

# Policy and Sustainability Committee

10:00am, Tuesday 20 April 2021

## Best Value Assurance Audit Response

Executive/routine                      Executive  
Wards  
Council Commitments

### 1. Recommendations

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The Committee is recommended to:

- 1.1 Note the progress made to date to respond to the Best Value Assurance Audit Report recommendations.

**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 Response

### 2. Executive Summary

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- 2.1 This report provides an update on the progress made to respond to the Best Value Assurance Audit recommendations.

### 3. Background

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- 3.1 [The City of Edinburgh Council Best Value Assurance Audit Report \(BVAR\)](#) was published by the Accounts Commission on 26<sup>th</sup> 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 At the Policy and Sustainability Committee on 23 February, members agreed, 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.
- 3.4 A separate report on the development of the Planning and Performance Framework will be considered by the Policy and Sustainability Committee.

### 4. Main report

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- 4.1 As highlighted within the Best Value Assurance Report, it is important for the Council to consider the Best Value response in totality. The table at Appendix 1 sets out the initial response considered by committee in February and notes progress since then for each recommendation.
- 4.2 There are several recommendations where further reports are being considered on the agenda.

## **5. Next Steps**

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- 5.1 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**

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- 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**

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- 7.1 Stakeholder engagement on specific recommendations will be developed as the Council responds to the BVAR recommendations.

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

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- 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
- 8.3 [Best Value Assurance Audit Response](#) - Policy and Sustainability Committee, 23 February 2021

## **9. Appendices**

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

## Appendix 1 – Status Update Table

Recommendation		Status at February 2021	February Update	April Update
1(a)	<p>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>The Council approved the proposed Business Plan: Our Future Council, Our Future City, on 18 February. The document is now available on both the Council website and intranet.</p> <p>Both internal and external communications have been undertaken on the Business Plan, most significantly a series of staff sessions called Bringing the Business Plan to live. These have been led by senior management and well attended by colleagues across the Council.</p> <p>The People Strategy and Workforce Plan have since been developed and keep</p>

				the same tone and style as the Business Plan to ensure consistency. They are both on the agenda for the Policy and Sustainability Committee's consideration.
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>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>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</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.	No further update at this stage.

		<p>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"><li>(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;</li><li>(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;</li></ul>		
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		<p>(iii) a workforce transformation reserve of £15m, less commitments incurred as part of the recent targeted staff release programme for senior managers, to facilitate 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</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>	<p>The Planning and Performance Framework is on the agenda for the Policy and Sustainability Committee's consideration.</p> <p>Political Groups have all been offered discussions and a session with members of GRBV is planned.</p> <p>The intention is to take a two-stage approach at Committee. In April's Policy and Sustainability</p>

		<p>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>Committee, officers are presenting the framework as developed to date, including feedback from Member sessions. In the June Committee, officers will present the proposed final framework which will then be rolled out.</p> <p>Consideration is being given to support performance literacy across the Council.</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</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>	<p>The short-term commitment to carry out an audit of all current training materials and communicate the current offering to members in complete. Members were emailed on 25 March 2021.</p>



		<p>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>		
4(a)	<p>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.</p>	<p>The Council's draft Business Plan includes a new strategy performance map which details the outcomes, actions and initial metrics.</p> <p>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.</p>	<p>A detailed report on the integrated planning and performance framework will be submitted to Policy and Sustainability Committee in April 2021.</p>	<p>The Planning and Performance Framework is on the agenda for the Policy and Sustainability Committee's consideration.</p>

4(b)	<p>The council should further improve its performance reporting by publishing easily accessible, up-to-date performance information on its website.</p>	<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>		<p>The Planning and Performance Framework is on the agenda for the Policy and Sustainability Committee’s consideration.</p>
5(a)	<p>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>	<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 and Engagement policy is on the agenda for the Policy and Sustainability Committee’s consideration.</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 will develop a model for community engagement which strengthens the role of communities in service delivery and decision-making processes, and through the work of the Community Empowerment Team.</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 it's April meeting.</p>	<p>The People Strategy and workforce plans are on the agenda for the Policy and Sustainability Committee's consideration.</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</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</p>	<p>No further update at this stage.</p>

		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.	enable greater community resilience and empowerment in the future.	
6(a)	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>Work to progress this recommendation will be taken forward in two parts;</p> <ul style="list-style-type: none"> <li>i) as a Community Planning Partnership looking at effective partnership working, and,</li> <li>ii) as a Council in support of community capacity and local empowerment.</li> </ul> <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. A detailed set of proposed improvement actions under each of these themes was approved by the Edinburgh Partnership Board in March 2021.</p> <p>The Edinburgh Partnership Board has also committed to developing a Community Empowerment Plan and a</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.	The Edinburgh Partnership's improvement actions and in particular the Council's commitments to achieving these are on the agenda for the Policy and Sustainability Committee's consideration.

		<p>draft report is due for consideration by the Board in summer 2021.</p> <p><u>The Council</u> 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 team supporting community empowerment.</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.</p>		
6(b)	The council should work with the Edinburgh Partnership Board to produce progress reports with clear targets, accountable leads and links between the actions taken and the impact on performance.	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 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)	The Policy and Sustainability Committee will be updated on the outcome of this work at its following meeting August 2021.	The work on performance measures and reporting framework is progressing. An update will be provided in August 2021.