

Minutes of the meeting of the Accounts  
Commission held in the offices of Audit  
Scotland, 110 George Street, Edinburgh  
on Tuesday 11 September 2007 at 2pm.

PRESENT: J Baillie  
O Clarke  
J Couper  
M Docherty  
I Low  
I Robertson

IN ATTENDANCE: C Gardner, Deputy Auditor General and Controller of Audit  
D Pia, Director of Public Reporting (Local Government)  
W F Magee, Secretary  
A McCubbin, Communications Officer  
N Bridle, Assistant Director of Public Reporting (Best Value)  
(items 7 and 8)  
L McGiffen, Portfolio Manager, Best Value (item 7)  
A Taylor, Portfolio Manager, Public Reporting (item 9)

<u>Item No</u>	<u>Subject</u>
1.	Chair
2.	Apologies
3.	Minutes
4.	Chair's Introduction
5.	Deputy Auditor General
6.	Departmental Re-organisation and the Voluntary Redundancy of the Chief Executive in East Lothian Council
7.	Best Value Audit of East Lothian Council
8.	Best Value Improvement Plan
9.	Police SPIs – Consultation on 2007 Direction
10.	Audit Scotland Financial and Performance Information
11.	Secretary

1. Chair

In the absence of Alastair MacNish, Isabelle Low occupied the Chair.

2. Apologies

Apologies for absence were intimated on behalf of Alan Alexander, Ann Faulds, Keith Geddes, Alastair MacNish, Mahendra Raj and Douglas Sinclair.

3. Minutes

The minutes of meeting of 8 August 2007 were submitted and approved. With reference to paragraph 6 of the minutes concern was expressed about the selective public quotation of the Commission's findings by councils and others.

4. Chair's Introduction

Isabelle Low advised the Commission of the current position in relation to appointments for chairmanship and membership of the Commission.

5. Deputy Auditor General

Caroline Gardner advised the Commission of a number of matters of current interest including:

- So far successful discussions with Lord Sutherland about the handling of the proposed study of free personal and nursing care
- Forthcoming publication of the report of the Crerar Review of Audit, Inspection, Regulation and Complaints Handling.

6. Departmental Re-organisation and the Voluntary Redundancy of the Chief Executive in East Lothian Council

With reference to paragraph 11 of the minutes of meeting of 20 June 2007 there was submitted a report by the Secretary together with extensive correspondence from the Monitoring Officer in East Lothian Council outlining the steps taken by the council in relation to the issues covered in the Controller of Audit's report and the Commission's associated findings. As a consequence of the council's actions in this matter he requested an extension of the statutory time limit for formal consideration of the Commission's findings until the date of the next full council meeting on 23 October 2007. After consideration the Commission noted the position and agreed to the request for an extension of time to consider the findings.

7. Best Value Audit of East Lothian Council

There was submitted a report by the Secretary introducing the Controller of Audit's report on the Best Value audit of East Lothian Council. The report was made by the Controller of Audit under section 102 of the Local Government (Scotland) Act 1973. The Controller of Audit and members of the Best Value Audit Team answered questions by members of the Commission. Thereafter the Commission made findings as contained in the Appendix to these minutes.

#### 8. Best Value Improvement Plan

There was submitted a report by the Director of Public Reporting (Local Government) referring to the Commission's previous consideration of proposals to develop the approach to the audit of Best Value and Community Planning and introducing a draft Improvement Plan to form the basis for discussions with councils and other stakeholders in the Autumn. A list of the proposed plan objectives were summarised in an Appendix to the report. In discussion a number of points were made:

- It will be important to develop a detailed project plan flowing from the agreed objectives with targets, timetable and resources and in sharper language
- It will be helpful to all concerned to give a clearer description of the criteria to be used
- There is a need for clear emphasis on the appropriate role of the Commission in leading the understanding of good practice and promoting realism in councils' Improvement Plans
- There are concerns about the timescale for developing the Best Value audit in police and fire services
- Greater emphasis should be placed on outcomes for service users and citizens.

Thereafter the Commission agreed:

- i. to accept the proposals in the report subject to the above comments as the basis for the development of a detailed project plan with targets, timetable and resources and as the basis for discussion with councils and other stakeholders in preparation for the next phase of the Best Value audit, and
- ii. to request a position paper on the Best Value audit of police and fire services for consideration at its meeting in October.

#### 9. Police SPIs – Consultation on 2007 Direction

There was submitted a report by the Director of Public Reporting (Local Government) presenting proposals relating to statutory performance indicators for police services in 2008/9 and seeking the Commission's approval to consult accordingly before making it's 2007 Direction. The report outlined the background to the issues, progress on the police performance framework, development of the framework and proposals for the 2007 Direction. In discussion a number of points were made:

- In relation to the indicator on the proportion of 999 calls answered within ten seconds, the text of the consultation paper should emphasise that the Commission awaits the development of a new indicator in this area by the Scottish Government and the police services
- The proposal not to proceed with an indicator on service user satisfaction should be explained in the positive context of the development of an alternative in the Scottish Police performance framework.

Thereafter the Commission agreed, subject to the above comments, to approve the draft consultation paper as attached to the report for distribution.

#### 10. Audit Scotland Financial and Performance Information

There was submitted a report by the Director of Corporate Services presenting Financial and Performance Information for Audit Scotland to 30 June 2007. The

Commission noted the information and that Audit Scotland are working to improve performance reporting to the Commission.

11. Secretary

Isabelle Low referred to the forthcoming retirement of Bill Magee as Secretary to the Commission and, on behalf of the members, expressed appreciation of his services, which had been invaluable to the Commission. Bill Magee responded and in particular referred to the excellent working relationship which the members had fostered in the Commission.

**ACCOUNTS COMMISSION FOR SCOTLAND**  
**BEST VALUE AUDIT OF EAST LoTHIAN COUNCIL**

**FINDINGS**

1. The Commission accepts this report on the performance of East Lothian Council's statutory duty to secure Best Value and to initiate and facilitate the community planning process. The Commission recognises that the report gives a broad picture of the council's performance based on the work of Audit Scotland and the findings of other scrutiny bodies such as Inspectorates and that it does not attempt a comprehensive review of all service delivery. We acknowledge the co-operation and assistance given to the audit process by members and officers of the council.
2. East Lothian Council has many inherent advantages due to the context in which it operates. The council's area enjoys:
  - An unemployment rate below the Scottish average
  - Low levels of deprivation
  - Life expectancy better than the Scottish average
  - Relatively low levels of crime
  - Good transport links
  - An attractive environment.
3. It is therefore of particular concern that the council has made such limited progress in establishing Best Value. While there are examples of successful service delivery, council services perform just below the Scottish average . Relationships between political and managerial leaders have been unduly close, resulting in informal decision making and lack of openness and transparency . The council has no financial strategy and does not have a systematic approach to the management of assets . Leadership of the council has lacked vision and coherence and has not promoted continuous improvement . Elected member leadership capacity has been limited and they have not been well supported to develop this capacity . This is combined with a lack of strategic focus and leadership by the Corporate Management Team
4. We recognise that the council has experienced significant changes in political leadership following the elections in May 2007 and that there are plans for a review of senior management with the departure of the Chief Executive. The council has a singular opportunity to introduce a programme of change and development in order to achieve Best Value for its local population. Council staff are committed and there are examples of good improvement work within services . We are concerned, however, about the capacity of the council to address the major issues which it faces and we urge it to consider what appropriate avenues are available for external assistance, including learning from best practice in the local government community.
5. The issues which the council should address immediately include
  - Open and transparent decision making, with members and officers adhering to their roles and responsibilities

- More robust and effective scrutiny arrangements
- Effective support and training for members
- A stable senior management structure with the capacity to take forward the improvement agenda
- Medium to longer term strategies for effective management of resources including financial planning and asset management
- An effective framework for strategic planning
- An integrated framework for continuous improvement

6. We look forward to receiving an Improvement Plan from the council which addresses the issues raised in the Controller of Audit's report and these findings.