

**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 26 February 2026

**BY:** Chief Finance Officer

**SUBJECT:** Best Value – Annual Compliance Review 2024/25

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## 1 PURPOSE

- 1.1 The IJB has a duty of best value under s106 of the Local Government Scotland Act (1973). The ACT applies to all local government bodies and this paper presents the IJB's compliance with that Best Value duty.

## 2 RECOMMENDATIONS

The IJB is asked to:

- 2.1 Note the Best Value compliance guidance which is attached at **Appendix 1**.
- 2.2 Consider if there are any other matters that impact on the delivery of best value.
- 2.3 Agree that the Best Value Compliance Review for 2024/25 – **Appendix 2** – provides assurance to the IJB that its duty of Best Value is being met.

## 3 BACKGROUND

- 3.2 The IJB has a statutory duty of best value which is the same as all local government bodies (e.g. Local Authorities).
- 3.3 The IJB adopted a Best Value Framework in 2023/24 to consider its delivery of the duties of Best Value. These duties are:
- The duty of Best Value, being to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and in making those arrangements and securing the balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.

- The duty to achieve break-even in trading accounts subject to mandatory disclosure. (The IJB has no trading accounts and this duty is not relevant.)
- The duty to observe proper accounting practices.
- The duty to make arrangements for the reporting to the public of the outcome of the performance of functions.

3.4 There are seven broad themes against which the IJB can assess its compliance against its duty of Best Value. These are:

- 1 – Vision and Leadership
- 2 – Governance and Accountability
- 3 – Effective Use of Resources
- 4 – Partnerships and Collaborative Working
- 5 – Working with Communities
- 6 – Sustainable Development
- 7 – Fairness and Equality

3.5 The guidance at **Appendix 1** discusses each of these themes further and lays out, in considerable detail, both the importance of these themes and offers thoughts on how they can be delivered.

3.6 Following this guidance and working through the seven themes in 3.3, a compliance statement has been drawn up. This is attached as **Appendix 2**.

3.7 Ideally this review should be undertaken prior to the preparation of the IJB annual accounts in June each year. However, to ensure a compliance review was undertaken for 2024/25, this report has been produced. This embeds the process and allows the IJB to understand how it works. A review for 2025/26 will be undertaken early in the new financial year and brought to an IJB meeting in the new financial year.

3.8 **Appendix 2** provides assurance to the IJB that its duty of best value is being met.

## 4 ENGAGEMENT

4.1 The IJB holds its meeting in public and makes its papers available to the public.

## 5 POLICY IMPLICATIONS

5.1 There are no new policy implications in the above paper.

## 6 INTEGRATED IMPACT ASSESSMENT

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **7 DIRECTIONS**

- 7.1 This report does not require any new directions nor amendments to any current directions.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Financial – None
- 8.2 Personnel – None
- 8.3 Other – None

## **9 BACKGROUND PAPERS**

- 9.1 None

### **Appendices:**

Appendix 1 – Revised Best Value Statutory Guidance 2020.

Appendix 2 – East Lothian IJB – Best Value Compliance Assessment 2024/25

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<b>DATE</b>	February 2026



# Appendix 1

## Local Government in Scotland Act 2003

# Best Value: Revised Statutory Guidance 2020

March 2020



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

**LOCAL GOVERNMENT IN SCOTLAND ACT 2003**  
**BEST VALUE: REVISED STATUTORY GUIDANCE 2020**

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## SECTION 1 – OVERVIEW

### The Duty of Best Value

The [Local Government in Scotland Act 2003](#) introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

### Purpose of the Guidance

[Best Value guidance](#) has been in place since 2004, identifying the characteristics of Best Value to help local authorities develop arrangements to demonstrate continuous improvement in their performance.

In recognition of the changes since 2004 to the environment in which local authorities deliver services, a multi-agency steering group was tasked with reviewing and refreshing the guidance. The steering group endorsed the continuing relevance of the substance of the original guidance, but felt that it should be revised to reflect the current public service landscape in Scotland, with an increasing emphasis on citizens and personalised services, a focus on outcomes, and the need for innovation in designing public services for the future. The steering group also identified the need for synergy and alignment, so far as possible and appropriate, between the statutory guidance and the [guidance on Best Value in public services](#), which applies to public bodies that are accountable to the Scottish ministers.

This revised guidance has been produced by the steering group and reflects the priorities that it identified. It replaces the previous guidance that was published in 2004, which comprised both the statutory guidance by Scottish ministers and supporting guidance by the then Best Value Task Force, so that all the relevant guidance is now contained in this single document.

## Best Value Themes

This revised guidance is framed around the following Best Value themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

As in the previous guidance, sustainability and fairness and equality continue to be cross-cutting themes that should be integral to all of the functions and activities carried out by a local authority to deliver good outcomes and achieve Best Value.

Section 2 of this guidance explains these themes and how a local authority can demonstrate that it is delivering Best Value in respect of each theme.

## Scope of the Guidance

This guidance applies to other bodies as required by Section 106 of the Local Government (Scotland) Act 1973, notably health and social care integration joint boards and other joint committees or boards, that are subject to the same statutory Best Value duties as local authorities and it should be interpreted and applied accordingly. Section 14 of the 2003 Act applies the Best Value duty to these other bodies and thus references throughout the guidance to 'local authorities' cover all such bodies.

Other devolved public bodies, such as the NHS, are not directly covered by the 2003 Act. They are, however, under a similar Best Value duty, which is set out in the [Scottish Public Finance Manual](#), and a statutory duty under the [Public Finance and Accountability \(Scotland\) Act 2000](#) to use their resources 'economically, efficiently and effectively'.

Since 2003, the enactment of other key legislation has had a significant impact across Scotland, extending the requirements of Best Value beyond local authorities. The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) has resulted in the integration of health and social care, while the [Community Empowerment \(Scotland\) Act 2015](#) has strengthened the statutory base for community planning, and for involving and engaging communities in planning and decision-making about things that matter to them.

## **Working with Partners**

Achieving Best Value is increasingly dependent on the effectiveness of partnerships and collaborative working arrangements with a range of stakeholders, in addition to how well a local authority manages its own activities. Since the original version of this guidance was published in 2004, there has been an increased focus on partnership and collaborative working across the public sector, with much more alignment of key plans and strategies among partners, and joint working to deliver shared outcomes. Alignment of key plans and strategies with its partners, an understanding of place, a commitment to reducing inequalities, empowering communities to affect change, and being able to demonstrate improved outcomes for people who use services are now key requirements in the achievement of Best Value.

Although local authorities are not responsible for the performance of all partners in their areas, they are crucial in influencing many local services through their relationships with others. Local authorities achieving Best Value will be able to demonstrate a vision and direction of travel shared with key stakeholders in order to achieve key outcomes for local people. There are a number of areas where Best Value can be demonstrated only by working in strong partnership arrangements with bodies not covered by the statutory Best Value duties in the 2003 Act, and this is reflected in the guidance.

This guidance should be read in conjunction with the [statutory guidance on community planning](#), which describes how local authorities and other public sector bodies should work together in the context of community planning.

## **Role of the Accounts Commission**

The Accounts Commission for Scotland is responsible for reporting on the performance by local authorities (and those other bodies covered by section 14 of the 2003 Act as discussed above, such as integration joint boards) of their Best Value and community planning duties. The Commission considers, in public, statutory reports from the Controller of Audit on Best Value, based upon the annual audit work by appointed external auditors in individual councils. Having considered such a report, the Commission has a range of powers that it can use, as set out in the Local Government (Scotland) Act 1973. They also make use as appropriate of the work of other local government scrutiny and inspection bodies.

## **SECTION 2 – BEST VALUE THEMES**

### **Overview**

The 2004 Best Value guidance was structured around ten Best Value characteristics. This refreshed guidance reconfigures these characteristics into seven themes that better reflect the significantly changed policy and public service delivery landscape within which local authorities now operate.

Local authorities must be able to demonstrate a focus on continuous improvement in performance around each of these themes.

### **Theme 1 – Vision and Leadership**

Effective political and managerial leadership is central to delivering Best Value, through setting clear priorities and working effectively in partnership to achieve improved outcomes. Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **Members and senior managers have a clear vision for their area that is shared with citizens, key partners and other stakeholders.**
- **Members set strategic priorities that reflect the needs of communities and individual citizens, and that are aligned with the priorities of partners.**
- **Effective leadership drives continuous improvement and supports the achievement of strategic objectives.**

This means that:

1. The local authority's vision for its area is developed in partnership with its citizens, employees, key partners and other stakeholders.
2. Members set strategic priorities that contribute to achieving the local authority's vision, reflect the needs of communities and individual citizens, and are aligned with the priorities of partners. They take decisions that contribute to the achievement of those priorities, in particular when allocating resources and in setting and monitoring performance targets.
3. The local authority's vision and strategic priorities are clearly communicated to its citizens, staff and other partners.

4. Strategic plans reflect a pace and depth of improvement that will lead to the realisation of the local authority's priorities and the long-term sustainability of services.
5. Service plans are clearly linked to the local authority's priorities and strategic plans. They reflect the priorities identified through community planning, and show how the local authority is working with partners to provide services that meet community needs.
6. Priority outcomes are clearly defined, and performance targets are set that drive continuous improvement in achieving those outcomes.
7. There are clear and effective mechanisms for scrutinising performance that enable the taking of informed decisions and the measuring of impacts and service outcomes.
8. There is a corporate approach to continuous improvement, with regular updating and monitoring of improvement plans.
9. The local authority and its partners agree on how the key elements of Best Value will contribute to achieving the commonly agreed local priorities and outcomes. These key elements include the need to:
  - secure continuous improvement, in particular for those services aligned to the local authority's priorities
  - provide customer- and citizen-focused public services, which meet the needs of diverse communities
  - achieve the best balance of cost and quality in delivering services (having regard to economy, efficiency, effectiveness and equalities)
  - contribute to sustainable development
  - encourage and support innovation and creativity.
10. Members and senior managers communicate the approach to Best Value methodically throughout the local authority in terms that are relevant to its staff and set out clear expectations of them. The local authority has a positive culture in which its people understand its vision and objectives and how their efforts contribute to their achievement, and they are engaged with and committed to improvement.
11. Members and senior managers are self-aware. They commit to training and personal development to update and enhance their knowledge, skills, capacity and capabilities to deliver Best Value and perform their leadership roles, and they receive sufficient support to do so.
12. Leadership is effective and there is good collaborative working. Members and senior managers have a culture of cooperation and working constructively in partnership, informed by a clear understanding of their respective roles and responsibilities and characterised by mutual respect, trust, honesty and openness and by appropriate behaviours.

## **Theme 2 – Governance and Accountability**

Effective governance and accountability arrangements, with openness and transparency in decision-making, schemes of delegation and effective reporting of performance, are essential for taking informed decisions, effective scrutiny of performance and stewardship of resources.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **A clear understanding and the application of the principles of good governance and transparency of decision-making at strategic, partnership and operational levels.**
- **The existence of robust arrangements for scrutiny and performance reporting.**
- **The existence of strategic service delivery and financial plans that align the allocation of resources with desired outcomes for the short, medium and long terms.**

This means that:

1. Members and senior managers ensure accountability and transparency through effective internal and external performance reporting, using robust data to demonstrate continuous improvement in the local authority's priority outcome measures.
2. Management information and indicators that allow performance to be assessed are widely and consistently used by the local authority. Senior management regularly receives information that is used to inform members about performance.
3. Performance is reported to the public, to ensure that citizens are well informed about the quality of services being delivered and what they can expect in future.
4. Learning from previous performance, and from the performance of other local authorities, informs the review and development of strategies and plans to address areas of underperformance.
5. Key organisational processes are linked to, or integrated with, the planning cycle; these include strategic analyses, stakeholder consultations, fundamental reviews, performance management, staff appraisal and development schemes, and public performance reporting.
6. The local authority has a responsible attitude to managing risk, and business continuity plans (including civil contingencies and emergency plans) are in place to allow an effective and appropriate response to planned and unplanned events and circumstances.

7. Key discussions and decision-making take place in public meetings, and reasonable measures are taken to make meeting agendas, reports and minutes accessible to the public, except when there are clear reasons why this would be inappropriate.
8. The local authority's political structures support members in making informed decisions.
9. The scrutiny structures in the local authority support members in reviewing and challenging its performance.
10. Members and senior managers promote the highest standards of integrity and responsibility, establishing shared values, mutual trust and sound ethics across all activities. Effective procedures are in place to ensure that members and staff comply with relevant codes of conduct and policies. This includes ensuring that appropriate policies on fraud prevention, investigation and whistleblowing are established and implemented.
11. Members and senior managers understand and effectively communicate their respective and collective roles and responsibilities to members and staff. They understand that effective delegation enables and supports the local authority's ability to achieve Best Value.
12. An information governance framework is in place that ensures proper recording of information, appropriate access to that information including by the public, and legislative compliance.
13. Technological innovation and digital transformation are promoted and used to ensure accessibility of performance information and public accountability.
14. Members and employees across the local authority understand and implement their responsibilities in relation to its Standing Orders and Financial Regulations.
15. There are clear governance and lines of accountability when delivering services via a third party, and there is evidence of the application of the principles within the ['Following the Public Pound' guidance](#) when funding is provided to external bodies.

### **Theme 3 – Effective Use of Resources**

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a local authority will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **It makes best use of its financial and other resources in all of its activities.**
- **Decisions on allocating resources are based on an integrated and strategic approach, are risk-aware and evidence-based, and contribute to the achievement of its strategic priorities.**
- **It has robust procedures and controls in place to ensure that resources are used appropriately and effectively, and are not misused.**
- **It works with its partners to maximise the use of their respective resources to achieve shared priorities and outcomes.**

This means that:

#### Staff

1. A workforce strategy is in place that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.
2. The strategy is translated into workforce plans, covering employee numbers, skills, knowledge, competencies and organisational structures, that demonstrate how staff will be deployed to deliver the services planned for the future. Plans are regularly reviewed at appropriate intervals according to a clear review cycle.
3. All employees are managed effectively and efficiently, and know what is expected of them. Employee performance is regularly assessed through performance appraisal, with individuals and teams being supported to improve, where appropriate.
4. Members and senior managers understand and demonstrate that effective delegation is an important contribution to the local authority's ability to achieve Best Value.
5. The contribution of staff to ensuring continuous improvement is supported, managed, reviewed and acknowledged.

6. The local authority demonstrates a commitment to fairness, equity and safety in the workplace; it adopts relevant statutory guidance through progressive workplace policies and a commitment to best practice in workplace relationships.
7. Leaders ensure that there is the organisational capacity to deliver services through effective use of all employees and other resources. They communicate well with all staff and stakeholders, and ensure that the organisation promotes a citizen- and improvement-focused culture that delivers meaningful actions and outcomes.

### Asset management

1. There is a corporate approach to asset management that is reflected in asset management strategies and plans, which are subject to regular review.
2. There is a systematic and evidence-based approach to identifying and managing risks in relation to land, buildings, plant, equipment, vehicles, materials and digital infrastructure.
3. The local authority actively manages its asset base to contribute to its objectives and priorities.
4. Fixed assets are managed efficiently and effectively, taking account of availability, accessibility, safety, utilisation, cost, condition and depreciation.

### Information

1. Information is regarded as a strategic resource and is managed accordingly.
2. There is a clear digital strategy in place, which includes resilience plans for information systems.
3. Information is shared appropriately, and the local authority seeks to develop data compatibility with its partners.

### Financial management and planning

1. There is clear alignment between the local authority's budgets and its strategic priorities.
2. Regular monitoring and reporting of financial outturns compared with budgets is carried out, and corrective action taken where necessary to ensure the alignment of budgets and outturns.
3. Financial plans show how the local authority will fund its services in the future. Long-term financial plans that include scenario planning for a range of funding levels are prepared and linked to strategic priorities.
4. An appropriate range of options is considered when taking decisions, and robust processes of option appraisal and self-assessment are applied.

5. The local authority has clear plans for how it will change services and realise efficiencies to close future budget gaps.
6. Members and senior managers have a clear understanding of likely future pressures on services and of how investment in preventative approaches can help alleviate those pressures, and they use that understanding to inform decisions.
7. Financial performance is systematically measured across all areas of activity, and regularly scrutinised by managers and members.
8. There is a robust system of financial controls in place that provides clear accountability, stakeholder assurance, and compliance with statutory requirements and recognised accounting standards.
9. The local authority complies with legal and best practice requirements in the procurement and strategic commissioning of goods, services and works, including the [Scottish Model of Procurement](#). There is clear accountability within procurement and commissioning arrangements.
10. There are clear and effective governance and accountability arrangements in place covering partnerships between the local authority and its arm's-length external organisations (ALEOs), including for performance monitoring and the early identification of any significant financial and service risks; there is evidence of the application of the principles of 'Following the Public Pound.'
11. The local authority has a reserves policy that supports its future financial sustainability, and its reserves are held in accordance with that policy.

### Performance management

1. Effective performance management arrangements are in place to promote the effective use of the local authority's resources. Performance is systematically measured across all areas of activity, and performance reports are regularly scrutinised by managers and elected members. The performance management system is effective in addressing areas of underperformance, identifying the scope for improvement and agreeing remedial action.
2. There is a corporate approach to identifying, monitoring and reporting on improvement actions that will lead to continuous improvement in priority areas. Improvement actions are clearly articulated and include identifying responsible officers and target timelines.
3. The local authority uses self-evaluation to identify areas for improvement. This includes the use of comparative analyses to benchmark, monitor and improve performance.

4. The local authority takes an innovative approach when considering how services will be delivered in the future. It looks at the activities of other organisations, beyond its area, to consider new ways of doing things. A full range of options is considered, and self-assessment activity and options appraisal can be demonstrated to be rigorous and transparent.
5. Evaluation tools are in place to link inputs, activities and outputs to the outcomes that they are designed to achieve. There is evidence to demonstrate that improvement actions lead to continuous improvement and better outcomes in priority service areas.
6. The local authority seeks and takes account of feedback from citizens and service users on performance when developing improvement plans.
7. Improvement plans reflect a pace and depth of improvement that will lead to the realisation of the local authority's priorities and the long-term sustainability of services.
8. Performance information reporting to stakeholders is regular and gives a balanced view of the local authority's performance, linked to its priority service areas. The information provided is relevant to its audience, and clearly demonstrates whether or not strategic and operational objectives and targets are being met.
9. The local authority demonstrates a trend of improvement over time in delivering its strategic priorities.

## **Theme 4 – Partnerships and Collaborative Working**

The public service landscape in Scotland requires local authorities to work in partnership with a wide range of national, regional and local agencies and interests across the public, third and private sectors.

A local authority should be able to demonstrate how it, in partnership with all relevant stakeholders, provides effective leadership to meet local needs and deliver desired outcomes. It should demonstrate commitment to and understanding of the benefits gained by effective collaborative working and how this facilitates the achievement of strategic objectives.

Within joint working arrangements, Best Value cannot be measured solely on the performance of a single organisation in isolation from its partners. A local authority will be able to demonstrate how its partnership arrangements lead to the achievement of Best Value.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **Members and senior managers have established and developed a culture that encourages collaborative working and service provision that will contribute to better and customer-focused outcomes.**
- **Effective governance arrangements for Community Planning Partnerships and other partnerships and collaborative arrangements are in place, including structures with clear lines of responsibility and accountability, clear roles and responsibilities, and agreement around targets and milestones.**

This means that:

1. Members and senior managers actively encourage opportunities for formal and informal joint/integrated working, joint use of resources and joint funding arrangements, where these will offer scope for service improvement and better outcomes.
2. The local authority is committed to working with partner organisations to ensure a coordinated approach to meeting the needs of its stakeholders and communities. This includes:
  - scenario planning with partners to identify opportunities to achieve Best Value
  - collaborative leadership to identify Best Value partnership solutions to achieve better outcomes for local people
  - proactively identifying opportunities to invest in and commit to shared services
  - integrated management of resources where appropriate
  - effective monitoring of collective performance, including self-assessment and reviews of the partnership strategy, to ensure the achievement of objectives

- developing a joint understanding of all place-based capital and revenue expenditure.
3. Members and senior managers identify and address any impediments that inhibit collaborative working. The local authority and its partners develop a shared approach to evaluating the effectiveness of collaborative and integrated working.
  4. In undertaking its community planning duties the local authority works constructively with partners to agree a joint vision for the Community Planning Partnership and integrates shared priorities and objectives into its planning, performance management and public reporting mechanisms. Service plans clearly reflect the priorities identified through community planning, and show how the local authority is working with partners to provide services that meet stakeholder and community needs.

## **Theme 5 – Working with Communities**

Local authorities, both individually and with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives. Community bodies – as defined in the Community Empowerment Act 2015 (section 4(9)) – must be at the heart of decision-making processes that agree strategic priorities and direction.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services.**
- **A commitment to reducing inequalities and empowering communities to effect change and deliver better local outcomes.**
- **That engagement with communities has influenced strategic planning processes, the setting of priorities and the development of locality plans.**

This means that:

1. Members and senior managers ensure that meaningful consultation and engagement in relation to strategic planning take place at an early stage and that the process of consultation and engagement is open, fair and inclusive.
2. Members and senior managers are proactive in identifying the needs of communities, citizens, customers, staff and other stakeholders; plans, priorities and actions are demonstrably informed by an understanding of those needs.
3. Communities are involved in making decisions about local services, and are empowered to identify and help deliver the services that they need. Suitable techniques are in place to gather the views of citizens, and to assess and measure change in communities as a result of service interventions.
4. Active steps are taken to encourage the participation of hard-to-reach communities.
5. The local authority and its Community Planning Partnership work effectively with communities to improve outcomes and address inequalities.
6. A locality-based approach to community planning has a positive impact on service delivery within communities, and demonstrates the capacity for change and for reducing inequality in local communities by focusing on early intervention and prevention.

7. Members and senior managers work effectively with partners and stakeholders to identify a clear set of priorities that respond to the needs of communities in both the short and the longer term. The local authority and its partners are organised to deliver on those priorities, and clearly demonstrate that their approach ensures that the needs of their communities are being met.
8. The local authority engages effectively with customers and communities by offering a range of communication channels, including innovative digital solutions and social media.
9. The local authority plays an active role in civic life and supports community leadership.

**The two cross-cutting themes that a Best Value local authority should fully embrace across all of its activities are Theme 6, sustainable development, and Theme 7, fairness and equality.**

### **Theme 6 – Sustainable Development**

Sustainable development is commonly defined as securing a balance of social, economic and environmental wellbeing in the impact of activities and decisions, and seeking to meet the needs of the present without compromising the ability of future generations to meet their own needs. The [United Nations Sustainable Development Goals](#) provide a fuller definition and set out an internationally agreed performance framework for their achievement.

Sustainable development is a fundamental part of Best Value. It should be reflected in a local authority's vision and strategic priorities, highlighted in all plans at corporate and service level, and a guiding principle for all of its activities. Every aspect of activity in a local authority, from planning to delivery and review, should contribute to achieving sustainable development.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **Sustainable development is reflected in its vision and strategic priorities.**
- **Sustainable development considerations are embedded in its governance arrangements.**
- **Resources are planned and used in a way that contributes to sustainable development.**
- **Sustainable development is effectively promoted through partnership working.**

This means that:

1. Leaders create a culture throughout the local authority that focuses on sustainable development, with clear accountability for its delivery across the leadership and management team.
2. There is a clear framework in place that facilitates the integration of sustainable development into all of the local authority's policies, financial plans, decision-making, services and activities through strategic-, corporate- and service-level action. In doing so, the local authority will be able to demonstrate that it is making a strategic and operational contribution to sustainable development.
3. The local authority has set out clear guiding principles that demonstrate its, and its partners', commitment to sustainable development.
4. There is a broad range of qualitative and quantitative measures and indicators in place to demonstrate the impact of sustainable development in relation to key economic, social and environmental issues.
5. Performance in relation to sustainable development is evaluated, publicly reported and scrutinised.

## **Theme 7 – Fairness and Equality**

Tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens should be key priorities for local authorities and all of their partners, including local communities.

**In achieving Best Value, a local authority will be able to demonstrate the following:**

- **That equality and equity considerations lie at the heart of strategic planning and service delivery.**
- **A commitment to tackling discrimination, advancing equality of opportunity and promoting good relations both within its own organisation and the wider community.**
- **That equality, diversity and human rights are embedded in its vision and strategic direction and throughout all of its work, including its collaborative and integrated community planning and other partnership arrangements.**
- **A culture that encourages equal opportunities and is working towards the elimination of discrimination.**

This means that:

1. The local authority demonstrates compliance with all statutory duties in relation to equalities and human rights.
2. The local authority is taking active steps to tackle inequalities and promote fairness across the organisation and its wider partnerships, including work and living conditions, education and community participation.
3. The local authority and its partners have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.
4. The local authority engages in open, fair and inclusive dialogue to ensure that information on services and performance is accessible to all, and that every effort has been made to reach hard-to-reach groups and individuals.
5. The local authority ensures that all employees are engaged in its commitment to equality and fairness outcomes, and that its contribution to the achievement of equality outcomes is reflected throughout its corporate processes.
6. The local authority engages with and involves equality groups to improve and inform the development of relevant policies and practices, and takes account of socio-economic disadvantage when making strategic decisions.

7. The equality impact of policies and practices delivered through partnerships is always considered. Equality impact information and data is analysed when planning the delivery of services, and measuring performance.
8. The local authority's approach to securing continuous improvement in delivering on fairness and equality priorities and actions is regularly scrutinised and well evidenced.

## **Best Value Guidance Refresh – National Steering Group**

The steering group comprised officials from the Scottish Government, the Convention of Scottish Local Authorities (COSLA), the Society of Local Authority Chief Executives (SOLACE), the Scottish Trades Union Congress (STUC) and the Scottish Public Services Ombudsman (SPSO). Officials from Audit Scotland also attended meetings in an observational capacity:

David Martin, SOLACE and Chief Executive of Dundee City Local Authority (Chair)  
Fiona Mitchell-Knight, Audit Scotland (observer)  
Fraser McKinlay, Audit Scotland (observer)  
Garrick Smyth, COSLA  
James Fowlie, COSLA  
Sandra Lorimer, Dundee City Local Authority  
Brian Peddie, Scottish Government  
John Stevenson, SPSO  
Mike Kirby (Unison), STUC

### Contributors:

Anne Margaret Black, East Ayrshire Integration Joint Board  
Lorraine Gillies, Audit Scotland

## Useful Resources

### Audit Scotland

Further information on the audit of Best Value can be found on the [Audit Scotland website](#)

Audit Scotland issued on behalf of the Strategic Scrutiny Group [Principles for community empowerment](#) which aims to raise awareness of community empowerment and promote a shared understanding across scrutiny bodies to support high-quality scrutiny of community empowerment.

### Accounts Commission

The [“How Councils Work”](#) series of reports produced by the Accounts Commission provides useful information and practical advice on a range of issues that are relevant to Best Value.

[‘Following the Public Pound’ guidance](#) is intended to ensure proper accountability for funds or other resources that are transferred by councils to arm’s-length bodies, such as companies, trusts and voluntary bodies funds, and to ensure that the principles of regularity and probity are not circumvented. It has the support of the Convention of Scottish Local Authorities.

### Scottish Government

[Best Value in Public Services: Guidance for Accountable Officers](#)

[Community empowerment](#): information can be found on the Scottish Government website.

### Other resources

The European Foundation for Quality Management (EFQM) Excellence Model was developed by the EFQM. It is widely used as a framework for continuous improvement activity by private, public and voluntary sector organisations. More information can be found on the [Quality Scotland web site](#).

The [National Standards for Community Engagement](#) are good-practice principles designed to improve and guide the process of community engagement.

The [Place Standard tool](#) provides a simple framework to structure conversations about place taking into account both the physical elements of a place and its social aspects.

The [Public Service Improvement Framework](#) (PSIF), produced by the Improvement Service, is a self-assessment framework that enables organisations to conduct a comprehensive review of their own activities and results.

The [Sustainable Development Network](#) provides information and advice on sustainable development in the public sector in Scotland.



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## **Appendix 2 – Best Value Compliance Review 2024/25**

### **East Lothian Integration Joint Board**

#### **Review against each of the seven best value themes**

##### **1 – Vision and Leadership**

Integration Joint Board (IJB) and Strategic Planning Group (SPG) meetings took place throughout the year. In addition, a number of Development Sessions took place, providing an opportunity for IJB members to explore key strategic issues in greater depth and to support open discussion.

The IJB Strategic Plan outlines the Board's strategic direction and delivery priorities for the period 2022–2025. During 2024/25, the Strategic Plan continued to guide IJB decision-making, including decisions relating to the allocation and use of resources. The alignment of Health and Social Care Partnership (HSCP) Service Plans with the Strategic Plan further ensured that service development and operational delivery remained clearly connected to the IJB's strategic objectives.

Work began at the start of 2025 to review the current IJB Strategic Plan, and to inform the development of a new Strategic Plan.

A review of the IJB's Change Board structure began during 2023/24 to help ensure alignment with the IJB's strategic priorities. Review recommendations were implemented during 2024/25 with the introduction of a revised structure, replacing Change Boards with a number of newly established Programme Boards.

These Programme Boards focus on the following key areas:

- Community Health and Social Care
- Primary Care
- Digital and Data
- Mental Health and Substance Use
- Carers

Each Programme Board reports to the SPG on progress against its associated projects, which are delivered through dedicated Delivery Groups

## **2 – Governance and Accountability**

The implementation of a Board's Local Code of Corporate Governance is being reviewed in accordance with the 7 core principles and recommendations of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities, and the Delivering Good Governance in Local Government Addendum (May 2025). All recent external audit reports confirm that the key features of good governance are in place and operating effectively. The audit report for 2024/25 stated that *"The IJB has effective and appropriate arrangements in place for Financial Management; Vision, Leadership and Governance; and use of resources to Improve Outcomes."* The annual governance statement was consistent with both the governance framework and key findings from relevant audit activity, including the Internal Auditor's Annual Assurance and a review of Governance Arrangements in June 2025.

The board continued to receive quarterly budget monitoring reports and updates to the existing medium term financial plan from the Chief Financial Officer. ELIJB Formally adopted the CIPFA FM Code at its meeting in December 2022. Regular review of the medium term financial plans has been ongoing the most recent review at the MIJB was in April 2024 with the approval of the Revised Five Year financial plan 2024/25, revised 5 year projections were also presented as part of the budget setting process for 2025/26 in March 2025.

Internal Audit and the committee comply with the CIPFA Public Sector Internal Audit Standards. Internal audit investigation reports presented to the committee in March 2024 and June 2025 concluded that control was reasonable. The Internal Audit Annual Plan 2024/25 was approved on 12 March 2024. The External Audit plan 2024/25 was reported on the 18 March 2025. The committee repeated its annual self-assessment exercise with all issues identified now implemented. The Internal Audit Annual Opinion and Report 2024/25, including the statutory review of the system of internal control, was reported to the committee on 3 June 2025 concluding that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control. The Board's Risk Register was kept under review each meeting of the Audit & Risk committee.

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the Scheme of Integration which was approved by the Board and NHS Lothian in June 2022 and by the Scottish Government in July 2023, which serves as the approved constitution, and Standing Orders, a revision of which was approved by the Board in March 2020, to make sure that public business is conducted with fairness and integrity.

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality. Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans of the Health and Social Care Integration Joint Board

were developed following consultations with interested parties including members of the public. The Board approved the ELIJB Participation and Engagement Strategy 2023-25 in May 2023.

An Annual Performance Report for 2024/25 was approved by the Board on the 25 September 2025 and it was published in October 2025 outlining progress against strategic objectives over the year. This was presented along with the IJB Strategic Plan-Consultation draft. The IJB Directions 2024-25 were approved by the IJB on 27 June 2024.

### **3 – Effective Use of Resources**

The IJB set a balanced budget for the start of 2024/25. A range of financial information and updates was presented to the IJB throughout the 2024/25 financial year, including:

- In year and forecast financial reports on the financial position
- Updates on the delivery of planned efficiencies and a forecast of the overall year end delivery
- Summary 5 Year Financial Planning projections setting out the financial landscape for the IJB going forward.

The finance reports presented a growing financial overspend within Health and Social Care delegated services as the year progressed and a series of workshops were held to explore ways in which the in year and projected financial position could be addressed through recovery and forward looking actions.

The IJB broke even at the end of 2024/25 following the release of their remaining £3.1m General Reserves balance to support the overspend in Health delegated services and additional income of £0.794m from NHS Lothian and £2.803m from East Lothian Council.

The IJB's Annual Accounts for 2024/25 have been approved, signed and published on the website. The appointed auditors reported the accounts were unmodified – meaning the financial statements and related reports are free from material misstatement.

The IJB's Audit and Risk Committee meets quarterly and reviews and discusses the IJB's Risk Register as well as approving and monitoring the Internal Audit plan and the External Audit plan.

The IJB is currently developing its budgetary proposals for 2026/27.

### **4 – Partnerships and Collaborative Working**

The IJB works closely with its delivery partners—East Lothian Council and NHS Lothian—to ensure the effective delivery of delegated health and social care services. This includes developing and issuing of directions providing instruction to delivery partners. The IJB's Directions Policy emphasises the importance of communication and collaboration in relation to the development of its directions.

The East Lothian Chief Officer, Chief Finance Officer, and Operations Manager continued to be integral part of senior management structures within both organisations. In 2024/25,

a new regular tripartite meeting was also established, bringing together the IJB Chief Officer and Chief Finance Officer, and the Chief Executives of both partners, along with other senior managers. This, along with other established arrangements, has further strengthened collaborative local leadership.

The IJB is a member of the East Lothian Community Planning Partnership and represented at a senior level in the East Lothian Community Planning Governance Group. During 2024/25, HSCP Officers continued to be actively involved in the delivery of the Tackling Poverty Plan which includes specific actions for IJB delegated services.

East Lothian Council colleagues began work to develop a new Local Outcome Improvement Plan (LOIP) during 2024/25, coinciding with the start of activity to review the East Lothian IJB Strategic Plan. This has enabled Officers from across organisations to work together to ensure alignment of both Plans (ahead of their planned completion in 2026).

Close collaboration with partners in the Lothian Health and Care System (LHCS) also continues to be a priority. East Lothian works in partnership with NHS Lothian and the three other Lothian IJBs to progress delivery of the priorities within the Lothian Strategic Development Framework (LSDF), specifically in relation to the 3 'pillars' covering services delegated to the IJB:

- Unscheduled Care
- Primary Care
- Mental Health, Illness and Wellbeing

A Programme Board is in place to oversee delivery of each of these pillars and includes senior representation from the four Lothian IJBs and NHS Board.

The East Lothian HSCP Commissioning Strategy and Market Facilitation Statement (2025-30) sets out the guiding principles for the commissioning of health and social care services. This provides a framework to help ensure that the planning and delivery of commissioned services reflects the priorities outlined in the IJB's Strategic Plan.

The section below 'Working with Communities' also described collaboration with community and third sector organisations in relation to the provision of care and support.

## **5 – Working with Communities**

Throughout 2024/25, the IJB continued to work collaboratively with communities and third sector colleagues to develop and deliver health and social care services and support. Some examples of development activity included:

**Resource Coordinator Service** – the service continued to provide a valuable community-based offer for adults with a learning disability. This includes developing groups and opportunities based on assessed outcomes and linking with community partners to share information on local opportunities and provide signposting for individuals and professionals.

**East Lothian Community First** - delivered by VCEL (Volunteer Centre East Lothian) and funded by the IJB to support people with health and wellbeing issues, including support

for people leaving hospital or to prevent hospital admission. This service continued to be developed and delivered during 2024/25.

**Meeting Centres** – we continued to support Dementia Friendly East Lothian (DFEL) to deliver the Musselburgh Meeting Centre during 2024/25, including through the contribution of grant funding. Meeting Centres are social clubs offering support to people with dementia, their families, and friends.

As part of our commitment to responding to community voices, needs and priorities, work to develop a more comprehensive system of communications and engagement began in 2024 and continued into 2025.

Some excellent examples of community engagement (the Planning for Older People's services project) allowed us to explore different ways of:

- Reaching out to the community,
- Collecting, categorising and analysing community feedback,
- Providing information in ways that are appealing and effectively convey key messages,
- Interacting with and taking up community suggestions.

The Planning for Older People's Service project community engagement experience led to a pilot exercise to discover whether a community panel style of engagement might provide a foundation for linking to our diverse communities. This developed into a lived experience approach to community connection that focussed on going to people where they are already comfortable and motivated in the community and working to establish and support trusted relationships. This led to high quality community comments on proposals, strategies and policies that informed our understanding of what the community considers best value according to their needs and priorities. This diversified and contextualised the IJBs available information on which to base sound financial choices in 2024/2025.

The development of a qualitative engagement system to capture, organise and analyse these comments was trialled and refined over 2024/2025. Some immediate benefits of the system were providing a single depository and template for positive and negative community feedback across the IJB/HSCP, reducing the costly/resource inefficient and frustrating duplication of questions across different services and offering a more nuanced perspective of voices that have offered their views in one engagement to enrich understanding of community priorities in adjacent engagement activities. Benefits of advancing this system has potential to provide swifter, higher quality, more cost effective and more respectful/natural community engagement. This ambition is that this leads to more informed and human rights-based decision making, co-designed planning and commissioning that works with communities at its core.

## **6 – Sustainable Development**

The IJB recognises its statutory duty, as set out in the Local Government in Scotland Act 2003, to secure continuous improvement while ensuring an appropriate balance between quality and cost, and in doing so to contribute to the achievement of sustainable development. The IJB prepares and publishes an Annual Climate Change Report, which is submitted to the Scottish Government.

Although the IJB does not directly own assets or deliver services, it has strategic oversight of the health and social care functions delegated to it and works through East Lothian Council and NHS Lothian to ensure that services are delivered in a way that supports environmental, social, and economic sustainability.

The IJB seeks assurance from both partners on the sustainability of their operational policies and practices, including the efficient use of resources, the management of estates, and wider approaches aligned with national sustainability priorities. This reflects expectations for public bodies set out within the Scottish Government's Best Value statutory guidance, where Sustainability is identified as a core theme.

The IJB will continue to collaborate with colleagues in both organisations to identify further opportunities to improve operational efficiency, reduce environmental impact, and strengthen sustainable practice in the years ahead.

## **7 – Fairness and Equality**

In October 2024, the IJB undertook an improvement exercise to revise and reflect upon the effectiveness and clarity of Integrated Impact Assessment (IIA) systems.

Through this process, the IJB established stronger ways of capturing and communicating to IIA participants across the IJB and HSCP a range of information relevant to each proposal, policy or service change, including costs and uptake.

The improved systems helped make IIA more meaningful, capturing alongside equality and fairness impacts opportunities for:

- Joint working across the Lothians to get better value on services that are shared,
- Reducing duplication where similar activities were being run in different areas by bringing together unique sets of HSCP, third sector and community representatives in one space,
- Changing proposals, policies and services to best support communities with higher levels of disadvantage and people in Protected Characteristic groups, leading to improved chances of better outcomes for these people.
- Integrated Impact Assessment has played an increasingly key role in the Early Intervention/Prevention suite of work that seeks to intervene, where possible, before health and social issues escalate and require more complex, long-term and expensive supports.

As part of East Lothian IJBs commitment to the Public Sector Equality Duty, the process of co-designing new Equality Outcomes with the East Lothian community for the period 2025-2029 began late in 2024 with the new set of outcomes agreed upon in Spring 2025. These outcomes align strongly with the IJB Strategic Objectives and work actively towards supporting and achieving these through reducing barriers to access and participation, eliminating discrimination and embedding considerations of impacts on everyone in East Lothian (but especially the most vulnerable) in planning and commissioning.

The five outcomes are centred in fairness and human rights, underpinned by the assumption that inequalities lead to less efficient use of resources, fewer opportunities and choices and poorer health outcomes. Our JSNA tells us that people with better access to the social determinants of health, including excellent health and social care, stand a

better chance of living healthier, more stable lives in which they can thrive and fulfil their potential. With this in mind, the outcomes we chose were both aligned to community priorities (via our local and pan-Lothian community engagement activities) and supportive of best value, resource efficient planning and commissioning that places people, their dignity, their rights and their autonomy at the centre of our framework to contribute to local and national plans for advancing equality.

The Equality Outcomes agreed for 2025-2029 are:

**Outcome 1: Participation and Co-production** - We will place human rights at the heart of our approach to community engagement.

**Outcome 2: Dignity and Respect** - Everyone is treated with dignity and respect.

**Outcome 3: Anti-Racism** - We will be an anti-racist organisation.

**Outcome 4: Enabling Independence** - We will encourage and enable independence.

**Outcome 5: Addressing Health Inequalities** - We aim to reduce health inequalities by addressing their root causes.

