

Best Value toolkit: Vision and strategic direction



Prepared by Audit Scotland

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Introduction

The Audit of Best Value

“Achieving Best Value is about ensuring sound governance, good management, public reporting on performance and a focus on improvement”

The duty of Best Value applies to all public bodies in Scotland. It is a statutory duty in local government, and in the rest of the public sector it is a formal duty on Accountable Officers.

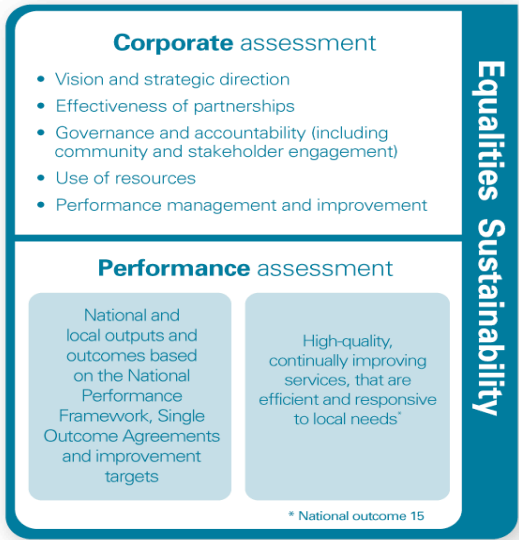
Best Value has already been a powerful force for improved performance and accountability in local government, and it will play an important role in supporting the Concordat and the development of Single Outcome Agreements between the Scottish Government, councils and their partners, and in streamlining and coordinating the scrutiny of public services. It also has the potential to underpin the National Performance Framework and the ‘management scorecard’ elements of Scotland Performs.

On behalf of the Auditor General and the Accounts Commission, Audit Scotland has identified a set of principles that form the basis for a consistent approach to the audit of Best Value across the public sector, although its application will differ to reflect factors such as the different accountability regimes and reporting arrangements in place in different sectors. This will enable us to apply a consistent set of expectations across all the bodies that we audit, and to reflect and support the reality of partnership working between organisations.

The Best Value toolkits are a key part of the practical application of the BV audit. They provide an evaluation framework that will help auditors to reach robust judgements on how public bodies are delivering Best Value. However, they cannot generate Best Value judgements on their own. They cover only part of the process. Judgements about Best Value also involve consideration of service standards and performance, outcomes and how effectively continuous improvement is being achieved. The framework through which the various elements of the Best Value audit are brought together to arrive at an overall conclusion on the extent to which an organisation is achieving Best Value is outlined below:

Exhibit 1

Framework for a BV audit of a public body



Source: Audit Scotland

As the diagram demonstrates, Audit Scotland’s approach to the audit of Best Value entails both corporate assessment and performance assessment elements. The former focuses on how an organisation plans and conducts its business and manages its resources while the latter looks at the quality of those services and the outcomes for service users.

Audit Scotland is committed to ensuring that Best Value auditing across the public sector adds value to existing arrangements, is risk-based and builds on our existing knowledge of individual public bodies, and that of our scrutiny partners. Specifically we aim to:

- report on the delivery of outcomes for people who use services
- protect taxpayers’ interests by examining use of resources
- put an increasing emphasis on self assessment by public bodies with audit support and validation
- work collaboratively with other scrutiny bodies to ensure our work is aligned and prevent duplication.

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

The Best Value toolkits

The Best Value toolkits are a series of audit diagnostics, which will help reviewers to establish the extent to which public bodies' arrangements are designed to achieve, and are actually delivering, Best Value. They have been developed to support the corporate assessment process around the five corporate assessment areas noted in Exhibit 1, and the two cross-cutting themes of equalities and sustainability. However, as each toolkit also incorporates a series of questions on the impact of the area under review, they will also provide some evidence to support the assessment of service performance and outcomes.

The Best Value toolkits have been developed as audit tools in consultation with specialist practitioners, and representatives of public bodies and professional groups.

The toolkits take the form of structured key questions, with a matrix of possible levels of performance, ranging from basic to advanced practice. The matrices cannot of course capture all of the ways in which a public body may address the requirements of Best Value, so there is clearly scope for auditors to exercise balanced judgement and for public bodies to respond flexibly in demonstrating how the key areas of challenge are addressed. Individual evaluations are made about the level a public body has attained in each question or area. However, these have not been weighted and it is not intended that these be used to determine an overall scoring for any toolkit. They are designed to contribute to sound professional judgements, not to replace them.

Using the toolkits

The toolkits are designed for application by Audit Scotland's auditors when carrying out Best Value audits of public bodies. In practice, the toolkits will be applied as part of an audit process, whereby the auditor makes enquiries, seeks supporting information and forms conclusions based on the evidence obtained.

Audit Scotland recognises that bodies may find the toolkits helpful in carrying out general organisational reviews or specific service reviews and are therefore available in the Audit Scotland website www.audit-scotland.gov.uk. It should be stressed however that public bodies using the toolkits do so at their own discretion. The toolkits are designed principally as audit tools that are part of Audit Scotland's overall Best Value audit methodology and are not expressly produced for self-assessment purposes.

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Any organisation using the toolkits to inform their own corporate or service-based self-evaluation processes will need to consider the local context when applying them, and also the indicative rather than conclusive nature of the findings when interpreting the results. The toolkits were designed to elicit contextual information and provide evidence for arriving at professional audit judgements. They are not intended to be, and cannot be, used in a “tick-box” fashion.

The Best Value toolkits are generic in nature, in that they are not specific to any one type of public body or to any one sector and are designed so that they can be applied to all public bodies. Auditors will require to be sensitive to the differences between organisations both in terms of different sectors and varying scales of operation.

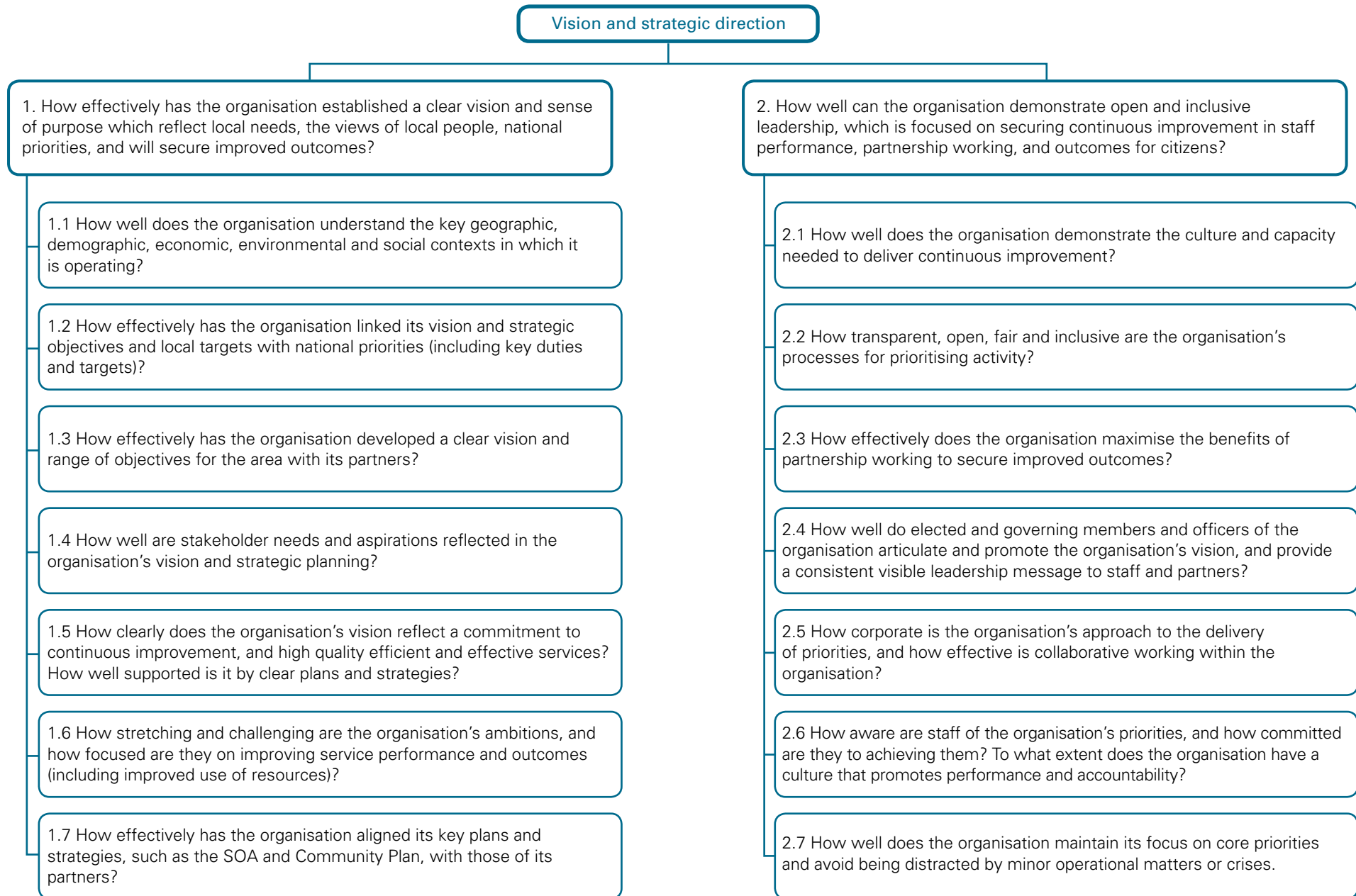
This toolkit forms part of a suite of audit products that will be applied, over time, to support a structured, evidenced based, judgment on an organisation’s approach to the use of the resources with which it has been provided and its achievement of Best Value.

Auditors’ evaluations

The toolkit takes the form of a series of questions based on identified good practice. It then offers four sets of descriptors, these being:

Does not meet basic requirements	An organisation may not yet demonstrate the basic practice level in any particular category.
Basic practices	Minimum acceptable standards, which would be sufficient to allow an organisation to demonstrate sound performance.
Better practices	As basic, with some elements of good or even best practice, but not on a consistent basis.
Advanced practices	Consistently demonstrating good or best practice and contributing to innovation.

Best Value toolkit: Vision and strategic direction



BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
1. How effectively has the organisation established a clear vision and sense of purpose which reflect local needs, the views of local people, national priorities, and will secure improved outcomes?			
1.1 How well does the organisation understand the key geographic, demographic, economic, environmental and social contexts in which it is operating?	<p>Appropriate needs assessment data (e.g. demographic, health, crime, economic) is used to inform strategic planning, and there is some local analysis of the needs of communities and service users (where appropriate) but there are some important gaps in available information.</p> <p>A more systematic and co-ordinated approach to gathering and using needs data across agencies would strengthen performance in this area.</p>	<p>The organisation makes good use of both national and local data to assess needs and identify local problems and their causes.</p> <p>Information collection and interpretation is co-ordinated effectively across the organisation and, where appropriate with partners, provides a comprehensive picture of relevant local need, including the needs of minority and 'hard to reach' groups (where appropriate).</p>	<p>The organisation communicates its understanding of local need to key stakeholders (the community; service users, partners) and enables and encourages others to highlight local needs. This ongoing dialogue underpins the organisation's approach to collecting and sharing information.</p> <p>The organisation regularly reviews the types of information it collects in partnership with others, including how it is gathered and the ways in which it is analysed and used to inform planning and service delivery. New methods are adopted as a result, including the borrowing of best practice from others and ceasing/streamlining data collection where there is evidence of redundancy. It can demonstrate that needs assessment is impacting on the strategic objectives that it sets.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
1.2 How effectively has the organisation linked its vision and strategic objectives linked to local targets and national priorities (including key duties and targets)?	<p>The organisation has translated its analysis of needs into a vision which supported by a set of strategic objectives but the links between local and national priorities and strategic objectives could be made clearer. The objectives could also be strengthened by making them more specific and SMART-er.</p> <p>More work is needed to demonstrate how the organisation is responding to the increasingly challenging public sector fiscal environment.</p>	<p>The organisation has translated its analysis of needs into a clear vision supported by a set of strategic objectives. But, further work is still required to establish specific and measurable strategic objectives in some areas, and the links between the strategic objectives and local and national priorities needs strengthening in some areas.</p> <p>The organisation has adapted its objectives and targets in response to the increasingly challenging public sector fiscal environment.</p>	<p>The organisation has translated its analysis of needs into a vision articulating how it will deliver key national and local priorities. The vision is supported by a set of specific and measurable strategic objectives which clearly identify the links between local and national priorities. It can demonstrate that the needs of stakeholders are impacting on local strategic priorities.</p> <p>The organisation has a clear and robust strategy for responding to the increasingly challenging public sector fiscal environment.</p>
1.3 How effectively has the organisation developed a clear vision and range of objectives with its partners	<p>The organisation has developed a clear vision and range of objectives for the area with its partners and some work has taken place to</p> <ul style="list-style-type: none"> • improve awareness and understanding of them with some partner organisations • improve alignment of objectives with those of some member organisations • improve communication to stakeholders. <p>But there is scope to make further progress in these three areas.</p>	<p>All member organisations have agreed the partnership’s vision, purpose and objectives, and are clear about their role in meeting shared objectives.</p> <p>The partnership’s vision and purpose are closely aligned to those of the member organisations.</p> <p>All partners play an active role developing the partnership’s vision, purpose and objectives.</p> <p>The partnership’s vision, purpose and objectives are clearly communicated to stakeholders</p>	<p>The organisation is able to demonstrate that partnership vision, purpose and objectives are reviewed at appropriate intervals to ensure they remain fit for purpose, and that the review activity is impacting on future plans.</p> <p>Local partnership working is recognised as a model of good practice in the way it develops, agrees and communicates its vision, purpose and objectives.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
<p>1.4 How well are stakeholder needs and aspirations well reflected in the organisation’s vision and strategic planning?</p>	<p>The views of service users and other stakeholders have been identified and are used to inform strategic priorities.</p> <p>However, arrangements for consulting service users and other stakeholders could be improved by making them more systematic and providing better feedback to consultees on actions taken in response to consultation and other types of engagement.</p>	<p>The views of service users and other stakeholders are clearly reflected in the vision and plans and are regularly reviewed.</p> <p>Departmental arrangements for consulting service users and other stakeholders are well developed (including feedback to consultees on actions taken in response to consultation and other types of engagement) but there is limited corporate co-ordination of activity.</p>	<p>The organisation can demonstrate that the views of service users and other stakeholders clearly and consistently drive the vision and plans across the organisation.</p> <p>The organisation has robust and mature arrangements for consultation and is able to effectively balance tensions between service users and other stakeholders views and organisational needs.</p> <p>Clear and honest feedback is provided to consultees on actions taken in response to consultation and other types of engagement.</p>
<p>1.5 How clearly does the organisation’s vision reflect a commitment to continuous improvement and high quality efficient and effective services? How well supported is it by clear plans and strategies?</p>	<p>The local vision and strategic direction has an explicit commitment to deliver best value and continuous improvement, which is reflected in organisational plans and strategies. But, further work is needed to ensure that plans and strategies will achieve measurable improvements in cost, quality and efficiency.</p>	<p>Best Value related improvements, addressing cost, quality and efficiency, are reflected in the organisation’s key plans and strategies. A number of actions have been identified to support best value and continuous improvement.</p> <p>Comparisons, trends and progress against targets (cost, quality, efficiency) are consistently available and understood across the majority of activities.</p>	<p>The organisation can show that Best Value related improvements, addressing cost, quality and efficiency, are feature consistently in all of the organisation’s plans and strategies. A comprehensive and coherent range of actions have been identified to support best value and continuous improvement.</p> <p>Comparisons, trends and progress against targets (cost, quality, efficiency) are consistently available and are driving improvement planning.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
<p>1.6 How stretching and challenging are the organisation’s ambitions, and how focused are they on improving service performance and outcomes (including improved use of resources)?</p>	<p>The organisation’s key strategic objectives are focused on improvement in both service performance and outcomes, and contain improvement targets. But, there is scope to strengthen the improvement focus by:</p> <ul style="list-style-type: none"> • increasing the focus on outcomes rather than input/outputs • incorporating more measures of customer/citizen views • demonstrating the use of benchmarking data to set ‘stretch’ targets • making indicators/improvement targets more measurable, clear and quantified. 	<p>The organisation’s key strategic objectives set improvement targets addressing cost and quality for most area of activity and focus on the outcomes and experience of citizens and service users.</p> <p>Benchmarking data has been used to set ‘stretch’ targets and secure significant service improvement.</p> <p>Some evidence of improved service performance and outcomes (including improved use of resources is available.</p>	<p>The organisation is able to demonstrate that its ambitions are stretching and challenging, but still deliverable, and will they make a real difference for local people/service users through:</p> <ul style="list-style-type: none"> • The comprehensive use of benchmarking data to set ‘stretch’ targets and secure significant service improvement. • A clear focus on improving the citizen/service user experience • A strong focus on outcomes rather than inputs/processes <p>The organisation regularly reviews its targets and performance measures and demonstrates a programme of improvement where new or better measures are progressively introduced. An appropriate balance between new measures and the retention of those able to show historical trends is maintained.</p> <p>Clear evidence of improved service performance and outcomes (including improved use of resources is available.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
1.7 How effectively has the organisation aligned its key plans and strategies, such as the SOA and Community Plan, with those of its partners?	<p>Senior members of relevant partner organisations have worked collectively to agree a manageable number of priorities based on evidence which may add value to individual partners own work.</p> <p>Partner agencies plan are demonstrably linked, where appropriate, a corporate level. Opportunities exist to improve alignment between corporate and service plans.</p>	<p>The organisation and relevant partners have translated their agreed priorities into operational action plans, with clarity about which activities are attributed to which partners.</p> <p>Links between service plans and budgets and the community or partnership plan are explicit; links to other partners' priorities and plans are ad hoc and less explicit.</p>	<p>The organisation can demonstrate that local strategic priorities providing a clear direction across the organisation and its partner organisations that are embedded within individual partners plans and strategies.</p> <p>Partnership or community planning actions are fully reflected in the organisation and its partners' service plans and budgets.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
2. How well can the organisation demonstrate open and inclusive leadership, which is focused on securing continuous improvement in staff performance, partnership working, and outcomes for citizens?			
2.1 How well does the organisation demonstrate the culture and capacity needed to deliver continuous improvement?	The organisation is committed to continuous improvement but needs to do more to secure organisational support for change. There may be a need to improve organisational capacity to secure improved outcomes.	The organisation has effective (for councils: political and) managerial leadership which is committed to continuous improvement. It is focused on what matters to local people and is securing improved outcomes.	The organisation has highly effective (for councils: political and) managerial leadership, with ambitious plans for the areas and a strong focus on continuous improvement. It can demonstrate the organisational commitment and capacity to secure change and improved outcomes.
2.2 How transparent, open, fair and inclusive are the organisation's processes for prioritising activity? For councils only: Are all councillors able to contribute to the development and review of council priorities and the approval of related strategies for their delivery?	There is a formal documented process for prioritising the organisation's activity and preparing key plans and strategies that meets basic legislative requirements. For councils only: There is limited cross-party involvement in partnership working or community planning, strategic planning, beyond receiving annual updates/review reports.	The organisation proactively articulates and promotes its process for prioritising activity in line with their agreed vision, and encourages input from all stakeholders. For councils only: There is some cross-party involvement in the establishment of council priorities and the development of key plans and strategies, through working groups and other means.	There is evidence of broad-based and inclusive involvement in the establishment of organisational priorities and the development of key plans and strategies. All partner organisations are involved in agreeing the vision, strategic planning, and ensuring that plans and strategies complement other relevant public service delivery plans.

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
<p>2.3 How effectively does the organisation maximise the benefits of partnership working to secure improved outcomes?</p>	<p>The partnership receives annual updates/review reports on local activity, but further work is needed to generate evidence on the impact of local partnership working</p> <p>Elected and governing members are involved in partnership working or community planning but there is scope for more consistent involvement and more active leadership either across the partnership or within partner bodies.</p> <p>The partnership has identified how to further develop elected and governing member involvement in, and responsibility for, community planning and partnership working.</p>	<p>Partnership working is beginning to deliver demonstrable benefits for local people.</p> <p>Elected and governing members play an active leadership role in relation to partnership activity and can demonstrate commitment to delivering the agreed outcomes – and ensuring their organisations fulfil their commitments.</p> <p>They understand their roles and responsibilities and working with a full range of partner organisations. Can articulate and demonstrate a shared commitment to partnership working.</p> <p>Senior managers in all partner organisations recognise the need to work differently to deliver partnership priorities, and actively work to promote change within their organisations.</p>	<p>The organisation is able to demonstrate that partnership working is consistently delivering improved outcomes and better use of resources.</p> <p>A wide range of elected members and members of governing bodies have active involvement at all levels of partnership working.</p> <p>For councils only: There is cross-party involvement in partnership activity.</p> <p>Chief executives (or equivalents) and senior management of partner organisations meet or communicate frequently formally and informally, to improve and further develop partnership working. The approach is further strengthened by full commitment and regular communications at thematic and service delivery partnership levels.</p>

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
2.4 How well do elected and governing members (e.g. councillors, board members and non-executives) and officers of the organisation articulate and promote the organisation’s vision, and provide a consistent, visible, and shared leadership message to staff and partners?	The organisation has agreed its vision and key shared strategic objectives. However, there is scope to create a more consistent sense of ownership or demonstrate more visible communication from the organisation’s leaders.	Leaders of the organisation articulate a clear and consistent shared vision and sense of purpose and the improvements they are trying to achieve, linked to their key shared strategic objectives.	Leaders of the organisation and relevant partners actively promote and communicate the shared vision and sense of purpose they are trying to achieve linked to their key shared strategic objectives. They can demonstrate that the shared vision and key shared strategic objectives impacts on the own organisation’s activity.
2.5 How corporate is the organisation’s approach to the delivery of priorities, and how effective is collaborative working within the organisation?	Although the organisation assigns responsibility to individuals and organisations for delivery, there is scope to increase the level of coordination corporately across the organisation in relation to the delivery of cross-cutting issues and geographically in relation to seamless service delivery.	There are some good examples of co-ordinated approaches to the delivery of key corporate priorities alongside the development of seamless service delivery arrangements across the organisation, but it could be further developed to make it the default organisational position.	The organisation can demonstrate a ‘corporate’ culture which effectively delivers a coordinated and consistent approach to implementing the delivery of cross-cutting issues leading to better use of resources and improved outcomes. Effectively co-ordinated (and where appropriate integrated) service delivery across the organisation and with partners is central to the organisation’s way of working.

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – VISION AND STRATEGIC DIRECTION

	BASIC	BETTER	ADVANCED PRACTICE
<p>2.6 How aware are staff of the organisations priorities and how committed are they to achieving them? To what extent does the organisation have a culture that promotes performance and accountability?</p>	<p>Employees are aware of, and work towards service objectives; a performance review process is in place for most staff.</p>	<p>Corporate and service objectives are clearly understood across the majority of the organisation; and individuals and teams work effectively to achieve them.</p> <p>Managers discuss team / individual contribution on a regular basis as part of an effective performance review process.</p> <p>Employees at all levels are actively involved in setting performance and improvement objectives.</p>	<p>A performance culture is in evidence: corporate and service objectives are clearly understood across the whole organisation; and individuals and teams work effectively to achieve objectives and to seek improvement.</p> <p>Performance review is a continuous process, applied consistently, with an emphasis on improvement, employee development and communication</p>
<p>2.7 How well does the organisation maintains its focus on core priorities and avoid being distracted by minor operational matters or crises? How well can it demonstrate that initiatives are only undertaken when it is clear that they will contribute to longer-term goals?</p>	<p>The organisation has an agreed vision and clear strategic direction, but can be distracted by minor operational matters or crises.</p> <p>Initiatives are sometimes undertaken in an ad hoc manner which may not contribute to longer-term strategic goals.</p> <p>The contribution those initiatives make towards the vision is not considered.</p>	<p>The organisation can demonstrate that it has maintained a clear strategic direction over time and directs resources towards its strategic objectives.</p> <p>Whilst initiatives are generally undertaken which contribute to the vision and strategic longer-term goals, there is limited co-ordination and no overall strategy.</p>	<p>The organisation can demonstrate that it has maintained a clear vision and strategic direction over time and directs resources towards its strategic objectives.</p> <p>It is able to demonstrate that it is able to make hard and unpopular decisions when necessary, if it believes they will contribute to the vision and objectives.</p> <p>Where appropriate – the organisation has a strategic approach to the securing of external funding, and only invests staff time in bidding for additional funding where the new money or other resources will contribute to the its strategic goals.</p>

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If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

You can also download this document at:
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