

Policy and Sustainability Committee

10:00am, Tuesday 23 February 2021

Best Value Assurance Audit Response

Executive/routine Executive
Wards
Council Commitments

1. Recommendations

The Committee is recommended to:

- 1.1 Note the progress made to date to respond to the Best Value Assurance Audit Report recommendations;
- 1.2 Note a further progress report will be brought to the April meeting of the Policy and Sustainability Committee; and,
- 1.3 Agree, following the implementation of the Planning and Performance Framework, the actions to address the Best Value Assurance Report recommendations (as set out at Appendix 1) will be integrated into the Business Plan performance reporting cycle.

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Report

Best Value Assurance Audit Response

2. Executive Summary

- 2.1 This report sets out the comprehensive approach being progressed to respond to the Best Value Assurance Audit recommendations.

3. Background

- 3.1 [The City of Edinburgh Council Best Value Assurance Audit Report \(BVAR\)](#) was published by the Accounts Commission on 26th November 2020.
- 3.2 At the Policy and Sustainability Committee (1 December), Governance, Risk and Best Value Committee (8 December) and full Council (10 December), elected members considered a report noting the findings of the BVAR, the approach to ensure a comprehensive and holistic response to the audit and provided feedback on priority areas for improvement.
- 3.3 Councillors specifically agreed *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.*
- 3.4 The [Council Business Plan: Our Future Council, Our Future City](#) was published on 27 January 2021.

4. Main report

- 4.1 The BVAR for the City of Edinburgh Council focused on five key areas: the Council's vision and strategic direction; performance and outcomes including public performance reporting; effective use of resources; partnership working and community engagement, and continuous improvement.
- 4.2 A key recommendation was the need for the Council to align its strategic priorities within the framework of long-term financial planning, underpinned by a detailed workforce plan. This recommendation is addressed by this Council Business Plan, along with the [2021/22 Council Budget](#) and the new People Strategy and Workforce Plan (due to be considered by the Policy and Sustainability Committee in April 2021).

- 4.3 The Business Plan also sets the strategic framework for meeting the other key recommendations. The table at Appendix 1 sets out the initial response and progress to date for each recommendation.

5. Next Steps

- 5.1 Officers will progress the actions detailed within Appendix 1 with a further update report presented to Committee in April 2021. Following the implementation of the planning and performance framework, the actions will be further developed and integrated into the Business Plan performance reporting cycle.

6. Financial impact

- 6.1 There is no direct financial impact resulting from the Best Value Assurance Audit. All improvement actions will be individually costed and will be required to be managed through existing revenue budget allocations.

7. Stakeholder/Community Impact

- 7.1 The Council has carried out a significant engagement exercise on the budget priorities for 2021/22.
- 7.2 Stakeholder engagement on specific recommendations will be developed as the Council responds to the BVAR recommendations.

8. Background reading/external references

- 8.1 [Best Value Assurance Audit](#) – City of Edinburgh Council, 10 December 2020
- 8.2 [Council Business Plan and Budget 2021/26](#) – Finance and Resources Committee, 2 Feb 2021

9. Appendices

- 9.1 Appendix 1 - Best Value Assurance Audit – Status Update Table

Appendix 1 – Status Update Table

Recommendation	Status and progress to date	Next steps and timescales
<p>1(a) 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.</p>	<p>On 27 January the Council published the draft three-year Council Business Plan: Our Future Council, Our Future City.</p> <p>The draft Business Plan brings together 15 outcomes and accompanying actions for the next three years. It includes detail on working with our partners, our finances and the new planning and performance framework.</p> <p>The Business Plans provides a strategic direction for the Council and will be supported by the updated the Council Budget and the refreshed People Strategy and underpinning Workforce Plan.</p>	<p>The Business Plan and Budget were considered by the Finances and Resources committee on 2 February 2021 ahead of Council on 18 February. The draft Business Plan is a live document and will evolve in line with both council priorities and service delivery changes.</p> <p>The People Strategy and Workforce Plan will be considered by the Policy and Sustainability Committee in April 2021.</p>
<p>1(b) As part of its Adaptation and Renewal Programme, the council should prepare sustainable medium and long-term financial plans, and detailed workforce plans, to support its strategic priorities.</p>	<p>Given the announcement on 5 January 2021 that Edinburgh and all other mainland authorities in Scotland would be returning to arrangements akin to the March 2020 lockdown and the significant consequent increase in uncertainty and risk that any longer-term budget is based on incomplete information or flawed assumptions, the primary focus for 2021/22 activity has reflected the Council’s statutory responsibility to set a balanced budget for the following year by 11 March. This shorter, one-year timeframe is consistent with both the UK and Scottish Governments and councils elsewhere in Scotland.</p> <p>Once the financial position is clearer, a strategic long-term financial plan, guided by the overarching vision, principles and priorities set out within the Business Plan: Our Future Council, Our Future City will therefore be developed to maintain its financial sustainability.</p>	<p>Once the financial position is clearer, a strategic long-term financial plan, guided by the overarching vision, principles and priorities set out within the Business Plan: Our Future Council, Our Future City will therefore be developed to maintain its financial sustainability.</p>

		<p>The BVAR also noted findings in relation to the setting and subsequent implementation and delivery of the Council's revenue budget. These included continuing shortfalls in savings delivery (and consequent reliance on savings in non-service budgets), a lack of robustness in the implementation plans for some proposals and the potential for the Council's use of reserves to become unsustainable without decisive action.</p> <p>In seeking to address these concerns, a number of further enhancements have been introduced into this year's process, including updated, detailed and consistently applied guidance for Finance professionals in assessing the rigour of accompanying savings implementation plans and more general earlier recognition, through discussion and agreement at Corporate Leadership Team, of the impact of underlying service pressures and savings shortfalls on the robustness of the budget framework. An indicative five-year planning timeframe has also been adopted.</p> <p>In light of the COVID-related risks within the budget framework, it is also proposed to realign and reprioritise the Council's reserves with effect from 31 March 2021 as follows:</p> <ul style="list-style-type: none">(i) an increased unallocated General Fund balance of £25m, equating to around 2.3% of the Council's net expenditure and being more in line with other authorities in Scotland;(ii) a series of ringfenced reserves maintained for statutory or specific policy reasons or to reflect timing differences between the receipt of income and its subsequent application, together totalling £55m;(iii) a workforce transformation reserve of £15m, less commitments incurred as part of the recent targeted staff release programme for senior managers, to facilitate	
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		<p>organisational restructuring and deliver associated recurring efficiency savings; and</p> <p>a COVID contingency reserve of £16m, acknowledging the continuing uncertainty of the recurring impacts of the pandemic on, in particular, income levels in key areas such as parking, commercial rentals and other fees and charges.</p>	
2	<p>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.</p>	<p>Continuous improvement is central to the Council's approach for an integrated planning and performance framework (see recommendation 4) aligned to the Council's new business plan.</p> <p>This integrated framework is underpinned by the 'plan, do, check, review/act' model and methodology.</p> <p>To ensure delivery of the draft business plan outcomes and service priorities we will introduce the development of annual service plans at all levels in the Council (from Directorate to Service Team level). Plans will be aligned to Key Performance Indicator (KPI) scorecards and underpinned by trend dashboards which will be monitored and actioned regularly.</p> <p>Each year service teams will undertake a detailed review of their plans and associated performance to assess the progress we have made in delivering our outcomes and improving performance. This review will inform service planning for the next year which will ensure that continuous improvement is embedded at all levels.</p> <p>To ensure effective scrutiny of our performance we will develop a regular cycle of performance reporting for Elected Members as well as the wider public.</p> <p>We will also engage with the Improvement Service to look at the options open to the Council to implement a strategic approach to self-evaluation which will align to and enhance our integrated planning and performance framework.</p>	<p>A detailed report on the integrated planning and performance framework will be submitted to Policy and Sustainability in April 2021.</p> <p>As part of developing the framework we will undertake early discussion with political groups to inform our approach.</p>

3	<p>To help them carry out their best value responsibilities, elected members should take advantage of the learning and development opportunities provided by the council.</p>	<p>To fully respond to this recommendation officers are proposing a short (end of March 2021), medium (2021/2022) and longer-term response (post local government 2022 election).</p> <p>Short (end March 2021) – To ensure elected member learning and development meets statutory requirements, is continuous, relevant and of good quality officers will carry out an audit of all current training materials and communicate the current offering to members. All statutory and requested training will also continue.</p> <p>Medium (2021/2022) – A training needs analysis will be carried out with elected members. This will be fundamental to identify any gaps in learning and development and help implement further training that is useful, relevant, developmental and will encourage and support participation. A key aspect of this will be to consider more online and virtual training to allow members to complete learning and development at a convenient time.</p> <p>Long-term (post Local Government elections) - The training needs analysis will be a fundamental tool to support the induction and on-going training offering to new and returning members after the 2022 election. As in previous election years, a full 8-week induction programme will be offered to members. Building on this, there will then be a focus on continuous learning and development with members supported to take an active role in their development and monitor their participation in further training. This will allow training needs to be identified on an ongoing basis and training and development to be offered timeously.</p>	<p>The Policy and Sustainability will be provided with an update on the progress of this recommendation at its next meeting in April 2021.</p>
4(a)	<p>The council should further improve its performance reporting by making better use of performance measures and targets, particularly to demonstrate</p>	<p>The Council's draft Business Plan includes a new strategy performance map which details the outcomes, actions and initial metrics.</p>	<p>A detailed report on the integrated planning and performance framework will be submitted to Policy and Sustainability Committee in April 2021.</p>

	the impact of improvement work.	Work is now underway to further develop the strategy performance map and we will be working with teams to agree annual plans and metrics. This is in advance of rolling out the new integrated planning and performance framework which will go live from May 2021, following the closure of the 2020 – 2021 annual performance report.	
4(b)	The council should further improve its performance reporting by publishing easily accessible, up-to-date performance information on its website.	<p>The new planning and performance framework will provide a clear link between our three- year business plan, key strategies, annual service plans and the underlying performance framework including benchmarking.</p> <p>The framework will be underpinned by a cycle of ‘plan, do, check and review and act’ and will aim to drive a culture of continuous improvement (see recommendation 2). The business plan outcomes will be aligned to Specific, Measurable, Achievable and Relevant (SMART) performance indicators and milestones where appropriate, which will allow for open discussion and scrutiny of performance at organisational and service team levels, as well as with Elected Members and the wider public on a regular basis.</p>	
5(a)	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.	<p>Officers have developed a new Consultation and Engagement policy to formally embed the principles of high-quality engagement and consultation into the way we work. The intention was to bring this to committee in spring 2020 but consideration was delayed due to the impact of the pandemic.</p> <p>The Council is also developing a Consultation Advisory Panel of expertly trained council officers who will evaluate proposed significant consultations and make recommendations to the Corporate Leadership Team. This group will be established in line with the implementation of the new Consultation and Engagement policy and will be chaired by senior managers on a rotating basis. This will ensure a high quality and coordinated approach to community consultation and engagement.</p>	<p>The Consultation and Engagement policy will now be brought to the Policy and Sustainability Committee for consideration at its next meeting in April 2021.</p> <p>Following agreement of the Policy, a series of officer and elected member briefings on effective community consultation and engagement will be delivered in May 2021.</p>

		<p>The Consultation Advisory Panel will ensure that planning for consultation and engagement takes account of and commits to the public reporting of how citizens' views have shaped the decisions of the Council. This approach will be implemented following Council agreement of the Consultation and Empowerment policy and will be reflected as part of the Business Plan annual performance report.</p> <p>The Council is considering its approach to empowering communities and the relationship with community councils with partners in the city, under the auspices of the Edinburgh Partnership. This is being taken forward by a working group (see 6a below). This allows the Council to consider its approach in the round and as part of a comprehensive suite of reforms for community planning and community empowerment.</p>	<p>Further consideration of how the wider skills and capacity of the organisation can be enhanced will be addressed as part of the Council's People Strategy and workforce plans. This will be considered by the Policy and Sustainability Committee at its April meeting.</p>
5(b)	<p>In order to make community engagement an integral part of service improvement and delivery, the council should support community groups to complete asset transfers</p>	<p>Community Asset Transfer (CAT) is an important element of the Council's approach to Community Empowerment. The Council has a well-established CAT Policy and provides advice and guidance to community organisations at all stages of the process to enable them to present the best possible case for an asset transfer. Prior to formal asset transfer requests being submitted, officers score the draft submissions following the CAT policy scoring matrix and works with the community to improve their business case so that it is as strong and robust as possible in terms of finance, operation, community consultation and governance. The Council has recently seen evidence of a greater number of Community Asset Transfer requests which it has supported and the number of approved requests has risen during the last 12 months.</p>	<p>As a part of the Draft Council Business Plan, the opportunity for greater use of Community Asset Transfer will be considered as a part of the Council's proposed approach to '20-minute neighbourhoods' and enable greater community resilience and empowerment in the future.</p>
6(a)	<p>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.</p>	<p>Work to progress this recommendation will be taken forward in two parts;</p> <ul style="list-style-type: none"> i) as a Community Planning Partnership looking at effective partnership working, and, ii) as a Council in support of community capacity and local empowerment. 	<p>The Policy and Sustainability Committee will be updated on the outcome of Edinburgh Partnership working groups findings at its next meeting in April 2021 and on the Community Empowerment Plan in August 2021.</p>

		<p><u>The Edinburgh Partnership</u></p> <p>Following a meeting of the Edinburgh Partnership Board on 15 December 2020, a working group of key partners led by the Council's Executive Director of Place was established to consider the Accounts Commission's recommendations and formulate a partnership response. Initial work has been carried out, with the group identifying key thematic areas for improvement covering governance to deliver outcomes, performance and community engagement. Work is now underway to develop a detailed proposed improvement actions under each of these themes. This will be presented to the Edinburgh Partnership Board in March 2021 for agreement.</p> <p>The Edinburgh Partnership Board has also committed to developing a Community Empowerment Plan and a draft report is due for consideration by the Board in June 2021.</p> <p><u>The Council</u></p> <p>The Council Business Plan has clearly articulated how the Council's priorities and key strategic programmes of work align with the Community Planning Partnership priorities (LOIP) and, in response to committee agreement to give further consideration of genuine local community empowerment, the Council is carrying out a review of the Localities teams.</p> <p>This will address how the Council improves its approach and capacity to effectively involve community representatives in local outcome plans and the work of the Edinburgh Partnership. This review is due to be complete by April 2021.</p>	<p>An update on the Localities Review will also be provided in April 2021.</p>
6(b)	<p>The council should work with the Edinburgh Partnership Board to produce progress reports with clear targets,</p>	<p>Officers are working with community planning partners to agree clear performance measures and reporting framework. A draft is due to be considered by the Edinburgh Partnership Board in June to allow for any changes resulting from the Best Value working group (detailed</p>	<p>The Policy and Sustainability Committee will be updated on the outcome of this work at its following meeting August 2021.</p>

	accountable leads and links between the actions taken and the impact on performance.	under 6a) recommendations to be reflected and to align with the Council's new integrated planning and performance framework (due for implementation in May 2021)	
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