

# **Report**

Report to:	<b>Performance and Review Scrutiny Forum</b>
Date of Meeting:	<b>3 March 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>The City of Edinburgh Council Best Value Assurance Report (BVAR) Published by the Accounts Commission</b>
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## **1. Purpose of Report**

1.1. The purpose of the report is to:-

- ♦ provide an overview of the recent BVAR report published by the Accounts Commission

## **2. Recommendation(s)**

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the contents of the report be noted.

## **3. Background**

- 3.1. South Lanarkshire Council was audited by Audit Scotland in October and November 2018, with the final report being published by the Accounts Commission on 28 March 2019.
- 3.2. South Lanarkshire Council considered the BVAR at its meeting on 26 June 2019. An action plan was presented to Council for approval, addressing each of the BVAR recommendations.
- 3.3. On 17 September 2019, the Forum agreed to consider summaries of BVAR reports as they are published by the Accounts Commission, in order to place the South Lanarkshire audit in context and keep members informed about noteworthy Best Value developments elsewhere.
- 3.4. This report summarises the key themes and recommendations from the BVAR published since the last meeting of the Performance and Review Scrutiny Forum, namely:-
- ♦ The City of Edinburgh Council (published 26 November 2020)

## **4. Summary of Key Messages and Recommendations**

4.1. The key messages for The City of Edinburgh Council are:-

- ◆ the City of Edinburgh Council has made mixed progress since its 2016 Best Value report. While it has maintained and improved aspects of leadership and service performance, its pace of change in community planning and empowerment, continuous improvement and public reporting has been slow. The council's new workforce plan is not as detailed as its 2016 plan
- ◆ the council has ambitious plans for the city and its surrounding areas. These are not set out in an overarching strategic plan and the council acknowledges that it needs to articulate more clearly its priorities. It intends to use the newly developed 2050 City Vision and the council's Adaptation and Renewal Programme to provide clearer direction
- ◆ the council's political composition – a minority coalition – makes business and decision-making challenging and is particularly resource intensive for officers. Despite these challenges, there are examples of cross-party working. The council has also shown good leadership through its projects to address poverty and sustainability and by making difficult decisions, such as approving plans for Phase 2 of the tram network. The council's senior management team has also driven improvements in asset management, procurement, and risk management
- ◆ the council has a long track record of maintaining revenue expenditure within budget. Over the last five years, the council has made annual savings of between £35 million and £75 million. However, it has had to rely on unplanned savings and, in 2019/2020 and 2020/2021, on reserves to meet funding gaps. This is not sustainable, particularly as it manages the effects of Covid-19. While the council agreed a three-year revenue budget and a ten-year capital budget strategy in early 2020, it does not have a longer-term financial plan to address its significant revenue budget challenges
- ◆ over the last five years, the council has improved its performance across many of its key performance indicators (KPIs). It performs in the top half of councils for around half of the national benchmarking indicators and it performs well relative to other big cities in Scotland. The council has recently improved its performance reporting to elected members, but its public performance reporting information is limited
- ◆ in 2017, the council reported that its Transformation Programme was on track to deliver most of its planned £70.5 million recurring annual savings. It did not produce a final report to confirm whether it achieved this target. Progress reports to elected members on its Change Portfolio – which includes transformation projects – do not set out details of the savings expected or achieved
- ◆ while there are examples of the council working well with its partners, the Community Planning Partnership has made slow progress. The council consults extensively with residents and stakeholders, mainly using traditional surveys. There are examples of innovative and participative community engagement, but community empowerment is not yet embedded in the council's culture
- ◆ there are examples of the council using self-assessment, performance information and feedback to identify improvements. However, the council does not have a structured approach to continuous improvement and corporate self-assessments could more clearly highlight areas for improvement
- ◆ the council's Adaptation and Renewal Programme, developed in response to Covid-19, provides the opportunity to deliver broader change

#### 4.2 The recommendations for The City of Edinburgh Council are that:-

- ◆ as part of its Adaptation and Renewal Programme, the council should: quickly amalgamate its Business Plan and Change Strategy, to provide clearer priorities and direction for the council, prepare sustainable medium and long-term financial plans, and detailed workforce plans, to support its strategic priorities

- ◆ the council should implement a strategic approach to self-evaluation and continuous improvement. This should include better demonstrating how it responds to feedback and scrutiny findings
- ◆ to help them carry out their Best Value responsibilities, elected members should take advantage of the learning and development opportunities provided by the council
- ◆ the council should further improve its performance reporting by: making better use of performance measures and targets, particularly to demonstrate the impact of improvement work; publishing easily accessible, up-to-date performance information on its website
- ◆ in order to make community engagement an integral part of service improvement and delivery, the council should: embed the lessons from effective community engagement activity and clearly communicate the results of, and the council's response to, community consultation; support community groups to complete asset transfers
- ◆ the council should work with the Edinburgh Partnership Board to: implement its new governance arrangements, effectively involve community representatives and deliver improved outcomes for communities; produce progress reports with clear targets, accountable leads and links between the actions taken and the impact on performance

## **5. Next Steps and Recommendations**

- 5.1. All BVAR reports and recommendations are available on the Audit Scotland website.
- 5.2. Further reports will be brought to the Forum as these BVARs are published, to keep Members informed on Best Value themes, topics and developments elsewhere in Scotland.

## **6. Employee Implications**

- 6.1. There are no employee implications.

## **7. Financial Implications**

- 7.1. There are no financial implications.

## **8. Climate Change, Sustainability and Environmental Implications**

- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **9. Other Implications**

- 9.1. There are no risk implications as a result of this report.

## **10. Equality Impact Assessment and Consultation Arrangements**

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 10.2. There was no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

9 February 2021

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Achieve results through leadership, good governance and organisational effectiveness

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ The City of Edinburgh Council BVAR published by the Accounts Commission on 26 November 2020

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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