

# Accounts Commission tells council it 'could do better'

**The Accounts Commission has issued a report on the way the council conducts its business, and it is not entirely happy.**

The report recognises the difficult political make-up of the minority administration at the City Chambers, but says it is important that all councillors work well together to make decisions.

The body charged with overseeing public bodies like The City of Edinburgh Council says it 'can do more to fulfil its potential and further improve the lives of citizens'. And they point to the relationships between elected members which they describe as 'strained'.

*There are tensions between elected members, which manifest in inappropriate language and tone being used in council debate, in the lack of involvement of some members in decision-making, and in media reports on member disagreements. At the end of 2017, the council, in response to a motion from an elected member, reviewed its arrangements for members to report inappropriate behaviour by other members. Following this, the council offered elected members training in both team dynamics and mediation.*

*Audit Commission Report 2020*

They recognise that this makes decision-making difficult and it is time-wasting for council officers, although the council

is changing the way that members work with officers to define roles and responsibilities more clearly. While they say that the Chief Executive, the Council Leader and the Deputy Leader work well together, the Audit Commission believes that relationships between members are 'still very strained'.

**Four councillors did not attend mandatory training on the councillors' code of conduct, and at least a third missed training on effective scrutiny and conduct at meetings, with over half missing the sessions on local government finances.**

Several recommendations are made in the report as to how the council can improve – and part of that is simply by reporting more fully on its own performance. Another aspect is that while the council seeks feedback from residents and staff, it does not always clearly show how it embraces this to improve any services.

The Accounts Commission refers to the council Business Plan set out by the current SNP/Labour minority administration in 2016 which contains a large number of commitments which are described as neither easily measured or prioritised.

It is recognised that the plan was an amalgamation of the SNP and Labour manifesto pledges, and it was drawn up by a small number of politicians, but without any wider scrutiny before it was adopted by the council. The new Change strategy document does not refer to the 52 commitments in the business plan, or show how they will be delivered.

Despite this, when difficult decisions have to be made the Accounts Commission recognises they are made demonstrating good leadership, but the senior management team – the Corporate Leadership Team – is not gender balanced. There is however, a better balance in middle manager roles, and they admit the council is working on improving diversity and inclusion.

# Poverty

Edinburgh is, overall, a prosperous city, but the Commission urge the council to continue to lead and progress its commitment to reducing poverty and inequality across the city. The Accounts Commission recognises, as the council has in many of its own reports, that while the capital city is prosperous, not everyone living here is. There are estimated to be 46,000 people who are 'income deprived'. And the city is the "least affordable" place in Scotland to buy a home, which along with high visitor numbers places pressure on housing.

The council has responded to this by setting up the Poverty Commission which just reported setting out seven areas where the council needs to act, including working with young people to improve attainment.

The report criticises the much-lauded City Vision 2050 saying it is a one page document without any way of measuring its performance.

In the report published today the Accounts Commission says that since 2016 there has been mixed progress at a strategic level, in the areas of community engagement and continuous improvement.

# Finances

The council has been told that it must now put in place a long-term financial strategy and a more effective workforce plan.

It is conceded that over the last four years many of the hundreds of services provided by the council have improved, its finances have been well-managed and ambitious strategies to improve the lives of local people and the economy have been agreed. But the Edinburgh People Survey has shown a decline in satisfaction rates about council services, with only 35 per

cent in the most recent survey saying they thought the council was value for money. In contrast around 80% were happy with the parks, libraries, street lighting and public transport, but only 42% were happy with roads maintenance and 47% with the way that pavements and footpaths are looked after.

Annual savings of between £35 million and £75 million have been made and in this financial year and the last, the council has drawn on its cash reserves. These were between £13 million to £14 million as they have been for the last four years. The most significant blow to council finances this year has been the loss of an expected £6 million dividend from Lothian Buses, and also the impact of Covid-19 on dwindling parking income. Not all areas of the council under the various Directors have delivered on agreed savings plans.

Covid-19 has impacted on the council's finances in common with all other local authorities in Scotland, and at present has an estimated £12.2 million shortfall this year rising to £70 million in three years time.

One of the things which has worked has been paying EY to consult on making procurement savings. The council paid the consultants £5 million and the result was planned savings of £150 million achieved over five years. This could also mean that the council was overpaying for its products prior to the work by EY.

There is a council programme called Adaptation and Renewal which is partly a reaction to Covid-19. The Accounts Commission recognises this is an opportunity to make change, but the plan will require "alterations to the internal structures and ways of working".

They claim that both are essential for the council to address the additional pressures the impact of Covid-19 has placed on the council, and support how it will fund and manage its vision for the future. Strong leadership and clear,

collaborative working with local partners are vital to realise these ambitions.

In Scotland, Covid-19 has made existing inequalities worse, an issue of significant concern to the Accounts Commission.

## **Community empowerment**

The council should also do more to put community empowerment in a central position in the council's culture, enabling local people to improve public services and their communities.

One of the areas which intersects with the work carried out by community councils is an area where they could also do better. The Edinburgh Partnership abolished neighbourhood partnerships in favour of neighbourhood networks. Some community councils have said they are not yet sure how this works. In addition the council has been slow to "embed community engagement in its day to day work". And while the Community Empowerment Act allows communities to take over ownership of land and buildings, only two of those have been completed in Edinburgh. The council is one of the few in Scotland which demands that the community groups pays any legal fees connected to the asset transfer.

It is also possible to have community participation requests. These are typically where a community group can ask to be involved with local sites or traffic management arrangements. In Edinburgh so far there have been just five, only one of which is ongoing and two of which were accepted.

The Edinburgh Integrated Joint Board which looks after health and social care, has performed poorly in contrast with other boards in Scotland, but the Accounts Commission believes it is continuing to address governance and performance issues.

The council's Arms Length External Organisations such as Edinburgh Leisure and Lothian Buses have been challenged by

Covid-19 restrictions which the council recognises and is responding to.

The Accounts Commission also says that the council is working well in progressing the City Region Deal and has played a lead role in its governance structure. This deal is financed by both the UK and Scottish governments and involves half a dozen councils in the surrounding areas. By August 2020 the committee in charge had approved £736.5 million of expenditure. Some of that will be spent on West Edinburgh Public Transport, the Dunard Centre and a new housing company. The deal is intended to attract £141 million of private sector investment with 23,368 jobs.

Elma Murray, Interim Chair of the Accounts Commission said: "The City of Edinburgh Council can do more to maximise its potential to improve the city and the lives of local people. Whilst the ambition of the council and its partners is impressive, the detail of how it will deliver, monitor and report on its key strategic goals must be in one accessible and coherent plan. It is the responsibility of all local councillors, working together, to ensure the city and its services continue to improve.

"It is important for the council to focus on continuous improvement and the creation of long-term financial and workforce plans. I expect the council to act swiftly on our report. Doing so will support the council's ambitions to improve the lives of its residents."