

# Aberdeen City Council

## Best Value Thematic Review 2022/23



April 2024

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# Key messages

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- 1** The council has ambitious plans for Aberdeen, and its vision and priorities are well articulated and embedded within its strategic planning framework. The council's annual delivery plan and budget are aligned to Community Planning Aberdeen's Local Outcome Improvement Plan.
- 2** Positive action has been taken to encourage wider involvement in community engagement and empowerment. The community empowerment strategy has been refreshed following community engagement and the wider public have been involved in developing budget options.
- 3** Tackling poverty and becoming net zero by 2045 have been identified as council priorities. There has been a renewed commitment to addressing poverty and inequality as evidenced through additional outcomes in the Local Outcome Improvement Plan and plans to better align services to improve children's outcomes.
- 4** The council has been proactive in engaging with communities and young people to build more commitment to climate change. In addition, there is positive collaboration on hydrogen development and energy transition plans for the city.
- 5** The council has a robust approach to budgeting and supports longer-term planning. Its workforce strategy sets out expectations on how staff will deliver its vision and priorities but the customer, digital and data strategy continues to be fundamental to service redesign and transformation.
- 6** There has been a 40% increase in the number of council meetings which is significantly impacting on officers' capacity to implement policy decisions.
- 7** There is scope to develop the Audit, Risk and Scrutiny Committee's scrutiny function and review the powers delegated to officers.
- 8** In view of the tensions between elected members observed in the council chamber, the increased risk of referrals to the Standards Commission and an absence of cross-party working, elected

members need to work collaboratively for the benefit of communities.

- 9** The council has made good progress in addressing the recommendations included in the Best Value Assurance Report. Further work is required in three of the seven recommendations.

# 1.Scope of the audit

**1.** This report covers the thematic aspect of the Best Value audit requirements. As part of the 2022/23 audits, the Accounts Commission has requested auditors to report on the effectiveness of the leadership of the development of councils' strategic priorities. This report reflects our findings and Aberdeen City Council's position as at December 2023.



**2.** Following the local government elections in May 2022, new councils will have reviewed their priorities. A council focused on achieving Best Value should therefore be able to demonstrate that elected members and officers have a clear vision and priorities for their area.

**3.** During this time, Aberdeen City Council was involved in two high profile judicial reviews relating to the approved annual budget which have put the spotlight on some significant council decisions. In addition, Audit Scotland's correspondence team received enquiries around related matters. It was therefore deemed appropriate for us to widen the scope of the audit to include elected members' working relationships.

**4.** In carrying out the thematic work, auditors have considered the following questions:

- How clear is the new council vision and its priorities?
- How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?

- How effectively do the council priorities reflect the need to reduce inequalities and climate change?
- How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?
- Overall, how effective has the governance been in setting a sustainable approach on delivering priorities?

**5.** The report includes an update on the areas covered by recommendations in the [Best Value Assurance Report](#) (BVAR) published in June 2021.

**6.** An improvement action plan is included at [Appendix 1](#) of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

**7.** The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

# 2.Introduction

## Changes in political leadership

8. Aberdeen City Council has 45 Councillors across 13 multi-member wards. The political composition after the 2017 elections was a majority administration, consisting of Conservative, Scottish Labour and independent councillors. A number of membership changes since then due to by-elections and party whips being withdrawn led to a minority administration, comprising the Conservatives, Aberdeen Labour and the Independent Alliance Group.

9. Following the 2022 local election, the Scottish National Party (SNP) and the Scottish Liberal Democrats formed a majority administration ([Exhibit 1](#)), co-led by Councillor Alex Nicoll (SNP) and Councillor Ian Yuill (Liberal Democrats) with a Policy Statement 'Working in Partnership for Aberdeen'. Councillor Nicoll stepped down in May 2023 and was succeeded by Councillor Christian Allard.

### Exhibit 1

#### The political composition of the council

The political composition has changed following the 2022 elections

Political composition	2017	2022
Scottish National Party	19	20
Aberdeen Labour	9	11
Scottish Conservative and Unionist	11	7
Scottish Liberal Democrats	3	4
Independent Alliance Group	3	1
Independent	0	2
<b>Administration</b>	<b>23/45</b>	<b>24/45</b>

Source: Aberdeen City Council

10. Aberdeen's SNP and Liberal Democrat councillors agreed to form a partnership to focus on the delivery of vital local services over the next five years. Within this report, the council's administration is referred to as 'the partnership'.

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## 3.Council vision and priorities

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**The council has ambitious plans for Aberdeen, and its vision and priorities are well articulated and embedded within its strategic planning framework.**

**11.** The [Best Value Assurance Report](#) (BVAR) identified that the council's strategies and annual plans were clearly aligned to Community Planning Aberdeen's Local Outcomes Improvement Plan (LOIP) and its vision for the area.

**12.** Community Planning Aberdeen's 2016–2026 Local Outcomes Improvement Plan (LOIP) sets out an ambitious vision for Aberdeen to be '*a place where all people can prosper*'. Centred on the themes of Economy, People (Children & Young People and Adults) Place and Community Empowerment, the LOIP has a clear focus on early intervention and prevention.

**13.** The LOIP currently sets out 16 outcomes (called stretch outcomes), each of which clearly identifies what the Community Planning Partnership (CPP) intends to achieve by when and is supported by a comprehensive set of outcome-focused indicators. The delivery of these is supported by over 70 improvement projects.

**14.** The CPP's vision was developed through a clear assessment of local priorities and needs, based on a comprehensive population needs assessment. This provided a high-level analysis of key groups, priorities and challenges across the partnership, including service information and customer experience data. Citizens were consulted during the needs assessments, using both the Place Standard tool and the citizens panel known as 'Aberdeen City Voice'.

**15.** The LOIP, last updated in July 2021, is subject to a bi-annual review. A refresh is currently being undertaken with the outcome due to be approved in April 2024. This will be the last refresh before completion of the current ten-year planning period to 2026. A regular refresh is undertaken to confirm whether existing priorities remain relevant and continue to respond to local need.

**16.** As with the original LOIP, an updated population needs assessment was undertaken for the refresh. This was completed in summer 2023 and included consultation with 'Aberdeen City Voice'. Also approved in 2023, the Children's Services Plan 2023-26 will inform the children and young people's section of the refreshed LOIP.

**17.** Underpinning its longer-term strategies, the council's planning cycle is centred on its commissioning approach. An annual Council Delivery Plan is produced, alongside the annual budget, which sets out how the council will contribute to policy commitments and LOIP outcomes. This includes details of ongoing policy



initiatives, the approved commissioning intentions (ie commitments), ongoing transformation projects and service standards (service specifications) for the year ahead. Commissioning intentions are associated with key success measures, aligned with the LOIP and mapped out against the LOIP stretch outcomes.

**18.** In addition, the delivery plan outlines the council's contribution to the achievement of wider regional strategies delivered in partnership with the public, private and third sectors, such as the Regional Economic Strategy, to provide a basis for ongoing monitoring. It also sets out the contribution to council priorities and LOIP outcomes which will be met via the procurement of services from ALEOs and external organisations.

**19.** When preparing their annual budget proposals, individual business units consider the commissioning intentions, service standards and their own staffing requirements.

**20.** To support the LOIP's Place theme, the council has developed eight interlinked place strategies covering areas such as local development, transport and housing, and energy and climate change. It also has six shorter-term enabling strategies to support the delivery of these place strategies, including a customer, digital and data strategy and a medium-term financial strategy. Council strategies, implementation action plans and committee reports for decision are prepared to standardised templates that are designed to provide an explicit link to the LOIP and specific outcomes.

### **The Council Delivery Plan clearly sets out its commitments for the year.**

**21.** The council's arrangements for strategic planning, centred on a commissioning approach, are well established and have continued unchanged by the 2022 incoming administration. This includes the approval of a Council Delivery Plan alongside the annual budget setting out how the council will contribute to:

- the administration's policy statement (derived from its manifesto commitments)
- the CPP's LOIP
- national/regional strategies
- legislative requirements.

**22.** In May 2022, following the local government election, the council agreed the Partnership's policy statement, 'Working in Partnership for Aberdeen' as the council priorities for the next five years. In total, there are around 150 commitments across 13 themes, covering a wide range of topics such as education, economic development, net-zero and climate change, road improvement, housing and council services. Each commitment sets out what the Partnership would like to achieve during the five-year term.

**23.** The council's analysis of the policy statement showed that just under half were new to the council and the remainder were existing or ongoing. In particular, an emphasis was placed on the following areas:

- supporting people affected by the ongoing cost-of-living crisis, alleviating poverty and improving the quality of life for the people in Aberdeen
- the need for improving council housing stock to meet residents' needs
- addressing net zero and fuel poverty.

**24.** In August 2022, only three months since the election, a report was brought back to council setting out the revisions to commissioning intentions and service standards contained in the 2022/23 council delivery plan to ensure alignment with the Partnership's policy statement. New additions included enhancing cost-of-living support such as expanding criteria for the Scottish Welfare Fund and ensuring the council's housing stock provides more choice for the elderly.

**25.** In general, there is consensus with the council priorities amongst elected members. The council has a number of ongoing regeneration masterplans in place. While there was overall support for the related capital projects in the relevant areas of the city, it was felt by some that the timing was not right when there should be more focus on the cost-of-living crisis.

### **The council has commenced another challenging phase of major transformation.**

**26.** In our [Local Government Overview Report 2023](#), we acknowledged that budget constraints and increasing cost pressures are putting councils' finances under severe strain. An increasing proportion of funding is ringfenced or directed for national policy initiatives. While this is important to help deliver national priorities, it prevents councils from making decisions about how funds can be used at a local level, to meet local need. Increasingly difficult choices about spending priorities and service provision are having to be made. Delivering services differently should be focused on improving performance and outcomes in ways that are innovative, affordable, and sustainable.

**27.** In 2017, the council approved a £125 million transformation programme, including the adoption of the Target Operating Model (TOM). This resulted in significant changes to both organisational and governance structures. The TOM was designed to shift the council away from traditional service-based directorates and introduced seven organisational capabilities it should fulfil:

- managing demand through prevention and early intervention
- being flexible and adaptable
- ensuring accountability, transparency and openness
- becoming intelligence-led
- encouraging inclusiveness, engagement and collaboration
- achieving consolidation and consistency
- focusing on outcomes that make a difference.

**28.** The implementation of the TOM resulted in significant changes to the number and responsibilities of directors, corresponding changes at lower management levels and a reduction in staff levels across the council. Between March 2020 and March 2024, the council has been organised into four directorates, supported by

14 clusters with directors and chief officers (Tier 2) forming the Extended Corporate Management Team. The four directorate are:

- **Customer:** encompassing all frontline services, aiming to implement a consistent and integrated customer-focused approach. It acts as the first point of enquiry, assesses and manages demand, and is responsible for the digital transformation of council services (including management of digital partners).
- **Commissioning:** responsible for the ongoing development of the commissioning approach and commissioning cycle. It procures external services and holds operations to account against targeted outcomes to deliver the LOIP outcomes. Commissioners are the budget holders who allocate resources and specify service requirements.
- **Operations:** brings together 'in-house' services to allow joined-up service delivery and identify operational improvements. It is responsible for delivering the services it is commissioned to provide, to the agreed standards. Service requirements are applied to both in-house and external service providers.
- **Resource Management:** responsible for the management of all corporate services (such as finance, people, council assets and enabling technology, and the delivery of the capital programme).

**29.** The BVAR detailed the changes led by the TOM and featured the council's delivery of its digital strategy as good practice. The Council Delivery Plan highlighted the success achieved with the transformation programme, including meeting its savings target of £125 million by the target date of March 2023.

**30.** From this foundation, the council moved into another phase of major transformation in August 2022 when it adopted a new TOM (TOM 1.2) for 2022-27. The council intends to undertake further service redesign over the next five years to address a funding gap of £134 million as highlighted within its Medium-Term Financial Strategy. In order to address the shortfall, the council has indicated that efficiencies need to be made and/or additional income generated as follows:

- staff costs/payroll - £40 million
- assets - £8 million
- contracts/procurement - £54 million
- income - £32 million.

**31.** The delivery of transformation continues to be supported by four enabling strategies: Customer, Digital and Data; Workforce; Intervention and Prevention; and Estates and Assets. Further efficiencies are planned through the provision of more online services and increased digital capability. In addition, the council's updated workforce strategy is focusing on empowering a leaner workforce to improve and adapt services through upskilling and building capacity.

**32.** As part of this ongoing transformation programme, the council is developing a corporate approach to resource allocation which helps the 'deliberate shift to prevention'. Using a tiered intervention analysis, it has categorised spending into three tiers across the organisation:

- Tier 1 - primary intervention (predominantly preventative)

- Tier 2 - early intervention
- Tier 3 - specialist intervention (responsive and generally more costly).

**33.** The Council Delivery Plan shows the council's assessment of its 2023/24 commissioning intentions: just over half of those are categorised as Tier 1, 31 per cent as Tier 2 and 15 per cent as Tier 3. The council is planning to progress this analysis further and consider the results as part of the annual commissioning/budgeting cycle.

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# 4.Citizen and community engagement

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**34.** The BVAR in 2021 highlighted that the council is working well with its partners and communities. This includes:

- good working relationships across the CPP and with neighbouring authorities and industry
- well-developed mechanisms for consulting with its communities
- CPP governance arrangements provide clear accountability
- aspects of community empowerment, including community leasing of council assets and participatory budgeting, are well-established.

**Positive action has been taken to encourage wider involvement in community engagement and empowerment. Following community engagement, a refresh of the community empowerment strategy and wider public involvement in developing budget options.**

**35.** Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives.

**36.** Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services should be a core part of determining a council's vision and priorities.

**37.** Since the publication of the BVAR in 2021, the council has taken further steps to improve its approaches to engaging and empowering communities. In November 2022, the CPP endorsed a revised Community Empowerment Strategy 2023-2026. The strategy was developed with input from communities and sets out a vision '*for all communities to become equal community planning partners*'. It acknowledges that the current engagement approach does not benefit all and has committed to addressing the inequalities which exist in communities.

**38.** The strategy introduced a new stretch outcome for the LOIP and increased the total number to 16 - to achieve a '*100% increase in the proportion of citizens who feel able to participate in decisions that help change things for the better by 2026*'. To deliver this outcome, a range of support is being provided to communities including training using the national standards for community engagement, a community group roadshow, community conference and the re-launching of

locality empowerment groups. In addition, a number of improvement projects were approved by the CPP which are monitored on a quarterly basis. These include:

- City Voice - community engagement via citizen's panel
- Child Rights - involvement of children in decisions which affect them
- Community Involvement - increased number and diversity of community engagement
- Celebrating Communities - awareness of community-led projects and increased support to build their capacity.

### **Public engagement to develop budget options.**

**39.** In June 2023, as part of the annual review of the scheme of governance, the council introduced a Budget Protocol to involve communities and citizens in the budget process. The new protocol commits the council to public engagement on the budget to enable a shared understanding of the choices facing the council and the impacts of budget options on those with protected characteristics and those living in socio-economic disadvantage.

**40.** In practice, the council is committed to holding two public engagement sessions as part of the development of its budget options and proposals and preparations for updating the Medium-Term Financial Strategy.

- Round 1 – engagement (summer) gathers information on where the public see their main priorities, in terms of where the budget allocations should be made.
- Round 2 - (autumn) presents the budget options. This engagement also includes key stakeholder groups including community councils and targeted engagement with specific groups with protected characteristics that may be affected by the budget options. The responses then shape budget proposals to be considered by the council in February/March.

**41.** The process was launched in July 2023 and included a focus group with disability groups, community groups and young mentees to support wider participation in the consultation process. We will review how the new arrangements influenced proposals contained in the 2024/25 budget.

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# 5.Reducing inequalities and tackling climate change

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**42.** Council priorities are expected to reflect the Best Value expectations that all activity should contribute to tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens. The Local Government in Scotland Overview 2022 report said that the impact of the pandemic and service disruption had been felt most strongly by those already experiencing inequality, councils must evaluate these impacts so that inequalities are addressed.

**43.** The BVAR in 2021 highlighted that ‘the council considers equalities across its work, both when engaging with hard-to-reach communities and its own workforce’ and it acknowledged that ‘the council has reacted well to challenges from the pandemic’.

## **Tackling poverty and becoming net zero by 2045 have been identified as council priorities.**

**44.** The Partnership’s policy statement, ‘Working in Partnership for Aberdeen’ sets out around 150 commitments as the council’s priorities for the next five years. These include:

- supporting people affected by the ongoing cost-of-living crisis, alleviating poverty and improving the quality of life for the people in Aberdeen
- addressing net zero and fuel poverty.

**45.** While the impact of Covid-19 continues, the rise in inflation and the cost-of-living crisis have added further pressures on the most vulnerable. In August 2022, the council established the Anti-Poverty and Inequality Committee (APIC) to bring policies together from across services and oversee work around equality, diversity and inclusion across the council.

**46.** The APIC appointed five external advisors to help prioritise and inform its programme of work. They consist of one with real life experience of poverty, two from the charitable sector, one academic and one from a public health background. Officers reported that the creation of the committee is having a positive impact in driving a whole council approach to its anti-poverty agenda.

**47.** The council has a target to reduce net greenhouse gas emissions by 48 per cent by 2025, 75 per cent by 2030 and reach net zero by 2045, in line with the Scottish Government’s legally binding target. The council provides a summary of the emissions that make up this target and sets out how and when it will report on individual elements. In a recent update, the council reported that emissions were on track to achieve the interim target of a 48 per cent reduction by 2025.



**48.** The council declared a climate and nature emergency and reiterated its commitment to ‘continuing proactive work with other public, private, third and community sector partners towards Aberdeen becoming a net zero city by 2037’. This declaration indicates a clear acknowledgement of the scale and urgency of the challenge. It suggests a strong will and ambition to act and should provide a solid foundation for action to be taken.

**49.** Climate change and achieving net zero are included in the council’s priorities. In 2022, a dedicated committee for net zero, the environment and transport was set up. It too has increased the level of scrutiny and interest from elected members.

**There has been a renewed commitment to addressing poverty and inequality as evidenced through additional outcomes in the LOIP and plans to better align services to improve children’s outcomes.**

**50.** In July 2021, the CPP approved a refreshed LOIP which included a new stretch outcome that *‘No one will suffer due to poverty by 2026’*. While the LOIP has been the council’s core plan to address inequalities and poverty, the CPP highlighted that ‘placing the new stretch outcome upfront signals the CPP’s dedication to tackling poverty in all forms to improve outcomes for people’. To oversee the delivery of this outcome, an Anti-Poverty Outcome Improvement Group has been established.

**51.** In April 2023, the CPP agreed a revised Children’s Services Plan 2023-26. The plan is a statutory requirement for the council and health board but it has now integrated a range of other statutory plans, including the Child Poverty Plan and the Children’s Rights Report with the view to creating more joined-up and better-aligned services to improve children’s outcomes. The integration of various plans triggered the review of existing service planning and delivery, leading to the revision of the LOIP.

**52.** One of the key changes was a greater focus on children with additional support needs (ASNs) and disabilities, which introduced a new stretch outcome, *‘100% of our children with ASNs/disabilities will experience a positive transition to adult services by 2026’*. This reflected an increase in the number of children with ASNs and disabilities compared to the 2019 level and therefore a range of improvement projects commenced in 2023.

**53.** Integrated impact assessments (IIA) are routinely provided by the council to support agenda papers. This process enables a council to critically assess and demonstrate whether the proposals in an accompanying agenda paper have wider impacts beyond their intended outcomes and if they impact differentially on different groups in our communities. Some weaknesses in the IIA process were identified by the judicial review of some decisions made by the council as part of the approved 2023/24 budget and arrangements have been put in place to make the necessary improvements. We will consider the council’s improvements in this area as part of the 2023/24 audit.

**54.** To help reduce current and future health inequalities, the council established an Aberdeen Health Determinants Research Collaborative. The initiative is



funded by the National Institute for HealthCare Research and will be delivered in partnership with the University of Aberdeen, Robert Gordon University, NHS Grampian, Public Health Scotland and communities.

**55.** The council and partners are currently scoping work priorities. This may include food insecurity, nutrition, fuel poverty, transport, education, housing and everything else that affects wellbeing. The aim of the work is to provide the latest research to inform council and partner decisions so that future services can be effectively designed and delivered to prevent illness and/or reduce health inequalities. The council will report on progress as part of the annual commissioning/budget proposals.

### **There is evidence to demonstrate council action to address poverty and inequality.**

**56.** In summer 2020, the Socio-Economic Rescue Plan 2020/2021 was created to set out an immediate response to the impact of the pandemic. A newly established Implementation Group, including representatives of businesses and the third sector, oversaw progress with the plan which had contained 74 actions over three themes – business, people and place. The council and partners worked well with stakeholders to deliver the majority of those actions. The remainder were subsequently integrated into the LOIP.

**57.** More widely, the following examples represent actions taken against poverty and inequality:

- provision of wrap around support including finance, employability and mental health via community hubs in three priority areas
- over the last year, families have been helped to achieve financial gains of £1.4 million, over 300 households were assisted with debt issues, help was provided with total debts of over £2 million, over 600 households given full benefit checks, 124 households were assisted to claim benefits and 35 were supported in challenging their benefits
- council funding of £1.9 million was allocated towards the Aberdeen Gift Card Scheme, resulting in approx. 14,000 eligible citizens benefiting from £125 gift cards for use in retail and hospitality venues to support local businesses
- a 21% increase in the number of employers paying the real living wage in the last year, now covering 42,800 employees
- widening access to affordable food through fixed and mobile food pantries with funding to support the distribution of approx. 600 tonnes of free food (the equivalent of 1.7 million meals).

### **Launch of collaborative routemap to delivering net zero by 2045.**

**58.** The BVAR noted that ‘the council is increasingly focusing on sustainability and climate change as part of its longer-term planning’.

**59.** In 2020, the council approved a Net Zero Vision for the city, setting out five strategic objectives to energy transition, as it looks to address climate concerns and support economic transition and decarbonisation. The council also endorsed

an associated infrastructure plan which will inform its capital programme. A City Leadership Board and Transition Delivery Board have been set up to deliver Net Zero and manage energy transition in the city. Both groups have representatives from universities, business, specialists in the field and are chaired by one of the council's Co-Leaders. The governance model is intended to drive collaboration, investment and outcomes.

**60.** In 2022, Aberdeen's Net Zero Routemap was launched with interim indicative targets and six themes, each with its own strategy and expected outcomes. [Exhibit 2](#) summarises the council's strategic framework for delivering Net Zero including the Roadmap.

## Exhibit 2

### Council's framework for delivering Net Zero and response to Climate Change

Scope	Name	Contents	Oversight
<i>Council's own emissions</i>	Climate Change Plan 2021-25: Towards a Net Zero and Climate Resilient Council (2021)	Sets out the council's approach, outcomes and actions towards net zero by 2045	Council Climate Oversight Group
<i>CPP</i>	LOIP (refreshed in 2021)	Includes three stretch outcomes in relation to carbon emissions, sustainable travel and nature restoration	CPP
<i>Area-wide emissions</i>	Net Zero Aberdeen Routemap 2022 With six enabling strategies: <ul style="list-style-type: none"> <li>• mobility</li> <li>• buildings and heat</li> <li>• circular economy</li> <li>• energy supply</li> <li>• natural environment</li> <li>• empowerment</li> </ul>	Provides an overarching strategic routemap towards 2045, involving a range of businesses and organisations across the city	Net Zero and Adaptation Board (including businesses and communities)
<i>Adaptation</i>	Aberdeen Adapts (refreshed in 2022)	Sets out the Adaption Framework for responding to the impact of climate change including priorities, goals and action areas that will help Aberdeen to prepare	Net Zero and Adaptation Board (including businesses and communities)

Source: Audit Scotland, using council information

## The council has been proactive in engaging with communities and young people to build more commitment to climate change.

**61.** The council highlighted that ‘all strategies and plans are required to feed into and help deliver the council’s net zero objectives.’ The Strategy Board oversees the development of strategies and plans across the council to ensure alignment with council priorities, including climate change and sustainability.

**62.** The council has been proactive, working with schools and communities, taking in their innovative ideas and raising awareness across the city to tackle city-wide emissions. Net zero initiatives include:

- *Carbon budgeting:* a phased approach has been taken to carbon budgeting, the emissions cap is set annually, methodologies are being refined, building and fleet emissions data is considered and a performance management framework has been introduced.
- *Working with young people:* The council has been involving school pupils in shaping its net zero activities. In February 2022, it appointed secondary school pupils as City Climate Change President and Vice Presidents. The council has established a monthly Pupil Climate Change Group to share information and exchange ideas.
- *Participatory budgeting:* In 2022, the council awarded £33,000 to eleven community-led projects to help protect environment and encourage young people to engage with outdoor spaces such as community gardens. In 2023, Aberdeen Council of Voluntary Organisations (ACVO, the third sector interface), together with North East Scotland Climate Action Network, allocated over £333,000 from the Scottish Government’s Just Transition Capital Fund to 13 community groups to support just transition to net zero.
- *Low Emission Zone (LEZ):* In response to longstanding air pollution in the city centre, the council introduced a LEZ in 2022 which is due to become fully effective in 2024. The LEZ aims to stop the most polluting vehicles entering an area, improve air quality and help to protect public health.

## Positive collaboration on hydrogen development and energy transition plans for the city.

**63.** Since 2015, the council has led the development of hydrogen buses. In its Climate Change Plan, the council has committed to phase out new fossil fuelled vehicles, ‘switching to electric and hydrogen powered fleet vehicles’. Recently, it has introduced the UK’s first hydrogen fuel cell waste truck as part of the Interreg North-West Europe, a European Territorial Cooperation programme.

**64.** Partnership with businesses is also an integral part of the council’s net zero portfolio. In September 2020, the council signed a Memorandum of Understanding (MoU) with BP to help achieve its Net Zero Vision to reduce carbon emissions and become a climate positive city. At no cost to the council, BP serves as a technical adviser in delivery of the council’s Energy Transition Strategic Infrastructure Plan. Going forward, four priority areas have been identified including the development of hydrogen hubs.

**65.** In June 2023, the planning authority approved permission for a phase one project from the joint venture which will see the creation of a hydrogen hub and transport refuelling facility powered by a solar farm. Significant economic opportunities are expected including £700 million additional gross value to Scotland's economy by 2030 and thousands of high-skilled jobs for Aberdeen to support hydrogen as a new energy solution for the north east. During 2024/25, the council is scheduled to invest over £30 million in this project.

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## 6: Alignment of delivery plans

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**66.** Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a council will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

### **The council has a robust approach to budgeting and supports longer-term planning.**

**67.** The council's approach to budgeting is linked to the delivery of strategic priorities and supports longer-term planning and informed decision-making. The council prepares annual operating and capital budgets which are determined through consideration of its commissioning-based approach, transformation programme and Council Delivery Plan. These arrangements are well designed and aligned. The council has delivered significant savings and has been successful in balancing its budget in recent years.

**68.** Alongside the annual budget (which also includes indicative figures for the next two years) the council prepares a seven-year Medium-Term Financial Strategy (MTFS). In recent years, the Scottish Government has provided details of its funding for councils only one year in advance. The council therefore undertakes comprehensive scenario planning to inform its medium-term financial plans. These cover the next five-year period in detail and assume no increase in Scottish Government funding beyond the most recent settlement and also including anticipated spending increases. The approach ensures that medium-term financial planning is linked to the delivery of strategic priorities, while also identifying the likely scale of savings required from the transformation programme.

**69.** The council has a clear and well-understood approach to budget monitoring which is intended to ensure that financial outturn at the end of the year is as close to budget as possible. The approach includes the regular distribution of financial reports to budget managers and meetings between finance staff and service functions where emerging issues and proposed budget changes are discussed. Quarterly management accounts which include a balance sheet position demonstrates advanced practice in a local authority setting.

**70.** While the council sets a balanced budget each year, it continues to face financial challenges. The Medium-Term Financial Strategy indicates that, even after taking the decisions to implement the agreed service redesign, there will still be an accumulated funding shortfall. TOM 1.2 reflects a shortfall of £134 million which will be used as a driver to identify further service redesign opportunities to reduce costs and increase income where possible over the next five years.

**71.** The council has undertaken an ambitious programme of capital investment over the last 5 to 10 years, partly financed through a bond issue.

**72.** As at 31 March 2023, the council had £1.4 billion of external debt directly related to the capital investment programme, including £350 million linked to the issued bonds. The credit rating agency Moody's carries out an annual review of the council's credit rating. In 2022/23, the annual review affirmed the council's A1 rating, with the economic outlook reduced to 'negative' from 'stable' in line with the recent change to the UK's rating. The A1 rating was initially issued in January 2021.

**The council's long-term financial strategy is due to be updated to reflect how resources will be targeted towards priority areas.**

**73.** The council undertook a longer-term financial planning exercise in 2016 as part of its bond issue. This was required to support the affordability assessment of the bond issue and to allow the council's credit rating to be issued. Arrangements are in place for this longer-term plan to be updated so that its long-term financial position is understood.

**The council's workforce strategy sets out expectations on how staff will deliver its vision and priorities.**

**74.** The council's approach to workforce planning includes having a five-year workforce strategy focused on capacity, capability and culture (rather than setting an overall establishment figure). This is intended to ensure that staff allocation and development is embedded in its commissioning approach and supports the delivery of its strategic aims. The strategy links to the LOIP and to council outcomes, ensuring that there is a focus on how the workforce and individuals are contributing to these. As part of the annual planning and budgeting cycle, detailed workforce planning is then undertaken.

**75.** One of the objectives of TOM 1.2 is to develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within the council's operating model. In order to reduce resources and the pay bill, the overarching workforce strategy 2023-27 explains that the workforce needs to be flexible and able to adapt to shifting demands on services and further use of digital technologies. In 2019, staff designed guiding principles to provide a cultural framework for all activity:

- Purpose - we care about our purpose, our city and our people
- Pride - we take pride in what we do and work to make things better
- One Team - one team, one council, one city
- Trust - we trust each other and take responsibility
- Value - we value each other and recognise a job well done.

**76.** Building on the framework, the overarching strategy acknowledges a leaner workforce who will require to be clear on expectations and have increasing accountability and empowerment. In January 2023, the council approved a delivery plan to support the strategy.

**77.** There has been a significant reduction in staffing numbers as part of the council's ongoing transformation. Since 2017/18, when the TOM was approved,

over 1,500 staff have applied for voluntary redundancy, with the council approving 529 exit packages at a cost of £24 million.

**78.** The Staff Governance Committee was established in May 2018 and acts as a forum for communication and consultation on matters relating to staff not considered elsewhere. It includes trade union representatives as advisers alongside councillor members to enable joint working and strengthen staff representation. Constructive dialogue with trade unions has been crucial to improving staff relationships during a period of significant transformation, including workforce reductions.

### **The customer, digital and data strategy continues to be fundamental to service redesign and transformation.**

**79.** The BVAR highlighted the council's digital approach as the main way of enabling service redesign. In 2016, the council approved its digital strategy 'Being digital' which focused on improving customer services, improving staff experience and improving how resources are used. The strategy was largely delivered by 2021 having digitalised paper-based processes; moved to cloud-based systems; made use of real time data to monitor performance and developed a chatbot for the council website to provide instant online responses to customer and staff queries.

**80.** With the shift to TOM 1.2, delivery of the next phase of transformation is dependent on the continued use of new technology to drive further improvement and efficiency. For example, the supporting digital strategy provides for dated and costly software applications to be modernised, and multiple websites to be rationalised. The feasibility of establishing a digital agency with other partners is being considered and a refreshed smart cities strategy will be developed.



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# 7.Leadership

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**81.** Effective leadership from councillors, chief executives and senior officers, is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever.

**82.** Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councillors and officers must be clear on their roles in setting the vision and planning for its delivery.

**83.** The council undertakes an annual scheme of governance review with proposals coming forward from the Governance Reference Group. The Group has cross-party representation although members do not consistently attend meetings. In summer 2022, more traditional committees were established in respect of key services. For example, the Education and Children's Services Committee and the Communities, Housing and Public Protection Committee were established. In addition, the Finance and Resources Committee replaced the City Growth and Resources Committee and new committees were introduced in respect of anti-poverty, inequality and net zero.

## **There has been a 40% increase in the number of council meetings which is significantly impacting on officers' capacity to implement policy decisions.**

**84.** Over the past year, there has been an increase in the number of meetings required to conduct council business. One of the changes from the annual scheme of governance review was the introduction of a six-hour limit on council meetings. This has meant that meetings of full council are regularly taking place over two days. Since May 2022, there have been 22 council meetings of which five were adjourned and required a second day and four have been additional requisitioned meetings ([Exhibit 3](#)). At present, contingency for a second day is not built into calendars and several days can therefore pass before dates can be scheduled for business to be completed.

**85.** Standing orders make provision for additional council meetings. These may be called at any time by the convener or by at least a quarter of the members. Since May 2022, four council meetings have been requisitioned following requests submitted by at least a quarter of elected members. [Exhibit 3](#) shows that two related to national policies while the remaining two related to the council's decision to close six libraries and a swimming pool. This matter subsequently became the subject of a judicial review which was initially paused while the council reviewed its actions and was subsequently withdrawn.

**86.** The council has an Urgent Business Committee which is called when there are items of business deemed to be of an urgent nature that cannot wait for the next



scheduled meeting of the council (or the appropriate committee). Since May 2022, there have been six meetings, two in 2022 and four largely over summer 2023.

### Exhibit 3 Aberdeen City Council's special meetings

Council date	Reason for requested special meeting
13/7/2022	In view of the decision taken in the Supreme Court of America to overturn the landmark ruling of Roe v Wade (protected a right to have an abortion) that the council liaise with the Scottish Government to bring forward a byelaw to introduce buffer zones until such time as Scottish Government legislate on the matter.
11/1/2023	Impact on education from the apparent inability of Scottish Government to enable an amicable agreement on teachers' salaries.
27/3/2023	The decision taken to withdraw funding from Systema Big Noise Torry at the council's recent budget meeting.  Impact on residents and communities of library closures, Bucksburn Swimming Pool being closed and cuts to vital public services.
18/09/2023	The case against the council in relation to libraries closures and the Bucksburn Pool closure given Aberdeen Labour and others warned against these closures.

**87.** For a combination of reasons, there have been an additional ten meetings since May 2022 and a further five days have been required to complete adjourned council meetings. This puts additional demands on elected members and officers at a time when there are already many competing demands and limited excess capacity.

**88.** Occurrences that should happen by exception are becoming more routine. This has implications for the conduct of council business, and the capacity and workloads of elected members and officers. While elected members hold responsible positions, there needs to be more recognition that persistent demands for information can be disruptive. A high volume of requests, combined with supporting additional meetings, limits the time available for implementing policy decisions and may prevent officers from undertaking their roles effectively.

### There is scope to develop the Audit, Risk and Scrutiny Committee's scrutiny function.

**89.** Good scrutiny of decisions is essential to good governance. There have been instances when councillors have felt they have not received sufficient information

and this can lead to additional questions to officers, referrals of matters to full council and has been the case, the requisition of additional council meetings.

**90.** While elected members have a right of access to council information, it is on a 'need to know basis'. While a range of exempt information may be of general interest to councillors, there is no right of access unless it can be demonstrated that the information is reasonably necessary for the proper performance of members' duties. These principles are reflected by the council through its Member Officer Relations Protocol and clarification on this matter was recently provided in a Standards Commission Briefing Note in February 2024. We therefore suggest that elected members demonstrate their 'need to know' when making future requests. This should reduce the risk of matters escalating and be a useful factor in managing the volume of requests.

**91.** In line with good practice, members of the opposition hold the posts of convener and vice-convener of the Audit, Risk and Scrutiny Committee. Due to changes in the Labour Group during the year, the current convener is the third convener since May 2022. The bulk of committee business is generated by internal and external audit with occasional reports from other officers.

**92.** The Audit, Risk and Scrutiny Committee has a scrutiny remit for the council. The committee's terms of reference permits the committee to determine that further action is required once a matter, process or practice has been the subject of a report to council or committee and the consideration of the matter concluded by council or said committee action (with some exceptions). Any scrutiny will not prevent, or alter, any decision being taken and will only review the effectiveness of decision making, or monitoring and may make recommendations to the relevant committee or council.

**93.** The committee has not considered any reports under this remit in the last year. There is scope to use the committee more effectively to scrutinise council decisions. A more focused approach to scrutiny might also assist in reducing the recent demand for special meetings.

**94.** We would suggest that terms of reference for committees be reviewed and further guidance developed to explain the committee's scrutiny remit and clarify when and how elected members could initiate the process, conduct a review and report on the outcome. Scrutiny activity should have clear terms of reference and therefore robust arrangements should be in place to ensure the scope of a piece of work is clear and concise and the approach consistently applied.

**In view of the tensions observed between elected members in the council chamber, the increased risk of referrals to the Standards Commission and an absence of cross-party working, elected members need to work collaboratively for the benefit of communities.**

**95.** There is broad political support among councillors for the vision and supporting priorities, giving the council a long-term strategic direction. There are recognised tensions between the administration and opposition, but the political balance of the council, and delegation to officers, has limited the impact of this on council

business. Nevertheless, greater cross-party working would benefit the council and residents.

**96.** Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. These principles are recognised by Aberdeen City Council through its Member Officer Relations Protocol wherein the respective roles of members and officers are set out and it is agreed that members and officers will treat everyone present with respect and courtesy at all meetings.

**97.** We have however observed tensions between elected members in the council chamber. In our experience, challenging political debate has been an established feature of Aberdeen's council chamber. In recent times, we have observed some heated exchanges becoming more personal and this increases the risk of referrals to the Standards Commission while at the same time detracting from the importance of the subject debated. More effective cross-party working could resolve a number of these issues and reduce the risk of escalation.

**98.** The Member-Officer Relations Protocol focuses more on the working relationships between members and officers. In view of the tensions identified and the increased risk of referrals to the Standards Commission, consideration should be given to developing further guidance on member-to-member working relationships.

**99.** The main outstanding recommendation from the BVAR published in 2021 relates to elected members exploring the potential to create more opportunities for cross-party working. Other than the Governance Reference Group, no examples were offered in our discussions with elected members of forums or working parties where elected members regularly came together to discuss common issues.

**100.** The co-leaders advised of their open door policy to all elected members. In May 2022, several new councillors were elected with most not having the opportunity to build political relationships. Many councillors virtually attend council meetings and there is limited in-person interaction in the Town House outwith formal meetings. There would be merit in the co-leaders, group leaders and independent councillors working collaboratively to create genuine opportunities to share experiences, hold conversations and work together to improve working relationships.

### **Powers delegated to officers would merit review**

**101.** In the last BVAR, opposition parties raised concerns about the extent of work undertaken by officers under delegated powers.

**102.** The council's statement on powers delegated to officers state 'in exercising such a power, the relevant officers should be mindful of the potential for political sensitivity or controversy and, where appropriate, should consider consulting with elected members or referring the matter to council or one of its committees or sub-committees'.

**103.** While elected members agree it is essential that officers have delegated powers, some members continue to have concerns that they are hearing what they

regard as 'politically sensitive' decisions on social media rather than through formal council communication channels. Clearly, a judgement call is required by officers when delegated responsibilities are used and it may be that with the benefit of hindsight, a different approach might have been taken on occasion.

**104.** Officers and members need to work together in a collegiate fashion for the benefit of communities. Elected members reported good working relationships with officers and good access to officers. There is however scope to review the delegated powers bestowed on officers to confirm whether these should be allocated to the council's committees or remain delegated to officers.

**105.** Such a review could form part of the next annual scheme of governance review and, if conducted by the Governance Reference Group, a group with cross-party membership, this could be a good example of effective collaborative cross-party working. The review would not change decisions or actions taken but it could usefully consider examples of potential types of issues likely to cause concern and when consultation with members would be appropriate. The review should focus on the processes in place. There should be a shared understanding of when more scrutiny around decisions is and is not appropriate. The Member-Officer Relations Protocol could also be strengthened in line with the Standards Commission's Briefing Note e.g. elected members have access to information on a 'need to know' basis and have no right 'to a roving commission'.

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# 8. Progress on recommendations

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## The BVAR commended the council on its strong changes, improvements and ambitions

**106.** In respect of the BVAR published in 2021, the Accounts Commission commended the council on its strong changes, improvements and ambitions since the last report in 2015.

**107.** Areas of improvement included:

- a major transformation programme leading to an effective organisational structure, along with improved governance
- achieving challenging savings targets and ambitious capital projects, while delivering services within budget
- having an ambitious vision and plans for the city, which were clearly aligned to its community planning LOIP.

**108.** However, the BVAR also encouraged greater cross-party working between elected members for the benefit of the council and residents. While it also recognised the developments in the council's performance management arrangements, it concluded that overall progress reporting against outcomes could be simplified to further aid public understanding and scrutiny.

**109.** The council accepted the Commission's findings including the six recommendations contained in the BVAR and put an action plan in place to be monitored by the Audit, Risk and Scrutiny Committee.

## Good progress has been made in implementing the actions to deliver the recommendations for improvement in the BVAR.

**110.** At its meeting on 23 August 2021, the council approved a BVAR Improvement Plan which set out actions to address the seven recommendations in the BVAR. The plan also included further actions to address other areas covered by the scope of the BVAR.

**111.** Annual updates on progress were provided to the Audit, Risk and Scrutiny Committee as part of the council's Annual Governance Statement.

**112.** [Exhibit 4](#) summarises our assessment of progress against the BVAR recommendations. This shows that good progress has been made on progressing the BVAR findings. With the exception of opportunities for cross-party working (recommendation 1), the council has closed all actions. In our view however, there is further work required to conclude recommendation 2 in

respect of annual performance reporting and recommendation 5 in respect of participatory budgeting.

## Exhibit 4

### Council progress against outstanding recommendations

Recommendation	Council response and progress to date
<p>1. To help them carry out their Best Value responsibilities, elected members should:</p> <ul style="list-style-type: none"> <li>Look to build upon the broad consensus relating to the council and LOIP vision and priorities to explore the potential for creating more opportunities for cross party working.</li> </ul> <p><b>Further work required</b></p> <ul style="list-style-type: none"> <li>Take advantage of the learning and development opportunities provided by the council.</li> </ul> <p><b>Action complete</b></p>	<p><b>Council's progress - recommendation ongoing</b></p> <p><b>Learning and development</b></p> <p>Terms of Reference for the Members Services Working Group have been updated to incorporate learning and development for members.</p> <p>Induction programme provided for elected members following the local government elections in May 2022.</p> <p>Personal Development Plans have been developed for each elected member which feed into the identification of training needs and learning programme. These are reviewed and supported by Members Support and People Development.</p> <p>MS Teams site has been created to cover all aspects of elected member development providing a central point for up-to-date information and booking onto virtual sessions. This was subsequently expanded to host elected member development resources and content created and uploaded by subject matter experts.</p> <p>A method to record elected members CPD established to enable a single point of reference and for reporting purposes.</p> <p><b>Audit Response</b></p> <p>No update has been provided by the council in respect of opportunities for cross-party working. With reference to paragraphs 94 to 102, we concluded that better working together is required for the benefit of communities. With regard to learning and development, arrangements are considered to be appropriate.</p>
<p>2. To supplement current council and CPP performance reports, and aide public understanding and scrutiny, the council should produce an annual performance report more clearly reporting the longer-term progress made in improving outcomes. This should include a high-level multi-year trend summary of performance against priority indicators and supporting narrative.</p> <p><b>Further work required</b></p>	<p><b>Council's progress – recommendation closed October 2022</b></p> <p>Review of existing annual performance reports for the LOIP, Locality Plans and the Council Delivery Plan by March 2022</p> <p>Preparation of Council Annual Report 2020/21 considering the review above. (October 2021)</p> <p>Strategic Commissioning Committee October 2021 agreed revised Performance Management Framework and Annual review of Council Delivery Plan with updated RAG status reporting. (October 2021)</p> <p>A revised Performance Management Framework reflecting the Local Outcome Improvement Plan and the council's commissioning outcomes and intentions as set out within the Council Delivery Plan 2021/22, as well as comments and recommendations made within Audit Scotland's Best Value Audit of the council was approved at Strategic Commissioning Committee in October 2021.</p> <p><b>Audit Response - The council needs to better demonstrate overall progress being made</b></p> <p>The council monitors its performance against planned outcomes through its annual delivery plan, cluster-based reporting to committees, and the</p>



Recommendation	Council response and progress to date
	<p>Aberdeen Outcomes Framework (AOF), an interactive dashboard which contains detailed performance data for each LOIP stretch outcome.</p> <p>The BVAR noted the council's structured approach to performance reporting, which provides a lot of information in a variety of formats. However, it also stated that 'it is not clear how well the council is performing overall'. It recommended that 'the council should produce an annual performance report more clearly reporting the longer-term progress made in improving outcomes', including a high-level multi-year trend summary of performance against priority indicators and supporting narrative.</p> <p>The annual review of the Council Delivery Plan includes detailed information on progress made with the council's commitments derived from the Partnership's policy statement and its own commissioning intentions, highlighting key achievements. In response to the BVAR, the council has started to produce a scorecard to supplement the annual review. It shows a point-in-time status on each measure with trend information (worse/unchanged/better) being colour-coded with red/amber/green from the baseline and previous year.</p> <p>The addition of the scorecard enriches the performance information available. However, the council's assessment of overall progress made is still not clear in terms of delivering outcomes. The council does not set a target for each success measure and without supporting narratives it is not always clear what areas are underperforming, what challenges are identified and what the council is doing to address these.</p> <p>Providing an overall picture would help elected members make strategic decisions and the public better understand the complex landscape in which the council is operating. This is particularly important as the council has committed to delivering many commitments at a time when resources and capacity are stretched.</p> <p>Overall progress at CPP level is clearer. The LOIP Annual Outcome Improvement Report includes overall progress on each stretch outcome (Achieved/Progressing/Challenges/Data being gathered) and sets out priority areas for the following year. The CPP receives quarterly detailed updates and the AOP provides in-depth data and narratives for each improvement project.</p>
<p><b>3.</b> The council should ensure that its longer-term financial plan is regularly reviewed (paragraph 86) and that it continues to develop how it reports aspects of the complex capital programme within their accounts</p> <p><b>Action complete</b></p>	<p><b>Council's progress – recommendation closed September 2022</b></p> <p>The medium-term financial plan is refreshed annually and was last presented to council in August 2022. This reflected the refresh of the Population Need assessment and the insights gathered in terms of the harm created by Covid-19 through the socio-economic rescue-plan.</p> <p>The Council's Capital Investment Plan is central to the delivery of future planning activities and is adaptable to the changing environment in which the Council operates, including ensuring that stretch outcomes in the LOIP and Council strategic framework are supported appropriately.</p> <p>The Year-end timetable and task list covers any emerging accounting issues including those relating to the capital programme. The timetable and task list is produced annually in February.</p> <p>There is early identification and consideration of accounting implications as part of the business case process. The Chief Officer - Finance is represented at the Demand Management Control Board and Capital Board where business cases are given early consideration, as well as being consulted ahead of board meetings and is involved in signing off on the financial implications included in proposed business cases.</p>

Recommendation	Council response and progress to date
	<p><b>Audit Response</b> - The medium term financial plan was updated to support the introduction of TOM 1.2 in August 2022. The 5 year plan is regularly reviewed as part of the budget setting process. There is an agreed action to refresh the long term plan during 2024.</p>
<p><b>4.</b> The council should carry out post project reviews of major projects, including capital developments, to ensure lessons can be learned timeously and applied to future projects.</p> <p>Action complete</p>	<p><b>Council's progress – recommendation closed October 2022</b></p> <p>The council is committed to carrying out post project reviews to learn lessons and inform future activity. While Covid-19 delayed the beginning, completion and opening of some recent developments, work is underway to ensure that formal post project reviews are timeously carried out for all major projects.</p> <p>Reports are now coming through and are being reported to the Capital Board. Template for lessons learned has been added to PMO Toolkit for roll out.</p> <p><b>Audit Response</b></p> <p>Reviews form a standard part of project management arrangements and are reported to the Capital Board.</p>
<p>5.To fulfil its duties under the Community Empowerment Act 2015, the council should continue to consult with communities and articulate how it intends to meet its target to allocate one per cent of revenue funding through participatory budgeting.</p> <p>Further work required to achieve one per cent target</p>	<p><b>Council's progress</b></p> <p>The council's Engagement, Participation and Empowerment Strategy was delivered and approved in November 2022.</p> <p>"You Decide" approach to Participatory Budgeting and the council's Fairer Aberdeen Board to allocate funds to support community regeneration to meet 1% target. (March 2023)</p> <p>The Participatory Budgeting toolkit was launched in April 2023, raising awareness of participatory budgeting with officers who have not been involved in participatory budgeting process previously and provided officers across services with the resources to deliver different types of participatory budgeting activities across the City following "You Decide" approach.</p> <p><b>Audit Response</b></p> <p>The council has an established participatory budgeting approach called U-decide. In 2018, the council committed to allocating one per cent of revenue funding through its participatory budgeting approach. Over the last four years, £9.1 million (£2.3 million per year on average) has been allocated which equates to approx. 0.6% of council funding each year. Decisions made through participatory budgeting generally relate to environmental projects and an allocation of funding from the Fairer Aberdeen Fund.</p> <p>The council recognises that further work is required to achieve the one per cent target. A tool kit has been developed to support services and there are plans in place to identify specific areas of spend which could be made by relevant communities.</p> <p>We will review use of the toolkit and evidence of participatory budgeting projects as part of 2023/24 audit.</p>
<p>6.The council should review the number and focus of their improvement projects to:</p> <ul style="list-style-type: none"> <li>• focus on improving core services areas that support the longer-term ambitions of the LOIP;</li> <li>• reflect the views of residents; and</li> </ul>	<p><b>Council's progress – closed August 2022</b></p> <p>Performance report presented each cycle to committees, allowing scrutiny and challenge by elected members, and the Performance Board will continue to monitor and identify any additional improvement projects.</p> <p>Scrutiny of core services performance and identification of formal improvement projects through reporting to and review by committees, quarterly reports to the Performance Board and Extended corporate Management Team. For example,</p>



Recommendation	Council response and progress to date
<ul style="list-style-type: none"> <li>respond to short-term priority responses to Covid-19</li> </ul> <p>Action complete</p>	<ul style="list-style-type: none"> <li>the Housing Improvement Group oversees a programme of required improvements in housing, void property management and complaints management action plans have been implemented and performance scrutinised</li> <li>reports have been submitted to committee providing additional performance data and narrative on void property performance. Void property is a standing item on the monthly Performance Board.</li> <li>the Tenant Participation and Engagement Strategy has been refreshed and the Tenant Participation Group and Tenant Groups continue to scrutinise and drive performance improvement</li> <li>education service performance is reported to committee and arrangements have been put in place to monitor the response to the recommendations of the Organisation for Economic Co-operation and Development on the Curriculum for Excellence</li> <li>the education committee considered an interim tracking report for the 2020-21 academic year, against the suite of Educational Improvement Journey Key Performance Indicator measures, supporting the Excellence and Equity agenda within the council's National Improvement Framework Plan;</li> </ul> <p><b>Audit Response</b></p> <p>There is significant evidence of work being undertaken to review improvement projects, and particularly projects within core service areas.</p>

# Appendix 1

## Improvement Action plan

Issue	Recommendation	Agreed management action/timing
<p><b>1.Developing scrutiny</b></p> <p>The Audit, Risk and Scrutiny Committee has a remit for scrutiny within the council but has not considered any reports under this remit over the last year.</p>	<p>There is scope to use the committee more effectively to scrutinise council decisions.</p> <p>Terms of reference for committees should be reviewed and guidance developed to clarify how the process could be initiated, conducted and reported by elected members. Robust arrangements should be agreed to ensure terms of reference for scrutiny activity are clear, concise and the approach is consistently applied.</p>	<p>Management are supportive of improved scrutiny within the Audit, Risk and Scrutiny Committee and will work with members in the Governance Reference Group to prepare a clear set of guidance for when such scrutiny is appropriate, as part of the Scheme of Governance being reported to Council in July 2024.</p>
<p><b>2. Member to member working together</b></p> <p>We have experienced tensions and heated debate in the council chamber which increases the risk of referrals to the Standards Commission.</p> <p>Many councillors virtually attend council meetings and there is limited in-person interaction in the Town House outwith formal meetings.</p> <p>The BVAR included a recommendation on opportunities for cross-party working. This is the only BVAR recommendation which has not been progressed.</p>	<p>In view of the tensions identified between elected members and the increased risk of referrals to the Standards Commission, consideration should be given to including guidance in the Member-Officer Relations Protocol on member-to-member working relationships.</p> <p>There is merit in the co-leaders, group leaders and independent councillors working collaboratively to create genuine opportunities to share experiences, hold conversations and work together to improve working relationships and resolve issues before they escalate. Annual proposals should be</p>	<p>Management are fully supportive of these recommendations and will propose revisions to the Member Officer Relations Protocol through the Governance Reference Group. These, alongside proposals for cross party working, will be included in the report to Council on the Scheme of Governance in July 2024.</p>

Issue	Recommendation	Agreed management action/timing
	brought forward for cross-party working opportunities.	
<p><b>3. Officers' use of delegated powers</b></p> <p>Some members have concerns that they are hearing what they regard as 'politically sensitive' decisions on social media rather than through formal council communication channels.</p>	<p>There is scope to review the delegated powers to confirm whether these should be allocated to the council's committees or remain delegated to officers.</p> <p>Such a review could form part of the annual scheme of governance review and, if conducted by the Governance Reference Group, a group with cross-party membership, this could be a good example of effective collaborative cross-party working. The review could usefully consider examples of potential types of issues likely to cause concern and when consultation with members would be appropriate.</p> <p>The review should focus on the processes in place. There should be a shared understanding of when more scrutiny around decisions is and is not appropriate in order that delegations can be appropriately allocated.</p> <p>The Member-Officer Relations Protocol could also be strengthened in line with the recent Standards Commission's Briefing Note e.g. elected members have access to information on a 'need to know' basis and have no right 'to a roving commission'.</p>	<p>Powers Delegated to Officers will be reviewed by the Governance Reference Group (GRG) in early summer, reporting to Council in July as part of the Scheme of Governance (SOG). All elected members were invited to share their views on the SOG and the feedback received will be reviewed by the GRG. Officers with delegations will also be invited to share examples of delegations which they have exercised but which they consider would have been more suitable for elected member decision.</p> <p>The Member Officer Relations Protocol will also reference any advice notes issued by the Standards Commission, including the note on members accessing information. This will provide clear parameters to elected members and officers on when it is appropriate to share information.</p>

# Aberdeen City Council

## Best Value Thematic Review 2022/23

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