

# Governance, Risk and Best Value Committee

10.00am, Tuesday 8 December 2020

## Best Value Assurance Audit – referral from the Policy and Sustainability Committee

Executive/routine Wards Council Commitments	Executive
---	-----------

### 1. For Decision/Action

---

The Policy and Sustainability Committee has referred a report on the Best Value Assurance Audit to the Governance, Risk and Best Value Committee for scrutiny.

**Andrew Kerr**

Chief Executive

Contact: Jamie Macrae, Committee Services

Email: [jamie.macrae@edinburgh.gov.uk](mailto:jamie.macrae@edinburgh.gov.uk) | Tel: 0131 553 8242

# Referral Report

## Best Value Assurance Audit

### 2. Terms of Referral

---

- 2.1 On 1 December 2020, the Policy and Sustainability Committee considered a report which detailed the findings of the City of Edinburgh Council's Best Value Assurance Audit and set out the approach to fully review and respond with a joined up, comprehensive approach to the findings.
- 2.2 The report was referred to both the Governance, Risk and Best Value Committee and the Council for further scrutiny and information.
- 2.4 The Policy and Sustainability Committee agreed:

#### **Motion**

- 1) To note the findings of the Best Value Assurance Audit Report.
  - 2) To note the Accounts Commission's Findings, attached at appendix one of the report.
  - 3) To note that the improvement actions arising from the report would be addressed in the refreshed Council's Business Plan.
  - 4) To refer the report to the Governance, Risk and Best Value Committee and Council for further scrutiny and information.
- . - moved by Councillor McVey, seconded by Councillor Day

#### **Amendment 1**

- 1) To note the findings of the Best Value Assurance Audit Report.
  - 2) To note the Accounts Commission's Findings, attached at appendix one of the report.
  - 3) To note that the improvement actions arising from the report would be addressed in the refreshed Council's Business Plan and specifically request further consideration of genuine local community empowerment including, for example, through reintroduction of a reformed locality committee system.
  - 4) To refer the report to the Governance, Risk and Best Value Committee and Council for further scrutiny and information.
- moved by Councillor Aldridge, seconded by Councillor Gloyer

In accordance with Standing Order 22(12), the amendment was adjusted and accepted as an addendum to the motion.

### **Amendment 2**

To approve the motion by Councillor McVey as originally proposed.

- moved by Councillor Whyte, seconded by Councillor Hutchison

### **Voting**

For the Motion (as adjusted) - 12 votes  
For Amendment 2 (the motion as originally proposed) - 5 votes

(For the motion: Councillors Aldridge, Kate Campbell, Day, Gardiner, Macinnes, Main, McVey, Munn, Perry, Staniforth and Wilson.

For the amendment: Councillors Hutchison, McLellan, Mowat, Webber and Whyte.)

### **Decision**

To approve the following adjusted motion by Councillor McVey:

- 1) To note the findings of the Best Value Assurance Audit Report.
- 2) To note the Accounts Commission's Findings, attached at appendix one of the report.
- 3) To note that the improvement actions arising from the report would be addressed in the refreshed Council's Business Plan and specifically request further consideration of genuine local community empowerment.
- 4) To refer the report to the Governance, Risk and Best Value Committee and Council for further scrutiny and information.

## **3. Background Reading/ External References**

---

Policy and Sustainability Committee of 1 December 2020 – [webcast](#)

## **4. Appendices**

---

Appendix 1 – report by the Chief Executive

# Policy and Sustainability Committee

10.00am, Tuesday 1 December 2020

## Best Value Assurance Audit

Executive/routine Wards Council Commitments	Executive
---	-----------

### 1. Recommendations

---

The Committee is recommended to:

- 1.1 Note the findings of the Best Value Assurance Audit Report;
- 1.2 Note the Accounts Commission's Findings, attached at appendix one.
- 1.3 Note that the improvement actions arising from the report will be addressed in the refresh Council's Business Plan; and,
- 1.4 Refer this report to the Governance, Risk and Best Value Committee and Council for further scrutiny and information.

**Andrew Kerr**

Chief Executive

Contact: Hayley Barnett, Corporate Governance Manager,  
Strategy and Communications Division, Chief Executive's Service

E-mail: [Hayley.barnett@edinburgh.gov.uk](mailto:Hayley.barnett@edinburgh.gov.uk) | Tel: 0131 529 3996

# Report

## Best Value Assurance Audit

### 2. Executive Summary

---

- 2.1 This report details the findings of the City of Edinburgh Council's Best Value Assurance Audit and sets out the approach to fully review and respond with a joined up, comprehensive approach to the findings.

### 3. Background

---

- 3.1 The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003.
- 3.2 The Council's first Best Value Audit report was published in February 2007, followed by a second in May 2013. Two further progress reports were requested by the Accounts Commission in 2014 and 2016.
- 3.3 In October 2016, Audit Scotland implemented a new approach to auditing Best Value in Scottish councils. The audit of Best Value became a continuous process that forms part of the annual audit process of every council. Findings are reported each year through the Annual Audit Report. In addition, the Controller of Audit presents a Best Value Assurance Report to the Accounts Commission at least once during a five-year cycle. This is the first assurance report on The City of Edinburgh Council in this cycle.
- 3.4 The audit work was carried out by a team from Audit Scotland and Azets (formally Scott Moncrieff), as Edinburgh's external auditor. The audit team conducted initial work to identify risks and council initiatives to build into the scope of the audit. This included a review of previous audit and inspection reports and intelligence, review of key council documents and initial meetings with senior officers.
- 3.5 In advance of the audit, officers also carried out a detailed self-assessment exercise that was shared with the audit team.
- 3.6 The Best Value Assurance Report was considered by the Accounts Commission on 12 November 2020. The Accounts Commission accepted the Controller of Audit's report and endorsed his recommendations. The final report was published by the Accounts Commission on 26th November 2020.

## 4. Main report

---

- 4.1 The detailed audit work was largely undertaken in February and March 2020 and therefore pre-dates the Covid-19 global pandemic. Where appropriate, the findings have subsequently been updated to reflect the impact of the pandemic and the council's response to it.
- 4.2 The audit work included: interviews with elected members and senior officers; observing council and committee meetings; reviewing documents and analysing data, including Local Government Benchmarking Framework (LGBF) data; interviewing a sample of the council's partners such as Police Scotland, third sector and community representatives, and the business community; and, holding a focus group with members of staff.
- 4.3 The areas of audit focus were:
- **The council's vision and strategic direction.** This included assessing how well the leadership of the council work together to deliver its priorities. They also assessed standards of conduct and behaviour of members and officers and understandings of role and responsibilities. (Findings are presented in Part 1).
  - **Performance and outcomes, including public performance reporting.** This included an overall assessment of outcomes and performance management and the council's reporting on these, including to the public. (Findings are presented in Part 2).
  - **Effective use of resources.** The audit assessed how effectively the council plans its use of resources, including digital and information management, financial planning and workforce planning. (Findings are presented in Part 3).
  - **Partnership working and community engagement.** The audit assessed how the council collaborates with partners to develop and deliver services and drive economic and cultural improvements. They also considered how community engagement and empowerment affect the council's activities and delivery of services. (Findings are presented in Part 4).
  - **Continuous Improvement.** The audit team reviewed the council's self-assessment and continuous improvement arrangements, such as developing new and more effective ways in which to provide local services. They also assessed the overall pace and depth of change. (Findings are presented in Part 5).
- 4.4 The report highlights a number of key achievements and areas for the Council to improve since the 2016 Best Value Audit and reflects on this as mixed progress.
- 4.5 The key achievements include:
- 4.5.1 The Council's ambitious plans for the City. Specifically, referencing the Council's Sustainability Programme, approach to tackling poverty, major housing and community regeneration projects in Fountainbridge, Meadowbank and at Granton Waterfront; retail, hospitality and cultural

developments, such as the St James Quarter; and extending the tram network;

4.5.2 The Council's long track record of maintaining revenue expenditure within budget;

4.5.3 Aspects of leadership and service performance. Specifically, referencing improved performance across many of KPIs – schools and education, waste and cleansing and time taken to process benefit and grant claims;

4.5.4 Improvements in asset management, procurement and risk management.

4.6 The report also notes areas where further progress is required:

4.6.1 To align strategic priorities;

4.6.2 The implementation of effective community planning governance arrangements, the pace of change within the CPP and community empowerment;

4.6.3 The Council's approach to self-assessment, continuous improvement and public performance reporting; and,

4.6.4 Long-term financial planning and workforce planning.

### **Accounts Commission Findings**

4.7 The Accounts Commission accepted the Controller of Audit's report and endorsed his recommendations. The Commission's findings are attached at Appendix 1.

### **Response to the Audit**

4.8 A key recommendation set out within the Best Value report is the need for the Council to align its strategic priorities within the framework of long-term financial planning. At officer level, the Adaption and Renewal programme continues to oversee and coordinate how the Council changes to address longer-term ambitions and challenges around poverty, sustainability and wellbeing; continues to provide the services city residents depend on, particularly those in most need; and how we respond to budget challenges. Plans for the future of this work will be set out in a new three-year Council Business Plan and People Strategy/Workforce Plan in February 2021. This work will align with the development of a refreshed 3-year revenue budget framework and 10-year capital budget strategy.

4.9 To ensure a comprehensive and holistic approach, areas for improvement highlighted in the report will be advanced as part of the development of the Council Business Plan and specific and measurable improvement actions reported through a new performance management framework which will be developed following the agreement of the Plan.

### **Process**

4.10 The Policy and Sustainability Committee (1 December) and Governance, Risk and Best Value Committee (8 December) meetings provide elected members with the opportunity to receive the report and question officers, as well as providing feedback on areas for improvement that members want prioritised and progressed.

This will feed into the development of the refresh Council Business Plan and shape the approach to address the findings from the audit.

- 4.11 Legislation requires that the Best Value Assurance Audit report is received and considered by Council (10 December).
- 4.12 February 2021 – The new Council Business Plan including the response to the Best Value Assurance Audit recommendations for improvement will be presented to elected members through the Policy and Sustainability Committee and Council.

## **5. Next Steps**

---

- 5.1 As noted above, the report will also be considered by the Governance, Risk and Best Value Committee for further scrutiny. Legislation requires the report is then considered by Council.
- 5.2 Officers will consider the detailed findings from the report and take into account the feedback from elected members to develop a comprehensive improvement plan which is integrated as part of the refreshed Council Business Plan.

## **6. Financial impact**

---

- 6.1 There is no direct financial impact resulting from the Best Value Assurance Audit. All improvement actions will be developed and costed through the development of the Council Business Plan and support revenue and capital budget setting process.

## **7. Stakeholder/Community Impact**

---

- 7.1 Key stakeholders have been consulted and interviewed during the Best Value Assurance Audit including: Elected Members; Council Leadership Team; and Managers and Staff. Wider Community Engagement will take place as part of the development of the Business Plan.

## **8. Background reading/external references**

---

- 8.1 [The Best Value Audit Report 2016](#)
- 8.2 [The Best Value Audit Report 2014](#)

## **9. Appendices**

---

- 9.1 Appendix 1 – The City of Edinburgh Council: Accounts Commission's Findings
- 9.2 Appendix 2 – The City of Edinburgh Council Best Value Assurance Audit Report



## **Appendix 1: The City of Edinburgh Council: Accounts Commission's Findings**

### ACCOUNTS COMMISSION

### AUDITING BEST VALUE: CITY OF EDINBURGH COUNCIL

NOVEMBER 2020

### FINDINGS

The Commission accepts the Controller of Audit's report on Best Value in the City of Edinburgh Council and we endorse his recommendations.

The City of Edinburgh Council is an ambitious council that needs to do more to maximise its potential. More momentum is needed to demonstrate and embed a culture of continuous improvement. It has made mixed progress since our 2016 Best Value report although we are pleased that services continue to perform relatively well. We commend the Council in the leadership it has shown in making strategic decisions, but we encourage all elected members to consider together how they can better address their shared Best Value responsibilities.

The Council needs to better articulate and deliver its ambition. We underline the Controller's recommendations to provide clearer priorities and direction (notably through its Adaptation and Renewal Programme) and to ensure better reporting of performance against objectives (particularly to elected members and the public).

Much of the work for this audit was undertaken before the Covid-19 pandemic. While the Commission is of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital for councils, the report does not consider the additional and sizeable pressure that Covid-19 has placed on the Council, especially on its finances. We are of the strong view, therefore, that while the Council has had a good record in managing its finances, it needs a longer-term financial plan to show how it will address such future pressures. This also needs to be supported with more effective workforce planning, an area where the Council's progress since our previous report has not been satisfactory.

The Commission is concerned about the exacerbating effect of Covid-19 on inequalities experienced by some communities. In Edinburgh's case – a prosperous city with a relatively strong economy - we commend the Council in its commitment to reducing inequalities, most recently seen in the work of the Edinburgh Poverty Commission. We encourage the Council to continue its leadership in this area and progress its commitments.

In doing so, we urge the Council to build upon some good practice with its partners in engaging with communities by better reflecting in its approach how it will empower communities in improving community outcomes and public services.

We encourage the Council to address and, to demonstrate momentum, to report progress against these findings and the Controller of Audit's recommendations at an early stage. We will maintain our interest to this end with the Controller monitoring and reporting progress through the annual audit.

# The City of Edinburgh Council

Best Value Assurance Report

ACCOUNTS COMMISSION 

Prepared for the Accounts Commission by the Controller of Audit

November 2020

## The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: [www.audit-scotland.gov.uk/about-us/accounts-commission](http://www.audit-scotland.gov.uk/about-us/accounts-commission)

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

---

# Contents

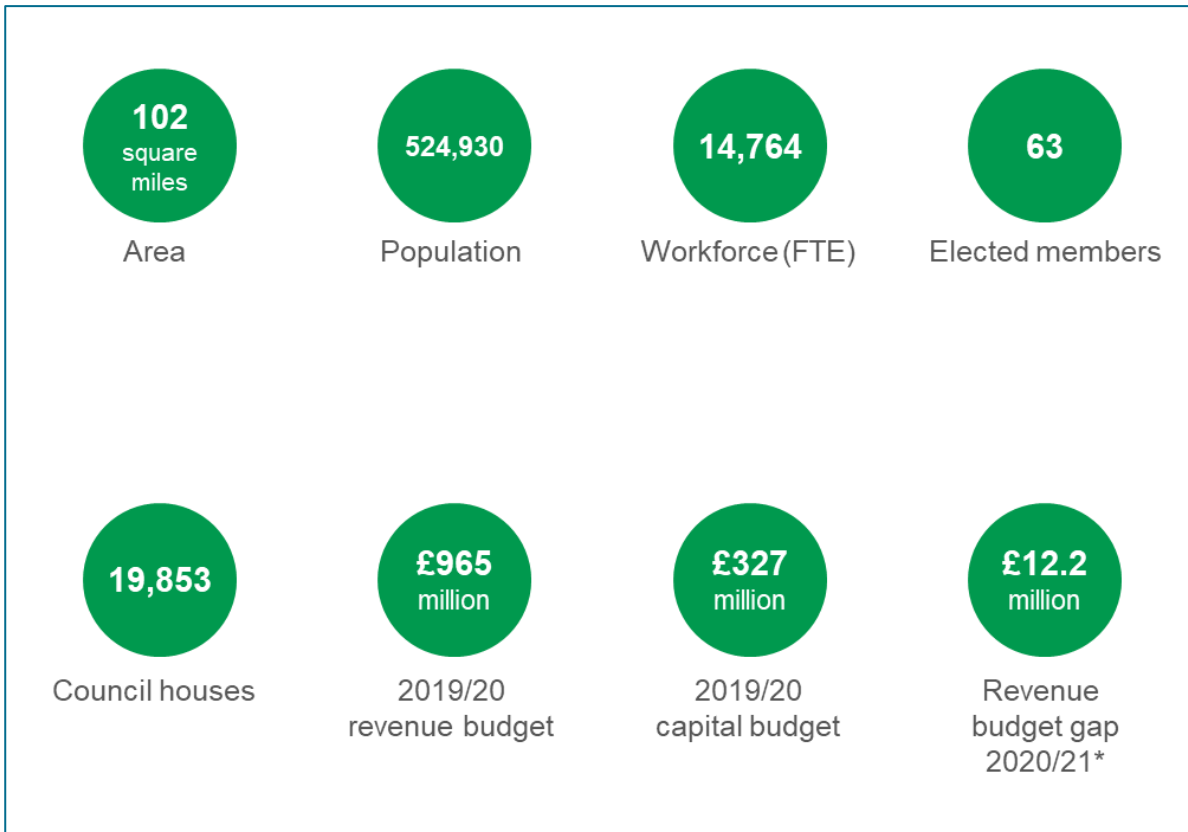
---

Key facts	4
Audit approach	5
Key messages	7
Part 1 Does the council have clear strategic direction?	9
Part 2 How well is the council performing?	18
Part 3 Is the council using its resources effectively?	28
Part 4 Is the council working well with its partners?	35
Part 5 Is the council demonstrating continuous improvement?	45
Recommendations	52
Appendix Best Value audit timeline	53

---

# Key facts

---



\* The council's revenue budget gap was correct as at 24 September 2020.

---

---

# Audit approach

---

1. The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report. In addition, the Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on The City of Edinburgh Council. We have set out the dates of previous Best Value reports in the Appendix (Best Value audit timeline).
2. This report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver services. The pace and depth of this improvement is key to how well councils meet their priorities in the future.
3. Our audit approach is proportionate and risk based and so is reflective of the context, risks and performance of the individual council. It also draws on the intelligence from audit and scrutiny work carried out in previous years. In keeping with this approach, we conducted some initial work to identify risks and council initiatives to build into the scope of our audit. This included a review of previous audit and inspection reports and intelligence, review of key council documents, initial meetings with senior officers and reflection on our wider public sector knowledge and experience. Key areas of focus for our audit included ([Exhibit 1](#)):

---

## Exhibit 1

### Key areas of focus for our audit



#### The council's vision and strategic direction

This included assessing how well the leaders of the council work together to deliver its priorities. We also assessed standards of conduct and behaviour of members and officers and their understanding of their role and responsibilities. Our findings are in Part 1.



#### Performance and outcomes, including public performance reporting

This included an overall assessment of outcomes and performance management and the council's reporting on these, including to the public. Our findings on this are in Part 2.



#### Effective use of resources

We assessed how effectively the council plans its use of resources, including digital and information management, financial planning and workforce planning. Our findings on this are in Part 3.



### Partnership working and community engagement

We assessed how the council collaborates with partners to develop and deliver services and drive economic and cultural improvements. We also considered how community engagement and empowerment affect the council's activities and delivery of services. Our findings on this are in Part 4.



### Continuous Improvement

We reviewed the council's self-assessment and continuous improvement arrangements, such as developing new and more effective ways in which to provide local services. We also assessed the overall pace and depth of change. Our findings on this are in Part 5.

Source: Audit Scotland

---

4. The detailed audit work for this report was largely undertaken in February and March 2020 and therefore pre-dates the Covid-19 global pandemic. Where appropriate, our findings have subsequently been updated to reflect the impact of the pandemic and the council's response to it. Our audit work included:
  - interviews with elected members and senior officers
  - observing council and committee meetings
  - reviewing documents and analysing data, including Local Government Benchmarking Framework (LGBF) data
  - interviewing a sample of the council's partners such as Police Scotland, third sector and community representatives, and the business community
  - holding a focus group with members of staff.
5. The council's auditors will continue to audit Best Value over the course of the audit appointment. This will include a follow-up on the findings from this report as well as more detailed audit work on other Best Value characteristics as appropriate.
6. We gratefully acknowledge the cooperation and assistance provided to the audit team by all elected members and officers contacted during the audit.

---

# Key messages

---

- 1.** 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.
- 2.** 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.
- 3.** 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.
- 4.** 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. But it has had to rely on unplanned savings and, in 2019/20 and 2020/21, 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.
- 5.** Over the last five years, the council has improved its performance across many of its 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.
- 6.** 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.**

- 7. 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.**
- 8. There are examples of the council using self-assessment, performance information and feedback to identify improvements. But the council does not have a structured approach to continuous improvement and corporate self-assessments could more clearly highlight areas for improvement.**
- 9. The council's Adaptation and Renewal Programme, developed in response to Covid-19, provides the opportunity to deliver broader change.**

# Part 1

## Does the council have clear strategic direction?



**The council has ambitious plans for the future of Edinburgh, but its priorities are not clearly articulated in an overarching, strategic plan.**

**The council's political composition is challenging; relationships between members are strained, decision making can be difficult, and it is resource intensive for officers. Despite these challenges, the council has shown good leadership by making some difficult decisions. The council is refreshing its member/officer protocol to help clarify roles and responsibilities.**

### The local context

7. The City of Edinburgh Council covers a predominantly urban area of around 102 square miles and a population of just under 525,000. It is the second largest council in Scotland by population and is the tenth largest by area. Between 2000 and 2009, Edinburgh's population grew by 3.6 per cent, which was about the Scottish average. Since 2010, Edinburgh has had the second fastest growing population in Scotland, mainly due to overseas migration. Over this period, the number of people living in the city has grown by 11.7 per cent, compared with a Scottish average of 3.8 per cent. Between 2018 and 2043, Edinburgh's population is forecast to grow by a further 13.1 per cent, to just over 586,000. Its over 75 population is expected to rise by 74.9 per cent, placing additional pressure on health and social care services.
8. As the capital city, Edinburgh has strengths and challenges not faced by other Scottish councils. Edinburgh is a prosperous city: it has one of the strongest, most diverse economies in the UK, with high average incomes and high productivity levels. Prior to the Covid-19 pandemic, Edinburgh had the lowest rate of unemployment and the highest proportion of workers in highly skilled jobs, compared to other major UK cities (excluding London).
9. Edinburgh has a growing business base, with around 20,000 businesses, and is one of the biggest financial centres in the UK, outside London. It is also home to many public bodies, including the Scottish Parliament and the Scottish Government, and to five universities, with over 62,000 students. It hosts several international festivals and is the second most visited city in the UK. Over two million foreign tourists visit every year, supporting over 30,000 jobs and worth over £1.6 billion to the Scottish economy.
10. Not all residents have benefited from the city's success and there are pockets of severe deprivation in the city: nearly one in four of Edinburgh's children live in poverty, which is similar to the national average, and this increases to just over one in three in the most deprived areas. Although the city boasts the highest average incomes in Scotland, 16 per cent of workers earn less than the Real Living Wage and 46,000 residents are income deprived. In addition, high childcare costs have contributed to gender inequalities in the city's workforce, with median pay rates for women 13 per cent lower than for men. Furthermore,

the popularity of the city has made Edinburgh the least affordable place in Scotland to buy a home. Around 25 per cent of households live in private rented accommodation, the highest rate in Scotland.

11. Edinburgh's World Heritage status, buoyant economy and worldwide reputation for culture have led to the city often being voted as one of the best places in the world to live, work and visit. But high visitor numbers, along with a growing population, place pressure on the city's infrastructure and environment, and on council services, such as housing, education and transport.

## The council has ambitious plans for Edinburgh, but its vision and priorities are not articulated in an overarching, strategic plan

12. The council aspires for Edinburgh to be a thriving, carbon neutral city, with reduced poverty and inequalities. The council has invested to regenerate areas of the city, such as Craigmillar, and has ambitious plans to make further improvements to help meet its aspirations. These include: major housing and community regeneration projects in Fountainbridge, Meadowbank and at Granton Waterfront; retail, hospitality and cultural developments, such as the St James Quarter; and extending its tram network. The council also has a comprehensive sustainability programme, **recognised by the European Institute of Innovation and Technology**, to respond to the climate change emergency ([Case study 1, page 12](#)).
13. In 2016, the council and other public, private and third sector partners started work on a long-term vision for the city. In June 2018, the steering group responsible for its development, presented the council with a draft vision, based on feedback from over 10,000 residents and stakeholders. The steering group determined that more extensive public engagement was required, and the council agreed to provide £100,000 towards the £500,000 cost of funding a large-scale public awareness campaign. By mid-2019, almost 32,000 people had fed into the development of the final 2050 City Vision.
14. In June 2020, the council's Policy and Sustainability Committee endorsed the 2050 City Vision. It is a one-page document, with no supporting information or performance measures to monitor its success. Its four principles (Welcoming, Thriving, Fair and Pioneering), differ only slightly from the draft version.
15. In the absence of the 2050 City Vision, the council has been operating with three main strategic documents:
  - Programme for the Capital – Business Plan 2017-22, which the council approved in August 2017.
  - Change Strategy 2019-23, which the council approved in February 2019.
  - Edinburgh Partnership Community Plan 2018-28.
16. The council's Business Plan sets out its intentions over the five-year period of the administration. It was developed by a small group of members of the SNP/Labour administration and is an amalgamation of the two parties' manifesto commitments. It was not subject to wider scrutiny before being presented to the council. The Business Plan does not provide a clear focus for the council: it contains a large number of commitments (52), many of which are not easily measured, and they are not prioritised. The purpose of the Change Strategy was to set out how the council would implement its Business Plan. But it does not include the 52 commitments or set out specific actions to deliver them.

---

The City of Edinburgh Council is one of 15 European cities, and the only city in the UK, to be selected as a Healthy Clean Cities Deep Demonstration (HCCDD) site, in recognition of its sustainability ambitions. As an HCCDD site, the council works with the European Institute of Innovation and Technology's Climate Knowledge Innovation Community, to stimulate ideas and actions to tackle climate change.

---

## Case study 1

### The City of Edinburgh Council's sustainability programme

The City of Edinburgh was one of the first councils in Scotland to set an ambitious target of becoming carbon neutral by 2030, fifteen years before the Scottish Government's legally binding target. The council has established a new All-Party Oversight Group on Sustainability and Climate Emergency and a Sustainability and Climate Emergency Programme Board. It has also convened a new green infrastructure group and a sustainability steering group to support schools. The council plans to publish its 2030 City Sustainability Strategy in October 2021.

The council is driving its net zero target through a number of policies and plans, including:

- introducing a **Low Emission Zone** and considering a **Workplace Parking Levy**, to reduce pollution in the city centre
- the Strategic Housing Investment Plan, investing £2.5 billion in sustainable new homes and improving the energy efficiency of its council housing estate
- the Local Development Plan (City Plan 2030), the council's sustainable approach to city development
- the City Tourism Strategy, which focuses on managing sustainable growth
- the City Mobility Plan and the City Centre Transformation Strategy, which both include plans for improved options for public transport, cycling and walking

The council co-sponsors the Edinburgh Climate Commission with Edinburgh Centre for Carbon Innovation. The Leader of the council is Vice Chair and the Chief Executive is a Commissioner. The Commission held its first meeting at the end of March 2020 and published its initial recommendation for a Green Recovery in September 2020.

Source: Audit Scotland

#### Low Emission Zones (LEZs)

reduce pollution levels and improve air quality by stopping the most polluting vehicles entering a specific area. Only the cleanest vehicles can travel in a LEZ and penalty charges apply to vehicles that don't meet these standards.

#### The Workplace Parking Levy

is an annual charge on businesses in the council area for every parking space they provide for workers. Its aim is to encourage employees to walk, cycle or take public transport to work.

17. Although the overall ambitions in the documents are coherent, they set out different themes, priorities and aims ([Exhibit 2, page 13](#)). The council recognises that it should have a single, strategic document to more clearly set out its priorities ([paragraph 20](#)).

## Exhibit 2

### The City of Edinburgh Council's strategic documents



Source: Audit Scotland

18. As set out in the Community Empowerment (Scotland) Act 2015, we would expect the Community Plan to be the main joint planning document for the council and its partners. The council should also set out, in a clear plan, its role in helping the Edinburgh Partnership achieve its ambitions and priorities for the city. The council acknowledges that the Edinburgh Partnership's Community Plan is not its main strategic planning document. Although its Business Plan and Change Strategy make little reference to the Community Plan, there are consistent themes across the three documents, including actions to tackle poverty and increase affordable housing.

### The council has developed an Adaptation and Renewal Programme in response to Covid-19

19. The council has developed an Adaptation and Renewal Programme, in response to the Covid-19 pandemic. The programme sets out how the council plans to: protect its staff and services; help rebuild Edinburgh's economy; and support vulnerable residents. It consists of five interlinked programmes of work, each led by a member of the council's senior management team.

20. While it was still in development at the time of our audit, the council anticipates that its Adaptation and Renewal Programme will require radical changes to its internal structures and ways of working. The council also expects the pace of change to require new governance arrangements. The council plans to amalgamate its Business Plan and Change Strategy into one strategic document, aligned to the 2050 City Vision, with the aim of providing clearer direction and priorities for the organisation.

## The council's political composition contributes to strained relationships, and decision-making can be difficult and resource intensive

21. Our Best Value reports in 2014 and 2016 highlighted that council members and officers showed good leadership, worked well together, and had a shared vision for both the city and the council. Since then, there has been a change in the administration and a significant change in elected members; over half of the members elected in 2017 had not been in the council in the previous term.
22. After both the 2012 and 2017 elections, the SNP and Labour formed a coalition. In 2012, the coalition held a majority with 38 out of 58 seats. After the 2017 elections, the coalition held only 31 out of 63 seats, making it a minority administration. Some administration members have since left their parties, reducing the coalition's seats to 26 ([Exhibit 3](#)). The Conservative party is now the largest party and the administration requires the support of other elected members to secure a majority vote on decisions.

---

### Exhibit 3

#### The City of Edinburgh Council's political composition

The current administration comprises a minority coalition of SNP and Labour councillors

Political party	Seats
SNP	15
Conservative	17
Labour	11
Scottish Greens	8
Liberal Democrats	6
Edinburgh Party of Independent Councillors (EPIC)	3
Independent	2
Vacancy	1
<b>Total</b>	<b>63</b>

Source: The City of Edinburgh Council

---

23. There are tensions between elected members, which manifest in inappropriate language and tone being used in council debate, in the lack of involvement of some members in decision-making, and in media reports on member disagreements. At the end of 2017, the council, in response to a motion from an elected member, reviewed its arrangements for members to report inappropriate behaviour by other members. Following this, the council offered elected members training in both team dynamics and mediation.
24. In October 2019, another elected member lodged a motion on respectful political debate. Members acknowledged the increasing importance of being respectful in their own business, despite the wider political climate, and noted that debate should be political, not personal.
25. Our interviews with a sample of members and observations of council meetings suggest that the above actions have made little difference and relationships

between some members are still very strained. While political debate is a normal part of council business, operating within this environment is challenging for members and officers. Although council business proceeds, it is more difficult to make decisions. The minority administration must work with other political parties to gain support on each individual policy or issue. This means that officers often spend a lot of time preparing tailored briefings for different political groups, to help elected members reach agreement. It is important, particularly given the council's political composition, that all elected members work well together in order to make decisions.

### Several elected members did not attend important training on effective scrutiny and local government finances

- 26.** The council provides induction and refresher training for councillors, which includes some mandatory training courses. In 2017, members' attendance at training courses was mixed: four members did not attend the compulsory training on councillors' code of conduct; at least one-third of new members missed sessions on effective scrutiny and conduct at meetings; and over half missed the training sessions on local government finances.
- 27.** As part of the 2017 induction process, the council took action to encourage members' attendance on mandatory and other important training courses. For example, the council:
- organised multiple training sessions on mandatory subjects at different times of the day to make them as accessible as possible
  - ran small group or individual briefing sessions for those who could not attend the group training
  - advised members on which subjects were mandatory or highly recommended
  - sent electronic diary invitations to members
  - encouraged members to attend the Standards Commission's Code of Conduct Roadshow event at the end of 2017.
- 28.** The council also ran a refresher training session on the Code of Conduct for administration members in 2019 and provides a rolling programme of mandatory training for any new councillors or Edinburgh Integration Joint Board (EIJB) members. The council will only allow members who have attended mandatory training to sit on quasi-judicial committees.

### The council is reviewing its member/officer protocol to help clarify roles and responsibilities

- 29.** Relationships between the chief executive and the council leader and deputy leader are constructive. Relationships between members and officers are generally positive but a number of members feel that officers do not share enough information with them. The council's 2018/19 Annual Audit Report recommended that the council review its arrangements for sharing information between councillors and the Corporate Leadership Team (CLT).
- 30.** The council is currently reviewing its member/officer protocol. The review included a discussion and survey of a small number of elected members, facilitated by the Improvement Service. The review identified areas for improvement, including access to information and clarity of roles and

responsibilities. Covid-19 has delayed work on the review. The council also now intends to take account of the Scottish Government's planned review of the Code of Conduct for Councillors, which has been delayed by Covid-19.

31. In October 2020, in response to a motion from an elected member on the council's whistleblowing culture, the Policy and Sustainability Committee agreed that an independent assessment of council culture and relevant processes should be undertaken. An independent Chair of the investigation is in the process of being appointed, following which the terms of reference will be determined in consultation with the Group Leaders and Chief Executive

### **Despite political tensions, the council progresses business and has made important decisions**

32. The council has been able to make important decisions despite its difficult political environment. For example, despite the well-publicised issues surrounding the Edinburgh trams project, elected members made the decision to extend the tram line to the north of the city. Other examples of important decision-making include:

- initiating and progressing plans for a transient visitor levy (tourist tax)
- working with a range of partners to progress the region's City Deal ([paragraphs 130-134](#))
- agreeing how to respond to the Covid-19 challenges.

33. The council has also demonstrated good leadership when dealing with difficult situations. For example, the Controller of Audit's statutory report on the council's handling of construction issues relating to Edinburgh schools found that, while there had been serious faults in the procurement, design and construction processes, the council responded quickly and effectively, and that the council had been proactive in sharing lessons learned with others.

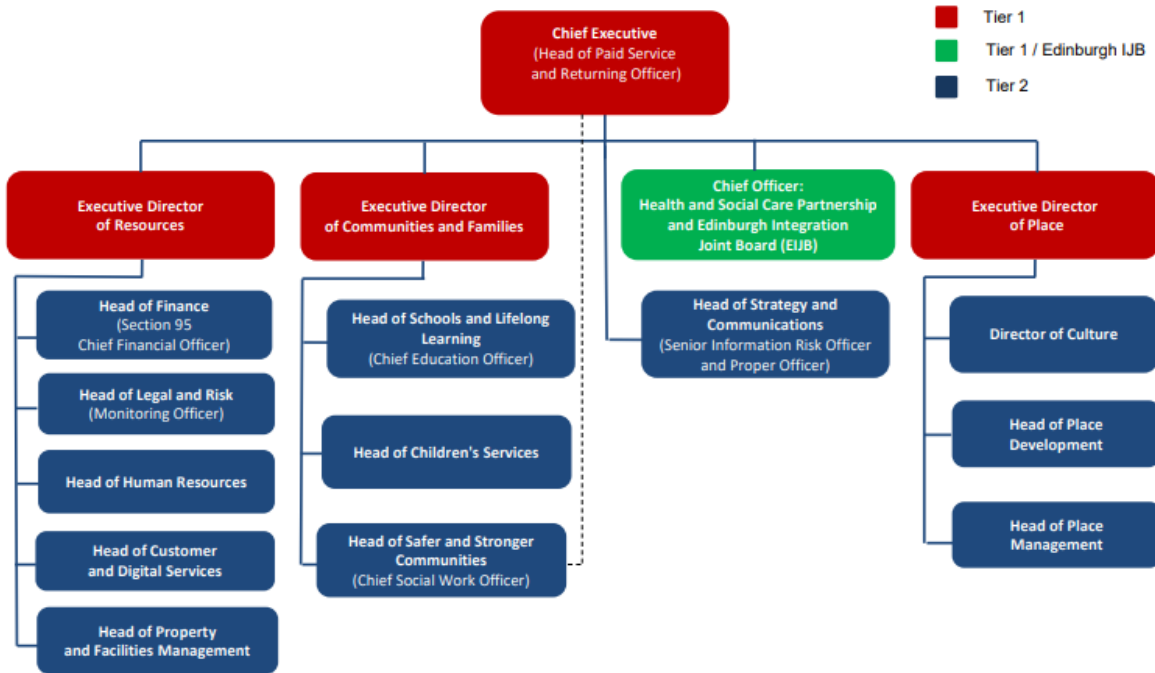
### **The council has strengthened its senior management team, but staff are not always positive about their leadership**

34. Our 2016 Best Value report identified a risk to the council's management capacity. This was due to a significant number of changes in personnel and a reduction in the number of executive posts from seven to five. Since 2016, the council has made no changes to its Tier 1 executive posts but has made several new appointments and changes to Tier 2 management.<sup>1</sup> The council's current senior management structure is set out in [Exhibit 4 \(page 17\)](#).

<sup>1</sup> The Edinburgh Integration Joint Board appointed a new Chief Officer in 2018



## Exhibit 4 The City of Edinburgh Council's senior management team



Source: The City of Edinburgh Council

35. The council's CLT comprises the chief executive, three executive directors and the Chief Officer of the **Edinburgh Integration Joint Board (EIJB)**. The CLT also includes the head of finance and the head of strategy and communications. CLT members work well together. The council is planning to review CLT roles and responsibilities as part its Adaptation and Renewal Programme.
36. There is a gender imbalance in the CLT, with only one female member (the Chief Officer of the EIJB). There is a better balance in the council's Wider Leadership Team and the council is taking steps to increase diversity across the organisation. For example:
- in October 2019, it approved a Diversity and Inclusion Strategy, which sets out actions to develop an inclusive workplace and help close the gender pay gap
  - it launched various colleague networks in August 2019, including a network to support and empower women
  - it launched an Inspiring Talent programme for middle managers in 2019, with an emphasis on providing opportunities for women. Currently, ten of the 15 delegates are female.
37. The council has strengthened its senior management team by bringing in experience from outside the organisation. But it recognises that it has not been good at developing its own staff. It has recently created a new talent management programme and a new leadership framework. This includes new

### Edinburgh Integration Joint Board (EIJB)

The EIJB is an independent public body, set up to plan and deliver most community health and social care services for adults and some hospital based services.

The Chief Officer is jointly accountable to the City of Edinburgh Council and Lothian Health Board.

training and a digital platform providing access to learning and development material.

**38.** Council staff have mixed views on council leadership. The most recent staff survey (2018), completed by around a quarter of employees, showed that staff were positive about line management. But scores were less positive in relation to heads of service and executive directors. Fewer than a third of employees felt:

- senior staff were sufficiently visible
- confident in senior staff's decision-making
- senior staff had a clear vision for the council.

Paragraphs 147 to 149 set out the council's response to the staff survey.

### **The council refreshed its committee structure in 2019 to help improve scrutiny**

**39.** The City of Edinburgh Council operates a committee system. In August 2019, it implemented a new political management system to rebalance workloads and improve scrutiny across its six executive committees. The executive committees are decision-making forums for matters that fall within their remit. They are responsible for monitoring performance and developing policy for their service areas.

**40.** As part of the 2019 restructure, the council gave its Policy and Sustainability Committee a stronger, cross-cutting role. It is now responsible for scrutinising council-wide performance and advising the council on key priorities and strategic objectives. The council's other main scrutiny committee, the Governance, Risk and Best Value (GRBV) Committee, is responsible for scrutinising the council's financial performance, risk management, and considering internal and external audit reports.

**41.** Executive committees can create All Party Oversight Groups (APOGs), to provide additional scrutiny on specific projects. APOG membership is drawn from the members of the parent committee. They are not decision-making forums, but they provide an opportunity for members to discuss the progress of projects, raise any concerns or make suggestions. APOGs have been created on a range of topics and projects, such as Brexit, Adaptation and Renewal, homelessness and the tram extension.

**42.** Council business is transparent, with all decisions being made in public, unless they are commercially sensitive. Full council meetings and executive committee meetings are streamed online, and all papers are available before meetings. The EIJB also streams its meetings and makes papers available online.

# Part 2

## How well is the council performing?



**The council has improved its performance across many service areas, including education and waste management. Edinburgh performs in the top half of councils for around half of the national benchmarking indicators. It also performs well relative to other big cities in Scotland.**

Performance reports to members set out progress against the council's 52 commitments and 84 KPIs. The council has recently improved elected member reports to include reasons for under-performance and planned responses.

There are examples of the council identifying and acting on poor performance, but progress reports lack detail on the impact of the council's actions.

The council's 2018 People Survey found that Edinburgh residents enjoy living in the city and are highly satisfied with some services, including parks and public transport. However, residents' satisfaction rates have declined overall since 2017.

### The council met over half of its key performance indicator targets in 2019/20, and its performance improved against 50

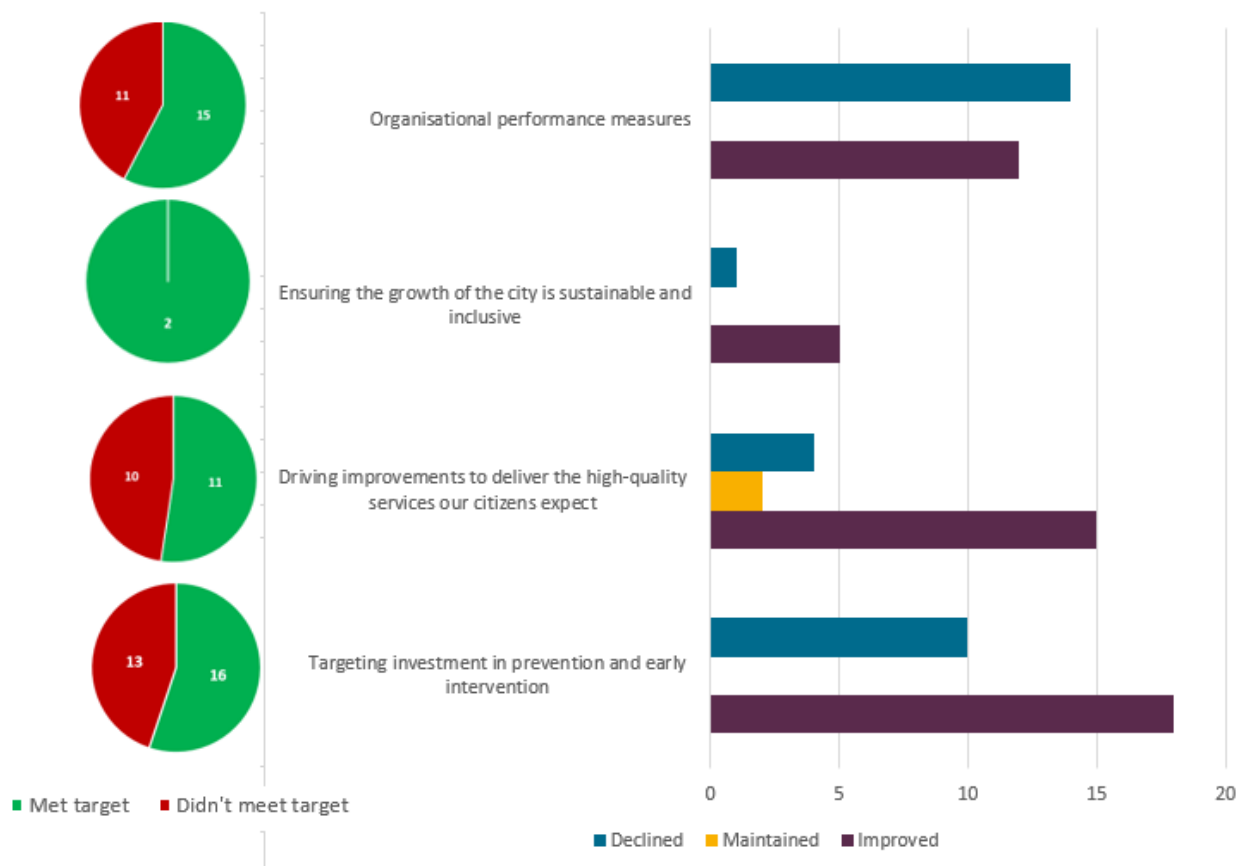
43. The council's 2019/20 annual performance report includes 84 key performance indicators (KPIs), categorised under the three themes of its Change Strategy ([Exhibit 2, page 13](#)), along with a group of organisational indicators. The council performed better against its sustainable and inclusive growth theme, compared to the other themes ([Exhibit 5, page 20](#)). It met its targets for 44 out of the 78 indicators which had targets, and improved or maintained performance against 52, compared with the previous year. Areas of improved performance include:

- school education - the council improved or maintained its performance on the previous year against all five of its attainment and destination indicators and met all its targets (note that the latest available data is for the 2018/19 academic year)
- waste and cleansing – the number of reported missed domestic and communal bin collections decreased significantly in 2019/20
- the time taken to process benefit and grant claims – the council met its targets for four of the five indicators and maintained or improved performance for all five.

44. The council's annual performance report contains nine adult social care indicators. Performance against these indicators is the responsibility of the Edinburgh Integration Joint Board (Part 4). In 2019/20, Edinburgh's performance declined against five of the nine indicators, after showing improvements in many indicators in 2018/19. Areas of declining performance include the number of people waiting for care packages and the number of people with an overdue review.

### Exhibit 5 Council performance against its KPIs by theme, 2019/20

The council's performance improved on more indicators than it declined on in all three Change Strategy themes



Note: Three indicators are excluded from the Exhibit due to having no trend data and six due to having no target. 2018/19 data has been used for some indicators, where 2019/20 data are not yet available.

Source: Audit Scotland using Edinburgh Council Annual Performance data 2019/20

### National benchmarking data shows that since 2014/15, Edinburgh has improved its performance for around two-thirds of indicators

45. The Improvement Service's Local Government Benchmarking Framework (LGBF) brings together a wide range of information about how all Scottish councils perform in delivering services, including residents' satisfaction. It contains 79 cost and performance indicators across all council services and allows councils to monitor their performance consistently over time. The council's annual LGBF report to members sets out its current performance against the 79 indicators and compares this to the previous year. The council's

analysis shows that between 2017/18 and 2018/19, it improved its performance in 41 indicators and declined in 38.

**46.** We have analysed Edinburgh's performance over a five-year period, against 51 LGBF indicators that mainly measure performance and outcomes rather than cost. Between 2014/15 and 2018/19, the council's performance can be summarised as follows:

- The council improved against 33 indicators (65 per cent of the total), including many education and children's services indicators. Educational attainment indicators, including for children living in the most deprived areas, increased by between two and six percentage points
- The council's performance declined against 16 indicators (31 per cent of the total), including some economic development indicators. For example, the percentage of unemployed people helped into employment by council programmes declined, from 12 per cent to seven per cent.

### **Edinburgh performs better than other councils in around half of national benchmarking indicators**

**47.** The LGBF allows councils to compare their performance with that of other councils and with the Scottish average. Relative performance is assessed by dividing performance into four quartiles. Quartile one contains the best performing councils and quartile four contains the poorest-performing councils. In the last five years, the council's overall performance relative to the other 31 councils has fluctuated ([Exhibit 6, page 22](#)).

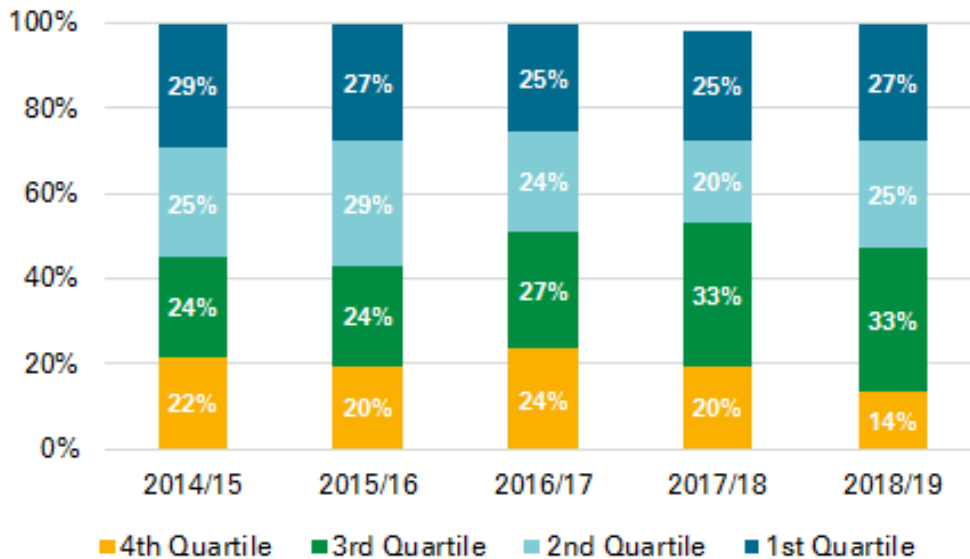
**48.** In 2014/15, 54 per cent of the council's indicators were in the top two quartiles, that is, performing better than half of Scottish councils. By 2018/19, this had reduced slightly to 52 per cent of indicators. Over this period:

- relative performance improved for pupils entering positive post-school destinations and for indicators related to the collection of council tax
- relative performance declined against three of the nine economic development indicators.

## Exhibit 6

### The City of Edinburgh Council's performance relative to other councils, 2014/15 to 2018/19

The percentage of indicators in which the council is performing in the top half of all councils fluctuated between 54 per cent in 2014/15 and 52 per cent in 2018/19



Note: Measuring council performance involves considering how all councils are performing, from lowest to highest for each indicator. From this it is possible to see how one council compares with all councils. Performance relative to other councils is divided into four equal bands, or quartiles. The first quartile contains the best-performing councils for that indicator and the fourth quartile the lowest performing councils.

The analysis is based on 51, mainly outcomes-based, indicators which were reported every year within the four-year period. The analysis excludes satisfaction or cost-based indicators where high or low cost cannot be easily determined as positive or negative. Percentages for 2017/18 do not total 100 per cent as data was not provided for one indicator.

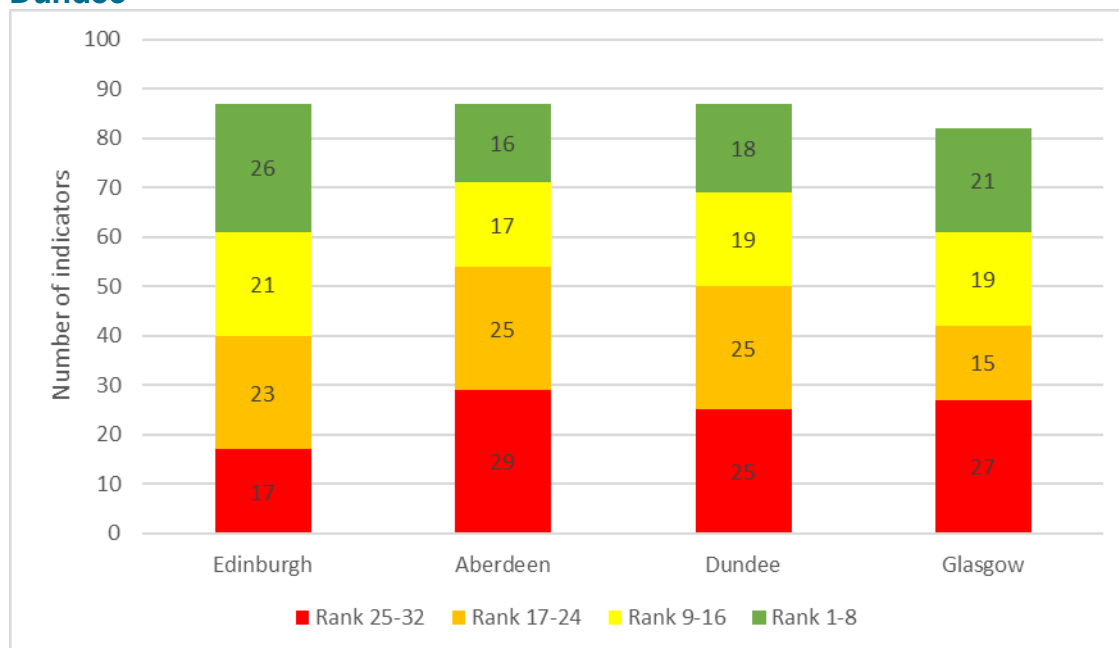
Source: Audit Scotland; Local Government Benchmarking Framework, Improvement Service, 2018/19

## Edinburgh performs well against comparable Scottish cities

49. The council's LGBF report to members contains detailed trend analysis of the council's performance compared to Scotland's three other largest cities: Glasgow, Aberdeen and Dundee. In 2018/19 Edinburgh had more indicators in the top quartile than the other three cities and the fewest in the bottom quartile ([Exhibit 7, page 23](#)). Edinburgh's analysis shows that it performs well against the comparator cities in Children's Services and Culture and Leisure and performs less well in Environmental Services and in Adult Social Care.

## Exhibit 7

### The City of Edinburgh Council's performance relative to Glasgow, Aberdeen and Dundee



Note: Glasgow City Council has fewer indicators than the other three cities (82 compared to 87). This is because it does not submit data for the five 'housing services' indicators in the LGBF as it does not have any housing stock.

Source: City of Edinburgh Council

## The council is taking steps to reduce poverty in the city

50. The council's 2050 City Vision, Change Strategy and Business Plan set out its ambitions for a fair and inclusive city ([Exhibit 2, page 13](#)). The council recognises that there is a stark difference in the wealth and opportunities experienced by its residents. Its 2018 economic strategy includes actions for the council to help reduce inequalities. These include increasing access to affordable housing, tackling barriers to employment, and supporting people into better paid jobs. The strategy sets out the council's intention to launch a poverty commission to generate new ideas and initiatives to tackle the deep-rooted causes of poverty ([Case study 2](#)). The strategy notes this idea has been successful for other UK councils.
51. The council has further demonstrated its commitment to tackle poverty and inequality through, for example, prioritising how to address poverty as part of its 2020-23 budget-setting process, creating career opportunities for disadvantaged individuals through the City Deal, and developing a 'life chances' workstream as part of its Adaptation and Renewal programme.
52. The council's annual performance report includes a small number of KPIs related to reducing poverty and inequality. Two KPIs have trend data: the number of households with no adult in employment and the number of employers accredited as Living Wage Foundation employers. The council improved its performance in both indicators in 2019/20.

## Case study 2

### Edinburgh Poverty Commission

The council set up the Edinburgh Poverty Commission in 2018. It is an independent working group, comprised of 12 members and chaired by an associate director of the Joseph Rowntree Foundation. Working with people who have experienced poverty, the commission's task is to recommend how the council and its partners can develop policies and services to reduce poverty. By summer 2020, the commission had:

- held over 100 evidence sessions to meet residents, service providers, community groups, and researchers.
- heard from over 70 community groups, public and third sector organisations, and other stakeholders
- received over 1,000 submissions to online calls for evidence and surveys.

The commission carried out additional work looking at the impact of the virus on poverty and published an interim report in May 2020. The report recommends that the council and its partners continue to support people for as long as possible after the lockdown period.

The commission published its final report in September 2020, setting out seven areas of action for the council, the Scottish Government and other partners. Specific actions for the council to help tackle poverty include: simplifying and improving how people access support; working with young people to improve attainment; and accelerating digital inclusion. The council has committed to implementing the commission's actions and will report progress to its Policy and Sustainability Committee.

Source: Poverty and Coronavirus in Edinburgh Interim report; Edinburgh Poverty Commission, A Just Capital: Actions to End Poverty in Edinburgh, Edinburgh Poverty Commission; The City of Edinburgh Council Policy and Sustainability committee reports

## External scrutiny assessments identified positive examples of work being done and some areas for improvement

- 53.** In June 2019, the Care Inspectorate reviewed services for children in need of care and protection, which are delivered by the **Edinburgh Children's Partnership**. Its inspection report noted the positive work being carried out to protect children at risk of harm and ensure the increased wellbeing and resilience among young people and their families. Partnership initiatives have led to more children being looked after in a community setting. The inspection also identified some areas for improvement, such as making better use of data to evaluate services and to demonstrate the impact of the Partnership's work. The Care Inspectorate requested that the Partnership develop an improvement plan in response to its findings. The Partnership took longer to do this than the Care Inspectorate expected.
- 54.** Education Scotland carried out an inspection on Community Learning and Development (CLD) services in 2017 and carried out two follow-up visits in 2018. The most recent follow-up report found that the council had a clearer sense of direction, and that governance was continuing to improve. It stated that the Edinburgh Community Learning and Development Partnership had become more outward looking and had been engaging with other councils to learn about their practices. However, Education Scotland noted that, although partners were working well together to deliver improvements, the CLD plan lacked measurable outcomes.

---

The **Edinburgh Children's Partnership** directs the planning, development and delivery of children and young people's services on behalf of the Edinburgh Community Planning Partnership. Membership includes the council, the voluntary sector, NHS Lothian and the police.

---



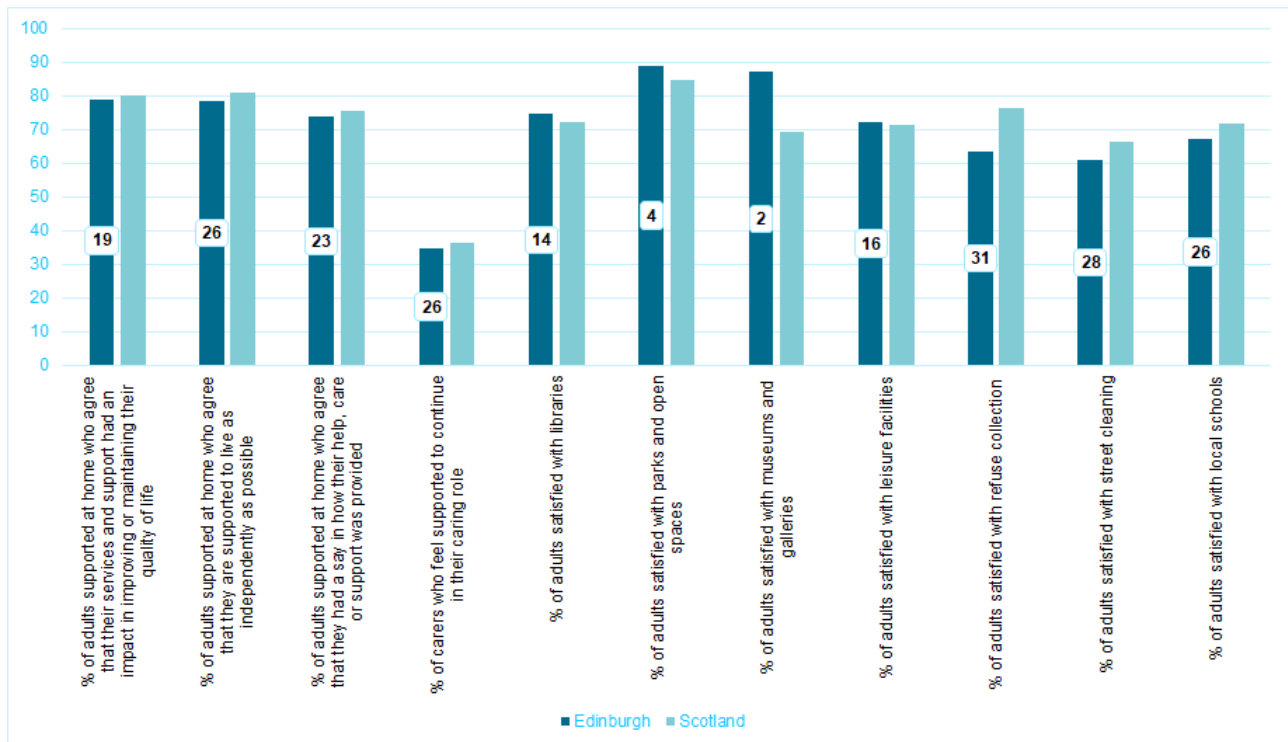
## Most residents are satisfied with Edinburgh as a place to live, but satisfaction rates with many services have declined

- 55.** The council asks around 5,000 residents for their views on its services in its annual Edinburgh People Survey ([paragraph 151](#), provides further information on how the council uses the results). This is the largest face-to-face survey carried out by any UK council. The latest report, from 2018, found that 95 per cent of respondents were satisfied with Edinburgh as a place to live. But it also found that residents' satisfaction with many council services had declined. Satisfaction was high (above 80 per cent) for parks, libraries, street lighting and public transport. But it was much lower for roads and for maintenance of pavements and footpaths, at 42 per cent and 47 per cent respectively.
- 56.** Sixty-five per cent of respondents were satisfied with how the council was managing the city. This is lower than in previous years and is similar to the trend reported by other UK councils. Residents' satisfaction with specific aspects of the council's management of the city are as follows:
- 35 per cent of residents thought that the council provided value for money.
  - 51 per cent agreed that the council keeps them informed about the services it provides.
  - 39 per cent agreed that the council keeps them informed about its spending and saving proposals.
- 57.** The LGBF also includes several indicators relating to service user satisfaction. Performance has declined against all satisfaction indicators in the last five years, which is the same trend seen in many other councils across Scotland. In 2018/19, Edinburgh performed better than the Scottish average for the percentage of people satisfied with culture and leisure facilities, particularly those satisfied with museums and galleries ([Exhibit 8](#)). This is similar to the higher scoring areas in the council's People Survey. The council performed less well against the other indicators. The council was ranked particularly low on satisfaction with refuse collection and street cleaning ([paragraph 43](#) and [Case study 3](#) set out details on more recent improvements to the council's waste and cleansing service).

## Exhibit 8

### The City of Edinburgh Council's performance against LGBF satisfaction indicators compared with Scotland level performance, 2019

Edinburgh was ranked in the bottom quartile of councils for five of 11 indicators, and in the bottom half for a further three.



Note: The first four indicators are taken from the health and care experience survey and are based on 2017/18 data.

Source: Audit Scotland; Local Government Benchmarking Framework, Improvement Service, 2018/19

## Performance reports to the council's leadership team allow it to identify where improvements are required

- 58.** The council's performance team produces service-level reports on performance indicators, trends and performance against targets. These are discussed at service team and senior manager level. Where required, actions are agreed to address any performance issues. The CLT reviews quarterly performance scorecards for each of the four directorates. These include explanations and information on actions being taken to address performance issues. Where there are more significant concerns, or where CLT wishes to better understand performance, it can request additional 'deep dive' reports.
- 59.** For example, in 2017, the CLT identified that the council had relatively high sickness absence levels and requested additional information. The council's Human Resources team produced dashboards to provide detailed information on absence by service, length and type. Senior management held quarterly challenge panels to discuss absence levels and management's response. LGBF data shows that sickness absence among non-teachers, which had previously been increasing, fell from an average of 12.3 days in 2017/18 to 11.6 days in 2018/19.

## The council has recently addressed weaknesses in its performance reporting to elected members

- 60.** The council's annual performance report to elected members sets out progress against the KPIs in its Change Strategy. Elected members also receive six-monthly updates on the 52 Business Plan commitments and annual updates on the LGBF. The current reporting arrangements do not provide members with an overall assessment of the council's progress: members review separate reports on the Business Plan and Change Strategy, and the commitments and KPIs contained in the documents are not prioritised.
- 61.** We identified several weaknesses in the council's 2018/19 performance reports to members. The council improved the 2019/20 performance reports that it presented to members in August 2020. For example:
- the 2018/19 annual performance report did not provide a summary of the number of KPIs that met or missed their target. It made no distinction between indicators that met target and those that improved but still missed target. The narrative focused on KPIs in which performance had improved, and most areas of declining performance were not mentioned. The 2019/20 report addresses these issues: it provides members with a much clearer picture of progress and how the council plans to address underperformance
  - the council's 2017/18 LGBF performance report lacked information on why there had been a decline in performance in some service areas. It also lacked detail on the council's plans to address this. The council improved its 2018/19 LGBF report by including some explanations for, and actions to address, poorer performance. The report still lacks information on longer term performance trends and only focusses on comparing performance to the previous year.
- 62.** The council also updated its Business Plan reports in response to an elected member amendment. The council now classifies the 52 commitments into four categories (2019/20 performance is in brackets):
- fully achieved (8 commitments)
  - partially achieved (40)
  - not yet achieved (3)
  - will not be achieved (1)
- 63.** The August 2020 progress report on the Business Plan (the Coalition Commitment Progress Update) includes a summary of overall progress (unlike earlier versions) and provides more information on why the council has assessed commitments to be on track. But some weaknesses remain: 20 (out of 52) commitments do not have any performance measures to monitor progress and some indicators will not provide a good proxy for the associated commitments. Furthermore, where indicators are used, several have a target of an increasing or decreasing trend, rather than a specific figure.
- 64.** The council is aware that it needs to improve its target setting and, in 2019/20, more KPIs had a specific target. The council plans to make further improvements when it develops a new performance management framework, as part of its Adaptation and Renewal Programme ([paragraph 20](#)).

## Improvement plans provided to council committees lack the necessary detail to effectively assess progress

**65.** Council committees have requested improvement plans to address performance issues for waste and cleansing (Case study 3); housing; and roads services. Although these include some measures of success, most of the planned outcomes had no associated performance measures. This meant that the council was not reporting progress to members against those outcomes. For example, the roads services improvement plan identified 32 anticipated outcomes. Progress updates reported performance against four measures, including the roads condition index and improved performance in specific categories of repairs. However, most outcomes, including improved customer feedback and improved productivity within the service, had no performance measures reported on.

## Although the council has made some recent improvements to its public performance reporting, information is still limited

**66.** The council does not have adequate public performance reporting arrangements. Although it has made some recent improvements, information on the council's performance reporting web page is limited. For example:

- it does not include progress reports on the council's 52 commitments
- although there is an external link to detailed LGBF data, there is no summary of Edinburgh's performance

**67.** In addition, until recently, the most recent annual performance report on its performance reporting webpage was from 2017. The public was able to access more recent performance reports, but only by searching for them in the relevant council and committee papers. In September 2020, the council published its 2017/18, 2018/19 and 2019/20 performance reports on its dedicated web page, making them more accessible to the public.

# Part 3

## Is the council using its resources effectively?



**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. But it has had to rely on unplanned savings and, in 2019/20 and 2020/21, 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**

**The council reported in 2017 that its Transformation Programme was on track to achieve most of its planned £70.5 million recurring annual savings. It did not produce a final report to confirm whether it achieved its savings target.**

**The council does not have a well-developed workforce plan at a service or team level. This makes it difficult for the council to identify whether it has the correct workforce skills, numbers or structure to effectively deliver its services.**

**The council has improved in its approach to asset management, procurement and risk management.**

### **The council has used unplanned savings and, more recently, reserves to balance its budget**

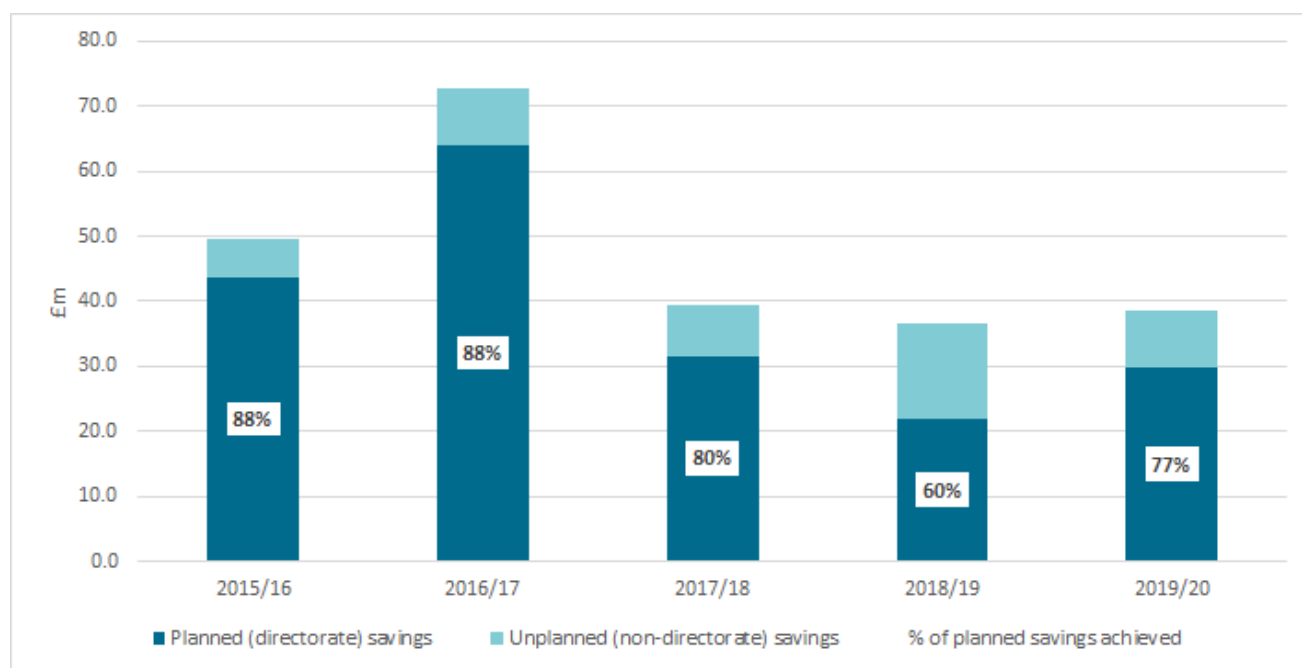
Despite not meeting its planned directorate savings targets, the council has made annual savings of between £35 million and £75 million in the last five years

**68.** The council has maintained expenditure within budget for the 12 years to 2018/19. Over the last five years, the council has made annual savings of between £35 million and £75 million ([Exhibit 9, page 29](#)). In this period, the council has not met its planned directorate (service delivery) savings targets. Its use of unplanned savings (ie, non-directorate savings such as loans fund charges) has been crucial in delivering an overall balanced position for the council.

- 69.** The council reported a net overspend of £4.9 million for 2019/20. A planned, favourable outturn position was impacted by £8.4 million of Covid-19-related expenditure. The most significant impact was the loss of a £6 million anticipated dividend from Lothian Buses ([paragraph 126](#)) and a reduction in parking income.
- 70.** The council has effective processes in place for monitoring and challenging budgets. If a service forecasts that it cannot deliver within financial constraints, the chief executive can challenge officers to deliver a balanced outturn position. The CLT monitors directorate and corporate service savings on a regular basis. The council provides executive committees with RAG (Red, Amber or Green) assessment reports to indicate whether savings plans will be delivered. These include explanations of variance and members challenge officers if more detail is required. Despite these arrangements and, as noted above, directorates have not delivered all agreed savings plans.

## Exhibit 9

### Level of planned and unplanned savings achieved, 2015/16 to 2019/20



Source: The City of Edinburgh Council revenue budget reports

### The council's use of general fund reserves is not sustainable

- 71.** The council reviews its reserves policy on an annual basis, taking into account its known commitments. Earmarked General Fund Reserves are used for known future expenditure requirements. Unearmarked General Fund Reserves are held to cover unforeseen circumstances. The council can use some of the earmarked reserves flexibly if policies or commitments change. The Accounts Commission's 2019 Local Government Overview noted that, in the last five years, councils across Scotland have increasingly drawn on reserves to address funding gaps. In 2019/20, due to the additional costs of Covid-19 ([paragraphs 76-77](#)), the council had to make an unplanned use of £13 million from its earmarked reserves to address its year-end deficit on the general fund. In 2020/21, the council expects to make a significant call on its earmarked

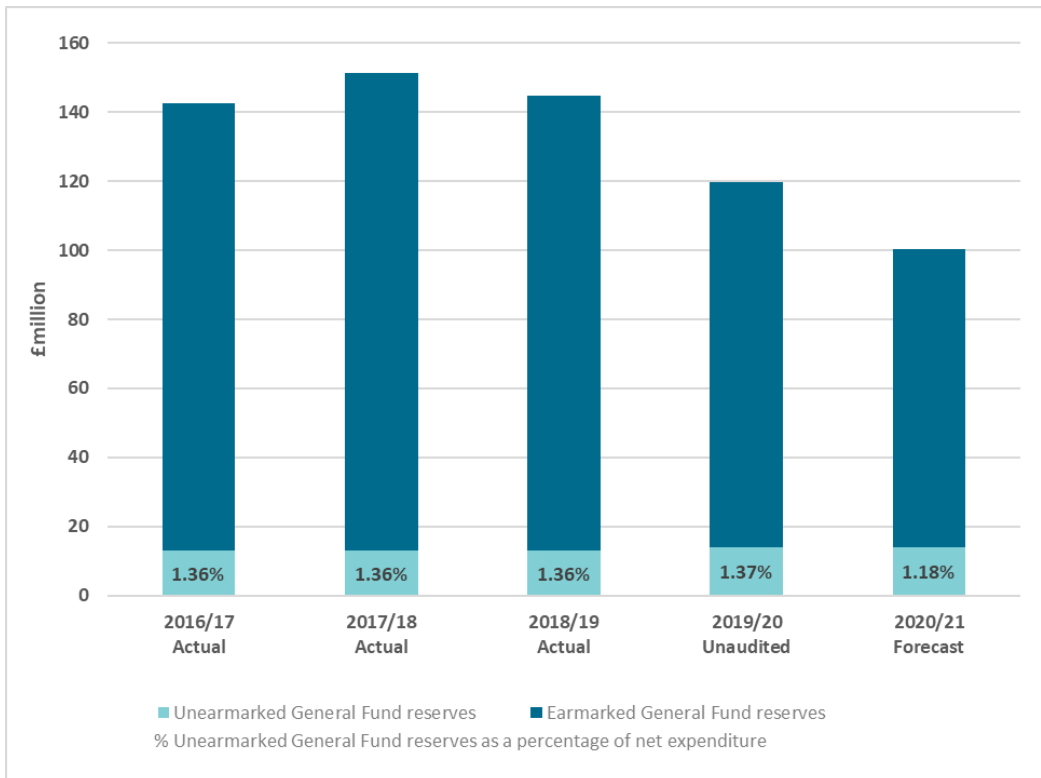
reserves to achieve a balanced budget. This means that the reserves can no longer be used for the council's original intended purpose.

- 72.** Like many other councils, Edinburgh's overall General Fund Reserve has decreased over the last three years and is forecast to decrease further in 2020/21 ([Exhibit 10](#)). This will leave the council exposed to unforeseen events or budgetary pressures. Those earmarked reserves that are left at March 2021 will be required to meet already known commitments.

## Exhibit 10

### The City of Edinburgh Council reserves, 2016/17 to 2020/21

The level of reserves has declined since 2017/18.



Note: The £25 million reduction in total general fund reserves between 2018/19 and 2019/20 is largely due to the council's planned use of £14.3 million from its earmarked 'council tax discount fund' to pay for social housing

Source: The City of Edinburgh accounts and revenue budget forecasts

- 73.** The Accounts Commission's Local Government Overview Report states that councils typically set their unearmarked reserves at between one per cent and four per cent of net expenditure. The City of Edinburgh Council chooses to earmark a high level of reserves for specific purposes and therefore its level of unearmarked reserves is 1.37 per cent of expenditure. The council has held between £13 million and £14 million in unearmarked reserves for the last four years. It is unlikely that this will be sufficient to deal with its future financial challenges. The council estimates that, if there was to be a second Covid-19 lockdown, the additional associated costs would be, on average, around £10 million a month. If the reserve levels continue to decline, the council would be

limited as to how it could respond to a significant unexpected event without making changes to its services.

### **The council does not have a long-term financial plan**

- 74.** As is the case with other councils, delays in the announcement of UK and Scottish Government budgets made it challenging for the council to set its own budget for 2020/21. Despite this, the council reached agreement on the budget in February 2020, before the Covid-19 outbreak. The council agreed a balanced three-year revenue budget, and a ten-year capital budget strategy. Although this is a positive step, a three-year revenue budget is at the lower end of what Audit Scotland would consider as adequate medium-term financial planning. The council has considered and updated its revenue and capital budgets in response to Covid-19.
- 75.** The council has implemented a range of approaches to engage with the public and its staff to help develop its budget. In 2019/20, the council used an innovative approach to help residents understand the implications of savings proposals. This involved providing illustrative examples of how changes in service budgets would impact on services. Citizens were able to adjust the available budget to see how increased spending in one area would impact on other priorities.

### **Covid-19 costs of around £86 million will add to the council's financial challenges**

- 76.** In May 2020, the council presented a report on its revised 2020/21 Revenue Budget to the Policy and Sustainability Committee. The report set out £101.5 million of additional net expenditure pressures, which included £86 million of Covid-19-related costs. The council identified around £45 million from savings, reserves and government funding for Covid-19, to offset this additional expenditure, but it still predicted a £56.5 million shortfall in its 2020/21 budget.
- 77.** The council has revised its position on a monthly basis. As at September 2020, the council's net expenditure pressure for 2020/21 was £85.6 million. It expects most of this to be offset by known and anticipated Scottish Government funding, directorate savings and the unplanned use of earmarked reserves. The council estimates that its remaining 2020/21 budget shortfall will be £12.2 million. In the years 2020/21 to 2023/24, the council anticipates its cumulative budget shortfall will be £70 million.
- 78.** The council recognised the need for greater scrutiny during the uncertain period of Covid-19 and implemented additional monitoring by members and officers. We welcome this approach. To date, the council has mainly focused on the short-term response to operational and financial challenges. It has acknowledged that it needs to continually monitor the three-year budget and ten-year capital budget strategy, which were agreed in March 2020, to take full account of the changes in circumstances.

### **The council reported in 2017 that it was on track to achieve most of its transformation savings. It has not reported whether it achieved its £70.5 million savings target**

- 79.** Our 2014 and 2016 Best Value reports raised concerns about the council's financial position. The 2016 report noted that the council had developed a Transformation Programme to consolidate various strands of improvement activity and to help deliver required savings. The Transformation Programme aimed to achieve £77 million of recurring annual savings by 2020/21 (this was



later revised down to £70.5 million). The council identified that most of these savings (£64 million) were to be achieved through organisational reviews and staff reductions.

- 80.** Between the end of 2015 and the start of 2017, the council regularly reported progress against its transformation savings to the Finance and Resources Committee. The council's last update on the Transformation Programme, in February 2017, reported that the council was on track to deliver £53.7 million of savings. It also noted that, subject to some project changes, it could achieve a further £16.4 million of savings. The council did not produce a final report on its Transformation Programme to confirm whether it achieved its savings target.
- 81.** The council reports that between October 2015 and June 2019, approximately 1,078 staff (FTE) left the organisation through voluntary redundancy or early release schemes. The council funded the one-off costs (£46.7 million) through its earmarked reserves. The council reported that the associated savings from the staff release schemes, as at August 2019, were £41.3 million a year.

### **The council has made digital improvements, but it does not yet have a well-developed digital strategy**

- 82.** While not a formal part of the Transformation Programme, the council identified that effective Information and Communication Technology (ICT) services were key in helping it to achieve significant staff reductions. In April 2016, the council appointed an external company – CGI - to provide its ICT services. The council anticipated that the contract would save over £6 million a year over the first seven years (£45 million in total). So far, the expected savings have been delivered, but in the first two years, the contract did not deliver the expected transformational outcomes and benefits.
- 83.** The council worked with CGI to improve governance and develop a better partnership approach. Better conditions now exist for the successful delivery of projects and it is more likely that the council will achieve expected efficiencies and transformation. Digital improvements to date include a new website and a new intranet.
- 84.** The council is also delivering initiatives to digitise service delivery as well as improve customer and staff experience. It launched a new Customer Relationship Management system in 2019 which allows residents to report issues or make requests online. Other digital service improvements include automating landlord registration and launching an online revenue and benefits system to allow people to check benefit claims and pay bills. The council's approach to date has been to automate, where possible, activities that are known to be time intensive for staff.
- 85.** The council has been digitising its services without a digital strategy to inform its decisions and how it will enhance the digital skills of staff. Although it has made digital improvements, it has not had a digital strategy to set out how digitalisation will help the council to achieve its required savings, make service efficiencies and improve customer and staff experience. The council recently prepared a digital strategy which was approved by the Policy and Sustainability Committee in October 2020.

### **The council's new workforce plan does not yet contain sufficient detail at service and team levels**

- 86.** The council's workforce strategy for 2017-20 provides a vision for the development of its workforce and is focused on developing staff and building leadership capacity. This is not, however, supported by detailed service-level

plans that quantify future workforce needs. Changes to staff resource, when required, have been made on an ad hoc basis. Each change was set out in a Project Initiation Document, but this was not clearly aligned to the workforce strategy. Although its HR department had oversight of the individual changes made, the council did not have a strategic approach to workforce changes.

- 87.** The council is in the process of developing a new workforce plan for 2020-23. The new workforce plan considers overall staff cost and how this is allocated across five service areas. A high-level overview of the main priorities is included, but the council needs to further develop the plan at service and team levels. This will help the council to monitor progress and allow it to assess whether the objectives have been achieved. The council has not yet developed the detailed service workplans that are required for effective workforce planning. It intends to review its service operations and people strategy as part of its Adaptation and Renewal Programme.
- 88.** The council reports workforce data to the Finance and Resource Committee on a quarterly basis. The analysis considers staff numbers and costs. It focuses primarily on trends and lacks reference back to targets noted within the workforce plan. The reports make some reference to the workforce-related outcomes of organisational change, including impact on staff numbers, but they do not state whether changes are achieving the planned outcome.

### The council has improved its procurement processes

- 89.** The council has significantly improved its approach to procurement since 2016:
- In 2018/19, the council achieved an 87 per cent score against the Procurement and Commercial Improvement Programme, which is the nationally agreed assessment tool. This is well above the national average (70 per cent) and puts the council in the highest banding
  - In accordance with the Procurement Reform (Scotland) Act 2014, the council publishes an annual report on its procurement. This reviews whether its procurement complies with its procurement strategy and highlights any areas for future development. The 2019/20 annual report assessed the council's compliance with its 2016-2020 procurement strategy. It found that while the council complied with most procurement objectives, it could achieve additional improvements by further embedding its contract management framework.
  - In March 2020, it approved a new Sustainable Procurement Strategy, covering the period 2020-25.
- 90.** The council's partnership with EY has delivered the planned procurement savings of £150 million over a five-year period, at a cost of £5 million. As part of the partnership arrangement, the council arranged training for its procurement team to enable benefits in the longer term.
- 91.** In 2020, external audit reviewed the council's arrangements for preventing and detecting fraud in procurement. The review concluded that the council's arrangements were satisfactory and that its tendering process was consistent with legislative requirements. The review also found that procurement arrangements were compliant with the council's Contract Standing Orders and with the key principles of transparency, equal treatment, non-discrimination and proportionality.

## The council is taking steps to address the poor condition of some of its estate

- 92.** In 2015, the council approved its asset management strategy covering the period to 2019. This was one of the main components of the council's Transformation Programme. The council reported in March 2020 that it had already achieved its 2020/21 target of £6.2 million of recurrent property costs savings. The council approved a new ten-year capital budget strategy in 2019/20. The council and its partners have recently established a Land/Asset Commission to take forward opportunities for joined-up service delivery and estates rationalisation. The council has not yet developed a new asset management strategy to reflect the new priorities.
- 93.** The council undertook a comprehensive condition survey of its entire operational estate in 2017. This identified significant under-investment in council properties and a backlog of maintenance issues. In January 2018, the council approved a five-year Asset Management Works Programme to upgrade the estate following this assessment. The council agreed a budget of £193 million over five years to address the issues. By March 2020 the council had spent over £60 million on operational properties classified as in either poor or bad condition, focusing mainly on primary schools. Remaining work in the programme is included within the ten-year capital budget strategy.

## The council has improved its risk management framework

- 94.** The council has reviewed and updated its risk management framework. It has established a 'three lines of defence' model:
- The 'first line' is the team responsible for consistent application of the risk management framework.
  - The 'second line' is the team responsible for establishing and communicating an appropriate organisational risk management and governance framework and a risk appetite statement framework.
  - The 'third line' provides independent assurance (for example, Internal Audit) on the controls established to manage risks.
- 95.** The council has restructured the team responsible for risk management. It has increased oversight by the head of legal and risk and the chief internal auditor, along with transferring more responsibility for risk management from the second to the first line of defence.
- 96.** Although corporate risks are identified and managed effectively, the council accepts that capacity and knowledge at lower levels of the organisation are limited, meaning that not all risks may be clearly identified and/or addressed. Relevant risk management training has been provided to those within the second and third lines of defence. The council plans to deliver training to relevant staff within the first line of defence.

# Part 4

## Is the council working well with its partners?



**The council has established close working relationships with a range of partners, including the Edinburgh Integration Joint Board and City Deal partners, to deliver its priorities.**

**The pace of change in establishing effective community planning governance arrangements has been slow and there is limited evidence to demonstrate the impact of partnership working on outcomes.**

**Community empowerment is not embedded in the council's culture.**

**The Edinburgh Integration Joint Board faces significant financial challenges.**

### **The council has established close working relationships with a range of partners**

- 97.** The council works with many partners including NHS Lothian, Police Scotland, universities, businesses, third-sector organisations and neighbouring councils, across a wide range of partnerships and forums. These include, among others, the Community Planning Partnership, known as the Edinburgh Partnership, the Health and Social Care Partnership, the Edinburgh and South East Scotland City Region Deal Joint Committee, and the Alcohol and Drug Partnership.
- 98.** These partnerships share similar ambitions of reducing poverty and inequality in Edinburgh through sustainable and inclusive economic growth. Some partnerships (such as the Edinburgh Partnership, the Alcohol and Drug Partnership, and the Children's Partnership) are reviewing their governance arrangements to clarify their roles in the complex partnership landscape and establish who leads on specific workstreams.

### **The council and its partners have not yet established effective community planning governance arrangements**

- 99.** The City of Edinburgh Council has a lead role in the Edinburgh Partnership. The Partnership includes statutory partners such as NHS Lothian, Scottish Enterprise, Police Scotland and the Scottish Fire and Rescue Service. It also involves a range of other public, private and third sector partners. The Edinburgh Partnership has reviewed its governance arrangements twice in the last six years to improve ways of working. The most recent review in 2019 sought to address acknowledged problems, with a view to:

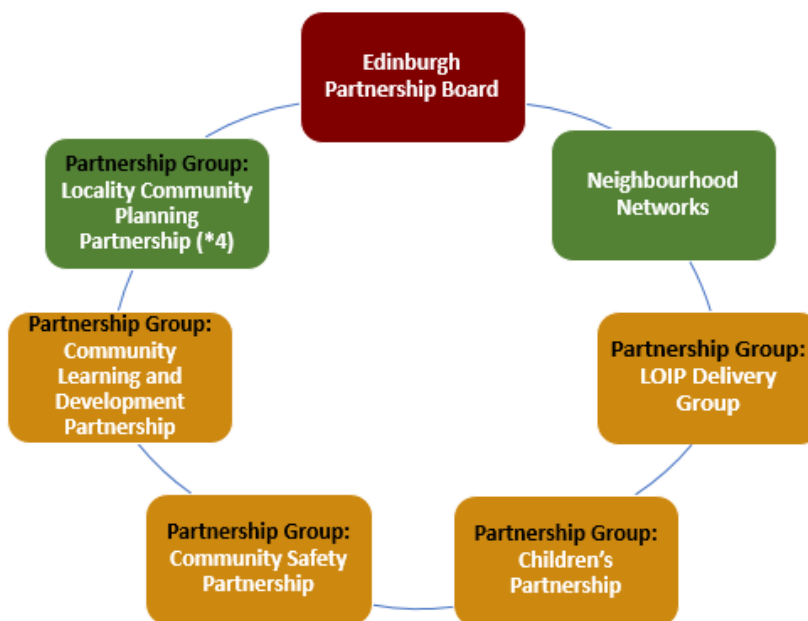
- streamlining and simplifying how partners work together
- providing a shared understanding and clarity of purpose
- strengthening partnership working
- providing greater accountability and transparency
- strengthening community influence and participation, for example in decision-making on the use of devolved funds such as the Community Grants Fund.

**100.** Following ten months of consultation with stakeholders (see [Exhibit 12, page 38](#)), the Edinburgh Partnership agreed a new governance framework in April 2019, introducing four Local Community Planning Partnerships, 13 neighbourhood networks, and the Local Outcome Improvement Plan (LOIP) Delivery Group ([Exhibit 11](#)).

---

## Exhibit 11

### The Edinburgh Partnership Governance Structure and Membership



Source: Edinburgh Partnership Board Papers

---

**101.** The Edinburgh Partnership proposed that the neighbourhood networks would replace the neighbourhood partnerships and include a wider range of local community groups. However, some partners and community representatives have highlighted to the council that they are unclear on how neighbourhood networks are to operate across the four localities.

**102.** We observed and heard community council representatives expressing a need for greater clarity on how community councils should engage with the Local Community Planning Partnerships. While one of the aims of the restructure is to increase community influence, meetings of the Edinburgh Partnership Board, the LOIP Delivery Group, and the Locality Community Planning Partnerships are not streamed online for communities to view. It is too early to say how successful the new structures will be in supporting the Partnership to deliver the LOIP outcomes.

### **The Edinburgh Partnership has struggled to develop effective Locality Improvement Plans**

**103.** The Community Empowerment (Scotland) Act 2015 (the Act) requires a CPP to produce the following plans:

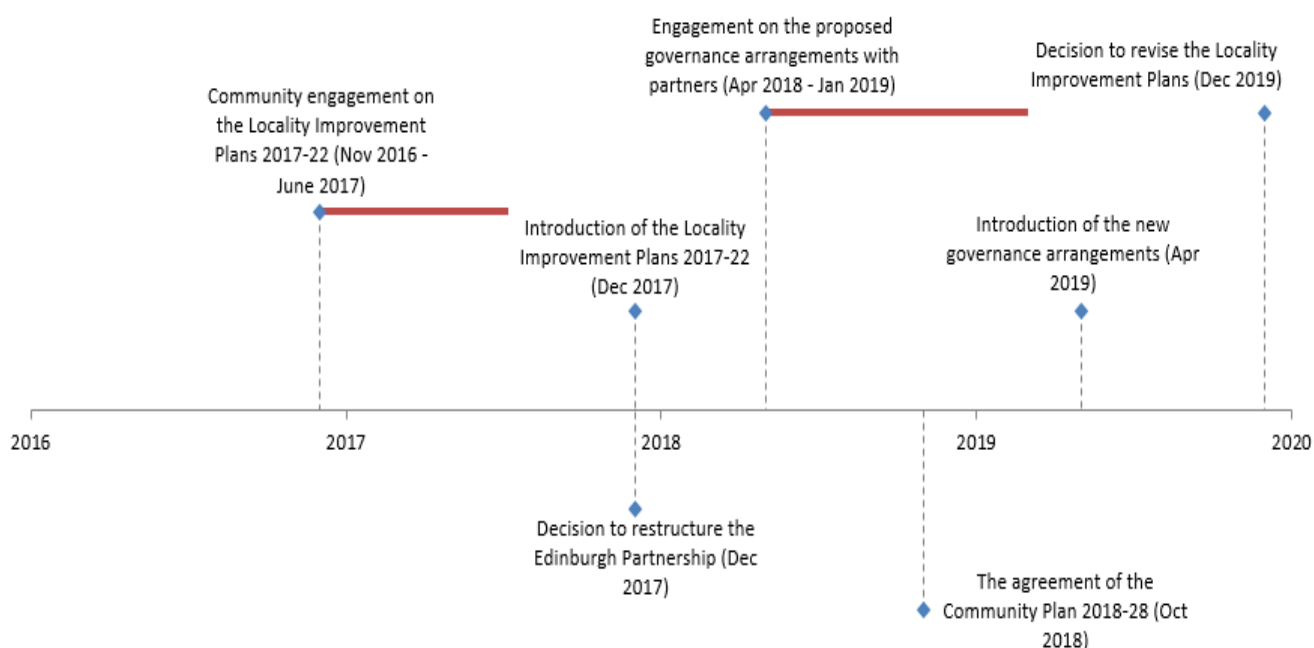
- A Community Plan for the whole council area
- A Locality or Neighbourhood Plan for each locality it has identified as experiencing significantly poorer outcomes.

**104.** Following a period of extensive engagement with communities and public and voluntary sector partners, the Edinburgh Partnership approved Locality Improvement Plans 2017-22 in December 2017 ([Exhibit 12, page 38](#)). Partners subsequently concluded that these were lacking in suitable performance measures, unfit for purpose, and hindering joint working. The plans also set out actions from respective partners rather than actions to be delivered as a partnership. A progress review by the board in December 2019 highlighted the need to refocus the plans on actions that could make a significant impact on tackling poverty and inequality through a partnership approach.

**105.** The Partnership developed the Locality Improvement Plans prior to agreeing its vision and priorities, which are set out in the Community Plan 2018-28. To develop the Plan, the Partnership engaged with its statutory partners, and used the community feedback informing the Locality Improvement Plans from 2017.

**106.** The Partnership is now developing new progress management and reporting arrangements along with new Locality Improvement Plans. They will include the priorities that can only be addressed through partnership working, are thorny issues, and which tackle poverty and inequality. Locality data profiles will form the basis of these plans. The partnership was due to finalise the plans by June 2020, but this has been delayed by Covid-19. The partnership expects to agree a revised date at its Board meeting in December 2020.

## Exhibit 12 Edinburgh Partnership – Timeline of key events



Note: red line indicates duration.

Source: Audit Scotland and Edinburgh Partnership Board papers

## The Edinburgh Partnership has made mixed progress against its Community Plan outcomes, and there are weaknesses in performance reporting

**107.** The Edinburgh Partnership made mixed progress against its 2015-18 Community Plan. The progress report of December 2018 shows that the Partnership met ten of its 17 KPI targets, excluding four data only KPIs ([Exhibit 13](#)).

## Exhibit 13 Edinburgh Partnership's progress against its 2015-18 Community Plan

Outcome	KPI met target	KPI just missed target	KPI missed target	KPI data only (no target)
Edinburgh's economy delivers increased investment, jobs and opportunities for all	3	0	0	0
Edinburgh's citizens experience improved health and wellbeing with reduced inequalities in health	1	2	1	0

<b>Edinburgh's children and young people enjoy their childhood and fulfil their potential</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>Edinburgh's communities are safer and have improved physical and social fabric</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>4</b>
<b>Total:</b>	<b>10</b>	<b>6</b>	<b>1</b>	<b>4</b>

Source: The Community Plan 2015-18 Final Progress Report, December 2018, Edinburgh Partnership

**108.** Progress reports to the Partnership Board lack information on performance targets, specified leads for planned actions, and target delivery dates. The final progress report on its 2015-18 Community Plan (dated December 2018) did not set out the KPI targets and stated only if targets had been achieved, just missed or missed. The report did not describe what actions the Partnership had taken to achieve its outcomes. The Partnership's progress report at March 2020 includes performance information for only four of the 17 indicators in the current Community Plan.

### The Partnership's performance against Community Planning Outcomes Profile indicators improved between 2013/14 and 2017/18

**109.** The Improvement Service's Community Planning Outcomes Profile (CPOP) is a collection of 18 measures to help assess whether residents' lives are improving. Performance against CPOP indicators is positive, with the Partnership demonstrating improvement against 15 of the 18 measures between 2013/14 and 2017/18. This included measures of child poverty, employment and carbon emissions. Performance was maintained for educational attainment and declined slightly for unplanned hospital attendances and wellbeing.

### The council consults extensively with residents and has used some innovative engagement approaches

**110.** The council relies heavily on consultation responses to inform its decisions and to develop plans and strategies. The total number of consultation responses has increased considerably, from 8,000 in 2016/17 to 25,000 in 2018/19. The council's website only includes some consultation results and limited information on actions taken to address issues. The council recognises the need to provide timely feedback about consultation responses and any subsequent actions. It has developed a draft consultation policy, but Covid-19 has delayed its implementation.

**111.** The council has used other community engagement methods, such as workshops, information displays, focus groups and digital tools. It engaged with communities early in the development of its City Plan 2030 and developed on-line budget simulation tools and used game-based approaches to facilitate discussion about its budget proposals. It is also expanding its use of digital mapping tools to enable residents to provide feedback. The council is a key partner on the Edinburgh Climate Commission ([Case study 1](#)), and the Edinburgh Poverty Commission ([Case study 2](#)), both of which have used a wide range of methods to engage with citizens and stakeholders, including developing a citizen group and co-producing a youth summit on climate change with young people.

**112.** In partnership with NHS Lothian, the Children's Partnership, the Children's Parliament and Young Edinburgh Action, the council engaged with children and young people through the "What Kind of Edinburgh?" project, which enabled



children and young people to give their views about the planning and delivery of services. The council and its partners further developed this approach by establishing the Children and Young People Participation Group to influence the priorities set out in the Children's Services Plan 2020-23.

## Community engagement is not embedded in the council's day-to-day work

- 113.** The council's Business Plan and Change Strategy set out its aspiration to empower citizens and colleagues. Community empowerment is also a key theme in the Edinburgh Partnership's Community Plan ([Exhibit 2, page 12](#)). The council recognises that the pace of change in improving community engagement has been slow. Community engagement is not embedded in the council's day-to-day work and is not yet an integral part of service improvement and delivery.
- 114.** Neither the Edinburgh Partnership nor the council has a community engagement strategy in place. The council and its partners are currently developing one with the involvement of the Checkpoint Citizen Focus Group. Set up in November 2019, the group includes a dozen community representatives. Covid-19 has delayed its introduction.
- 115.** There is limited evidence of the council engaging with hard-to-reach, migrant, and minority groups. Citizens have not always been engaged early enough and meaningfully enough to influence the council's decision-making. In our fieldwork interviews, community groups and third-sector organisations told us that the council and its partners could improve community engagement by adopting an early intervention/prevention and human rights-based approach, and by working more closely with active community groups and third sector organisations to better understand local needs and support communities.

## The council's implementation of the Community Empowerment Act has had little impact on communities to date

- 116.** The Community Empowerment Act 2015 (the Act) makes it easier for communities to take ownership of land and buildings, in a process known as asset transfer. The City of Edinburgh Council has introduced an asset transfer policy outlining the principles and stages of the process. Since the Act came into force in October 2015, there have been 93 expressions of interest in asset transfers, with 19 requests submitted to the council. As at the end of August 2020, two asset transfers had been approved, one of which had been completed before the introduction of the Act. A further six have since been approved by the Council and are awaiting legal completion. Expressions of interest for three of these were submitted in 2016 and 2017.
- 117.** One of the two community groups that were successful in completing an asset transfer told us that the process took almost two years because the legal process was lengthy. Edinburgh is one of the few councils that requires community groups to pay the legal fees associated with an asset transfer. The council has not developed a process to balance the financial return for asset transfers with the long-term community and social benefits. The council has not collected feedback from community groups on the asset transfer process.
- 118.** The council considers that the low number of successful asset transfers can be explained by the following:
- Community groups lack the skills and funding to complete asset transfers.

- Community groups are put off by the timescales and work involved in complying with the requirements.
- The priorities of those interested in taking on the asset and the local community are in competition.
- Properties suitable for community use are lacking.

**119.** The Act also allows residents to influence council decisions through a formal participation request. Across Scotland, councils received a total of 45 participation requests between 2017/18 and 2018/19. Of these, councils accepted 26, 14 were refused, one was pending, and four were invalid.<sup>2</sup> The City of Edinburgh council has received five participation requests, of which two were accepted, one declined, one placed on hold, and one is still ongoing. Examples of Edinburgh's participation requests include a community group wanting to influence the proposed sale of a local site, and a community council wanting to influence local traffic management arrangements.

**120.** The council has begun to roll out participatory budgeting in some areas, which gives local people a greater say in how the council spends some of its funds. The council has a framework for considering participatory budgeting options. Since 2015, the council has allocated an estimated £1.6 million to communities through participatory budgeting. Local participatory budgeting has taken place in Leith (Leith Chooses) and Portobello and Craigmillar (Portobello and Craigmillar You Decide). The council finds replicating the approach across the whole council challenging due to resource implications. To address this, council officers are working on costed proposals to implement the participatory budgeting approach across all four localities.

### **The Edinburgh Integration Joint Board has not yet developed the detailed plans needed to address significant financial pressures**

**121.** The council and NHS Lothian established the EIJB to plan and deliver health and social care services. The Edinburgh Health and Social Care Partnership (EHSCP) is responsible for the operational delivery of the EIJB's strategy. The EHSCP has oversight of the planning and delivery of adult social care services, community health and those hospital-based services that are delegated under the Integration Scheme.<sup>3</sup>

**122.** The EIJB faces significant financial pressures, both immediate and in the medium to longer term, as a result of increasing demand for services. Although the EIJB has been able to demonstrate effective, short-term financial planning, it has not yet developed a medium- or long-term financial plan. In 2019/20, the EIJB's expenditure was £762 million. It balanced its budget for the first time and delivered its savings plan, without relying on non-recurrent funding from partners. The unaudited accounts for 2019/20 show a planned deficit of £6.5 million, which the EIJB addressed by using its reserves. This approach is not sustainable. Current plans show a funding gap of £4 million in 2020/21. Forecasts for 2021/22 and 2022/23 show funding gaps of £12 million and £15 million respectively. Covid-19 has significantly impacted the delivery of the

<sup>2</sup> Participation Requests: Evaluation of Part 3 of the Community Empowerment (Scotland) Act 2015, Scottish Government, April 2020.

<sup>3</sup> Services for which the EIJB is responsible include: Adult social work services; community dentistry, pharmacy and ophthalmology; health and social care services for older people, adults with disabilities, adults with mental health issues and unpaid carers; palliative care; primary care (GP); substance misuse; and unscheduled hospital admissions.

EIJB Transformation Programme and pace of change has been slower than planned. A rephased plan was agreed in July 2020.

## The EIJB is addressing identified governance and performance issues

**123.** The Good Governance Institute assessed the EIJB's governance arrangements in 2018/19. It made 18 recommendations and, in May 2019, the IJB developed an improvement plan. Progress against performance measures is reported to every meeting of the board. In June 2019, the board approved a new committee structure including the establishment of the Performance and Delivery Committee. Every two months, the committee considers a performance report, which includes trend analysis and 'deep dives' into specific areas identified in advance.

**124.** The most recent EIJB annual performance report (for 2019/20) sets out its performance against 19 national performance and satisfaction indicators:

- Performance declined against the nine satisfaction indicators in 2017/18 (the most recent available data). Although this is consistent with national trends, Edinburgh performed less well than the Scottish average against six of the nine indicators and was ranked in the bottom half of all IJBs for all nine indicators.<sup>4</sup>
- Performance was better on the ten indicators that are used to demonstrate the shift in the balance of care. Performance on most of the indicators fluctuated between 2014/15 and 2019/20, but the most recent report (between 2018/19 and the 2019 calendar year) shows that EIJB improved its performance against five of the indicators. Performance remained worse than the Scottish average in half of the indicators overall.

## The council's ALEOs face particular challenges as a result of Covid-19

**125.** The City of Edinburgh Council uses a range of **ALEOs** to provide services to residents. Each ALEO is structured differently, in terms of ownership and influence exerted by the council.

**126.** The largest ALEO is Transport for Edinburgh Limited, which incorporates the activities of Lothian Buses Limited and Edinburgh Trams Limited. In 2019, its turnover was £180 million. The ALEO is important for the council's finances as it pays the council an annual dividend (worth £6 million in 2018/19). As a result of Covid-19, no dividend will be issued in 2019/20 and potentially beyond this. The council is considering how to address this loss as part of its broader discussions on its budget.

**127.** The council's ALEOs have generally operated successfully. But Covid-19 has brought challenges, particularly for those which provide leisure services, cultural venues and transport. The council anticipates significant implications for its income. The council's estimate, as at September 2020, of lost income and other required financial support is £27 million. Services will continue to be affected for some time by social distancing requirements, public attitudes and market capacity. These factors will all affect future income forecasts.

---

### Arm's Length External Organisations (ALEOs)

ALEOs are companies, trusts and other bodies that are separate from the council but are subject to council control or influence. This means that the council might have a representative on the ALEO's board or that it is the main funder or shareholder of the ALEO.

---

<sup>4</sup> Note this data is taken from the Scottish Government's national health and care experience survey which is conducted every two years. The most recent data is for 2017/18

**128.** The council regularly reviews its ALEOs to ensure that the operating models remain fit for purpose and that there is proper and effective oversight of ALEOs' activities. In 2017, the council agreed to reduce the number of its property ALEOs and to change to in-house management of certain activities and assets undertaken by the EDI Group (which carries out property development). The council agreed a transition strategy; this is progressing in line with the closure timetable that will be complete by 2023.

**129.** In February 2020, the council changed the scrutiny arrangements for its ALEOs to provide greater clarity and avoid duplication:

- The council's executive committees will scrutinise the future direction of each ALEO, service performance, including progress against service level agreements, and any emerging issues
- The GRBV Committee will scrutinise the ALEOs' financial performance, including the annual accounts, and any risks affecting the council or any individual ALEO.

The council had planned a wider review of its ALEOs during 2019/20 but this was delayed by Covid-19.

### The council is working well with partners on the Edinburgh and South East City Region Deal

**130.** In August 2018, the council, along with various public, private and third sector partners, signed the Edinburgh and South East **City Region Deal**. The partners, along with the UK and Scottish Governments, have committed a total of £1.3 billion, over 15 years, to a range of projects to help improve the region's economic performance ([Exhibit 14](#)). Of this total, The City of Edinburgh Council has committed £269 million to three projects: West Edinburgh Public Transport; the Dunard Centre (concert hall); and a new housing company.

**131.** In 2018, partners estimated that the Deal would attract £141 million of private sector investment and create 23,368 permanent jobs. Partners will monitor progress against these targets through the Deal's Benefits Realisation Plan (BRP), which the Joint Committee ([paragraph 132](#)) approved in August 2020. The BRP will also track progress against other outcomes, such as reducing inequalities, which are included in project business cases. The Deal partners are working to improve community engagement in shaping the proposed business cases.

---

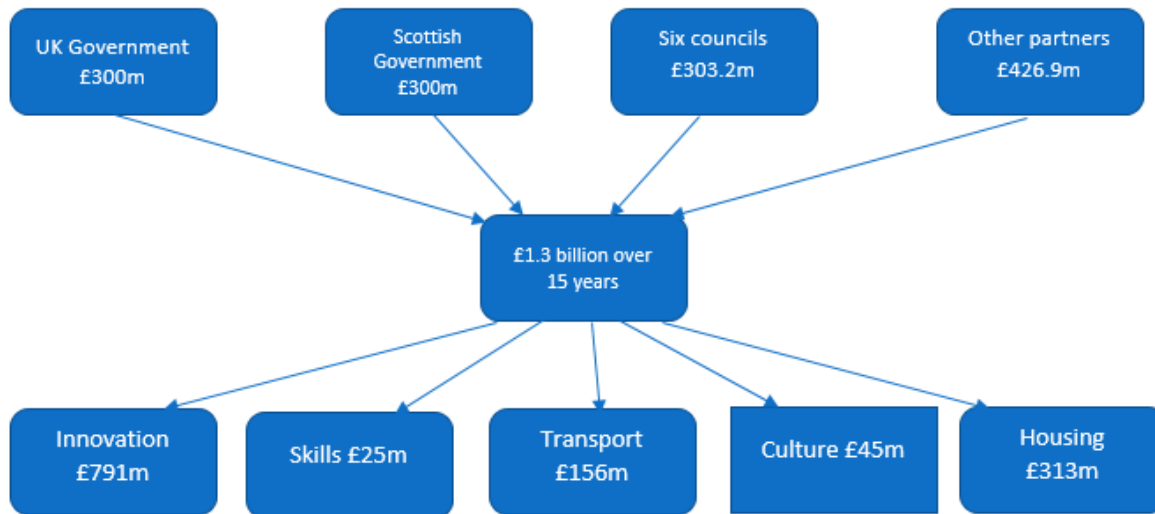
#### City Region Deals

City Region Deals involve the UK and Scottish governments giving additional funding and powers to cities and the associated regions to promote economic growth. Individual deal partners decide where to target funding based on local needs. The Edinburgh and South East Region Deal was the second deal to be agreed in Scotland.

---

## Exhibit 14

### The Edinburgh and South East City Region Deal funding and planned investment



Source: Audit Scotland

- 132.** The City of Edinburgh Council has played a lead role in the City Region Deal governance structure. In the first two years of the deal, it chaired the Joint Committee, which is the ultimate decision-making body for the Deal, and the Executive Board, which oversees a programme management office to administer the Deal. The council was also the accountable body for the City Region Deal finances. In September 2020, East Lothian Council took over as the lead authority for the Deal.
- 133.** As at August 2020, the Joint Committee had approved £736.5 million of spending through the business case process (55 per cent of the £1.3 billion deal fund). By the end of 2019/20, City Deal partners had spent £103.2 million across 24 projects. The Joint Committee has allocated a further £47 million for 2020/21.
- 134.** The August 2020 progress report shows that the overall progress of the deal is amber. Two of the council's projects are progressing as planned. There are delays to its concert hall project after plans had to be scaled back and re-submitted following a challenge by developers on an adjacent site. As part of the City Deal's Integrated Regional Employability and Skills programme, partners launched a Covid-19 Jobs Support Portal. The portal has been used by over 300 employers with almost 800 job vacancies advertised since the start of the pandemic.

# Part 5

## Is the council demonstrating continuous improvement?



**The council has made mixed progress since its previous Best Value report in 2016. While it has improved aspects of leadership and service performance, its pace of improvement in other areas, such as community planning and public reporting, has been slow.**

**The council does not have a strategic approach to continuous improvement to demonstrate all aspects of Best Value.**

**Historically, the council has been slow to respond to scrutiny and audit findings. It has taken action to address this and there are some early signs of improvement.**

**The council seeks feedback from staff and residents. But it does not clearly demonstrate how it uses this feedback to improve services and outcomes for the people of Edinburgh.**

### The council has made mixed progress since its 2016 Best Value report

**135.** In our 2016 Best Value report, the Accounts Commission commented on Edinburgh's substantial progress with planning and delivering financial savings. It recommended that the council monitor the success of its service and workforce changes, to demonstrate that decisions represent Best Value. Since 2016, the council has improved aspects of its leadership, (Part 1), and shown improvement in some service areas, such as education and waste management (Part 2). But its performance in other areas, such as workforce planning, has deteriorated. Exhibit 15 compares previous Best Value judgements with our findings from this audit.

## Exhibit 15

### Comparison of Best Value judgements

A comparison of Controller of Audit judgements from 2016 and 2020 shows that further progress has been slow.

<p><b>Leadership</b></p> <p>Elected members and officers have continued to develop a shared vision for the council and the city it serves, despite continuing changes at senior manager level.</p>	<p>The council's business plan was developed by a small group of administration members and was not subject to wider scrutiny before being presented to the council.</p> <p>The council's political composition is challenging; relationships between members are strained and decision making is difficult. Despite this, the council has 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. Council management also has driven improvements in asset management, procurement, and risk management</p> <p>The council has strengthened and stabilised its senior management team, but staff are not always positive about its leadership.</p>
<p><b>Financial position</b></p> <p>While it continues to face growing financial pressures and uncertainty, the council has made substantial progress in planning and delivering financial savings.</p>	<p>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, but it has had to rely on unplanned savings and, in 2019/20 and 2020/21, on reserves, to meet its funding gap. This is not sustainable, particularly as it manages the effects of Covid-19.</p> <p>While the council agreed a three-year revenue budget and a 10-year capital budget strategy in early 2020, it does not have a longer-term financial plan to address its significant revenue budget challenges</p>
<p><b>Transformation</b></p> <p>The council's various improvement projects have been consolidated into a single transformation programme. This has still to be fully implemented, but it is now starting to</p>	<p>The council expected its Transformation Programme to deliver over £70 million of recurring annual savings. In 2017, it reported that it was on track to deliver most of these</p>

reshape the council's services and deliver savings.

savings. It did not produce a final report setting out whether it achieved its savings target.

### Workforce

The council now has a workforce strategy, supported by more detailed plans, setting out the size and shape of its future workforce needs. It is now starting to achieve the reductions set out in these plans.

The council's progress in relation to workforce planning has deteriorated; although it is developing a new workforce plan for 2020-23, it currently lacks detail at a service and team level

## The council identifies transformational change and efficiencies through its Change Portfolio, but progress reports to elected members do not provide savings information

- 136.** Since 2012, the council has carried out a range of transformation activity to help make required savings and improve its services. In 2015, it consolidated this activity into a Transformation Programme (Part 3) with the aim of delivering over £70 million of recurring annual savings. The council has not reported whether it achieved this target.
- 137.** In February 2017, the council reported that it had completed most of its Transformation Programme activity and that any remaining elements would be subsumed into a Change Portfolio, overseen by the CLT. The purpose of the Change Portfolio was to identify and deliver projects to further transform services and realise additional savings. Since February 2018, the council has reported progress to the Change Board (the CLT) every month and to the GRBV Committee every six months. The most recent report to the GRBV committee, in December 2019, indicated that, of the 53 live Change Portfolio projects: two had been delivered; 16 were on track; 30 were experiencing minor problems or delays; and five were experiencing significant problems or delays.
- 138.** The council's progress reports to the CLT contain detailed information on the financial and non-financial benefits of each change project and a summary of the overall investment in, and savings achieved from, the Change Portfolio. The council's progress reports to the GRBV Committee do not provide any information on the savings expected, or delivered, from the 53 projects. The council includes a 'Change Proposals' savings update as part of its quarterly budget reports to the Finance and Resources Committee. But the 'Change Proposals' differ to the 53 projects included in the GRBV committee reports.

## The council uses several methods of self-assessment but does not have a strategic approach to continuous improvement

- 139.** The council uses a range of tools to monitor performance and identify areas for improvement, primarily at service level. These include LGBF analysis; service reviews; and the 'How Good is our school?' and the Public Library Quality Matrix self-evaluation frameworks. The council undertakes service improvement activity mainly in response to poor performance, or through savings or transformation initiatives. The council acknowledges that it lacks a formal strategic framework to promote a culture of self-awareness and to ensure that continuous improvement is embedded throughout the organisation.



## There is some evidence of the council using external benchmarking or advice to improve its processes or performance

- 140.** The council uses benchmarking tools to compare its performance with that of other councils:
- LGBF data to compare its performance with that of the three other big cities in Scotland (Glasgow, Aberdeen and Dundee)
  - Association for Public Service Excellence benchmarking for several services, including waste and roads
  - Chartered Institute of Public Finance and Accounting corporate service benchmarking, which mainly considers cost of service provision.
- 141.** Given the council's unique position as the capital city, it is important that it looks beyond Scotland to learn and share good practice. There are examples of the council doing this: for example, it learned from cities such as New York, Stockholm and Sydney when developing the City Vision. It also brought in advisers from Manchester who had experience of delivering successful tram developments. But there is limited other evidence that the council has looked beyond Scotland to change its processes or improve performance.

## The council has made some improvements to its services and processes

- 142.** There are examples of the council understanding where improvements are required and taking action in response to poor performance, such as developing service improvement plans at the request of a committee (Part 2). [Case study 3](#) sets out further detail on the council's waste services improvement plan. Its improvement plans for roads services and housing are more recent, but data suggests that there are initial signs of improvement. The council has also taken action to address the issues with its ICT contract and the poor condition of its estate. And it has improved its risk management, and procurement processes (Part 3).

---

## Case Study 3

### The council's Waste and Cleansing Improvement Plan

In November 2016, the council produced a Waste and Cleansing Service Improvement Plan. This was in response to the Transport and Environment Committee's concerns regarding the level of complaints about street cleanliness and waste collection. The improvement plan included an extensive list of actions to help address:

- missed or delayed bin collections
- fly-tipping and street cleaning
- customer service
- communication and behaviour change

The council provided the committee with regular progress reports and in March 2018 it produced its final update on the plan, which noted that missed bin complaints and street cleaning enquiries had fallen.

Later in 2018, the council made changes to its waste collection service, including changing from a five day a week collection to four days a week, and introducing more efficient routes. The changes prompted a further spike in missed bin complaints. The Transport and Environment Committee received regular reports on performance, and on the actions being taken to address the problems. Since then the number of missed bin reports has fallen again, with 2019/20 KPI data showing that missed domestic bin collections fell by 47 per cent compared with the previous year.

Source: Waste and cleansing improvement plan, reports to committee and KPIs

---

### Recent council self-assessments did not identify some of the improvement areas highlighted by this audit

- 143.** At the end of 2019, in preparation for this audit, the council carried out a self-assessment against Best Value themes to support continuous improvement. Out of 36 questions, the council assessed itself as strong for eight of these, satisfactory for 26 and weak for two. Its two identified areas of weakness were workforce planning and its use of options appraisal. The council's eight self-assessed areas of strong performance included: understanding its challenges; governance, City Deal and City Vision progress; procurement; and members' engagement in financial planning. However, our audit work has identified some weaknesses in three of the areas that the council identified as strong: effective leadership; financial planning; and partnership working (Parts 1, 3 and 4).
- 144.** We found other examples of the council's self-assessment conclusions which differed slightly from our audit findings. For instance, Parts 1, 2 and 4 of this report highlight some improvement areas for the council in relation to the council's vision, business planning, leadership, transparency and reporting, and engagement with citizens and service users. But the council's 2019 corporate governance self-assessment rates its performance as good in these areas.

### The council has been slow to respond to scrutiny but there are early signs of improvement

- 145.** Management's response to audit and inspection recommendations has been slow in recent years. Elected members, through the GRBV committee, have been pressing management to respond more quickly and effectively to audit recommendations, and there is evidence of recent improvement. In June 2018, directorates agreed to review all agreed management actions that were more than three months overdue (including historic reopened findings) to assess whether alternative actions could be implemented to address the identified risks. This reduced the number of overdue actions from 63 (68 per cent of all findings) in July 2018 to 42 (49 per cent of all findings) in March 2020. Ensuring that management actions are completed on time is now an agreed priority for all directorates.
- 146.** In May 2017, the Care Inspectorate highlighted significant weaknesses in the planning and delivery of older people's services across the city. A follow-up inspection in June 2018 showed limited progress and found the health and social care partnership's approach to be reactive, short term and focused on individual recommendations rather than on an overall programme of improvement.

## **The council has acted in response to staff feedback, but it does not monitor the impact of its actions across the organisation**

- 147.** The council's most recent staff survey, conducted in 2018, identified areas for improvement for individual directorates, services and the council. In response to the feedback, the CLT committed to developing action plans to improve staff's experience of working for the council.
- 148.** Executive Directors led the development of individual directorate action plans. To feed into these, directors and managers gathered staff feedback on specific improvement areas using a variety of methods, including open engagement sessions, team meetings, site visits and emails. The council established a short-life working group to coordinate the approach and aid learning across all directorates. Using the feedback gathered from individual directorates, the working group also developed action plans for council-wide areas for improvement, which included leadership, communication, and learning and development.
- 149.** In May 2019, the council provided the Policy and Sustainability Committee with an update on its directorate and corporate action plans. Actions taken included improving leadership's visibility through meetings and emails, improving staff training, and refreshing the council's internal communication strategy. The report stated that individual directorates would monitor progress against the actions plans. Neither the Policy and Sustainability Committee nor the GRBV committee requested further updates.

## **The council has agreed to review its overall whistleblowing culture**

- 150.** The council recognises the importance of having an appropriate mechanism for staff to report instances of wrongdoing or malpractice. In May 2014, the council introduced a new whistleblowing policy and a whistleblowing hotline for its staff. In 2019, in response to discussions with elected members, the council considered, and subsequently implemented, improvements to its whistleblowing procedures. In September 2020, the sudden death of a council employee prompted a motion and debate at a meeting of the full council. At that meeting, the whole council agreed that there should be an independent review of the council's overall whistleblowing culture and relevant processes, to provide assurance that its approach to, and procedures for, dealing with whistleblowing, corruption and criminal wrongdoing were appropriate and fit for purpose. The council agreed to refer the issue to the Policy and Sustainability Committee in the first instance. At its meeting on 15 October, the council considered a paper from the Policy and Sustainability Committee and agreed that the review should proceed and that the exact terms and timescale should be determined by the independent person appointed to lead the review.

## **The council consults extensively with its residents, but it does not demonstrate how it uses their feedback to improve services**

- 151.** The council engaged with over 30,000 people when developing its City Vision (Part 1). This was one of the biggest consultation exercises carried out by a council in the UK or Europe. The council also consults with its residents when developing strategies and making decisions on major projects. It currently publishes limited information on how it uses consultation feedback, but it is taking steps to improve this (Part 4).,
- 152.** The council collates the views of over 5,000 residents through its annual Edinburgh People Survey (Part 2). The main purpose of the survey is to track residents' perceptions of services and to detect any early signs of dissatisfaction before they become problematic. The survey is not intended to

be used to support service redesign. Survey results are reported to the CLT and to senior management teams and the Policy and Sustainability Committee notes the results. Some services, such as waste and culture, use the results to target improvements, but we saw no evidence of the council producing any action plans or any committees requesting that the council responds to the results.

---

# Recommendations

---

The council needs to quickly increase the pace of improvement to help it demonstrate that it is achieving Best Value. We make the following recommendations to help the council address the improvement areas identified in this report:



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 (paragraph 20)
- prepare sustainable medium and long-term financial plans, and detailed workforce plans, to support its strategic priorities (paragraphs 74 and 86-88)

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 (paragraph 139, 143-144, 151-152).

To help them carry out their best value responsibilities, elected members should take advantage of the learning and development opportunities provided by the council (paragraphs 26-28).

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 (paragraph 65)
- publishing easily accessible, up-to-date performance information on its website (paragraphs 66-67).

In order to make community engagement an integral part of service improvement and delivery, the council should:

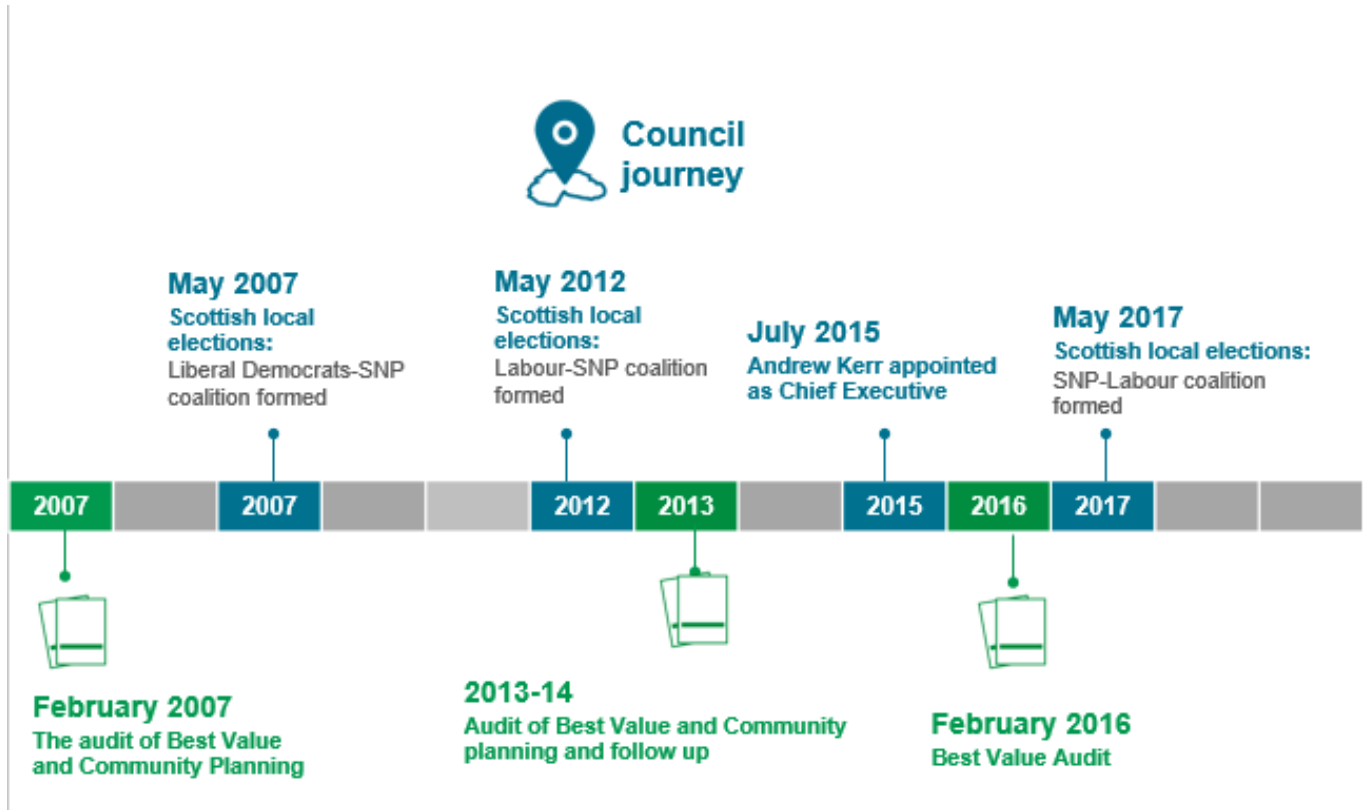
- embed the lessons from effective community engagement activity and clearly communicate the results of, and the council's response to, community consultation (paragraph 110)
- support community groups to complete asset transfers (paragraphs 113-115)

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 (paragraphs 101-108)
  - produce progress reports with clear targets, accountable leads and links between the actions taken and the impact on performance (paragraph 108).
-

# Appendix

## Best Value audit timeline



# The City of Edinburgh Council

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)