.5 Once narratives were in final drafts, seven independent reviewers were identified, one for each theme, and were asked to review the narrative, sample the evidence and score the characteristic. These reviewers were selected as they had not been involved in producing the narratives and therefore were not 'marking their own homework' and offered impartiality to the process.

- 2.6 A second level of assurance on the scoring was subsequently applied. The Bid and Grants Officer was asked to review all scoring across all characteristics to provide a consistency check of the scores initial reviewers had given.
- 2.7 During this stage of the process, on 08 May 2024, the Government released the [statutory guidance on Best Value duty](#) based on the consultation feedback received in August 2023. A comparison of the draft and statutory guidance identified that 41 characteristics were unchanged, 2 were removed and 13 new characteristics added.
- 2.8 A heat-map was produced from the scoring given and any scoring amber or yellow were reviewed by the Assistant Chief Executives prior to presentation at the CLT on 05 June 2024. As a result, additional information and evidence was sought and added, and scoring was rechecked and revised as appropriate.
- 2.9 Opportunities for improvement were collated for each characteristic and an action plan developed to deliver continuous improvement. This is based on the narratives and evidence base as of 10 June 2024 to be able to meet the reporting deadlines for this Committee.

Summary of outcome:

- 2.10 The final scoring ‘heat map’ output and scoring matrix used are shown below:

Theme	Element ID											
1. Continuous Improvement	CI001	CI002	CI003	CI004	CI005	CI006	CI007	CI008	CI009	CI010	CI011	CI012
2. Leadership	L001	L002	L003	L004	L005	L006	L007	L008	L009	L010	L011	
3. Governance	G001	See CI012	G003	G004	G005	G006	G007	G008	G009	G010	G011	
4. Culture	C001	C002	C003	C004	C005	C006	C007	C008	C009	C010	C011	
5. Use of Resources	R001	R002	R003	R004	R005	R006	R007	R008	R009	R010	R011	R012
6. Service Delivery	SD001	SD002	SD003	SD004	SD005	SD006	SD007	SD008	SD009	SD010		
7. Partnerships and community engagement	PCE001	PCE002	PCE003	PCE004	PCE005	PCE006	PCE007					

Dark green	STRONG EVIDENCE to support a comprehensive narrative that leaves no doubt this aspect is met. No gaps identified.
Light green	EVIDENCE to support narrative but with gaps in evidence. Seek further evidence for this aspect. Actions to be implemented
Yellow	SOME EVIDENCE to support narrative provided but with gaps in narrative. Look to further enhance delivery in this aspect. Actions to be implemented
Amber	A narrative can be provided but this CANNOT BE EVIDENCED (perhaps because delivery is at an early stage and/or results are not being measured)
Red	NO EVIDENCE OF SUCCESS The organisation is not yet tackling this area and/or there are major obstacles to progress
Grey	Not in the control of Officers to influence this aspect. Politically driven

- 2.11 In summary, across the seven Best Value themes and 73 ‘characteristics of a well-functioning authority’ that are described in the statutory Best Value guidance, the following scores have been assigned for the organisation (as of 10 June 2024):
- 13 dark green characteristics
 - 42 light green characteristics
 - 15 yellow characteristics
 - 1 amber characteristic
 - 0 red characteristics
 - 2 grey characteristics
- 2.12 As can be seen by the scoring ‘heat map’ diagram, the overall majority colour is light green indicating that the narratives and evidence produced to support the self-assessment of the characteristics across the themes show broad alignment with the Best Value Duty. Every theme scores a mixture of colours indicating both areas of strength and opportunities for improvement. No single theme is yellow or amber for all or most characteristics which would indicate a thematic cause for concern.

- 2.13 55 of the 73 characteristics (75%) are scored either Dark or Light Green, indicating that a strong narrative has been produced which can be evidenced, and, for these characteristics, the organisation can confidently demonstrate that the Best Value duty is being met. Notwithstanding this statement, self-reflection on how these characteristics are delivered has identified in some cases, additional areas of improvement to further enhance delivery of Best Value.
- 2.14 15 of the 73 characteristics (21%) are scored Yellow, indicating the narrative produced is limited in some respects. The narratives provided are not as comprehensive as those for Dark or Light Green elements, and there are some aspects that would be expected but are not in place, for example for CI011: 'Resident engagement informs improvement efforts', it is intended to implement a citizen's panel but this has not yet been delivered. Therefore, a Yellow score has typically identified new work or work that has been planned but not yet delivered.
- 2.15 One characteristic has been scored as Amber – a narrative can be provided but this cannot be evidenced. This is a new characteristic added to the statutory guidance when compared to the draft: CI010: Participation in Oflog's programme of webinars to share best practice between local authorities, to help improve performance, productivity, and value for money. Oflog has currently not communicated a programme of webinars to participate in, therefore whilst the intent is for Officers to participate in the webinars when announced, this cannot be currently evidenced.
- 2.16 Two characteristics have been scored as Grey. These are outside the control of Officers. These are:
- L009: The authority has moved from multiple to all-out elections within the four-year cycle, which has enhanced stability and reduced ongoing campaigning that can hinder improvement. (Noting that this has subsequently been removed as an explicit characteristic in the statutory guidance) - In the draft guidance this was suggested as an example of a well performing authority but when the final version was issued this was removed. The Council started work based on the draft guidance and whilst this is no longer a specific requirement the Council will take the opportunity provided to consider the issue. No decision has been made on the matter as it will need to be considered by various organs of the Council i.e. Working Party, CMC and full Council in due course.
- C003: Civil working relationships (and communication) between Group Leaders despite political disagreements.
- 2.17 For each characteristic, a comprehensive position statement has been produced to assess and evidence how the Council currently meets the Best Value duty. For all 73 characteristics, this represents a document c.180 pages in length. Whilst the action plan is taken from a snapshot of the self-assessment on 10 June in order to meet this Committee's reporting deadlines, the workstream team has continued to address comments raised by reviewers, add additional information and seek further evidence to support the position statement. Therefore, this source of information is in flux at time of writing.
- 2.18 Appendix A provides the action plan arising from the self-assessment against the statutory Best Value Duty guidance. For each characteristic where an opportunity for improvement has been identified, this is described along with the action plan, the officers responsible for delivering the action and an indicative timeline. All actions will be added to the Business Planning Tool as 'in-year activity' assigned to the relevant service areas. Within the tool, timelines for delivery will be further refined to provide

a start and end date around other competing priorities. Progress will then be tracked through the established mechanisms for monitoring service area plan delivery.

- 2.19 A progress report on delivery of the 24/25 action plan is proposed to come back to this Committee in January 2025.
- 2.20 This information is extremely valuable to the organisation to assure Members and stakeholders that the Council is a well-functioning organisation, and through self-reflection and continuous improvement, strives to deliver Best Value. As such, it is planned to develop a mechanism to externally highlight how we meet the Best Value duty and, where we have identified an opportunity for improvement, how this will be taken forward.
- 2.21 The heat-map, action plan and information produced for each Theme will be used as an input to the LGA Corporate Peer Challenge external assurance review process planned for October 2024.
- 2.22 To further evidence continuous improvement, it is proposed to update the self-assessment position statement for each characteristic on an annual basis, re-score and produce an updated heat-map. The heat-maps can then be compared year – on year to illustrate where improvements have been made and that the organisation is delivering continuous improvement through self-reflection and assessment.
- 2.23 It is intended for the updated heat-map as an output of the 2025 assessment, with a comparison between 2024 and 2025, to be presented in July 2025.

3. Policy framework implications

- 3.1 The compliance of the Council's obligation to secure continuous improvement and thereby deliver Best Value is evidenced through various decisions the Council makes under its Policy and Financial Framework. Addressing the opportunities for improvement as a result of the self-assessment against the Best Value Duty statutory guidance will support the Council in demonstrating delivery of Best Value and providing assurance to stakeholders.

4. Resource implications

- 4.1 Resource was made available for this activity as a result of the response to the non-statutory Best Value Notice.
- 4.2 This is a comprehensive activity that has required significant staff resource from across the organisation to complete. However, now the position statements have been produced, it is anticipated that the proposed 2025 assessment will not be as resource intensive.
- 4.3 The proposed 2025 assessment will be added to the CEX Office Service Area Plan to resource and deliver.

5. Legal implications

- 5.1 Under the Local Government Act 1999 (1999 Act), local authorities must legally deliver what is termed 'Best Value' – a council must be able to show that it has arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". In practice, this covers issues such as how authorities exercise their functions to

deliver a balanced budget, provide statutory services and secure value for money in all spending decisions.

5.2 Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management. They are also required to consult on the purpose of deciding how to fulfil the Best Value Duty. The annual process of setting the authority's budget, the corporate plan and the medium-term financial plan provides a key opportunity to conduct such consultation.

5.3 The statutory guidance on the Best Value Duty is issued under section 26 of the 1999 Act. The following best value authorities are required to have regard to the guidance: county and district councils, London borough councils, combined and county combined authorities, the Common Council of the City of London, the Greater London Authority so far as it exercises its functions through the Mayor and the Council of the Isles of Scilly.

5.4 The guidance provides greater clarity to the local government sector on how to fulfil the Best Value Duty by describing what constitutes best value, the standards expected by the Government and the models of intervention at the Secretary of State's disposal in the event of failure to uphold those standards. It supplements Revised best value guidance issued in 2015 which set out reasonable expectations of the way authorities should work with voluntary and community groups, and small businesses.

6. Equality implications

6.1 None identified from this report.

7. Environmental/Sustainability/Biodiversity implications

7.1 None identified from this report.

8. Risk Implications

8.1 Failing to demonstrate and assure stakeholders that the Council delivers on its Best Value Duty could lead to additional scrutiny and intervention from DLUHC and poses a reputational risk.

9. Other implications

9.1 Actions arising from the action plan will be added to the relevant Service Area Plans as 'in-year' activity to capture the additional work required to address the opportunities for improvement and permit progress reporting.

10. Timetable for Implementation

10.1 A progress report on delivery of the 24/25 action plan is proposed to come back to this Committee in January 2025, with the updated heat-map and comparison between 2024 and 2025 to be presented in July 2025.

11. Conclusions

11.1 This report outlines the product of a significant workstream of the non-statutory Best Value Notice response programme to provide assurance that the Council is a well-functioning authority operating with due regard to the Best Value Duty.

12. Background papers

- None stated.

13. Appendices

- Appendix A: Action Plan arising from the self-assessment against the statutory Best Value Duty guidance.