

# Best Value toolkit: Sustainability



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.

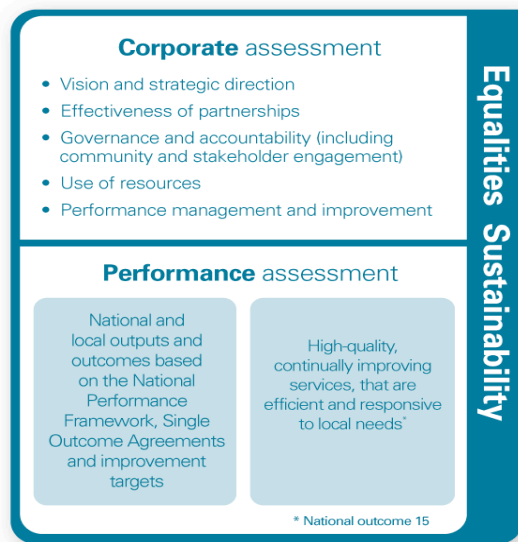
On behalf of the Auditor General and the Accounts Commission, Audit Scotland has identified a set of principles that form the basis for a consistent approach to the audit of Best Value across the public sector, although its application will differ to reflect factors such as the different accountability 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:

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## Exhibit 1

### Framework for a BV audit of a public body



Source: Audit Scotland

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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.

## **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](http://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.

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.

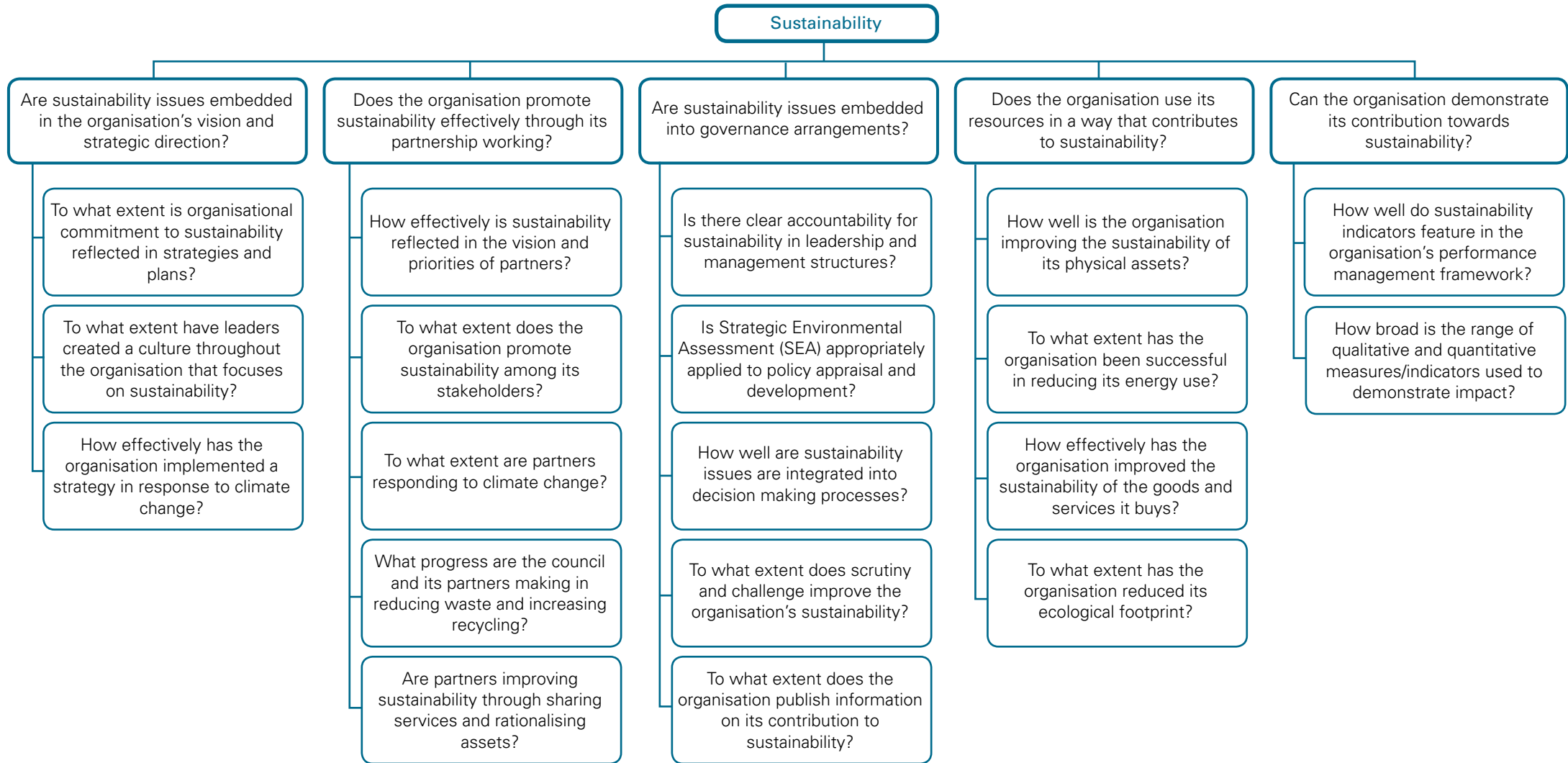
This toolkit forms part of a suite of audit products that will be applied, over time, to support a structured, evidenced based, judgment on an organisation’s approach to the use of the resources with which it has been provided and its achievement of Best Value.

### **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:

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

# Best Value toolkit: Sustainability



**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>1. Are sustainability issues embedded in the organisation’s vision and strategic direction?</b>			
<b>1.1 To what extent is organisational commitment to sustainability reflected in strategies and plans?</b>	There is a commitment to promoting sustainability in corporate documents (eg corporate plans). The commitment has been translated into some measurable objectives and targeted actions for delivery across the organisation.	The organisation has set clear and challenging priorities and SMART objectives on sustainability and these are reflected in a range of strategies and plans along with clearly identified resources for delivery.	Clear sustainability priorities, SMART objectives and local targets have been set through a process of consultation and are embedded throughout the organisation’s key strategies, policies and action plans. The organisation has clearly identified the resources needed to deliver its objectives/priorities in this area.
<b>1.2 To what extent have leaders created a culture throughout the organisation that focuses on sustainability?</b>	Sustainability issues are recognised in staff induction, training and development. The organisation has begun to evaluate the impact this work is having on establishing a more sustainability focused culture.	The organisation can demonstrate that its investment in induction, training and development programmes has had a positive impact in embedding sustainability within its culture.	The organisation has established a culture where consideration of sustainability is a routine part of day to day work across the whole organisation.
<b>1.3 How effectively has the organisation implemented a strategy in response to climate change?</b>	The organisation has developed a climate change strategy and action plan to implement its climate change duty. There remains scope within the strategy and action plan for a greater emphasis on how the organisation will adapt to climate change.	The organisation has developed an integrated climate change strategy and action plan to implement its climate change duty which seeks to reduce greenhouse gas emissions and to adapt to climate change. This is supported with actions, targets and resources	The organisation has developed an integrated climate change strategy and action plan that is supported with specific actions, targets and resources and clearly integrated with the organisation’s strategies, plans and performance management systems.  Consideration of the implications climate change are embedded in all of the organisation’s planning processes.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>2. Does the organisation promote sustainability effectively through its partnership working?</b>			
<b>2.1 How effectively is sustainability reflected in the vision and priorities of partners?</b>	There are broad commitments to sustainability in key partnership documents (eg community plans, SOA). The commitment has been translated into some measurable objectives and targeted actions.	Partners have agreed clear and stretching sustainability priorities and these are reflected in both partnership strategies and plans. Priorities have been translated into a small number of SMART objectives with identified resources for delivery.	Clear sustainability priorities, objectives and local targets are embedded across all partnership strategies, policies and action plans and the strategies and plans of individual partners. Sustainability objectives are SMART and have clearly identified resources for delivery.
	Sustainability priorities have had some influence on partnership activity, although there remains scope for further development.	Sustainability priorities have had a significant influence on partnership activity.	Sustainability priorities influence all partnership activity.
<b>2.2 To what extent does the organisation promote sustainability among its stakeholders?</b>	The promotion of sustainability within the organisation's area of operation has had some impact on the behaviour of stakeholders/communities/service users, but comparisons elsewhere show sustainability can be more effectively promoted for greater impact.	The organisation routinely promotes sustainability amongst stakeholders/communities/service users and there is evidence that this is positively influencing them towards more sustainable behaviour.	Co-ordinated and systematic work is carried out by the organisation to educate and influence stakeholders/communities/service users and there is evidence that this has significantly improved their behaviour with positive impacts on sustainability.
<b>2.3 To what extent are partners responding to climate change?</b>	The organisation and its partners have a shared climate change strategy and action plan focusing on reducing greenhouse gas emissions. There remains scope within the strategy and action plan for a greater emphasis on how partners will work together to adapt to climate change.	The organisation and its partners have a shared and integrated climate change strategy with plans to reduce greenhouse gas emissions and to adapt to climate change. They have an action plan with targets, and have demonstrated their individual commitment by assigning resources for delivery.	Partners have developed a shared and integrated climate change strategy and action plan, supported by specific actions, targets and resources and clearly linked to other partnership strategies and performance management systems.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>2.4 What progress are the organisation and its partners making in reducing waste and increasing recycling?</b>	The organisation has met its SOA target for recycling municipal waste that was agreed as contributing towards the government's national target. New and different approaches would be necessary to compete with the best organisations.	The organisation has met its SOA target for recycling municipal waste that was agreed as contributing towards the government's national target. It actively monitors the success of new and different approaches adopted elsewhere in exploring ways of recycling more in future.	The organisation is recognised as a leader in recycling through its efforts in developing new innovations and approaches. It has plans in place to increase further the recycling of municipal waste in the future.
	The organisation and its partners have managed to reduce the amount of waste that they produces in line with its plan for waste reduction and their commitment to reducing the total amount of waste produced in their area.	The organisation and its partners have significantly reduced the amount of waste they produce.  The organisation actively promotes the reduction of waste by all its partners and has a strategy and action plan to reduce the amount of waste produced in their area.	The organisation and its partners have minimised the amount of waste they produce and can clearly demonstrate this through benchmark comparisons with others.  The organisation and its partners strongly pursue a shared, clearly defined strategy for the reduction of all waste produced in their area.
	The organisation and its partners encourage stakeholders/communities/service users to move away from waste disposal and towards prevention, reuse and recycling.	The organisation and its partners have set waste management targets for moving stakeholders/communities/service users away from waste disposal and towards prevention, reuse and recycling. It regularly reviews its performance and targets to reflect the progress it is making.	The organisation and its partners can demonstrate a significant improvement in waste management locally, with stakeholders/communities/service users disposing far less waste and more effectively reusing and recycling the waste they do produce.
<b>2.5 Are partners improving sustainability through sharing services and rationalising assets?</b>	Sustainability benefits (eg reduced greenhouse gas emissions from buildings and transport, water use, reduced waste production and better management) are acknowledged by the organisation and partners in considering sharing of services and rationalising assets and do inform the decision-making process.	Sustainability issues are an integral part of the decision-making process when partners are considering sharing services and rationalising assets.	Sustainability issues are a key driver in examining options for the sharing services and rationalising assets.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>3. Are sustainability issues embedded into governance arrangements?</b>			
<b>3.1 Is there clear accountability for sustainability in leadership and management structures?</b>	There is an identified sustainability champion amongst senior management who is empowered and enabled to take action to mainstream sustainability throughout the organisation	There is an identified champion at the most senior decision-making level (board/council) who promotes sustainability across the organisation and actively challenges management on its performance.	The senior decision-making body and senior management show strong collective leadership on sustainability.
<b>3.2 Is Strategic Environmental Assessment (SEA) appropriately applied to policy appraisal and development?</b>	There are examples of SEAs having been carried out in decision making processes. They are typically the responsibility of sustainable development/environmental officers as they still need to be better understood across the organisation.	The organisation has identified an appropriate programme of SEAs and briefed policy makers and decision takers on the role of SEAs. It has made some progress in delivering this programme, although SEA outcomes can be more effectively considered in decision making processes.	SEAs are routinely carried out for all relevant policies. Their outcomes are clearly understood and fully evaluated in relevant decision-making processes.  The role of SEAs is incorporated within staff and elected/board member training and development programmes.
<b>3.3 How well are sustainability issues are integrated into decision making processes?</b>	Reports to inform decisions make reference to sustainability issues (eg checklist). There remains scope for sustainability information to be more detailed.	Reports to inform decisions clearly highlight sustainability issues, and contain information to link the decision to corporate/service goals and objectives.	Reports to inform decisions make reference to sustainability issues, and provide good quality information to clearly link the decision to corporate/service goals and objectives
	Sustainability issues are considered in decisions across range of issues and services. Their consideration can be more consistent through out decision-making processes.	Sustainability is frequently discussed as part of decision making processes, and the quality of supporting information has been improving.	Sustainability is a core element in all organisational decision making and is based on good quality information/evidence.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>3.4 To what extent does scrutiny and challenge improve the organisation's sustainability?</b>	The governing body scrutinises sustainability issues where they are the key feature of decisions, although there is scope for more effective challenge.	The governing body have developed a degree of confidence and understanding of sustainability and routinely challenge the sustainability implications for all elements of the organisation's activities.	Elected/board members have a sophisticated understanding of sustainability issues and this is reflected in the detailed level of scrutiny of policy, performance and decisions adds value within the organisation.
<b>3.5 To what extent does the organisation publish information on its contribution to sustainability?</b>	The organisation's public performance reporting strategy refers to its contribution to sustainability. Reported information is more heavily biased towards processes than outcomes.	The organisation publicly reports some qualitative and quantitative information about the achievement of sustainability objectives/outcomes. This information is accessible but could be more widely promoted.	The organisation publishes a wide range of balanced information about its performance in achieving its sustainability targets and outcomes. This information is promoted widely available and easily accessible.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>4. Does the organisation use its resources in a way that contributes to sustainability?</b>			
<b>4.1 How well is the organisation improving the sustainability of its physical assets?</b>	The organisation's asset management strategy takes into account the sustainability in the acquisition of new assets (eg new equipment new buildings).	In considering its asset management strategy, the organisation takes into account the most sustainable approach to the disposal of assets and has established criteria against which to make these judgements.	The organisation benchmarks the sustainability of its systems of asset management against other organisation and actively seeks to improve its performance.
<b>4.2 To what extent has the organisation been successful in reducing its energy use?</b>	The organisation has systems in place to monitor accurately its energy consumption – in terms of transport and buildings. Targets to reduce energy consumption form part of business plans in all parts of the organisation. The organisation has reduced its energy consumption in the previous year.	Targets to reduce energy consumption are included in the organisation's corporate and service objectives and routinely reported to and monitored by the organisation's governing body. The organisation has reduced its energy consumption over the past three years.	There is a champion at board/council level who actively promotes energy efficiency in the organisation. Members of staff throughout the organisation seek innovative methods of reducing energy consumption. The organisation has plans in place to generate sustained reductions in its future energy consumption.
<b>4.3 How effectively has the organisation improved the sustainability of the goods and services it buys?</b>	The organisation's procurement strategy, systems and processes include sustainability criteria (eg whole life costs, local sourcing).	The organisation actively seeks to procure innovative products and systems to improve its overall sustainability. The procurement strategy is regularly reviewed by the organisation's governing body.	The organisation seeks to co-ordinate its procurement with other organisations and shares information on best practice with regard to sustainable procurement.
<b>4.4 To what extent has the organisation reduced its ecological footprint?</b>	The organisation has measured its direct ecological footprint and has a plan in place to reduce it.	The organisation has reduced its ecological footprint. There is a corporate target and plan to reduce it.	The organisation routinely benchmarks its ecological footprint with comparable organisations and seeks to lead performance in this area.

**BEST VALUE TOOLKIT: ASSESSMENT MATRIX - SUSTAINABILITY**

	<b>Basic practice</b>	<b>Better practice</b>	<b>Advanced practice</b>
<b>5. Can the organisation demonstrate its contribution towards sustainability?</b>			
<b>5.1 How well do sustainability indicators feature in the organisation's performance management framework?</b>	Sustainability indicators within the performance management framework, primarily feature at a corporate level ie in the local SOA, the organisation's corporate plan and reflect indicators/outcomes in the national performance framework. Systems to demonstrate sustainability performance across the organisation need further development.	Sustainability indicators feature in the performance management framework both corporately and for services. The organisation is refining its performance framework to demonstrate sustainability performance more comprehensively and meaningfully and links between different levels are becoming clearer.	The organisation's performance management framework demonstrates performance on sustainability comprehensively and meaningfully.
<b>5.2 How broad is the range of qualitative and quantitative measures / indicators used to demonstrate impact?</b>	There are a range of sustainability performance measures/indicators, although they primarily provide qualitative information with quantitative data being more limited.	Sustainability performance measures/ indicators have a balance of qualitative information and quantitative data (eg ecological footprint, carbon emissions, energy use, transport data etc).	Sustainability performance measures/ indicators clearly demonstrate impact through a good balance of quantitative information and quantitative data drawn from the widest and most relevant sources.

# Best Value toolkit: Sustainability

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