

Leadership of the development of new local strategic priorities

Best Value thematic work in
City of Edinburgh Council 2022/23



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Key messages

- 1** The council has set out clear aims and priorities for the next five years in a refreshed business plan. The plan sets out three core priorities: to create good places to live and work; to end poverty in Edinburgh, and to become a net zero city by 2030. The priorities are underpinned by ten medium-term outcomes, supported by short-term actions.
- 2** The council consults extensively with residents and has taken action to improve how it engages and empowers communities, but there is scope for residents to have a direct say when the council next reviews its core priorities
- 3** Addressing inequalities and climate change remain council priorities in its renewed business plan. Working with partners, the council is taking action to progress these important areas. The current economic context, combined with tight resources, means significant challenges lie ahead to realise its ambitions.
- 4** Delivery, workforce, asset and digital plans are being updated to align with council priorities. As a result, the council has yet to demonstrate through detailed planning how it will secure the sustainability of its services in the longer term.
- 5** Political control of the council is finely balanced, and recent decisions on the business plan and annual budget demonstrate a need to strengthen processes to support collaboration.

Scope of the audit

1. This report concludes on the effectiveness of the council's leadership of the development of the council's strategic priorities, following the 2022 local government elections.
2. [The Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2021 Best Value reporting requirements

Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate. ¹
- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

3. This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the council's strategic priorities.

¹ The Controller of Audit will report the first tranche of council BV reports to the Commission between October 2023 and August 2024 on Moray, Falkirk, Dundee City, Orkney Islands, South Ayrshire, Dumfries and Galloway, Clackmannanshire and West Dunbartonshire.



4. In carrying out the 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 leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

5. 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.

6. 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](#).

Council vision and priorities

The council has set out clear strategic priorities for the next five years

7. A council focused on achieving Best Value will be able to demonstrate that elected members and officers have a clear vision and priorities for their area.

8. [The Local government in Scotland Overview 2022](#) highlighted the pivotal role that Scotland's councils have in supporting and working with communities as they respond to the impacts of Covid-19, with a clear vision and priorities for its area key to this.

9. The council has made progress with setting out a clearer direction and priorities for the organisation. In November 2020, our Best Value Assurance Report (BVAR) concluded that the council's vision and priorities are not articulated in an overarching strategic plan. The council brought its strategic plans together into one Council Business Plan in February 2021, Our Future Council, Our Future City. In March 2023, the council agreed a refreshed [Business Plan 2023-2027](#). The plan reflects discussions held at the council in December 2022, developed from a motion in June 2022 led by the council leader, which identified shared priorities across the political parties in the council. The business plan sets out three core priorities:

- Create good places to live and work
- End poverty in Edinburgh
- Become a net zero city by 2030

10. To support these priorities, the business plan identified ten medium-term outcomes, each supported by short-term actions to be implemented over the next two years ([Exhibit 1](#)). The document provides a delivery plan including objectives, actions, and initial milestones.

11. The council's plan acknowledges that its overarching goals are ambitious and recognises the significant financial challenges it faces as it sets out to deliver them, including making difficult choices and working more closely with partners and communities.

Exhibit 1**City of Edinburgh Council's three strategic priorities****Council Business Plan 2023-27****10 Outcomes for delivery**

Core services for people in need of care and support are improved
People can access fair work and the support they need to prevent and stay out of poverty and homelessness
Edinburgh is a cleaner, better maintained city that we can all be proud of
People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city
People have decent, energy efficient, climate proofed homes they can afford to live in
Attainment, achievement, and positive destinations are improved for all with a particular focus on those in poverty
People use decarbonised public transport and active travel as the first choice way to get round the city
Edinburgh is a climate adapted city, with biodiverse green spaces, and cheaper cleaner networks for energy use
Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital
The Council has the capacity, skills, and resources to deliver its priorities efficiently, effectively and at lower cost

Source: City of Edinburgh Council business plan 2023-27

12. The council's focus on poverty, inequality and climate change is consistent with its other overarching strategic plans. [The Edinburgh Partnership Community plan 2018-2028](#) (updated in March 2022), sets out a course of actions for the council towards 'a thriving, connected, inspired and fair city, where all forms of poverty and inequality are reduced'.

13. At the regional level and working alongside five neighbouring councils and the University of Edinburgh, [the Regional Prosperity Framework: 2023/24 Delivery plan](#) (approved by the council in February 2023) aims to achieve three goals, including reducing economic exclusion and accelerating fair transition to net zero. The council states that all these plans will feed into delivering the overall ambitions stated in its 2050 Vision - 'for the city to be a fair, welcoming, pioneering, and thriving city'.

14. Below, [Exhibit 2](#) illustrates how all the strategic plans fit together under the 2050 Edinburgh City Vision, developed between 2016 and 2020 and endorsed by the Policy and Sustainability Committee in June 2020.

Exhibit 2

City of Edinburgh Council's 2050 City Vision delivery plans



Source: City of Edinburgh Council, Council Business Plan 2023-27

The council's overall strategic vision was developed via public consultation, but there is scope for residents to have a direct say when the council next reviews its core priorities

15. The 2023-27 business plan was developed by building on previous iterations which covered the periods 2017-22 (Programme for the Capital) and 2021-24 (Our Future Council, Our Future City). Following local government elections, a set of shared, cross-party priorities was outlined by the leader of the council, which were then developed with input from officers and updated in line with the budget decisions agreed by the council in February 2023. The council held engagement sessions on the refreshed business plan with senior levels of management, and this was followed by strategic discussions within directorates.

16. The business plan focuses on how the council plans to deliver the priorities agreed with partners. There is a recognition that the community plan priorities must be embedded into the council business plan, and the council cannot achieve those priorities in isolation. Most of the actions supporting the outcomes have been developed with partners and is expected to be delivered with them.

17. As the refreshed plan was an update of the previous iterations, engagement gathered from previous consultations - such as the 2050 City Vision, City Mobility Plan, Council Change strategy, planning for change and delivering

services 2019-2023, Poverty Commission and Edinburgh Talks Climate - was used to develop the council's strategic priorities. The 2050 City vision consultation took place in 2016 and more than 22,000 responses were used to inform four principles – fair city, pioneering city, welcoming city and thriving city. The business plan's strategic priorities are largely informed from this consultation.

18. Best Value guidance is clear that meaningful consultation and engagement with communities in relation to strategic planning should take place. In 2021, the council agreed a consultation strategy which recognised the need to positively engage with, listen to and act upon stakeholders' views. There has not been direct consultation with the public on the council's key strategic priorities since 2019, and the council should consider directly consulting with residents on the ranking and affordability of its strategic priorities.

19. The business plan was updated on the council's website in April 2023, following agreement of the renewed priorities in March 2023.

The council has developed a clear framework to measure and monitor progress against the council's priorities, and has plans to improve the quality of how it reports its performance

20. Our [Best Value Assurance Report](#) (BVAR) in 2020 highlighted areas for improvement in performance management. These included:

- implementing a strategic approach to self-evaluation and continuous improvement;
- improving performance reporting by making better use of performance measures and targets, particularly to demonstrate the impact of improvement work; and
- further improving performance reporting by publishing easily accessible, up-to-date performance information on the council's website.

21. Since we issued our report, the council has been reassessing and developing a new approach to measuring and reviewing performance, including how it collects and analyses relevant data. Officers are working to improve the quality of data it holds and how it is presented to members and citizens.

22. In March 2023, the council updated its [Planning and Performance Framework 2023-2027](#), which seeks to address the BVAR recommendations above. The framework sets out what success looks like in the short, medium and longer term, identifying milestones and specific key performance indicators (KPIs). It is aligned with the refreshed business plan and maps out the plan's outcomes against the National Performance Framework, the Accounts Commission's seven Best Value themes and the community plan's priorities. For all directorates, the council aims to have more detailed directorate plans in place alongside the new framework by June 2023.

23. Directorate plans (known as 'plans on a page') show links from the three strategic priorities and 10 business outcomes to directorate and service plans

and objectives, as well as the specific actions to meet these plans and ultimately the business plan priorities. The performance framework commits the council to reviewing performance measures and targets on an annual basis to ensure that they remain aligned to the delivery plan. The council is planning to produce three annual performance reports:

Progress with	Time of reporting	Report to council via
<ul style="list-style-type: none"> • Business Plan 	<ul style="list-style-type: none"> • summer 	<ul style="list-style-type: none"> • Policy and Sustainability Committee
<ul style="list-style-type: none"> • Public Performance Scorecard 	<ul style="list-style-type: none"> • end of financial year 	<ul style="list-style-type: none"> • Governance Risk and Best Value Committee
<ul style="list-style-type: none"> • Local Government Benchmarking Framework 	<ul style="list-style-type: none"> • end of financial year 	<ul style="list-style-type: none"> • Governance Risk and Best Value Committee

24. The council aims to show progress of change through an annual business plan progress report, to be reported to the Policy and Sustainability Committee. The council has stated it aims to provide an update on the identified actions and milestones, performance against the framework’s KPIs and a “health check” overview of the high-level overarching measures on the plan.

25. The Public Performance Scorecard covers core service-level KPIs and shows how performance is progressing. It aims to provide information on service performance more frequently (on a quarterly basis) and address areas of underperformance as necessary.

26. Underpinning all this council performance reporting are service plans and monthly reporting which includes:

- Local Government Benchmarking Framework (LGBF) measures
- Performance Tracker – showing the status of actions and measures which then informs the annual performance reported to council.

27. The LGBF report has some alignment to the council’s strategic priorities, but is primarily benchmarking Edinburgh against other Scottish councils using an online toolkit to interrogate data provided to the LGBF by councils.

28. The council currently publishes an annual performance report on its website, and the local government benchmarking report. It has committed to publishing further performance reports on its performance section, including:

- the annual business plan progress report
- the quarterly public performance scorecard

29. We will continue to monitor how effective the updated performance framework is at enhancing performance management and reporting through our annual audit work.

Citizen and community engagement

30. 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. There must be a focus on getting the services people need in place, to have the best impact on the lives of individuals and communities.

31. 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.

The council consults extensively with residents and has taken action to enhance community engagement

32. The council actively seeks residents' views through consultations. The number of public consultations and engagements continues to rise since 2015, apart from 2020, which was affected by the Covid-19 pandemic. In 2021 (the latest year available), the council launched 133 consultation or engagement activities and received 59,403 responses. This only includes those uploaded on the council's online consultation platform and excludes other methods such as paper submission forms, letters, focus groups or community events.

33. We recognised in our BVAR in 2021 that the council has used other community engagement methods, such as workshops, information displays, focus groups and digital tools. For example, it engaged with communities early in the development of its City Plan 2030 and in the past developed online budget simulation tools and used game-based approaches to facilitate discussion about its budget proposals.

34. Our report in 2020 recognised that, while the council consulted extensively with residents and has used innovative approaches to engage with communities, community engagement was not yet an integral part of service improvement and delivery. We concluded that community empowerment was not yet embedded in the council's culture.

35. Since then, the council has taken action to enhance community engagement activities. In April 2021 the council agreed a new consultation policy, in line with our BVAR recommendation, to strengthen the management and governance of consultation activity. In addition to setting out the council's criteria for determining whether consultation is necessary, the policy:

- requires the most significant consultations to be signed off collectively by the corporate leadership team
- established a new Consultation Advisory Panel to oversee the process, providing advice and support
- introduced related key performance indicators to be included in the annual performance report.

36. It is important that the council continues to explore reasons for a lack of meaningful engagement from communities or residents. It should build capacity among communities, particularly seldom heard groups, or those who feel they do not have a say, so they can fully participate and are supported to do so. This could mean investing appropriate resources (financial and non-financial) to build community capacity and encourage community leadership.

37. The consultation policy was reviewed by the Policy and Sustainability Committee in June 2022, and this has informed ongoing work to improve community engagement activities. This includes:

- Working with partners including Age Scotland, British Sign Language, older people and younger people champions to improve participation.
- Revise future performance measures and strengthen the evaluation process.
- Establishing an internal database to improve information sharing and collaboration among staff.

There is evidence that the council has improved how it engages with communities and partners

38. Our BVAR report previously found limited evidence of the council engaging with hard-to-reach, migrant, and minority groups, and that engagement was not embedded in the council's day to day work.

39. From our high-level review, we have found examples where the council has since been working well with communities and partners to drive improvement in its priority areas. The council continues to develop this and is taking forward some of its council priority areas via methods of community engagement. For example:

- A £4.3 million modernisation of the North Cairntow traveller site was completed in 2023 after extensive consultation with residents. Tenants were invited to co-design the modernised site to fully meet their needs, meeting with the design team on a regular basis and making key decisions about the delivery of the project.
- The council has put in place more than 800 Neighbourhood Environment Projects around the city during the past 12 years, many of them developed from local citizens' ideas. Investment has helped to improve open spaces

and walkways, improved lighting and prepared land for community growing.

- To address climate change, the council has introduced a participatory budgeting process to support community-led projects, resulting in £140,000 being awarded to eight community groups. It has also established a community platform, the Community Climate Forum. Through ongoing engagement, the forum provides community-led net zero activities with support and expertise. From this beginning, the council is considering how a participatory design and planning process can further support communities working together.
- Since the introduction of Part 5 of the Community Empowerment (Scotland) Act 2015 in January 2017, the council has completed six asset transfers including Gilmerton Dykes Bothy, St Oswalds Hall, Juniper Green Public Toilet; and the Old Coach House, Spylaw Park. A further two asset transfers are approved, and 15 proposals are either at stage 1 or stage 2. Stage one involves the proposal being discussed by a panel comprising local councilors, relevant officers, the applicant, and other interested parties. The panel decide whether the proposal moves forward to stage 2 where the business case, governance and legal status is confirmed.

The council has a close working relationship with partners through the Edinburgh Partnership Board and has taken action to improve governance and involve community representatives

40. The council has a lead role in the Edinburgh Partnership Board (EPB). The partnership includes statutory partners such as NHS Lothian, Scottish Enterprise, Police Scotland and the Scottish Fire and Rescue Service. It also involves a range of other public, private and third sector partners.

41. In our BVAR, we recommended the council should work with the Edinburgh Partnership Board to implement new governance arrangements, effectively involve community representatives and deliver improved outcomes for communities. In response to our findings, the EPB developed an improvement plan in June 2021. Actions within the plan include:

- The establishment of a community empowerment strategy, with a dedicated support team
- The development of a framework for collaboration with the Edinburgh Association of Community Councils (EACC)
- The enhanced performance reporting to demonstrate improved outcomes for communities.

42. This work was paused due to the pandemic, competing priorities and limited capacity and resources have impacted the pace of change. Progress in implementing these actions has been slow. The target date for drafting the community empowerment strategy was June 2021 and has been missed. It is

now expected in September 2023. For 2021/22, the annual performance report against the community plan was not produced, as the refreshed plan was agreed in March 2022. The council and partners are currently updating these plans and the performance framework is under review as part of this process.

43. In its latest update, presented to the EPB in September 2022, six key principles of the strategy were identified: leadership, focus on outcomes, community ownership, effective relationships, transparent decision-making and improved communications. From this foundation, the council is planning further engagement with communities and other stakeholders before developing a final version of the strategy.

44. A dedicated community empowerment team was in place by April 2023, following a pause in the organisational review during the pandemic. The board has agreed operational changes to increase community involvement in partnership board meetings from 2023. This includes increasing flexibility in the time and location of meetings to make them more accessible to community groups.

Exhibit 3

The Edinburgh Partnership governance structure and membership



Source: Edinburgh Partnership Board Papers

More targeted support is planned for community networks

45. During the pandemic, feedback from communities (reported to the Culture and Communities Committee in December 2022) highlighted difficulties in working with the council, that bureaucracy at times could hamper their ability to operate, that contacting the council could be difficult, and that they could work in a more agile way to meet local needs.

46. To address this, the council is planning to provide strategic support for community centres acting as local hubs, improving consistency of service delivery across the city and using £290,000 of funding from the UK Shared Prosperity Fund. It also intends to provide financial support for community networks to lead initiatives on the ground. To ensure community empowerment is embedded, the council has established a community empowerment board, which oversees community-related activities across the council. The introduction of the community empowerment strategy should help community

engagement and empowerment become an integral part of service improvement and delivery.

47. Once these new arrangements are in place, we will assess how they strengthen the role of communities in decision-making processes and impact service delivery.

Reducing inequalities and tackling climate change

The council's core priorities focus on tackling poverty in the city and becoming net zero by 2030

48. 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, alongside a focus on sustainable development, including climate change.

49. The [Local Government in Scotland Overview 2022](#) report says that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

50. Ending poverty in Edinburgh by 2030 is one of the three key strategic priorities for the council as set out in the council's Business Plan 2023-27. To meet this, the council's business plan identifies two key medium-term outcomes it wishes to achieve, one in relation to accessing fair work and support to prevent and stay out of poverty, and another which addresses the poverty-related attainment gap.

The council has a plan to target causes of poverty in the city and reports annually on its progress

51. In December 2020, the council and partners agreed plans to adopt the [End Poverty in Edinburgh by 2030](#) target set by the Edinburgh Poverty Commission (EPC):

- The council's End Poverty in Edinburgh Delivery Plan identified six areas for focused action by the city and its partners: fair work, a decent home, income security, opportunities to progress, connections and belonging, health and wellbeing, and removing stigma.
- The Edinburgh Partnership agreed actions arising from the EPC's findings which were incorporated in the Edinburgh Community Plan. The delivery plan agrees actions for priority delivery over the next 12 months, and progress is reported annually each year

52. The 2022 annual report highlighted a number of high-impact actions delivered by the council and its partners. These included:

- Allocating £8 million to support the most affected, including one-off direct cash payments to 31,900 low-income families (which is a council initiative in terms of design and delivery, funded by the Scottish Government).
- Actions to promote the real living wage in the city, led by the Edinburgh Living Wage Action Group, helped encourage 116 business to become living wage accredited employers, helping more than 1,400 workers to receive direct pay uplifts.
- Council funds of £64.8m were invested in building new homes and improving existing homes.

53. The council has been working with End Poverty Edinburgh, an independent group of citizens with real life experience of poverty. The group was established in 2020 to raise awareness of poverty and influence decision-making processes. Their views fed into the council's cost of living support campaign across the city and development of poverty awareness training for frontline council staff. It was a key stakeholder in the development of the End Poverty-Related Hunger in Edinburgh draft strategy, which is expected to be finalised this year.

54. For the EPC, ending poverty “does not mean Edinburgh becoming a city in which no one ever loses a job or experiences a period of their life on low income. But it does mean Edinburgh being a city where living on a low income is temporary, not a persistent trap, and does mean not having to go without food, or warmth, or safety.”

55. The latest data showed that the level of poverty remained unchanged with an estimated 15 per cent of people living in poverty in 2020, but more recent data is not available and this was forecast to rise. The council recognises significant challenges ahead, with rising inflation and the cost of living crisis adding further pressures. Alongside mitigating the ongoing impact of the pandemic, the council has been taking actions to address those challenges.

There are arrangements in place to ensure compliance with equalities legislation, and a review is underway to embed these culturally within the organisation

56. The council is committed to delivering equality outcomes agreed in April 2021. It has been working with the Equality and Rights Network to engage with hard-to-reach groups. The network, funded by the council and NHS Lothian, influenced the development of equality outcomes and facilitated ongoing engagement activities.

57. In April 2021, the council agreed an Equality and Diversity Framework 2021-2025, in line with its statutory requirements under The Equality Act 2010. It identifies ten outcomes that the council is seeking to progress over a four-year period.

58. The council recognises more can be done to strengthen its approach to equalities, moving away from a compliance focus to embedding the work within the organisation to support cultural change. The rationale for this was motivated

in response to a motion agreed by council in December 2022 to improve and embed a culture of inclusion and accessibility in the council, including work to remove barriers to elected office. The motion referenced both the Tanner Report (which found serious failings over the way the council handled complaints of a potentially criminal nature) and our BVAR. We will continue to review and assess the council's progress in this area throughout the course of our audit appointment.

Arrangements to help support a human rights-based approach to council activity are well developed

59. The council uses an Integrated Impact Assessment (IIA) toolkit to meet the requirements of the Equality Act 2010, human and children's rights conventions, Fairer Scotland Duty 2018 and the Climate Change (Scotland) Act 2009. These Integrated Impact Assessments (IIAs), which are central to the council's human rights-based approach and published on their website. The assessments aim to assess impacts on:

- equality and human rights
- environment and climate change
- economy, including socio-economic disadvantage.

60. The IIAs arrangements cover a wide range of what the council does, including proposals for policies, strategies, provisions, criteria, functions, practices, budgets and the assessment of potential savings and activities. It publishes the results on the council website. Working with the other three Lothian authorities and NHS Lothian, the council has standardised an IIA process, intending to share good practice, and it has also developed supporting guidance for staff.

61. The council has been addressing inconsistency in the implementation of the IIAs. This includes improving reporting of the IIAs to committees and providing further training for staff and members, especially in relation to budget assessments.

62. The council holds quarterly quality assurance meetings with colleagues from partner agencies (NHS Lothian and the other Lothian local authorities) where a sample of completed assessments is considered, and recommendations are made.

The council has placed climate change as a priority, working towards its ambitious 'net zero by 2030' target

63. Around two-thirds of councils have formally declared a climate emergency, and COSLA's Blueprint for Local Government states that climate change is a 'greater threat than Covid'. The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

64. In the refreshed council business plan 2023-27, 'Becoming a net zero city by 2030' remains as one of three core priorities. The council was one of the first councils in Scotland to set an ambitious target of becoming net zero by 2030, 15 years before the Scottish Government's legally-binding target.

65. Our BVAR report featured a case study of ongoing initiatives demonstrating Edinburgh's commitment to the agenda. It highlighted the low emission zone, investment in sustainable new homes and improvements to its housing estate, the city tourism strategy, the city mobility plan, among others. The council also has a comprehensive sustainability programme, recognised by the European Institute of Innovation and Technology, to respond to the climate change emergency.

66. The council has developed plans which set out actions to deliver the net zero ambition, including:

- a city-wide 2030 Climate Strategy, which was published in December 2021. It sets out the strategic priorities for tackling climate change in the city, with high level strategic actions to achieve the aim of becoming a net zero city by 2030.
- a council emission reduction plan, approved in November 2021, which sets out actions to reduce its corporate emissions covering up to 2030.
- In the budget-setting process for 2023/24, elected members proposed a budget amendment of an additional £279,000 to strengthen a Climate & Sustainability Team to help drive progress in this area.

67. The council cannot achieve its net zero target on its own, and securing further funding from the Scottish Government and other sources will be necessary to achieve its goals. Private businesses and third sector organisations must also play a role, for example by providing financial assistance and supporting individuals to adapt their behaviours to combat climate change.

68. The council recognises that the scale of the emissions reduction required in coming years will be 'extremely challenging' especially in the current economic context and actions needs to be prioritised. For example, the council has reported it has now more than two-thirds (69%) of the three-years' cumulated carbon budget for the period 2020/21 to 2022/23, meaning emissions would need to decrease by 11% by 2022/23 to ensure the council does not exceed its carbon budget for this period.

69. The council has developed a number of initiatives to address climate change, which include:

- Our Future Edinburgh: supporting the development of Edinburgh's community climate forum. This initiative, sponsored by the council, aims to maintain an ongoing dialogue with citizens and communities about the transformation that needs to happen in the city and how communities can collaborate in decision-making and delivering change.

- Edinburgh' Communities Climate Forum is a platform for community groups and voluntary organisations to discuss shared actions, plan and initiate collaborations, exchange resources, learning and skills, coordinate on shared funding bids and inform strategic decision making.
- The Edinburgh Community Climate Fund provided £140,000 of resources allocated by citizens through a participatory budgeting approach.
- Publishing annual reports on the Council Emission Reductions Plan.

70. The council is exploring new financing models, and established Edinburgh's Infrastructure and Investment Programme Board, now known as the Net Zero Edinburgh Leadership Board, to support developing new approaches, which we reported as a case study in our briefing paper, [Scotland's councils' approach to addressing climate change, September 2022](#).

71. Difficult decisions and further resources will need to be targeted in this area if it is to meet the scale and pace required. Achieving net zero targets is a complex area and the council recently agreed to increase the number of staff dedicated to implementing its sustainability strategy. Plans for reducing emissions compete with other priority policy areas for funding, and significant additional investment will be required.

Recommendation 1

The council should continue to build on its existing net zero plans to include further detail on specific project costs and budgets. This should include outturn information and details of any additional funding required. This would provide better information for decision-making about prioritising projects which make the most impact and therefore maximising the contribution to achieving its 2030 Climate Strategy goals.

Alignment of delivery plans

Service delivery plans are being updated to align with the council's revised business plan

72. 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.

73. 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.

74. The council's business plan 2023-2027, contains a delivery plan as appendix which sets out the actions for achieving the 10 outcomes that services will aim to deliver over the next five years, including objectives, actions, and initial milestones for delivery.

75. All service directorates created "plans on a page" (Refer [Exhibit 4](#)) that are used to drive alignment from the business plans to operational activity in service areas, showing how strategic priorities are being reflected at an operational level. The quality and level of detail provided in these varies by department and the council is working to build consistency in the performance reporting against these operational plans to better inform conversations about performance and the change required within budget and resource constraints .

Exhibit 4 Extract from a directorate business plan

Place - Plan on a Page

2022-23

Council Strategic Priorities											
Ending poverty by 2030				Becoming a sustainable and net zero city				Wellbeing and Equalities			
Strategic Outcomes											
2. Deliver a new poverty prevention model	3. More residents experience fair work and receive the living wage	4. Intervene before the point of crisis to prevent homelessness	5. Ongoing delivery of our 20,000 affordable homes programme	7. Edinburgh's economy recovers from recession and supports businesses to thrive	8. On track to deliver our 2030 net zero target	9. Citizens are engaged and empowered	10. Develop key strategic sites and projects in a diverse and growing city	11. City has a well-connected, sustainable transport/active travel network	12. People can access support they need in the place they live and work	14. Core services are maintained or improved	15. Make better use of the Council's estate and resources
Strategies and Plans											
City of Edinburgh Council End Poverty Plan 2030	Edinburgh Economy Strategy and City Centre Recovery Action Plan	Rapid Rehousing Transition Plan	Strategic Housing Investment Plan	Edinburgh Partnership Community Plan 2018 - 2028	2030 Climate Strategy for Edinburgh	City Plan 2030	City Mobility Plan	20 minute Neighbourhood Strategy	Waste Recycling and Reduction Strategy	Corporate Property Strategy	
Key Service Objectives											
Develop a dynamic, inclusive and fit for the future library service	Develop a new model for community engagement and empowerment	Increase the supply of new affordable homes	Improve existing Council homes & estates	Implement the Council's objectives for poverty prevention	Prevent homelessness in the first place	Implement the Edinburgh Economy Strategy and City Centre Recovery Action Plan	Improve the quality of environmental services in local communities	Ensure capital projects are delivered in line with appropriate governance arrangements, corporate property strategy and compliance with procurement rules	Delivery of Mixed Use Regeneration Programmes across all key Edinburgh sites	Implement the City Mobility Plan including delivery of key projects that create and maintain new and existing active travel options	
Actions and Success Measures											
Outcome / Objective	Action						Measure of success				
1.2 & 2.1	Deliver people-centred income maximisation, family and household support services <ul style="list-style-type: none"> - Working with the Edinburgh Partnership, conduct a review of City-wide advice services - Reporting progress with the Annual Progress Report for Poverty - Establish a training plan in conjunction with partners, to enhance awareness of income maximisation issues across Council and other services so that people on low incomes and those who may be at risk of poverty, can be fully supported to access benefit entitlements and manage household budgets 						A new city wide approach to commissioned advice services is agreed with partners (BP milestone) Number of people supported with welfare rights queries by the Advice shop (BP metric)				

Source: City of Edinburgh Council

A workforce plan is in place, but it has not been aligned to the council's priorities, and lacks detail at a service level

76. Our BVAR report noted that although the council is developing a workforce plan for 2020-23, it lacked detail at a service and team level. This made it difficult for the council to identify whether it has the correct workforce skills, numbers or structure to effectively deliver its services.

77. The People Strategy and the Strategic Workforce Plan (2021-2024) were approved in April 2021. These set out what the council plans to do to ensure it can deliver the priorities and actions set out in the 2021-2023 business plan. It anticipates the profile of the workforce to change considerably during its timeframe, identifying a number of actions needed to plan for those changes.

78. There are workforce plans for some individual services, for example social care, but these contain high level priorities and background data. The council has not yet developed the detailed service workplans on a consistent basis that are required for effective workforce planning, including identifying skills gaps and aligning requirements to the council's priorities.

79. Since the last update, the council is experiencing vacancies across services due to the competitive job market and shortage of key skills. A workforce dashboard, which is provided to the finance and resources committee, shows a snapshot of employee data across the council, highlighting trends and summarises actions on recruitment. Both the people strategy and strategic workforce plan should be updated to align with the refreshed council plan 2023-27 and reported to members.

Recommendation 2

The council should develop the people strategy and strategic workforce plan to align with the 2023-27 business plan. The council should develop comprehensive workforce planning on a consistent basis across services, identifying skills gaps and aligning resources to council priorities as set out in the business plan. This would support effective service delivery.

A capital budget strategy 2023-33 provides an overview of planned expenditure, but the council needs to ensure its entire corporate asset portfolio is appropriate and fit for purpose

80. The Sustainable Capital Budget Strategy 2023-2033, which is generally aligned to council priorities, provides a high-level overview of the council's capital expenditure and sets out plans for £1.49 billion of council capital investment. It includes investment proposals for the school estate, funding for library and employability services, tackling infrastructure challenges in line with the council's net zero ambition (£69.921m), reducing the carbon footprint through the estate retrofit programme (£60.85m) and the Trams to Newhaven project (£57.101m).

81. A refreshed Corporate Property Strategy, was approved by the Policy and Sustainability Committee in August 2023. It's predecessor, the Corporate Asset Strategy was created in 2015 and therefore did not reflect working changes due to Covid-19, market conditions, and new environmental and legislative requirements. The revised strategy provides a framework for how changes to the council's operational property estate will be implemented in the next five to 10 years. The Policy and Sustainability Committee also approved establishing a Strategy Board to oversee implementation of this strategy. The council plans to develop a Property Action Plan to capture all upcoming change projects which could affect the council's operational estate.

Recommendation 3

There has been a significant impact on how the council uses its owned properties as a result of changes to working practices, market conditions and environmental and legislative requirements. The council has committed to creating a property action plan, building on the framework created in the property strategy. The action plan should focus on maximising the effective and efficient use of its assets.

Transformative IT projects taking place across the council are guided by a digital strategy and implementation plan

82. In October 2020, the Policy and Sustainability Committee approved the council's [Digital and Smart City Strategy \(2020-2023\)](#). The council has a strategic partnership with CGI as a provider of end-to-end managed IT, which has been extended to the end of March 2029. The strategy provides a framework of principles and is supported by an implementation plan which includes a strategic programme of work providing further detail on the transformative projects being carried out at a corporate level.

83. A quarterly status update is provided to the Governance, Risk and Best Value Committee and outlines progress of projects against deliverables, as well as current key risks, performance levels and cyber security management. This includes such projects as the finance and debt management upgrades, the SWIFT care system and the HR system replacement. This year, 2023, is the final year of the digital strategy's operation. The council is in the process of updating its digital and smart city strategy and is expected to report in Autumn 2023.

Leadership

Recent decisions on the business plan and annual budget demonstrate a need to strengthen processes to support collaboration

84. 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.

85. 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.

86. 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. Working relationships between members and between members and officers should be constructive and productive. Councillors should show a commitment to agreed council priorities and work together to achieve them.

87. Following the local government elections in May 2022, 63 members representing the 17 multi-member wards were elected across the City of Edinburgh. The political composition is as follows:

- Scottish Labour (11)
- Scottish National Party (18)
- Scottish Greens (10)
- Scottish Liberal Democrats (13)
- Scottish Conservatives (9)
- Labour and Co-operative Party (1)
- Independent (1)

88. In May 2022, at the first meeting of the council, a minority-led Labour administration was appointed, succeeding a previous minority-led SNP and Labour administration which was in place during the preceding five years.

89. The political make-up of the council is finely balanced at a time when the council needs to work together to make some difficult strategic decisions. Motions and recommendations at full council meetings can often be decided by multiple rounds of voting.

90. Not every political party engaged with officers in the development of the refreshed business plan, with some members criticising the process for being officer-led during the council meeting debate. Most political parties indicated willingness to offer constructive engagement with officers to shape the plan and influence priorities according to the themes in their political manifestos.

91. The council agreed a business plan with a number of amendments, which were all submitted the day before the full council meeting. There were calls from members for the process to be improved due to the lack of time to scrutinise proposals.

Following concerns from members, there are plans to improve the process for setting the council's annual budget

92. There were similar tensions as the council sought to agree the 2023/24 budget. All parties submitted motions the day before the meeting, and after three rounds of voting an opposition budget was passed. Members of the Governance, Risk and Best Value Committee (GRBV) subsequently called for a review of the process, raising concerns around a lack of transparency and availability of information, concluding it did not represent “a good model for budget setting, transparency or the reputation of the council.”

93. In June 2023, the corporate leadership team provided proposals to change the budget process in future. These include:

- to provide budget training for all councillors
- to start the budget process, particularly identifying change proposals earlier in the year, before summer recess
- to build in support and regular meetings with each political group through the autumn and winter
- that where possible, proposals should be taken through relevant Executive Committees
- that a report is taken to council in September to amend the standing orders to alter the deadline for budget motions to a week and a day before Council.
- the provision of training for members, starting the budget process earlier and requiring budget motions to be submitted an additional week in advance of the meeting.

94. An internal audit report on lessons learned from the budget-setting process was presented to the GRBV in August 2023. This added further recommendations including a review of best practice from other local

authorities. A further “lessons learned” process is planned for the new 2024/25 financial year.

There is evidence of improved relationships between members

95. The May 2022 elections resulted in a change in administration with several first-time councillors elected. There have also been two new officers appointed to senior leadership team in recent months.

96. At the end of 2017, the council, in response to a motion from an elected member, reviewed its arrangements for members to report inappropriate behaviour by other members. We noted in our BVAR report in 2020 that, despite this, relationships between some members were still very strained.

97. From our early discussions and observations at council meetings, we have noted that working relationships between members and officers appear to have improved since the last election, although some tensions remain. While political debate is a normal part of council business, operating within such an environment is challenging for members and officers. As the budget approval process showed, there is scope to strengthen arrangements to support effective collaborative working between members and council staff.

98. The council’s review of political management arrangements in 2022 concluded that the committee structure in place worked for the council with some minor revisions to committee business and structures. These changes were informed by self-evaluations of key executive committees and the Governance, Risk and Best Value committee, which performs a scrutiny function across the council. We will continue to review and assess the effectiveness of collaborative working at the council during our audit appointment.

Appendix 1

Recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Costing of net zero projects</p> <p>The council has identified tackling climate change as a priority, working towards an ambitious ‘net zero by 2030’ target. Plans for reducing emissions compete with other priority policy areas for funding, and significant additional investment will be required to achieve this target.</p> <p>Risk – without a full understanding of the costs involved, the council cannot make informed decisions about where finite resources are targeted.</p>	<p>The council should continue to build on its existing net zero plans to include further detail on specific project costs and budgets. This should include outturn information and details of any additional funding required. This would provide better information for decision-making about prioritising projects which make the most impact and therefore maximising the contribution to achieving its 2030 Climate Strategy goals.</p>	<p>The funding of sustainability actions will be considered as part of the annual budget setting process for 2024/25 and beyond.</p> <p>Delivery will continue to be monitored through our suite of annual climate reports to Policy and Sustainability Committee:</p> <ul style="list-style-type: none"> - Carbon Disclosure Project (CDP) - Public Bodies Climate Change Duties Report - Annual progress report on city wide target - CERP progress report - Climate Strategy Progress Report - International Travel Emissions Report - Adaptation Progress Report - Food Growing Progress Report
<p>2. Workforce plans</p> <p>A workforce plan is in place, but it has not been aligned to the council’s priorities, and lacks detail at a service level.</p> <p>Risk – current workforce service plans across the council are not sufficiently detailed to support effective</p>	<p>The council should develop the people strategy and strategic workforce plan to align with the 2023-27 business plan. The council should develop comprehensive workforce planning on a consistent basis across services, identifying skills gaps and aligning resources to council</p>	<p>Development of People Strategy for 2024-2027 underway for publication from 1 April 2024. This will be aligned to council’s business plan.</p> <p>Workforce Plan for 2024-2027 developed following consideration of above.</p>

service delivery of council priorities.

priorities as set out in the business plan. This would support effective service delivery.

3. Property Action Plan

A refreshed Corporate Property Strategy was approved by the Policy and Sustainability Committee in August 2023. Its predecessor, the Corporate Asset Strategy, was created in 2015. There has been a significant impact on how the council uses its owned properties as a result of changes to working practices, market conditions and environmental and legislative requirements. The council has committed to creating a property action plan, building on the framework created in the property strategy.

The council plans to develop a Property Action Plan to take forward the framework provided by the Corporate Property Strategy to implement changes to working practices due to Covid-19, market conditions and new environmental and legislative requirements.

The action plan should focus on maximising the effective and efficient use of its assets.

Update on development of Property Action Plan to be reported to Policy and Sustainability Committee first quarter 2024.

Annual reviews of progress with the Corporate Property Strategy to be provided from September 2024.

Risk – the council is not maximising its assets in pursuit of its strategic priorities

Leadership of the development of new local strategic priorities

Best Value thematic work in City of Edinburgh Council 2022/23

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