

# Notice of meeting and agenda

## Corporate Policy and Strategy Committee

**10.00am, Tuesday, 4 December 2012**

Dean of Guild Court Room, City Chambers, High Street, Edinburgh

This is a public meeting and members of the public are welcome to attend

### Contact

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Tel: 0131 529 4264

## **1. Order of business**

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- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

## **2. Declaration of interests**

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- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

## **3. Deputations**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minute of the Corporate Policy and Strategy Committee of 6 November 2012 (circulated) – submitted for approval as a correct record.

## **5. Key Decisions forward plan**

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- 5.1 Corporate Policy and Strategy Committee Key Decisions Forward Plan December 2012 to March 2013 (circulated)

## **6. Business Bulletin**

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- 6.1 Corporate Policy and Strategy Committee Business Bulletin 4 December 2012 (circulated)

## **7. Executive decisions**

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- 7.1 Welfare Reform - Update – report by the Director of Corporate Governance (circulated)
- 7.2 Policy Development and Review Sub Committee Work Programmes– report by the Director of Corporate Governance (circulated)
- 7.3 ICT Strategy Development – report by the Director of Corporate Governance (circulated)
- 7.4 Corporate Resilience: Annual Report (1 October 2011 30 September 2012) – report by the Director of Corporate Governance (circulated)
- 7.5 Annual Performance Report 2012 – report by the Director of Corporate Governance (circulated)

## **8. Routine decisions**

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- 8.1 Local Development Plan – Aims and Delivery – report by the Director of Services for Communities (circulated)
- 8.2 Operational Governance – Update – report by the Head of Legal, Risk and Compliance (circulated)

## **9. Motions**

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- 9.1 If any

### **Carol Campbell**

Head of Legal, Risk and Compliance

## **Committee Members**

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Councillors Burns (Convener), Cardownie (Vice-Convener), Buchanan, Burgess, Chapman, Child, Nick Cook, Edie, Godzik, Ricky Henderson, Hinds, Lewis, Mowat, Rankin and Rose.

## **Information about the Corporate Policy and Strategy Committee**

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The Corporate Policy and Strategy consists of 15 Councillors and is appointed by the City of Edinburgh Council. The Corporate Policy and Strategy Committee usually meets every four weeks.

The Corporate Policy and Strategy Committee usually meets in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

## **Further information**

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If you have any questions about the agenda or meeting arrangements, please contact Louise Williamson, Committee Services, City of Edinburgh Council, City Chambers, High Street, Edinburgh EH1 1YJ, Tel 0131 529 4830, e-mail [louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk) .

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to [www.edinburgh.gov.uk/cpol](http://www.edinburgh.gov.uk/cpol).

## Corporate Policy and Strategy Committee

10.00 am, Tuesday, 6 November 2012

### Present

Councillor Burns (Convener), Cardownie (Vice-Convener), Brock (substituting for Councillor Lewis), Burgess, Chapman, Child, Nick Cook, Edie, Ricky Henderson, Hinds, Mowat, Rankin, Rose and Ross (substituting for Councillor Buchanan).

### 1. Corporate Policy and Strategy Committee Business Bulletin 6 November 2012

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The Corporate Policy and Strategy Business Bulletin for 6 November 2012 was presented.

### Decision

To note the business bulletin.

(Reference – report by the Director of Corporate Governance, submitted.)

### 2. Corporate Policy and Strategy Committee Key Decisions Forward Plan November 2012 to February 2013

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The Corporate Policy and Strategy Committee Key Decisions Forward Plan for November 2012 to February 2013 was presented.

### Decision

- 1) To note the Key Decisions Forward Plan for November 2012 to February 2013.
- 2) To note that updated web casting figures for October/November 2012 would be provided (Note: 1183 (466 live, 717 archive)).

(Reference – report by the Director of Corporate Governance, submitted.)

### **3. Sustainable Edinburgh 2020 and Edinburgh Food For Life Pilot Project**

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Approval was sought to progress a project developed in partnership with NHS Lothian and Edinburgh University to pilot the Soil Association's Food for Life (FFL) Catering Mark as a standard for public sector catering in Edinburgh and to support the development of Edinburgh as a sustainable food city.

#### **Decision**

- 1) To approve participation and funding for the Edinburgh FFL pilot project.
- 2) To note the range of Council services required to deliver the pilot project and to contribute to developing a sustainable food city strategy.
- 3) To approve the work of the Carbon Climate and Sustainability Team to progress the development of Edinburgh as a sustainable food city.
- 4) To agree to officer only representation at the conference in Copenhagen demonstrating a sustainable food city model.

(Reference – report by the Director of Corporate Governance, submitted.)

### **4. Quality Assurance for Care Provided in People's Home and in Residential Care**

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Details were provided on the current quality assurance mechanisms in place for the provision of social care, with particular emphasis on care in people's home and residential care for adults. Proposal for further developments to the system were outlined.

#### **Decision**

To note the report by the Chief Social Work Officer.

(Reference – report by the Chief Social Work Officer, submitted.)

### **5. The Future Management and Ownership of Easter Craiglockhart Hill Local Nature Reserve (LNR) – Motion by Councillor Burns**

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The following motion by Councillor Burns was submitted in terms of Standing Order 16.1:

"Committee:

- 1) Notes that, an opportunity has arisen to transfer ownership and management of the woodland and open space within the 'Craighouse site' to the Council (or

- appropriate body in the community) to create a single woodland and open space.
- 2) Agrees that, in principle, it would be desirable, for the first time in the city, to consider community ownership and management of the woodland and open space in the area for the longer term.
  - 3) Calls for a report, within four cycles, that describes how this might be achieved, with ownership transferring to the Council as an interim measure, with a view to the eventual transfer of ownership and management, to a community organisation.
  - 4) That report to explore, as a secondary option, joint ownership between Council and community, with community and Council working together.
  - 5) That report to include the results of a wider community consultation, on the various options, to be undertaken via the Edinburgh South West Neighbourhood Partnership Office and with the 'Parks and Greenspace' Team. That consultation to be conducted in a transparent manner with all relevant stakeholders consulted, and with strong local community involvement including Common Ground Association and The Friends of Craighouse, and all documentation made available to the public.
  - 6) That report to address funding and liabilities issues that a community organisation in the future would have to address, as well as an analysis of potential community capacity, and what benchmarks and quality controls would need to be in place to ensure confidence that the land could be managed to the appropriate standard for the wider benefit of the people of Edinburgh.
  - 7) Notes that this motion and any transfer of land shall not affect in any way the existing planning designations and protections on the site, whether under community or private ownership."

## **Decision**

- 1) To approve the motion by Councillor Burns
- 2) To add at point 5 at the end of the first sentence "and the Edinburgh South Central Neighbourhood Partnership".
- 3) To insert an addition sentence in point 7 "and notes that any decision on or process towards potential community ownership of Easter Craiglockhart Hill is completely separate from any application for planning consent to develop the buildings and adjacent land on the former Craighouse campus; and that agreement, in principle, by the Craighouse Partnership to transfer land into alternative ownership shall have no bearing on how any such planning application is viewed or dealt with".

- 4) To add in an additional point after point 5 “That any agreement about the geographical areas to be so vested shall be agreed upon by open and transparent discussion between all relevant stakeholders and with strong community involvement”.
- 5) To add at the end of point 7 “or infer that access can be prohibited or boundaries erected across the rest of the site”.



# Item No 5.1 Key decisions forward plan

## Corporate Policy and Strategy Committee

December 2012 to March 2013

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
1.	Work Programme Overview: Policy Development and Review Sub-Committees	22 January 2013.	All	Director: Alastair Maclean Director of Corporate Governance Lead officer: Kirsty-Louise Campbell Governance Manager 0131 529 3654 <a href="mailto:Kirstylouise.campbell@edinburgh.gov.uk">Kirstylouise.campbell@edinburgh.gov.uk</a>	CO26
2.	Edinburgh transformation programme	22 January 2013	All	Director: Alastair Maclean Director of Corporate Governance Lead officer: Karen Kelly Head of Corporate Programmes 0131 469 3674 <a href="mailto:Karen.kelly@edinburgh.gov.uk">Karen.kelly@edinburgh.gov.uk</a>	CO24-26
3.	Regulation of Investigatory Powers (Scotland) Act 2000	22 January	All	Director: Mark Turley Director of Service for Communities Lead Officer: Susan Mooney Head of Community Safety 0131 529 7857 <a href="mailto:Susan.mooney@edinburgh.gov.uk">Susan.mooney@edinburgh.gov.uk</a>	CO24-26





# Item No 6.1 Business bulletin

## Corporate Policy and Strategy Committee

**10am, Tuesday, 4 December 2012**

Dean of Guild Courtroom, City Chambers, High Street, Edinburgh

# Corporate Policy and Strategy Committee

Convener:	Members:	Contact:
<p>Councillor Andrew Burns</p>  <p>Vice Convener:</p> <p>Councillor Steve Cardownie</p> 	<p>Councillors: Burns (Convener), Cardownie (Deputy Convener), Buchanan, Burgess, Chapman, Child, Nick Cook, Edie, Godzik, Ricky Henderson, Hinds, Lewis, Mowat, Rankin, Rose</p>	<p><a href="#">Kirsty-Louise Campbell</a> Governance Manager Tel: 0131 529 3654</p> <p><a href="#">Allan McCartney</a> Committee Manager Tel: 529 4246</p>

Recent news	Background
<p><b>Governance and Committee Updates</b></p> <p><b>Policy Development and Review Work Programmes</b></p> <p>Two policy development and review work programmes have been agreed by executive committees.</p> <p>Once approved, all policy development and review work programmes will be published on the Council's website and regularly updated.</p> <p><b>e-motions pilot – paperless Council meeting</b></p> <p>The Council meeting on 13 December 2012 will be the first meeting to pilot email circulation to all elected members of</p>	<p><a href="#">Information on Committee Business.</a></p> <p><a href="#">Kirsty-Louise Campbell</a>, Governance Manager 0131 529 3654</p>

motions and amendments during the debate.

Following a trial period all Council and Committee meetings will be paperless providing sustainability and financial savings for the Council.

### **Webcasting and Cover It Live Pilot – Petitions Committee**

The first meeting of the Council's new Petitions Committee was held on 3 December 2012 and webcast as an initial extension of the Council's webcasting pilot.

In addition, cover it live commentary for all key stakeholders and members of the public to comment on the debate was available for the first time as the start of a new trial using social media to enhance public engagement with our democratic processes.

### **Better Regulation Bill**

The Scottish Government consulted on the Better Regulation Bill with a deadline for responses by 26 October 2012.

The intention of the Bill, to reduce the bureaucratic burden on businesses, is largely welcomed. All services within the Council were approached for comment on the Bill with an officer response made to meet the deadline. Specific service areas within the Council commented on the Bill where it was particularly relevant to their service area.

The Bill's specific measures to reduce bureaucracy include:

- 'Sunsetting Clauses' on regulation where this ceases to be effective or is reviewed at a specified time;
- Common commencement dates for the introduction or application of new regulation;
- The introduction of national standards on prompt payments;
- Allowing transferable certificates of compliance for mobile food businesses;
- Provision for a duty to promote economic and business growth in regulatory activity;
- Planning Reform: Linking planning application fees to the performance of the Planning Authority;
- Extending statutory review mechanisms to challenges against Scottish Ministers' decisions in infrastructure

[Alison Coburn](#), Business & Performance Manager, Economic Development  
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projects; and

- Other Issues, where there is scope to introduce items that relate to this Bill that the Scottish Government would wish to consider but are not specified in the consultation.

### **Forthcoming activities:**

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# Corporate Policy and Strategy Committee

10am, Tuesday 4 December 2012

## Welfare Reform – update

Item number	7.1
Report number	
Wards	All

### Links

Coalition pledges

Council outcomes

Single Outcome Agreement [SO2](#)

### Alastair Maclean

Director of Corporate Governance

Contact:

Alan Sinclair – Council Tax and Benefits Manager

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Andrew MacKay – Corporate Projects Manager

E-mail: [andrew.mackay@edinburgh.gov.uk](mailto:andrew.mackay@edinburgh.gov.uk) | Tel: 0131-469-3844

## Welfare Reform – update

### Summary

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This report updates the Corporate Policy and Strategy Committee on Welfare Reform and the progress being made by the Council and partners to develop arrangements to mitigate, where possible, the negative impact of the UK Government's welfare reforms.

All the topics identified by Committee in their decision at the 2 October meeting are reviewed, including: Discretionary Housing Allowance, changes to Housing Benefit (including the Shared Room Rate, under-occupation penalties, and implications for housing allocations and social landlords), the Scottish Welfare Fund (previously provisionally known as the Community Support Fund), the Council Tax Reduction Scheme, and the need for increased advice and advocacy for people at greatest risk of loss of benefit.

### Recommendations

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It is recommended that the Corporate Policy and Strategy Committee:

- notes the progress being made on assessing the impact of welfare reforms and developing partial mitigation strategies;
- welcomes the announcement of additional Scottish Government funding of £9.2 million for the Scottish Welfare Fund, in addition to Social Fund monies being transferred from the DWP, and agrees to receive a further report on how the Council will administer this Fund from 1 April 2013;
- agrees to receive a further report on this new investment to increase welfare rights advice and advocacy services in the Council and Third Sector as detailed in paragraph 2.36 is considered as part of the 2013/14 budget planning work;
- agrees to receive a further report on funding required to match the Discretionary Housing Payments (DHP) allocation by a factor of 1.5 times; and
- agrees to receive a further report on representations to the Scottish Government for adequate funding of set up costs for the new Council Tax Reduction Scheme;
- note the cost of the corporate programme team, and welfare reform communications being prepared for staff and the public, is estimated at £0.08 million in 2012-13 and £0.216 million in 2013-14 and that these costs will be funded from existing resources within Directorates.



## Measures of success

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The success of the programme to mitigate the effects of Welfare Reform will be measured through:

- stable or reduced presentations for homelessness attributable to benefit changes;
- reduction in rent arrears forecast; and
- customer satisfaction with advice and advocacy services provided relating to benefit changes, including increased benefit take up and minimised losses by ensuring people get their full entitlement under the new arrangements.

## Financial impact

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The increasing numbers of people experiencing hardship is expected to lead to increasing demand for services in many areas of the Council and partner and advice agencies. There is also a high risk to Council income, particularly from rents arrears and service charges across services. Further work is being undertaken to quantify likely financial impacts and to identify funding sources or budgetary options for the investment required in mitigation measures. The Council is also currently completing a Business Continuity Impact Assessment using a model agreed with COSLA. The results of this assessment will be made available once it has been completed.

## Equalities impact

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The UK Government has prepared Equalities and Human Rights assessments for the welfare reform proposals. The Council will undertake an EHRA when necessary for any of its proposals.

## Sustainability impact

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Welfare Reform is expected to have general implications for environmental and sustainability outcomes, for example in relation to fuel poverty.

## Consultation and engagement

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Ongoing involvement of Council officials is taking place with the UK, Scottish Government, directly and through COSLA, to prepare for welfare reform changes.

With the approaching start dates for changes the increasing emphasis will be to develop engagement arrangements to provide advice and support to customers, both directly by the Council and/or in conjunction with independent advice agencies and major partners.

## Background reading / external references

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Previous reports to committee:

Welfare Reform – Policy and Strategy Committee, 2 October 2012; and Welfare Reform Proposals – Health, Social Care and Housing Committee, 7 December 2010.

## Welfare reform – update

### 1. Background

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- 1.1 The Policy and Strategy Committee on 2 October 2012 agreed that the new Corporate Policy and Strategy Committee should retain oversight of Welfare Reform, and to establish a corporate programme to deliver the changes involving the Council, and requested a draft mitigation plan setting out how the Council will deal with specific impacts of Welfare Reform.
- 1.2 As previously reported, Department for Work and Pensions evidence presented to the Scottish Parliament estimated the reduction in welfare benefit receipts in Scotland at about £2.5 billion by 2015, out of a UK total of some £18 billion. At the Conservative Party Conference in October, the Chancellor confirmed that the UK Government would implement a further “£10 billion of welfare savings by the first full year of the next Parliament”. The impact on Scotland is likely to be around £1.4 billion. Measures under consideration may include: the cessation of Housing Benefits for young people aged under 25, further reduction in benefits uprating, and reductions for unemployed parents with large families.
- 1.3 Further work is being undertaken to assess the financial impacts on Edinburgh citizens and families, but an obvious result of reductions in welfare benefits budgets on this scale will be increasing poverty, and widening income and health inequalities. Income reductions will have a very significant negative impact on the local economy. Some councils have commissioned independent local economic impact assessments of welfare reform and Council officers are awaiting publication before considering whether this would be worth repeating for Edinburgh.

### 2. Main report

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- 2.1 The Council continues to engage with the Scottish Government, and other national and local stakeholders, to develop strategies to reduce, where possible, the worst impacts of welfare reform. Progress on issues identified at the 2 October meeting are reviewed below.
- 2.2 **Housing Benefit** (HB) changes come into effect on 1 April 2013, include restrictions on “under-occupancy” in the social rented sector, for working age claimants, and the introduction of a “benefits cap”. These changes are expected

to affect at least 4,000 Council and 2,500 Housing Association tenants in the city. The introduction of the “benefits cap” is estimated to affect about 450 tenants, around 400 of these are housed in the Council’s own temporary accommodation.

- 2.3 **Discretionary Housing Payments** (DHP) are made through local authorities to tenants in receipt of Housing Benefit and/or Council Tax Benefit to provide short term emergency funding.
- 2.4 The DHP budget for Edinburgh for 2012/13 is approximately £570,000. The Department for Work and Pensions (DWP) has not announced the level of funding for 2013/14. However, there will be specific increases for foster children and certain disabled claimants.
- 2.5 Local authorities are able to match the DHP funding provided by the DWP by a factor of 1.5 times. This would equate to an additional £855,000, bringing the total budget, based on 2012/13 figures, to £1,425,000. However, local authorities must fund this additional expenditure from their own budgets.
- 2.6 In order to target the limited DHP funding to those with greatest need it is proposed to give priority to tenants:
- within 6 months of becoming pensioners;
  - where a child has a significant birthday within 6 months which would entitle them to an extra bedroom;
  - who are expecting a baby that would entitle them to an additional bedroom;
  - affected by the benefits cap;
  - people who are chronically sick or disabled; and
  - those experiencing exceptional hardship.
- 2.7 Changes to the “**shared room rate**” in January 2012 reduced the housing benefit payments for single people (renting from a private landlord) aged 25-34 from a maximum £500 per month to £285.
- 2.8 An additional £345,000 in funding was secured from the DWP to mitigate the impact of changes. This was used to fund a team who proactively contacted the 400 households potentially affected in order to give them advice and where necessary direct them to support to consider their housing options. Tenants have been given information about flat sharing, alternative accommodation, how to access DHP (for those within six months of their 35<sup>th</sup> birthday) and other benefits. Information about other agencies who are able to provide support and information such as Edinburgh Cyrenians and Edinburgh Housing Advice Partnership (EHAP) is also being made available. Only 3% of the 300 cases

concluded have resulted in a homeless presentation. The remainder have either stayed in their existing home or managed a move to amore affordable home without a crisis.

- 2.9 Evidence from this programme indicates that many tenants are already aware of the changes and are making their own arrangements to deal with them. These included getting financial help from family members; flat sharing; and moving to suitable shared accommodation.
- 2.10 New “**under occupancy**” rules are expected to affect around 6,500 Council and housing association tenants aged under 61 years and five months who receive full or partial housing benefit and currently live in homes which are bigger than they need according to DWP rules. This includes single people and couples who have two or more bedrooms. In some cases it will also include families where children have their own bedrooms rather than sharing. Under the new rules these households will be expected to pay between £13 and £27 from their own resources towards their housing costs.
- 2.11 These changes are likely to result in tenants facing difficulties in paying their rent. The main options available to them will be to consider moving to a smaller home, increasing the number of people in the household or getting advice on budgeting and managing their money. The Council has an incentive scheme to encourage tenants to move to a smaller home where that is more suitable for their needs. Tenants who live in a property with three or more bedrooms and want to move to a smaller home can be awarded a silver priority for under-occupation under the Council’s lettings policy. In addition, the Edinburgh Housing Exchange allows any Council or housing association tenant to swap with another tenant so that they both obtain homes which are more suitable for their needs. This option is open to any tenant provided they are not in breach of tenancy conditions. However, the opportunities to move to a smaller home are limited. Approximately 15,000 households registered on Edindex are single people or couples while the Council only lets around 500 one bedroom properties each year.
- 2.12 Prospective tenants are advised of the new housing benefit rules when they are considering letting a property from the Council in order to ensure that they are fully aware of the risks of renting a property which is larger than they require under DWP rules.
- 2.13 It is becoming apparent that some housing associations are prioritising one bedroom properties for transfers for those underoccupying and restricting their letting policies so that single people and couples can only obtain a one bedroom property. Given the mismatch in demand for smaller properties and the number available, this could produce a significant shortage of homes for one and two person households, resulting in people staying longer in bed and breakfast or temporary accommodation.

- 2.14 The **Scottish Welfare Fund** (previously provisionally known as the Community Support Fund) will come into operation on 1 April 2013 to replace discretionary elements of the Social Fund: Community Care Grants and Crisis Loans. In the new scheme, Crisis Loans will be replaced by grants. Responsibility for the fund will transfer from the DWP to the Scottish Government. Day to day administration will be carried out by local authorities. Other aspects of the Social Fund (Sure Start maternity grants, funeral payments, winter fuel payments and cold weather payments) will remain the responsibility of the DWP.
- 2.15 The Scottish Government is drafting national guidance to councils, including a standard application form. £9.2 million will be added to the amounts being transferred from the DWP, resulting in a total Scottish Welfare Fund of around £33 million in 2013/14 which will be allocated to councils as a ring-fenced grant, based for the first two years on current levels of DWP spending. Edinburgh's allocation is likely to be around £2.5 million including administration costs. Nevertheless, it is widely expected that demands on the Fund will greatly exceed the budget available for grants in cash or kind and it is therefore especially important that applicants are linked into other sources of support.
- 2.16 In Edinburgh, as in most local authorities, the Scottish Welfare Fund will be delivered by the Council's revenues and benefits function, and a project team is being established to undertake the detailed planning. The objective will be to deliver a "holistic approach", linking in with social work, welfare rights, homelessness and housing services, the NHS, third sector organisations, debt and money advice agencies, employment support, and credit unions, to connect with the services and support they provide. As the project develops, updates will be reported to the Committee.
- 2.17 The **Council Tax Reduction Scheme** comes into effect on 1 April 2013. This replaces the existing Council Tax Benefit Scheme and will be part of the Council Tax rather than Social Security Regulations.
- 2.18 For 2013/14 only, it has been agreed that the Scottish Government and local authorities will make up the estimated 13% shortfall in the proposed budget. Arrangements for 2014/15 and beyond are still to be agreed between the Scottish Government and COSLA.
- 2.19 The Council has already made a financial commitment for the set-up costs for the administration of the new scheme. However, the funding available from Scottish Government falls short of this amount. Discussions are underway between COSLA and the Scottish Government about this shortfall.
- 2.20 The total amount of Administration Subsidy from DWP for 2013/14 has been announced and there will be a cut of £511,767 compared to the 2012/13 funding. This is partly because the new Council Tax Reduction Scheme will no longer be part of the Social Security Regulations, however, there will be

additional funding made available for the administration of this scheme, although Edinburgh's allocation is as yet unknown.

- 2.21 The arrangements for 2013/14 will be based on the current Council Tax Benefit Scheme so customers should not see any major difference in benefits.
- 2.22 Arrangements for the appeals process will change. The existing Independent Appeals Tribunals will not be available as these only relate to Social Security not Council Tax regulations. Consideration is being given to managing the appeals process through the Council's own governance arrangements possibly through the Valuation Appeals Committee. Guidance is awaited from the Scottish Government and further information will be provided once this has been received.
- 2.23 There is a **risk to the flow of rental income for social landlords** from the changes to housing benefit rules. If more tenants get into difficulty paying their rent, have larger rent arrears and take longer to repay those arrears, the Council and housing associations will have to set aside more funding in their contingencies.
- 2.24 To mitigate these risks an overhaul of the Council's rents service is underway with the principal aim of establishing more secure rental payments. This includes making it easier to pay rent through direct debit and other payment methods, intervening earlier where tenants appear to be getting into difficulties in paying their rent and ensuring tenants have access to advice and support on budgeting and maximising income. The project is also examining alternative financial services and bank accounts which may help tenants. Housing associations are undertaking similar programmes and social housing providers work together through the Edindex board and the Edinburgh Affordable Housing Partnership.
- 2.25 There will be a need for more integrated working between the Council, external advice services and support agencies to ensure that tenants get the help that they need. A seminar is to take place for advice agencies towards the end of November in order to discuss how best to support tenants and manage the potential increase in requests for advice.
- 2.26 There is a **risk to new build investment** in Edinburgh from this potential increase in rent arrears. Edinburgh has an acute shortage of affordable homes to rent and buy and the funding for new affordable homes for rent depends on the ability of the Council and housing associations to collect rent to pay for these homes. If they have to set aside more funding to cover this, it will reduce their ability to borrow funds to build new affordable homes.
- 2.27 If the building of new affordable homes is to continue to be a priority the Council and housing associations will have to consider new ways to fund building

affordable homes. This may include increasing the extent to which investment is funded from capital receipts from the sale of homes and land, increasing the number of homes let to households who are not dependent on benefit and letting more new homes at mid market rents.

- 2.28 **Passported benefits** include: free school lunches, Education Maintenance Allowances (EMA), Individual Learning Accounts, and student loan cancellation; free dental treatment, free glasses, and free travel to NHS treatment; the Blue Badge scheme and concessionary travel; and Legal Aid and court fees exemptions. Entitlement for such benefits currently depends on specific social security benefits, and therefore will be affected by welfare reform.
- 2.29 The Scottish Government intends to maintain access to passported benefits for the same groups of people who receive them now, and is also considering improvements to the delivery of these benefits. Earlier this year, the Scottish Parliament passed the Welfare Reform (Further Provision) (Scotland) Act 2012. This will enable the eligibility criteria for passported benefits in Scotland to be defined by Scottish Ministers when further detail is known about the operation of Universal Credit and Personal Independence Payments. Meanwhile, the Scottish Government is considering responses to its recent consultation on passported benefits principles and issues, including a detailed response made by officers of the Council.
- 2.30 In Edinburgh, the Welfare Reform Strategic Development Group will consider whether there are any potential mitigation requirements when the Scottish Government's response to the consultation is published and will report to this Committee accordingly.
- 2.31 All **advice and advocacy services** in Edinburgh are experiencing significant increases in demand for welfare benefits advice and debt advice. Although the main changes associated with the introduction of Universal Credit and Personal Independence Payments affect only working age people, the increase in pension age, some of the housing benefit reforms, and mortgage interest changes, also impact on older people. The DWP Welfare Reform Impact Assessments also show that families with children; people with physical or learning disabilities, mental illness, or substance abuse; and disabled carers, are all affected.
- 2.32 Effective mitigation within short timescales means building on existing advice services: the Council's Advice Shop (Welfare Rights Service and Money Advice Service) and the third sector, including Citizen's Advice Bureaux, Granton Information Centre, CHAI, Craigmillar Ability Network, Restalrig Benefits Advice Project, and specialist organisations such as Housing Association Money and Welfare Rights Services, the Action Group, FAIR, RNIB, and Deaf Action.
- 2.33 Further consideration is also being given to strengthening the capability of the Council's contact centre services (including Social Care Direct and the Advice



Line) and prepare other frontline services throughout the city, to respond to welfare rights queries, advise and assist with claims, and signpost people to appropriate advice services. This will require communications, information, process redesign, training and support.

2.34 Advice and advocacy services need to plan to:

- provide information and advice about the changes and their impact;
- assist people to make benefit claims online;
- advise and assist people to challenge and appeal unfavourable decisions;
- advise and represent people at appeal tribunals. (Nationally, 42% of appellants against Disability Living Allowance decisions are successful and in Edinburgh this is currently 76% for people represented by the Council's Welfare Rights Service);
- advise and assist people who have debt problems as a result of reduced incomes;
- advise and represent people in court in relation to arrestment of earnings or bank accounts, eviction or repossession of their homes;
- advise small businesses on the new requirements on employers to report weekly or monthly PAYE information to HMRC for future use by the DWP in adjusting benefit levels.

2.35 Whilst the Welfare Reform Strategic Planning Group is assessing the increasing demand for welfare rights advice and advocacy, it is already clear that financial investment is required to mitigate the effects of welfare reform. This is likely to be a mixture of increased support for voluntary sector services and additional specialist staffing for the Council's Welfare Rights and Money Advice services.

2.36 Initial estimates indicate an investment of £0.5 million is required at this stage. This would fund posts, including customer advisors for first stage advice and assistance with on-line claims, and specialist training, support and advocacy staff, capable of representing people at appeals tribunals and in court. Some of these monies might be found by re-targeting Health Inequalities and Social Justice budgets in 2013/14 to give greater priority to funded welfare rights advice services, however additional funding for Council and third sector advice services will need consideration within the 2013/14 budget planning work, alongside other pressures and priorities for the Council and its partners.

2.37 Corporate Policy and Strategy Committee agreed to the establishment of a corporate programme to deliver the changes and to mitigate impacts of Welfare Reform. Part-year costs are estimated at £0.08 million in 2012-13 and full-year costs of £0.216 million from 2013-14. Committee agreed that these costs would be funded from existing resources within Directorates.

### 3. Recommendations

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3.1 It is recommended that the Corporate Policy and Strategy Committee:

- notes the progress being made on assessing the impact of welfare reforms and developing partial mitigation strategies;
- welcomes the announcement of additional Scottish Government funding of £9.2 million for the Scottish Welfare Fund, in addition to Social Fund monies being transferred from the DWP, and agrees to receive a further report on how the Council will administer this Fund from 1 April 2013;
- agrees to receive a further report on this new investment to increase welfare rights advice and advocacy services in the Council and Third Sector as detailed in paragraph 2.36 is considered as part of the 2013/14 budget planning work;
- agrees to receive a further report on funding required to match the Discretionary Housing Payments (DHP) allocation by a factor of 1.5 times;
- agrees to receive a further report on representations to the Scottish Government for adequate funding of set up costs for the new Council Tax Reduction Scheme; and
- note the cost of the corporate programme team, and welfare reform communications being prepared for staff and the public, is estimated at £0.08 million in 2012-13 and £0.216 million in 2013-14 and that these costs will be funded from existing resources within Directorates.

#### **Alastair Maclean**

Director of Corporate Governance

### 4. Links

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#### **Coalition pledges**

#### **Council outcomes**

<b>Single Outcome Agreement</b>	<b>SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</b>
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# Corporate Policy and Strategy Committee

10am, Tuesday, 4 December 2012

## Policy Development and Review Sub-Committee Work Programmes

Item number	7.2
Report number	
Wards	All

### Links

Coalition pledges

Council outcomes [CO26](#)

Single Outcome Agreement

**Alastair Maclean**

Director of Corporate Governance

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# Executive summary

## Policy Development and Review Sub-Committee Work Programmes

### Summary

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On 20 September 2012 the Council approved new political management arrangements that have been in place from 29 October 2012 along with new committee business processes to support transparency and public engagement. In line with the new governance arrangements, each executive committee will agree an annual work programme for their policy development and review sub-committee.

These work programmes are to be linked to the key priorities and outcomes, the Capital Coalition pledges, strategic plan and once agreed following the budget consultation process, the five year business plan.

Following approval by the respective executive committee the work programmes are then referred to the Corporate Policy and Strategy Committee for information and feedback.

The Economy Committee and the Health, Wellbeing and Housing Committee so far have approved a work programme for their policy development and review sub-committees.

### Recommendations

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To recommend that the Corporate Policy and Strategy Committee considers the policy development and review work programmes for the Economy and Health, Wellbeing and Housing Committees.

To note that work programmes for remaining policy development and review sub-committees will be referred to future meetings of the Corporate Policy and Strategy Committee.

### Measures of success

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Each area of policy development and review work programmes will have measures of success attributed to individual areas of policy.

## Financial impact

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There are no direct financial implications as a result of this report.

## Equalities impact

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There are no equalities impacts as a result of this report.

## Sustainability impact

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There is no sustainability impact as a result of this report.

## Consultation and engagement

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Not applicable.

## Background reading / external references

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Appendix One – Economy Committee Work Programme November 2012 – June 2013

Appendix Two – Health, Wellbeing and Housing Committee Work Programme  
November 2012 – June 2013

[Council 20 September 2012 - Minute](#)

[Council 20 September 2012 - Political Management Arrangements and Operational Governance](#)

## Links

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### Coalition pledges

**Council outcomes** CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

### Single Outcome Agreement

**Appendices** Appendix 1 – Economy Committee Work Programme November 2012 – June 2013

Appendix 2 - Health, Wellbeing and Housing Committee and Economy Committee work programmes

# Item 7.1 - Work programme

## Economy Committee

### Policy Development and Review Sub-Committee

20 November 2012

Title / description	Sub section	Category or type	Lead officer	Starting point	Stakeholders	Progress updates	Start date	Due date
Strategic Acquisition Fund		<a href="#">P20</a>	Greg Ward Head of Economic Development	Coalition Pledge	Members; Officers		20 November 2012	
Policy Development and Review Committee Work Programme		<a href="#">P7; P15; P16;</a> <a href="#">P17; P22;</a> <a href="#">P28; P29</a>  <a href="#">CO7; CO8;</a> <a href="#">CO9; CO16;</a> <a href="#">CO18</a>  <a href="#">SO1; SO4</a>	Greg Ward Head of Economic Development	Coalition Pledges	Members; Officers		20 November 2012	

# Item no 7.1 Work programme

## Health, Wellbeing and Housing Committee Policy Development and Review Sub-Committee

November 2012 – June 2013

Title / description	Sub section	Category or type	Lead officer	Starting point	Stakeholders	Progress updates	Start date	Due date
Housing Strategy		P08, 12, 38 CO10, 11, 15, 20, 22, 23, 24, 25, 26	Cathy King - Services for Communities		Members, officers.		13 November 2012	
Homelessness		P08, 12, 38 CO10, 11, 15, 20, 22, 23, 24, 25, 26	Cathy King - Services for Communities Michelle Miller - Health and Social Care		Service users, service providers, public and senior officials.			

Title / description	Sub section	Category or type	Lead officer	Starting point	Stakeholders	Progress updates	Start date	Due date
Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes		Pledge 12	Nick Smith Health and Social Care	EADP Executive has requested that a process for a re-design of treatment and recovery services be developed using the principles of a PSP (Public Social Partnership)	NHS Lothian; Lothian and Borders Police; City of Edinburgh Council; third sector; alcohol and drug services; Scottish Prison Service; Community Justice Authority	February 2013 - report on the process for re-design; September 2013 - report on re-design; September 2014 - report on pilot work and seek agreement on which services to tender; March 2015 - report on tender process.		
Domestic abuse			Michelle Miller - Health and Social Care	Uncoordinated multi-agency approach to domestic abuse.	Significant commitment required from health, police, third sector, Council departments.	A dedicated domestic abuse lead officer has been recruited.		



Title / description	Sub section	Category or type	Lead officer	Starting point	Stakeholders	Progress updates	Start date	Due date
Promote personalisation and whole system approach, as part of the Council's co-operative approach		Pledge 38	Nikki Conway Wendy Dale Health and Social Care	The majority of people are offered the range of services which we provide or commission, rather than having a choice in how they spend their allocation.	Council, third sector, private sector, people who use our services and carers, staff.	Report to Committee in June 2012 regarding 'whole systems' approach to personalisation and appendix to this report is being used to engage with stakeholders.		
Continue to provide support to carers		Pledge 39	Monica Boyle Health and Social Care	Implementation of a five year joint carers' action plan for Edinburgh - "Towards 2012", which is currently being reviewed. A new joint carers' strategy will be developed and be presented for approval by December 2013.	Health, voluntary sector, all Council departments, private sector, unpaid carers and service users.			December 2013

Title / description	Sub section	Category or type	Lead officer	Starting point	Stakeholders	Progress updates	Start date	Due date
Dementia			Monica Boyle Health and Social Care	Dementia workshop on 15 November 2012.				
Review of Antisocial Behaviour (ASB) Strategy		Legislation	Andrew Mitchell	Current ASB Strategy 2010- 2013 commence review	Edinburgh Community Safety Partnership, Neighbourhood Partnerships, third sector, Housing Associations, other CEC Departments			
ASB / Tenancy Management Procedure		Pledge 13 & 34	Andrew Mitchell / Jennifer Hunter	Begin review of ASB /Tenancy Management procedures	Edinburgh Tenants Federation, Neighbourhood Partnerships, Lothian & Borders Police, Registered Tenants Organisations/tenants.			

# Corporate Policy and Strategy Committee

10am, Tuesday, 4 December 2012

## ICT strategy development

Item number	7.3
Report number	
Wards	All

### Links

Coalition pledges	<a href="#">P15, P28 and P33</a>
Council outcomes	<a href="#">CO23, CO24, CO25, CO26 and CO27</a>
Single Outcome Agreement	
Appendices	<a href="#">Appendix 1</a>

### Alastair Maclean

Director of Corporate Governance

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# Executive summary

## ICT strategy development

### Summary

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- An Information and Communication Technology (ICT) strategy is currently being developed for the City of Edinburgh Council which will be outcome driven rather than technology driven.
- An effective ICT strategy is necessary to ensure that we have the correct technology in place and are investing correctly to enable Edinburgh to be a city empowered by ICT.

### Recommendations

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It is recommended that Corporate Policy and Strategy Committee:

- agree the direction of travel for the ICT strategy;
- agree to be engaged in the development of the strategy; and
- note that further updates will be provided as the strategy develops.

### Measures of success

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- Performance measures are currently being developed for the ICT strategy and a programme of continuous improvement will be implemented.

### Financial impact

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- There are no financial impacts arising from this report.

### Equalities impact

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- The development and implementation of the strategy will assist the Council to deliver key equalities and rights outcomes and meet the public sector equality duties to advance equality of opportunity and foster good relations through the provision of more inclusive service.

### Sustainability impact

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- The strategy will encourage the reuse of technology when possible and also promote the use of technology to enable paperless working.

### Consultation and engagement

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- A key element of the development of the ICT strategy is engagement and a programme of consultation with stakeholders will take place over the coming months.

## Background reading / external references

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- Appendix 1 – Scope of the ICT strategy
- Relevant external references include:
  - McClelland Review of ICT Infrastructure in the Public Sector in Scotland;
  - The Local Government ICT Strategy for Scotland;
  - National ICT Strategy: Scotland's Digital Future – Delivery of Public Services; and
  - Christie Commission – Commission on the Future Delivery of Public Services.

## ICT strategy development

### 1. Background

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- 1.1 It is important that Information and Communication Technology (ICT) is used to improve service delivery and enable the City of Edinburgh Council to meet the needs of citizens, local businesses, partners, elected members, workforce and management.
- 1.2 An ICT strategy is currently being developed to outline how ICT will support the Capital Coalition Commitments, the Council's strategic needs and enable transformational change. In addition, following Audit Scotland's review of ICT at the City of Edinburgh Council in May 2012, this work will address the recommendations, particularly around developing a strategy which reflects the council's current strategic and changing information needs.

### 2. Main report

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- 2.1 ICT has been identified as a key enabler for the successful delivery of the Capital Coalition's Commitments along with the Council's strategic objectives. The strategy will have a key role to play in the internal improvement plans and will support the delivery of the Customer Access Strategy through building the foundations for successful engagement with citizens. In addition, this work will support the Communications and Engagement Strategy to improve interaction with the Capital's communities.
- 2.2 Over the next six months an ICT strategy will be developed which will place more focus on cooperative community with citizen and service user consultation and engagement. A range of stakeholders have been identified such as citizens, local businesses, partners, elected members, management and our workforce. The strategy will focus on understanding stakeholder requirements to ensure Edinburgh is a city empowered by ICT.
- 2.3 The key elements which the strategy will consider are:
  - Ensuring ICT is business driven;
  - Reviewing the governance arrangements for ICT in the Council, including creating channels to encourage innovation;
  - the sourcing strategy for ICT services;

- Design a suitable approach for stakeholders to effectively engage with the council through a variety of channels; and
  - Understanding the current ICT systems in place and review what the future state will look like.
- 2.4 The scope of the strategy is outlined in Appendix 1. Please note that the strategy will be business driver and action orientated.
- 2.5 Throughout the development of the strategy we will be seeking internal and external challenge from stakeholders and industry experts to critically review the Council's approach. As the strategy seeks to expand the Council's online service delivery an important element will be to ensure that the customer experience developed will be in line with leading customer service organisations.
- 2.6 It is important to note that the City of Edinburgh Council's ICT strategy will proactively support the implementation of the McClelland review of ICT infrastructure in the public sector in Scotland and actively comply with the National ICT Strategy and the Local Government ICT Strategy for Scotland.

#### ICT Sounding Board

- 2.7 An ICT Sounding Board has also been established which is cross party and will meet on a quarterly basis. The first meeting took place on 27 November 2012. The Sounding Board provides the opportunity to consult with members on ICT related issues in general and prior to committee reports being finalised.
- 2.8 The remit of the ICT Sounding Board is to consider, review and guide:
- the direction of ICT developments, in line with the ICT strategy
  - the success and importance of ICT in achieving the Council's Capital Coalition Commitments and strategic objectives
  - development and attainment of critical success factors
  - the cost/value of ICT to the Council
  - the Council's need to demonstrate best value
  - an overview of the change management programme
  - an assurance that ICT is meeting the needs of the citizen
- 2.9 The Sounding Board is not a formal Committee of the Council and has no power to take decisions, however, it will feed into the agenda planning process for the Finance and Budget Committee.

#### Next steps

- 2.10 While the strategy is developing it is important that ICT work progresses and a number of activities have taken place to date including the introduction to the

business intelligence tool COGNOS and the implementation of the corporate and learning and teaching technology refresh.

2.11 The next steps for the development of the ICT strategy will be to:

- consult with all key stakeholders groups, e.g. citizens to ensure that the Council have a strong understanding of their needs and desires;
- design the solution for all stakeholders to effectively interact with the Council and ensure core building blocks, such as citizen authentication, are in place; and
- undertake a programme of engagement and consultation with stakeholders over the coming months on the developing strategy.

### 3. Recommendations

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3.1 It is recommended that the Corporate Policy and Strategy Committee:

- agree the direction of travel for the ICT strategy;
- agree to be engaged in the development of the strategy; and
- note that further updates will be provided as the strategy develops.

## Alastair Maclean

Director of Corporate Governance

### 4. Links

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#### Coalition pledges

**P15** - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors

**P28** - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city

**P33** - Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used

#### Council outcomes

**CO23** - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

**CO24** - The Council communicate effectively internally and externally and has an excellent reputation for customer care

**CO25** - The Council has efficient and effective



services that deliver on objectives

**CO26** - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

**CO27** - The Council supports, invests in and develops our people

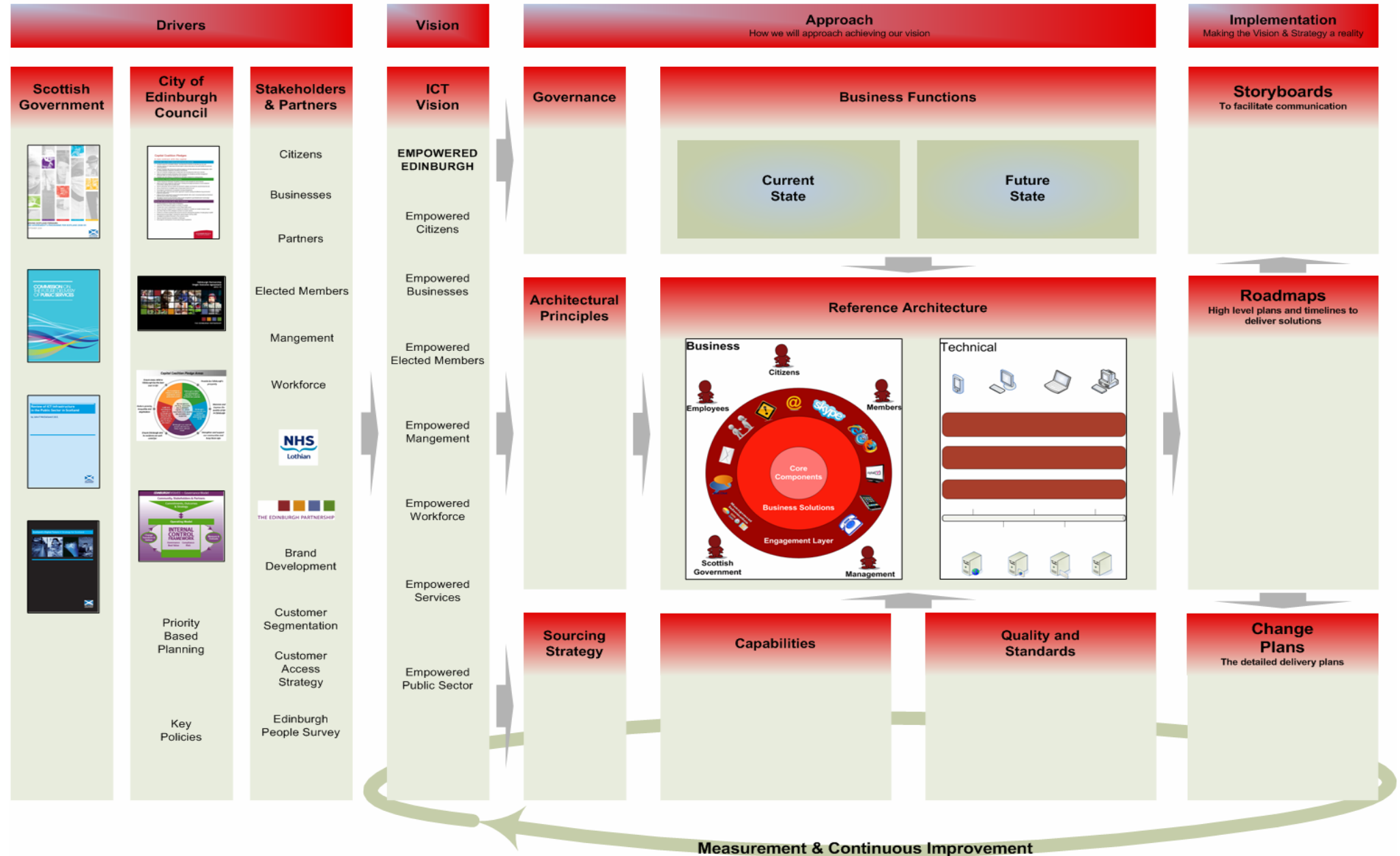
**Single Outcome Agreement**

**Appendices**

Appendix 1 - Scope of the ICT strategy

# Appendix 1 – Scope of the ICT strategy

## ICT Strategy – overview/scope



**DRAFT**

# Corporate Policy and Strategy Committee

10am, Tuesday 4 December 2012

## Corporate Resilience: Annual Report (1 October 2011 to 30 September 2012)

Item number	7.4
Report number	
Wards	All

### Links

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Coalition pledges	
Council outcomes	<a href="#">CO15: 21</a>
Single Outcome Agreement	<a href="#">SO4</a>

### Alastair D Maclean

Director of Corporate Governance

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# Executive summary

## Corporate Resilience: Annual Report (1 October 2011 to 30 September 2012)

### Summary

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This report provides information on the Corporate Resilience activities and initiatives undertaken during the period 1 October 2011 to 30 September 2012.

### Recommendations

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It is recommended that the Committee notes the resilience activities undertaken and calls for an annual update report.

### Measures of success

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The City of Edinburgh Council continues to be viewed as a progressive Authority in the development of the Scottish and UK resilience agenda.

### Financial impact

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There are no significant financial implications arising from this report.

### Equalities impact

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There are no significant equalities implications issues arising from this report.

## **Sustainability impact**

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There are no significant, adverse environmental impacts arising from this report.

## **Consultation and engagement**

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There are no significant consultation or engagement issues arising from this report.

## **Background reading / external references**

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- The Civil Contingencies Act 2004;
- The Civil Contingencies Act 2004 Contingency Planning (Scotland) Regulations 2005;
- Preparing Scotland: Scottish Guidance on Preparing for Emergencies;
- Lothian and Borders Emergency Planning Strategic Co-ordinating Group Annual Report 2011 – 2012.

## Corporate Resilience: Annual Report (1 October 2011 to 30 September 2012)

### 1. Background

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This report provides a summary of resilience preparedness activities (combining emergency planning and business continuity functions) across the City of Edinburgh Council and in liaison with partner and stakeholder organisations in the period from 1 October 2011 to 30 September 2012.

### 2. Main report

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- 2.1 In the United Kingdom, the statutory duty on Category 1 Responders (including Local Authorities, the Emergency and Health Services and the Scottish Environment Protection Agency) to carry out contingency planning is defined in the Civil Contingencies Act 2004. The Act, together with the supporting regulations and guidance, sets out the roles and responsibilities of those involved in emergency preparedness and response at the local level.
- 2.2 The Emergency and Health Services together with Local Authorities and SEPA are at the core of the response to most incidents. They are subject to the full range of civil preparedness activities including:
- Assessing the risk of incidents occurring and using these assessments to inform contingency planning;
  - Putting in place emergency response plans;
  - Putting in place business continuity management arrangements;
  - Putting in place advance arrangements to make information available to the public about emergencies and maintaining arrangements to warn, inform and advise the public in the event of an incident;
  - Providing advice and assistance to businesses and voluntary organisations in relation to business continuity management (this duty applies to Local Authorities only);

- Sharing information with other local responders to enhance co-ordination; and
- Co-operating with other local responders to enhance co-ordination and efficiency.

Organisations designated as Category 2 Responders have a duty to co-operate and share information with Category 1 Responders. These organisations include the Utilities (gas, water, electricity and telecommunications) and Transport authorities (such as Edinburgh Airport Ltd, Network Rail and Forth Ports plc).

### **Contingency Planning - National Input**

- 2.3 Staff from the Council's Resilience Unit and appropriate Departmental representatives contribute on a regular basis to national resilience planning, training and exercise initiatives.
- 2.4 Strategic level workshops are arranged through the Scottish Government Resilience Division. These events are aimed at members of an organisation's senior management who may be expected to contribute to an Emergency Planning Strategic Co-ordinating Group convened as a result of an incident. These events are part of a continuing initiative, being rolled out across Scotland, to enhance the abilities of senior management in the eight Strategic Co-ordinating Groups (see para 3.6) to contribute to the effective response to serious incidents.
- 2.5 The Council Business Continuity Officer is a member of the British Standards Institute's BCM/1 Committee whose objective is to develop standards on business continuity management. This goal includes assessing the need for and developing BSI standards and other deliverables within its scope, including BS25999, the British Standard for business continuity.
- 2.6 The Council Business Continuity Officer is a member of the Resilience Advisory Board for Scotland (RABS) Critical Infrastructure Group whose remit is to improve the protection and resilience of assets and systems critical to Scotland.
- 2.7 The Council's business continuity function is a member of the UK Core Cities Group, comprising the UK's eight largest cities, outwith London, which shares and promotes good practice in business continuity management.

### **Contingency Planning – Regional Input**

- 2.8 The integrated emergency planning structure in Scotland is co-ordinated through eight, regional, multi-agency, Emergency Planning Strategic Co-

ordinating Groups. The City of Edinburgh Council is a partner organisation in the Lothian and Borders Emergency Planning Strategic Co-ordinating Group (SCG). The SCGs bring together senior representatives from the emergency and health services, local authorities and organisations such as the utilities and transport sectors. Representatives from the voluntary, commercial and other agencies are invited to attend as required.

2.9 The SCG normally meets four times a year or more frequently if required. The full membership of the Lothian and Borders Emergency Planning Strategic Co-ordinating Group is detailed at Appendix 1.

2.10 The Strategic Co-ordinating Group is presently chaired by the Chief Constable, Lothian and Borders Police.

2.11 The work programme of the SCG is administered by a full time Co-ordinator, funded by Scottish Government. Funding for the separate post of the SCG Training and Exercise Programme Manager, established to co-ordinate training and exercising initiatives across the Lothian and Borders area, has been discontinued by Scottish Government and the post is now deleted.

2.12 A number of Working Groups have been formed to take forward particular issues on behalf of the SCG. These are:

- Resilient Communications;
- Emergency Public Communications;
- Community Risk Register;
- Training and Exercising;
- Rest Centres;
- Care for People;
- Bereavement Services;
- Cross Border Liaison (Promoting co-operation and co-ordination with bordering Strategic Co-ordinating Groups).

2.13 In the event of an evolving serious or widespread emergency the SCG can be convened to co-ordinate the activities of the various partner agencies. During the period of this report, SCG members were convened for a teleconference during the extreme weather event on 3 January 2012.



- 2.14 A report detailing the activities of the Strategic Co-ordinating Group is prepared annually on behalf of the Chair and member organisations. The report is compiled by the SCG Co-ordinator. Copies of the report will be circulated to Members' Group Rooms.
- 2.15 During the period of this report, the Scottish Parliament has enacted legislation for a single Scottish Police Service and a single Scottish Fire and Rescue Service. These services will be empowered from 1 April 2013. The configuration of the current Emergency Planning Strategic Co-ordinating Groups in Scotland is expected to alter as a result. Confirmation of the future structure will follow the results of a consultation process by Scottish Government.

### **Contingency Planning - The City of Edinburgh Council**

- 2.16 The Edinburgh Resilience Core Group provides the focus for the Council's corporate emergency planning activities, including planning, training and exercise initiatives and facilitates the sharing of information across the Council. The Group includes representatives from all Council Directorates and key functions. Designated representatives are responsible for the co-ordination of emergency planning activities within their respective Directorates.
- 2.17 Representatives from the Emergency and Health Services together with the Co-ordinator of the Strategic Co-ordinating Group are invited to all meetings of the Edinburgh Resilience Core Group. Other agencies can be co-opted as required. The Group is chaired by the Council Emergency Planning Officer.
- 2.18 The Council Business Continuity Group brings together Directorate Business Continuity Co-ordinators and Business Continuity Specialists. These representatives are responsible for the co-ordination of business continuity activities within their respective Directorates/functions. The Group progresses and monitors the Council's business continuity management programme, including training and exercises. The Group is chaired and matrix managed by the Council Business Continuity Officer.
- 2.19 The Edinburgh Resilience Forum was formed to improve Edinburgh's community resilience through various training initiatives related to business continuity. The Forum currently has approximately 150 members drawn from a range of sectors, including the commercial, business and voluntary sectors and tertiary education providers in the City. The Forum's Steering Group, whose members represent Edinburgh's diverse sectors, agrees the training and events programme and is chaired by the Council Business Continuity Officer.

- 2.20 As part of the Edinburgh Resilience Forum and in partnership with Lothian and Borders Police and the Edinburgh Chamber of Commerce, the Council organised a fourth, annual Community Resilience Week in March 2012. The Council-led conference and workshops were again over-subscribed and excellent feedback was received from delegates.
- 2.21 Appendix 2 lists relevant events, exercises and incidents involving the emergency planning and business continuity functions during the period.

#### **Incident Co-ordination Facilities**

- 2.22 The Council's primary incident co-ordination centre (ICC) is located within the City Chambers. In the event of the ICC being unavailable, for any reason, an agreement exists to use part of the Council's Customer Contact Centre at Chesser House in Gorgie Road as an alternative facility. The Council Headquarters at Waverley Court also has an area of accommodation on the Courtyard level that is linked to the building's back up generator. This area could be brought into use to augment the space available to assist with the co-ordination of an incident, should the need arise.
- 2.23 In addition to its primary role as the Council's dedicated Incident Co-ordination Centre, the ICC is used to facilitate Emergency Planning and Business Continuity training events and exercises on a regular basis. The facilities are also available to the Council's Public Safety function to assist in the planning and co-ordination of major public events in the City. Additionally, the ICC can be made available to any Council service that might require it for the co-ordination of a significant event or planned operation such as monitoring major traffic diversions.

#### **Events Planning**

- 2.24 The Council's responsibility for the safe delivery of significant, planned events in the City is co-ordinated by the Council's Public Safety service through a series of Events Planning and Operations Groups with representatives from all key stakeholders. Where it is decided that specific contingency arrangements are required for a particular event, the Resilience function, in liaison with all appropriate organisations, is responsible for preparing a multi-agency Contingency Planning Supplement to augment existing arrangements for dealing with the occurrence of serious incidents during a public event.

2.25 During the period considered by this report, Contingency Planning Arrangements Supplements were prepared for Edinburgh's Hogmanay Street Party 2011/12 and the Edinburgh Festival Fireworks 2012.

### 3. Recommendations

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It is recommended that the Committee notes the resilience activities undertaken and calls for an annual update report.

#### **Alastair D Maclean**

Director of Corporate Governance

### Links

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#### **Coalition pledges**

##### **Council outcomes**

**CO15** - The public is protected.

**CO21** - Safe – Residents, visitors and businesses feel that Edinburgh is a safe city.

##### **Single Outcome Agreement**

**SO4** – Edinburgh's Communities are safer and have improved physical and social fabric.

##### **Appendices**

**Appendix 1** - Lothian and Borders Emergency Planning Strategic Co-ordinating Group Membership.

**Appendix 2** - Events, Exercises and Incidents between 1 October 2011 to 30 September 2012.

**Lothian and Borders Emergency Planning  
Strategic Co-ordinating Group Membership**

Lothian and Borders Police (Chair)

The City of Edinburgh Council

East Lothian Council

Midlothian Council

Scottish Borders Council

West Lothian Council

British Transport Police

Civil Nuclear Constabulary

Lothian and Borders Fire and Rescue Service

Scottish Ambulance Service

Lothian NHS Board

Borders NHS Board

HM Coastguard

Scottish Environment Protection Agency

Scottish Water (representing all the Utilities)

Military Liaison

Health and Safety Executive

Animal Health and Veterinary Laboratories Agency

Crown Office Procurator Fiscal Service

Edinburgh Airport Limited

Forth Ports plc

Network Rail

The Scottish Government Resilience Division is routinely invited and other agencies are co-opted as necessary.

## The City of Edinburgh Council

## Events, Exercises and Incidents

1 October 2011 to 30 September 2012

DATE	LOCATION	EVENT	LEAD AGENCY	REMARKS
14/15 Nov 11	Dalmeny, Queensferry	Pollution Incident	Lothian and Borders Police/Lothian and Borders Fire and Rescue Service	Longer term public health involvement including NHS Lothian, SEPA, Health Protection Scotland and City of Edinburgh Council
8 Dec 11	Edinburgh wide and pan Scotland	Severe High Winds	Multi Agency Response	Schools closed as precautionary measure, widespread storm damage
15 Dec 11	Waverley Court	Power Outages and ICT Disruption	City of Edinburgh Council	Council essential activities disrupted and resumed within tolerable outages

3 Jan 12	Edinburgh Wide and Pan Scotland	Severe High Winds	Multi Agency Response	Council Customer Contact Centre adversely affected, widespread storm damage, some Council essential activities disrupted and resumed within tolerable outages, Kaimes Special School closure due to roof damage
2 Feb 12	Clermiston Care Home	Chemical Incident	Lothian and Borders Fire and Rescue Service	Temporary relocation of residents, two Care staff referred to hospital, some Council essential activities disrupted and resumed within tolerable outages
25 – 28 Mar 12	Ratho	Substantial fire in tyre storage depot	Lothian and Borders Police/Lothian and Borders Fire and Rescue Service	Public health involvement including NHS Lothian, SEPA, Health Protection Scotland and City of Edinburgh Council. Disruption to local community caused by thick smoke and oily deposits
1 May 12	Council Headquarters	Chief Officers Resilience Training Event	City of Edinburgh Council	

8 May 12	Council Headquarters	Chief Officers Resilience Training Event	City of Edinburgh Council	
9 May 12	City Chambers	Chief Officers Resilience Exercise  (Exercise Black Monday)	City of Edinburgh Council	
29 – 31 May 12	Council Properties	Northgate IT Application Outage/Rollback	City of Edinburgh Council	Council essential activities disrupted in Children and Families and Services for Communities, not resumed within tolerable outage times causing serious operational issues
3 Jun – 18 Jul 12	North West Edinburgh	Legionella Outbreak	NHS Lothian/City of Edinburgh Council	99 people treated with 50 cases confirmed. Investigations into cause of outbreak continue.
21/22 Jun 12	Melville Street, Edinburgh	Controlled explosion of WW II vintage ordnance	Ministry of Defence Explosive Ordnance Disposal (EOD)/Lothian and Borders Police/Lothian and Borders Fire and Rescue Service/City of Edinburgh Council	Temporary evacuation of local residents and businesses, traffic diversions and protective works for surrounding properties



7 Jul 12	Stockbridge area	Breach of temporary flood defences	Lothian and Borders Police/ the City of Edinburgh Council	Council essential activities disrupted due to flooding, inundation of 30 private properties, temporary closures of Greendykes and Stenhouse Children and Families Centres
19 Jul 12	City Centre, Thomas Cook premises, Hanover Street	Fire and evacuation	Lothian and Borders Police/Lothian and Borders Fire and Rescue Service/the City of Edinburgh Council	

# Corporate Policy and Strategy Committee

10am, Tuesday, 4 December 2012

## Annual Performance Report 2012

Item number 7.5  
Report number  
Wards

### Links

Coalition pledges

Council outcomes [CO24; CO25](#)

Single Outcome Agreement

### Alastair D Maclean

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# Executive summary

## Annual Performance Report 2012

### Summary

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The Council's Annual Performance Report 2011/12 is appended. The report summarises performance over the year and progress against key outcomes.

In line with recent years the report will be published as a professionally prepared web document on the Council's website following this meeting.

The report draws on a range of sources to give a rounded view of performance and where relevant performance is compared to similar local authorities.

The key messages are:

- performance as good or better than similar councils for 89% of measures, as well as a more rapid rate of improvement than any other similar council;
- sound financial management;
- positive progress against our key outcomes;
- quality is demonstrated through attaining high profile awards such as Investor in People Gold, Customer Service Excellence and Recognised for Excellence; and
- residents' perceptions of services are positive and improving.

### Recommendations

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It is recommended that the Committee:

- approves the 2011/12 Annual Performance Report.

### Measures of success

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The success of the annual performance report can be measured by:

- the number of times it is viewed online; and
- the extent to which residents provide feedback.

## Financial impact

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There are no costs associated with publishing this report

## Equalities impact

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There are a number of positive results relating to equalities and rights. Two statutory indicators in the report relate to gender equalities and show:

- an improving trend in women in senior positions;
- around half of the highest paid 2% and 5% of posts are occupied by women; and
- performance in this area is better than that recorded by similar councils.

Tackling poverty and disadvantage is evidenced by improved destinations for school leavers and looked after children, higher school attendance and a reduction in children referred to the Reporter on offence grounds. Other disadvantaged groups have benefited from higher volumes of respite care, improvements to home care and more self directed support.

## Sustainability impact

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There are no adverse impacts arising from this report.

## Consultation and engagement

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This report furthers the Council's engagement agenda by providing balanced information about values, achievements, service objectives and performance.

## Background reading / external references

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The report refers to other publications:

- the Strategic Plan 2012-17;
- the single Outcome Agreement 2012 - 2015

## Links

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### Coalition pledges

#### Council outcomes

CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care

CO25 - The Council has efficient and effective services that deliver on objectives.

#### Single Outcome Agreement

# Annual Performance Report 2011/2012

## Introduction

I am delighted to introduce the City of Edinburgh Council's Annual Performance Report for 2011/2012. Edinburgh is a successful city, a great place to live and makes a major contribution to Scotland's economic and cultural well-being.

Edinburgh's population exceeded 500,000 in 2012, giving it the status of a "large city" and is acclaimed as "the best large European city of the future" by the Financial Times' FDi magazine.

The Council delivers a wide range of high quality services that are fundamental to the well being of the city and residents' quality of life. Staff commitment to delivering, and continuously improving, these services for residents is demonstrated by Edinburgh being the only Scottish council to achieve Investor's in People (IiP) Gold Status.

We do however face unprecedented challenges including:

- constraints on public spending;
- demographic pressures, including the increasing care needs of an ageing population;
- tackling poverty and disadvantage and managing the changes proposed in the UK Government's welfare reform programme; and
- a shortage of affordable housing.

Following the local elections in May 2012, the city is governed by a Capital Coalition of the Labour Party and the Scottish National Party. The Council is working to deliver the commitments made by these parties in their [Capital Coalition Agreement](#).

This report sets out the Council's vision, ambitions and priorities for making enhancing the quality of life in Edinburgh and ensuring the well-being of our residents, communities, businesses and visitors.

I hope you find this report of interest. More detail about how we intend to further transform Edinburgh into a world-class city in which residents enjoy a prosperity and quality of life that is second to none can be found in the Strategic Plan 2012-2017 (link when available). Please do not hesitate to contact me direct at [Chief.Executive@edinburgh.gov.uk](mailto:Chief.Executive@edinburgh.gov.uk) if I, or the Council, can be of any assistance to you.

## Sue Bruce

Chief Executive  
The City of Edinburgh Council

# Annual Performance Report 2011/2012

## 2. How well are we managing our money?

The Council's 2011/12 approved revenue budget for the provision of services was just over £1bn. The approved capital budget for building work (including the Housing Revenue Account) and the development of infrastructure and community assets was £219 million.

At March 2012, the Council employed 15,042 full-time equivalent members of staff, down from 15,568 in March 2011.

For the third successive year, all Council service areas kept expenditure within budget in 2011/12. This was achieved despite a 3.1% headline reduction in the level of government grant funding received at a time of increasing demand for services within a difficult economic climate.

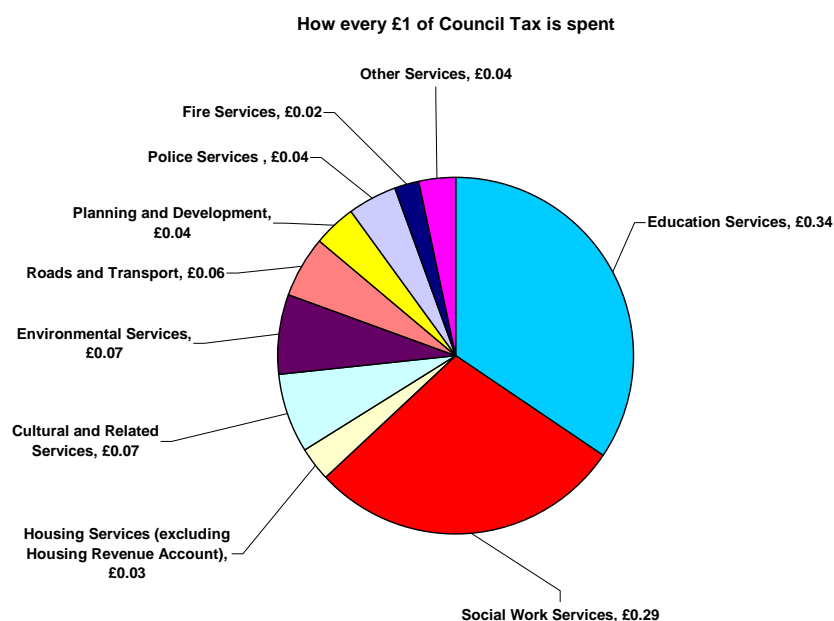
Our performance is set against a backdrop of significant savings targets and efficiency targets. Since 2006/7 we have realised almost £150m efficiency savings, equivalent to about 16% of our net budget. Savings of nearly £29m which were identified as part of the 2011/12 budget have been delivered.

### 2.1 Council's pattern of spending

More information can be found in the Audited Annual [Statement of Accounts](#) and in the [Key Facts and Figures](#) booklet.

### 2.2 How we spent every £ of your Council Tax in 2011/12

Band D Council Tax in Edinburgh remains the lowest of Scotland's four city councils as it has been since 2004. The chart shows how we use every £ of Council Tax raised.



## 2.3 Looking Forward

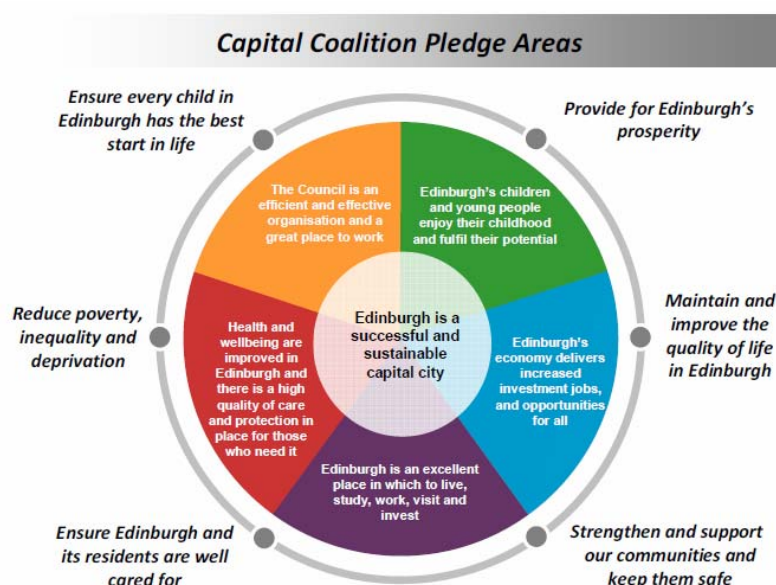
The Council's [Long-Term Financial Plan](#) provides the foundation from which savings opportunities across the “6 Ps” of people, procurement, property, processes, prioritisation and prevention are explored. Modernisation of our financial planning and management is underway and includes:

- **Priority-Based Planning** which aligns resources and priorities and develops options for savings and disinvestment;
- The **Procurement Transformation Plan**, under which savings of up to £50m have been targeted over the next five years.

## 3. Delivering outcomes

Our Single Outcome Agreement sets out how public bodies in Edinburgh will work together to secure to common goals and meet Scottish Government outcomes. The [SOA for 2012-15](#) explains how this is being taken forward and this report focuses on the areas for which the Council is directly responsible.

We have set a series of outcomes and pledges that reflect the Capital Coalition priorities and will improve the lives of people, communities and businesses who live, work and visit Edinburgh.



Our progress is summarised in the following sections.

## **Annual Performance Report 2011/2012**

### **3.1 Edinburgh's children and young people enjoy their childhood and fulfil their potential**

#### **3.1.1 School leaver destinations**

The Edinburgh Guarantee and other major initiatives have led to a significant improvement in the numbers of young people leaving school into a positive destination from 82.3% in 2008/09 to 87.4% in 2010/11, the highest level for a decade. This is an additional 177 school leavers going on into a positive destination. This remains a focus for improvement with the aim of reaching and exceeding the national average (88.9% in 2010/11).

#### **3.1.2 Educational attainment**

Attainment continues to improve with the percentage of pupils gaining 5 or more SCQF awards at:

- Level 3 (Standard Grade Foundation equivalent) increasing from 90.0% to 91.2%. National figure is 92.3%;
- Level 4 (Standard Grade General equivalent) increasing from 78.1% to 80.6%. National figure is 80.6%;
- Level 5 (Standard Grade Credit equivalent) increasing from 50.2% to 55.1%. National figure is 52.6%;
- Level 6 (Highers) increasing from 23.7% to 27.7%. National figure is 23.8%.

#### **3.1.3 Outcomes for Looked After Children**

63% of Looked After Children were in a positive destination six months after leaving school, compared with 55% nationally. Attainment (measured by the average tariff score) of these children is also above the national average.

#### **3.1.4 Scottish Children's Reporter Administration (SCRA)**

Early intervention helped reduce the number of children referred to the Reporter on offence grounds from 357 to 299.

#### **3.1.5 Inclusion**

New procedures helped school attendance improve from 94.5% in 2010/11 to 95.2% in 2011/12 at primary and from 91.0% to 92.7% at secondary. Children permanently excluded also fell from 27 to 17.

#### **3.1.6 Priorities for 2012/13**

The priorities for improvement are:

- improve support in early years so that children reach appropriate developmental and social milestones;



## Annual Performance Report 2011/2012

- improve early support for families so that fewer children need to be looked after, with a particular focus on addressing the impact of parental drug and alcohol misuse;
- improve the educational attainment of the lowest achieving pupils;
- improve health outcomes for children, including healthy weight, sexual health, emotional health and wellbeing and drug and alcohol misuse;
- improve life chances for Looked After Children including increasing the focus on Corporate Parenting;
- increase the number of young people who enter and sustain positive destinations; and
- improve early support for children with Additional Support Needs.

### 3.1.7 Initiatives

- Investment in new school and children's services building programmes including:
  - consultation was undertaken on options for the future of Boroughmuir High School;
  - the Council remains totally committed to replacing Portobello High School as soon as possible and the preferred option remains to build it on part of Portobello Park; and
  - construction commenced on the Seaview Children's Respite Centre.
- New funding through the Early Years and Early Intervention Change Fund.
- Continuing implementation of Curriculum for Excellence.

## 3.2 Edinburgh's economy delivers increased investment, jobs and opportunities for all

### 3.2.1 Development of the economy

The Council's approach to economic development in Edinburgh is structured around four strategic programmes: investment in development and regeneration, supporting inward investment, supporting businesses and helping unemployed people into work or learning.

### 3.2.2 Outcomes delivered

**Development and Regeneration** – During 2011/12, the Council helped attract £148m of new development and regeneration investment into the city. Examples include new offices in Charlotte Square and a mixed use development in Edinburgh City Centre.

**Inward investment** – the Council's investor support helped attract £6.7m of new commercial investment into Edinburgh during 2011/12.

## Annual Performance Report 2011/2012

Supported investments from companies such as Avaloq and the Green Investment Bank are expected to generate 530 jobs.

**Support businesses** – the Council’s Business Gateway supported over 6,000 Edinburgh and Lothian businesses during 2011/12. These included almost 1,500 new businesses and 90 potential high growth companies. Research suggests that growth companies will expand their number of employees by 14% in the coming year as a result of this support.

**Help unemployed people into work and learning** – Over 5,100 people were supported into employment, education or training during 2011/12. Around 660 school leavers were helped into positive destinations through the Council’s Edinburgh Guarantee programme, including 50 employed by the Council in modern apprenticeships.

In 2009 the Council set five targets for improving the city’s economy by 2012. Of these four have been met or exceeded despite the very difficult economic climate.

<b>Economic Development performance 2009-12</b>			
Target	2011/12 performance	2009-12 performance	Status
Support £500m of new investment into Edinburgh’s physical regeneration by 2012.	£148m	£496.9m	Met
Support £100m of new commercial investment into Edinburgh by 2012.	£6.7m	£56.4m	Not met
Increase the GVA of Edinburgh’s domestic businesses by 1% p.a. above the average by 2012.	+14%	10-14%	Met
Increase visitor spend in the city by 15% by 2012.	+6%	+15%	Met
Bring 5,000 people with significant barriers to participation in the economy into employment, education or training by 2012.	5,135	8,602	Met

### 3.2.3 Priorities for 2012/13

The Council’s new economic strategy “[A strategy for jobs](#)” sets out our approach for delivering economic success for 2012-17 and focuses on:

- creating the conditions for sustainable jobs through investment and job growth;
- engaging the whole Council in supporting the economy - creating the conditions for new jobs is everyone’s business; and
- pooling the knowledge, expertise, and resources of the Council and its partners to enhance our capacity to support the economy.

Our targets for 2017 are to support:

- the creation or safeguarding of 20,000 jobs in Edinburgh;
- £1.3 billion of development in Edinburgh; and

## **Annual Performance Report 2011/2012**

- the movement into work or learning of 10,000 people.

### **3.3 Edinburgh is an excellent place in which to live, study, work, visit and invest**

#### **3.3.1 Well-housed**

We are working to ensure that people can live in a good quality home that is affordable, meets their needs and is in a good quality neighbourhood. Around 1,500 are required each year to meet housing need.

##### **Progress in 2011/12**

- In 2011/12 1,558 new affordable homes for rent and sale were approved for construction.
- Nearly a third of all planning consents for affordable homes across Scotland were in Edinburgh.
- The first new Council homes for a generation were completed at Gracemount, with the first tenants moving in to their new homes in February 2012.
- £47m was invested in improving housing quality in 2011/12 and 75% of the homes now meet the Scottish Housing Quality Standard.

#### **3.3.2 Clean and Green**

We are committed to protecting and improving our environment and increasing recycling.

##### **Progress in 2011/12**

- Levels of recycling continue to improve with a rate of 33.5% reported for 2011/12. However, this is below the 42% target as a result of delays in introducing managed weekly collections. Recycling in Edinburgh compares favourably with other Scottish urban authorities and in particular with cities.
- Performance in street cleaning has been on an upward trend since 2006/07. In the March 2012 CIMS assessment 96% of streets surveyed met the national standard of cleanliness.
- In the management and maintenance of parks and greenspaces performance continues to improve with 24 parks attaining Green Flag status in 2012 – the highest number of Green Flags in Scotland and second highest in the UK.

## Annual Performance Report 2011/2012

### Priorities for 2012/13

- The ImProve it Programme encompasses Waste and Fleet Services, Street Cleansing, Grounds maintenance and Public Convenience designed to realise significant service improvements and an estimated £45 million in savings by 2019.

### 3.3.3 Attractive and well maintained

Edinburgh remains an attractive city through the development of high quality buildings and places, and delivery of high standards in the maintenance of infrastructure and public realm.

#### Progress in 2011/12

- The total value of development in the planning pipeline increased by 6% to £10.6 billion.
- Published Local Development Plan Main Issues Report.
- Completed the Edinburgh World Heritage Management Plan and Action Plan.
- Flood Prevention Schemes – further work on the Water of Leith Prevention Scheme Phase 1 has been completed. Phase 2 design works were completed and funding options are being developed.

#### Performance comparisons

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Roads needing repair	6	3	4	32.9%	34.6%	32.5%	↑
Householder planning applications in 2 months	3	3	4	87.4%	91.9%	91.3%	↑
Non-householder planning applications in 2 months	3	1	4	57.6%	79.0%	69.0%	↑

Note: Green score shows top quartile, red bottom quartile and yellow mid range performance  
 We use nationally published statistics to compare our performance with the ten most similar Scottish Councils. (Aberdeen City, Dundee City, East Dunbartonshire, East Renfrewshire, City of Edinburgh, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire and West Dunbartonshire except where indicated). The performance tables show these results and an arrow indicates performance improvements and declines over the period.

### 3.3.4 Safe

Edinburgh is a safe place to live and getting safer.

#### Progress in 2011/12

- Crime rates have reduced by 5% in 2011/12 compared to 2010/11.

## Annual Performance Report 2011/2012

- 2011/12 Antisocial Behaviour figures have reduced by 30% compared to 2008/09.
- Performance in dealing with consumer complaints has increased steadily over the past few years rising from 76% dealt with within 14 days in 2008/09 to 92.5% in 2011/12.
- Customer satisfaction with how the Council and its partners deal with antisocial behaviour has increased from 53% in 2007/08 to 67% in 2011/12.
- Residents feeling safe in the neighbourhood after dark have increased from 70% in 2007/08 to 77% in 2011/12.

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Response to noise complaints	6	9	7	23.9	25.2	18.8	↓
Business advice requests completed within 14 days	10	7	5	92.0%	95.7%	99.4%	↑
Consumer complaints completed within 14 days	3	2	2	81.4%	84.9%	92.5%	↑

Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### Offender Management

All our criminal justice social workers have been trained in new skills to reduce re-offending and the most recent data shows relative success.

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Reconviction rates (1 year)*	1	2	2	26.9%	27.8%	27.9%	↓

\* this is the latest data available. Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### 3.3.5 Moving Efficiently

The [Transport 2030 Vision](#) sets out a long term vision of a transport system that is one of the greenest, healthiest and most accessible in northern Europe.

#### Progress in 2011/12

- Investment of £1.9 million in walking and cycling facilities took place in the 2011 – 2012 financial year.

## Annual Performance Report 2011/2012

- RingGo – usage of the innovative “RingGo” cashless parking payment scheme has increased to 25% of all cash taken for this service.
- Road traffic has declined from 3,040 (2008) to 2,885 (2010) million vehicle kilometres per annum, better than the [Local Transport Strategy](#) target.
- Road safety has seen the target for reducing road deaths (nine per year) surpassed, with an actual average of 8.4 fatalities. Generally there are fewer people killed, seriously and slightly injured in road traffic accidents.
- The number of casualties is on a long term downward trend, having fallen from an average of 1,661 during the period 2004-2008, to 1,371 in 2011.

### Priorities for 2012/13

- Construct a cycle path to link Leith Links and Portobello.
- Implementation of the Active Travel Action Plan.
- Introduce a Quality Bike Corridor from George IV Bridge to King’s Buildings.

### 3.3.6 Well Engaged and Well Informed

The [Next Generation Library and Information Services Strategy](#) sets out Edinburgh’s approach to developing library services from 2012-15 with a focus on improving access and meeting changing customer expectations.

#### Progress in 2011/12

- Two new libraries opened in the South Neighbourhood Office and the Drumbrae Library Hub.
- The service won the Bookseller’s Award for Best Library 2012 for its achievements in inclusion, community information, and cutting edge digital services.
- Between 2009 and 2012 the cost per library transaction fell from £3.23 to £1.89.

### Environmental Sustainability

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Waste recycled	6	8	8	31.5%	31.6%	33.3%	↑
Cleanliness of streets	8	10	6	70	69	72	↑

Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

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### Leisure

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Library visits*	6	6	5	5482	5546	5849	↑
Museum visits*	3	4	3	2154	2238	3122	↑
Swimming pool usage*	7	4	3	3171	3687	3787	↑
Sports Centre usage*	10	9	9	3629	4505	4256	↑

\* this figure is adjusted to show usage per 1000 population Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### Housing

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Tenant arrears*	3	2	2	5.4%	5.2%	5.8%	↓
Formerly homeless people maintaining a tenancy	4	6	4	81.0%	81.9%	84.4%	↑
Empty homes*	1	2	1	30	27	22	↑
Council houses that meet the Scottish Housing Quality Standard	3	1	2	53.0%	69.8%	74.5%	↑

\* does not include Glasgow or Inverclyde, who do not have housing stock. Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### 3.3.7 Initiatives

- The Royal Commonwealth Pool and Assembly Rooms in George Street are now open following a £46.5m refurbishment.
- The Usher Hall was rated a five star venue by VisitScotland, and is the only concert hall in Scotland to hold this award.
- The new East Neighbourhood Office and Library in Craigmillar was 80% complete by July 2012 and on track for completion in late 2012.
- The new Royston/Wardieburn Community Centre opened in January 2012
- About 45% of Council services have achieved Customer Service Excellence accreditation and this is on track to reach 60% by December 2012.
- Construction of phase 1 of the Water of Leith Flood Prevention Scheme has continued during the year. Funding arrangements are being explored to allow the Council to invite tenders for the

## Annual Performance Report 2011/2012

construction of Phase 2. A decision on this is expected early in 2013.

- a detailed study into the way a number of services are provided considered a number of alternative business models. The Council chose to retain services in house. Savings of around £95m are expected over the next seven years as a result of radical improvement programmes.
- The Edinburgh Tram Project is now making significant progress with passenger services programmed to commence by winter 2013.

### 3.4 Health and wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it

Working with partners we continue to care for more people at home and place greater emphasis on prevention and early intervention.

#### 3.4.1 Outcomes delivered

**Shifting the balance of care** - Currently around 30% of our older people with high levels of need are supported to live at home, continuing the upward trend of the last few years.

**Supporting informal carers:** the volume of respite for carers of adults increased: 14,069 weeks were provided in 2011-12 compared with 13,491 weeks provided in 2009-10.

**Self Directed Support:** direct payments for care have almost doubled over the last two years (440 in March 2010, 807 in March 2012).

**Support with drug and alcohol misuse:** the Edinburgh Alcohol and Drug Partnership treats 85% of people with drug and alcohol problems in three weeks and is on track to meet the national NHS target of 90% by March 2013.

**Levels of physical activity:** have increased over the last year, with Edinburgh Leisure recording a total of 4.4 million visits in 2011-12 - 7.5% more than the previous year.

#### 3.4.2 Preventative Strategy

Early intervention can reduce the care people need and allow them to live more independently. Notable achievements in the last year are:

- establishing a re-ablement home care service to help people live independently. Around 32% of people needed no ongoing support as a result;
- extending day care services to weekends, to provide more respite for carers. Day care services are also now providing re-ablement support; and



## Annual Performance Report 2011/2012

- the Community Connecting project, which saw volunteers helping around 700 older people take part in community activities.

In addition, the care people receive in their homes at evenings and weekends increased by 8% and 19% respectively, and 2% more service was provided overall.

### Performance results

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Balance of care	7	7	7	26.2%	27.9%	28.5%	↑
Hours of home care (65+)	6	7	5	55.1	52.1	50.6	↓
Home care: personal care	4	6	5	89.5	93.1	96.1	↑
Home care: evenings/overnight	8	8	6	31.0	37.4	40.5	↑
Home care at weekends	7	5	4	69.5	76.1	79.9	↑
Respite weeks for adults	8	8	8	34.0	34.8	34.2	↑
Direct payments to people with care needs	1	1	1	11.1	16.4	20.0	↑

Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### 3.4.3 Initiatives

- Construction has begun on a new 60 bed care home at Drumbrae, to supplement four new homes built in recent years.
- Work to deliver the Wester Hailes Healthy Living Centre commenced in January 2012 and is due to be completed in autumn 2013.
- The Council's Commissioning Strategy for Care and Support Services was approved in August 2011 and provides an innovative approach to engagement and partnership with users.

### 3.5 The Council is an efficient and effective organisation and a great place to work

A realignment of services across the Council has been implemented to create clear and defined linkages between service delivery, performance and the outcomes set out in this report. This realignment brought together front line services that can now operate more

## Annual Performance Report 2011/2012

effectively and merged central departments to deliver significant modernisation and back office savings.

The Council compares favourably with urban councils and shows sustained improvement. Audit Scotland's national performance indicators show that we were:

- in the top 3 for 15 or (42%);
- in line with similar councils for 17 (47%); and
- in the bottom three in only 4 (11%).

	Comparative performance			Performance since 2009-10			
	09/10	10/11	11/12	09/10	10/11	11/12	Trend
Sickness absence (excluding teachers)	5	4	3	12	10.9	10.3	↑
Sickness absence Teachers	3	3	2	7.4	6.3	5.9	↑
The percentage of invoices paid within 30 days	1	2	2	95.2%	95.2%	95.6%	↑
Accommodation in a satisfactory condition	1	3	3	98.9%	92.6%	92.7%	↓
Equalities: women in the highest paid 2% of earners	4	1	1	44.3%	47.8%	48.3%	↑
Equalities: women in the highest paid 5% of earners	6	4	4	46.7%	48.5%	51.4%	↑

Note: Green score shows top quartile, red bottom quartile and yellow mid range performance

### 3.5.1 Priorities for 2012/13

Our priorities are to:

- address the risk to the Council associated with welfare reform;
- increase the amount of Council Tax and business rates paid on time;
- continue to deliver on the agreed savings and organisational change plans;
- increase the proportion of Customer Services Excellence accredited services;
- retain Investors In People "Gold" accreditation;
- further reduce absence due to sickness; and
- streamline the Council's estate and improve the condition of retained Council buildings.

## Annual Performance Report 2011/2012

### 4.0 What people say about us

We listen to what people say about us and the services we deliver through actively seeking reactions and feedback.

The annual [Edinburgh People's Survey](#) of 5,000 residents provides feedback and reaction to the services we deliver. The 2011 survey revealed:

- Edinburgh continues to be highly regarded as a place to live with nine out of ten people satisfied with the city as a place to live;
- 74% of residents are satisfied with the way the Council is managing neighbourhoods, an 11% rise since 2007. Improvements are seen for 9 out of 12 neighbourhoods;
- Satisfaction ratings with how the Council is managing the city have varied in the past 5 years. Research has linked this with Edinburgh trams, limited awareness of spending issues and their impact on Council services.

Despite budget savings there is a positive trend in satisfaction with the quality of local council services. The lower levels of satisfaction expressed with the overall management of the city, reflect the widely reported problems with Trams and property services.

### 4.1 Environmental services

Resident satisfaction with service quality		
	% Satisfied	5 year trend
Refuse collection	87%	4% ↑
Street cleaning	72%	5% ↑
Recycling facilities	79%	15% ↑
Street lighting	85%	No change
Maintenance of roads	53%	No change
Maintenance of pavements	56%	5% ↑

### 4.2 Dealing with community safety issues

Resident satisfaction with service quality		
	% Satisfied	5 year trend
Vandalism and graffiti	71%	15% ↑
Anti-social behaviour	67%	14% ↑
Neighbour disputes	72%	13% ↑
Dog fouling	56%	12% ↑

## Annual Performance Report 2011/2012

### 4.3 Council houses

Tenant satisfaction with service quality		
	% Satisfied	5 year trend
Improvements to property	83%	32% ↑
Repairs to property	80%	22% ↑
Internal condition	82%	15% ↑
External condition	80%	13% ↑
Ease of paying rent	91%	12% ↑
Dealing with anti-social behaviour	62%	15% ↑

### 4.4 Community facilities

Resident satisfaction with service quality		
	% Satisfied	5 year trend
Nursery schools	81%	13% ↑
Primary schools	84%	10% ↑
Secondary schools	77%	11% ↑
Library services	90%	3% ↑
Social and leisure	65%	5% ↑
Public transport	88%	5% ↑

### 4.5 Customer service

Independently conducted exit surveys of people who had just received a service from the Council during in the year show:

- 92% of customers are satisfied with the service overall;
- 91% of customers are satisfied with the timeliness of the service; and
- over 90% of customers satisfied with staff behaviour, professionalism and attitude.

### 4.6 Audits and inspections

**Audit Scotland:** completes an annual audit of the Council's accounts and provided an unqualified audit certificate for 2010/11 and 2011/12. The Council is making significant progress in relation to the action points for 2011/12. Other audits concluded that:

- significant improvements had been made to the Revenue and Benefits service since the previous audit; and
- the controls surrounding the Councils contract for Information and Communications Technology services contract are sound.

## Annual Performance Report 2011/2012

**Care Inspectorate:** inspected over half of the Council's care establishments and assessed all as being very good or excellent across each theme evaluated. The Inspectorate also assessed social work services and identified four areas for improvement, relating to communication with service users, better recording of service user information, workload monitoring and file auditing, as well as continuing to improve reviews. An action plan is in place to address these recommendations.

**Education Scotland:** inspected five primary, two secondary and two special schools. Eight of these nine were judged to be good or very good, the other was satisfactory.

### 4.7 Awards and Recognition

Our commitment to excellence has been widely recognised across a diverse range of services and activities, some of which include:

- the first Scottish authority to achieve Investors in People gold status in January 2012;
- achieving Recognised for Excellence 4 Star Silver at the Scottish Awards for Excellence in June 2012;
- Best Large City for Foreign Direct Investment (FDi Awards);
- Best UK City for the 12th year in the Guardian, Observer and guardian.co.uk Readers' Travel Awards 2011;
- the highest ranking of four stars for our Website by the Society of Information Technology Managers (SOCITM) review of UK council Websites 2012;
- Edinburgh Chamber of Commerce, 'Employer of the Year, Highly Commended, 2012;
- Best Service Team Parks, Grounds and Horticultural Service', of all the local authorities in the UK by the Association for Public Sector Excellence (APSE); and
- Edinburgh Libraries won The Bookseller Library of the Year Award for 2012.

Other Council successes in [awards](#) is available online.

# Corporate Policy and Strategy

10.00am, Tuesday, 4 December 2012

## Local Development Plan – Aims and Delivery

<b>Item number</b>	8.1
<b>Report number</b>	
<b>Wards</b>	All

### Links

<b>Coalition pledges</b>	Providing for Edinburgh's economic growth and prosperity Ensuring that Edinburgh, and its residents, are well cared for Maintaining and enhancing the quality of life in Edinburgh
<b>Council outcomes</b>	CO7 Edinburgh draws new investment in development and regeneration CO8 Edinburgh's economy creates and sustains job opportunities CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed neighbourhood CO18 Green – we reduce the local environmental impact of our consumption and production CO 19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm CO22 Moving efficiently –Edinburgh has a transport system that improves connectivity and is green, healthy and accessible

**Single Outcome Agreement**

Edinburgh's economy delivers increased investment, jobs, and opportunities for all.

Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.

Edinburgh's children and young people enjoy their childhood and fulfil their potential.

Edinburgh's communities are safer and have improved physical and social fabric.

**Mark Turley**

Director of Services for Communities

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# Executive Summary

## Edinburgh Local Development Plan: Aims and Delivery

### Summary

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The Council is preparing its first local development plan. It will replace two local plans, and will guide the growth of the city.

The main consultation stage finished earlier this year. The five aims proposed for the plan received broad support, and the plan is being prepared on that basis. The aims support the appropriate growth of the city.

In the past it has been assumed that plan-led physical growth of the city could largely pay for itself in terms of corresponding infrastructure enhancements. Development-related infrastructure spending has mostly been dealt with through the planning system, with little need to align it directly with more general capital investment programmes.

These assumptions have not been borne out by experience. Policy on funding and delivering infrastructure is being reviewed. A new element of the statutory planning system – the Action Programme – offers a way of aligning the delivery of the local development plan with corporate and national investment in infrastructure.

### Recommendations

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It is recommended that the Committee:

- a) notes that the first local development plan for Edinburgh is being prepared and that it will meet the growth requirements in the strategic development plan for South East Scotland.
- b) notes the five aims for the LDP referred to in paragraph 2.1.
- c) notes that the adopted LDP will be accompanied by a statutory Action Programme to be updated periodically, and requests that the first Action Programme and subsequent updates should be reported for approval by the Corporate Policy and Strategy Committee as well as by the Planning Committee.

### Measures of success

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- a) The city's physical growth takes place as led by policies and proposals in the Council's LDP.



- b) Growth is always supported by the provision and enhancement of relevant essential infrastructure, achieved through the alignment of corporate capital investment and the implementation of the LDP.
- c) All five aims proposed for the LDP are achieved.

## **Financial impact**

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There is no financial impact arising directly from this report. This is a progress report establishing the principle that a list of infrastructure priorities (the 'Action Programme') will be reported to the Corporate Policy and Strategy Committee at the appropriate stage in the LDP project. Such future reports may seek the Committee's approval of the Action Programme as an input to the setting of future corporate budgets for capital investment.

## **Equalities impact**

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An equalities assessment is being carried out for the LDP by the project team.

## **Sustainability impact**

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The LDP is the subject of a statutory Strategic Environmental Assessment process. An Environmental Report has been prepared and is available alongside the LDP Main Issues Report.

## **Consultation and engagement**

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The main LDP consultation process was carried out in late 2011 / early 2012 and the findings are informing the preparation of the Plan. Stakeholders will have an opportunity to make representations at the Proposed Plan stage in 2013. Advance notice of that opportunity will be given in the Council's Development Plan Scheme, which is the subject of a separate report to Planning Committee.

## **Background reading / external references**

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1. Edinburgh Local Development Plan [Main Issues Report](#) (October 2011)

2. [Summary of Responses to the Main Issues Report](#) (April 2012)
3. SESplan Governance Review and 2012/13 Operating Budget – report to full Council (28 June 2012)
4. Proposed Strategic Development Plan – Report to full Council (22 September 2011)
5. Proposed Strategic Development Plan – Report to Policy and Strategy Committee (6 September 2011)
6. Economic Resilience Action Plan: Developer Contributions – Report to Planning Committee (26 February 2009)

## Edinburgh Local Development Plan: Aims and Delivery

### 1. Background

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- 1.1 Councils have to prepare local development plans (LDPs) for the whole of their areas. This requirement is a key part of the modernisation of the planning system arising from the Planning etc. (Scotland) Act 2006. Once adopted LDPs will replace local plans, in this case the Edinburgh City Local Plan (2010) and the Rural West Edinburgh Local Plan (2006, altered 2011).
- 1.2 The Council is preparing its first LDP – the Edinburgh Local Development Plan. The main consultation stage took place in late 2011/early 2012. It was focused on a document setting out options for the LDP – the Main Issues Report. A wide range of community groups, individuals and organisations responded. Their responses were published in April 2012 and can be viewed online together with the Main Issues Report at [www.edinburgh.gov.uk/localdevelopmentplan](http://www.edinburgh.gov.uk/localdevelopmentplan).
- 1.3 Those consultation responses are informing the preparation of the LDP. A separate report on progress with the LDP and the timetable for its publication in 2013 is going to the Planning Committee on 6 December 2012. The LDP is due to be adopted by the full Council in 2015.
- 1.4 The present report focuses on the key matters for the Corporate Policy and Strategy Committee. In particular it highlights the main aims for the LDP and proposes a way of aligning the delivery of those aims with corporate and national investment in infrastructure.

### 2. Main report

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#### Aims of LDP

- 2.1 The Main Issues Report sought views on a series of questions, the first of which was about the aims of the LDP. Five main aims were proposed:
  - AIM 1: Support the growth of the city economy
  - AIM 2: Help increase the number and improve the quality of new homes
  - AIM 3: Sustainable transport and access to jobs and services

- AIM 4: Look after and improve our environment
  - AIM 5: Create sustainable communities
- 2.2 Chapter 2 of the Main Issues Report explains in more detail what these aims mean for the content of the LDP.
- 2.3 There was a large level of support for these aims (see pages 3-16 of the [Summary of Responses to the Main Issues Report](#)). The main exception relates to Aim 2. The aim of increasing the number of new homes prompted some opposing views. Some organisations are concerned that the LDP will not provide enough land for housing. Other respondents are concerned that there is too much emphasis on growth.
- 2.4 It should be noted that the amount of new housing land to be identified in the LDP will be fixed by the strategic development plan (SDP) for South East Scotland. This plan establishes the land use requirements of regional importance, most notably the housing and employment land requirements of the city region. The Council approved the Proposed SDP in September 2011. It is now in an examination process to deal with unresolved representations and is then expected to be approved by Scottish Ministers in 2013.
- 2.5 The five aims set out in paragraph 2.1 are intended to support and complement the Council's corporate objectives. The Committee is asked to note them.

### **Delivery of LDP**

- 2.6 All five aims can only be achieved if infrastructure provision is given the same level of attention as housing and employment growth. In the old system of local plans, this was not always the case. Local plans might identify where a large new housing site needed transport measures, new school capacity or additions to the network of green space. But the question of how this infrastructure would be delivered was often left to the planning application stage.
- 2.7 At that stage, policies would secure financial contributions from the developer towards the cost of new infrastructure and in some cases the relevant land. However, as explained in Chapter 4 of the Main Issues Report, the sums of money which the value of development could bear were minor compared to the full cost of the infrastructure. This is even more the case in the present economic situation. The Report also raised the possibility that the Council has been spreading developer contributions too thinly over too wide a range of infrastructure measures.
- 2.8 Accordingly, the need for a new approach to infrastructure provision was highlighted as a main issue in the LDP consultation. The Main Issues Report suggested two broad options:

- To continue to seek contributions to a wide range of infrastructure measures, but to also amend planning guidance to reflect current practice from the Council's Economic Resilience Action Plan.
  - To focus contributions on only the most essential infrastructure.
- 2.9 The 'economic resilience' approach was introduced in February 2009 as a temporary response to economic circumstances. It makes provision for individual developments to defer contribution payments to help cash flow and so allow construction to start. It also confirmed an 'open book' approach which allows the Council to see the detailed financial appraisal of marginal developments. In some cases, the Planning Committee has agreed reduced contributions towards only the highest priority infrastructure measures.
- 2.10 Monitoring work on three years of applying the 'economic resilience' approach indicates that there are certain infrastructure measures which the Council currently seeks contributions for but which are not essential to allow a development to proceed. This suggests that the two main options in the Main Issues Report actually point to single revised approach which:
- focuses developer contributions on a reduced range of infrastructure measures and
  - acknowledges that development value is frequently not sufficient to meet the full cost of associated infrastructure enhancements, and that there will therefore be funding gaps in some cases.
- 2.11 This new approach could take advantage of a new element introduced by the 2006 Planning Act: the statutory Action Programme. Councils are required to:
- Publish a Proposed Action Programme alongside their Proposed LDP.
  - Publish the first definitive Action Programme within three months of formally adopting the LDP.
  - Publish an updated Action Programme at least every two years.
  - Set out in the Action Programme a list of actions, including infrastructure measures, needed to deliver the policies and proposals in the LDP.
  - State the timescale for completing each action.
  - Identify who is responsible for carrying each action.
- 2.12 A more focused approach to delivering infrastructure could make use of the action programme if in addition to the above it were to set out the:
- Estimated costs of essential infrastructure measures relating to LDP proposals (e.g. a school extension to accommodate children from a new housing site).
  - Identified funding sources.
  - Any funding gaps.

- 2.13 These would be kept under review and the Action Programme would be updated annually. Where a development's value was demonstrated to be insufficient to support the full cost of relevant essential infrastructure the resulting funding gap would need to be addressed. This could be done:
- Through other funding sources (including the national 'Key Agencies' such as Scottish Water and Transport Scotland).
  - Through the use of the Action Programme to inform the Council's budget setting for capital investment.
- 2.14 A third option would be to reconsider the need for the essential infrastructure identified in the Action Programme, however this would have environmental or social costs as highlighted in the Main Issues Report (page 25). In other words, Aims 1 or 2 of the Plan might be fully achieved through allowing development to proceed, but Aims 3, 4 or 5 might not.
- 2.15 If the Action Programme is to have the role described in paragraphs 2.12-13 above, it should be reported to not only the Planning Committee, but to the Corporate Policy and Strategy Committee, in its role as advisor to the Council on outcomes, strategic objectives and key priorities. It would not be necessary to do so until the first definitive Action Programme were prepared for the adoption LDP in 2015. Subsequent updated Action Programmes would be reported annually, on a schedule which would align with the corporate budget setting process.
- 2.16 The Committee is asked to request that the first Action Programme which supports the adopted LDP (due in 2015) and its subsequent updated versions be reported to the Corporate Policy and Strategy Committee as well as the Planning Committee.

### **3. Recommendations**

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- 3.1 It is recommended that the Committee:
- a) notes that the first local development plan for Edinburgh is being prepared and that it will meet the growth requirements in the strategic development plan for South East Scotland.
  - b) notes the five aims for the LDP referred to in paragraph 2.1 above.
  - c) notes that the adopted LDP will be accompanied by a statutory Action Programme to be updated periodically, and requests that the first Action Programme and subsequent updates should be reported for approval by the Corporate Policy and Strategy Committee as well as by the Planning Committee.

**Mark Turley**

Director of Services for Communities

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# Corporate Policy and Strategy Committee

10.00am, Tuesday, 4 December 2012

## Operational governance - update

Item number	8.2
Report number	
Wards	All

### Links

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25 &amp; CO26</a>
Single Outcome Agreement	

### Carol Campbell

Head of Legal, Risk and Compliance

Alastair Maclean, Director of Corporate Governance

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## Operational governance - update

### Summary

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On 6 November 2012 the Governance, Risk and Best Value Committee considered a report on the Council's governance review programme, updates on key areas of the corporate risk register and the significant progress made in relation to:

- operational governance framework;
- procurement;
- audit and risk;
- internal controls;
- governance of major projects;
- arms length external organisations; and
- ICT strategy.

The Governance, Risk and Best Value Committee:

- noted the progress outlined in relation to the key areas of the governance review referred to in section 2.1 of the report;
- noted the progress outlined in relation to the main corporate risks referred to in section 2.2 of the report;
- noted the future developments set out in section 2.3 of the report;
- agreed that the Director of Corporate Governance would provide a progress report on operational governance and internal controls to the Governance, Risk and Best Value Committee on a quarterly basis;
- requested that the Chief Executive reports on the high risks regarding organisational controls in January 2013;
- referred the report to the Corporate Policy and Strategy Committee for its information.



## Recommendations

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That the Corporate Policy and Strategy Committee notes the Council's governance review programme, the updates on key areas of the corporate risk register and the significant progress made in relation to operational governance.

## Measures of success

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Not applicable.

## Financial impact

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Not applicable.

## Equalities impact

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Not applicable.

## Sustainability impact

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Not applicable.

## Consultation and engagement

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Not applicable.

## Background reading / external references

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[26 October 2010 – Finance and Resources Committee – item 23 – Governance of Major Projects](#)

[6 December 2011- Policy and Strategy Committee- item 13 – Management Reporting Arrangements](#)

[22 December 2011- City of Edinburgh Council – item 8.2- Management Reporting Arrangements](#)

[19 January 2012 – City of Edinburgh Council – Item 4.1\(a\) – Alternative Business Models review programme.](#)

[19 January 2012 – City of Edinburgh Council – Item 4.1\(b\) – Alternative Business Models review programme.](#)

[20 March 2012 – Finance & Resources Committee – Item 16 – Corporate Procurement Transformation Project](#)

[31 July 2012 – Finance & Resources Committee – Item 13 – Corporate Procurement Transformation Project](#)

[7 August 2012 – Policy & Strategy Committee – Item no 11 – Property Conservation Service Re-design](#)

[23 August 2012 - City of Edinburgh Council – Item no 8.1 – Governance Review](#)

[20 September 2012 – City of Edinburgh Council – Item 8.1 – Governance Review: Political Management Arrangements and Operational Governance](#)

[2 October 2012 – Policy and Strategy Committee – Item 7 – Welfare Reform](#)

[2 October 2012 – Policy and Strategy Committee- Item 13 – Integration of Health and Social Care: Proposals for interim governance arrangements](#)

[25 October 2012 – City of Edinburgh Council – Item 8.4 – Governance Review and Transformation Programme](#)

<b>Coalition pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 - The Council has efficient and effective services that deliver on objectives CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
<b>Single Outcome Agreement</b>	
<b>Appendices</b>	Report by the Chief Executive

# Governance, Risk and Best Value Committee

3pm, Tuesday 6 November 2012

## Operational governance - update

<b>Item number</b>	8.5
<b>Report number</b>	
<b>Wards</b>	All

### Links

<b>Coalition pledges</b>	P30
<b>Council outcomes</b>	CO25 & 26
<b>Single Outcome Agreement</b>	

### Sue Bruce

Chief Executive

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# Executive summary

## Operational governance – update

### Summary

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This reports outlines, for the first meeting of the Governance, Risk and Best Value committee, details of the Council's governance review programme and the significant progress made in relation to:

- operational governance framework;
- procurement;
- audit and risk;
- internal controls;
- governance of major projects;
- arms length external organisations; and
- ICT strategy.

In addition, updates are provided on the following areas of the corporate risk register:

- trams;
- property conservation;
- financial position;
- welfare reform; and
- health and social care integration.

### Recommendations

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- (a) To note the progress outlined in relation to the key areas of the governance review referred to in section 2.1.
- (b) To note the progress outlined in relation to the main corporate risks referred to in section 2.2.
- (c) To note the future developments set out in section 2.3.
- (d) To agree that the Director of Corporate Governance will provide a progress report on operational governance and internal controls to the Governance, Risk and Best Value Committee on a quarterly basis.

## Measures of success

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Improvements across all areas of operational governance and the internal control framework.

Quarterly reports on the governance review programme will be provided to the Governance, Risk and Best Value Committee.

## Financial impact

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There are no direct financial impacts as a result of this report.

## Equalities impact

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There are no equalities impacts as a result of this report.

## Sustainability impact

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There is no sustainability impact as a result of this report.

## Consultation and engagement

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Appropriate consultation and engagement is and will continue to be undertaken in line with the programme plan.

Elected members and officers have been consulted on all key aspects of the review and details are outlined within the body of the report.

## Background reading / external references

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[26 October 2010 – Policy and Strategy Committee – item 23 – Governance of Major Projects](#)

[6 December 2011- Policy and Strategy Committee- item 13 – Management Reporting Arrangements](#)

[22 December 2011- City of Edinburgh Council – item 8.2- Management Reporting Arrangements](#)

[19 January 2012 – City of Edinburgh Council – Item 4.1\(a\) – Alternative Business Models review programme.](#)

[19 January 2012 – City of Edinburgh Council – Item 4.1\(b\) – Alternative Business Models review programme.](#)

[20 March 2012 – Finance & Resources Committee – Item 16 – Corporate Procurement Transformation Project](#)

[31 July 2012 – Finance & Resources Committee – Item 13 – Corporate Procurement Transformation Project](#)

[7 August 2012 – Policy & Strategy Committee – Item no 11 – Property Conservation Service Re-design](#)

[23 August 2012 - City of Edinburgh Council – Item no 8.1 – Governance Review](#)

[20 September 2012 –City of Edinburgh Council – Item 8.1 – Governance Review: Political Management Arrangements and Operational Governance](#)

[2 October 2012 – Policy and Strategy Committee – Item 7 – Welfare Reform](#)

[2 October 2012 – Policy and Strategy Committee- Item 13 – Integration of Health and Social Care: Proposals for interim governance arrangements](#)

[25 October 2012 – City of Edinburgh Council – Item 8.4 – Governance Review and Transformation Programme](#)

## Operational governance - update

### 1. Background

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- 1.1 The governance review is being undertaken following resolution by Council in June 2011 that a review of the Council's governance arrangements was required to ensure any weaknesses within the existing internal control framework in the City of Edinburgh Council were addressed.
- 1.2 In June 2011, the Council undertook an organisational restructure to combine the two former central service directorates of Corporate Services and Finance, forming a new Corporate Governance directorate with a remit to focus on critical aspects of governance and performance.
- 1.3 The former Directors of Corporate Services and Finance retired on 30 April and 30 June 2011 and the new Director of Corporate Governance was appointed on 2 September 2011.
- 1.4 The senior management structure for the Corporate Governance directorate was agreed by Council in March 2012, reflecting and strengthening the Council's commitment to enhanced governance.
- 1.5 On 2 September 2011, the Council agreed revised governance arrangements for the Edinburgh tram project. tie Limited, the arms' length company responsible for management of the tram project on behalf of the Council was subsequently disbanded.
- 1.6 In January 2012, a further re-alignment of management arrangements was undertaken, including transfer of the responsibility for property conservation and transport from the directorate of City Development to Services for Communities.
- 1.7 The Council is facing a range of challenges in relation to performance, transformation, service re-design and delivery alongside current and future financial constraints. On taking up his post on 26 September 2011, the Director of Corporate Governance initiated a root-and-branch review of all aspects of governance, internal controls and the approach to future financial management in order to position the Council to meet these challenges and to address a significant range of serious legacy issues.
- 1.8 The key objectives of the governance review are to ensure the organisation has the infrastructure in place to be able to embed critical change objectives, deliver effective and efficient services, improve performance, achieve savings and maximise the potential of the public pound.

- 1.9 The Council has also identified in its corporate risk register several other challenges including: the completion of the tram project; the significant funding gap facing all Councils over the coming years, around £95m over five years for the City of Edinburgh Council; the post ABM improvement plans; and the necessary improvements to the property conservation service. Audit Scotland has since highlighted these as significant risks in its 2012 improvement plan.
- 1.10 This report provides members of the new Governance, Risk and Best Value Committee with an update on:
- the governance review and control framework (section 2.1);
  - the main corporate risks (section 2.2); and
  - areas of future development (section 2.3).

## **2. Main report**

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### **2.1 Governance review and control framework**

#### **2.1.1 General**

- (a) The governance review is being undertaken following resolution by Council on 30 June 2011 that a ‘thorough review of governance arrangements is required.’
- (b) The review was established by the Director of Corporate Governance, working closely with elected members, to ensure that the Council’s governance arrangements are transparent, accountable, efficient and modern. The review has been subdivided into four parts: political governance; operational governance; strategic governance; and programme governance.
- (c) The objective of the ongoing review work is to deliver a comprehensive framework for all aspects of governance, strategy and transformation by the end of 2012 to secure the following key objectives:
- clear statement of vision, values and strategic objectives aligned with the capital coalition pledges;
  - effective, efficient and collaborative decision-making and strategic planning;
  - enhanced, modern and flexible risk and financial management;
  - robust, clear and accountable organisational frameworks;
  - focus on culture change and a shared commitment to high standards of governance; and
  - effective budget management.
- (d) The review programme includes a very wide range of development work that has also formed a roadmap for the future development and transformation of the



Council while ensuring that any legacy issues or areas of concern have been assessed and an appropriate performance improvement approach agreed.

- (e) This report focuses directly on the operational governance programme. In particular, it provides detailed background, key areas for improvement and progress with implementation. Links to relevant reports and Council decisions covering other elements of the review are provided in the background papers section of the executive summary.

### **2.1.2 Operational governance review**

- (a) The initial scope of the review involved a range of administrative governance areas on the basis that Audit Scotland's annual audit report for 2010/2011 had confirmed there were no material weaknesses in the accounting and internal control systems within the City of Edinburgh Council.
- (b) Notwithstanding this, the Corporate Management Team (CMT) through the Director of Corporate Governance acted on a range of concerns and instructed a very detailed assessment of a full range of the internal management and control frameworks of the Council. The assessment focused on the following profile areas of the Council's business:
- operational governance framework;
  - procurement;
  - audit and risk;
  - finance and internal controls;
  - governance of major projects;
  - arms length external organisations; and
  - ICT strategy.
- (c) On completion of scoping and review work across each of the areas, proposals for action were implemented in some areas, including procurement. The review process provided information on a range of internal control issues that required to be addressed and on 31 May 2012, the Director of Corporate Governance, in his capacity as Monitoring Officer, met with the Corporate Management Team. This meeting provided a detailed outline of issues and risks, an overview of the state of the internal control framework and environment and highlighted the pressing requirement for focused improvement and development work.
- (d) In recognition of the ongoing assessment that the existing internal control framework required to be strengthened, the Director of Corporate Governance amended the annual assurance statement to highlight that, although some reliance could be placed on the existing internal control framework, a range of improvement actions were required.

- (e) The Corporate Management Team held a further meeting on 14 June 2012 and committed to a range of actions in relation to all areas of operational governance. This included discussions with key elected members including the Leader, Deputy Leader, Convener and Vice Convener of the then Finance and Resources and Audit Committees, all of whom shared concerns about the need for improved controls and were committed to improvements in performance.
- (f) The approach recommended by CMT and agreed by elected members at the Council meeting on 23 August 2012 included support for the critical improvements proposed by the Director of Corporate Governance, by agreeing an action and implementation plan. Regular reporting to the Council is in place and appropriate engagement has been undertaken at all stages with elected members, staff groups and trade unions.

### **2.1.3 Operational governance framework**

- (a) The review team assessed the operational governance framework of the Council in 2011 and noted that this had not been holistically or significantly updated for a considerable period of time. Following this assessment a full range of development and review work has been undertaken including significant re-drafting and revision of the following:
- Committee terms of reference: following extensive consultation with elected members and officers, the Council approved a fully updated and revised version on 20 September 2012 for implementation with the new political management arrangements from 29 October 2012;
  - scheme of delegation to officers: during September and October 2012, consultation has been undertaken with both officers and elected members on a proposed new scheme which has been fully updated to reflect new statutory provisions, the current organisational structure and areas of responsibility assigned to chief officials. The proposed new scheme will be considered by the Council in November 2012;
  - financial regulations: new financial regulations were approved by the Council on 25 October 2012;
  - contract standing orders and guidance for the appointment of consultants: revised contract standing orders and guidance were approved by the Council on 25 October 2012;
  - anti bribery policy and procedure: this was approved by the Policy and Strategy Committee on 7 August 2012 to significantly strengthen anti-corruption measures and ensure the requirements of the Bribery Act 2010 are met. The policy sets out a clear statement that bribery and corruption in any form are unacceptable, establishes a zero tolerance approach and sets out key principles along with corporate and employee responsibilities necessary to ensure the prevention of bribery and corruption. The Council's organisational development

division has completed significant engagement with staff so there is an awareness of the terms of the policy and procedure; and

- employee code of conduct: this was approved by the Policy and Strategy Committee on 7 August 2012. The existing employee code of conduct has been significantly updated including specific references to bribery and corruption, a wider definition of conflict of interest and a reinforced requirement for employees to declare any/all actual or potential conflicts of interest.

- (b) Further work is ongoing to complete the process of updating the Council's operational governance framework. In particular, a corporate debt policy and procurement handbook are in the process of being completed for early consideration by elected members.

#### **2.1.4 Procurement**

- (a) The Corporate Management Team considered the outcome of a high level review of tendering in January 2011 and recommended that the future delivery model for the provision of procurement was to be considered as part of the alternative business models programme. Following the Council's decision on 19 January 2012 to keep the procurement strategy and delivery functions in-house a transformation programme was consequently immediately initiated by the Director of Corporate Governance.

- (b) The project team developed a specification with the following key objectives:
- internal improvement of the corporate procurement function with the help of industry experts who could also assist with the delivery of transformational change;
  - the development and transfer of knowledge and skills to the existing team to ensure the in-house function developed the appropriate expertise to support the Council beyond the end of the contract period;
  - meeting the requirements of all service areas to deliver efficient and cost effective front line services;
  - expand and develop category management capability;
  - develop and embed contract and supply chain management throughout the Council;
  - focus on best value and maximising the impact of all council revenue streams; and
  - identify and deliver cashable savings opportunities of around £10 million during the financial year 2012/13 and if the contract period is extended up to a further £50-£60 million over the next 5-6 financial years.

- (c) On 21 March 2012 the Finance and Resources Committee appointed Mott MacDonald, who commenced work on 2 May 2012, and are currently working with the Council's procurement team to deliver savings and enhance capability, capacity and performance of the Council's in-house function.
- (d) Existing Governance arrangements consist of a procurement partnership board (PPB), supported by appropriate delivery methodologies at an operational level. Mott MacDonald, assisted by Council officers, will propose savings plans to the PPB throughout the year which the Board may approve or reject, for recommendation to the relevant Committee for approval where required. All PPB recommendations which have policy implications will automatically be referred to elected members through Committee for decision making. A six monthly report is provided to the Finance and Budget Committee to update on progress and performance. Enhanced arrangements to engage with elected members throughout the procurement process are currently being developed.

### **2.1.5 Audit and risk**

- (a) The Director of Corporate Governance highlighted underlying concerns as to the robustness of the Council's systems of internal control and related risk management arrangements shortly after his appointment in the latter part of 2011. The issues pointed to an inherent and fundamental weakness in some aspects of these areas. Concerns were reinforced by the fact that the scope of existing and planned audit scrutiny was not suitably targeted to address these critical areas of risk and internal control.
- (b) The Director of Corporate Governance commissioned independent external assessments of internal controls and the adequacy of the internal audit and risk function in early 2012. The findings in relation to internal controls are discussed in the next section of this report.
- (c) With regard to the audit and risk function, the findings of the external review by Ernst and Young supported earlier indications that current activity was not sufficiently focused on high-risk areas and, in some cases, was not adequate for an organisation of the size, nature and complexity of the City of Edinburgh Council. The results of this "current state assessment" are set out in Appendix 1.
- (d) The reports' key observations included the following assessments of the Council's internal audit and risk management activity:
- the existing function was assessed as having a fairly narrow focus on financial controls, with a need to increase productivity, capacity and capability in more specialist areas such as ICT audit and risk management;
  - a requirement to realign the existing service and increase its influence; and

- current risk management practices were operating at a basic level, with a pressing need to improve visibility, accountability and transparency across a range of areas.
- (e) The combined effect of the reports' findings made a fundamental review of the service a critical priority. The Chief Internal Auditor of the Council retired on 31 July 2012 and an interim arrangement to manage the internal audit and risk function was then put in place involving an external partner selected by means of competitive tender.
- (f) This arrangement facilitated the undertaking of a full assessment of the Council's audit and risk management arrangements, including exploring by way of competitive tender the extent to which existing capacity and capability could be strengthened through a co-sourced or outsourced delivery model.
- (g) The results of this assessment and recommendations to develop the services going forward will be reported to the Council meeting on 22 November 2012, with a likely recommendation to proceed by way of a co-sourced model.

### **2.1.6 Internal controls**

- (a) Following appointment in September 2011, the Director of Corporate Governance became aware of a range of inherent and fundamental weaknesses in some areas of the Council's internal controls. To assess the existing internal control environment and identify key improvement actions an independent review of internal controls was commissioned from KPMG.
- (b) The report concluded that improvements to the existing systems of internal control were urgently required to address a number of significant risks. The assessment, completed by KPMG in April 2012 made a total of 43 recommendations, with 12 of these to address weaknesses assessed as posing a high risk to the Council. A summary of the findings is set out in appendix two to this report.
- (c) A comprehensive action plan to address the issues and recommendations, highlighted by KPMG was compiled in May 2012 and implementation is being actively monitored and will be reported to the Governance, Risk and Best Value Committee on a quarterly basis.
- (d) The internal control weaknesses highlighted in the KPMG report have since been commented on in Audit Scotland's subsequent report dated August 2012.

### **2.1.7 Governance of major projects**

- (a) The Policy and Strategy Committee considered a report on the governance of major projects on 26 October 2010 that outlined recommendations from the Council's projects' best practice group. To ensure effective governance and

programme management arrangements it was agreed that the following be considered for action and implementation:

- a project administration office;
- adequate resources to deliver projects;
- inclusion of non-capital projects in governance and monitoring arrangements; and
- provision for key stage, gateway and peer reviews.

(b) During 2011, the Council had variable programme and project management arrangements in place with competing projects and delivery challenges in a range of high profile areas. Recognising this, a range of new approaches were put in place, including the PROSCI approach to change management, to ensure that each of the Council's major, capital and transformation projects were effectively managed. There had been no effective corporate approach in place for Council-wide co-ordination of projects, change management or initiatives and it has not always been clear how each was aligned to support the Council's vision, values and strategic outcomes.

(c) In addition, issues with the planning and management of the Council's capital programme had led to a culture, established over many years of over programming and reliance on project slippage to remain within financial constraints. Furthermore there has been evidence that within this culture, programmes had not always been appropriately assessed for financial and deliverability risks.

(d) In February 2012, the Policy and Strategy Committee agreed the new senior structure for the Corporate Governance Directorate. This included the creation of a corporate programme office (CPO) to lead, promote and support corporate working on project and programme management.

(e) The new approach to project and programme management is intended to provide appropriate levels of corporate support and challenge in future, and hence better accountability to elected members in future.

(f) By embedding best practice and taking a corporate approach to project delivery across the Council the objective is to ensure that in future all Council programmes and projects are managed to:

- drive innovative approaches to service delivery working with all service areas and key stakeholders and focused on the delivery of outcomes and lessening the burden of bureaucracy;
- ensure the Council is working collaboratively with citizens, key stakeholders, partners, elected members and all service areas to provide a balance of challenge, enablement and support;

- promote and embed a robust, effective project initiation process ensuring all new projects are aligned to the Council's vision and capital coalition pledges;
  - support a risk based approach;
  - ensure appropriate and skilled resources are assigned to support successful and effective delivery;
  - provide a structured, consistent quality assurance framework;
  - ensure meaningful, effective and efficient reporting to citizens, elected members and management;
  - build a greater level of capability, skills and knowledge across the organisation; and
  - provide continuous high level monitoring for elected members on all corporate projects.
- (g) The CPO has brought together oversight of all major Council projects and adopted the managing successful programmes (MSP) model harnessing best practice from experience in both the public and private sectors. The CPO team, led by the Head of Corporate Programmes includes senior manager roles dedicated to service re-design, supporting and developing transformational change, major programmes/projects, including internal improvement plans and a centre of excellence.

### **2.1.8 Arms length external organisations (ALEOs)**

- (a) During 2011, new governance arrangements were agreed for the Council's tram project and tie Limited, the Council ALEO responsible for managing the tram project was disbanded. In light of the wider impact of the current economic climate, funding pressures and a clear focus and commitment to secure best value a detailed review of Council ALEOs was instructed that was carried out by Invercap Corporate Solutions and completed in August 2012. The objective of this review was to strengthen current governance arrangements recognising the requirement to set out an enhanced framework for the Council's relationship with ALEOs. The proposals are based on the core principles of transparency, accountability and integrity taking account of the Audit Scotland toolkit and other appropriate guidance.
- (b) The revised governance framework includes:
- effective oversight and monitoring of all ALEOs;
  - role of Council Committees in respect of ALEOs;
  - participation of CEC appointed non-executive directors within the board structure; and

- the establishment of audit, nominations and remuneration committees of the company boards.
- (c) Consultation is underway with both elected members and officers on the proposals. A report outlining the proposed new governance framework will be considered by the Council in December 2012.

### **2.1.9 ICT strategy**

- (a) The Council has undertaken a range of scoping and engagement work from February 2012 to assess the existing ICT strategy and future plans. This has confirmed that to support effective service delivery and attainment of best value it is critical for changes to be made and for the Council to have customer centric, easy to use solutions that evolve as customers' needs and behaviours develop, enabling all key services.
- (b) Shortly afterwards in May 2012 Audit Scotland prepared an ICT service review for the City of Edinburgh Council that recognised a number of areas of good practice within the organisation. In addition, the report highlighted that the existing ICT strategy may not reflect the Council's current strategic objectives and changing information needs.
- (c) A new ICT strategy is being consulted on and developed currently with an initial overview report to be considered by the Corporate Policy and Strategy Committee in December 2012. The ICT Strategy Sounding Board with elected members will drive forward the strategy in the coming months.

## **2.2 Corporate risks**

### **2.2.1 General**

- (a) The Council's corporate risk policy and strategy has been fully updated and details are provided in a separate report on this agenda.
- (b) A full exercise is currently being undertaken to update the corporate and all service area risk registers. A report with full details will be provided for the December meeting of the Governance, Risk and Best Value Committee.

### **2.2.2 Trams**

- (a) As indicated above, one of the main challenges highlighted in the corporate risk register is the tram project which has been subject to considerable public scrutiny. The Chief Executive is tasked with reporting tram project progress to the Council's new Governance, Risk and Best Value Committee on a quarterly basis.
- (b) The governance arrangements which were revised following the Settlement Agreement in September 2011 continue to work well, with good cooperation between the Council, Transport Scotland and the main contractors, which can



be evidenced by the steady pace of progress. The project remains on course to be delivered in line with the revised programme and budget, with a cost of work done to period 6 2012/13 of £669m.

- (c) A detailed update on the Tram Project is provided as a separate report on the agenda for this meeting of the Committee.

### **2.2.3 Property conservation**

- (a) Another challenge highlighted in the corporate risk register is the property conservation service which has also been subject to considerable public scrutiny.
- (b) In March 2011 the Chief Executive changed the management arrangements for the property conservation service in order to ensure thorough scrutiny following representations made to her upon her arrival in 2011. Under those revised arrangements, the Director of Services for Communities conducted an initial investigation as a result of which the Council commissioned Deloitte to undertake a detailed investigation. That investigation ran in parallel with a police investigation.
- (c) The Council's investigation identified significant management failings in the property conservation service and also other major weaknesses elsewhere in the Council's property function within City Development. The Council investigation resulted in a significant number of disciplinary investigations which in turn resulted in a number of dismissals as well as other sanctions.
- (d) The Council has also suspended work with a number of contractors who may be implicated following the Council's investigation and the Council will shortly consider whether those suspensions should be converted into exclusions.
- (e) The Council's investigation also identified significant weaknesses in terms of financial and project management. This position has now been forensically examined and the full extent of these issues properly defined. Work is now in hand to recover uncollected and unbilled debt and progress is being made in terms of resolving outstanding customer complaints.
- (f) It is recognised that the existing business model and working arrangements are no longer viable. As a result, an external consultation regarding future service re-design has recently been carried out. The results will be reported to committee shortly. The new service is scheduled to begin to operate in Spring 2013.
- (g) A dedicated sub committee of the Finance and Budget Committee has been established to oversee this work. That sub committee is meeting on a monthly basis.

## 2.2.4 Financial position

- (a) A key priority for the Council has been to ensure ongoing financial stability.
- (b) Substantial progress has been made since the Council's initial best value assessment in 2006 including:
- all services maintaining expenditure within the budgeted level for each of the last 3 financial years;
  - building up the level of unallocated reserves and making appropriate provision for liabilities arising from equal pay and the introduction of modernised pay arrangements; and
  - developing and maintaining a long term financial plan which captures the key factors influencing the Council's additional need to spend and compares the combined impact of these elements to the projected level of resources available to identify the net annual savings requirement going forward.
- (c) Audit Scotland's update report earlier this year to the Council's assurance and improvement plan 2012/15 concluded that the Council's overall financial management was soundly based.
- (d) Notwithstanding that, the Council requires to make savings of circa £95m over the next five years relative to a gross annual budget of £1.4bn.
- (e) A draft set of officer proposals have been prepared following a priority based planning and outcome based process. These have a particular initial focus on balancing the 2013/2014 budget and form part of a 5 year budget framework. It is expected that they will be presented to Committee for consideration by elected members in early December and form the basis of public consultation and engagement.

## 2.2.5 Welfare reform

- (a) On 8 March 2012, the Welfare Reform Act received Royal Assent. The Act introduces a wide range of reforms across the benefits and tax credits system with the intention of:
- making work pay;
  - simplifying the benefits and tax credit system; and
  - reducing the cost of the benefits system.
- (b) A major change introduced by the Act is the introduction of a universal credit to replace many of the existing benefits and which will now be applied for online and paid monthly in arrears.
- (c) COSLA have prepared a standard template for the analysis of the financial and other risks and impacts associated with welfare reform - a business continuity

impact assessment (BCIA). The Council has agreed to adopt the BCIA and has begun analysis of the potential impacts in more detail. Further reports will be made to the Corporate Policy and Strategy Committee in future on the outcome of this analysis.

### **2.2.6 Health and Social Care Integration**

- (a) The Scottish Government has consulted on proposals to integrate adult health and social care services in Scotland with the aim of improving the quality and consistency of outcomes for people. The exact form which integration will take is yet to be confirmed and the final legislative framework will be informed by comments received as part of the consultation but it is recognised that integration will have a significant impact on how Local Authorities hold integrated services accountable.
- (b) Interim governance arrangements were agreed by the Policy and Strategy Committee on 2 October 2012 to support the integration of health and social care services. The shadow health and social care partnership will be made up of voting and non-voting members and will oversee the establishment of a new joint HSCP from 1 April 2013, subject to Scottish Government legislation and guidance. Regular updates on developments will be reported to the Corporate Policy and Strategy Committee.

### **2.3 Future developments**

- (a) Following significant changes of senior personnel in 2011, the current Corporate Management Team (CMT) have been pro-active in addressing a range of issues which include: working corporately; developing a vision, values and strategic direction; and addressing the legacy internal governance and control issues.
- (b) The CMT is committed to ensuring that improvements are implemented by means of a single approach which brings together a wide range of reviews, change programmes and strategic projects, all of this reflecting the policy direction of elected members and the importance of an effective member/officer/public interface.
- (c) The wider governance review and a range of ongoing improvement actions have supported the Council to develop the following detailed plans to ensure there is scope to continue to achieve best value and provide key services all within the current financial constraints:
  - priority based planning: from January 2012, this approach has been undertaken to focus on aligning the Council's resources to the agreed priority outcomes, service delivery drivers and capital coalition pledges. The outcome of the process is the Council's draft 5 year budget framework that will support consultation with citizens and inform members' decision making throughout the budget process;

- Edinburgh transformation programme: a framework for transformation across the organisation and a range of Council services has been developed to support delivery of the Council's strategic outcomes, capital coalition pledges and single outcome agreement. The framework is aligned to the priority based planning approach and it will be a key focus of the upcoming budget process. The transformation framework has identified six themed areas for development including customer access and strategy, early intervention, personalisation, health and social care integration, community capacity building and partnership models. The themed approach to develop a framework and delivery plan for transformation activities ensures the Council can make significant progress in a strategic and cross cutting way; and
- operational excellence: in recognition of the requirement for the organisation to make significant progress to become more efficient and effective the Council agreed an operational excellence programme of work to implement improvement actions in relation to process transformation, business support services, property rationalisation, procurement, ICT strategy, corporate programme office, governance review, cooperative development unit and organisational development. A formal programme management approach is in place for the programme along with regular progress reporting to the Finance and Budget Committee.

### 3. Recommendations

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- 3.1 To note the progress outlined in relation to the key areas of the governance review referred to in section 2.1.
- 3.2 To note the progress outlined in relation to the main corporate risks referred to in section 2.2.
- 3.3 To note the future developments set out in section 2.3.
- 3.4 To agree that the Director of Corporate Governance will provide a progress report on operational governance and internal controls to the Governance, Risk and Best Value Committee on a quarterly basis.

Sue Bruce  
Chief Executive

# Appendix One

## Ernst & Young: Risk management – current state assessment

Area	Indicative basic practices	Indicative average practices	Indicative leading practices
<b>Governance</b>	<ul style="list-style-type: none"> <li>Limited explicit ownership for overall governance</li> <li>Policies and procedures for risk governance not formally defined</li> <li>Implicit ownership for risks</li> <li>Various stand alone committees with risk roles</li> </ul>	<ul style="list-style-type: none"> <li>Clear risk ownership across business and functions</li> <li>Defined risk roles across Audit Committee and business risk forums, etc.</li> <li>Policies and procedures exist and are communicated</li> <li>Overall framework ensuring compliance</li> </ul>	<ul style="list-style-type: none"> <li>Explicit ownership of risk and clear evidence of accountability</li> <li>Policies and procedures are enforced</li> <li>Risk committee with integrated risk committee roles across Audit Committee and business risk forums, etc.</li> </ul>
<b>Risk strategy</b>	<ul style="list-style-type: none"> <li>Various frameworks in place across organisation</li> <li>Limited linkages of risk and stakeholder value</li> <li>No explicit Risk Management (RM) strategic plan</li> <li>No assurance mapping</li> </ul>	<ul style="list-style-type: none"> <li>Consistent framework rolled out across organisation</li> <li>Linkage of risk to strategic goals</li> <li>Overall RM plan to achieve compliance with regulatory requirements</li> <li>Minimal view of all assurance requirements</li> </ul>	<ul style="list-style-type: none"> <li>Board sponsored, comprehensive framework fully embedded across organisation</li> <li>Explicit linkage of stakeholder value and risk</li> <li>Clear responsibilities and objectives established for RM</li> <li>Integrated process of identifying assurance needs</li> </ul>
<b>Risk management processes</b>	<ul style="list-style-type: none"> <li>Basic risk assessments and treatment provision across businesses</li> <li>Limited risk management across core business processes</li> <li>Risk management is reactive in nature</li> </ul>	<ul style="list-style-type: none"> <li>Top down and bottom up risk assessment, with appropriate escalation processes</li> <li>Business and functions working together</li> <li>Risk management integrated into core processes with some modelling capability</li> </ul>	<ul style="list-style-type: none"> <li>Clear linkage between financial performance and risk management performance</li> <li>Overall risk and treatment portfolio approach</li> <li>Coordinated risk management within core processes, with appropriate quantification tools</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Limited use of technology to capture risks or monitor performance</li> <li>Various simple databases used to analyse risk management information</li> <li>Intranet used for simple document management</li> </ul>	<ul style="list-style-type: none"> <li>Early warning system (EWS) based around KPIs</li> <li>Risk repository and intranet operated by risk specialists</li> <li>Various stand alone risk tools</li> <li>Basic modelling tools for core processes</li> </ul>	<ul style="list-style-type: none"> <li>Integrated EWS from financial and risk systems, using internal and external data</li> <li>Sophisticated risk databases and intranet used by whole organisation</li> <li>Complex modelling and simulation tools</li> </ul>
<b>Risk management functions</b>	<ul style="list-style-type: none"> <li>Stand alone functions, with potential for overlap, and limited communication or sharing of information</li> <li>Minimal reporting of risk and assurance from group functions</li> </ul>	<ul style="list-style-type: none"> <li>Clearly defined roles across functions although stand alone</li> <li>Elements of clear assurance planning by functions, coordinated with business</li> <li>Formalised reporting</li> </ul>	<ul style="list-style-type: none"> <li>Fully coordinated assurance provision by functions (internal, outsourced and embedded)</li> <li>Clear objectives for functions around cost savings, efficiency, assurance, learning, etc.</li> <li>Performance improvement and adding value key objective for functions</li> </ul>
<b>Culture and capability</b>	<ul style="list-style-type: none"> <li>Various policies and procedures in place although not fully reflective of actual operations</li> <li>Limited clarity on skills needs with risk management training focused on specialist roles</li> <li>Minimal use of performance measures</li> </ul>	<ul style="list-style-type: none"> <li>Clear procedures across businesses and core functions with clarity of individual skills needs</li> <li>Compliance focused risk management training</li> <li>Reasonable coverage of individual performance measures</li> </ul>	<ul style="list-style-type: none"> <li>Organisation-wide risk management handbook with supporting roll out and communications</li> <li>Interactive training programme linked to key processes and roles and individual development</li> <li>Staff incentives based around individual risk based performance measures/scorecards, etc.</li> </ul>

▭ Status at May 2012    ▭ Recommended future state

## Appendix Two

### KPMG: Review of organisation wide controls

Area	Recommendations			Total	Phase two recommended
	High	Moderate	Low		
Organisation-wide controls		2	4	6	
Budget monitoring			2	2	
Performance management		5		5	Further review
Fraud	2	2	2	6	Further review
Accounts payable	5	3		8	Yes
Accounts receivable	2			2	Yes
Cash collection	3	3		6	Yes
Payroll		2	2	4	
Treasury		1	1	2	
Non-domestic rates		2		2	
<b>Total</b>	<b>12</b>	<b>19</b>	<b>12</b>	<b>43</b>	