

The Audit of Best Value  
and Community Planning

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# East Dunbartonshire Council

A follow-up report

 ACCOUNTS COMMISSION

Prepared by Audit Scotland  
June 2015


# The Accounts Commission

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# Commission findings



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- 1** The Commission accepts this report by the Controller of Audit on the audit of Best Value of East Dunbartonshire Council, which we asked in December 2013 the Controller of Audit to undertake.
- 2** The Commission acknowledges that the council delivers a good standard of services and has made progress in addressing some of the issues raised in the previous report by the Controller of Audit to the Commission in December 2013. The council's commitment to improving is evident, but we have serious concerns about the pace of this improvement. There is a gap between the council's ambitions and the delivery on the ground of the strategies and programmes by which these are to be achieved. If this gap is not addressed, then this increases risks to the long-term sustainability of the council's services.
- 3** Principally, the council urgently needs to have clearer priorities in its transformation programme, in order to ensure that critical projects are delivered and the anticipated savings and benefits are realised.
- 4** Sound management of resources is a key characteristic of a best value council. However, the council is not doing this effectively in a number of respects. It needs to: ensure regular timely financial reconciliations – a fundamental aspect of financial control; improve planning and delivery of its capital programme; ensure the workforce strategy has clear targets and timescales; and make better progress with job evaluation.
- 5** We note that new scrutiny arrangements are in place, but these are ineffective. Elected members in both administration and opposition need to be able to fulfil their responsibility to challenge and scrutinise performance as well as rigorously appraise options for service improvements. Elected members need to specify the information they require and hold officers to account. Officers in turn need to ensure that reports are accessible, understandable and jargon-free.
- 6** The Commission requires the Controller of Audit to report on the progress by the council within 18 months.

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# Introduction

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**1.** In December 2013, the Controller of Audit presented a report to the Accounts Commission. This drew attention to the annual audit report for East Dunbartonshire Council, in particular the auditors' targeted assessment of the council's progress in meeting its statutory duties of Best Value. While the council continued to provide good-quality services for the local community, auditors raised concerns about six main issues:

- **Reserves.** The council's financial reserves were low compared with other councils, raising concerns about its ability to sustain services at a time of implementing its transformation programme and decreasing budgets.
- **Reconciliations and internal controls.** There were significant gaps in the council's systems of internal controls, particularly the lack of regular reconciliations between the financial ledger and systems such as non-domestic rates, council tax, cash and debtors.
- **Asset management.** The council's capital programme had had significant delays and the council needed to improve the information for elected members to use as the basis for debating, scrutinising and making decisions on assets, for example the development of community hubs and a new integrated office and depot.
- **Procurement.** There were major weaknesses in the council's approach to buying goods and services, with its 2012 procurement capability assessment the lowest of any Scottish council.
- **Workforce management.** The council had made relatively large staff reductions and significant changes to its senior management structure to help reduce costs, but it was too early to assess the effect on organisational capacity and resilience.
- **Performance information and management.** There was scope to improve performance information and for the council to focus more clearly on the action it needed to take to improve performance.

**2.** After considering the report, the Accounts Commission asked the Controller of Audit to perform further Best Value audit work within one year to track the council's progress against these issues. This audit report is a response to the Accounts Commission's request.

**3.** Further issues were subsequently raised by the Local Area Network (LAN), a group representing all the external bodies that scrutinise the council. The LAN identified the need to assess:

- the council's progress with its transformation programme, as part of its drive to reduce costs
- the effectiveness of new governance structures introduced by the council during 2013.

**4.** The main audit work by a team from Audit Scotland took place between December 2014 and February 2015. This included reviewing council documents such as reports and minutes, interviewing council officers and elected members and observing meetings.

**5.** We gratefully acknowledge the cooperation and assistance provided to the audit team particularly by Gerry Cornes, Chief Executive, and all elected members and officers contacted during the audit.

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# Summary



**6.** At a time of decreasing budgets, East Dunbartonshire Council continues to deliver a good standard of services. Its services are performing at least in line with other councils and, in some cases, significantly better. Educational attainment in its schools, for example, is among the highest in Scotland and the most improved over the past decade.

**7.** Like other councils, East Dunbartonshire Council faces significant financial pressures, with reduced funding and increasing demand for some services, such as care at home for elderly people. Over the past year, there is clear evidence that it has responded both to these challenges and to concerns previously raised by the Controller of Audit. It has:

- strengthened arrangements for managing its transformation programme, which is central to its efforts to reduce spending
- introduced a revised capital programme and asset management plan, together with revised requirements for option appraisals
- noticeably improved its procurement performance
- introduced new scrutiny arrangements for elected members to follow.

**8.** However, these changes have not yet made a significant impact. The improvement in procurement processes, for example, needs more time before it can deliver the substantial savings built into future savings targets. A new structure of scrutiny panels has been introduced, which looks to be sound. But elected members are not yet carrying out meaningful scrutiny, and there is often little debate or challenge in public meetings.

**9.** The council faces an increasingly challenging financial position. Improvements in its financial planning mean that it now has a better understanding of the impact of an ageing population on future service demands and costs. As a result, it now estimates that it needs to save £23.3 million over the three years to 2017/18, up from its previous projection of £20 million and representing around ten per cent of its spending. At the same time its overall financial reserves are low and are projected to fall further. To make its finances sustainable in the longer term, the council has been implementing a transformation programme over the past few years. Since our last audit, the programme has gained some momentum. It has enabled the council to implement a more streamlined senior management structure and to reduce administrative support staff by creating a centralised internal shared service. However, many transformation programme projects have had significant delays, and have therefore not yet made the anticipated

contribution to the savings needed over the next three years. In addition, the benefits the transformation programme has delivered to date remain unclear.

**10.** Several important issues remain unresolved and raise concerns about the council's ability to change the way it manages its staff and other resources, and to demonstrate a culture of continuous improvement. For example:

- Gaps in financial reconciliations, a significant part of internal controls, have repeatedly been raised by the external auditor, but remain a pressing concern.
- A major job evaluation exercise affecting the pay and grades of all council staff was planned in 2011, started in 2013, but has yet to be concluded.
- Despite close attention from senior managers, sickness absence levels remain one of the highest of any Scottish council.
- There continues to be significant slippage and delays in its capital programme and, in turn, important aspects of its transformation programme designed to deliver savings.
- Low levels of staff appraisals, a basic aspect of staff management, were reported in our audit of Best Value in 2009 and have shown signs of improvement only in recent months.

**11.** The council has been working on a wide range of initiatives over recent years. But it now needs to continue this pace of improvement and bring these to a successful conclusion, ensuring that the fundamental building blocks of Best Value are fully in place. This will help the council to strengthen its focus on the overriding challenges to:

- implement the most important aspects of its transformation programme
- significantly reduce its spending over the coming years
- continue to provide high-quality services.



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# Audit assessment

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## **The council continues to face significant financial pressures, with reduced reserves and the need to save £23 million over the next three years**

**12.** East Dunbartonshire Council has made significant savings in recent years, particularly in staffing costs. While doing this, the council has been able to maintain the quality of its services. Data from the local government benchmarking framework shows that its performance is broadly comparable with the national average in the majority of services. Educational attainment in its schools is among the highest in Scotland and the most improved over the past decade.

**13.** In line with other Scottish local authorities, however, the council still needs to make further significant savings. The scale of these is not clear, owing to uncertainty about future funding levels and increasing levels of demand on services such as social care. In 2013, it estimated that it needed to save £20 million over the four years to the end of 2017/18. This estimated funding gap has now widened, following improvements in the council's financial planning which take greater account of projected demographic changes and their impact on council services. The council estimates that it now needs to make £23.3 million of savings, around ten per cent of its current budget, over the remaining three years to 2017/18.

**14.** All councils face significant challenges in making such large reductions in their spending, particularly at a time of rising demand for some services such as adult social care. In common with many other councils, East Dunbartonshire Council is looking to fundamentally change the way it delivers services. It has embarked on a series of projects to do this and achieve savings. It estimates that these projects will reduce budgets by £13.9 million, and it needs to identify further projects to provide the remaining £17.8 million of savings by 2018/19. This is challenging as the council continues to face increasing demands on some services, for example overspending its 2014/15 social work budget by around £3.7 million.

**15.** While the council has relatively low levels of borrowing, it also has low financial reserves that it can draw on. In 2013/14, its total usable reserves decreased by around £4.8 million to £26.1 million, the third lowest usable level of reserves relative to its annual net revenue of any Scottish council. These have now fallen to £17.9 million at the end of 2014/15 and the council anticipates that they will fall further to £13.2 million by 2015/16 before stabilising.

## **In most areas, the council has appropriate financial controls, but weaknesses in financial reconciliations continue**

**16.** In most areas, the council has an appropriate level of financial controls, but there are important gaps. Over the past three years, the external auditor has raised significant concerns about the absence of regular and systematic reconciliations of the financial ledger and other systems such as non-domestic rates, council tax, cash, and debtors. These reconciliations are a fundamental part of any council's internal controls. Despite the council agreeing to resolve these issues, financial reconciliations are still not occurring regularly throughout the year.

**17.** The council also needs to review its budget-setting procedures. It has managed to reduce spending and keep within its annual budget, but within this overall position it has experienced variations in key areas. In particular, over recent years, it has consistently underspent its education budget and overspent its social work budget, including a £3.7 million overspend in 2014/15. The latter is the result of increasing demands for social care from an ageing population, a factor affecting most Scottish councils but particularly significant in East Dunbartonshire. The council needs to set budgets that better reflect changing service demands and provide realistic targets for managers to work towards.

## **The council's transformation programme is gaining momentum, but its benefits to date are not clear**

**18.** East Dunbartonshire Council faces significant financial challenges over the next few years. The scale of the reductions required in its spending mean that it needs to make some fundamental changes in the services it delivers. As a result, in 2013 the council established a transformation programme. This is currently made up of 115 projects that vary widely in scale and nature. Some are relatively minor and will deliver only small-scale savings, such as changing car user allowances and moving from paper to electronic payslips. Others are larger-scale developments, such as developing community hubs, and introducing an electronic document and records management system that can potentially develop significant efficiencies. The council anticipates that various transformation projects will help deliver additional savings of £2.7 million during 2015/16, with further projects then helping to close the funding gap of £23.3 million over the next three financial years.

**19.** The transformation programme has had some successes, such as changes to employee terms and conditions and streamlining its senior management structure. Overall, however, important elements of the programme are behind schedule ([Exhibit 1, page 11](#)), particularly those projects which are more genuinely transformational and have the potential to deliver more significant benefits and savings. For example, the creation of community hubs to help deliver services is significantly behind schedule. Some projects have seen notable progress, such as implementing an integrated HR and payroll system, unified communications, and internal shared services. However, these projects are running 18, 20 and 38 months respectively behind schedule. Inevitably, these delays will affect the council's ability to deliver its planned savings over the next three years.

**20.** In recognition that it needs to make better progress in delivering its transformation programme, the council has strengthened arrangements for managing and overseeing the programme. In July 2014, it established a corporate

## Exhibit 1

### Transformation plan: key projects are behind schedule

	Original due date	Delay	Revised due date
<b>Lennoxtown community hub</b>	June 2014	19 months	Jan 2016
<b>Bearsden community hub</b>	Dec 2014	25 months	Jan 2017
<b>Bishopbriggs community hub</b>	Dec 2014	60 months	Dec 2019
<b>Unified communications</b>	Oct 2013	20 months	June 2015
<b>Integrated HR &amp; payroll programme</b>	Dec 2013	18 months	June 2015
<b>Homecare resourcing review</b>	May 2014	15 months	Aug 2015
<b>Internal shared service – phase 1</b>	Jan 2014	38 months	Mar 2017
<b>Registration service review programme</b>	Nov 2014	9 months	Aug 2015
<b>EDRMS tender and procurement</b>	June 2013	22 months	May 2015
<b>Procure to pay implementation project</b>	Oct 2013	19 months	May 2015
<b>Remote and mobile working programme</b>	Aug 2014	9 months	Mar 2016

Sources: East Dunbartonshire Council, Report CST/002/15/DM (Appendix 1), Policy and Resources Committee, 19 April 2015; Report CST/002/15/DM (Appendix 1), Policy and Resources Committee, 10 February 2015; Report CST/119/14/DM (Appendix 1, Policy and Resources Committee, 18 October 2014); Report CST/099/14/AD (Appendix 1) Policy and Resources Committee, 28 October 2014 and Report CST/024/13/AD (Appendix 1), Policy and Resources Committee, 11 April 2013

Programme Management Office (PMO). The PMO has introduced a new project management framework, standardising processes so that the programme can operate in a more consistent and coherent way. This includes producing detailed business cases for all projects to help deliver and demonstrate long-term benefits.

**21.** The PMO monitors progress against transformation projects every fortnight. This provides for more high-level scrutiny by the chief executive, director of customer services and transformation, the PMO manager and other team managers through monthly transformation board meetings. Elected members also scrutinise the programme through progress reports to quarterly scrutiny panels.

**22.** There is evidence that its improved programme management is having a positive impact. The council has recently begun to demonstrate greater progress in implementing projects. For example, in early 2015, it:

- introduced its corporate booking system
- further developed its internal shared support service
- began testing its new corporate procurement system
- went out to tender on its customer relationship management system.

**23.** None of the council's current transformation projects has yet gone through all the relevant stages of its new programme management framework, in particular the requirement to report the benefits delivered. This is important, as the council has been unable to track clearly and demonstrate savings delivered through the transformation programme. It has estimated that the programme delivered £3.5 million in savings in 2014/15. It also expects it to provide a further £2.7 million of savings in 2015/16. Undoubtedly, savings have been made, primarily from deleting posts or leaving some unfilled. However, it is difficult to assess the costs of the various transformation projects and the net savings they have delivered. This information has not, for example, been clearly provided in reports to elected members.

### **The council has made some progress in managing its workforce, but needs to have clearer targets, and complete projects on job evaluation, sickness absence and staff appraisals**

**The council has a workforce strategy but, with no clear targets or timescales, it is difficult to assess its impact**

**24.** The council approved its current workforce strategy in April 2013. This focuses on key themes, including resourcing protocols, workforce and succession planning, leadership and culture development, terms and conditions, and resourcing new structures. In September 2014, the council reported the activities it had taken across its strategy themes. It reports progress on individual elements more regularly to committee.

**25.** The workforce strategy and its underlying action plan do not contain clear targets or timescales for meeting objectives. For example, there are no indicative targets for long-term issues such as staffing numbers or departments where staffing levels will need to be protected. Nor are there targets for current pressing issues such as reducing sickness absence levels, or increasing the proportion of employees receiving an annual performance appraisal. As a result, it is not clear how the strategy will contribute to the council's aims or how the council will measure success.

### **The council is reducing the cost of its workforce as an important part of its transformation programme, but it needs to provide clearer evidence of its success**

**26.** The council has been going through significant organisational change and restructuring for some time. Since 2009, it has been developing its strategic operating model (SOM), a blueprint for how the council would work in future. The council estimates that this has helped reduce the size of its workforce by almost 12 per cent.

**27.** Through its workforce strategy, reducing the cost of its workforce continues to be a main priority for the council. To achieve its goal, it launched a voluntary redundancy scheme in February 2013. Between February 2013 and December 2014 the council voluntarily released 179 employees. Reports to elected members show that, while this cost £5.6 million, payback periods are relatively short, varying between 16 and 24 months, and will generate annual savings of over £4 million.

**28.** The council has also achieved significant workforce efficiencies through creating a centralised administration service. From its inception in December 2013 to January 2015, the council reduced the number of administrative posts from 158 to 90 full-time equivalents (FTEs). It is also looking to make significant workforce efficiencies in 2015/16 by reviewing neighbourhood services and developing community hubs.

**29.** The council is also looking at savings in other workforce costs. This includes reviewing issues such as terms and conditions, including car user allowance, flexi-time working, and its procedures for recruiting people and managing vacancies. It is also trying to manage other workforce costs better, such as the use of agency staff and overtime.

**30.** These changes will have reduced overall staffing numbers and costs. But the council does need to improve monitoring reports to elected members to demonstrate that it is achieving its organisational objectives. For example, despite the significant numbers of staff taking early retirement or some form of voluntary redundancy, the council has reported a small increase in its staffing numbers over the past year. The council thinks this reflects weaknesses in its monitoring systems rather than an actual increase in staffing numbers. Without reliable information, a council cannot properly manage its overall workforce. Introducing a new integrated HR and payroll system, later in 2015, is intended to resolve this.

### **A major job evaluation exercise, started in 2013, has yet to be completed**

**31.** The council has been conducting a full job evaluation exercise across all posts. The process has had significant delays. It was planned to start in 2011, but this was delayed until 2013. By February 2015, the council had evaluated 61 per cent of 2,841 jobs.

**32.** The council has also sought to generate efficiencies by adopting a flatter management structure. In 2013, it created three additional director posts but removed seven heads of service. Our previous audit raised some concerns that this might reduce the breadth of management skills and its capacity to meet future challenges, particularly at a time of significant changes within the council. However, the evidence we found suggests that the revised management structure has worked well, with middle managers able to take on more responsibilities.

**33.** The council appointed the directors in early 2013, completed their job evaluations in December 2014 and confirmed salaries and responsibilities. Until the wider job evaluation process has been completed across all departments, the vast majority of council staff are still working to indicative, rather than finalised, grades. Most indicative grades are likely to be confirmed in due course. But trade union representatives feel that this continuing uncertainty for many individuals is having a detrimental impact on morale. It is also likely to be hindering the council's drive to implement organisational change. For example, it is recruiting new staff or asking existing employees to adopt new working practices yet cannot confirm the grade or the salary. The council now aims to complete all job evaluations by the end of 2015.

### **The council has strengthened its absence management practices, yet sickness absence remains high**

**34.** In 2012/13, the council had the highest sickness absence level in Scotland at an annual average of 11.6 days per employee. Over the past two years, it has strengthened its approach to managing sickness absence, by:

- better monitoring short-term and long-term absences
- identifying departments with high absence rates
- providing further support and guidance for managers.

These revised processes look sound.

**35.** The council has had some success in reducing absence rates. By the end of 2014/15, it had fallen to an average of 10.6 days. But this is still noticeably above the most recent Scottish average of 9.2 days and continues to be a significant burden to the council, representing over £1 million of staff costs.

**36.** The council has identified stress as an important factor related to absences, although there is wide variation between departments. This may be related to the major changes affecting the workforce, such as job evaluations, budget reductions, and new working practices. The council knows it needs a better understanding of the underlying causes of this. It has revised its Wellbeing at Work policy and developed an action plan centred on healthy working lives. But it recognises that it will need to review the effectiveness of these approaches and make appropriate changes where absence levels remain high.

### **Since 2009, only around half of council staff have regularly received annual performance appraisals, but this has now improved sharply in recent months**

**37.** It is important in any council that employees are managed effectively, know what is expected of them, have their performance regularly assessed and get help to improve. Staff appraisals are also important organisationally for assessing and resolving skills gaps, matching people with the right skills to the right jobs and succession planning. In East Dunbartonshire, staff performance and development reviews (PDRs) also form part of the decision-making criteria in the voluntary exit scheme.

**38.** All managers are required to complete staff PDRs as one of their core objectives. Despite this, by the end of 2013/14, only 48 per cent of the council's employees had a completed PDR recorded in the HR system. This showed little

change from our first Best Value audit in the council in 2009, when we reported that less than half the workforce had received an appraisal in the previous year. During 2014, the council developed further guidance for managers and improved monitoring of the completion of PDRs. By April 2015, 85 per cent of staff had received an appraisal, in line with the council's target.

**39.** The council will need to build on this progress. It is planning to introduce a learning and development plan during 2015. This is to help ensure that staff have the skills they need to help the council meet its strategic goals. It is important that the results of the PDR process, identifying staff training and development needs, help shape this learning and development plan.

### **The council provides members with better information for making decisions on key assets, but still has substantial delays in its capital programme**

**40.** Over the past year, the council has improved its management processes for overseeing its capital programme. Managers prepare options appraisals and detailed business cases to help members make decisions on key assets such as community facilities. It has also approved a new ten-year capital investment plan and a corporate asset management plan, bringing together the various plans that were previously in place. In addition, following an annual review, the council approved an updated corporate asset management plan and a re-phased capital programme in November 2014.

**41.** However, despite these improved management processes, there are still substantial delays in completing important elements of the council's capital programme. The Hillhead Community Centre was completed in 2014 at a cost of £2.5 million, the first significant new build in a number of years. But, overall, there was a slippage of £22.2 million during 2013/14, around 46 per cent of its planned capital spending for the year. Over the past year, this has not changed greatly. The council has reported slippage of £18.1 million, representing 40 per cent of the capital budget for 2014/15. This is not due to any single project, but reflects delays in a wide range of projects, such as its planned office accommodation and depot at Westerhill, the Bishopbriggs relief road, and its community hubs.

**42.** There have also been major delays in developing a network of five community hubs. These are an important part of the council's transformation programme. They help the council to provide integrated local customer services and to introduce changes to working practices and reduce staffing numbers. The council started its hub initiative in 2009, with the aim of having a full network in place in operation by 2017/18. To date, the council has only one hub in place in Kirkintilloch. Of the remaining hubs, a planning application for Lennoxton has now been approved and construction started. The council has had problems with its other planned hubs, in Bearsden, Bishopbriggs and Milngavie, including difficulties securing land. These have yet to reach the detailed planning stage. The council does not expect to complete the hub programme before 2019/20. Delays in the hub programme will have a knock-on effect on other transformation projects, such as implementing its 'Click, Call, Come In' strategy, which provides more ways for people to contact the council and use its services. It will also have a significant impact on the council's ability to make planned savings by the end of 2017/18.

### **The council has made good progress in improving its procurement function**

**43.** In 2012, there were significant weaknesses in the council's approach to procuring goods and services. It received a score of 25 in the national Procurement Capability Assessment (PCA), the lowest for any council and well below the average of 48. This prompted the council to ask Scotland Excel, the centre of procurement expertise in local government, to carry out an independent review. The subsequent report, published in June 2013, contained a range of highly critical findings.

**44.** Since then, the council has made significant progress in responding to Scotland Excel's concerns. It approved an updated procurement strategy and improvement plan in 2013 and increased staffing levels in its corporate procurement unit. It appointed a new procurement manager and has begun implementing an e-procurement system. This progress has been confirmed by two further PCAs. In 2013, its score increased from 25 to 44. In 2014, this increased again to 60, the highest proportionate improvement for any council.

**45.** The council believes these improvements in corporate procurement can lead to significant efficiencies. Based on the savings made by other councils following improvements in their PCA scores, it estimates that it can deliver £1 million of savings in 2015/16, £3 million in 2016/17 and then £5 million in savings a year from 2017/18 onwards. However, it has not yet identified specific measures that will generate these savings and much will depend on further improvements in its procurement function. For example, the council began implementing its e-procurement system in March 2015 within Customer Services and Finance and Shared Services. But, with the need to link it with other systems, such as SEEMiS in Education, the council only plans to implement it in full in March 2017.

### **Changes in governance structures look to be sound, but there is still a lack of effective scrutiny by members and reports are long, complex and confusing**

#### **Revised arrangements for scrutinising the council's performance and transformation programme are a positive step but are not yet working effectively**

**46.** The council has sought to improve the effectiveness of scrutiny by elected members. In May 2014, it decided to replace the existing three scrutiny panels with two:

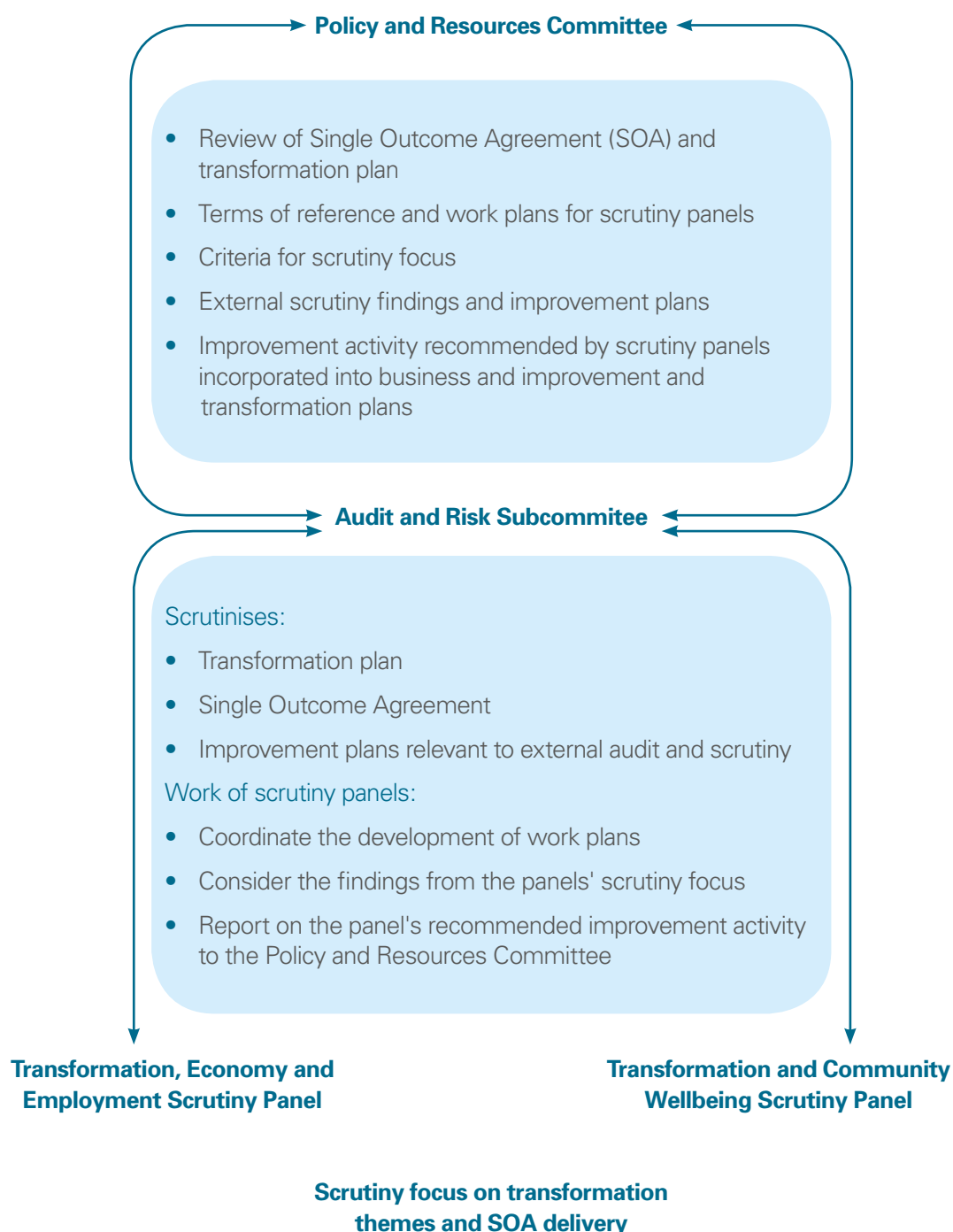
- Transformation, Economy and Employment
- Transformation and Community Wellbeing.

**47.** The work carried out by these scrutiny panels is decided by the Audit and Risk Subcommittee. It, in turn, responds to requests from the Policy and Resources Committee ([Exhibit 2, page 17](#)). Reports produced by the scrutiny panels are then considered by the Audit and Risk Subcommittee, which provides a summary to the Policy and Resources Committee. In line with good practice, the Audit and Risk Subcommittee is now chaired by the leader of the opposition and the scrutiny panels are chaired by other opposition members.



## Exhibit 2

### East Dunbartonshire Council's new scrutiny arrangements



Source: East Dunbartonshire Council

**48.** In principle, these new scrutiny arrangements look sound, giving elected members an important opportunity to focus on the transformation programme and its impact on changing how the council provides services and meeting the significant financial challenges that it faces. They also provide a clearer link with

the wider priorities within the Single Outcome Agreement, which sets out East Dunbartonshire's community planning strategy and goals.

**49.** The scrutiny panels have not yet started to work effectively. It is unclear how the scrutiny panels' agenda is being set. We found no references to the Audit and Risk Management Subcommittee directing the panels' work. Similarly, the panels have not yet identified any areas for improvement to feed back to the Audit and Risk Subcommittee. We observed the scrutiny panels in January 2015. This highlighted that their ability to scrutinise the transformation programme was also being hindered because the data they had been given was not the most up to date available in the council.

### **Long and complex reports are hindering effective and public decision-making and scrutiny by elected members**

**50.** In our view, however, there are wider weaknesses in public scrutiny by elected members. There is often little debate or challenge at council or committee meetings. The transparency of decision-making has also been reduced by the large amount of information considered by members in private sessions at committee meetings. In response to comments from its external auditors, there are signs the council is now changing its approach. For example, the Policy and Resources Committee has considered no private papers so far during 2015.

**51.** Council and committee reports can be very long, placing significant demands on elected members. In some meetings members have been expected to read over 700 pages of information and, on average, considerably more than in many other councils. A number of elected members that we spoke with thought that the large volume of papers they are expected to read made it difficult to focus on the most important issues. Reports often contain a level of detail more appropriate for managers than elected members. This can often be the reason for discussing papers in private, with reports containing personal or sensitive information on, for example, individuals' salaries. But members usually do not need this level of detail to make decisions. They simply need to be presented with options, each with its overall costs, benefits and risks.

**52.** In 2013, we commented on the length of performance reports and, in response, the council has streamlined some of the information being provided to members. How Good Is Our Council self-assessments are now shorter, for example, and the council has cut performance indicators from 216 to 166. But, in general, reports still tend to contain a level of detail more appropriate to managers than members.

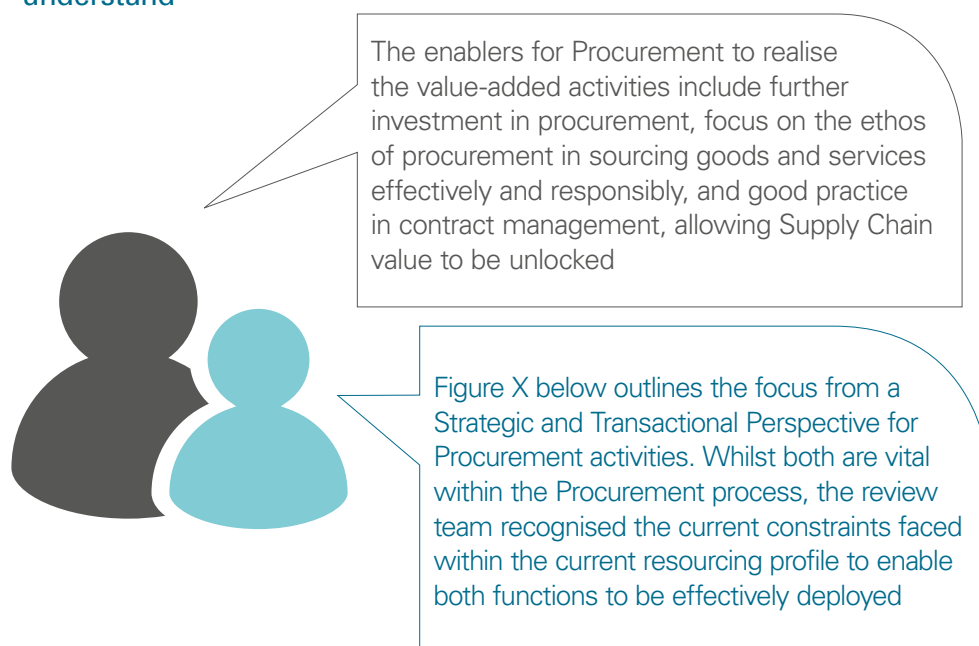
**53.** Reports also tend to be complex and written in highly bureaucratic language. Even as auditors, we found it difficult to understand many of the reports on core issues, such as:

- the council's underlying financial position
- the savings it expected individual transformation projects to deliver
- the savings actually delivered
- improvements in procurement ([Exhibit 3, page 19](#)).

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### Exhibit 3

#### Information presented to elected members can be difficult to understand



Source: From paragraphs 12.36 and 12.40 of Organisational Planning Update Paper, Item 26, East Dunbartonshire Council, June 2014

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**54.** In our view, managers need to reassess their approach to reporting to elected members. When presenting options or giving an update on the transformation programme or overall financial position, the council needs to:

- reduce the volume of papers
- avoid jargon
- use clear, straightforward language.

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# How the council needs to improve

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## 55. The council needs to:

- ensure that its financial position does not deteriorate, by focusing on key savings projects and ensuring these do not continue to face significant delays
- build on the recent momentum in progressing its transformation programme, prioritising the various projects and focusing on those with the potential to make the greatest impact
- build on its success in strengthening its approach to procurement and develop specific proposals on how this will deliver the anticipated savings
- ensure that financial reconciliations are completed throughout the year
- review its revenue budgets, to ensure that they reflect changing demands for services and council priorities and provide meaningful targets for managers to work towards
- maintain the recent improvement in the number of staff receiving an annual performance appraisal and ensure the results are used to help shape staff training and development programmes
- complete the corporate job evaluation programme
- continue to reduce sickness absence levels
- write committee report papers in plain English and avoid unnecessary detail, to make them more clearly understandable.

# East Dunbartonshire Council

## A follow-up report

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