Notice of meeting and agenda

Governance, Risk and Best Value Committee

10am, Thursday, 12 November 2015

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 – Gavin King, Committee Services Manager

E-mail: gavin.king@edinburgh.gov.uk

Tel: 0131 529 4239

Carol Richardson, Assistant Committee Clerk

E-mail: carol.richardson@edinburgh.gov.uk

Tel: 0131 529 4105

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

1.   Order of business

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

2.   Declarations of Interest

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

3.1   None.

4.   Minutes

4.1   Minute of the Governance, Risk and Best Value Committee of 19 October 2015 – submitted for approval as a correct record.

5.   Outstanding Actions

5.1   Outstanding Actions – November 2015 (circulated)

6.   Work Programme

6.1   Governance, Risk and Best Value Work Programme – November 2015 (circulated)

7.   Reports

7.1   Governance Arrangements and Council Support to Community Centre Management Committees – referral from the Education, Children and Families Committee (circulated)

7.2   Common Good – report by the Deputy Chief Executive (circulated)

7.3   Property Conservation: Programme Momentum Review – report by the Deputy Chief Executive (circulated)

7.4   Internal Audit and Risk Service Delivery Model – report by the Deputy Chief Executive (circulated)

7.5   Governance of Major Projects: Progress – report by the Deputy Chief Executive (circulated)

7.6   Spot-Checking on the Dissemination of Committee Decisions and Late Committee Reports – report by the Deputy Chief Executive (circulated)

7.7   Capital Monitoring 2015/16 – Half Year Position – referral from the Finance and Resources Committee (circulated)

7.8   Health and Social Care Integration - Update – referral from the Finance and Resources Committee (circulated)

8.   Motions

8.1   If any.

Carol Campbell

Head of Legal and Risk

Committee Members

Councillors Balfour (Convener), Child, Dixon, Gardner, Keil, Main, Mowat, Munro, Orr, Redpath, Ritchie, Shields, and Tymkewycz.

Information about the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee consists of 13 Councillors appointed by the City of Edinburgh Council. The Governance, Risk and Best Value Committee usually meet every four weeks in the City Chambers, High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Gavin King, Committee Services, City of Edinburgh Council, Waverley Court, Business Centre 2.1, Edinburgh EH8 8BG, Tel 0131 529 4239, e-mail gavin.king@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.

Webcasting of Council meetings

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the clerk will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Generally the public seating areas will not be filmed. However, by entering the Dean of Guild Court Room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting or training purposes.

If you have any queries regarding this, please contact Committee Services on 0131 529 4106 or committee.services@edinburgh.gov.uk

Minutes

Governance, Risk and Best Value Committee

2:00pm, Monday, 19 October 2015

Present

Councillors Balfour (Convener), Dixon, Gardner, Howat, Keil, Main, Mowat, Munro, Orr, Redpath, Shields and Tymkewycz.

Also present: Councillor Cameron Rose for consideration of item B1.2

1. Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 23 September 2015 as a correct record.

2. Outstanding Actions

Details were provided of the outstanding actions arising from decisions taken by the Committee.

Decision

1) To agree to close actions 7, 13 and 15.

2) To note the remaining outstanding actions.

(Reference – Outstanding Actions - October 2015, submitted.)

3. Work Programme

Decision

To approve the Work Programme.

(Reference – Governance, Risk and Best Value Work Programme – October 2015, submitted.)

4. Pride in our People and Key Engagement Activity Update 2015

Committee considered an update on the employee engagement activities undertaken over the past year. Details were also provided on the Pride in our People 2015 theme and the introduction of staff engagement sessions with the Chief Executive and Directors in response to demand for increased leadership visibility.

Decision

To note the report.

(References – Governance, Risk and Best Value Committee of 9 October 20114 (item 4); report by the Deputy Chief Executive, submitted.)

5.   Revenue Monitoring 2014/15 – Outturn Report

The City of Edinburgh Council on 17 September 2015 considered a report on the provisional 2014/15 revenue outturn position for the Council based on the unaudited financial statements. The report was referred to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

Decision

1)   To note the report.

2)   To note that the Head of Finance would explore ways to use the common good fund to pro-actively maintain and refurbish common good property.

(References – Act of Council No 9 of 17 September 2015; report by the Deputy Chief Executive, submitted.)

6.   Revenue Monitoring 2015/16 – Month 3 Position

The City of Edinburgh Council on 17 September 2015 considered a report on the projected month three monitoring position for the Council based on period two data. The report was referred to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

Decision

To note the report.

(References – Act of Council No 10 of 17 September 2015; report by the Deputy Chief Executive, submitted.)

7.   Treasury Management – Annual Report 2014/15

The City of Edinburgh Council on 17 September 2015 considered a report on Treasury Management in 2014/15. The report was referred to the Governance, Risk and Best Value Committee for scrutiny.

Decision

To note the report.

(References – Act of Council No 11 of 17 September 2015; report by the Deputy Chief Executive, submitted.)

8.   Committee Report Process

Details of the actions proposed to make efficiencies to the committee report process were provided.

Decision

1) To note the efficiencies and more consistent committee report process established across the Council outlined in paragraphs 3.12 to 3.18 of the report by the Deputy Chief Executive.

2) To request that the Strategy and Governance Manager circulate a breakdown of the committee report figures detailed in paragraph 3.12 of the report by the Deputy Chief Executive, outlining those which were statutory and decisions-making.

3) To investigate technology offered by the new IT provider with a view to improving report format and reducing officer workload. To request a progress report back to Committee in one year.

4) To refer the report to the Corporate Policy and Strategy Committee to review the volume of reports considered, in particular those by the Finance and Resources Committee and to review the Terms of Reference to re-balance the workload of each Committee.

5) To request that the Strategy and Governance Manager organise workshops with elected members on what was required from a committee report

(References – Governance, Risk and Best Value Committee of 23 April 2015 (item 1), report by the Deputy Chief Executive, submitted.)

9.   Whistleblowing Update

An overview of the operation of the Council's whistleblowing hotline from the period 1 May to 31 August 2015 was provided.

Decision

To note the report.

(References – Finance and Resources Committee of 27 August 2015 (item 20), report by the Deputy Chief Executive, submitted.)

10.   Resolution to consider in private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 1, 3, 4 and 15 of Schedule 7(A) of the Act.

11.   Whistleblowing: Monitoring Report

The committee considered an overview report on the disclosures received and investigation outcome reports for the period 1 May to 31 August 2015.

Decision

To note the report.

(References – Finance and Resources Committee of 19 September 2013 (item 2), report by the Deputy Chief Executive, submitted.)

12. Monitoring Officer Investigation: Cameron House

The Committee considered the report by the monitoring officer in relation to Cameron House.

Councillor Cameron Rose was heard as part of the consideration of this report.

Decision

1) To note the report.

2) To recognise that Council officers did not always meet the professional standards that would be expected in their dealings with the Centre and recommend that the Chief Executive and the Executive Director of Communities and Families, on behalf of the Council, should issue an apology to the Cameron House Management Committee and the users of the Centre for the inconvenience caused as a result of these failures.

3) To recognise the breakdown in the relationship that had occurred between the Council on one side and the Cameron House Management Committee on the other and to request the Chief Executive to ensure that the Executive Director of Communities and Families and the Acting Head of Corporate Property take the necessary steps to ensure that the relationships were restored to a normal position. To request an update in 6 months as to progress made in restoring this relationship.

4) To request that the Executive Director of Communities and Families and the Interim Head of Property meet with the current management committee of Cameron House, to convey the Council's apology to discuss restoring the relationship between the Council and the Management Committee and for the Convener and the Monitoring Officer also attend.

5) To request the Head of Legal and Risk investigates whether any relevant legal records were available.

6) To continue consideration of the report to the next meeting to allow the attendance of the Executive Director of Communities and Families and the Monitoring Officer.

(References - Finance and Resources Committee of 27 August 2015 (item 12), report by the Deputy Chief Executive, submitted.)

Item 5.1   Outstanding Actions

Governance, Risk and Best Value Committee

November 2015

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	14.11.2013	Tram Project Update	To ask that the Director of Corporate Governance writes to the Scottish Government requesting an update on likely timescales for the tram project inquiry.	Director of Corporate Governance	November 2014		Inquiry now called by Scottish Government. Verbal Update on Tram project to be provided in 2015.
2	14.11.2013	Corporate and Operational Governance	To request that the Director of Corporate Governance provides an update report in September 2014, in particular providing progress on procurement, risk and the development of a related training programme.	Director of Corporate Governance	September 2014		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
3	19.12.2013	Corporate Governance: High Performing Workforce – Induction and Training	To request that a follow-up report by the Chief Internal Auditor be submitted to the Committee in June 2014.	Director of Corporate Governance	June 2014		Organisational Development now expected to lead this report.
4	03/04/2014	Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes	That a briefing should be given to all political groups on the lessons learnt on major projects, with particular reference to the Water of Leith Flood Prevention Scheme.	Director of Services for Communities	September 2015		
5	19/06/2014	Committee Decisions: Dissemination and Implementation and Update to Member/Officer Protocol	To agree that a report outlining all decisions taken in the previous year by that committee, update on implementation of decisions and recommendations to discharge actions be presented to the Corporate Policy and Strategy Committee, Executive Committees and the Governance, Risk and Best Value Committee on an annual basis.	Director of Corporate Governance			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
6	19/06/2014	Committee Decisions: Dissemination and Implementation and Update to Member/Officer Protocol	That a spot-checking system on the dissemination of committee decisions to staff be introduced with an update being provided to the Committee every six months.	Director of Corporate Governance	November 2015		**On November agenda – item recommended for closure**
7	09/10/14	Review of Political Management Arrangements	To ask that information on the number of, and reasons given for, the late submission of reports is submitted bi-annually to committee	Director of Corporate Governance	November 2015		**On November agenda – item recommended for closure**
8	09/10/14	Greendykes and Wauchope Communal Heating Update	To request a report in 12 months to both the Finance and Resources Committee and Health, Social Care and Housing Committee on whether the savings were achieved.	Acting Director of Services for Communities	October 2015		The expected end date has been changed to February 2016 following consideration of the report on savings achieved at the Health, Social Care and Housing

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Committee in January 2016 then referral to the Finance and Resources Committee.
9	13/11/14	Staff who have accepted Voluntary Redundancy or Voluntary Early Release Arrangements and returned to employment with the City of Edinburgh Council	To request a report by the Director of Corporate Governance, in March 2015, providing a high level overview of workforce management and including further detail on the policies around the employment of teachers and use of supply teachers.	Director of Corporate Governance	March 2015		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10	05/03/2015	Cameron House Community Centre: Review of Project Delivery	To request a report to the Education, Children and Families Committee in 3 cycles providing an update on how ongoing issues with the building were being resolved.	Director of Services for Communities	December 2015		
11	05/03/2015	Cameron House Community Centre: Review of Project Delivery	To request a report within two cycles to the Education, Children and Families Committee prior to coming to Governance, Risk and Best Value Committee on governance arrangements (including the escalation of issues, service management and the interaction with Neighbourhood Partnerships) and Council support to community centre management committees.	Director of Children and Families	November 2015		**On November agenda – item recommended for closure**

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
12	05/03/2015	Internal Audit Follow-Up Arrangements: Status Report from 1 October to 31 December 2014	To note that mandatory information security training for all staff would be rolled out as part of the ongoing Performance Review and Development process and that once this had been completed for staff in Children and Families it would be reported as part of the Internal Audit Quarterly Review report.	Director of Children and Families			
13	21/05/2015	Governance of Major Projects: Progress Report	To include details on the overall capital funding in regard to the Early Years Projects.	Director of Corporate Governance			
14	21/05/2015	Governance of Major Projects: Progress Report	To provide a briefing note to Committee on the impact of the Fleet Review project on service delivery	Acting Director of Services for Communities	September 2015		Expected January 2016 when Review is completed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
15	21/05/2015	Report by the Accounts Commission - An overview of local government in Scotland 2015	To note that clarity would be provided regarding the audit arrangements for the new Health and Social Care Integrated Joint Board.	Director of Corporate			
16	18/06/2015	Property Conservation: Programme Momentum Review, July 2014 – April 2015	To ask the Director of Corporate Governance to provide a briefing note regarding the issues with the allocation of shares for billing.	Director of Corporate Governance			**On November agenda – item recommended for closure**
17	18/06/2015	Property Conservation: Programme Momentum Review, July 2014 – April 2015	To request an update report to Governance, Risk and Best Value Committee in six months.	Director of Corporate Governance	November 2015		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
18	18/06/2015	Corporate Leadership Group (CLG) Risk Update	To request a report to the December Committee on how best to ensure a consistent approach to measuring demographics and how this was applied across the Council.	Director of Corporate Governance			
19	13/08/2015	Work Programme	To request that the Chief Social Work Officer reports on the management of care staff, particularly client contact time versus total hours worked and the number of visits for each carer. This should include the full visit data for a week - visit start and finish times and shift start and finish times to compare contact time with 'downtime'.	Chief Social Work Officer	November 2015		
20	13/08/2015	Common Good Assets Register	To request an update report in November 2015 to the Governance, Risk and Best Value Committee, including details of how community knowledge and historical documents could be utilised in defining common good.	Acting Director of Services for Communities	November 2015		**On November agenda – item recommended for closure**

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
21	13/08/2015	Common Good Assets Register	To invite Andy Wightman to speak at a future meeting of the Committee.	Deputy Chief Executive			**On November agenda – item recommended for closure**
22	23/09/2015	Internal Audit Report: Integrated Health and Social Care	To request an update on the process and timings for sign off of the Council's response to the statutory consultation on the Strategic Plan.	Deputy Chief Executive			
23	23/09/2015	Internal Audit Report: Integrated Health and Social Care	To request an update on the critical and high risks identified in the audit report to the December Committee.	Deputy Chief Executive	December 2015		
24	23/09/2015	Internal Audit Quarterly Update Report: 1 April 2015 – 30 June 2015	To ask that a summary of the Internal Audit findings on management of HMO licenses be circulated to members of the Regulatory Committee for information.	Acting Director of Services for Communities			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
25	23/09/2015	Internal Audit follow-up arrangements: status report from 1 April 2015 to 30 September 2015	To request an update to the December committee on ICT contract management, governance and change control arrangements, and the transition process to the new ICT provider.	Deputy Chief Executive	December 2015		
26	19/10/2015	Committee Report Process	To request that the Strategy and Governance Manager circulate a breakdown of the committee report figures detailed in paragraph 3.12, outlining those which were statutory and decisions-making.	Deputy Chief Executive			
27	19/10/2015	Committee Report Process	To investigate technology offered by the new IT provider with a view to improving report format and reducing officer workload. To request a progress report back to Committee in one year.	Deputy Chief Executive	October 2016		

Item 6.1   Work programme

Governance, Risk and Best Value

November 2015

No	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
Section A – Regular Audit Items								
1	Internal Audit Overview of internal audit follow up arrangements		Paper outlines previous issues with follow up of internal audit recommendations, and an overview of the revised process within internal audit to follow up recommendations, including the role of CLG and the Committee	Internal Audit	Chief Internal Auditor	Council Wide	Every 3 cycles	December 2015
2	Internal Audit Quarterly Activity Report		Review of quarterly IA activity with focus on high and medium risk findings to allow committee to challenge and request to see further detail on findings or to question relevant officers about findings	Internal Audit	Chief Internal Auditor	Council Wide	Every 3 cycles	December 2015

No	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
3	IA Annual Report for the Year		Review of annual IA activity with overall IA opinion on governance framework of the Council for consideration and challenge by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	June 2016
4	IA Audit Plan for the year		Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	March 2016
5	Audit Scotland	Review of Internal Audit	Annual report on internal audit support provided to External Audit	External Audit	Chief Internal Auditor	Council Wide	Annually	TBC
6	Audit Scotland	Annual Audit Plan	Annual audit plan	External Audit	Hugh Dunn	Council Wide	Annually	April 2016
7	Audit Scotland	Annual Audit Report	Annual audit report	External Audit	Hugh Dunn	Council Wide	Annually	December 2015
8	Audit Scotland	Internal Controls Report	Annual report on Council wide control framework	External Audit	Hugh Dunn	Council Wide	Annually	August 2016

No	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
9	Audit Scotland	ISA 260	Annual ISA 260 Report	External Audit	Hugh Dunn	Council Wide	Annually	September 2016
10	Audit Scotland	Annual overview report	Based on the local government audit work in 2013, the report provides a high-level, independent view on the progress councils are making in managing their finances and in achieving Best Value, and is designed to help councillors identify priorities in 2014.	External Audit	Hugh Dunn	All local authorities in Scotland	n/a	June 2016
11	Accounts Commission	Annual report	Local Government Overview	External Audit	Hugh Dunn	Council Wide	Annually	June 2016
Section B – Standing Project Items								
12	Governance of Major Projects	6 monthly updates	To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Karen Kelly	All	Every 6 months	May 2016
Section C – Scrutiny Items								
13	Welfare Reform	Review	Regular update reports	Scrutiny	Danny Gallacher, Head of Corporate and Transactional Services	Council Wide	January 2015	January 2016

No	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
14	Review of CLG Risk Scrutiny	Risk	Quarterly review of CLG's scrutiny of risk	Risk Management	Chief Executive	Council Wide	Quarterly	December 2015
15	Whistle blowing Quarterly Report		Quarterly Report	Scrutiny	Alastair Maclean, Deputy Chief Executive	Internal	Quarterly	January 2016
16	Pride in our People	Staff	Annual report of progress	Scrutiny	Chief Executive	Council Wide	Annual	October 2016
17	Workforce Control	Staff	Annual report	Scrutiny	Alastair Maclean, Deputy Chief Executive	Council Wide	Annual	December 2015
18	Committee Decisions		Annual report	Scrutiny	Alastair Maclean, Deputy Chief Executive	Governance, Risk and Best Value Committee	Annual	August 2016
19	Dissemination of Committee Decisions		Bi-annual report	Scrutiny	Alastair Maclean, Deputy Chief Executive	Council Wide	Six-monthly	May 2016
20	Late Submission of reports		Bi-annual report	Scrutiny	Alastair Maclean, Deputy Chief Executive	Council Wide	Six-monthly	May 2016

GRBV Upcoming Reports   Appendix 1

Number	Report Title	Type	Flexible/Not Flexible
17 December 2015 Committee			
1	Cameron House – Building Issues	Scrutiny	Flexible
2	CLG Risk Register	Scrutiny	Flexible
3	Measuring Demographics	Scrutiny	Flexible
4	IA Follow Up Arrangements	Internal Audit	Flexible
5	IA Quarterly Update	Internal Audit	Flexible
6	Integrated Health and Social Care Update	Internal Audit	Flexible
7	ICT Contract Update	Scrutiny	Flexible
8	Workforce Controls	Scrutiny	Flexible
9	Management of Care Staff	Scrutiny	Flexible
10	Common Good Assets Register	Scrutiny	Flexible
11	Directorate Risk Register	Scrutiny	Flexible
28 January 2016 Committee			
1	Welfare Reform	Scrutiny	Flexible
2	Whistleblowing Update	Scrutiny	Flexible
3	Edinburgh Jazz and Blues Festival - update	Scrutiny	Flexible
3 March 2016 Committee			
1	IA Audit Plan for the Year	Internal Audit	Flexible
2	IA Follow Up Arrangements	Internal Audit	Flexible
3	IA Quarterly Update	Internal Audit	Flexible
21 April 2016 Committee			
1	CLG Risk Register	Scrutiny	Flexible
2	Directorate Risk Register	Scrutiny	Flexible
3	Annual Audit Plan	External Audit	Not flexible

Governance, Risk and Best Value Committee

10am, Thursday, 12 November 2015

Governance Arrangements and Council Support to Community Centre Management Committees – referral from the Education, Children and Families Committee

Item number	7.1
Report number	
Executive/routine	
Wards	

Executive summary

As previously requested by the Governance, Risk and Best Value Committee, the Education, Children and Families Committee on 6 October 2015 considered a report on the arrangements and Council support to community centre management committees. The Committee agreed to note the report and to refer it to the Governance, Risk and Best Value Committee for consideration.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report

Terms of Referral

Governance Arrangements and Council Support to Community Centre Management Committees

Terms of referral

1.1   The Governance, Risk and Best Value Committee had previously requested that a report be submitted to the Education, Children and Families Committee on governance arrangements and Council support to community centre management committees, prior to being submitted to the Governance, Risk and Best Value Committee for consideration.

1.2   On 6 October 2015, the Education, Children and Families Committee considered a report by the Executive Director of Communities and Families on the governance arrangements (including the escalation of issues, service management and the interaction with Neighbourhood Partnerships) and Council support to community centre management committees.

1.3   The Education, Children and Families Committee agreed:

1.3.1. To note the contents of the report by the Executive Director.

1.3.2. To refer the Executive Director's report to Governance, Risk and Best Value Committee for consideration.

For Decision/Action

2.1   The Governance, Risk and Best Value Committee is asked to consider the attached report by the Executive Director of Communities and Families.

Background reading / external references

Minute of the Governance, Risk and Best Value Committee - 5 March 2015

Governance, Risk and Best Value Committee – 12 November 2015

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Ross Murray, Assistant Committee Clerk

E-mail: Ross.Murray@edinburgh.gov.uk | Tel: 0131 469 3870

Links

Coalition pledges	
Council outcomes	
Single Outcome Agreement	
Appendices	Governance Arrangements and Council Support to Community Centre Management Committees – report by the Executive Director of Communities and Families

Education, Children and Families Committee

10am, Tuesday, 6 October 2015

Governance Arrangements and Council support to Community Centre Management Committees

Item number

Report number

Executive/routine

Wards

Executive summary

This Report was requested by Governance, Risk and Best Value Committee at its meeting on 5 March 2015. The Report describes the arrangements (including the escalation of issues, service management and interaction with neighbourhood partnerships) and Council support to community centre management committees.

Links

Coalition pledges	P33, P36 and P41
Council outcomes	CO23, CO25 and CO27
Single Outcome Agreement	SO2, SO3 and SO4

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Governance Arrangements and Council support to Community Centre Management Committees

Recommendations

1.1 Note the contents of the report.

1.2 That the report be referred to the GRBV Committee for consideration.

Background

2.1 Nearly all of the 38 Community Centres are leased to Management Committees that are usually made up of user groups and/or local residents. The Management Committees or Trustees are unincorporated associations with charitable status registered with Office of Scottish Charity Regulator (OSCR). This registration saves approximately £1.2m annually in rates.

2.2 The Council and Management Committee manage the community centre facility in partnership. In this way both Council priorities are met through locally responsive provision and services. All income generated from centre use, in the form of lets to local groups or agencies is held by the Management Committee.

2.3 CLD clerical staff provide operational support to the Management Committee to ensure it meets OSCR requirements.

2.4 The current model has been in place for approximately 40 years. A Partnership Portfolio was developed as a result of the review of CLD in 2010 to reinforce good practice around community centre governance and this was disseminated through a seminar with all stakeholders. The Partnership Portfolio contains information and guidance to support the management committee in areas such as governance, facilities management, role and responsibilities etc.

Main report

3.1 The role and responsibility of the CLD worker based in a Community Centre is to:

3.1.1 develop, deliver and manage the delivery of Council service priorities;

3.1.2 provide day to day management of all centre based support staff i.e. Clerical, Administrators, Service Support Officers (SSO), cleaners, part time Youth and Children's Workers etc.;

3.1.3 fulfil Head of Establishment responsibilities i.e. Health and Safety, liaise with Facilities Management, etc.;

3.1.4 provide guidance, training and support to the Management Committee members as and when required;

3.1.5 develop the centre programme in partnership with Management Committee. This often includes applying to external sources for funding.

3.2 CLD Workers do not work exclusively in the centre. They also have responsibility to develop services out with the building and contribute to local partnership projects or themed professional groups and activity. Some CLD workers support two or three centres.

3.3 CLD staff have a close working relationship with the local neighbourhood partnership. They share information, work on projects and initiatives together particularly around community engagement. CLD staff also support their management committees to apply for small grants from the neighbourhood partnership to either deliver additional service locally or contribute to building improvements.

3.4 The Management Committee's purpose and responsibility is to represent the local community and, working in partnership with CLD, to ensure that the resources of the centre are used for the benefit of all local residents. Their specific responsibilities and powers are included in their constitution and they must operate within OSCR guidelines. They receive support from CLD with carrying out these responsibilities. The management committee has no management responsibility for Council staff.

3.5 Letting Arrangements are a key area of activity by management committees. In the leasing agreement with Management Committees Council use of the centre is free. Management Committees make decisions on requests for centre use by community groups and non council organisations/businesses. They also set the let charges for the centre. Out with 'normal' opening times the Council's Extended let charge applies.

3.6 All income accumulated by, or raised by, Management Committees must be used to further their charitable objectives/aims. Only the Management Committee can decide how their funds are allocated.

3.7 Cleaning, Maintenance, Capital Works, Operational costs, SSOs and other servicing of the Centre are the responsibility of Integrated Facilities Management (IFM) within Corporate Property.

3.8 As Head of Establishment the CLDW will raise any building issues with their allocated FM Manager. If the issue is not addressed satisfactorily the matter is escalated to Senior Manager in FM through CLD line management until a solution or action is identified.

3.9 Most Management Committees have an 'open' invitation to elected members (Councillors, MPs and MSPs) to their board/committee meetings.

3.10 The CLD worker based in the Centre with the Head of Establishment role attends most Management Committee meetings. On occasion the local senior CLD worker will attend. CLD managers and the Senior Education manager also attend if invited.

Next Steps

4.1 The ongoing review of Community Centres as part of the wider property rationalisation work stream of the transformational change programme will include examining current arrangements and identifying areas for improvement as part of new locality arrangements.

Measures of success

5.1 There is a clearer understanding of the relationship between Council departments, particularly CLD, and management committees.

Financial impact

6.1 There is no financial impact.

Risk, policy, compliance and governance impact

7.1 There are no adverse impacts arising from this report.

Equalities impact

8.1 No adverse impact.

Sustainability impact

9.1 No adverse impact.

Consultation and engagement

10.1 There is ongoing consultation about the relationship between Council and management committees as it affects service delivery and governance.

Background reading/external references

Gillian Tee

Executive Director of Communities and Families

Contact: Dinah Pountain, Acting Community Learning and Development Manager

E-mail: dinah.pountain@edinburgh.gov.uk| Tel: 0131 469 3361

Links

Coalition pledges	P33 - Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used
	P36 - Develop improved partnership working across the Capital and with the voluntary sector to build on the "Total Craigroyston" model
	P41 - Take firm action to resolve issues surrounding the Council's property services
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
	CO25 - The Council has efficient and effective services that deliver on objectives
	CO27 - The Council supports, invests in and develops our people
Single Outcome Agreement	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
	SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
	SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	List of Community Centres

Appendix 1 List of Community Centres

1. Southbridge Resource Centre
2. Gate 55
3. Leith Community Centre
4. Inch Community Centre
5. St. Brides Community Centre
6. Royston/Wardieburn Community Centre
7. Carrickvale Community Centre
8. South Queensferry/Roseberry Hall
9. Pentland Community Centre
10. Southside Community Centre
11. Clovenstone Community Centre
12. Fort Community Wing
13. Cameron House Community Centre
14. Valley Park Community Centre
15. Castleview Community Centre
16. Jack Kane Community Centre
17. Goodtrees Neighbourhood Centre
18. Kirkliston Community Centre
19. Tollcross Community Centre
20. Magdalene Community Centre
21. Ratho Community Wing
22. Craigmount Community Base
23. Duncan Place Resource Centre
24. Gilmerton Community Centre
25. Craigentinny Community Centre
26. Gracemount Youth & Community Centre
27. West Pilton Neighbourhood Centre
28. Northfield Community Centre
29. Nelson Hall
30. Rannoch Community Centre
31. Gorgie Memorial Hall
32. Bingham Community Centre
33. Juniper Green Village Hall
34. Wardie Residents Association
35. Portobello Community Centre
36. Balerno Village Hall
37. Colinton Mains Community Centre
38. Moredun Community Centre

Governance, Risk and Best Value Committee

10.00am, Thursday 13 August 2015

Common Good Assets Register - referral from the Corporate Policy and Strategy Committee

Item number	7.2
Report number	
Wards	All

Executive summary

The Corporate Policy and Strategy Committee on 4 August 2015 considered a report detailing costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. The Governance, Risk and Best Value Committee had requested that the report be considered in the first instance by the Corporate Policy and Strategy Committee prior to it being submitted for its consideration.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Common Good Assets Register

Terms of referral

1.1   The Council has a statutory obligation under the Local Government Etc (Scotland) Act 1994, Section 15(4)(b) in administering property held as part of the common good to administer it having regard to the interests of all of the inhabitants of the City.

1.2   The Corporate Policy and Strategy Committee on 4 August 2015 considered a report detailing costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets.

1.3   The Corporate Policy and Strategy Committee agreed:

1)   To note the report.

2)   To note that further reports would be brought to Committee once Scottish Ministers' guidance on common good registers had been issued and to consider the implications arising from compliance with the Land Registration (Scotland) Act 2012.

3)   To note that the common good definition in Section 3 of the report by the Acting Director of Services for Communities was not intended to be exclusive and that there would be clarification of the definition with the next report to Committee.

4)   To agree to write to Scottish Ministers on the timescale for the publication of guidance.

5)   To refer the report to the Governance, Risk and Best Value Committee.

For Decision/Action

2.1   The Corporate Policy and Strategy Committee has submitted the report to the Governance, Risk and Best Value Committee for consideration.

Background reading / external references

Finance and Resources Committee 29 January 2008

Finance and Resources Committee 17 June 2008

Finance and Resources Committee 21 January 2010

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Louise Williamson, Assistant Committee Clerk

E-mail: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4264

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Corporate Policy and Strategy Committee

10.00 a.m, Tuesday, 4 August 2015

Common Good Assets Register

Item number	7.6
Report number	
Executive/routine	Routine
Wards	City wide

Executive summary

On 5 March 2015, the Governance, Risk and Best Value Committee requested a report to Corporate Policy and Strategy Committee, prior to coming to Governance, Risk and Best Value Committee, on costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. In preparing the report, officers were to consider the resources and skill sets required to carry out the review of the register.

This report responds to that request.

Links

Coalition pledges	P31, P33
Council outcomes	CO19
Single Outcome Agreement	SO2, SO4

Report

Common Good Assets Register

Recommendations

It is recommended that Committee:

1.1 Notes the contents of this report;

1.2 Notes that further reports will be brought to Committee:

(a) once Scottish Ministers' guidance about common good registers has been issued; and

(b) to consider the implications arising from compliance with the Land Registration (Scotland) Act 2012.

Background

2.1 On 24 February 2015, the Corporate Policy and Strategy Committee approved an urgent motion by Councillor Burns in regard to Parliament Hall and Common Good. Consequently, the Governance, Risk and Best Value Committee of 5 March 2015, requested a report to Corporate Policy and Strategy Committee, prior to coming to Governance, Risk and Best Value Committee, on costs and timescales involved in updating fully the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. In preparing the report, officers were to consider the resources and skill sets required to carry out the review of the register.

2.2 The Finance and Resources Committee, on 29 January 2008, made a similar request, i.e., to provide a further report with an indication of the costs of an exercise to research the full extent of the Council's common good holdings.

2.3 In response to this, the Finance and Resources Committee on 17 June 2008, were advised that it was anticipated that a team of four staff, comprising a solicitor, archivist, surveyor and a property research officer would be required to complete the exercise over a number of years, and that the annual employee costs of such a team would be in the region of £185,000.

2.4 Due to the cost implications of undertaking a comprehensive review of common good assets, the Committee resolved that a review would be undertaken prior to the disposal or change of use of any property, which would enable any common good implications to be considered on an ongoing case by case basis.

2.5 At its meeting on 21 January 2010, the Finance and Resource Committee, having considered the 2008/09 Audit Scotland report on the Council's Common

Good account, and recommendations made by the Corporate Asset Management Group, resolved:

1) To note the positive report received from Audit Scotland in its 2008/09 review of the City of Edinburgh Council's Common Good Fund.

2) That the Council would continue with its rolling programme of reviewing title deeds to identify potential Common Good properties.

3) That a review of individual properties would be undertaken when a change of use or a disposal of property was proposed.

4) All work related to these reviews would be carried out using existing staff resources.

2.6   The above is the Council's current procedure for reviewing common good property.

Main report

Definition of Common Good

3.1   There is no statutory definition of common good, nor has it been defined through case law. Although the pending Community Empowerment Bill makes provision for how local authorities should deal with common good property, it does not provide a definition.

3.2   The reasoning for not defining common good was set out in the Policy Memorandum to the pending Community Empowerment Bill and is as follows:

"These provisions do not seek to provide a new definition of common good. Inclusion on the register or exclusion from it will not determine whether property is in fact common good. Given the complexity of the subject, there is a high risk that any such approach might not cover all existing assets which are considered to be common good, and might cover things which are currently excluded."

3.3   Although this approach can be considered reasonable, it is recognised that a benchmark is needed against which to test assets to determine whether they should appear on the Common Good Register. Following consultation with the Head of Legal, Risk and Compliance it is proposed that the following test should be used:

Property which belonged to the Council immediately prior to May 1975, that was neither acquired under any statutory power nor held by a separate trust, *and* fulfils one of the necessary criteria:-

1. Custom: used by the general public since time immemorial;
2. Dedication: formally dedicated by the Council's predecessors to a public function; or

3. Grant: held under a title condition ensuring such a public use in perpetuity.

Council's responsibilities

3.4 The Council has a statutory obligation under the Local Government etc. (Scotland) Act 1994, Section 15(4)(b) in administering property held as part of the common good, to administer it having regard to the interests of all of the inhabitants of the City.

Community Empowerment Bill

3.5 The Community Empowerment (Scotland) Bill was passed by the Scottish Parliament on 19 June 2015, subject to Royal Assent. It proposes to place a statutory duty on local authorities to establish and maintain a register of all property held by them for the common good. It also requires local authorities to publish their proposals and consult community bodies before disposing of or changing the use of common good assets.

3.6 Local authorities are required to have regard to any guidance issued by the Scottish Ministers about common good registers. Before issuing any guidance, the Scottish Ministers must consult local authorities, community councils, and appropriate community bodies.

3.7 It is not yet known when the provisions of the Bill will come into force, nor when the guidance will be issued but this could be by the end of 2015. There is no timescale for completion of the register, but it has been previously suggested that it should take no more than 3 years for authorities to establish their common good registers, although not all items in the register will have their status confirmed within that time.

Land Registration (Scotland) Act 2012

3.8 The law around the registration of land ownership in Scotland has been the subject of recent reform, with the coming into effect, in December 2014, of the Land Registration (Scotland) Act 2012. This, together with the Government's desire that all land owned by public bodies, such as the Council, should be registered on the Land Register by December 2019, means there is also a requirement for the Council to assess the extent to which its land is already on the Land Register, and what actions and resources would be required to complete this process.

3.9 Any work carried out in connection with updating the register of common good assets will go some way to assist with the work associated with the completion of the Land Register. However, transferring information on to the plan/description based Land Register will require an additional resource input and it is intended to bring a further report to Committee following guidance about common good assets by Scottish Ministers.

Costs and timescales involved in fully updating the register of Common Good Assets

3.10 The contents of the report to the Finance and Resource Committee of June 2008 remain sound, in that, the skill sets required in order to carry out a review of the register comprise a solicitor, archivist/historian, surveyor and a property research officer, with appropriate administration support.

3.11 Establishing what property is common good is complex and requires a great deal of research. Since the late 1800's, most property was acquired by the Council's predecessors under statutory powers, however the majority of titles do not refer to the relevant statute.

3.12 Whether a property is or is not common good can only be determined by researching the particular fact and circumstances of each and every acquisition and its subsequent use. Reference would have to be made to common good reports, Acts of Parliament, Charters, titles, Improvement Schemes, Council Minutes, files, other historical records and case law.

3.13 It should be noted that it is ultimately up to the courts to have the final say as to whether a property is, indeed, part of the common good, as local authorities do not, presently have the ability to declare this absolutely.

3.14 The estimated current cost to the Council of carrying out the exercise to update fully the register, by a team of staff as per paragraph 3.5 above would be the region of £250,000pa. Given the scale of the task it is expected to take several years to complete. It has been previously suggested that it should take no more than 3 years for authorities to establish their common good registers, although not all items in the register will have their status confirmed within that time.

3.15 At this stage, the costs to the Council associated with updating the common good register would be an unbudgeted pressure.

Measures of success

4.1 A fully updated Common Good Register and a review process that will minimise the risk of an inalienable common good property being inadvertently sold.

Financial impact

5.1 The estimated costs to the Council of updating fully the Common Good Register, is £250,000 per annum over 3 years. At this stage this would be an unbudgeted pressure.

5.2 Meeting the requirements of the Land Registration (Scotland) Act 2012 will incur additional unbudgeted revenue expenditure and this will be the subject of a further report to Committee.

Risk, policy, compliance and governance impact

6.1   A review to determine whether a property should be considered common good is undertaken if it is identified for disposal or if a significant change of use is proposed.

6.2   This recommended approach was accepted by the Council's Finance and Resources Committee on 17 June 2008.

6.3   There is a risk that some properties are not identified as common good and are not included on the Council's asset register. The Common Good Asset Register could therefore be incomplete.

6.4   The risk that common good property could be unlawfully disposed of or appropriated is managed within the review processes currently in place.

Equalities impact

7.1   Updating fully the register of common good assets would potentially enhance the right to legal security for the citizens of the City of Edinburgh. If the status quo is maintained, whereby a review is undertaken prior to the disposal or change of use of any property, to enable any common good issues to be considered, then existing rights would be maintained.

Sustainability impact

8.1   As the report recommends that Committee notes the contents of this and future reports, the proposal does not have an impact in relation to the three elements of the Public Bodies Duties in the Climate Change (Scotland) Act 2009.

Consultation and engagement

9.1   None

Background reading/external references

"Update on Common Good" – report to the Finance and Resources Committee 21 January 2010.

"Review of Common Good in Edinburgh" - report to the Finance and Resources Committee 17 June 2008.

"Review of Common Good in Edinburgh" - report to the Finance and Resources Committee 29 January 2008.

John Bury

Acting Director of Services for Communities

Contact: Susan Craig, Estate Manager

E-mail: susan.craig@edinburgh.gov.uk | Tel: 0131 529 5934

Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long-term financial planning.
	P31 – Maintain our City's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.
Council outcomes	CO19 – 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.
Single Outcome Agreement	SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.
	SO4 – Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	

COMMON GOOD
REGISTER OF ASSETS (for Accounting Purposes)
Asset Name

Bruntsfield Links
Calton Hill
City Chambers Complex
City Observatory
East Market St Garage
Grassmarket - MARTYR'S CROSS MONUMENT
Inch Park
Lady Stair's House
Meadows
Meadows - NELSON PILLARS
Meadows - SUNDIAL WEST
Memorials - High Street
Peoples Story Museum
Portobello Park
Princes St Gardens (East)
Princes St Gardens (West)
PSG - WALTER SCOTT MONUMENT -HISTORIC BUILDING
PSG - ADAM BLACK STATUE
PSG - ALLAN RAMSAY STATUE
PSG - BURNS MONUMENT
PSG - DAVID LIVINGSTON STATUE
PSG - DEAN RAMSAY MEMORIAL CROSS
PSG - FLORAL CLOCK
PSG - GENIUS OF ARCHITECTURE STATUE
PSG - ROBERT LOUIS STEVENSON MEMORIAL GROVE
PSG - Ross Bandstand
PSG - ROSS FOUNTAIN
PSG - ROYAL SCOTS GREYS MONUMENT
PSG - ROYAL SCOTS MONUMENT
PSG - SCOTTISH AMERICAN WAR MEMORIAL
PSG - SIR JAMES Y SIMPSON STATUE
PSG (W) - MEMORIAL STONE
PSG -NORWEGIAN MEMORIAL STONE
PSG -ST MARGARET'S WELL
PSG -THOMAS GUTHRIE STATUE
Roseburn Park
S Queensferry Harbour
Scotland Street Lane
Scott Monument
Session House, Dalmeny
Session Lands, Dalmeny
St James Place

Note - PSG is used an abbreviation for Princes Street Gardens

Finance and Resources Committee

10.00am, Thursday, 24 September 2015

Property Conservation – Programme Momentum Progress Report

Item number	7.3
Report number	
Executive/routine	
Wards	

Executive summary

This report provides Committee with a progress update for Programme Momentum.

Links

Coalition pledges	P40 , P41
Council outcomes	CO7, CO19
Single Outcome Agreement	SO4

Report

Property Conservation – Programme Momentum Progress Report

Recommendations

1.1 Committee is requested:

    1.1.1 To note the management information dashboard reports in Appendix 1.

    1.1.2 To note the settlement sums authorised to complainants and other affected owners under delegated authority.

    1.1.3 To note the progress of debt recovery work.

    1.1.4 To note that the pilot of the Edinburgh Shared Repairs Service launches in September 2015.

Background

2.1 Programme Momentum has been established as a robust end-to-end process across all workstreams relating to the legacy Statutory Notice issues, including the development of the blueprint for the new enforcement service.

2.2 This report gives details of progress to the end of August 2015.

Main report

Progress

3.1 Since the beginning of Programme Momentum in June 2014 there has been significant progress by the legacy team across all workstreams. There was £22m of outstanding debt to be billed in July 2014 which has now reduced to £195k. Billing will be concluded this month. The settlements process introduced in April has run successfully with to date 95% of the cases reviewed. Changes made to the customer service area involving a single contact point for all mail, emails and telephone calls has improved the customer experience.

Management information

3.2 Management Information as at 25 August 2015 is attached in Appendix 1.

Financial Recovery

Delegated Authority – Irrecoverable Sums & Settlements

3.3 The provision for impairment and for settlement repayments is £17.9m.

3.4   As at 25 August 2015 a total of £9.9m has been approved for write-off against the provision comprising irrecoverable sums of £6.7m, aged debt of £0.3m and settlements of £2.9m.

3.5   The Committee is asked to note the settlement sum of £96k authorised to complainants and other affected owners under delegated authority. The total value of settlements to date is £2.9m.

3.6   These sums are contained within the overall Bad Debt and Irrecoverable Sums provision.

3.7   The provision remains subject to regular review by the Head of Edinburgh Shared Repairs, the Head of Finance and the Deputy Chief Executive.

Billing Process

3.8   As at 25 August 2015, billing on Deloitte reviewed cases has now reached £17.8m with £8.7m received in payments. There are 2 projects with a value of £0.23m (including administration charge) remaining to be invoiced. The current average monthly repayment rate is 59%.

3.9   The remaining Work In Progress (WIP) figure is £1.1m which includes Deloitte Project WIP of £0.2m. Billing for Deloitte defect free cases is now complete. Those few remaining cases requiring defect works will be completed in Autumn 2015.

Debt Recovery

3.10   Under the extended contracted arrangements, instructions continue to be sent to Morton Fraser for statutory notice debt recovery. Since1 April 2015, 294 instructions have been issued to Morton Fraser with a total value of £3.1m for debt collection.

3.11   Based on the Morton Fraser status report of 24 August 2015 there has been debt settlement by 67 (23%) customers at a value of £0.4m (12%) and instalment arrangements agreed by 28 (9%) customers at a value of £0.3m (10%). This represents an overall total to date of 95 customers (32%) with a total payment commitment of £0.7m (22%).

3.12   As at 25 August 2015 the percentage solicitor's costs against sums recovered is 2.1%.

3.13   Monthly review meetings are now established between the Council and Morton Fraser with performance measures, standards and reporting in place.

Complaint Resolution & Settlements

3.14   The settlement process for complainants is due for completion in the coming weeks. 20 cases remain to be closed.

3.15   The total number of settlement letters issued to date is 1686 resulting in 1304 individual cases now being closed. Acceptance rates from complainants are 55% and other affected owners are 58%.

New Service update

Pilot

3.16   The pilot for the new service will run between September 2015 and March 2016.

3.17   The purpose of the pilot is to test parts of the practice and procedures designed by Deloitte for implementation in to the new service ahead of the launch in April 2016. The four service areas are:-

- Customer contact
- Intervention
- Enforcement
- Finance

3.18   The implementation of the pilot has been on-going with input into the procedures from technical, legal, financial, customer services and I.T staff and consultants. Staff training was completed by end August ready for pilot launch in September.

Pilot Cases

3.19   Intervention service - A number of pre-selected cases have been considered and included in the pilot. At present the service will include 9 cases in the intervention side of the service. The degree to which case officers and property owners can arrange defect repairs with their neighbours to organise the works privately will determine how many of these case reach the enforcement stage. Those cases brought to the service are in general related to defects in roofing.

3.20   Enforcement service – One outstanding repairs project has been considered and included in the pilot. This tenement property had reported falling masonry in July 2011. Under an emergency statutory notice, the Council erected safety scaffolding. Over the period from 2012 to date, the property owners have been in dialogue with the Council in respect of their efforts to arrange the works privately and their subsequent request for Council intervention.

3.21   This project is being progressed on behalf of owners and is currently in the pre-contract phase. This is a major repair project with an estimated value of £250,000. The defects are numerous and include structural works, stonework repairs, flat roof replacement and slate roofing repairs.

New Edinburgh Shared Repair Service launch

3.22   Throughout the pilot period, the process, as used by the Service, will be tested and reflected upon for appropriate alteration. Two areas of the service being progressed throughout the period of the pilot are procurement and recruitment. The procurement strategy has been agreed by the programme board and is an

on-going workstream. The framework contract is programmed to be in place by July 2016. Recruitment of technical resource is currently on-going.

Measures of success

4.1 Conclusion of reviewing statutory notice projects.

4.2 Billing and collection of outstanding debt.

4.3 Resolution of complaints.

4.4 Launch of new replacement enforcement service.

Financial impact

5.1 Significant financial issues with a collective value of over £30 million require to be concluded and resolved.

5.2 On 19 March 2015, following the decision to make available a budget for 2015/16 of £1.5 million, the Finance and Resources Committee considered a report on the revised implementation plan for the new Shared Repairs Service. Committee approved option 1 which proposes launching the service on a pilot basis from 1 September 2015, with the full launch scheduled for late March 2016.

5.3 The overall 2015/16 available budget for the legacy and new Edinburgh Shared Repairs Service is £3.6 million.

Risk, policy, compliance and governance impact

6.1 This area of work represents a significant financial and reputational risk for the Council.

Equalities impact

7.1 There is no equalities impact arising from this report.

Sustainability impact

8.1 There is no adverse environmental impact arising from this report.

Consultation and engagement

9.1 Not applicable.

Background reading/external references

Report to Finance and Resources Committee, 19 March 2015_-Property_Conservation_-_Programme_Momentum_Progress_Report

Report to City of Edinburgh Council, 12 February 2015, Shared_Repairs_Services_-Development_of_a_New_Service.

Report to City of Edinburgh Council 11 December 2014, Shared_Repairs_Services_-Development_of_a_New_Service_-_

Alastair Maclean

Deputy Chief Executive

Contact: Andrew Field, Head of Shared Repairs Service

E-mail: andrew.field@edinburgh.gov.uk | Tel: 0131 529 7354

Links

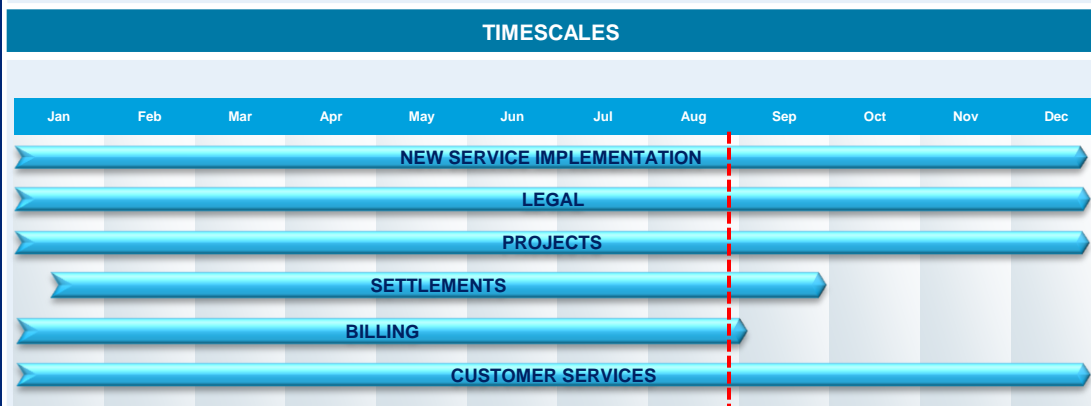|	
Coalition pledges	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city's built heritage
	P41 – Take firm action to resolve issues surrounding the Council's Property Services
Council outcomes	CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm
Single Outcome Agreement	SO4 – Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1: Management Information Dashboards

Programme Momentum Dashboard August 2015

Monthly progress update (for reporting purposes month end is 25 August)

·EDINBVRGH·
YOUR COUNCIL · YOUR FUTURE

OVERVIEW OF PROGRESS

The legacy service continues to draw to a close in respect of billing, projects and settlements. There remains a high level of customer service contact as the final cases are released for billing. In addition, there remains a high value of debt to recover, both independently assessed cases and historic legacy cases. Progress is being made in key areas for the pilot of the new service in September 2015 with the full launch in March 2016. The main risks to the launch of the New Edinburgh Shared Repairs Service are in relation to budget pressures which impact upon recruitment and ICT development. Work is also ongoing to complete the policy, procedures and performance measures for the new service.

TIMESCALES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NEW SERVICE IMPLEMENTATION												
LEGAL												
PROJECTS												
SETTLEMENTS												
BILLING												
CUSTOMER SERVICES												

TOP RISKS

TOP RISKS	MITIGATION	RAG
1. Debt Recovery	Additional provisions have been made through the appointment of Morton Fraser	Amber
2. Budget Provision	Ongoing discussion with Corporate Finance in relation to the budget provision for the new service and the closure of the legacy service	Red
3. Bad Debt Provision	The provision has been increased and will continue to be monitored and reported monthly.	Red
4. Settlement Process	Settlement process underway but reputational and financial risk remains high.	Amber
5. IT Systems	Alternative IT approach approved at July Board. Addressing IT activity underway to improve systems ahead of new service launch.	Red
6. Procurement	Recommended Procurement strategy to be presented to August Board.	Amber

OVERALL STATUS

OVERALL STATUS	RAG	COMMENTS
Customer services	Amber	Complaints decreasing but Councillor enquiries and FOI requests remain high
Billing	Green	2 cases remain to be billed and are on target for completion within reported timescales
Legal	Red	Steady increase in the number of cases requiring legal action and in numbers being resolved.
Case Reviews and Settlements	Amber	All Momentum cases are completed. Additional cases commenced. Settlement process implemented
New service	Amber	Implementation activities have commenced. ICT functionality, Procurement and Recruitment provision remain the key risks

INFORMATION / DECISIONS

1. Ongoing legacy closure and new service progress report
2. Impact of budgetary provision for 2015-17 a key risk
3. ICT Development and Procurement Strategy paper considered by Programme Board in August

KEY PLANNED ACTIVITIES

1. Bidders day planned to test market interest on Contractor Framework
2. Develop new service governance, policy and performance framework
3. Begin training and finalise pilot projects
4. Client and performance management of debt recovery partnership
5. Continued focus on billing and settlements activities

PMO   CUSTOMER SERVICES   FINANCE   PROJECTS   LEGAL   CASE REVIEWS   SHARED REPAIRS   NEW SERVICE
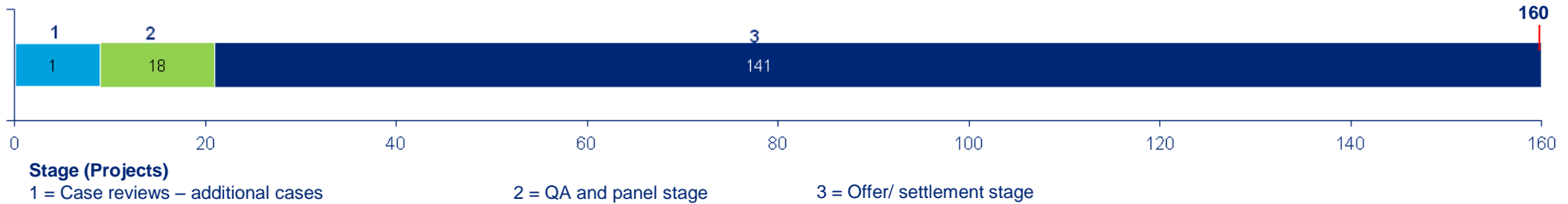
Settlements
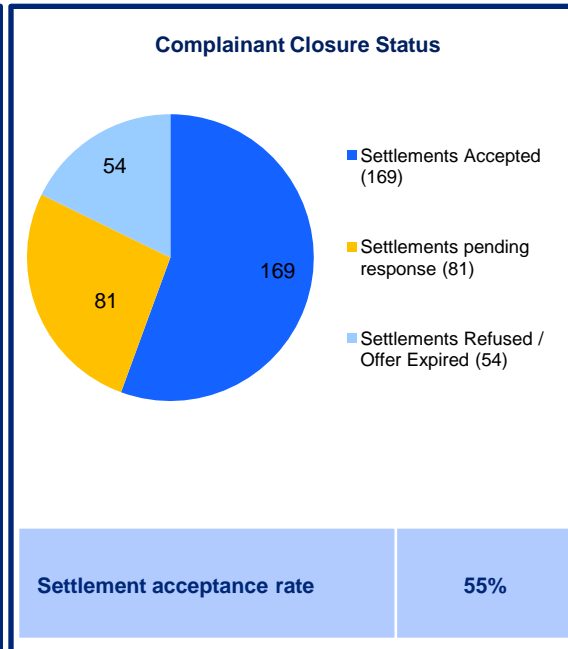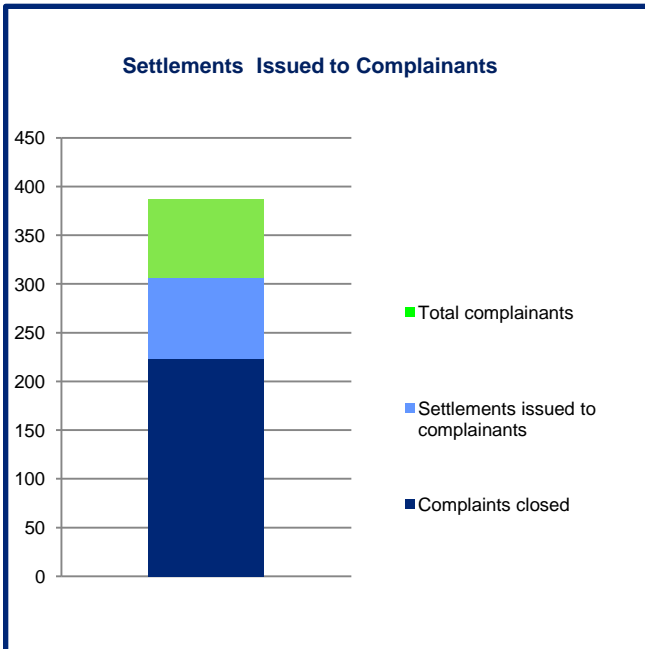
Programme dashboard as at 25 August 2015

Progress

The settlement process for complainants remains on target to be completed by Summer 2015, subject to an additional 1 case anticipated from Deloitte in September 2015. Closure in respect 73% of all settlement cases has now been reached, with more than 80% of all complainants issued with settlement. Acceptance rates from complainants are at 55%. Settlements to other affected owners are progressing with settlements communicated to 1,686 owners. Settlements to all other affected owners is anticipated to be complete by Autumn 2015.

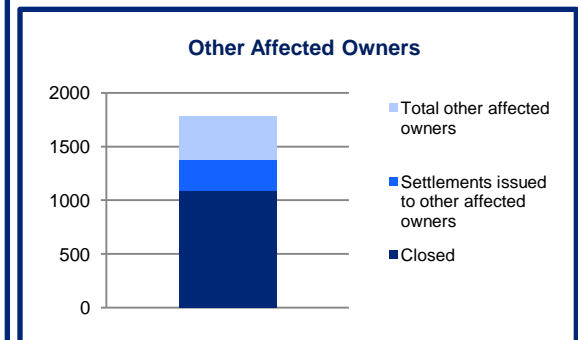## Complex Complaints Case Reviews & Settlements

1	2	3	160
1	18	141	

Stage (Projects)

1 = Case reviews – additional cases   2 = QA and panel stage   3 = Offer/ settlement stage

Settlement Status

Settlements Issued to Complainants

- Total complainants (green)
- Settlements issued to complainants (light blue)
- Complaints closed (dark blue)

Complainant Closure Status

- Settlements Accepted (169)
- Settlements pending response (81)
- Settlements Refused / Offer Expired (54)

Settlement acceptance rate	55%

Settlement Value

| Total Value of projects reviewed	£8.969m
Total settlements approved under delegated authority	£2.906m
Settlements paid/credited to date	£.2,141m

Other Affected Owners

- Total other affected owners (light blue)
- Settlements issued to other affected owners (blue)
- Closed (dark blue)

Finance

Programme dashboard as at 25 August 2015

·EDINBVRGH·
YOUR COUNCIL · YOUR FUTURE

Progress

Billing on Deloitte reviewed (Project Joule) cases has now reached £17.8m with £8.7m received. As at 25 August 2015 there are 2 projects, requiring defect works, with a value of £0.2m (including administration charge) remaining to be invoiced. The remaining Work In Progress (WIP) figure is £1.1m which includes Deloitte Project WIP of £0.2m and Non Deloitte (Legacy) WIP of £0.9m. Billing for the 2 remaining Project Joule projects is scheduled for September 2015. Impairments approved to date is £9.9m against the provision of £17.9m.

Work in Progress

Billing complete for Deloitte
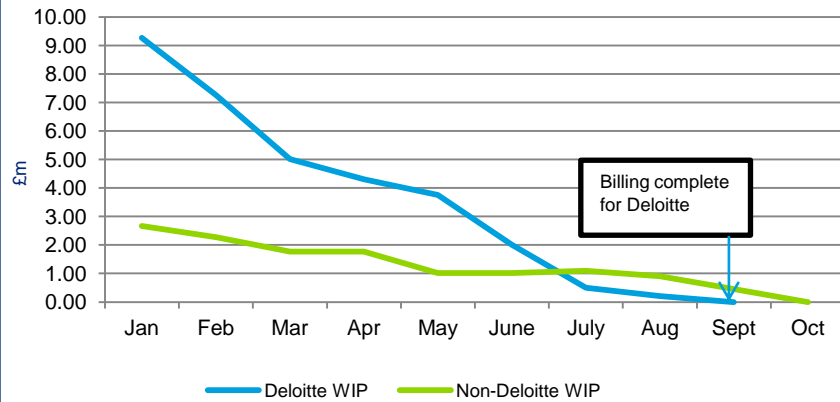
Projection of Deloitte approved Statutory Notice repair debt

Current Billed = £17.8m

Current Recovered = £8.7m
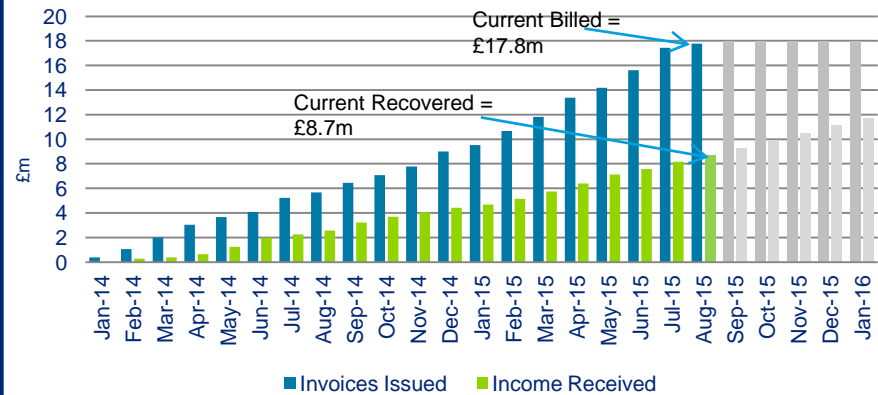
15/16 Budget Requirements

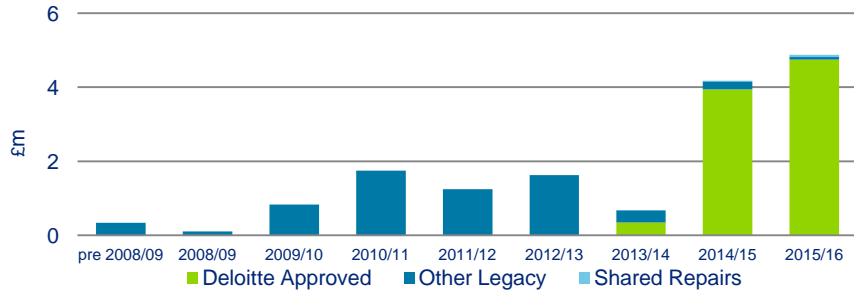|	Budget 2015/2016 £'000	Budget to 31/07/15 £'000	Spend to 31/07/15 £'000	Variance to 31/07/15 £'000
Closure Programme & Defect Remedy Costs	2,103	791	448	-343
New Enforcement Service (implementation and pilot launch from 01/09/2015	1,400	259	291	32
Shared Repairs Service(part year to 31 August 2015	138	122	126	4
TOTAL BUDGET 2015/2016	**3,641**	**1,172**	**865**	**-307**

Debt Recovery
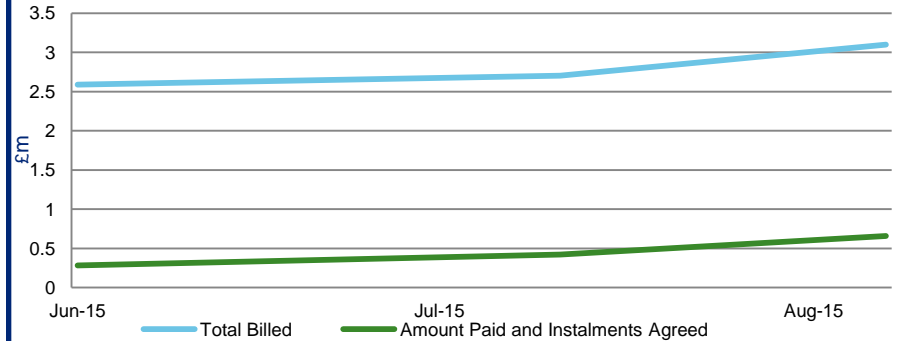**Programme dashboard as at 25 August2015**

Progress
The total debt outstanding of £15.6m for both Deloitte Reviewed, and Legacy and Shared Repairs, whilst reducing, remains an issue. Of this debt sum, a total of £10.7m is being pursued through active billing. Morton Fraser recovery or other legal collection. The remaining debt of £4.9m is either being prepared for legal action or suspended debt and includes a sum of £4.3m for outstanding legacy debt of which £3.7m is suspended debt. There is £1.7m debt arranged for payment through instalment plans.
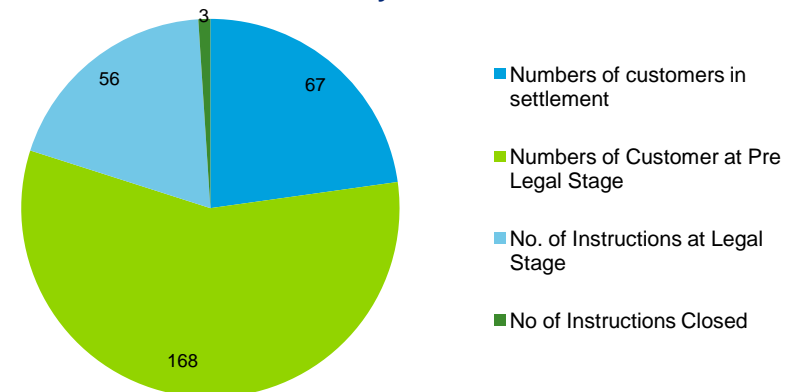
Aged Debt at 24 August by year

Legend: Deloitte Approved · Other Legacy · Shared Repairs

Morton Fraser Recovery Rate

Legend: Total Billed · Amount Paid and Instalments Agreed

Debt Status	Deloitte Reviewed	Legacy and Shared Repairs	Total
Total debt being pursued	£8,422,698	£2,331,409	£10,754,107
Total debt scheduled for action	£612,732	£4,257,644	£4,870,376
Total Debt	**£9,035,430**	**£6,589,053**	**£15,624,483**
Instalment plans agreed within debt total	£1,312,280	£394,729	£1,707,009

Morton Fraser Debt Recovery Cases pursued by the Council	June	July	August
Total debt recovery cases pursued by Morton Fraser	212	233	294
Total value of instructions issued	£2.6m	£2.7m	£3.1m
Total debtors settled or in payment plan	42	62	67
Total sum recovered or in payment plan	£0.3m	£0.5m	£0.7m
Total sum recovered of in payment plan as % of debt recovery	11%	17%	21%

Debt Recovery Overview

Pie chart values: 3, 67, 56, 168

Legend:
- Numbers of customers in settlement
- Numbers of Customer at Pre Legal Stage
- No. of Instructions at Legal Stage
- No of Instructions Closed

Legal Claims
Programme dashboard as at 25 August 2015

·EDINBVRGH·
YOUR COUNCIL – YOUR FUTURE

Progress

There continues to be no live court cases raised against the Council by owners. The last case was resolved in the Council's favour in June 2015.

Legal claims raised against the Council	Apr 14 – Aug 15
Total claims raised against the Council	5
Total claims resolved to date	5
Settlement payment by Council to owner	4
Court judgement for the Council	1
Court judgement against the Council	0

Customer Services
Programme dashboard as at 25 August 2015

Progress
Customer Services has seen a further increase in volumes in enquires compared to previous months.
Solicitor enquiries remain at a high level.
FOI enquiries have increased again during August to 30 from a low of16 in July. The nature and complexity of FOI requests have also increased this year.

| Customer Services	Jun 15	Jul 15	Aug 15
No. of customer enquiries received	655	543	849
No. of customer enquiries closed	697	627	901
No. of Solicitor enquiries	784	707	729
No. of customer complaints received	23	10	22
No of customer complaints closed	20	14	17
No. of FOI's received	42	16	30

Projects

Programme dashboard as at 25 August 2015

Project Costs Incurred by the Council each year
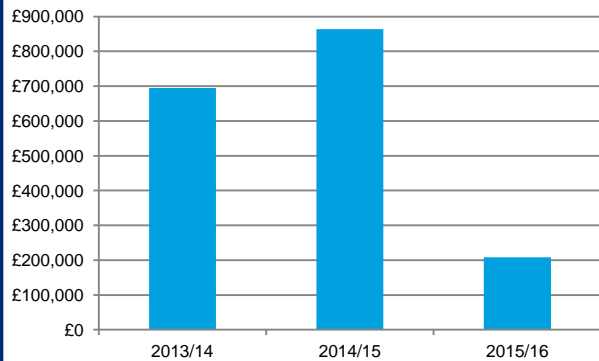
Future Activity on Projects
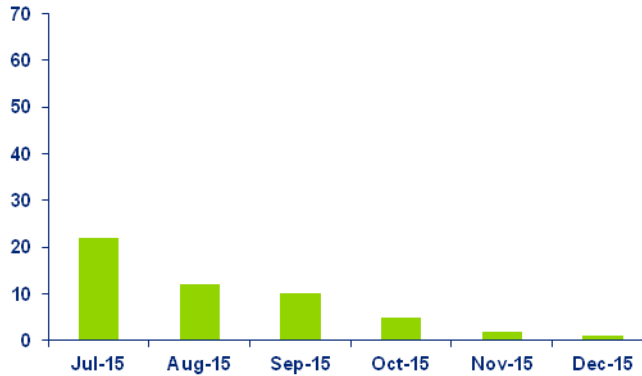
Progress

Thomson Bethune continue to provide technical support to the programme including site surveys and reports, together with liaison with consultants and owners to bring cases to a close.

Projects are due to be completed by the end of 2015.

Shared repairs

Programme dashboard as at 25 August 2015

SHARED REPAIRS KPI	Jun 15	Jul 15	Aug 15	Trend
No of requests for advice/ info only.	260	250	186	↓
No. of service requests	97	98	100	↑
No of emergency repair inspections resulting in statutory notices issued	67	69	65	↓
No. of Emergency service requests where information/ advice was provided	30	29	35	↑
Value of invoices issued to owners for emergency repairs (cumulative)	£633,175	£665,050	£693,010	↑
Value of income received from owners for emergency repairs (cumulative)	£534,463	£564,906	£587,618	↑

Progress

• The number of requests for advice has reduced by 26%

• The number of requests for service has increased by 2%.

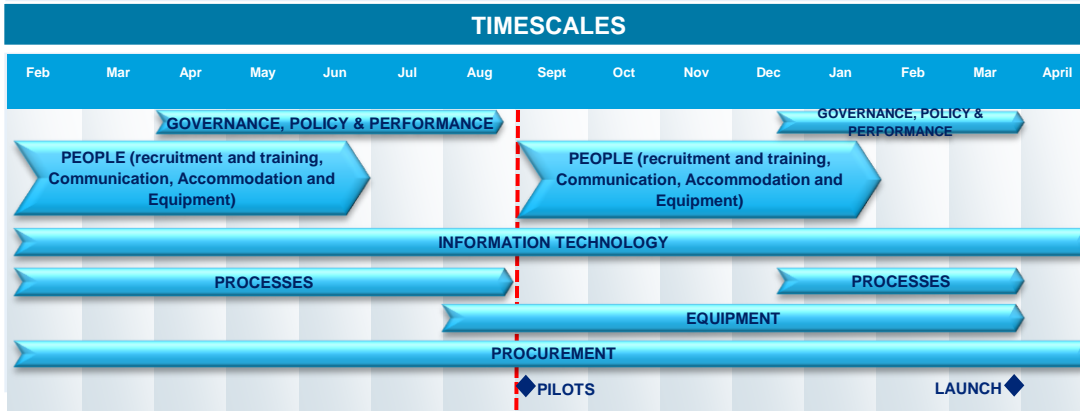• For invoices issued prior to the end of March 2015, the collection rates are 89% for Shared Repairs.

New Service
Programme dashboard as at 31 August 2015

·EDINBVRGH·
YOUR COUNCIL · YOUR FUTURE

OVERVIEW OF PROGRESS

The project remains on course to deliver within timetable and budget, and the continued focus during August has been preparation for the Pilot phase of the project. The procedure manuals are now in final draft for testing during this phase, and training has been undertaken for Customer Contact, Intervention, Enforcement and Finance services. The focus for the IT workstream has been development of an interim database to support, track and report on the Pilot projects. The draft Procurement Strategy was approved by the Programme Board and work has continued with Corporate Procurement to prepare for the tender process. The advert for Surveying staff has closed and a shortlist of candidates has been identified for interview during week commencing 7 September. The draft Governance, Policy and Performance framework was noted by the Programme Board on 10 August.

TIMESCALES

Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | April

GOVERNANCE, POLICY & PERFORMANCE
GOVERNANCE, POLICY & PERFORMANCE

PEOPLE (recruitment and training, Communication, Accommodation and Equipment)
PEOPLE (recruitment and training, Communication, Accommodation and Equipment)

INFORMATION TECHNOLOGY

PROCESSES
PROCESSES

EQUIPMENT

PROCUREMENT

◆ PILOTS
LAUNCH ◆

OVERALL STATUS

OVERALL STATUS	RAG	COMMENTS
Governance, Policy & Performance	🟧	Draft Governance, Policy and Performance framework noted by Programme Board – updated list submitted for approval. Performance and Policy elements to be tested during the Pilot phase.
People	🟧	Recruitment of Surveyors at interview stage. The pilot will facilitate a review of remaining recruitment requirements in line with demand and within the remaining budget. SRS Service Review to be signed off and communicated by December.
IT	🟧	New IT approach approved at July Board. Detailed plan and resource requirements to be reviewed by the Implementation Panel.
Processes	🟩	Draft procedure manuals prepared for testing during Pilot phase.
Procurement	🟩	Recommended Procurement Strategy approved by Programme Board. Bidders day to be held during September 2015. Plan to issue PQQ to contractors in October 2015 with projected award in Summer 2016.

TOP RISKS

TOP RISKS	MITIGATION	RAG
1. Unable to deliver against blueprint due to budget pressures	Recruitment profile and ICT spend have been changed to fit the new budget allocation. Updated costed business plan to be presented to October Programme Board.	🟥
2. New IT functionality not in place for full service launch	Alternative IT approach approved by Board in July. Interim IT activity to be undertaken to improve legacy systems and reporting ahead of new service launch.	🟥
3. Implementation Project team inadequately resourced to deliver project	Implementation Manager and Project Officer post advertised to redeployment list and wider Council. Applicants to be confirmed and interviews held.	🟧
4. Market interest in Contractor Framework is low	Soft market testing demonstrated market interest, however bidder's day on 8 October will test interest further. Recommended Procurement Strategy approved by Programme Board.	🟧
5. Unable to secure technical resource due to recruitment and budget issues	Shortlist of Surveyor candidates identified and interviews to be held week commencing 7 September. Option to co-source to be revisited under new budget constraints	🟧

INFORMATION / DECISIONS

Programme Board 14/09/2015 – Approval of Policy decisions for Pilot phase , and note of planned cases to commence Pilot phase.
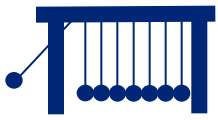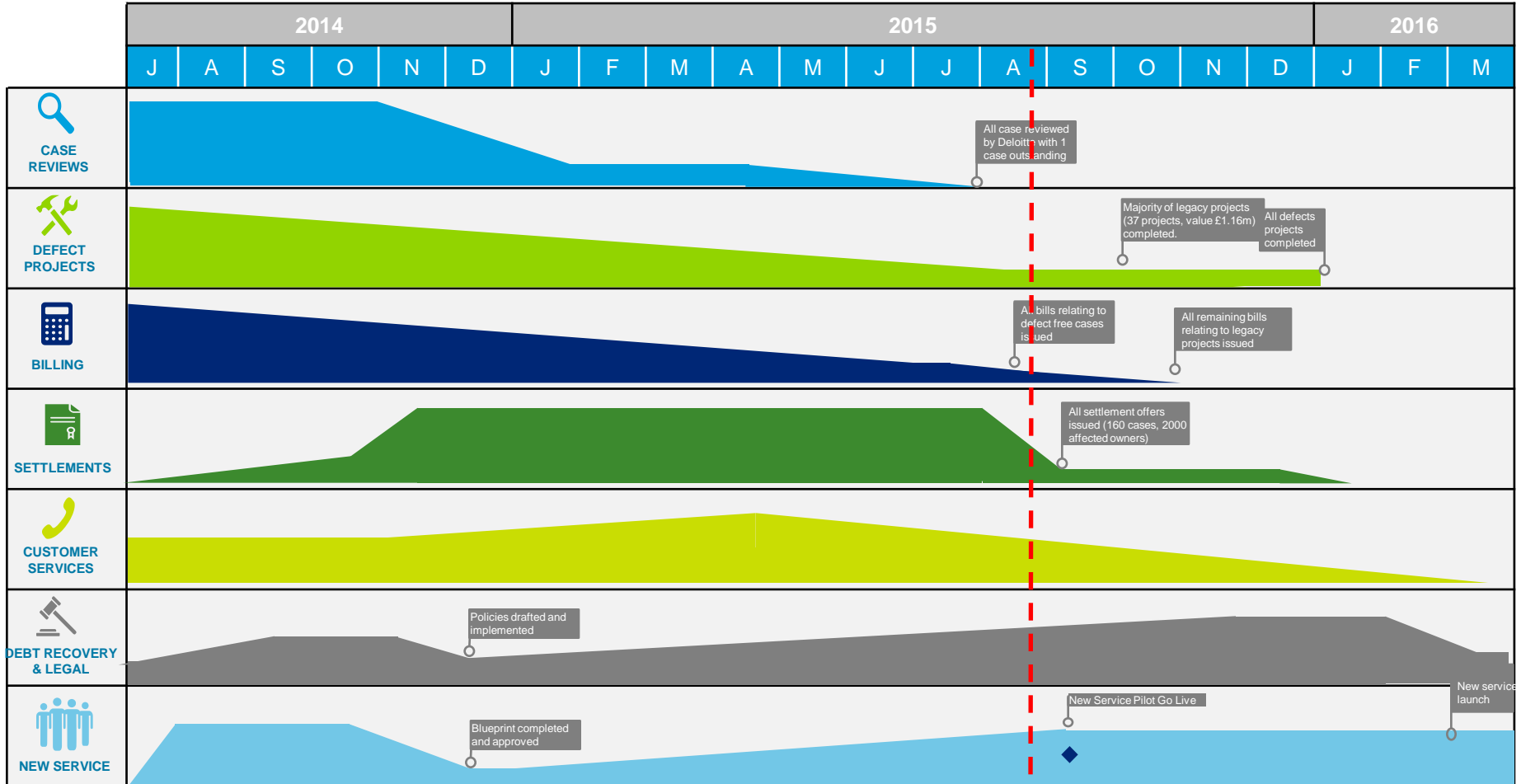
Programme Momentum – Remaining Activity

Monthly progress update (for reporting purposes month end is 25 August)

·EDINBVRGH·
YOUR COUNCIL – YOUR FUTURE

PROGRESS AND FORECAST

Below, an activity volume forecast is provided below to show the progress since the Programme Momentum was established in July 2014 and the estimated remaining programme to close the legacy service and launch the new replacement service.

	2014						2015												2016		
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M

CASE REVIEWS — All case reviewed by Deloitte with 1 case outstanding

DEFECT PROJECTS — Majority of legacy projects (37 projects, value £1.16m) completed. / All defects projects completed

BILLING — All bills relating to defect free cases issued / All remaining bills relating to legacy projects issued

SETTLEMENTS — All settlement offers issued (160 cases, 2000 affected owners)

CUSTOMER SERVICES

DEBT RECOVERY & LEGAL — Policies drafted and implemented

NEW SERVICE — Blueprint completed and approved / New Service Pilot Go Live / New service launch

Governance, Risk and Best Value Committee

10.00am, Thursday 12 November 2015

Internal audit & risk service delivery model

Item number	7.4
Report number	
Executive/routine	
Wards	

Executive summary

The Council is operating in a challenging environment and the Council transformation programme aims to ensure a continued focus on outcomes whilst supporting key initiatives and achieving required financial savings.

As the Council moves through a period of transformation it is critical that internal controls continue to be a focus. However, it is important to recognise the constraints on service delivery as a result of the savings that require to be achieved.

The contract between the Council and PwC for the co-sourced delivery of internal audit and risk management services runs for an initial period of three years, ending on 31 March 2016, with an option to extend for a further 12 months on giving notice by 31 December 2015.

This report sets out officer recommendations in relation to the contract and future service delivery.

Links

Coalition pledges	PO30
Council outcomes	CO25
Single Outcome Agreement	

Report

Internal audit & risk service delivery model

Recommendations

1.1   To note the proposals for future service provision for internal audit and risk services; and

1.2   To refer the report to Council, with a recommendation to exercise the Council's option to extend the existing co-source partnership arrangements with PwC for a further 12 months from 31 March 2016 in relation to the provision of audit services.

Background

Current service provision - co-source partnership with PwC

2.1   Internal audit services are currently provided through a co-source partnership with PwC. The Council's Chief Internal Auditor is provided by PwC under the co-source arrangements and further capacity and capability is provided by PwC colleagues working in partnership with Council staff in a 'one team' approach.

2.2   In addition, specialist risk management input has been drawn down under the co-source contract to assist the Council in developing a risk management framework and methodology. A Chief Risk Officer role is presently undertaken by a PwC member of staff. The primary ongoing purpose of this role is to continuously improve the risk management system, set overall direction and ensure smooth operation of the various senior risk committees.

2.2   The contract between the Council and PwC commenced on 1 April 2013 and runs for an initial period of three years, ending on 31 March 2016, with an option to extend for a further 12 months with Council approval. If the Council wishes to extend, it must give notice to PwC by 31 December 2015.

Main report

Current environment

3.1   The improvements made in the Council's internal audit function, as well as its risk management arrangements under the co-source partnership with PwC have been well documented and are outlined in previous reports to Committee in May and October 2013, May 2014, March 2015 and June 2015.

3.2 It is clear that the Council's internal control environment will be critical over the next 18-24 months, as the Council moves through a period of major change. However, it is important to recognise the constraints on service delivery as a result of the savings that require to be achieved.

Future service provision

3.3 The Council is operating in a challenging environment with increased demand for services and continuing financial constraints. As a result, the existing arrangements for internal audit and risk cannot be brought within the available financial envelope. The internal audit function is clearly critical to the Council's internal control and assurance framework. Within the reduced budget available, it will be important to maintain the integrity of this core service. The risk management arrangements have brought considerable benefits in engaging discussion and linkage between risk and the provision of assurance but in light of the need to prioritise the internal audit service it is no longer possible to continue with the PwC arrangements as they currently stand.

3.4 There is now a formal risk management framework and methodology in place. A corporate risk function is needed to help embed risk across the organisation. In this context, and given the size and complexity of CEC, the Chief Risk Officer role presently undertaken by PwC is considered key.

3.5 It is proposed to recruit a Chief Risk Officer as an in-house lead to replace the PwC colleague currently undertaking the role. In addition, it is proposed that any roles within directorates across the Council with a focus on risk will be brought together centrally to support a Council-wide corporate risk function. It is estimated that savings of up to £125,000 could be achieved by adopting this approach when compared with the current arrangements.

3.6 It is envisaged that PwC could be asked to provide some assistance on a transitional basis during the period of recruitment and bedding in of the in-house senior risk management resource as well as generating early momentum in the development of the in-house service.

3.7 Although there have been significant improvements in the internal audit service, the quality standards and development of value-added activities are still relatively embryonic and require to be further embedded across the internal audit function. In addition, the Council internal audit team members do not yet have the full capacity or full capability to provide for all our internal audit needs without drawing down support from a partner.

3.8 Given the major programme of change within the Council, it will be important to maintain stability and continuity in the internal audit service and to continue the journey of transformation of the service to become a leading edge function. PwC has established a significant understanding of the Council and its challenges over the course of the last few years and in light of this there are considerable benefits in continuing to work with PwC for an additional 12 months:

3.8.1 this would allow current CEC staff to continue to develop and build their skill sets in a supportive environment as well as allowing any new recruits to bed into the team while maintaining support from PwC;

3.8.2 there would be stability to allow the internal audit quality programme to move further towards maturity;

3.8.3 the Council would benefit from continued support in helping senior management develop a more cohesive approach between existing pockets of assurance, including health and safety;

3.8.4 in addition, there would be continued access to PwC's pool of deep specialists, as deployed in the areas of pensions, health & safety and information/data audits in the last audit year;

3.8.5 a further 12 months of the stability and continuity provided by the existing contract would allow for fuller and more informed consideration of the optimal arrangements for future internal audit service delivery in light of the transformed Council; and

3.8.6 options thereafter to be considered range from a fully outsourced model, the current model of a co-sourced service with provision of a Chief Internal Auditor by an external partner, a co-source 'light' arrangement with an in-house Chief Internal Auditor drawing down additional capacity and specialist expertise from an external partner as needed, and a fully in-house service. This would allow stability and continuity during the period of transformation of the Council's services whilst considering future service delivery options.

Conclusion

3.9 The existing arrangements for internal audit and risk cannot be brought within the available financial envelope. The internal audit function is clearly critical to the Council's internal control and assurance framework. The initial three year term of the co-source contract will end on 31 March 2016, with the Council having the option to extend for a further 12 month period.

3.10 It is critical that the key control environment of the organisation is not compromised during a period of major change for the Council. In order to maintain a degree of stability and continuity within the internal audit function, the Council would benefit from extending its current partnership with PwC for a further 12 months to allow service delivery to be developed as outlined in this report.

3.11 It is proposed to bring the risk function in-house by recruiting a Chief Risk Officer as an in-house lead to replace the PwC colleague currently undertaking the role. In addition, it is proposed that any roles within directorates across the Council

with a focus on risk will be brought together centrally to support a Council-wide corporate risk function.

Measures of success

4.1   Maintaining the effectiveness of the Council's control environment during a period of major change.

Financial impact

5.1   Potential savings in the region of £125,000 could be achieved.

Risk, policy, compliance and governance impact

6.1   A strong internal audit function will play a significant role in providing assurance over the controls in place to mitigate the Council's most significant risks.

6.2   Efficient and effective risk management arrangements will help ensure that the Council's key risk areas are identified and monitored.

Equalities impact

7.1   No full ERIA is required.

Sustainability impact

8.1   None.

Consultation and engagement

9.1   None.

Background reading/external references

None.

Alastair Maclean

Deputy Chief Executive

Contact: Carol Campbell, Head of Legal and Risk

E-mail: Carol.Campbell@edinburgh.gov.uk | Tel: 0131 529 4822

Links

Coalition pledges	PO30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	Our public services are high quality, continually improving, efficient and responsive to local people's needs

Governance, Risk and Best Value Committee

10.00am, Thursday 12 November 2015

Governance of Major Projects: progress report

Item number	7.5
Report number	
Executive/routine	
Wards	All

Executive summary

The former Policy and Strategy Committee on 7 August 2012 agreed the role and remit of the Corporate Programme Office, ("CPO"), which was to include the supervision of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council's reputation. This report contains an update of the major projects portfolio and the forthcoming assurance review schedule.

Links

Coalition pledges	P03, P20, P23, P27, P28, P36, P41, P44, P47, P49, P51, P53
Council outcomes	C01, C02, CO25, CO26
Single Outcome Agreement	All

Report

Governance of Major Projects: progress report

Recommendations

1.1. It is recommended that Governance, Risk and Best Value Committee note:

    1.1.1 the current synopsis of the dashboard reports for the major projects portfolio set out in appendix 1; and

    1.1.2 note the findings from the latest completed assurance reviews contained in section 3.4-3.14.

Background

2.1 The former Policy and Strategy Committee agreed the role and remit of the Corporate Programmes Office ("CPO"), which was to include oversight of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council's reputation.

2.2 This report forms a scheduled status update for this committee, and the Finance and Resources Committee.

Main report

CPO Reporting Arrangements

3.1. Project Managers of each of the major projects are required to complete dashboard reports for each project. These returns seek to establish how key dimensions of the project are progressing and aim to ensure there is clear visibility of the status of each major project within the Council.

3.2. It should be noted that the content and sign off of each dashboard report remains the responsibility of the SRO/Sponsor.

3.3. A synopsis of the latest set of dashboard summaries is contained in appendix 1. Full dashboard reports are shared in the major projects folder.

Assurance Reviews

3.4. The status of Major Project Assurance Reviews, undertaken since the previous Major Projects progress report, is shown below:

Project/Programme	RAG status	Status
Water of Leith Phase 2	Green	Complete
Programme Momentum	Amber-Green	Complete

3.5. Key recommendations from health checks and assurance reviews completed during this reporting period are detailed below.

3.6. The health check of Water of Leith Flood Prevention Phase 2 produced an overall assessment of Green. The Project demonstrates strong governance, strategic alignment, proactive, stakeholder engagement and a robust plan for delivery including the completed negotiations with the Scottish Rugby Union (SRU) for temporary and permanent land purchases to enable wider works. The approach to risk management is also strong with the lessons learned from phase one of the flood defence scheme reviewed and actions taken to minimise similar issues arising, for example, the preferred bidder has accepted risk in relation to ground conditions and utilities that caused significant issues and compensation events in the Phase 1 project.

3.7. The review found a strong Governance framework. However, there is an outstanding requirement to appoint an NEC Project Manager to manage the Council's interest and to have responsibility for making key decisions.

3.8. The project has been resourced mainly by experienced external contractors to work in the Council's interest. It is acknowledged that internal resourcing needs to be secured to undertake a site supervisor role and gain knowledge transfer and experience in managing this type of contract and scheme.

3.9. The CPO Assurance Review makes the following recommendations:

- Governance – delegate the majority of decision making responsibility to the NEC Project Manager level. This is a requirement of such a NEC contract which demands quick turnaround of decisions and efficient contract management. Decision making at working group and oversight group should be by exception. The Project Director should seek agreement from the Oversight Group on the degree of delegation to the Project Manager, being mindful that the Project Manager must act in the manner stipulated in the NEC contract.
- Resource – it will be critical to the success of the project that the NEC Project Manager appointed should be sufficiently experienced in managing this type of contract to ensure the interests of the Council are protected at all times.

3.10. Resource – project assurance is important in all projects, but as most of the decision making will be made by the NEC Project Manager it will be particularly important in this case. The review recommends a project assurance role is considered. This role would oversee progress and report directly to the Programme Director and Oversight group.

3.11. The Shared Repairs Service Project forms part of Programme Momentum, which was set up in June 2014 to take forward the restructuring of the Council's statutory repairs service. The Project will establish a new service by April 2016, with a pilot beginning in September 2015.

3.12. The Project demonstrated strong strategic alignment through high levels of senior management and political commitment and engagement, governance and reporting arrangements are well developed, and the project has a clear work-stream structure. Risks are well documented and widely understood among the project team, and the project has access to skilled staff from a variety of backgrounds.

3.13. The main areas of concern highlighted include the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team, issues with the recruitment of technical staff, and the need to ensure that Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.

3.14. The CPO Assurance Review makes the following recommendations:

- Early clarification of the position of the Shared Repairs Service within the new organisational structure
- A review of Board membership to ensure that it remains effective and appropriate for the remainder of the implementation
- Update and review of the Business Case to ensure that the newly created service remains viable given recent budget reductions
- Ensuring that Elected Members have a full appreciation of the predicted costs of the service and the risks involved, as well as a better understanding of their own role in the assessment process
- Re-baseline resource requirements and address gaps in the implementation team

Current highlights in the major projects portfolio

ICT & Transformation Procurement

3.15. The ICT & Transformation Procurement project is closed and CGI were awarded the contract to deliver ICT services to the Council from 1st April 2016. Transition works to the new ICT provider have commenced and a new ICT Transition and Transformation Programme has been mobilised to manage this. This Programme will report into the Major Projects portfolio.

3.16. In addition to transition there are a number of transformation activities that need to be delivered as part of this project such as the replacement of the current Oracle Financial and iTrent HR and Payroll systems. It is anticipated replacement of these systems by a fully integrated solution will be complete by late 2016.

Early Years Projects

3.17. The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.

3.18. As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.

Leith Programme

3.19. The project is being progressed in a series of phases to minimise disruption to road users of Leith Walk and the local community. Construction of each phase is delivered via a stand-alone contract, which is awarded shortly before the works for that phase are due to commence. Phases 1 to 3 of the project have been successfully delivered.

3.20. A new tram-proofed design for Phase 4 (Pilrig St to McDonald Road) was approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016.

3.21. A tram-proofed design concept is currently in development for Phase 5 (McDonald Road to Elm Row), and also for Phase 6 (Elm Row to Picardy Place), including a review of the London Road junction design. Timescales for construction conflict with anticipated timescales for construction of a new transport interchange at Picardy Place as part of the St James Quarter development, and for a possible future tram extension along Leith Walk. Alternative delivery methods for Phase 6 will therefore have to be considered.

3.22. The original project timeline had to be revised, due to the requirement to hold a mandatory Public Hearing in September 2014 to consider certain objections that arose from the statutory processes for the section of Leith Walk to the north of Pilrig Street (Phase 2). The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due to project interdependencies with the potential tram extension, and the St James Quarter Development. Due to nature of these interdependencies, charges for professional fees, services and other non-construction costs have increased significantly. Agreement is therefore being reached as how best to manage these charges.

3.23. Discussions are ongoing with providers of third party funding, relating to current funding conditions and associated timescales for delivery, and also in achieving tram-proofed designs for Phases 4-6 by incorporating walking and cycling design standards to ensure external funding is retained.

Health and Social Care Integration

3.24. All integration authorities and associated delegation must be in place by 1 April 2016. The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August 2015. The Chief Officer post was advertised on 14 August 2015 and an appointment was made in October. An Interim Chief Finance Officer (CFO) for the IJB was appointed on 24 August 2015.

3.25. The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September.

3.26. Due diligence is currently ongoing to establish the current budget position for both parties ahead of delegation of functions. Any new proposals which emerge from this work will need to be included within the Strategic Plan/Financial Plan and associated implementation/ delivery plan

Kerbside Recycling

3.27. Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete (100,000 of 140,000 households). Phase five, to the final 40,000 householders, is scheduled for September. A new sixth phase has been planned to facilitate the removal of red and blue recycling boxes from service, and instead upgrade the on-street recycling provision, though this is made more challenging by the retention of a box service within the 'modernising waste' area (predominantly the New Town). The project is now under extreme pressure to deliver the various workstreams by 1 December.

3.28. Palm Recycling are managing the service transition period (September 2014 – November 2015) from the existing to the new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees have been undertaken.

Fleet Review

3.29. Delivery of £1.3M in savings attributed to the programme is at risk of falling £400,000 short due to late procurement of vehicles. The delays have been due to officers ensuring that procurement decisions are being informed by more recent developments in the Transformation Programme, and a wish to avoid committing to expenditure where structural re-design may mean that vehicles are no longer required. Work is ongoing to mitigate the deficit. The mitigation is proving to be successful, as the Fleet Services budget is forecast to break even for the 2015/16 financial year. An Assurance Review health-check is currently scheduled for late October.

Additional Consultancy Support

3.30. The CPO also provides consultancy and project development support as required. Terms of reference for the work including scope, timescales and any charges are agreed with sponsors in advance.

3.31. The CPO is providing project and consultancy support in the following areas:

- development and management of the Transformation programme;

- resource to deliver the Connected Capital programme;

- project management support for the Health and Social Care projects of Community Justice, and Care at Home;

- specific resource to Organisational Development, Commercial Excellence programmes and Business Intelligence;

- support for the ICT Transition project

3.32 The staffing compliment in the CPO has reduced significantly in recent months, meaning it is difficult to provide direct support to new projects although advice and guidance is readily available. It is anticipated that once the new arrangements for Business Support are in place this will improve capacity for project support and assurance.

Measures of success

4.1 A successful project delivers its output(s) on time, on or under budget and to quality standards agreed with its stakeholders. The new reporting arrangements introduced by the CPO seek to ensure transparent and consistent reporting across all major projects by analysing key milestones, benefits, financials, risk and governance processes.

Financial impact

5.1 There are no financial implications directly arising from this report. The financial impacts of major projects will also be reported through the revenue and capital monitoring process.

Risk, policy, compliance and governance impact

6.1 The process of reporting and senior management oversight of risk within the project portfolio serves to strengthen the control environment and where appropriate prompt mitigating action.

Equalities impact

7.1   Equalities impact assessments are carried out within individual major projects and addressed in separate reports to Council or committee. In addition CPO has launched an engagement programme, and established a Programme, Project and Change Management Community within the Council to promote best practice.

Sustainability impact

8.1   Each project within the major projects portfolio is responsible for undertaking its own sustainability impact assessment.

Consultation and engagement

9.1   Consultation and engagement is carried out within individual projects and is addressed in separate reports to Council or committee.

Background reading / external references

[Governance of Major Projects](#) – Finance and Resource Committee, 27 August 2015

[Governance of Major Projects](#) – Governance, Risk and Best Value Committee, 21 May 2015

Alastair D Maclean

Deputy Chief Executive

Simone Hislop, Major Projects Manager

E-mail: simone.hislop@edinburgh.gov.uk | Tel: 0131 529 2145

Steven Murrell, Senior Project Manager

E-mail: steven.murrell@edinburgh.gov.uk | Tel: 0131 469 3699

Links

Coalition pledges	**P03** - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate

investment in the fabric of all schools

P20 - Work with the Scottish Government to deliver a larger return of business rate receipts as part of the Business Rates Incentivisation Scheme (BRIS)

P23 - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties

P27 - Seek to work in full partnership with Council staff and their representatives

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

P36 - Develop improved partnership working across the Capital and with the voluntary sector to build on the "Total Craigroyston" model

P41 - Take firm action to resolve issues surrounding the Council's property services

P44 - Prioritise keeping our streets clean and attractive

P47 - Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs

P49 - Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill

P51 - Investigate the possible introduction of low emission zones

P53 - Encourage the development of Community Energy Co-operatives

Council outcomes	**C01** - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.
	C02 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.
	CO25 – The Council has efficient and effective services that deliver on its objectives.
	CO26 – The Council engages with its stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	All
Appendices	Appendix 1 - Overview of CPO major projects portfolio – October 2014

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP2	Connected Capital	BDUK funding has been allocated to a number of projects within this programme including; - Voucher scheme – to assist with broadband connectivity charges for SMEs. It has been agreed that the Council will administer the extension of the voucher scheme on behalf of the Lothians, Fife, Scottish Borders, Glasgow, Stirling, Dundee, and Inverness through to 31 March 2016. £1.25m has been awarded to 1,140 businesses across Scotland (£435,000 has gone to 515 businesses in Edinburgh, Lothians, Fife and Borders). - Public Building WiFi – 56 of 70 buildings are now live (with 5 operating under throttled capacity). Delays on the remaining buildings are being experienced due to BT Open Reach. The final go live dates of some sites are being estimated as December 2015. - Wireless Concession – Contract discussions with the preferred bidder are now progressing towards finalisation and options for a way forward are being addressed. Detailed design now completed. - Transport WiFi – WiFi deployment across the Edinburgh Tram and Lothian Buses fleet was completed in Dec 2014. These services now also benefit from the delivery of a content management solution (CMS) to enhance the user experience further. The CMS provides infotainment channels to passengers using the on board WiFi.	Overall Programme delivery deadline of March 2015 has now been revised. Some flexibility has been agreed with BDUK that will allow funding availability for wireless concession to be available up to September 2015. There is a dependency on BT Openreach to deliver components of the Public Buildings WiFi and a risk that slippage may occur as a result.	Spend within budget.	Assurance Review completed with focus being on the Wireless Concession project and found that good project management techniques had been employed in delivery of the project to date. Transport Wi-Fi – Let's Join Content Management System has now been implemented (Sept). There has been impressive usage with a four fold increase in user sessions.	Faster and better broadband connections to SMEs via a voucher scheme contributing towards costs of connection. Wireless coverage in some public places, public buildings and across the Lothian Bus and Edinburgh Trams fleet.	Risk: Amber BT Openreach delivering to the schedule agreed for enabling outstanding Public Building WiFi,

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP8	James Gillespie's Campus	The teaching block is complete and occupied by the school. Construction of the performance and sports blocks is progressing well with the steel erection, concrete to floor slabs, drainage and retaining walls all being undertaken in this reporting period. Bruntsfield House summer 2015 works were completed within programme.	Phase 1 (teaching block) and Secondary School decant complete. Phase 2 (performance and Sports blocks) completion scheduled for August 2016 - on programme.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	Teaching block visits from interested parties have been accommodated with positive comments received.		Risk : Green
MP10	National Housing Trust	NHT Phase 1 - 422 new affordable homes complete and tenanted – This project is now closed and housing management taking forward as 'business as usual'. Phase 2: The Council has entered into contracts with FP Newhaven Two Ltd. Construction started in Nov 2014. 96 homes will be completed over 6 phases with completion scheduled for Dec 2016. Phase 3. The Council will now enter into a contract to establish four new limited liability partnerships with developers and Scottish Futures Trust to deliver up to 413 affordable homes. The first contract signing for 80 homes at Fruitmarket, Chesser was due to start on site late August 2015. Contract signing is now scheduled for September and October 2015 respectively for FP Newhaven Two, and Shrubhill (planning application approved 17 June 2015). Contract review, involving legal advisors, is being undertaken in the interim.	On time.	The City of Edinburgh Council on 12 Feb 2015 approved borrowing for phase 3 of up to £54. 998m. Forecast to complete within budget.	November 2014 Assurance Review completed with status of Green.	Provision of affordable housing. Neighbourhood regeneration and creation of jobs and training opportunities.	Risk: Green
MP11	21st Century Homes	Gracemount: development complete and all properties let.	Programme progress within target timescale.	Within budget	Greendykes was a runner up at the Homes for Scotland	Community Benefits	Risk: Green

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Greendykes C: development complete and all properties let. West Pilton Crescent: development complete and all properties let. Final homes handed over on 20 October 2014. All properties have been let. Pennywell: works started on phase 1 (108 Council and 85 Private homes) on 23 June 2014. Handover of the first Council homes anticipated end August 2015. Delivery progressing well. As of 20 August 19 owners moved into homes for sale. North Sighthill: Design work instructed to enable an Approval of Matters specified by conditions (AMC) application to be submitted to planning in summer 2015. OJEU notice placed on 30 March 2015 and PQQs were invited and evaluated. Tenders will be invited based on AMC approval at the October 2015 F&R Committee. Leith Fort: Tenders approved at F & R in June and contract has been awarded following a standstill period. Site start anticipated to commence by late 2015. Small Sites Project: 7 additional sites, tenure mix and energy strategy are to be reported to the Political Sounding Board in September. A delivery plan is being developed with the Council's procurement team.	Only minor change in the period is the awaited approval of matters specified in conditions for North Sighthill, as the consultation period was extended on behalf of the community.		awards in the Best Partnership in Affordable Housing Delivery category. West Pilton Crescent won Saltire Awards for Multiple Housing Development, and Landscape in Housing.	including employment and training opportunities. Increasing affordable housing supply across the city. Providing support to the economy and construction industry.	

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP12	**New Boroughmuir High School**	The contractor has reported that they are currently on schedule to deliver in accordance with the revised programme which was amended due to delays with piling foundation operations (as previously reported). Progress is monitored weekly through a review of the programme and at monthly Principal's meetings. The concrete stair cores to the north (Dundee Street end) of the building are now complete. The contractor continues to progress with the ground floor slab in a southward direction (towpath end).	Due to the significant slippage experienced, the revised completion date is 23 September 2016, with the move to the new school anticipated during the October 2016 break.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	The park is nearing completion for handover which will be several months earlier than contract completion date.		Risk: Green Building stage warrants received since the previous reporting period.
MP13	**New Portobello High School**	Balfour Beatty (BB) have continued with steady progress on the fabric and structure of the building however the M&E services installation has not progressed as positively. Whilst no concerns were raised by BB when change orders were previously instructed, it appears that BB is experiencing some difficulty with the M&E installation programme and the extent of this is currently being assessed with BB and the project team working to resolve any issues. The critical objectives for the project are that the new school is complete and opened for the start of the 2016/17 school year and that the existing school is vacated before the summer 2016 holiday to allow the demolition to be progressed in advance of the construction of the new St John's RC Primary School starting.	The current contract completion date, taking into account the approved extension of time, is 10 June 2016; a change of one day from the previously intimated date due to there being a public holiday during the period of extension.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	BB have a communications structure in place to deal with client, and public, matters. They are proactively engaging with neighbours in response to queries. BB also issue progress newsletters to update/inform local residents and continue to work with, the school in terms of engagement and opportunities, Edinburgh Leisure regarding the Golf Course and, Services For Communities regarding park maintenance. Currently the likely BREEAM score is above that required to secure Very Good. The		Risk: Green Status remains green in the interim period pending the outcome of the contract slippage review, linked to the M&E installation programme.

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		A 'Decant' working group has been established to plan and manage the overlap and interfaces between the delivery of the new school and existing school closure.			BREEAM advisor (AECOM) and cost consultants (G&T) are compiling a schedule of options/costs to determine if it would be possible for the project to achieve Excellent.		
MP29	**Water of Leith, Flood Prevention Scheme Phase 2**	Procurement of the Water of Leith FPS Phase 2 is nearing completion and a preferred bidder has been identified following the quality and price evaluation. It is expected that the contract will be awarded in November 2015, subject to F&R Committee approval on 29 October 2015. The expected start date of the contract is 7 December 2015. Arrangements are in hand for the advance utility works contracts and the SGN gas main diversion works commenced on 14 September 2015.	Programme progress is within target timescales. The target date for award of the main works contract of November 2015 remains unchanged. Programmes from the three tenderers have been received/reviewed.	The lowest tender with an acceptable quality submission is within the budget cost.	Assurance Reviews have been included in the programme plan at scheme definition (Sept 2014) and prior to award of contract (Nov 2015), with the recent pre-contact award review finding that the overall project status is Green - delivery highly likely. Ongoing stakeholder engagement activities have raised no significant issues.	Protect 492 residential & commercial properties. Reduce dependency on temporary flood defences. Provide enhanced access to the riverside. Improve quality of life for residents affected by flooding.	Risk: Green Progress in the period in the risk areas of tendering, contract, and utility diversions. An interim PM is in place and a construction PM is being progressed.
MP22	**Zero Waste: Edinburgh and Midlothian**	Food waste project - discussions are ongoing with the contractor (Alauna Renewable Energy - ARE) with a view to the Partner Councils providing food waste for the commissioning period expected to commence Oct 2015. Provision of access road, bridge and utilities	The food waste transition project remains confident that service commencement date of 31 Dec 2015 will be met and that the other dependencies, e.g. access	Current forecast indicates project will come in or below budget. However the capital budget is still under some pressure as construction	An assurance review undertaken in December 2014 assessed the programme as Amber- Green (delivery probable). Further Assurance Review currently being scheduled.	Benefits Realisation Plan remains under construction	Risk: Green Planning risks are of a low likelihood but carry very severe impacts should they

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		directly by the Councils remains within programme tolerances (despite Borders Railway construction issues). Provision of electricity and communications services although delayed beyond the contractual delivery date of 31 May 2015 are now complete, with it understood that ARE absorbed the delay without loss. The contractual deadline for delivery of potable water was met. Water pipe laying work completion expected in August. Residual waste project - FCC Medio Ambiente SA (FCC), the preferred bidder, lodged a planning application with Midlothian Council (March 2015), which was not to be determined until August 2015. The final tender price is held until October 2015, but the project team is now reviewing the target date for financial close to take account of Judicial Review Risk.	road, utilities and bridge work remain within the programme tolerances. The residual waste project remains within target timescales.	progresses particularly due to a £300K compensation claim by Scottish Water Horizons which is being vigorously challenged. As previously highlighted, by entering into the residual waste treatment contract the Council will be liable for legacy payments of ~£10.3M under the existing landfill contract until 2020. Work is ongoing to mitigate the financial impact.			materialise. Substantial mitigation strategies agreed by the Project Board are in place.
MP24	Leith Programme	Phase 1 -3 Construction Work completed. Phase 4 (Leith Walk – Pilrig Street to McDonald Road). New "tram proofed" design, approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016. Phase 5 (McDonald Road to Elm Row) Tram proofed design concept likely to also be applied to Phase 5. Design in development.	The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due	Budget provision for professional fees, services and other non-construction costs has been reviewed due to the high interdependency between the Leith Programme, a possible future tram extension, and the St	"Tram proofed" designs for Phases 4-6 work ongoing to achieve standards required to retain third party funding by involving representatives of external funding providers.	Increase in cyclists using Leith Walk. Improved cycle pedestrian & businesses env. Increased levels of satisfaction within the local	Risk: Amber Due to possible unfunded component and slippage to plan outwith tolerances.

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Phase 6 (Elm Row to Picardy Place) Concept design under development, including review of London Road junction design. Timescale for construction conflicts with anticipated timescale for construction of a new transport interchange at Picardy Place as part of Edinburgh St James development proposal and for a possible future tram extension along Leith Walk. Alternative delivery methods for this Phase will therefore have to be considered.	to interdependencies with a possible future tram extension on Leith Walk, and the St James Quarter redevelopment. Discussions ongoing with providers of third party funding on current funding conditions relating to timescales for delivery.	James development proposal. Options for addressing for containing these costs are reviewed by the Project Board on an on-going basis and the situation continues to be managed.		Community. Fewer claims/ complaints-trips & potholes. Enforcement of parking/loading restrictions.	
MP25	**Forth Replacement Crossing**	Construction of the U221 road now complete. Widening of Society Road complete. Non destructive testing to be carried out, with an anticipated completion of August 2015. Realignment of the A904 now complete and open to traffic. Installation of new traffic signals for new roundabout is complete. Soft landscaping works continue. B800 bridge construction works complete. The demolition programme for the existing bridge deck is currently being discussed through the Traffic Management Working Group (Transport Scotland & CEC). Proposed demolition over a weekend at end September/early October, requiring a full closure of the A90 (Saturday lunch until Monday am). Detailed programme still to be agreed.	As Transport Scotland (TS) is the lead agency, CEC has no influence on delivery timescales. However the project continues to be on time and under budget with a forecasted completion of Autumn 2016.	As TS is the lead agency no budget information reported.	TS and CEC have not agreed the official inspection and handover process. Work in progress with Transport Scotland to define adoption extents, clarify handover, and quality assurance processes. Establishment of a Memorandum of Understanding underway with TS.	Enhance transportation links locally and nationally.	Risk: Amber
MP28	**H&SC Integration**	The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August	All integration authorities and associated delegation must be in	In May 2014, the Scottish Government	The IJB has requested information on establishing an Audit and Risk Committee.	High level benefits	Risk: Amber Pending new

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		2015. The Chief Officer post was advertised on 14 August 2015 and Interviews are to be held on 5 and 6 October 2015. An Interim Chief Finance Officer (CFO) for the EIJB was appointed on 24 August 2015. The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September. The draft Performance Framework, and the draft Risk Framework were two from a series of reports approved by the EIJB on 17 July 15. Discussion is ongoing to consider interim and long term performance management arrangements.	place by 1 April 2016. This is the date that the Scottish Ministers intend to prescribe as the date by which all functions must be delegated to NHS Lothian and the Council. All the integration arrangements as set out in the Act, Orders and Regulations, must be in place and responsibility for the functions delegated.	allocated £615,000 transition funding to the Edinburgh City Partnership. This funding was for 2014/15. Due diligence has commenced involving Internal Audit, with financial assurance undertaken for CEC, NHS Lothian and the new Integrated Joint Board. Reporting due in September.	The June 2015 CPO Health Check provided H&SC with an Amber Green status, with recommendations highlighting, for example, the need to update the Business Case at all key stages i.e. prior to the formation of the IJB, when revising the Strategic Plan, and again prior to the delegation of functions.	identified through options analysis work and business case. Detailed benefits to be developed in line with the statutory strategic plan, baseline performance framework, national outcomes and SQAs, and service workstreams.	appointments interim cover arrangements leave a risk of discontinuity of approach. The status of some of the top risks have improved since the last reporting period, notably the appointment of an Interim CFO, and set-aside fund progress.
MP30	Recycling Service Project	Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete, i.e. 100K out of 140K households. Phase four routes have bedded in with no major issues. A sixth phase is presently being planned to facilitate the removal of red and blue recycling boxes from service, though this service must be retained within the 'modernising waste' area (predominantly the New Town -outside scope of original project). Palm Recycling will manage the transition period (September 2014 – November 2015) from the existing to the	Phases 1-4 complete. Phase 5 in September 2015 to 40K households. The aim of phase 6 is to upgrade the street recycling provision to replicate the kerbside collection service, so as enabling the removal of the red/blue box service. Extreme pressure to	The Recycling Redesign cost centre is currently in line with the budget at the end of July, though there are emerging risks that may put pressure on the waste collection budget; such as the provision of the new recycling service to 25,000 Edinburgh tenements that	Prior to the introduction of the new service landfill kg per household per week was 6.5kg, whilst it is now averaging close to 5kg.	Review of project benefits, via a Benefits realisation workshop on 18 August 2015.	Risk: Amber Due to risks arising as a result of the project trying to address by 1 December 2015 the out-of-scope areas of box removal to 25, 000 households,

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees were held during the reporting period.	deliver these two workstreams by 30 November, whilst simultaneously rolling out Phase 5 to 40,000 householders.	currently have access to the current recycling service. Remodelling of budget required to reflect additional resources required for additional servicing of Route 17, and 'modernising waste' area, as additional vehicles /staff may be required to provide these services resulting in additional costs.			and the modernising waste area. Changes affect circa 39, 000 householders across the city in some of especially challenging areas.
MP31	Fleet Review	The project team has been working with Ernst & Young (EY) to ensure alignment with the Council Transformation Programme. EY will be working with the service to determine all initiatives that have been carried out to date and quantify the savings achieved. Car and van procurement is complete with the first tranche, around 60% of the vehicles, delivered. Order placed for 17 replacement refuse collection vehicles, with 15 of the vehicles to be delivered prior to October/November 2015. Food Waste vehicles approved by Procurement board, with specification and procurement plan being developed. Fleet Management restructuring completed in	Car and Van delivery completion moved back from June to November, in-part due to slow uptake by user departments, and selection of wrong options by user departments. Introduction of a new procurement panel will potentially cause further delays in the renewal process which could impact upon the ability to achieve targeted yearly savings.	Capital Budget on target.	An Assurance Review health-check is currently scheduled for late October. In order to mitigate the risk to service provision associated with delays to the procurement of welfare vehicles, a process is proposed to prioritise vehicles for servicing/ maintenance, with consideration also given to hiring vehicles in the interim.	Delivery of £1.3M benefits likely to be £400k short due to late procurement of cars and vans. Work ongoing to mitigate the deficit. Reduction in number of vehicles and carbon footprint. Improved	Risk: Amber Procurement delays risk ability to achieve savings target

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		the reporting period, though a key issue is the loss of the Programme Manager at a critical point.				service delivery from more reliable fleet with manufacturer's warranty of four and five years.	
MP32	**Programme Momentum (previously Property Conservation / Shared Repairs)**	Programme Momentum has completed 14 months and is currently on schedule and key risks and issues are being managed via the Programme Board. The settlement process is progressing well and is on target to finish in the autumn. Good progress is being made with debt recovery under the extended Morton Fraser contract. The legal workstream continues to escalate as more debt recovery cases are pursued by the Council. Preparations are underway for the new service pilot which commences on 1 September 2015. Customer enquiries and FOI requests are also increasing. Focus continues on preparation for the Pilot phase: procedure manuals in final draft, training for customer contact, intervention, enforcement and financial services. The draft Governance, Policy and Performance framework was noted by the Programme Board on 10 August.	Programme is currently progressing to schedule.	Budget provision is a key risk following the saving of £0.5m requested for 2016/17. Recruitment and ICT profiles changed to suit the new reduced budget. Updated costed business plan to be prepared for presentation to the Programme Board in October.	A recent Assurance Review gave Programme Momentum an Amber-Green status: delivery probable. Main areas of concern centred on the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team and resulting gaps in resource, issues with recruitment of technical staff, and the need to ensure Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.	Reduce outstanding debt and billing of completed work. Resolve all complex and deferred complaints.	Risk: Amber Reputational and ability to realise full debt.
MP33	**Edinburgh St James**	The Compulsory Purchase Order (CPO) inquiry is to run from 24 September to 1 October, which is later than the Developer (TIAA	The over-run of the CPO inquiry has had a knock on effect to the	Contractual arrangements have been structured to	Key dependencies are now partly owned by a representative from the	Redevelopment of an area at east end of	Risk: Amber Although the Council has

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Henderson) had programmed. Work is underway by the Developer to assess the overall impact to the programme. The Growth Accelerator Model (GAM) Agreement is between the Scottish Government and the Council, and separately between the Council and TIAA Henderson. The SG Agreement, based on the December 2014 draft/revised Heads of Terms, is progressing well. This Agreement's final and full terms are targeted to be complete by 16 October 2015 and will be reported to full Council on 19 November, seeking authorisation to commit to the Agreement. The report will also incorporate the outcomes from a close-out meeting involving Scottish Futures Trust and the Scottish Government on 29 September 2015 to conclude governance, reporting, programme and control procedures over the life of the GAM. This same report will also provide an update on the satisfactory progress with the TIAA Henderson agreement.	commencement of works on site, with reports delaying the start to February 2016.	minimise financial risk to CEC. Council costs are being invoiced and paid for by the Developer.	dependent projects i.e. the Leith Programme, and the potential Tram Extension	Princes Street creating 42,500m2 of high-quality retail space, deliver 2,300m2 of grade A office space, a 210-bedroom five-star hotel, a 152-bedroom four-star hotel, a 55-bedroom apart-hotel, a theatre, restaurants and 138 residential units.	fulfilled its responsibilities on this project, the requirement for the developer to delay construction to allow for the CPO could have an adverse reputational impact for the city.
MP34	ICT Transition & Transformation Programme	Following contract signature with CGI at the end of August 2015 transition and transformation activities are now underway. A Programme team have recently been mobilised to manage the transition from BT to CGI and a project has commenced to migrate to UNIT4 Business Works, replacing the current Oracle and iTrent, Finance and HR systems.	Transition to a new ICT provider by 1st April 2016.		An Assurance review will be undertaken of the transition and transformation programme in early 2016.	£6m saving on target against £26.2m core spend. The project will further develop their approach	Risk: Amber Strong commercial management needs to be in place to ensure the

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
						to delivering these savings.	best results are delivered for the Council in line with the agreed contract.
MP35	Early Years Projects	These are three distinct and separate projects. The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August and have been very positively received. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.	All new buildings were delivered on programme.	As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.	The registration by the Care Inspectorate is in place for all three nurseries. The project team is overseeing Hub South East Scotland Limited and Morrison Construction Limited (contractor) in resolving outstanding snagging.		Risk: Green

Governance, Risk and Best Value Committee

10am, Thursday, 12 November 2015

Spot-checking on the Dissemination of Committee Decisions and Late Committee Reports

Item number	7.6
Report number	
Executive/routine	
Wards	All

Executive summary

Following the decision of the Governance, Risk and Best Value Committee on 19 June, to strengthen existing arrangements and provide greater assurance with regard to the dissemination of committee decisions, a spot-check of actions has been undertaken by directorates to ensure that decisions are being effectively communicated to staff. This report initially focuses on the dissemination of relevant policies to staff.

An update is also provided on the number of late reports to all committees, covering the period October 2014 to October 2015, including actions taken by directorates to address the issue.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Report

Spot-checking on the Dissemination of Committee Decisions and Late Committee Reports

Recommendations

1.1　To note the response to the staff survey on the dissemination of council policies.

1.2　To note that a spot-checking report would be presented to Committee on the dissemination of committee decisions twice a year.

1.3　To note the number of late reports and actions taken by directorates to address the issue as detailed in the appendix to this report.

Background

2.1　The Governance, Risk and Best Value Committee had previously agreed a revised approach for the dissemination and implementation of committee decisions by directorates.

2.2　It was agreed that an annual report outlining all decisions taken in the previous year and an update on the implementation of decisions and recommendations to discharge actions be presented to the Corporate Policy and Strategy Committee, executive committees and the Governance, Risk and Best Value Committee.

2.3　It was also agreed to introduce a spot-check on the dissemination of committee decisions with an update being provided to the Governance, Risk and Best Value Committee every six months. This is the first of these updates.

Main report

3.1　**Decision of Committee and Report**

3.2　Following the decision of Committee on 19 June 2014, reports have been submitted to the Corporate Policy and Strategy Committee, executive committees and the Governance, Risk and Best Value Committee outlining all the decisions taken by each committee over the previous year with an update on the implementation of decisions and recommendations to discharge necessary actions.

3.3　This report focuses on the dissemination of relevant policies to staff. The setting and agreeing of policies is one of the key functions of committees and focusing on this provides an effective way of gauging whether important decisions are being effectively disseminated to appropriate Council officers. An outline of the

procedure for the dissemination of existing and new policies to staff is outlined below.

Council Policies

3.4 As part of the compliance, risk and governance workstream within the Efficient Effective Transformation Programme, a review of council policies was undertaken in September 2013 to rationalise existing council policy, publish agreed policies on the council's website and ensure an appropriate process of update and review going forward.

3.5 As the initial step in rationalising Council policies, a policy register was developed and is available on the Council's website. To facilitate greater transparency, accountability and openness, the register has been aligned with the Council's publication scheme which is a mandatory requirement under freedom of information legislation. The policy register is maintained by the Governance Service and updated on a regular basis.

3.6 It is essential for good governance and the efficient and effective running of the Council that officers clearly understand the policies applicable to their role, and their responsibilities in relation to the implementation of Council policy.

3.7 To strengthen governance arrangements in this area, a policy framework has been developed to ensure all current council policies are corrected, revised and reviewed in a consistent manner and to an agreed standard.

3.8 Recently a webcast link has been added to committee action sheets to ensure that decisions can be easily viewed at the route source by action owners. This has helped ensure that information is not diluted when cascaded.

3.9 Directorates are responsible for the dissemination of policies to their staff and the process adopted by each can vary.

3.10 **Spot-Check of Policies and Staff Survey Results**:

3.11 An initial spot-check has been carried out on the dissemination to Council Officers of two Council policies by way of a questionnaire to randomly selected officers from two service areas. This was emailed to officers by Business Managers using the Survey Monkey platform. Results are detailed at paragraphs 3.12 and 3.13 below

3.12 **Policy 1 – Communities and Families – Policy to Prevent and Respond to Bullying and Prejudice Amongst Children and Young People using the Children & Families Service** (agreed at the Education, Children and Families Committee on 19 May 2015.)

	Yes	No
Are you aware of the policy	100%	0%

	Yes	No
Have you read the policy?	75%	25%
To what extent would you agree or disagree that the policy is clear and easy to understand	Strongly agree – 25% Agree – 50% Neither – 25% Disagree – 0% Strongly disagree – 0%	

3.13 **Policy 2 – Corporate Operations - Data Protection Policy** (agreed at Corporate Policy and Strategy Committee on 30 September 2014)

	Yes	No
Are you aware of the policy	100%	
Have you read the policy?	100%	
To what extent would you agree or disagree that the policy is clear and easy to understand	Strongly agree – 0% Agree – 83.33% Neither – 0% Disagree – 16.67% Strongly disagree – 0%	

Survey Responses

3.14 Officers didn't highlight a main channel through which they were most likely to hear about their respective policy. It was indicated that they had heard about policies through a variety of sources, this included work colleagues, the Council's intranet, compliance training, line managers and emails from the Communications Service.

3.15 When asked how the dissemination of policies could be improved, answers included the addition of an executive summary, a summary of changes, line manager briefings, examples of good practice, workshop sessions and a checklist for senior managers.

Future Spot-checking Exercise

3.16 The intention is to widen the spot-checking of the dissemination of Council decisions for future reports. Future spot-checks will make use of a variety of methods, including staff workshops and surveys, this will also focus on a wider range of actions than this policy-specific update. This will be used as an integral tool to improve the knowledge of staff and to improve internal communication.

3.17   Results show that there is a good understanding of these policies but future exercises will have to be widened in scope to provide more useful data.

Late Committee Reports

3.18   The committee report process can often be complex involving officers and a range of internal and external partners. At the request of the Governance, Risk and Best Value Committee in October 2014, the Clerk wrote to directors to notify them of members' concerns regarding the late submission of reports.

3.19   Following this a working group was established between directorate business managers and Committee Services staff with the purpose of delivering efficiencies and a more consistent reporting process. Reducing the number of late reports to committee a key objective of this group. A number of positive measures were identified and these were reported to the Committee on 19 October 2015:

   a.   The implementation of a report checklist

   b.   Improved report writing guidance

   c.   A refreshed report template

   d.   Increased channels of communication and shared working methods

   e.   Removal of duplication where possible.

3.20   Committee Services staff have tracked the number of, and reasons given for, the late submission of reports to committees over the previous 12 months. This information has been attached at appendix 1.

3.21   For the initial 12 month period, running October 2014 to October 2015 there were 10 late reports. Out of the 10 late reports there were a variety of reasons for them being late. These ranged from urgent items, partner contributions and up-to-date required information being provided after the publication of papers. Although any number of late reports is not desirable, 10 late reports in a year does not appear to indicate a poor culture or process, however, further work will be undertaken as part of the project to improve the report process, to reduce this number of these late reports.

Measures of success

4.1   Sufficient knowledge of Council policies by relevant officers.

4.2   Reports submitted to committee within required timescales.

Financial impact

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

Risk, policy, compliance and governance impact

6.1 The improvements in business processes help ensure increased transparency and assurance across the Council's decision making processes.

Equalities impact

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

Sustainability impact

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

Consultation and engagement

9.1 Officers from Corporate Operations and Children and Families were consulted by anonymous questionnaire.

9.2 Officers from across all service areas have been involved in improving the reporting process and ensuring that late reports are reduced.

Background reading/external references

Compliance, risk and governance programme: review of Council policy (CP&S Committee 3 September 2013)

Minute of the Governance, Risk and Best Value Committee 19 June 2014

Alastair Maclean

Deputy Chief Executive

Kirsty Louise Campbell, Governance and Strategy Manager

E-mail: Kirstylouise.Campbell@edinburgh.gov.uk

Contact: Ross Murray, Assistant Committee Clerk

E-mail: Ross.Murray@edinburgh.gov.uk | Tel: 0131 469 3870

Links

Coalition pledges	
Council outcomes	
Single Outcome Agreement	
Appendices	1 – Late Committee Reports

Appendix 1 – Late Committee Reports.

	Date of Committee	Committee	Service Area	Report Title	No of days late	Reason why late
1	27.11.14	Finance and Resources	H&SC	Adult Social Care Budget Pressures 2014/15	5	The Item was not originally on the agenda and was ruled urgent by the Convener
2	06.02.15	Police and Fire	SfC	Community Policing SLA; Performance Update	1	Police Scotland had additional details to add to the report but could not do this till the day of circulation. Director approval was then required.
3	23.04.15	Governance, Risk and Best Value	CG	Whistleblowing - Monitoring Report	5	Discussions were ongoing regarding the content of the report.
4	25.08.15	Transport and Environment	SfC	Transport for Edinburgh - Proposed Annual Performance Report	1	This report was generated by TfE and required annual report and account information, which resulted in a delay to the report.
5	25.08.15	Transport and Environment	SfC	Public Utility Company Performance 2014/15 – report by the Acting Director of Services for Communities	1	This was a year end report, which required information from the PU companies before it could be analysed and written.
6	25.08.15	Transport and Environment	SfC	Services for Communities Financial Monitoring – Month 3 2015/16	2	Report needed to be consistent with a report going to Finance and Resources committee the same week, and was delayed by that report. There were also ongoing discussions with members over the make-up of Services for Communities contribution to the Health and Social Care overspend.
7	25.08.15	Transport and Environment	SfC	Delivering the Local Transport Strategy 2014-2019 – Draft Parking Action Plan	1	Ongoing survey work and data analysis had to be completed before recommendations of report could be finalised. Given the political sensitivity and potential for reputational damage it was deemed safer to delay the report rather than go ahead with incorrect information.

8	15.10.15	Governance, Risk and Best Value	CG	Monitoring Officer Investigation: Cameron House	1	Approval of report needed to be confirmed

Governance, Risk and Best Value Committee

10.00am, Thursday, 12 November 2015

Capital Monitoring 2015/16 – Half year position - referral report from the Finance and Resources Committee

Item number **Report number**	7.7
Wards	All

Executive summary

The Finance and Resources Committee on 29 October 2015 considered a report on the overall position of the Councils capital budget at the half year stage and the projected outturn for the year. The report has been referred to the Governance, Risk and Best Value Committee for consideration as part of its work-plan.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

Terms of Referral

Capital Monitoring 2015/16 – Half year position

Terms of referral

1.1   Details of the Councils capital budget were considered at the half year stage using month five data. The projected borrowing with grant and capital income funded a capital investment of £148.037million. There was explanation provided for the slippage of £5.904million gross expenditure from the balanced position at month three and information on the projects accelerated to ensure the best use of available resources.

1.2   The Finance and Resources Committee agreed:

1)   To note the projected capital outturn positions on the General Fund and HRA at month five

2)   To note the additional requirement of £0.2m as part of the Council contribution to the National Performance Centre for Sport and that this has been contained within existing resources within the Capital Programme.

3)   To note the prudential indicators at month five.

4)   To note that the Acting Director of Services for Communities is closely monitoring the capital receipts position

5)   To refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

For Decision/Action

2.1   The Finance and Resources Committee has referred the report to the Governance, Risk and Best Value Committee for consideration as past of its work-plan.

Background reading / external references

Minute of the Finance and Resources Committee, 29 October 2015

Carol Campbell

Head of Legal and Risk

Contact: Laura Millar, Assistant Committee Clerk

E-mail: laura.millar2@edinburgh.gov.uk | Tel: 0131 529 4319

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 29 October 2015

Capital Monitoring 2015/16 – Half year position

Item number	7.4
Report number	
Executive/routine	
Wards	

Executive summary

The month five position shows that the Council is projecting to borrow £28.598m and will be in receipt of grants and capital income amounting to £119.439m. Together this will fund projected capital investment of £148.037m. The level of borrowing is projected to be £6.014m less than budget based on both a net surplus in capital receipts / grant income and net slippage on gross expenditure. Current projections suggest that over the five-year period of the 2015-2020 Capital Investment Programme, sale of general assets will generate additional income of £7.9m over and above that previously budgeted for. The net surplus in capital receipts / grant income projected this year reflects additional income that counts towards this.

Links

Coalition pledges	P3; P8; P30; P31; P33; P42
Council outcomes	CO1; CO16; CO20; CO23; CO25
Single Outcome Agreement	SO3; SO4

Report

Capital Monitoring 2015/16 – Half year position

Recommendations

1.1   Members of the Finance and Resources Committee are requested to:

1.1.1   Note the projected capital outturn positions on the General Fund and HRA at month five;

1.1.2   Note the additional requirement of £0.2m as part of the Council contribution to the National Performance Centre for Sport and that this has been contained within existing resources within the Capital Programme;

1.1.3   Note the prudential indicators at month five;

1.1.4   Note that the Acting Director of Services for Communities is closely monitoring the capital receipts position; and

1.1.5   Refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

Background

2.1   This report sets out the overall position of the Council's capital budget at the half year position (based on month five data) and the projected outturn for the year.

Main report

3.1   The position at month five is summarised in the table below, while further details can be seen in Appendix 1.

	Outturn Variance at Month Five £000	Outturn Variance at Month Three £000	Movement from Month Three £000
Net (slippage) / acceleration in gross expenditure	(5,904)	0	(5,904)
Net (surplus) / deficit in capital receipts / grant income	(110)	(328)	218
Net increase / (decrease) in borrowing requirement	(6,014)	(328)	(5,686)

3.2   As presented in the table at 3.1 above, the month five position reports £5.904m of slippage in gross expenditure, compared to a balanced position at month three. At month three, capital receipts were expected to exceed the budgeted level by £0.328m. This excess has now decreased to £0.110m at month five. The net effect of the variances projected at month five is a reduction of £6.014m in the amount that the Council requires to borrow corporately to support its capital programme relative to budgeted assumptions.

3.3   Explanations for significant slippage and accelerations projected at month five are presented in appendix 2. The net slippage on gross expenditure projected at month five represents a variance against budget of 3.84% and in the majority, relates to slippage caused by unforeseen delays that have occurred since re-profiling and aligning the revised budget. In the main, the factors have largely been uncontrollable and unforeseen and have occurred over the last month. These include delays caused by a change in procurement route on the early learning and childcare estate improvements project and the loss at short notice of internal resources to carry out the design stage of certain transport infrastructure projects. Transport is currently in the process of recruiting replacement design staff with the aim of having them in post by mid November bringing potential to put certain projects back on track.

3.4   As the economic outlook continues to improve, the construction industry has regained momentum meaning the demand for skilled and specialist staff has increased. As a result, the capital programme is being affected by the impact of in-house design and project management resources leaving Council employment to move to roles within other sectors, often at short notice. The increased demand within a small pool of qualified and skilled personnel, combined with lower average salaries, means the Council is losing skilled in-house resources to other sectors and is unable to quickly replace them with that of a suitable calibre. In some areas of the programme this is impacting both in year delivery and the planning / design phases of next year's planned work schedule.

3.5   Members are reminded that the nature of capital projects means that in any given year, variance against budget will occur due to delays or unforeseen circumstances out with the control of the Council, like those described in 3.3 above. In the previous two financial years, the impact of this type of slippage has been minimised as much as possible through acceleration / better than originally anticipated progress elsewhere in the programme. The ability to accelerate projects is dependent on the ability to make these 'shovel-ready' at short notice. It should be noted that every effort will be made to accelerate suitable projects to minimise in year slippage but that the ability to do this will likely be limited due to the factors set out in 3.4 above.

National Performance Centre for Sport Update

3.6   On 30 May 2013, Council approved in principle, a contribution of up to £2.5m towards the overall costs of the National Performance Centre for Sport (NPCS), a world class standard sports facility providing specialist services. At the time of approving this, the total cost of the project was estimated to be £30m, with funding of £25m being made available from the Scottish Government alongside Heriot-Watt University and the Council agreeing to fund the £5m gap, equally split between the two organisations.

3.7   Since this approval was given, the Guaranteed Maximum Price of the capital construction costs have increased and all three partners are now required to increase their share of contribution by an equal percentage on the pro-rata basis. Therefore the contribution now required to be made by the Council is £2.7m. Currently the project is progressing well and is forecast to be delivered on time and on budget.

3.8   The revised Capital Investment Programme (CIP) 2015-2020 was reported to Finance and Resources Committee on 27 August 2015. As part of a realignment and re-phasing exercise, Corporate Governance utilised a contingency budget to earmark the additional £0.2m of funding required for the NPCS in 2016/17. Through this realignment, the additional funding required has been met and contained within existing resources.

3.9   As the Council cannot contribute capital to an asset that it does not own, the Council's overall contribution will be paid through revenue. The additional £0.2m will be transferred from capital to revenue through utilisation of the Capital Fund mechanism.

Capital receipts/grant income

3.10   A review of capital receipts from asset sales undertaken by Corporate Property and Finance estimates that net receipts of £12.962m will be realised in 2015/16, compared to a budget of £12.852m resulting in a receipts surplus of £0.110m. The decrease from the month three position relates to revised settlement dates for some receipts including those for Oxgangs Path and Newtoft Street.

3.11   A budget update report presented to Finance and Resources Committee on 24 September 2015 noted potential additional capital receipt income of £7.9m (of which this year's net surplus forms a part) that may be realised over the period of 2015/20 Capital Programme and the proposal that this be split equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing additional capital investment for priority areas.

Prudential Indicators

3.12   The prudential indicator monitoring at month five is shown in Appendix 3.

Housing Revenue Account (HRA)

3.13   The Housing Revenue Account is forecasting slippage in gross expenditure of £5.411m at month five (balanced position at month three) as shown in Appendix 4. At month five, the forecast is gross expenditure of £43.419m (£48.830m at month three), capital receipts / grant income of £15.396m (£17.562m at month three) and borrowing of £28.023m (£31.268m at month three).

3.14   At period three, potential risks that could affect delivery and result in slippage being reported as the financial year progresses were identified and these have been detailed again in 6.4 of this report. The projected slippage at period 5 is based on an assessment of the various risks identified and their impact on in-year delivery. The main areas of the programme affected are those relating to External Fabric works in both high and low rise blocks and Neighbourhood Environmental partnership improvements.

Measures of success

4.1   Completion of capital projects as budgeted for in the 2015/16 capital programme.

4.2   Identifying slippage at the earliest opportunity and accelerating projects where possible to ensure best use of available resources.

Financial impact

5.1   The projected 2015/16 general fund outturn outlines capital borrowing of £28.598m. The overall loan charges associated with this borrowing over a 20 year period would be a principal amount of £28.598m, interest of £18.617m, resulting in a total cost of £47.215m based on a loans fund interest rate of 5.1%. The loan charges will be interest only in the first year, at a cost of £0.735m, followed by an annual cost of £2.324m for 20 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy.

5.2   The loan charge costs outlined above will be met from this year's revenue budget for loan charges.

Risk, policy, compliance and governance impact

6.1   Significant budget virements have complied with relevant financial rules and regulations.

6.2   Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.

6.3   Monitoring of major capital projects including risk assessment is carried out by the Council's Corporate Programmes Office (CPO).

6.4   Over 80% of the 2015/16 core HRA capital investment programme will be delivered through the new Housing Asset Managment Framework. This presents significant risks to delivery:

- With over 80% of the programme being tendered in the second half of the financial year, this will reduce the time available to maximise delivery.
- The Council will not have previous experience of the new contractors on the Framework and as such, there may be capacity or mobilisation issues for contractors given the reduced timeline for delivery.
- With the majority of the programme starting in the second half of the financial year, there is a risk that delivery of external fabric work streams could be adversely affected by inclement weather over the winter period.

Equalities impact

7.1   The Council's capital expenditure contributes to the delivery of the public sector equality duty to advance equality of opportunity and foster good relations e.g. enhancement works related to the Disability Discrimination Act, works on Children and Families establishments and capital expenditure on Council housing stock.

7.2   There is little contribution with regard to capital expenditure and the duty to eliminate unlawful discrimination, harassment or victimisation.

Sustainability impact

8.1   The impacts of the projects set out within the appendices of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account.

8.2   The proposals in this report will help achieve a sustainable Edinburgh because they are ensuring funding for key strategic projects that will enhance facilities and infrastructure in the city. A carbon impact assessment shall be carried out on each new project to achieve the most sustainable outcome for the city in each case.

8.3   The proposals in this report will increase the city's resilience to climate change impacts because they are securing funding for flood prevention projects.

Consultation and engagement

9.1   Consultation on the budget will be undertaken as part of the budget process.

Background reading/external references

Capital Monitoring 2015/16 – Month three position, Finance and Resources Committee, 27 August 2015

Capital Monitoring 2014/15 – Outturn and Receipts, Finance and Resources Committee, 27 August 2015

Edinburgh Bid by Heriot-Watt University to host the National Performance Centre for Sport, City of Edinburgh Council, 30 May 2013

Alastair D Maclean

Deputy Chief Executive

Contact: Sat Patel, Senior Accountant

E-mail: satyam.patel@edinburgh.gov.uk | Tel: 0131 469 3185

Links

Coalition pledges	P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools
	P8 – Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites
	P30 – Continue to maintain a sound financial position including long-term financial planning
	P31 – Maintain our City's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure
	P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used
	P42 – Continue to support and invest in our sporting infrastructure
Council outcomes	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed
	CO16 – Edinburgh draws new investment in development and regeneration
	CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and future of citizens
	CO23 – Well-Engaged and Well-Informed – Communities and

	individuals are empowered and supported to improve local outcomes and foster a sense of community
	CO25 – The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
	SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	1 – Capital Monitoring 2015/16 – General Fund 2 – Slippage / Acceleration on capital projects 2015/16 3 – Prudential Indicators 2015/16 4 – Capital Monitoring 2015/16 - HRA

Capital Monitoring 2015/16

General Fund Summary

Period 5

Expenditure	Revised Budget £000	Adjusts £000	Total Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance £000	%
Children and Families	57,995	-	57,995	17,399	52,724	(5,271)	-9.09%
Economic Development	52	-	52	-	52	-	0.00%
Corporate Governance	2,350	327	2,677	616	2,677	-	0.00%
Council Wide / Corporate Projects	-	178	178	178	178	-	0.00%
Health and Social Care	5,598	-	5,598	2,002	6,607	1,009	18.02%
Services for Communities	73,097	1,084	74,181	21,525	72,539	(1,642)	-2.21%
Services for Communities-Asset Management	13,260	-	13,260	4,349	13,260	-	0.00%
Total Gross Expenditure	**152,352**	**1,589**	**153,941**	**46,069**	**148,037**	**(5,904)**	**-3.84%**

Resources							
Capital Receipts							
General Services	10,952	-	10,952	1,328	11,231	279	2.55%
Capital Receipts in lieu of prudential borrowing	-	850	850	-	850	-	n/a
Ringfenced Asset Sales to be provided as part of carryforward	-	-	-	81	81	81	n/a
Asset Sales to reduce Corporate borrowing	1,900	(850)	1,050	312	1,050	-	n/a
Less Fees Relating to Receipts	-	-	-	(43)	(250)	(250)	
Total Capital Receipts from Asset Sales	*12,852*	*-*	*12,852*	*1,678*	*12,962*	*110*	*0.86%*
Developer and other Contributions	14,663	1,272	15,935	3,078	15,935	-	0.00%
Capital Grants Unapplied Account drawdown	689	-	689	689	689	-	n/a
Total Capital Receipts	*28,204*	*1,272*	*29,476*	*5,445*	*29,586*	*110*	*0.37%*
Grants							
Scottish Government General Capital Grant	57,461	-	57,461	23,942	57,461	-	0.00%
Cycling, Walking and Safer Streets	729	-	729	-	729	-	0.00%
Management Development Funding	31,663	-	31,663	3,849	31,663	-	0.00%
Total Grants	*89,853*	*-*	*89,853*	*27,791*	*89,853*	*-*	*0.00%*
Total Resources	**118,057**	**1,272**	**119,329**	**33,236**	**119,439**	**110**	**0.09%**

Balance to be funded through borrowing	**34,295**	**317**	**34,612**		**28,598**	**(6,014)**	**-17.38%**

CAPITAL MONITORING 2015/2016 - Period 5
Slippage and Acceleration on Projects
Slippage on projects is shown as a negative value, while acceleration or overspends are shown as
positive values.

Key to variance category

Type	*Explanation*
1. Slippage due to unforeseen delays	Slippage that has occurred due to unforeseen circumstances or delays that for the most part, are out with the Council's control.
2. Slippage due to optimistic budget	Slippage that has occurred due to optimism bias when budget was set. Issues include projecting spend on block budgets when a programme of works has not been considered or designed, not applying a discount factor for adverse weather / risk issues, providing for too much contingency and predicting an optimistic works timetable.
3. Slippage due to timing of payments	Slippage that has occurred where a project is on time and schedule but is as a result of the timing of cash flows.
4. Acceleration on a project	Represents accelerated spend on a project i.e. due to better than anticipated progress.

Note that a project will exhibit an element of all of the above but the over riding reason has been considered when applying a variance category.

	Period 5 £000	Period 3 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
Children and Families					
Early learning and childcare estate improvements	-4,024	0	-4,024	Now being delivered through the traditional procurement route following protracted difficulties in agreeing an affordable total cost package with the originally envisaged procurement method. The time this has taken has created delays on programme delivery.	1
Upgrade kitchens - free school meals initiative	-845	0	-845	Delays caused by protracted dialogue with external project manager to agree the affordability cap of individual projects.	1
Portobello High School	-458	0	-458	Based on revised cash flow projection but forecast to be delivered by original timescales.	3
Fees relating to the cost of sale of assets	56	0	56	Acceleration of spend to be met from future receipts.	4
Total Children and Families	**-5,271**	**0**	**-5,271**		

	Period 5 £000	Period 3 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
Health and Social Care					
New Royston care home	1,000	0	1,000	Revised cash flow projection based on better than anticipated progress on site.	4
Fees relating to the cost of sale of assets	9		9	Acceleration of spend to be met from future receipts.	4
Total Health and Social Care	**1,009**	**0**	**1,009**		
Services for Communities					
Carriageway/footways enhancement and other transport projects	-1,138	0	-1,138	Due to the loss of four members of staff within the in-house design team at short notice. This is having an impact on getting smaller capital projects to the 'shovel ready' stage. Aim is to recruit new staff by November but likely to still impact on in year delivery.	1
Mortonhall cremator replacement	-365	0	-365	Cremator replacement now to be packaged with roof enhancement project which has made procurement process more complicated and time consuming than originally envisaged creating delay. Packaging together will allow economies of scale and ensure works can be carried out in parallel with more ease.	1
Net (slippage) / acceleration on other projects	-139	0	-139	Based on revised cash flow projection.	2
Total Services for Communities	**-1,642**	**0**	**-1,642**		
Total for all Services	**-5,904**	**0**	**-5,904**		

Summary of Variance Category

1. Slippage due to unforeseen delays	-6,372	0	-6,372
2. Slippage due to optimistic budget	-139	0	-139
3. Slippage due to timing of payments	-458	0	-458
4. Acceleration on a project	1,065	0	1,065
	-5,904	0	-5,904

PRUDENTIAL INDICATORS 2015/16 - Period 5

Indicator 1 - Estimate of Capital Expenditure

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
Children & Families	15,843	16,903	68,556	52,724	31,060	49,897	15,543	15,731	4,531	6,940	0	660
Corporate Governance	5,885	7,582	3,895	2,677	2,089	4,794	165	165	165	165	165	165
Economic Development	52	0	0	52	0	0	0	0	0	0	0	0
Health & Social Care	4,646	4,616	7,171	6,607	1,514	3,770	114	114	0	0	0	0
Services for Communities	79,854	85,260	82,358	72,539	68,586	87,627	47,979	47,981	21,361	21,363	17,835	17,835
SfC - Asset Management Programme	14,191	18,657	22,545	13,260	13,657	24,750	14,000	10,929	14,000	8,436	14,000	19,173
Other Capital Projects	797	1,049	0	178	0	0	0	0	0	0	0	0
Trams	5,385	5,246	0	0	0	0	0	0	0	0	0	0
Unallocated funding	0	0	13,319	0	0	0	0	0	0	0	9,000	9,000
Total General Services	126,653	139,313	197,844	148,037	116,906	170,838	77,801	74,920	40,057	36,904	41,000	46,833
Housing Revenue Account	34,135	37,308	49,830	43,419	48,693	48,693	51,485	51,485	44,375	44,375	40,347	40,347
Total	160,788	176,621	247,674	191,456	165,599	219,531	129,286	126,405	84,432	81,279	81,347	87,180

The 'estimate' figures relate to those reported in the prudential indicators as part of the budget motion in February 2015. Differences between these and the 'forecast' figures relate to further realignment and rephasing that has taken place as part of the revised budget process.

Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

	2014/15 Estimate %	2014/15 Actual %	2015/16 Estimate %	2015/16 Forecast %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Services	12.11	11.63	12.56	12.02	12.42	12.29	N/A	N/A
Housing Revenue Account	37.30	33.97	39.61	35.55	41.51	43.05	44.49	45.16

Forecast and estimates include the financing cost relating to the Trams project.

Figures for 2016/17 onwards are indicative as neither the Council nor HRA has set a budget for these years. The figures for General Services are based on the budget framework to the end of the term of the Capital Coalition and so figures for 2018/19 and 2019/20 have been excluded.

Indicator 3 - Capital Financing Requirement

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
General Services (including finance leases)	1,305,992	1,357,972	1,378,274	1,315,932	1,356,927	1,345,573	1,308,749	1,292,994	1,231,180	1,210,765	1,154,804	1,139,462
Housing Revenue Account	372,390	368,053	386,158	377,383	395,556	386,781	404,181	395,406	409,558	404,013	413,587	414,804
Total	1,678,382	1,726,025	1,764,432	1,693,315	1,752,483	1,732,354	1,712,930	1,688,400	1,640,738	1,614,778	1,568,391	1,554,266

Forecasts include the capital financing requirement relating to PPP assets and Trams project

Indicator 4 - Authorised Limit for External Debt

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,579,785	1,579,785	1,636,773	1,636,773	1,636,477	1,636,477	1,607,353	1,607,353	1,541,678	1,541,678
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	1,770,619	1,806,374	1,818,289	1,852,550	1,809,148	1,841,889	1,772,077	1,803,311	1,698,959	1,729,433

Other Long-Term Liabilities includes finance lease repayments for PPP assets

Indicator 5 - Operational Boundary for External Debt

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,558,752	1,558,752	1,611,363	1,611,363	1,609,881	1,609,881	1,579,955	1,579,955	1,514,969	1,514,969
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	1,749,586	1,785,341	1,792,879	1,827,140	1,782,552	1,815,293	1,744,679	1,775,913	1,672,250	1,702,724

Other Long-Term Liabilities includes finance lease repayments for PPP assets

Indicator 6 - Impact on Council Tax and House Rents

	2015/16 Estimate £	2015/16 Forecast £	2016/17 Estimate £	2016/17 Forecast £	2017/18 Estimate £	2017/18 Forecast £	2018/19 Estimate £	2018/19 Forecast £	2019/20 Estimate £	2019/20 Forecast £
for the band "D" Council Tax	0.29	-7.01	4.14	-13.79	10.19	6.56	N/A	N/A	N/A	N/A
for the average weekly housing rents	0.21	0.02	0.69	0.07	0.52	-0.10	-0.05	-0.60	0.52	0.27

In calculating the incremental impact of capital investment decisions on the band "D" Council Tax, investment decisions relating to National Housing Trust Phases have been omitted. As agreed with the Scottish Government, the borrowing and associated interest costs related to this expenditure are directly rechargeable to developers at agreed periods in the future. As such, there is no cost to the Council in relation to this element of borrowing and therefore it has been omitted in calculating the incremental impact of capital investment decisions.

The changes between the forecast and the original estimate reflect the realignment of the Capital Investment Programme reported to Finance and Resources Committee in August 2015.

CAPITAL MONITORING 2015/16

Housing Revenue Account Summary

Period 5

	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance £000	%
Gross Expenditure	48,830	10,482	43,419	-5,411	-11.1%
Total Gross Expenditure	48,830	10,482	43,419	-5,411	-11.1%

Resources					
Capital Receipts	-6,112	292	-3,864	2,248	-36.8%
Developers and Other Contributions	-7,670	-2,731	-7,663	7	-0.1%
Specific Capital Grant	-3,780	-1,308	-3,869	-89	2.4%
Total Resources	-17,562	-3,747	-15,396	2,166	-12.3%

Borrowing					
Borrowing	31,268	6,735	28,023	-3,245	-10.4%
Total	31,268	6,735	28,023	-3,245	-10.4%

Governance, Risk and Best Value Committee

10.00am, Thursday, 12 November 2015

Health and Social Care Integration - Update - referral report from the Finance and Resources Committee

Item number	7.8
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 29 October 2015 considered an update report on the integration of Council Social Care Functions with NHS Lothian functions. The report has been referred to the Governance, Risk and Best Value Committee for consideration as requested at its meeting on 23 September 2015.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Health and Social Care Integration - Update

Terms of referral

1.1 The Finance and Resources Committee considered the attached report as part of regular updates to track the progress of the work to integrate Health and Social Care. Details were considered on the governance mechanisms in place to manage the relationship between the two organisations.

1.2 The Finance and Resources Committee agreed:

1) To note Appendix 1 of the attached report, which provides additional information on the relationship between the Council and the EIJB.

2) To refer this report to Governance, Risk and Best Value (GRBV) Committee, as requested at its meeting on 23 September 2015

3) To note progress with high level management actions to address the recommendations in the assurance reports.

4) To note the dependencies with Council transformation projects.

For Decision/Action

2.1 The Finance and Resources Committee has referred the report to the Governance, Risk and Best Value Committee for consideration as requested at its meeting on 23 September 2015.

Background reading / external references

Minute of the Finance and Resources Committee, 29 October 2015

Carol Campbell

Head of Legal and Risk

Contact: Laura Millar, Assistant Committee Clerk

E-mail: laura.millar2@edinburgh.gov.uk | Tel: 0131 529 4319

Links

| Coalition pledges | See attached report |

Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10am, Thursday, 29 October 2015

Health and Social Care Integration – Update

Item number	7.10
Report number	8 in 2015
Executive/routine	
Wards	All

Executive summary

This report presents an update on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working) (Scotland) Act 2014.

Links

Coalition pledges	P12 and P43
Council outcomes	CO10, CO11, CO12, CO13,CO14, CO15
Single Outcome Agreement	SO2

Health and Social Care Integration – Update

Recommendations

1.1 Members are recommended to:

    1.1.1 note Appendix 1, which provides additional information on the relationship between the Council and the EIJB

    1.1.2 refer this report to Governance, Risk and Best Value (GRBV) Committee, as requested at its meeting on 23 September 2015

    1.1.3 note progress with high level management actions to address the recommendations in the assurance reports

    1.1.4 note the dependencies with Council transformation projects.

Background

2.1 The Finance and Resources Committee requested regular update reports to track progress with the work associated with Health and Social Care Integration. This is the eighth report in 2015.

Main report

Edinburgh Integration Joint Board (EIJB)

3.1 Formal delegation of functions and resources to the EIJB is scheduled for 1 April 2016, following approval of the Strategic Plan by the EIJB.

3.2 GRBV Committee considered the Internal Audit report at its meeting on 23 September. A number of additional questions were raised regarding the inter-relationship between the Council and the EIJB from April 2016.

3.3 Appendix 1 provides a summary of the key points with respect to the inter-relationship between the two bodies and is intended to provide reassurance for both the Council and the EIJB. The main principles are summarised below.

- This is a delegation of functions and budgets, rather than a transfer, which means the Council retains all the duties for the functions. It therefore has a legitimate interest in ensuring the EIJB is operating well.

- The Integration Scheme is clear that Council voting members, whilst on the EIJB, must prioritise the interest of the EIJB but be mindful of the interests of the Council, and that when acting as councillor, must prioritise the interests of the Council, but be mindful of the interest of the EIJB. This is a

challenging role, but is critical for the strength and proper functions of the new arrangements.

- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation.

- The Council will set its part of the EIJB budget and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.

- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer.

- The Council will be allocated resources by the EIJB for specific functions and will need to monitor spend in accordance with those directions. Additional demands and pressures arising will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB and, when necessary back to NHS Lothian and the Council.

Assurance

3.4   The Scottish Government requires all parties to undertake appropriate assurance prior to the delegation of functions to the EIJB.

3.5   The Council's Corporate Programme Office undertook a 'health check' of the integration programme. The Council's Internal Audit function audited the arrangements for integration.

3.6   The major management actions required to address recommendations from both reviews are summarised below.

- Prompt appointment of EIJB Chief Officer and Chief Finance Officer by the Council and NHS Lothian.

- Clarity on any ongoing stakeholder arrangements between the NHS Lothian and Council once functions are delegated.

- Clarity on how business support services will be provided by NHS Lothian and the Council to the EIJB for operational oversight of the delivery of service change. This includes strategic planning and programme management/implementation of the delivery of service re-design/integration.

- Further detail on the arrangements for establishing EIJB budget and managing overspend by the Council and NHS Lothian.

3.7   Progress on these matters is outlined in the rest of this report.

Finance and Resources Committee – 29 October 2015

Chief Officer and Chief Finance Officer

3.8   The recruitment process for the Chief Officer is complete. An appointment has been made and the post holder will be in place by November.

3.9   An interim Chief Finance Officer was appointed in August to ensure adequate financial assurance for the EIJB. The permanent post is within a proposed integrated management structure, which is still under discussion.

Joint Leadership Group

3.10   Current programme arrangements include a Joint Leadership Group with the remit for preparing the draft Integration Scheme, assisting in establishing the EIJB and directing functions and budgets. Once these matters are complete, the Leadership Group will stand down in its current form.

3.11   Given that both the Council and NHS Lothian retain the statutory duties and risks associated with the delegated functions, it would be appropriate, at least in the first year of the EIJB, to establish a senior stakeholder group made up of the Council, NHS Lothian and EIJB leadership. This would not be a decision making body, but it would have a legitimate interest in assisting the EIJB to operate as intended in its first year. It would also assist all parties in setting the detailed budget for 2017/18, in line with the usual financial planning arrangements and demands.

3.12   It is proposed that the new Chief Officer be tasked with developing the remit for a senior stakeholder group.

Strategic Plan

3.13   The consultation on the EIJB's Strategic Plan started at the beginning of August and will run to the end of October. The Council is a formal consultee and the document is available at https://consultationhub.edinburgh.gov.uk/

3.14   Council and NHS Lothian staff are supporting a range of workshops and consultation events with stakeholders and partners across the city to ensure wider consultation and debate. This builds on the collaborative approach adopted in the planning process to draft the Plan.

3.15   The EIJB will consider the detail of the Strategic Plan in a development session in December and must approve the final Plan in advance of the 'go live' date of 1

April 2016.

EIJB Budget

3.16   The Council has set out how it will develop the 2016/17 budget for the EIJB and this will be subject to EIJB due diligence.

3.17   NHS Lothian has set out how it will delegate budgets in relation to two of the three elements of the budget, i.e. former Community Health Partnership budgets and 'hosted services' (those services provided for more than one EIJB). Work continues on the third and final element of NHS Lothian budgets, i.e. the set-aside' elements relating to functions in acute hospitals.

3.18   The final budget cannot be set or the Strategic Plan Financial Statement completed until both parties have followed their usual budget setting process and timelines. The Council normally sets its budget in mid-February and NHS Lothian by mid March.

Impact on the Council

Review of Existing Governance Arrangements

3.19   The principle agreed in the Integration Scheme is that existing governance structures will be reviewed. This must be done in a way which minimises bureaucracy and duplication, yet provides assurance to the Council on finance and service quality. Work is ongoing on this matter.

3.20   The Council will need to retain a role in relation to ensuring that EIJB directions are being met and that resources in relation to those directions are adequate and well managed. A report will be submitted to the Corporate Policy and Strategy Committee on a proposed approach.

3.21   The Council will retain its role in setting the overall budget for the adult social care functions within the EIJB and for approving specific contracts in line with EIJB directions.

Council Transformational Change: Dependencies

Citizens and Localities

3.22   A statutory requirement of the Public Bodies legislation is to integrate health and social care functions from the point of view of recipients and to do so at a local level. This is to be achieved via the role of the Chief Officer who is required to manage the delegated services in an integrated structure, to oversee service-redesign and local planning and to undertake operational management.

3.23   Interim Locality Mangers for the integrated structure have been appointed from senior Council and NHS Lothian staff. These managers will take forward the development of the locality model for 'in-scope' health services and adult social care functions and will work closely with other Council services to ensure consistency and read-across where necessary.

Business Support Services (BSS)

3.24   Within the Council, a number of workshops have taken place with staff who provide business support/professional/technical and administrative services. The outputs from these sessions will feed into the design of the new models of provision. This work will take account of planned savings for 2016/17.

3.25   Following on from these deliberations, the BSS Project will need to articulate a joint approach with NHS Lothian for each of the professional/technical and administrative services.

Measures of success

4.1   The Scottish Government has issued National Outcomes for the delivery of integrated Health and Social Care as part of the final regulations. These are as expected National Health and Wellbeing Outcomes Framework.

4.2   The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is underway on a joint framework for the future.

4.3   The content of the Annual Performance Report is set out in regulations and includes performance with respect to the integration planning principles and in respect of localities.

4.4   The Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.

4.5   The EIJB has agreed to set up a Performance Sub-Group to ensure an integrated overview of the performance of functions and service re-design.

Financial impact

5.1   It is estimated that the Edinburgh Integration Joint Board will include a combined budget the first year of around £560 million; c£200 million of Council funds, c£300 million of community health NHS Lothian funds, and an early estimate of acute hospital related 'set aside' funds of c£60 million.

5.2   The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The delegated resources will be subject to financial assurance in order for the Integration Joint Board to understand any underlying financial risks. The figures may also vary subject to any impact of the Business Support Services proposals.

5.3   The Strategic Plan will identify how the resources are to be spent (at a high level) in order to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings. Planned variances will be retained by the Integration Joint Board, which will have the power to carry reserves.

Risk, policy, compliance and governance impact

6.1   A detailed risk log is maintained for the Integration Programme and is reported through the status reporting process to the Health and Social Care Partnership and through the Corporate Programme Office Major Projects reporting procedure.

6.2   Major risks to both the Council and NHS Lothian as a result of the programme of change are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.

6.3   The approach to risk management for the Integration Joint Board and respective parties is set out in the Edinburgh Integration Scheme and the EIJB received a report on 17 July on proposals to develop its Risk Management Strategy.

Equalities impact

7.1   The integration of health and social care services aims to overcome some of the current 'disconnects' within and between health and social care services for adults, to improve pathways of care and to improve outcomes.

7.2   The intention is to improve access to the most appropriate health treatments and care. This is in line with the human right to health.

7.3   A combined impact assessment procedure between NHS Lothian and the Council has been developed. This will be used for all impact assessments, as required across the joint service, once the Integration Joint Board is fully established.

7.4   An impact assessment of all four Lothian Draft Schemes was completed on 10 February 2015 by representatives from NHS Lothian and the four Lothian councils.

Sustainability impact

8.1　The proposals in this report will help achieve a sustainable Edinburgh because:

- joint health and social care resources will be used more effectively to meet and manage the demand for health and care services

- integrated services will promote personal wellbeing of older people and other adults in need of support; and

- they will promote social inclusion of and care for a range of vulnerable individuals.

Consultation and engagement

9.1　Consultation and engagement form a key work stream in the programme. A number of events have taken place with managers and staff during the shadow arrangements.

9.2　The Integration Scheme to establish the EIJB was consulted upon widely. A full report on the consultation on the Integration Scheme was provided to Council on 30 April 2015.

9.3　A number of members of the EIJB, in line with statute, bring broader perspectives such as service users, carers and the third sector.

9.4　A comprehensive engagement programme is also underway to engage with a wide range of staff and stakeholders across the community in relation to the production of the Strategic Plan. The formal consultation on the draft plan will run from August to October. The Council will be a formal consultee.

Background reading/external references

Finance and Resources Committee – 24 September 2015, Health and Social Care Integration Update.

Finance and Resources Committee – 27 August 2015, Health and Social Care Integration Update.

Finance and Resources Committee – 4 June 2015, Health and Social Care Integration Update

Finance and Resources Committee – 13 May 2015, Health and Social Care Integration Update.

City of Edinburgh Council – 30 April 2015, Health and Social Care Integration Scheme - Consultation Responses

Health, Social Care and Housing Committee – 21 April 2015, Health and Social Care Integration Update.

Finance and Resources Committee – 19 March 2015, Health and Social Care Integration Update.

[City of Edinburgh Council – 12 March 2015, Health and Social Care Integration Scheme: Final for Submission.](#)

Finance and Resources Committee – 3 February 2015, Health and Social Care: Draft Integration Scheme Consultation.

Health, Social Care and Housing Committee – 27 January 2015, Draft Integration Scheme Consultation.

Corporate Policy and Strategy Committee – 20 January 2015, Health and Social Care Integration Scheme: Draft for Public Consultation.

Finance and Resources Committee – 15 January 2015, Health and Social Care Integration; General Update.

City of Edinburgh Council – 11 December 2014, Health and Social Care Integration Scheme; Update on Draft Integration Scheme.

Finance and Resources Committee – 27 November 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 October 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 September 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 28 August 2014, Health and Social Care Integration Update.

Corporate Policy and Strategy Committee – 5 August 2014, Health and Social Care Integration – Options Analysis of Integration Models.

See reports above for earlier reporting.

Michelle Miller

Chief Social Work Officer

Contact: Susanne Harrison, Integration Programme Manager

E-mail: Susanne.harrison@edinburgh.gov.uk | Tel: 0131 469 3982

Links

Coalition pledges	Ensuring Edinburgh and its residents are well cared for.
Council outcomes	Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it.

| **Single Outcome Agreement** | Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health |
| **Appendices** | Appendix 1: Edinburgh Integration Joint Board and the Council: Key Relationships |

Appendix 1: Edinburgh Integration Joint Board and the Council: Key Relationships

At its meeting on 23 September, the Council's Governance, Risk and Best Value Committee raised a number of questions regarding the operation of the Edinburgh Integration Joint Board and its relationship to the Council, following the delegation of functions and resources.

The bullet points below are intended to clarify the position and provide assurance to GRBV Committee.

- The Public Bodies Act requires a delegation of functions and budgets rather than a transfer, which means the Council retains all the duties and risks associated with the functions, but delegates the power and responsibility to the EIJB to take forward jointly with NHS Lothian as a common decision-making body. The Council therefore has a legitimate interest in ensuring the EIJB is operating well and is adequately resourced to do so.

- The Council will set the budget for the EIJB and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.

- The EIJB will have five serving councillors as voting members who are likely also to be engaged in the governance of the Council in some form. The Integration Scheme makes clear that these voting members:

  - in their role on the EIJB, will have a crucial role in communicating and having due regard to the interests of.... City of Edinburgh Council, but on the understanding that, in carrying out their role as a member of the EIJB, their primary duties and responsibilities are those which attach to them in that capacity; and

  - while discharging their role as a councillor, will have a crucial role in communicating and having due regard to the interests of the EIJB, but on the understanding that, in carrying out their role as a councillor, their primary duties and responsibilities are those which attach to them in that capacity.

- The Integration Scheme allows for the principle that each party's governance arrangements must allow that party to manage risk in relation to service delivery.

- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation. The Chief Officer role is an important means by which closer integration of services will be achieved.

- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer. The Chief Social Work Officer is a non-voting member of the EIJB and will advise it with regard to standards and quality of services.

- The EIJB will allocate to the Council resources for specific functions and will need to monitor spend in accordance with those directions. The Chief Finance Officer will have oversight of this spend in order to keep the EIJB informed on a regular basis (minimum quarterly).

- Additional demands and pressures arising during the year will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB, and when necessary back to NHS Lothian and the Council.

- While there are risks associated with the EIJB, there are also risks associated with the status quo, not least the rapid increase in demand for social care services due to the ageing population and the fact that people are living for longer and need health and social care support to do so. The intent behind the legislation is to ensure that a whole system approach is taken to managing this demand and providing good outcomes for people. This brings and inherent challenge to the existing structures and operation of NHS Lothian and the Council to which both organisations must adapt together.