East Lothian Council

REPORT TO: Audit and Governance Committee

MEETING DATE: 20 June 2017

BY: Chief Executive

SUBJECT: 2017 Corporate Governance Self-evaluation and Annual Governance Statement

1 PURPOSE

1.1 To advise Audit and Governance Committee of the outcome of the 2017 Corporate Governance Self-evaluation and seek approval for the content of the Annual Governance Statement.

2 RECOMMENDATIONS

The Committee is asked to:

2.1 note that the Council has been confirmed as an 'Established Investor in People organisation, and has been awarded a Committed to Excellence award by Quality Scotland and to extend its congratulations and thanks to all Council staff for achieving these awards

2.2 approve the Corporate Governance self-evaluation (Appendix 1)

2.3 approve the Annual Governance Statement (paragraph 3.10) inclusion in the Council's 2016/17 Annual Accounts.

3 BACKGROUND

3.1 The Annual Governance Statement, which needs to be included in the Council's Annual Accounts, takes account of the results of the annual Corporate Governance Self-evaluation, and recommendations from external assessments, audits or inspections.

3.2 Cabinet (11ᵗʰ May 2010) approved the adoption of a Code of Corporate Good Governance based on the six principles of good governance and the self-evaluation model outlined in the CIPFA/ SOLACE *Guidance on Delivering Good Governance in Local Government.*

3.3 The self evaluation framework identifies the code requirements against each of the six principles and then allows for documentary evidence to be shown alongside the previous year's update and improvement points. The final column provides an update and proposed improvement points for the latest year.

3.4 The Council Management Team has reviewed and updated the evidence provided against each requirement and provided an update and relevant improvement actions in the final column (see Appendix 1).

3.5 One point to note is that the Council has a new duty under the Scottish Regulator's Strategic Code of Practice to publish an annual statement on compliance with the Code (arising section 5 of the Regulatory Reform (Scotland) Act 2014). In order to avoid creating yet another reporting mechanism it is proposed that the Council fulfils the new requirement by incorporating a statement of compliance within the Corporate Governance Self-evaluation. This is dealt with under Supporting Principle 4.4: *Using the authority's legal powers to the full benefit of the citizens and communities in their areas.*

3.6 The Council has recently undergone an Investor in People assessment (March 2017) which confirmed the Council as an 'Established Investor in People organisation'. This means that the Council has achieved the Silver level award (the previous assessment resulted in a Bronze award) demonstrating that good practice is not only developed but is established as a normal way of working in the Council.

3.7 The Council also submitted itself to a Quality Scotland assessment process which resulted in being awarded a Committed to Excellence award (April 2017). This is the second level of recognition offered by the European Foundation for Quality Management (EFQM). The award assesses how the Council evaluates its performance and makes improvements in a structured and continuous basis.

3.8 Both IIP and Quality Scotland have provided detailed reports of the assessments which include recommended improvement actions in the following areas:

- Reviewing and promoting the Council Values

- Developing a workforce plan and workforce development plan including issues such as succession planning, rewards and recognition, management development and leadership development

- Reviewing then Council's key performance indicators and targets

- Developing staff communications and engagement, building on positive programmes such as the One Council Workshops

These improvement actions have been reflected in the Corporate Governance Self-evaluation and the Annual Governance Statement.

3.9 The latest external auditors' Interim Management Report to members (Audit & Governance Committee, March 2017) did not make any recommendations relating to the Council's governance processes. The Local Area Network's Local Scrutiny Plan 2017/2018 does not identify any specific issues or risks that need to be taken into account in the annual governance statement. It should be noted that the Council will be subject to an Audit Scotland Best Value Assessment Report which will be undertaken in 2017/18, with publication in 2018/19.

3.10 Taking into account the findings of the Corporate Governance Self-evaluation, the recommendations from the IIP assessment and Quality Scotland, Committed to Excellence assessment and the auditors' reports the following is proposed as the Annual Governance Statement for inclusion in the Council's Annual Accounts.

"The 2017 corporate governance self-evaluation has found that East Lothian Council continues to have good governance and control arrangements in place across the six corporate good practice principles.

It should be noted that the Council was confirmed as an 'Established Investor in People organisation in March 2017 and in April 2017 undertook an assessment which resulted in being awarded a Committed to Excellence Award by Quality Scotland.

The Council's governance self-evaluation and external assessments of governance, performance by Audit Scotland, Investors in People and Quality Scotland have identified several areas for further development and improvement. These actions build on existing good practice and improvement action already being implemented in order to ensure the Council's progress from continuous improvement through to excellence. These improvement actions are:

- *Adopt a 2017-2022 Council Plan*

- *Support the East Lothian Partnership to prepare and adopt a new East Lothian Plan (meeting its statutory duty to prepare a Local Outcome Improvement Plan) and review the East Lothian Partnership governance structure*

- *Promote the Council's consultation and engagement strategy and opportunities for public engagement and participation, which meet the Community Empowerment Act's statutory requirements relating to 'Participation Requests'*

- *Prepare and adopt a Workforce Plan, incorporating a Workforce Development Plan*

- *Develop a regulatory services charter covering all services that provide regulatory services to business*

- *Review elected members' development needs and provide an ongoing training and development programme*

- *Review the Council's key performance indicators and targets*

- *Further develop staff communications and engagement, building on positive programmes such as the One Council Workshops."*

3.11 These actions will be incorporated into the 2017/18 Council Improvement Plan.

4 POLICY IMPLICATIONS

4.1 The corporate governance code and self-evaluation framework detailed in Appendix 1 complement the Council's *How Good is Our Council* self-evaluation. The corporate governance self-evaluation fulfils the Council's commitment to assess whether it meets the principles and requirements set out in the guidance on Delivering Good Governance in Local Government. The addition of the summary of the self-evaluation to the Internal Financial Control statement will fulfil the remit to include an Annual Governance Statement in the Council's Annual Accounts.

5 INTEGRATED IMPACT ASSESSMENT

5.1 This report is not applicable to the well being of equalities groups and an Integrated Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – none.

6.2 Personnel – none.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 Appendix 1: Corporate Governance Self-evaluation, April 2017

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DATE	2 June 2017

APPENDIX 1: CORPORATE GOVERNANCE SELF-EVALUATION: May 2017

PRINCIPLE 1: Focusing on the purpose of the authority; on outcomes for citizens; and, service users and creating and implementing a vision for the area

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcome for citizens and service users			
1.1.1 Develop and promote the authority's purpose and vision	• 2020 Vision • Council Plan 2012-2017 • Council Improvement Plan • Single Outcome Agreement (SOA) • HGIOC Self Evaluations • Communications of corporate objectives across services • Incorporation of objectives and outcomes in Service Planning guidance • Corporate Induction Pack and training course • Three-year Financial Strategy • One Council Workshops • The 2017 Employee Engagement Survey showed 91% of staff agreed "I know how my job / individual objectives contribute to the Council's objectives" • Council vision and objectives of each service linked to Council Plan objectives are a key element of staff PRDs	The Council reviewed the Council Plan in October 2015 and agreed a set of priorities for the remaining period of the Plan that will contribute to meeting the Council's ambition. Over 700 staff have attended a One Council Workshop. Five further workshops are being held in the spring and a new round of Workshops will be held in the autumn Completion of the refresh of the Council's intranet has been delayed but should be completed in June Staff are being consulted on the Council's values and communications around values and vision will form a key focus of staff communications in 2016/17 No further action required	One Council Workshops which were run in autumn 2016 and continued to be well received by staff The Council Intranet was refreshed and a staff e-zine – Inform – was launched in early 2017. The 2016 Employee survey showed high level of support for using the East Lothian Way as basis or the Council values. These values have been communicated through Inform. It is recognised that further work is required to promote the Council's vision to, and engage positively with, staff Action Further develop staff communications and engagement, building on positive programmes such as the One Council Workshops

| 1.1.2 Review on a regular basis the authority's vision for East Lothian and its implications for the authority's governance arrangements | • Corporate Governance Code and self-evaluation framework adopted in May 2010
• Report on Council's vision, priorities and policies (Council, 22nd Feb 2011)
• Council Plan 2012-2017
• Council Plan reviewed in October 2014 and October 2015
• Chief Officers/ Council Management Team re-structured March 2012 and in July 2013
• Senior Management level restructured in Nov 2013
• Draft Council Plan 2017-2022
• Strategic Assessment to inform new context of new Council Plan and new East Lothian Plan
• Establishment of East Lothian Partnership Leadership group | The 2020 Vision forms the basis of the Council Plan and is still relevant.

The reviews of the Council Plan and priorities have set priorities that will contribute to achieving the Council Plan's ambition.

The Strategic Health and Social Care Plan and Children's and Young People Plan have established priorities that will contribute towards the achievement of the Single Outcome Agreement and the Council Plan

The Community Planning partnership's governance arrangements are being reviewed to ensure that it fully takes account of development such as the establishment of the Integrated Joint Board and the Children's Strategic Partnership

Action

The Council will begin the process of developing a new Council Plan for 2017 – 2022. It will engage with communities and partners on a refresh of the Council Vision and priorities that will form the basis for the new Plan | The Draft Council Plan 2017-2022, which was approved by Council in Feb 2017, is based on the Council vision and existing strategic priorities.

Work has commenced on finalising the 2017-2022 Council Plan

2017 Residents Survey (March 2017) showed overwhelming approval ratings for the Council objectives and priorities

Action

Adopt a 2017-2022 Council Plan |

| 1.1.3 Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners | - SOA 2013
- East Lothian Partnership structure and remit and roles of partnerships
- East Lothian Partnership self-evaluation carried out in Dec 2014
- New Children's Strategic Partnership established in 2014
- Agreements between East Lothian Council and partners
- Shared Services agreement with Midlothian Council continuing through Joint Liaison Group
- Local Policing Plan
- Local Fire and Rescue Plan
- Children and young People's Services Plan 2016-2019
- Integration Joint Board Strategic Plan
- Six Area Partnerships Area Plans
- Joint Asset Management Planning Group
- Edinburgh and South East Scotland City Region Deal
- Strategic Assessment to inform new context of new Council Plan and new East Lothian Plan
- Establishment of East Lothian Partnership Leadership group | The Children's Strategic Partnership has developed the Children and Young Peoples Plan

The Integration Joint Board has developed a Strategic Plan

The Safe & Vibrant Communities Partnership has taken on the role of Reducing Reoffending Strategic Partnership and a Community Justice Strategic Plan is being developed by relevant partners

East Lothian partnership is reviewing its Single Outcome Agreement and it structure and governance arrangements to ensure that they are fully aligned with the common vision and priorities of the partnership

The Council has played a major role in the partnership that has developed the proposals for the Edinburgh and South East Scotland City Region Deal around the theme of 'Accelerating Growth'

No further action required | Review of East Lothian Plan (Single Outcome Agreement) has commenced with view to agreement on a small number of key strategic objectives for the East Lothian Partnership. Agreement on new governance for the Partnership will follow

Community Justice Outcome Improvement Plan approved and new Community Justice Partnership to be established by the East Lothian Partnership to ensure effective governance on Community Justice matters

Continued progress has been made in developing the City Region Deal – final agreement on funding from UK and Scottish Governments has been delayed partly due to elections

Action

Support the East Lothian Partnership to prepare and adopt a new East Lothian Plan (meeting its statutory duty to prepare a Local Outcome Improvement Plan) and review the East Lothian Partnership governance structure |

1.1.4 Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	• Annual Accounts • Annual Performance Reports • SOA Annual Report • Local Government Benchmarking Framework report to PPR Co. • Unaudited Annual Accounts reported to Audit & Governance Co in June and to Council in August	Unaudited accounts are being prepared for presentation to Audit governance Committee in June Annual Performance Report 2015/16 will be published in September No further action required	2015/16 Annual Performance report was published in October 2016 2016/17 report will be published in June 2017 Unaudited accounts will be presented in June 2017 No further action required
1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning			
1.2.1 Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	• HGIOC, Business Plans and Improvement Plans • SOA Annual Report • Key Performance Indicators including local Government Benchmarking Framework indicators • PPR Co reporting and members' performance briefings • Complaints and compliments feedback • Independent inspection reports • Chief Social Work Officer's Annual Report • Service users' surveys • Citizens' Panel • Tenants' scrutiny activity including estate inspections, mystery shopping, surveys and focus groups • East Lothian and Profiles • Young People's Viewpoint and Education surveys • 2017 Residents Survey	Citizens' Panel will be surveyed twice in 2016 and the results will be used to inform the Council and East Lothian Partnership performance monitoring The pilot Residents' Review was completed and the report is being used to inform improvements in amenity services Two further Residents' Reviews will be held in 2016/17 Budget and tenants/ rent consultation took place prior to setting the 2016/17 budget The Education and Children's Wellbeing services will use the results of the new children's Wellbeing Survey to inform service improvement No further action required	The Citizens' Panel has been refreshed and continues to be surveyed at least twice a year One Residents Review was carried out in 2016. Further Reviews planned for 2017 A Residents Survey with over 1,500 respondents carried out in March 2017 The Council's Consultation and Engagement strategy is being reviewed in line with new duties under the Community Empowerment Act Action Promote the Council's consultation and engagement strategy and opportunities for public engagement and participation, which meet the Community Empowerment Act's statutory requirements relating to 'Participation Requests'

1.2.2 Put in place effective arrangements to identify and deal with failure in service delivery	• PPR Co reporting on key Performance Indicators, the Local Government Benchmarking Framework and customer feedback • HGIOC and service improvement plans incorporated into Service Plans • Significant case reviews in Social Work • Social Work Appeals Sub-Co • Social Work Complaints Review Co • Reporting of customer complaints and feedback • Whistleblowing Policy • External audits and inspection reports • Responding to issues raised by elected members	Continued participation in family group benchmarking supported by the Improvement Service, APSE and the Scottish Housing Network Council Management Team is reviewing quarterly performance indicators and the Local Government Benchmarking Framework to identify areas for further improvement or benchmarking The Council will participate in the new National Improvement Framework for Education Action Undertake benchmarking exercises on three areas of relatively poor performance	Council continues to monitor the Local Government Benchmarking Framework and participates in Improvement Service sponsored benchmarking activity Council Management Team reviews quarterly Performance Indicator report to identify any areas of poor performance that may require intervention/ action Council Management Team is carrying out 'peer review' sessions with every Service Action Review the Council's key performance indicators and targets

1.3 Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

1.3.1 Decide how value for money (VFM) is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions	• Procurement Strategy • Performance Management framework • PPR Co reporting • Audit & Governance Co reporting • Citizens' Panel • Customer feedback / surveys • Consultation and Engagement Strategy • Procurement Improvement Plan and Procurement Capability Assessment • Integrated Impact Assessment includes environmental impact	The Best Value Review of Asset and Capital Plan Management Action A Best Value review will be undertaken of at least one other service during 2016/17	No specific Best Value Review was carried out in 2016/17. However, the Transformation programme team is to undertake a series of reviews or services The Council is preparing for an Audit Scotland Best Value Assessment in 2018/19 including self assessment against 18 Best Value Toolkits The Council's auditors will report on value for money as part of the annual audit No further action required

PRINCIPLE 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
2.1 Ensuring effective leadership throughout the authority and being clear about executive and non executive functions and of the roles and responsibilities of the scrutiny function			
2.1.1 Set out a clear statement of the respective roles and responsibilities of Members generally and of Senior Officers	• Scheme of Delegation • Member/ officer protocol • CPD pilot for elected members • Review of Impact of Multi-Member Wards and Officer Member Relations carried out in 2011 • Induction programme for new elected members • Improvement Service Notebooks for new elected members • Guide to Scrutiny for elected members • Roles and Responsibilities for Elected members	Elected member survey to be carried out in May 2016 and results will inform the elected member training and briefing programme for 2016/17 Action An elected members' Induction Programme, including mandatory elements and a briefing on the role of elected members on partnership bodies and arms length organisations, will be prepared prior to the May 2017 council election	A comprehensive induction programme was organised for new and returning elected members following the May 2017 council election. Elements of the programme were mandatory for new members and some for all members. The programme included advice on the roles and responsibilities of members and senior officers No further action required
2.2 Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard			
2.2.1 Determine a Scheme of Delegation and reserve powers within constitution, including a formal scheme on those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required	• Scheme of Delegation • Policies such as HR policies include delegation of powers to officers	Action Review Standing Orders including Scheme of Administration and Scheme of Delegation	Standing Orders and the Schemes of Administration and Delegation have been reviewed and revised No further action required

2.2.2 Ensure the Chief Executive is responsible and accountable to the authority for all aspects of operational management within the Scheme of Delegation	• Chief Executive's job description • Appraisal of Chief Executive • Peer review by Executive Directors • Scheme of Delegation • Members Library reports record decisions taken under delegated powers	As above	No further action required
2.2.3 Develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	• Member/ officer protocol within Council Standing Orders • Regular meetings between Chief Executive and Council Leader • Annual appraisal for Chief Executive with Leader and Depute Leader • New Council Plan based on joint working between Chief Executive and Council Management Team and Council Leader and Administration agreed by Council • Chief Executive and Council Leader jointly represent the Council at various forums	As above	No further action required
2.2.4 Make a Senior Officer (the Section 95 Officer) responsible to the authority for ensuring appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining effective systems of internal financial control	• Section 95 Officer • Annual Accounts and Statement of Internal Financial Control • Internal and external audit reports • Three year Financial Strategy approved by Council • Treasury Management Strategy approved by Council	As above	No further action required

2.2.5 Make a senior officer (the Monitoring Officer; and for social work services the Chief Social Work Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	• Monitoring Officer • Chief Social Work Officer • Internal audit reports • CSWO Annual Report • Scottish Government guidance on the role of CSWO and registered social workers	As above	No further action required
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each know what to expect of each other			
2.3.1 Develop protocols to ensure effective communication between Members and Officers in their respective roles	• Member/ officer protocol within Council Standing orders • New Council Plan based on joint working between Chief Executive and Council Management Team and Council Leader and Administration agreed by Council • Regular Joint Senior Officers and Members group meetings	No further action required	See 2.1.1 No further action required
2.3.2 Ensure that an established scheme for remuneration of Members and Officers and an effective structure for managing the process including an effective remuneration panel (if applicable) are in place	• The Council follows the recommendations made by the Scottish Local Authorities Remuneration Committee • Chief Executives' scheme of remuneration • Registers of Interest for Members and Chief Officials • Auditors reviewed the outcome of the review of senior officers	No further action required	No further action required

2.3.3 Ensure that effective mechanisms exist to monitor service delivery	• Performance Management / Improvement framework • Performance website includes details of key performance indicators • Members' quarterly briefings and reports to PPR Committee • HGIOC • Service Plans and Corporate Improvement Plan • Independent inspections • Assurance and Improvement Plan agreed with Local Area Network	See 1.2 and 1.3 No further action required	See1.3.1
2.3.4 Ensure that the authority's vision, corporate plans, priorities and targets are developed, through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated	• New Council Plan based on draft approved in Jan 2012 and administration party manifestos • Single Outcome Agreement • Citizens' Panel • Consultation and Engagement Strategy • Council's vision, Plan and priorities are communicated to the Senior Management Team, including Head Teachers • Consultation around Main Issues Report and Local Development Plan • 2017 Residents Survey	No further action required	See 1.1.2 and 1.2.1

2.3.5 When working in partnership ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority	• Scheme of Administration, including Scheme of Delegation and Councillors' Code of Conduct • Memorandums and Articles of arms length companies • Induction programme for new elected members • Improvement Service Notebooks for new elected members • Advice provided to members on partnerships and outside bodies (e.g. Enjoy Leisure and Musselburgh Joint Racecourse Committee) • 2017 members' induction programme	See 2.1. Council has continued to argue against the Local Government boundary Commission proposal to reduce the number of elected members on East Lothian Council and is awaiting the final outcome of the review Action An elected members' Induction Programme, including mandatory elements and a briefing on the role of elected members on partnership bodies and arms length organisations, will be prepared prior to the May 2017 council election	The members' Induction Programme has included sessions which highlight their roles in partnerships and arms lengths organisations and an introductory session with key partners No further action required
2.3.6 When working in partnership, ensure that there is clarity about the legal status of the partnership; ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisations to partner decisions	• As above • Partnership Funding Strategy • East Lothian Partnership Improvement Plan • Service Level Agreements increasingly used when funding outside organisations • Procurement Improvement Plan • Adult and Children's Services Commissioning strategies • Health and Social Care Integration scheme approved by Council	No further action required	No further action required

PRINCIPLE 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behavior

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
3.1 Ensuring authority Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance			
3.1.1 Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	• Scheme of Administration, including Councillors' Code of Conduct • Various mechanisms used to inform council staff and the public of council decisions and policies • Customer Excellence • East Lothian Way • Service based Joint Consultative Committees have been established • Annual Employee Engagement Survey and feedback to staff • All FOI responses are published on the Council's website • Whistleblowing Policy • Workforce Development Plan • 2017 employee engagement survey results	The final CMI 5 course was delayed but will begin in August 2016. CMI3 course is still being run for frontline managers and aspiring managers Senior Management Team (CMT, Service Managers and Head Teachers) meets 4-6 times a year New PRD for all staff is being rolled out across the council One Council Workshops have helped to strengthen the climate of openness amongst staff Action The Council will review the Workforce Development Plan	See 1.1.1 The members' induction programme has highllghted the members the Code of Practice principles which are aligned to the Council's values which are being promoted to all staff Action Further develop staff communications and engagement, building on positive programmes such as the One Council Workshops

3.1.2 Ensure that standards of conduct and personal behaviour expected of all Members and staff, and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	• Scheme of Administration, including Councillors' Code of Conduct • East Lothian Partnership, three supporting Partnerships and six Area Partnerships • Disciplinary Code of Conduct for Employees • The East Lothian Way • Performance Review and Development Scheme for employees • Transformational Leadership Programme for senior officers and managers • Review of Impact of Multi-Member Wards and Officer Member Relations • Scottish Social Services Council Code of Conduct • Social Media Policy	Revision of PRD process has been completed and new PRD is being rolled out across all services No further action required	As above No further action required
3.1.3 Put in place arrangements to ensure that Members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	• Members' and Officers Codes of Conduct and Registers of Interests • Standing Orders • Single Equality Scheme and Equality Plan • Standing Orders including Scheme of Delegation and Whistleblowing Policy • Gifts and Hospitality policy • Induction programme for new elected members	See 2.1.1 Action The Council will promote greater awareness of Council policies such as the Gifts and Hospitality policy and Register of Interests	No further action required

3.2 Ensuring that organisational values are put into practice and are effective			
3.2.1 Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicating these with Members, staff, the community and partners	• East Lothian Way • Council Plan 2012-2017 • SOA and Community Plan • Customer Excellence • Transformational Leadership Programme • Performance Review & Development Scheme for employees • Corporate Induction Pack and Course for Managers • Code of Conduct and Disciplinary Procedures for all employees • Workforce Development Strategy and Plan • Staff e-zine	See 3.1.1 and 3.1.2 Staff are being consulted on the Council's values and communications around values and vision will form a key focus of staff communications in 2016/17 These will be re-enforced through the Performance Review and Development process and staff communications No further action required	See 1.1.1
3.2.2 Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	• Standing Orders including Councillors' Code of Conduct • Gifts and Hospitality policy	No further action required	No further action required
3.2.3 Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	• Standing Orders • East Lothian Way • Roll out of PRD for all employees • Annual Employee Engagement Survey • Draft Council Plan 2017-2022	See 3.1.2 No further action required	See 1.1.1 An Ideas Bank has been launched as means of generating ideas and providing feedback to staff on these ideas No further action required

PRINCIPLE 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny			
4.1.1 Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible	• Scheme of Administration • Audit & Governance Committee • PPR Committee • Reviews of the use of Scrutiny Guide by Audit & Governance and PPR Committees • Local Area Network and external auditors review the Council's scrutiny activity • Police, Fire & Rescue and Community Scrutiny Committee • Accounts Commission reports are considered by the Audit & Governance Committee	Police, Fire & Rescue and Community Scrutiny Committee established in 2015 Elected members survey (May 2016) will identify whether members require further scrutiny training Action The roles and remits of Audit & Governance and PPR Committees along with the scrutiny arrangements associated with the IJB will be reviewed	The Guide to Scrutiny for elected members has been reviewed and will be considered by the members of the scrutiny committees The Council's Key Performance Indicators are being reviewed and will be considered by the PPR Committee The Council will be subject of a Best Value Assessment by Audit Scotland in 2018/19. No further action required
4.1.2 Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	• Scheme of Administration including Scheme of Delegation • Members Library Service and Bulletin to report delegated decisions • E-gov provides access to all reports and minutes	No further action required	No further action required

4.1.3 Put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	• Standing Orders including Scheme of Delegation and Councillors' Code of Conduct with provisions for Registers and Declarations of Interest • Monitoring Officer • Recruitment and Selection procedures and training • Discipline and Grievance Procedures • Whistleblowing Policy • Gifts and Hospitality policy • Procurement Strategy	See 2.1.1 Action An elected members' Induction Programme, including mandatory elements and a briefing on the role of elected members on partnership bodies and arms length organisations, will be prepared prior to the May 2017 council election	See 2.1.1 No further action required
4.1.4 Develop and maintain an effective Audit Committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	• Standing Orders and Scheme of Administration • Audit & Governance Committee, chaired by member of the Opposition and with no Cabinet members • Elected members Scrutiny Guide • Assurance and Improvement Plan agreed with Local Area Network • Quarterly briefing on performance indicators	No further action required	No further action required
4.1.5 Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	• Complaints / Feedback policy • Publicity about complaints procedures • Six-monthly report on complaints and feedback made to PPR Committee	No further action required	No further action required

4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs

4.2.1 Ensure that those making decisions are provided with information that is fit for purpose - relevant, timely and gives clear explanations of technical issues and their implications	• Format of Council, Cabinet, Audit & Governance Co, PPR Co and East Lothian Partnership reports • Calendar of meetings and timely preparation of agendas and papers • Three-year Financial Strategy • Advice in preparing annual budget • Performance website and quarterly briefing for elected members	See 2.1.1 Report templates are being reviewed East Lothian Profile, Ward Profiles and group specific profiles (e.g. Young People) will be reviewed and updated in 2016 No further action required	The East Lothian Profile has been updated. Analysis of new challenges and opportunities informed the development of the Draft Council Plan No further action required
4.2.2 Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	• Agendas and papers for Council, Cabinet, Audit & Governance Co, PPR Co and Community Planning Board • Monitoring Officer, s95 Officer and Chief Social Work Officer provide advice on legal or financial implications as required	No further action required	No further action required
4.3 Ensuring that an effective risk management system is in place			
4.3.1 Ensure that risk management is embedded into the culture of the authority, with Members and Managers at all levels recognising that risk management is part of their jobs	• Risk Management Strategy • Risk Management Groups • Role of Audit & Governance Co • Corporate and Service Risk Registers approved by Cabinet or Audit & Governance Committee • Service Plans reflect corporate and service risks • Full suite of Health & Safety policies and management arrangements	Council Management Team (CMT) has reviewed Corporate and Service Risk Registers CMT has a programme of reviewing and approving Health & Safety policies and management arrangements No further action required	No further action required

4.3.2 Ensure that arrangements are in place for whistleblowing to which staff and all those contracting with the authority have access	• Standing Orders including Codes of Conduct • Whistleblowing Policy	No further action required	No further action required
4.4 Using the authority's legal powers to the full benefit of the citizens and communities in their areas.			
4.4.1 Actively recognise the limits of lawful activity placed on the authority by, for example, the ultra vires doctrine, but also strive to utilise powers to the full benefit of East Lothian's communities. The Council will comply with the Scottish Regulators' Strategic Code of Practice	• Senior officers and elected members have a good understanding of statutory powers • Standing Orders detail statutory powers under which senior officers operate • Monitoring Officer, s95 Officer and Chief Social Work officer provide appropriate advice • Internal and external Audit reports • Environmental Health Service Charter and Service Plan	No further action required	The Environmental Health Service Charter and Service Plan includes the objective to comply with the Scottish Regulators' Strategic Code of Practice Action Develop a regulatory services charter covering all services that provide regulatory services to business
4.4.2 Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law	• Scheme of Administration including Scheme of Delegation • Monitoring Officer, s95 Officer and Chief Social Work officer provide appropriate advice • Internal and external Audit reports	See 2.1.1 No further action required	See 2.1.1 No further action required
4.4.3 Observe all specific legislative requirements placed upon the authority, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into the authority's procedures and decision making processes	• Standing Orders • Quasi judicial committees and sub-committees • Monitoring Officer, s95 Officer and Chief Social Work Officer provide appropriate advice • Legal advice provided to elected members to support decision-making	No further action required	No further action required

PRINCIPLE 5: Developing the capacity and capabilities of members and officers to be effective

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
5.1 Make sure that Members and Officers have the skills, knowledge, experience and resources they need to perform their roles well.			
5.1.1 Provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis	• Induction programme for officers, CPD and training opportunities for staff • Piloted CPD for members • Performance Review and Development for all employees • Corporate Learning • E-Learning / LearnNet on ELnet • Induction programme for new elected members • Induction Notebooks on Elnet • Programme of briefing sessions for elected members	See 2.1.1 Action Elected members to be offered opportunity of undertaking a CPD programme	See 2.1.1 The new employees' induction programme has been reviewed and revised No further action required
5.1.2 Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority	• Job descriptions for statutory officers • Networking and development opportunities for statutory officers through professional associations • Role of statutory officers recognised in Scheme of Administration • People Strategy • Workforce Development Strategy and Plan	The review of Council Standing Orders and Scheme of Delegation (see 2.2) will include review of roles of statutory officers No further action required	See 2.2.1 Members' induction programme included information about the role of the Statutory Officers No further action required

5.2 Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group			
5.2.1 Assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively	• Performance Review and Development all employees • Guide to Scrutiny and Review published and scrutiny training provided for elected members • Elected members' Performance Briefings to encourage scrutiny of performance information	See 2.1.1 and 5.1.1	A Council Workforce Plan, incorporating the Workforce Development Plan is being prepared Elected members' development needs will be reviewed following the completion of the induction programme Actions Prepare and adopt a Workforce Development Plan, incorporating a Workforce Development Plan Review elected members' development needs and provide an ongoing training and development programme
5.2.2 Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	As above	As above	As above
5.2.3 Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan, which might, for example aim to address any training or development needs	• CPD pilot for elected members • Elected Members' Code of Conduct & complaints about performance	As above	As above

5.3 Encouraging new talent for membership of the authority so that best use can be made of individual's skills and resources in balancing continuity and renewal.

5.3.1 Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority	• Six Area Partnerships • Community Planning Community Engagement Strategy • Tenants and Residents Panel • Support for Voluntary Action East Lothian to participate in the Community Planning structures • Community Councils • Petitions Committee, including new online features • Council Consultation and Engagement Strategy • Champions Board for Looked After Children	See 1.2.1 The East Lothian Poverty Commission was established to recommend actions to tackle poverty based on evidence from the community and people' lived experience of poverty Action The Council will review and, where appropriate, act on the recommendations of the east Lothian Poverty Commission The Council will review and, where appropriate, act on the new duties and responsibilities from the Community Empowerment (Scotland) Act 2015	See 1.2.1
5.3.2 Ensure that career structures are in place for members and officers to encourage participation and development	• CPDs for officers • People Strategy • Transformational Leadership Programme • Performance Review and Development for all employees • Customer Service Professional Qualification • CMI 3 and CMI 5 courses • Workforce Development Strategy and Plan	The new PRD process is being rolled out across all services Action The Council will review the Workforce Development Plan	See 5.2.1

PRINCIPLE 6: Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principle & Code Requirements	Documentary Evidence	2016 Update and Improvement Points	Update and 2017 Improvement Points
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.			
6.1.1 Make clear to all staff and the community to whom the authority's leadership are accountable and for what	• Draft Council Plan 2017- 2022, SOA, Corporate Improvement Plan, Service and Business Plans • Information on Council structure available on Council website • Annual Performance Reports • Living newspaper	No further action required	No further action required
6.1.2 Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required	• Various forums for engaging with stakeholders including the East Lothian Partnership, Area Partnerships, East Lothian Tenants and Residents Panel, Community Councils and Parents Councils, STRIVE (the Third Sector Interface) • Consultation and Engagement Strategy • New governance arrangements for the East Lothian Partnership	STRIVE – East Lothian's Third Sector Interface is being reviewed Action The Council will follow up the review of STRIVE to further enhance the relationship between the third sector and the Council and East Lothian Partnership	The outcomes of the STRIVE review are being implemented with new appointment arrangements being agree with East Lothian Partnership The governance arrangements for the East Lothian Partnership are being reviewed alongside the development of the new East Lothian Plan No further action required
6.1.3 Produce an annual report on the activity of the scrutiny function	• Annual Performance Reports • Internal and external Audit Plans reviewed • Quarterly performance information published on-line • Internal controls assurance statement	Audit Scotland's review of local authority Performance Reports showed that East Lothian Council fully met all but two of the criteria tested. Action is being taken to improve performance reporting in these two areas No further action required	The 2016/17 Annual Performance Report is being presented to the PPR Committee in June 2017 An annual report on the activity of the scrutiny function will be incorporated into the Annual Public Performance report No further action required

6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority or in partnership or by commissioning

6.2.1 Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively	• Communications Strategy • Community Planning Community Engagement Strategy • People's Voice, the Community Planning Engagement Strategy includes monitoring framework • Citizens' Panel • Consultation and Engagement Strategy • Complaints procedures and monitoring reports	No further action required	See 1.2.1 Action Promote the Council's consultation and engagement strategy and opportunities for public engagement and participation, which meet the Community Empowerment Act's statutory requirements relating to 'Participation Requests'
6.2.2 Hold meetings in public unless there are good reasons for confidentiality	• Council meetings are held in public • Agendas, papers and minutes are published on the Council's website	No further action required	No further action required
6.2.3 Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	• Equality and Diversity Network • Community Planning Community Engagement Strategy • Community Councils • Local Area Forums • ELTRP • Citizens' Panel • Consultation and Engagement Strategy • 2017 Residents' Survey	See 1.2.1 No further action required	See 1.2.1 The Health & Social Care Partnership has engaged with service users and carers in developing a service model and specification for commissioning £20m care at home services for adults and older people No further action required

6.2.4 Establish clear policy on the types of issues the authority will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result	• Community Planning Community Engagement Strategy • ELTRP • Community Councils consulted on planning matters • Consultation and Engagement Strategy	As above	See 1.2.1 and 6.2.1
6.2.5 Publish an annual performance plan giving information on the authority's vision, strategy, plans and finances well as information about incomes, achievements and satisfaction of service users in the previous period	• Annual Performance Reports • Annual Accounts • Performance Management Framework – Improvement to Excellence	No further action required	See 6.1.3
6.2.6 Ensure that the authority as a whole is open and accessible to the community, service users and its staff, and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	• Compliance with the Freedom of Information Act and Data Protection Act • Council meetings held in public • Agendas for meetings, minutes and reports published on the Council website • Living newspaper • Star Awards Public Nominations • Petitions Committee • Performance website	No further action required	No further action required

6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff

6.3.1 Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	• People Strategy • JCC and JC Groups • Employee and JTU Consultations • Annual Budget Review and Development Discussions for JTU • Employee Engagement Survey • Annual Working Together Forum • Staff involved in HGIOC	No further action required	No further action required