Governance, Risk and Best Value Committee

10am, Thursday, 18 August 2016

Corporate Governance Framework 2015/16

Item number	7.1
Report number	
Executive/routine	
Wards	All

Executive summary

The Council operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.

The Council's self assessment for the period 1 April 2015 to 31 March 2016 is provided for information.

Links

Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

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Report

Corporate Governance Framework 2015/16

Recommendations

1.1 To note the corporate governance framework self-assessment which is outlined in appendix one.

1.2 To agree that the improvement actions which have been identified will be addressed through the Council Transformation Programme.

Main report

2.1 The Council operates through a governance framework which brings together an underlying set of legislative requirements, CIPFA governance principles and management processes. This is followed as best practice for developing and maintaining the Council's local code of governance and for discharging accountability for the proper conduct of Council business through the publication of an annual governance self assessment statement that ensures that the adopted practice within the Council is open and transparent.

2.2 The Council's self assessment for the period 1 April 2015 to 31 March 2016 is provided for information. Improvement actions are being taken forward in line with the Council Transformation Programme. As stated in the Chief Social Work Officer Annual Report 2015/16, which was agreed by the Corporate Policy and Strategy Committee on 9 August 2016, the integration of health and social care requires a more effectively integrated quality assurance framework for delegated functions. This is being developed and will be reported to both Council and the Integrated Joint Board when complete.

Measures of success

3.1 Governance arrangements will continue to be monitored and self-assessment information provided to the Governance, Risk and Best Value Committee on an annual basis.

Financial impact

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

Risk, policy, compliance and governance impact

5.1   The process of reporting and senior management oversight of the corporate governance framework serves to strengthen the control environment and where appropriate prompt mitigating actions.

Equalities impact

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

Sustainability impact

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

Consultation and engagement

8.1   Consultation with all related service areas is undertaken to prepare the self-assessment.

Background reading/external references

Corporate Governance Framework 2014/15 – report to Governance, Risk and Best Value Committee – 13 August 2015

Corporate Governance Framework 2013/14 – report to Governance, Risk and Best Value Committee - 19 June 2014

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Chief Executive

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Links

Coalition pledges	
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	

| **Appendices** | The City of Edinburgh Council Corporate Governance Framework 2015/2016 |

Corporate Governance Framework

Vision, Values and Outcomes

Vision Values and Outcomes
Corporate Governance Framework

Principle – Vision, Values and Outcomes	1. Focusing on the purpose of the authority and on outcomes for the community, and creating and implement a vision for the local area		
Supporting Principle	1.1 Exercise strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users.		
Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
1.1.1 Develop and promote the authority's purpose and vision	• The Council's Business Plan 2016-20 agreed in January 2016. The Council Business plan is reviewed at Full Council in January each year in line with budget planning cycles. This review is supported by an annual mid-term review of progress towards implementation conducted in September each year. • The Vision for Edinburgh sets out a vision for the city based on a thriving and sustainable city where all forms of deprivation and inequality are reduced. This vision is underpinned by three strategic themes, build excellent places, improve quality of life and ensure economic vitality. These themes are tied together with the aim of delivering lean and agile Council services. • CEC uses a range of communications to promote the authority's purpose including the City of Edinburgh Council (CEC) website, new/social media, community and partner engagement including strategic and neighbourhood partnerships. • Additionally at Neighbourhood Partnership level a refreshed communications Plan was presented to Communities and Neighbourhoods Committee on 23 June 2014. The approach, which forms part of a continuous improvement programme, seeks to increase awareness and encourage greater community and partner involvement in Neighbourhood Partnerships through the delivery of a promotion plan and enhanced online presence with website improvements, increased use of Twitter and Facebook and the introduction of the Pinterest board 'in your neighbourhood' . • Edinburgh Partnership's Community Plan 2015-18 was approved by Edinburgh Partnership Board in March 2015 with all partners sharing a single vision for the city that: 'Edinburgh is a thriving, successful and sustainable capital city in which all forms of deprivation and inequality are reduced.' There are 4 strategic outcomes : (i) Edinburgh's economy delivers increased investment, jobs and opportunities (ii) Edinburgh's children and young people enjoy their childhood and fulfil their potential (iii) Edinburgh's citizens experience improved health and wellbeing with reduced inequalities in health (iv) Edinburgh's communities are safer and have improved physical and social fabric and high level performance targets have been reduced from over 50 to 21, all of which can only be achieved through partners working effectively together. • The Council's People Strategy has been developed and will be launched in autumn 2016. This reflects the Council's vision and strategic themes. A range of strategic development and business planning is being undertaken as the Council adapts to meet the challenges of increasing citizen and customer expectations in a climate of unprecedented financial constraints. All other Council strategies including; Transformation, Citizen and Partner engagement and Budget are aligned to the Council's pledges, outcomes and future state analysis to ensure a successful direction	3	• The Council Business Planning framework will be further developed through 2016/17, including revision of service operating plans in line with the new structure and approach. • In line with delivery of a council wide locality operating model, locality improvement plans – one for each locality area - are being developed i within the overarching Council Business Planning framework, using the well established Neighbourhood Partnership Local Community Plans as the basis. • These plans are required by statute in accordance with the Community Empowerment (Scotland) Act 2015 and related guidance. Further guidance arising from the Community Empowerment Act relates to city-wide community planning arrangements. A response to this guidance, including revisions to the existing Community Plan 2015-18 will be in place by October 2017. • The Neighbourhood Partnership strategic approach to communications is subject to continuous development, with annual progress reported to the Communities and Neighbourhoods Committee. • Launch of the Council's People Strategy in the autumn of 2016.

	in the short, medium and longer term.		
1.1.2 Review regularly the authority's vision for the local area and its implications for governance arrangements.	• Neighbourhood Partnerships are subject to continuous improvement. A strategic improvement plan is being implemented which seeks to strengthen partnership working and community participation at a local level. • The work of Neighbourhood Partnerships is informed through ongoing dialogue with community and partner agencies, together with dedicated engagement programmes, to ensure all activity reflects the aspirations and priorities within each locality. • The activity of Neighbourhood Partnerships is informed through ongoing dialogue with the community and partner agencies. For example, the new Local Community Plans 2014-17 were informed by over 31,000 contributions from a variety of sources, supplemented by 7,500 from a dedicated engagement programme. This process informed a review of the operating structures within Neighbourhood Partnerships to ensure these were appropriate to deliver the priorities identified within the locality. • The Neighbourhood Partnerships' role in providing a localities based governance framework to support the delivery of better outcomes for communities is identified as a key element of the integrated localities service model being adopted as part of the Council's Transformation Programme.	3	• Progress on the delivery of the strategic plan is regularly reported to the Communities and Neighbourhoods Committee. • The Council Transformation Programme will further develop these elements. • Work to develop this approach is being progressed through the Council Transformation Programme.
1.1.3 Partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.	• The focus of the 12 Neighbourhood Partnerships is the development and delivery of Local Community Plans. The plans are developed collaboratively by partner agencies and the community and set out the shared vision, priorities and action required to meet the aspirations and needs of communities. The plans provide the platform for collaborative working across the areas, with this taken forward by multi-agency and community thematic action groups. The plans contribute to the achievement of the strategic priorities of the Council and of the City Community Plan. • The city's Community Planning Partnership (Edinburgh Partnership) formally endorsed and approved the EP Community Plan 2015-18, on 18 June 2015. The Plan incorporates the city's Single Outcome Agreements, and includes the partnership's vision for the city, four community planning outcomes, 12 strategic priorities and complementary partnership actions and performance measures. The Plan was approved by the EP Board, comprising 13 representatives drawn from public agencies, and community bodies. • The Edinburgh Partnership is made up of a 'family' of nine Strategic (Delivery) Partnerships, 12 Neighbourhood Partnerships, and seven strategic advisory groups. • Locality Working, Locality Planning and Locality Leadership Teams – In response to the council transformation programme, and partner agency transformation programmes, the Council and its partners have agreed to place more focus on locality working. In order to better support this work, the council and its partners have agreed four co-terminus locality areas, aligned to the 12 neighbourhood partnerships. This will enable improved partnership working and locality planning. In addition, the council and its partners have established four locality leadership teams, aligned to each area, to improve service coordination, partnership activity and improved support for the work of neighbourhood partnerships.	3	• Progress on the delivery of the Local Community Plans is regularly reported to each Neighbourhood Partnership with annual reporting to the Communities and Neighbourhoods Committee and Edinburgh Partnership. • Each team will be responsible for producing a Locality Improvement Plan, which will link to the Council's Business Plan 2016/20, Edinburgh Partnership Community Plan 2015/18 and new local community plans.

Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
1.1.4 Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	• The Council's online Strategy and Performance hub provides an overview of all Council strategies and reports against progress and performance. This framework is developed in line with strategic direction provided by the Accounts Commission and follows best practice guidance provided by the Improvement Service. The hub includes a searchable directory of Council performance reports and updates across all activities. • Within this framework The Council published an annual analysis of performance against National Benchmark indicators recommended by SOLACE and the Improvement Service. Local Government Benchmarking Framework published 2014/15 data in March 2016 with improvement plans for all themes. • A performance Dictionary has been developed to provide a brief description and purpose of the City of Edinburgh Council's key performance indicators. • There are detailed arrangements in place for Community Plan reporting every six months. • The Council provides a six monthly formal report of progress against the priorities set out in the Capital Coalitions 'contract with the capital'. The last update was presented to Council on 19 November 2015. • Reports on progress against the Council's Corporate Performance Framework are scrutinised by the Council Leadership Team on a monthly basis, with six monthly scrutiny by elected members at Executive Committees and the Corporate Policy and Strategy Committee. • Unaudited and audited Annual Statement of Accounts published in both print format and on the website by the statutory date each year; the 2014/15 statements additionally included a more detailed management commentary. A narrative-based outturn report is presented in August each year. • Quarterly in-year revenue and capital monitoring reports are considered by the Finance and Resources Committee and regular reviews of the Council's Long-Term Financial Plan are also formally reported. Risks and reserve levels are also reviewed at least annually.	3	• Next update for the Local Government Benchmarking Framework is due in March 2017. • Annual review on the Corporate Governance Framework presented to committee each year. In June 2016 the review will include analysis of the key performance indicators with exceptions, 2015/16 complaints analysis, coalition pledges and Edinburgh Partnership annual performance report.
Supporting principle	**1.2 Users receive a high quality of service whether directly, or in partnership, or by commissioning.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
1.2.1 Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.	• The annual performance framework for the Council was presented to the Corporate Policy and Strategy Committee on 9 June 2015. This framework provides an overview of all our key strategies, joining up services to promote a 'one Council' approach to deliver on corporate, political and Community Planning priorities. • Performance dashboards developed as part of this framework incorporate indicators around quality of service, customer perceptions and service response rates. • Data for the framework and dashboards is collated centrally using the Cognos performance management system. • Performance arrangements and customer focus are covered in Service, Divisional, and Thematic plans.	3	• The annual performance framework update will be considered by Council on 30 June 2016.

	- The Council uses a range of standard tools to assess services across the organisation. - The Edinburgh People Survey (EPS) questions provide neighbourhood-level opinion information on universal services, quality of life and organisational reputation – linked to a full suite of demographic information. - The Council's Strategy & Insight service leads on Best Value Auditing of Council services to support statutory duties and use external scrutiny to ensure services benchmark with their peers. - The Council is committed to working with services to achieve Customer Service Excellence accreditation and ensure that services meet the highest standards for customer service set in the UK. - As part of this work the Council is committed to the implementation and use of self assessment procedures amongst Council services to identify areas for improvement and strengthen service quality.		
1.2.2 Effective arrangements to identify and deal with failure in service delivery.	- The performance management evidence above in 1.2.1 also applies here. - The Best Value Audit Report 2016 noted Edinburgh's progress since the 2014 Best Value Report and highlighted a number of achievements. In particular it noted that The Council has made considerable progress in addressing the increasingly challenging financial position and that The Council has a clear strategy for changing the way it delivers services, reducing its workforce, and achieving substantial financial savings. - A Resources Management Team performance dashboard was established and is now presented each month. - The Business Improvement tool Cognos is now accessible to all users. - The Council has established the Council Complaints Management Group to take forward actions for improving complaints management and to review Council's engagement with the public on complaints. The Group has driven a series of corporate improvements to ensure effective complaints management and analysis. - The Council publishes complaints performance every quarter to provide assurance, to deliver continuous improvement and to assist in benchmarking between local authorities. Reporting of complaints is a statutory requirement and is monitored by Audit Scotland in conjunction with the Scottish Public Services Ombudsman (SPSO) and in line with Best Value.	3	- A new approach to progressing Best Value with all local authorities is being developed by Audit Scotland. It will be delivered within a five year programme and will include annual progress reports to the Commission. The programme will include performance audits, audits of Best Value, How Councils Work series, overview reporting and statutory reporting. - In May 2016 the Council will establish a new Strategy and Insight function with enhanced capacity for transformation and business change support to drive service improvements. One key programme is the development of a data warehouse and dynamic dashboard reporting toolkit through Cognos. Initially, the programme will focus on the delivery of 3 key Insights – Customer, Localities and Debt. The long term goal for the warehouse will be to provide a single repository for all data in the Council and facilitate data profiling to identify and action data quality issues. Cognos dashboards will allow us to to blend data from multiple sources (internal and external) and use a wide range of analytical tools to enable a single view of information across the Council. The dashboards will provide deeper insight into performance and service provision and support effective decision making, service planning and improvement. Alongside this project, targeted service improvements and enhanced monitoring of

			performance by CLT form a core part of the Council's new Business Planning process.

Supporting Principle	**1.3 Make best use of resources so that tax payers and service users receive excellent value for money.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
1.3.1 Decide how value for money (VFM) is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	• Annual Efficiency Statement sets out levels of efficiency achieved per annum. • Significant financial impacts noted in reports to Council and its committees; guidance on main considerations for officers refreshed in January 2015 and reflected within revised Financial Regulations, supplemented by periodic reminders to report authors. • Up until 2014, Procurement procedures were externally reviewed annually as part of the Procurement Capability Assessment (PCA). Value for money considerations have also been implicit in development of transformation plan business cases, particularly those for Business and Support Services and Asset Management, with relevant comparators (including, as appropriate, use of the Local Government Benchmarking Framework) informing assessments of current service efficiency and effectiveness. The Council also considers the findings of all Audit Scotland national reviews and reports this assessment to the Governance, Risk and Best Value Committee. Recent examples include review of capital investment in Councils and a progress report on the use of arm's length organisations to deliver service objectives.	3	• Going forward, performance will be assessed by the Procurement and Commercial Improvement Programme every two years.
1.3.2 Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use	• Programme of staff training undertaken, reconsidering and better understanding the role of the accountant, with greater emphasis upon supporting decision-making. Series of "Lunch and Learn" events developed, increasing staff's awareness of key technical and service developments and current issues. • Senior Management Team monitoring reports reviewed to increase clarity and impact, resulting in greater use of Powerpoint presentations, with very positive feedback received. Employee cost monitoring improvements also shared across Division in 2014/15. • The Council has maintained overall expenditure within budgeted levels for the last nine financial years, with unallocated reserves also re-established to target levels one year ahead of schedule. Unqualified financial statements also received every year since 1996/97. Overall financial management and planning arrangements also assessed as sound by Audit Scotland.	3	
1.3.3 Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective	• Long-term financial plan established in 2009, covering rolling ten-year timeframe and capturing main drivers of expenditure and changes in income. Assumptions regularly reviewed and reported to Committee. • Comprehensive system of service and corporate monitoring in place, focused on identifying where mitigating/corrective action is required. In view of the extent of financial challenges facing the Council, 2016/17 approved savings have again been subject to a series of assurance reviews prior to and since Council approval. • Balance sheet monitoring strengthened, incorporating greater scrutiny in particular of	3	• Service pressures and mitigating actions subject to increased scrutiny in year ahead. • Further review of Financial Services and Procurement is aligned to wider Council transformation programme taking place in 2016.

action when necessary	• debtor levels and provisions. • Five-year financial strategy in place, addressing overall savings requirement through management of service pressures, delivery of approved savings, and addressing remaining funding gap through transformation plan and service prioritisation. • Both Financial Services and Procurement subject to comprehensive service reviews in 2014, refocusing functions to support Council's key challenges going forward.		
1.3.4 Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code	• Both codes formally adopted, with all activity undertaken in accordance with relevant provisions as set out in detailed procedure manuals developed for each role within section. • The Acting Executive Director of Resources is responsible for preparing and maintaining treasury policy statement, with amendments requiring consideration and approval by Council. • Annual Treasury Strategy prepared – 2016/17 statement approved by Council on 10 March 2016; review of past year's performance also reported to and subject to scrutiny by Committee. • Prudential indicators for coming year(s) reported to Council as part of Budget motion (Annex 5). • Relevant officers active members of professional groups such as Treasury Management Forum, organising, for example, national conference in 2014 and 2016.	3	

Best Value

Best Value
Corporate Governance Framework

Principle – Best Value	Developing the capacity and capability of members and officers to be effective		
Supporting Principle	**2.1 Members and officers have the skills, knowledge, experience and resources they need to perform their roles well**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
2.1.1 Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	• A comprehensive induction programme for elected members is developed for implementation at each Scottish Local Authority election when there is an intake of new councillors. This is supplemented on an ongoing basis by both regular general and tailored training for elected members. Staff are currently reviewing the training and induction materials. An extremely comprehensive and useful folder induction pack was presented to members upon election alongside a programme of essential/statutory training and elective training options. • A more tailored induction was offered to councillors returned via a by-election in 2015. • The City of Edinburgh Council is also a member of the Improvement Service and works with them in the production and utilisation of a series of induction notebooks for elected members. These are designed to provide Scottish councillors with information, support and guidance to help them fulfil their role as elected members. They cover a range of subjects, from what to expect in the first few weeks in office, to roles and responsibilities, to governance. • Access is also available to the Improvement Service's ongoing training for elected members (CPD framework, Elected Member Master classes, briefings, newsletter etc) • Officer induction and ongoing training is provided by Managers in line with the Council's policies.	3	• A Project Board is being established to oversee preparations for the induction of councillors following the May 2017 Scottish local government elections. The Board will seek and apply best practice and will make the best use of technology to assist councillors in conducting their duties. • The HR team is currently reviewing the officer induction programme to ensure it remains fit for purpose and in line with our ambitions for transformation. This will see the introduction of a corporate face to face induction programme for all new entrants, run corporately every two months, and a revised induction approach which managers will run in service areas. These new arrangements will be in place in Q3 of 2016.
2.1.2 Ensure the Chief Financial Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role	• The range and depth of relevant experience formed a key part of the job specification and recruitment process when the current Head of Finance was appointed in late 2012. • Due to structural changes in the Council the Head of Finance is currently the Acting Executive Director of Resources. The scheme of delegation was amended on 4 February 2016 to designate the Executive Director of Resources as the responsible officer for financial administration under section 95 of the Local Government (Scotland) Act 1973. • As part of senior management development, coaching and training opportunities are afforded to all members of the CLT and participation is encouraged. • The Acting Executive Director of Resources also regularly attends meetings of fellow Section 95 officers across Scotland and sits on a number of expert technical advisory groups.	3	
2.1.3 Review the scope of the Chief Financial Officer's other management responsibilities to ensure financial matters are not compromised	• The Finance Division has been the subject of recent comprehensive service review and the appropriate allocation/delegation of responsibilities has been considered as part of this, with three permanent senior managers now overseeing management of the procurement, service accounting and corporate finance functions respectively. This has facilitated service continuity whilst the Head of Finance has assumed additional responsibilities as the Acting Executive Director of Resources.	3	

Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
2.1.4 Provide the finance function with the resources, expertise and systems necessary to perform its role effectively	• System developments are proactively examined and implemented where operationally feasible and cost-effective or where other service or internal control benefits are offered. Finance representatives have also been involved in, or consulted on, requirements for the new ICT contract from April 2016 and specifically, implementation of the new Business World application in October 2016, with preparation for migration now well underway. • As part of delivering a £1.3m budget saving over the next five years, a number of options to deliver the required efficiencies through examination of current staff mix, respective workloads, extent of remaining manual input and/or eliminating non value-added work have been explored. The revised structure put in place in July 2014 was underpinned by an assessment of the Council's requirements going forward, with the Finance model widely held up as an exemplar for other support functions. • While the accountancy service is essentially an in-house service, drawing as appropriate upon external expertise, a partnership agreement has been adopted in the area of procurement and is in its fourth year of operation.	3	• The structure has been reviewed as part of the ongoing Council Transformation Programme.
2.1.5 Statutory officers have the skills, resources and support necessary to perform effectively in their roles and that the roles are properly understood throughout the authority.	• The Head of Paid Service is the Chief Executive who was appointed at the Council meeting on 28 May 2015. • The Head of Finance's appointment and designation as the authority's section 95 officer was approved by Council in November 2012. Due to structural changes in the Council the Head of Finance is currently the Acting Executive Director of Resources. The scheme of delegation was amended on 4 February 2016 to designate the Executive Director of Resources as the responsible officer for financial administration under section 95 of the Local Government (Scotland) Act 1973. • The Chief Financial Officer's financial responsibilities are set out in the Financial Regulations. • The Acting Executive Director of Resources (in his role of Chief Financial Officer), the Chief Social Work Officer and the Head of Legal & Risk (in his role of Monitoring Officer) are standing members of the Corporate Leadership Team. • The skills of the Chief Financial Officer and resourcing of the wider Finance function are covered in 2.1.2 and 2.1.3 above. • The Monitoring officer is the Acting Head of Legal and Risk and was appointed by Council on 4 February 2016. • The Head of Safer and Stronger Communities is also the Chief Social Work Officer and reports directly to the Chief Executive. • The Chief Social Work Officer provides an annual report to the Corporate Policy and Strategy Committee each year.	3	
Supporting principle	**2.2 Develop the capability of people with governance responsibilities and evaluate their performance, as individuals and as a group.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
2.2.1 Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out	• The first subject specific meeting of the Council's Wider Leadership Team (comprising all Senior Managers from Tier 3 and above) was delivered on 'Governance and Decision-making'. This was led by the Governance & Democratic Services Manager, supported by the Committee Services Manager and the Information Governance Manager. • This briefing described the key areas of governance and compliance that senior managers should	3	• Future sessions offered for Directorate management teams. • Post Local Government Election May 2017, a comprehensive induction and training programme will be provided to

effectively.	be aware of. It explained the decision making process at the Council, factors to be considered when making a decision, and highlighted important compliance and governance issues and the key documentation that supports this. It reinforced that the compliance culture has to be maintained and led by all senior managers and also pointed to the improvement in governance arrangements at City of Edinburgh Council that Audit Scotland had recognised in the Best Value report.		Elected Members with a Training Needs Analysis exercise to identify skills/knowledge gaps and development opportunities.
2.2.2 Embed financial competencies in person specifications and appraisals	• Job descriptions contain the financial dimensions for which job holders are responsible for managing and securing value for money.	3	
2.2.3 Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities	• An overview of councillors' roles and responsibilities is provided in the Financial Regulations and supplements guidance and training provided upon assuming membership of the Committee. A number of themed workshops, open to all councillors, have recently been held on a number of topics including revenue monitoring, procurement, treasury management, interpreting financial statements and an overview of the Council's main funding sources. • The Acting Executive Director of Resources is in regular contact with the Convener and Vice-Convener of the Finance and Resources Committee. Through membership of the Budget Core Group, the Acting Executive Director of Resources has access to the wider Capital Coalition, although an open-door policy is offered to all elected members.	3	
2.2.4 Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge, and to recognise when outside expert advice is needed.	• The Council has in place a recognised annual performance review and development process for staff in grades 5 to 12. • Learning needs for all staff are discussed in the development planning process but are also available through e-learning (open to all) and through the Council's Skills Academy (also open to all staff) • In addition to the regular scrutiny of reports and officer recommendations at the Executive Committees, the Council has established a Governance, Risk and Best Value Committee to bolster its scrutiny function. This Committee is chaired by a senior Opposition (Conservative) member. Both the Chief Executive and the Acting Executive Director of Resources attend meetings in person, supported by other members of the Corporate Leadership Team. The Committee has the ability to review any of the Council's activities, to require action or further reports, and to call witnesses to support its debate. It has proved effective in the scrutiny/oversight of such areas as the Council's new whistleblowing policy; changes to procurement; scrutiny and oversight of arms length external organisations; Property Conservation, and Parliament Hall. • An enhanced toolkit and training module has been developed to significantly strengthen existing guidance and training for officers to support effective and transparent decision making. [Review of Political Management Arrangements report accessed via Review Political Management Arrangements • Para 3.7.3 of the Review of Political Management Arrangements report describes that an impact assessment online tool and training module have been developed to significantly strengthen existing guidance and training for officers to support effective decision making. This incorporates and builds on the checklists recently published by Audit Scotland and covers the provision of appropriate information.	3	• The PRD process is currently being reviewed and extended to cover all staff. The system will be tested with pilot sites in the current year 2016 and the full system roll out (covering all staff) will be in place from April 2017 • The PRD process is designed to identify skills and knowledge gaps. Development objectives can be set to address any that are identified.

		Score (1-4)	Improvement Plan
	• Training has also been provided to senior officers, in partnership with Human Resources, to help develop further skills in the presentation of information at committee. This has helped to ensure that officers can provide effective information and answers to help committee make informed decisions. [Para 3.7.6 Review of Political Management Arrangements]		
2.2.5 Effective arrangements for reviewing the performance of the executive, individually and collectively, and agree an action plan which might, for example, aim to address training or development needs.	• The Chief Executive sets the objectives for each of the Executive team where performance outcomes are made clear. In addition each of the Executive has a coach, the aim of which is around driving their personal development and performance. • In addition Executives have undertaken a 360 degree review exercise to understand the impact their leadership is having and their learning needs are aligned to this, facilitated by their coach. • Further, executives are aligned to learning sets where they practise their leadership and get feedback on their performance	3	

Supporting principle	2.3 Encourage new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
2.3.1 Effective arrangements to encourage individuals from all sections of the community to engage with contribute to and participate in the work of the authority.	• Meaningful engagement is core to the Neighbourhood Partnership approach, providing opportunities for all members of the community to participate, influence and shape activity on an ongoing basis. • Communities are encouraged and supported to be involved in a wide variety of ways. In 2014/15, 327 separate community engagement activities were carried out by the Neighbourhood Partnerships resulting in over 10,000 contacts. • A targeted approach is used to ensure people with protected characteristics are given an opportunity to participate, for example through outreach work with people with disabilities, young people, carers, older people and BME groups. This activity is complemented by an increasing use of online engagement through Twitter, Facebook, Pinterest and the Neighbourhood Partnership website. • The community has an active role in decision making around the use of funds devolved to the Neighbourhood Partnerships. • The Community Grants Fund and Neighbourhood Environment Programme have a combined annual budget of over £3m. These funds are used as a vehicle for strengthening community involvement through the use of participatory budgeting. • Participation is also supported through the provision of training and development programmes for community groups, including community councils and residents and tenants' organisations. • Neighbourhood Partnerships also provide a mechanism to ensure local intelligence and community priorities inform resource deployment and service planning at a strategic level, for example the establishment of the Employability Hubs as part of the Employment and Joined Up for Jobs City Strategy and the development of the Edinburgh Health and Social Care Strategic Plan.	3	
2.3.2 Career structures for members and officers to encourage participation and	• The Best Value Audit report 2016 highlighted that **"Elected members and senior managers now have a shared understanding of the challenges facing the council and the action that needs to be taken"** and that **"the council now has a clear strategy for changing the way it delivers**	3	• As part of the Council's Transformation Programme to reshape the council and change the way it delivers services in

| development. | services, reducing its workforce, and achieving substantial financial savings." | | the future, proposals for reshaping the political management arrangements and Members Services are being developed. One of the objectives will be to provide a more appropriate and consistent structure within the service area which encourages participation and development and provides for greater career progression. |
| | • The Council's organisational structure is being reshaped to provide better, more responsive, accountable and integrated services. As the Best Value Audit 2016 noted **"In line with the council's transformation programme, the council has created four localities and is using these to restructure and integrate much of its operational decision-making."** Radical changes to the way services are delivered are being made to maximise local involvement, discretion and power, taking into account equality and diversity, in service planning and delivery. This commitment to modernising Council processes is being driven forward jointly by the Corporate Leadership Team and political leadership of the Council.
• The transformation programme has provided a platform for the total re-shaping of Council organisation structures.
• The Council is a member of the Improvement Service and works with them in developing and providing ongoing training for elected members | | • People have been aligned to new roles as a result of the re-shaping of Council organisational structures and their personal development plans are being shaped around these. |

Ownership and Responsibility

Principle – Ownership & Responsibility	Members and Officers working together to achieve a common purpose with clearly defined functions and roles		
Supporting Principle	**3.1 Provide effective leadership throughout the authority and be clear about executive and non-executive functions, and of the roles and responsibilities of the scrutiny function.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
3.1.1 A clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.	• Review of Political Management Arrangements (October 2014) • Member/Officer Protocol (December 2014) Section2 and 3 – role of members and role of officers • Procedural Standing Orders (June 2015) • Committee Terms of Reference and Delegated Functions (June 2015) • Scheme of Delegation to Officers (June 2015) • Governance – operational governance framework annual review (June 2015)	3	• The Operational Governance Framework will be reported to Council in August 2016. • A Review of Political Management Arrangements is scheduled for the autumn of 2016. A range of options to address the Council's transformational changes to its structure and service delivery will be considered by Council.
3.1.2 Ensure that the Chief Financial Officer reports directly to the chief executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact	• The Council's Chief Financial Officer is the Acting Executive Director of Resources who has a place on the Council's Corporate Leadership Team and reports directly to the Chief Executive.	3	
3.1.3 A clear statement of the respective roles and responsibilities of members and senior officers.	▪ Member/Officer Protocol (December 2014) sections 2 and 3 ▪ Procedural Standing Orders (June 2015) ▪ Committee Terms of Reference and Delegated Functions (June 2015) ▪ Councillors' Code of Conduct – Standards Commission (December 2010) section 3 and annex c ▪ Scheme of Delegation to Officers (February 2016) ▪ Governance – operational governance framework annual review (June 2015) ▪ Induction programme for new managers including governance and decision making ▪ Induction and training 2013 programme for Elected Members (May 2012, November 2013, October 2014) and training needs analysis (March 2013) ▪ Proper Officer Register	3	▪ The Operational Governance Framework will be reported to Council in August 2016. ▪ Post Local Government Election May 2017, a comprehensive induction and training programme will be provided to Elected Members. This includes briefing sessions on all of the relevant codes, protocols, procedures, etc. A Training Needs Analysis exercise will be undertaken with Elected Members to identify skills/knowledge gaps and briefings/training sessions offered to

			address these.
Supporting principle	**3.2 A constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
3.2.1 Determine a scheme of delegation and reserve powers in the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.	• Scheme of Delegation to Officers (February 2016) • Committee Terms of Reference and Delegated Functions (June 2015) (Section A2) • Review of Political Management Arrangements (October 2014) • Governance – operational governance framework annual review (June 2015)	3	▪ Documents reviewed annually to ensure relevance ▪ A Review of Political Management Arrangements is scheduled for the autumn of 2016. A range of options to address the Council's transformational changes to its structure and service delivery will be considered by Council.
3.2.2 Make the chief executive responsible and accountable to the authority for all aspects of operational management.	• Scheme of Delegation to Officers (February 2016) Paragraph 4.1 and Appendix 8 • Financial Regulations Paragraph 3.1	3	
3.2.3 Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the CEO and to other leadership team members	• The Chief Financial Officer is the Acting Executive Director of Resources who reports to the Chief Executive and is a member of the Corporate Leadership Team attended by the Chief Executive and all executive directors.	4	
3.2.4 Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.	• Scheme of Delegation to Officers (February 2016) • Member/Officer Protocol (December 2014) sections 2 and 3 • Weekly meeting with the Chief Executive, Acting Executive Director of Resources, Leader and Deputy Leader. • Committee Terms of Reference and Delegated Functions (June 2015)	3	
3.2.5 Make a senior officer (the section 95	• Scheme of Delegation to Officers (February 2016)appendix 9 • Financial Regulations Paragraphs 1.4,1.5 and 1.8	3	

officer) responsible to the authority for ensuring appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.	• Annual Accounts • Corporate Debt Policy appendix 4 Para 12, appendix 9 para 6		
3.2.6 Appoint a professionally qualified Chief Financial Officer whose core responsibilities include those set out in the Statement on the Role of the Chief Financial Officer in Local Government and ensure that they are properly understood throughout the authority	• A prerequisite of appointment is that the Head of Finance has a full professional qualification, with a wide range of relevant experience at a senior level in accordance with the five specific characteristics of the role of the CFO as set out within the Statement. The Council's Annual Audit for 2014/15 concluded that the Council complied in full with the Statement. Due to structural changes in the Council the Head of Finance is currently the Acting Executive Director of Resources. The scheme of delegation was amended on 4 February 2016 to designate the Executive Director of Resources as the responsible officer for financial administration under section 95 of the Local Government (Scotland) Act 1973. • The Council's Financial Regulations set out the framework through which the proper officer's Section 95 responsibilities are discharged. These regulations are subject to a cycle of at-least six-monthly review and, alongside the Contract Standing Orders, have been updated and approved by Council in 2015. A complementary set of more detailed Finance Rules, also updated in 2015, is published on the Orb. Briefing sessions with elected members and relevant officers have been convened to publicise the contents, principles and changes within these documents. • The Finance Divisional review initiated in November 2013 and completed in July 2014 was specifically predicated on re-aligning the Finance function to support more effectively the role of the Chief Financial Officer, with a number of specific aspects targeted for improvement. An assessment of the effectiveness of these changes will inform the further 2016 review.	3	• These documents are scheduled for review and will be put to Council for approval in June 2016
3.2.7 Ensure that the Chief Financial Officer leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively and has a line of professional accountability for finance staff throughout the organisation	• As noted for 3.2.6 above, the means by which the Acting Executive Director of Resource's Section 95 responsibilities are discharged are set out in the Financial Regulations. Complementary structural changes, such as the appointment of a designated Commercial and Procurement Manager and re-design and re-alignment of both the accountancy and procurement functions, support delivery of these objectives. • Technical and more general management training has been delivered to all professional accountancy staff for onward dissemination of the principles of good financial management throughout the organisation. Principal Accountants attend service senior management team meetings and the Finance function is represented on the boards of all of the main transformational projects, as well as project assurance reviews. • Regular financial updates are provided to the Corporate Leadership Team and to Committees.	3	

3.2.8 Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance	• The Long-Term Financial Plan serves as the foundation to the Council's financial planning and informs the level of savings requiring to be brought forward to ensure a balanced overall budget is delivered. The assumptions within the LTFP are regularly reviewed and reported as appropriate to Committee, the most recent update of which was considered in January 2016. • In recognising that the Council's level of unallocated reserves had reached unacceptably low levels in 2007, a target was set to re-establish them to a level equating to approximately 1% of the Council's gross expenditure by March 2012. This target was met a year ahead of schedule and has been maintained since that time. • The need for, and associated level of, other earmarked reserves is subject to regular discussion by officers and with External Audit. These arrangements are part of a system of financial control and planning that has been assessed to be effective by Audit Scotland. An overview of this assessment, alongside identification of key risks facing the Council, is reported to the Finance and Resources Committee in January each year. • Delivery of approved budget savings is tracked throughout the year and reported as part of the year-end outturn. In view of the crucial need to develop a sustainable budget, this assessment was strengthened in 2015/16.	3	
3.2.9 Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling manner.	• The Council has a comprehensive system of revenue and capital monitoring in place and the summarised position is regularly considered at Service Management Teams and the Corporate Leadership Team. The focus of this monitoring has been realigned more specifically towards high-risk, material and/or transformational areas, allowing available staffing resource to support a range of key initiatives within the Council. • Finance activity is subject to a framework of appropriate internal control and a number of improvements have now been implemented in full following earlier reviews by KPMG and Audit Scotland. The extent of progress made was independently verified in early 2014. Action plans are developed and subsequent progress tracked for all internal and external audit recommendations. • The Finance function is also represented on the corporate Anti-Fraud and Resources Risk Management Groups.	3	
3.2.10 Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied	• Scheme of Delegation to Officers – appendix 8 (February 2016) • The Acting Head of Legal & Risk is the Council's Monitoring Officer and is specifically responsible for reporting any proposal, decision or omission that contravenes applicable statutes or which represents maladministration.	3	

with.

Supporting principle	3.3 Relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
3.3.1 Develop protocols to ensure effective communication between members and officers in their respective roles.	• Member/Officer Protocol (December 2014) • Councillors' Code of Conduct – Standards Commission (December 2010) annex c • Weekly meeting with the Chief Executive, Executive Director of Resources, Head of Communications, Leader and Deputy Leader. • The Communications Service provides link officers for the Leader and Deputy Leader's offices.	3	• MOP reviewed annually to ensure relevance
3.3.2 Establish a scheme for remunerating members and officers and an effective structure for managing the process, including an effective remuneration panel, if applicable.	• Elected Members' Remuneration – Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulation 2013 Elected Members' Remuneration – Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulation 2013 • The Scottish Government – Remuneration for Councillors • Councillors' Pay, Allowances and Expenses are published on the Council's website • Committee Terms of Reference and Delegated Functions – Recruitment Committee – section 19 • Member/Officer Protocol – section 4.15.1 (December 2014) • Council Grade and Pay Structure (April 2015) • Contribution Based Pay	3	
3.3.3 Effective mechanisms exist to monitor service delivery.	• Mystery shopping has been used extensively across the Council to provide detailed measures of quality of service, accessibility and customer care. • The Edinburgh Partnership provides a useful mechanism to gather partner and community views on service delivery. • Edinburgh People's Survey • Council Complaints Management Group analyses and monitors complaints by service area on a quarterly basis.	3	• As part of the development of a new Customer Strategy, Edinburgh is reviewing all of its customer research techniques with a view to monitoring the customer experience using the most up-to-date technology available.
3.3.4 The organisation's vision, strategic plans, priorities and targets are developed through effective mechanisms in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.	• Single Outcome Agreement development process involved joint work with partners and wider public consultation. • The Edinburgh Partnership Community Plan for 2015-18 was published in March 2015 following extensive consultation with partners and communities. The plan focused on a small number of shared priorities across all partners with a cross-cutting emphasis on measures to tackle poverty and inequality in the city. • Neighbourhood Partnerships develop plans and priorities collaboratively with local communities. • The Council's Website for Edinburgh's citizens is used to highlight key strategic information/to get feedback/to advise of consultations etc. • Information on Neighbourhood Partnership local community plans and priorities is disseminated using a variety of methods. • The Budget Engagement project was carried out in 2015/16. Over 4,200 people responded to the engagement which allowed respondents to reduce, increase or maintain funding levels from a variety of services. The consequences of changes were articulated via the online tool. • The Council has developed a consultation framework, Consulting Edinburgh. This practical toolkit	3	• Increased use of e-engagement is a key development for the Neighbourhood Partnerships. • Further development work is planned for 2016/17 to ensure the delivery of locality improvement plans in line with new statutory guidance. Consultation work undertaken as part of this process will inform the delivery of a new Edinburgh Partnership Community Plan by March 2018.

	supports staff with the design, conduct and evaluation of meaningful and effective consultations, which adhere to the national standards of engagement. An e-learning course has also been created to educate staff on the principles of consultation. These tools were launched in May 2014. • Council consultations are posted on the Council's website and highlighted via social media. • In August 2014, the Council launched its Consultation Hub. This online platform provides a central platform for the management and promotion of consultation and engagement activity. It makes it easier for people to find out what is being consulted on in the city, have their say on the issues that matter to them and learn what action/decisions have been taken as a result of feedback. • The Council's Consultation Hub User Group was created in January 2016 to allow users to reflect on our adoption of the consultation tools, share best practice and discuss how we can improve future consultation activity. • CEC and its Community Planning Partners, including Neighbourhood Partnerships, have adopted the National Standards for Community Engagement. • The Council carries out the Edinburgh People Survey to inform council priorities. Over 5,100 respondents take part each year, the largest of its kind in the UK and considered Best Practice by Customer Service Excellence external assessors. • The Council's online Strategy and Performance hub provides an overview of all Council strategies and reports against progress and performance. This framework is developed in line with strategic direction provided by the Accounts Commission and follows best practice guidance provided by the Improvement Service. The hub includes a searchable directory of Council performance reports and updates across all activities. • The Communities and Neighbourhoods Committee provides a key link for community engagement and a consultative approach. • Core best value strategies aligned to sustainability, equality and Community Planning are well developed and articulated across the council, with associated public reporting arrangements in place.		
3.3.5 Establish a medium term business and financial planning process to deliver strategic objectives including: A medium term financial strategy to ensure sustainable finances; A robust annual budget process that ensures financial balance; A monitoring process that enables this to be delivered. Ensure that these are subject to regular review to confirm the continuing relevance of	• As noted elsewhere within this document, the LTFP sets out the Council's medium to longer-term financial framework and guides more detailed work around savings formulation. A specific reserves strategy is in place. The appropriateness of this level, as well as the various provisions and factors captured within the LTFP, is subject to on-going review in light of new and/or additional information and good practice elsewhere. The Council's financial plan has also been integrated with the wider Business Plan. • The Council's financial strategy was considered at the Finance and Resources Committee meeting of 4 June 2015. The strategy comprises four main elements: delivery of approved savings, identifying measures to re-establish stability in overspending areas and use of business transformation and service prioritisation to address the remaining funding gap. As in previous years, the draft budget proposals were subject to a period of around three months' public engagement. • The revenue monitoring process emphasises areas of particular risk, volatility and/or materiality. Given the extent of the Council's financial challenges, this process has been strengthened by systematic use of savings delivery assurance reviews, as well as additional reporting and scrutiny of service pressures.	3	

assumptions used.			
3.3.6 When working in partnership, members are clear about their roles and responsibilities, both individually and collectively, in relation to the partnership and to the authority.	• Councillors' Code of Conduct (December 2010) sections 3.18, 3.19 and guidance note 19 • Member/Officer Protocol (December 2014) section 2.1.7 • Induction and Training Programme for Elected Members and Training Needs Analysis. • The Council's Governance, Risk and Best Value Committee has performed a critical role in the Council's improvement in governance in recent years. This has been reflected by Audit Scotland (Best value Audit 2014) who noted that **"we are particularly encouraged by the progress made by the council in embedding its governance arrangements, notably around elected member scrutiny of performance."** • Partnership working has also improved, again Audit Scotland **"welcomes improving performance in partnership working, both at a political level within the council and with community planning partners."** • Separate organisation specific training/guidance provided by partner organisations.	3	• Council Companies report (30 June 2016) which outlines arrangements for a new Council companies' hub and how this aims to improve officer scrutiny of Council companies. It clarifies roles and responsibilities, good governance, elected members duties as councillors and the mitigation of conflicts of interest.
3.3.7 When working in partnership, clarify the legal status of the partnership and ensure that partners' representatives understand, and make clear to all other partners, the extent of their authority to bind their organisation to partnership decisions.	• Council Companies Governance Review 2015 under way • Internal Audit of Council Companies – June 2015 • Neighbourhood Partnerships are Advisory Committees of the Council. They are governed by a constitution approved by Council at the time of establishment and a Neighbourhood Partnership Charter, refreshed as part of a review carried out in 2013. Guidance is provided for members through a Neighbourhood Partnership Handbook and through development activity, such as the Development and Support Programme provided for community councils. • The EP Board is not an incorporated body. The Edinburgh Partnership (EP) agreed new governance Protocols in September 2014. The partnership operates in a spirit of mutual respect and partnership working. Each member has equal standing. On the 18 June 2015, the Board discussed its risk exposure and an approach to risk management in the context of the new Community Plan. The EP Community Plan 2015-18 includes 12 strategic priorities that have been agreed on the basis of resourced commitments made by community planning partners, Strategic (Delivery) Partnerships, and Advisory Groups. • The Community Empowerment (Scotland) Bill was agreed on 17 June 2015 and focuses responsibilities on community planning partners to support each CPP to fulfil its duties. The Bill proposes new statutory duties for the Edinburgh Partnership (CPP). Consultation on the Community Empowerment (Scotland) Act 2015, Part 2 Community Planning, Guidance and Regulation started on 17 March 2016 and ends on 19 June 2016. This consultation is designed to give stakeholders an opportunity to share their views on both the proposed guidance and the draft regulation made under section 9 localities.	3	• Council Companies report (30 June 2016) which outlines arrangements for a new Council companies' hub and how this aims to improve officer scrutiny of Council companies. It clarifies roles and responsibilities, good governance, elected members duties as councillors and the mitigation of conflicts of interest. Implementation during 2016/17.

Engagement and Partnership

Principle – Engagement and Partnership	Engaging with local people and other stakeholders to ensure effective public accountability		
Supporting Principle	4.1 Exercise leadership through an effective scrutiny function which engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.		
Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
4.1.1 Make clear to themselves, staff and the community what they are accountable for and to whom.	• The Council Business Plan for 2016-20 forms the central part of a single planning framework that provides strategic direction and priorities for all Council services, partnership working, and delivery of services in localities. It sets out a vision, strategic priorities and principles to guide the work of all Council services, as well as an implementation plan describing the actions in place to deliver that vision. The framework allows for a bi-annual review of the business plan in line with the annual Council Budget consultation process and mid term review. • Development of the outcome-based Performance Framework, linking analysis of council performance directly to Service Plans. • Edinburgh by Numbers was reviewed and launched in 2014. The publication is now led by Strategy & Insight rather than Economic Development and includes indicators not published in the document before. An infographics approach was deployed. • The Council's online Strategy and Performance hub provides an overview of all Council strategies and reports against progress and performance. This framework is developed in line with strategic direction provided by the Accounts Commission and follows best practice guidance provided by the Improvement Service. The hub includes a searchable directory of Council performance reports and updates across all activities. • Results of Edinburgh People Survey and Neighbourhood Surveys are reported and acted upon. • City wide and local Community Planning approaches. • The consultation toolkit and hub makes all consultations open, transparent, actionable and accountable. A consultation mandate is completed for every consultation to include clear objectives and outcomes of the consultation. Actions taken as a result of consultation are also published on the consultation hub in the form of 'We asked, You said, We did'.	3	
4.1.2 Assess the effectiveness of the relationships with institutional stakeholders that hold the authority accountable and any changes required.	• The Concordat, National Statement of Ambition and the Single Outcome Agreement / Community Plan 13/16 process defines our relationship with the Scottish Government. • A senior manager from the Scottish Government acts as the location director on Edinburgh's SOA and the Edinburgh Partnership Board and Executive and offers comments on Edinburgh's progress, as appropriate.	3	
4.1.3 Produce an annual report on the activity of the scrutiny function.	• New political management arrangements implemented from 29 October 2012 revised and significantly strengthened scrutiny within the Council. The arrangements were further reviewed in October 2013 and 2014. • The Governance, Risk and Best Value Committee is led by an opposition convener and has a very wide remit covering audit, scrutiny review and performance. • The Committee scrutinises profile areas such as Mortonhall, statutory repairs and the tram project. • The committee has an annual work programme that includes an annual scrutiny review programme which is published on the Council's website.	3	

	• In addition, the Council has a new committee in line with Police and Fire reform –Police and Fire Scrutiny Committee to scrutinise police and fire services. • Review of Political Management Arrangements (October 2014) recognised that 70% of respondents recognised that Governance, Risk and Best Value Committee had successfully enhanced scrutiny of Council business.		
Supporting principle	**4.2 Take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
4.2.1 Clear channels of communication with all sections of the community and other stakeholders, and monitoring arrangements to determine that they operate effectively.	• Neighbourhood Partnerships are implementing a communications approach which aims to ensure that every citizen is able to see and influence transformation in their neighbourhood through a range of communication methods. The approach is underpinned by a set of core principles, informed by the National Standards for Community Engagement, and performance measures enabling progress to be monitored and reported on an annual basis. • The Council regularly consults and engages with stakeholders and members of the public on its plans and policies. We use a variety of methods to seek feedback including surveys, focus groups, public meetings, our dialogue app and involving relevant stakeholders in participatory budgeting and local community planning. Details on how to find out about and participate in consultations are available via our Consultation Hub.	3	
4.2.2 Hold meetings in public unless there are good reasons for confidentiality.	• Compliance at all times with Local Government (Access to Information) Act 1985. • Procedural Standing Orders (June 2015) • Council, Executive Committees, Governance, Risk & Best Value Committee and a range of statutory committees/meetings are webcast live on the internet and archived for repeat viewing for a period of five years.	4	
4.2.3 Arrangements to enable the authority to engage with all sections of the community effectively. The arrangements should recognise that different sections of the community have different priorities and establish processes for dealing with competing demands.	• Budget Engagement. • Consultation Guidance and Consultations publicised on the Council's website. • National Standards for Community Engagement underpin the Council's and Edinburgh Partnership's and Neighbourhood Partnership's approach – Council's use of the Standards could be improved. • The Council is increasingly using public social partnership methodologies to engage with communities of interest and place to define priorities and involve in service / commissioning changes. • The Edinburgh Equality Network continues to be good mechanisms for engaging with communities of interest on a range of issues. This includes collection of qualitative data through the Community Interest Bank. • Neighbourhood Partnerships continue to strengthen work with communities of interest with strategic activity including the production of guidance, improvements to the monitoring and evaluation framework and implementation of a pilot initiative of enhanced direct support. • The consultation toolkit and hub helps to facilitate adherence with the National Standards for Community Engagement and the principles of meaningful consultation, including guidance on making consultation accessible and inclusive.	3	• New standards for community engagement are being developed and the approach to ensuring adoption/roll out is likely to be a feature in the coming year.
4.2.4 A clear policy on the types of issues requiring meaningful	• Consultation framework for the Council established which includes consultation toolkit to ensure consistency of approach for all Council service areas delivering consultation. • The consultation toolkit and hub makes all consultations open, transparent, actionable and accountable. A	3	

consultation with the public and service users, including a feedback mechanism to demonstrate to those consulted what has changed as a result.	consultation mandate is completed for every consultation to include clear objectives and outcomes of the consultation. Actions taken as a result of consultation are also published on the consultation hub in the form of 'We asked, You said, We did'.		
4.2.5 On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about the outcomes, achievements and the satisfaction of service users in the previous period.	- Relevant Finance related documents include: - Annual Statement of Accounts - Budget framework - Key Facts and Figures - Fees and Charges - Edinburgh by Numbers provides an overview of Council Performance. - The Council's new Business Plan and performance framework was launched in June 2015 as part of an annual review and update of strategic planning and performance. - The Council's new online Strategy and Performance hub provides an overview of all Council strategies and reports against progress and performance. This framework is developed in line with strategic direction provided by the Accounts Commission and follows best practice guidance provided by the Improvement Service. The hub includes a searchable directory of Council performance reports and updates across all activities. - Six monthly publication of progress reports against the Council's outcome based Performance Framework and public scrutiny by elected members. Includes information against indicators of service quality and customer satisfaction, annual complaints report to the Corporate Policy and Strategy Committee detailing complaints analysis. - Performance against delivery of the Capital Coalition pledges is reported to Council every six months. Reporting of the pledges complements wider corporate performance reporting to Committees. - Annual publication of performance against Single Outcome Agreement indicators and targets. - Reports on audits and inspections of the Council are in the public domain, along with improvement plans. - Various thematic reports e.g. on Educational Achievement	3	
4.2.6 The authority as a whole is open and accessible to the community, service users and its staff, and that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those circumstances	- Review of Political Management Arrangements (October 2014) recommendations 1.2 and 1.3 - Webcasting of Council and major committees, with access to archive recordings for five years - All Council and Committee reports and decisions are recorded and are available on the CEC web site via Council papers online (since May 2003). - Petitions Committee - Deputations at committees - Access to Information - FOI Disclosure Log - Consultation Hub - Make a suggestion, compliment or a complaint - Edinburgh People Survey – annual citizen survey - Strategy and Performance hub	3	

where it is proper and appropriate to do so.			
Supporting principle	**4.3 Make best use of human resources by taking an active and planned approach to meet responsibility to staff.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
4.3.1 Make best use of human resources by taking an active and planned approach to meet responsibility to staff.	• We have in place a Council wide HR Strategy which makes clear our position on the expectations of our people in delivering quality services to the people of Edinburgh. The strategy sets out both our obligations and expectations in this regard • We have a series of regular planned meetings with trade unions through the JCG, DJCCs and Partnership at Work Forums	3	

Good Governance

Good Governance
Corporate Governance Framework

Principle – Good Governance	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.		
Supporting Principle	5.1 Authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.		
Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
5.1.1 The authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.	• Our code of conduct and our values set out our expectations. • The Council's values; Customer First, Forward Thinking, Work Together and Honest & Transparent were launched in 2014. These values are at the core of everything the Council does, supports us through transformation and help us to create a culture of continuous improvement. The values are a summary of who Leaders want our people to be, but in many instances who we already are. • Our values were created by our people, our partners, elected members and unions and are the basis of our performance management system. • Leaders across the organisation have also implemented change to how they consult with our people. An improved, biennial Employee survey was undertaken in 2014 with more focused questions that capture staff opinion along with actions for improvement. • The Pulse Tracker survey, launched in 2015, measures how prepared our people are for transformation and what support they need as we transition to new ways of working. The survey was conducted in May and September 2015 and was sent to around 1,600 staff during each wave. • Regular sessions led by the Chief Executive and open to all staff provide leadership visibility and a voice for staff across the organisation.	3	• An employee insight and engagement programme is currently being developed. • The Employee Survey will be conducted annually to effectively measure employee perceptions of working for the Council through this time of change. • Qualitative methods such as group discussions, depth interviews, online forums and dialogue will give employees the opportunity to voice their concerns, ideas and solutions as well as exploring issues with them in depth. • Dynamic tools are being explored that will allow us to measure the mood and identify issues affecting colleagues in real time to allow prompt action. • An improved exit interview process will allow leaders to take action based on lessons from colleagues leaving the Council. • Results of the Pulse Tracker Survey were reported, including actions that will be taken as a result of the feedback.
5.1.2 Standards of conduct and personal behaviour expected of members and staff, working relationships between members and staff and between the	• Members recognise the importance of and take an active role in effective consultation and dissemination of information and consult as widely as possible with all relevant public sector bodies and wider participants in the Edinburgh Partnership. • This year (2016) we have also worked with the wider leadership team to ensure that the culture we aspire to have in the Council is clear (which has included the types of behaviour that the Council does not expect) • As set out in the Neighbourhood Partnership Charter, Board members are bound by their own organisational	3	• Council Companies report 30 June 2016) which outlines arrangements for a new Council companies' hub and how this aims to improve the officer scrutiny of Council companies. It

authority, its partners and the community are defined and communicated through codes of conduct and protocols.	codes of conduct, and/or as a minimum are expected to comply with key elements of the Councillors' Code of Conduct.
	• Under the Edinburgh Partnership (EP) Protocols all groups of the Edinburgh Partnership and in particular the Board in a spirit of mutual respect and partnership working:
	  o comply with the Seven Principles of Public Life and the Good Governance Standard for Public Services and engage appropriately in all matters and consider the impact of their operation on:
	    − sustainability issues
	    − equalities issues
	    − promoting prevention
	• The Edinburgh Partnership is subject to the requirements of the Freedom of Information (Scotland) Act 2002 ('FOISA').
	• Procedural Standing Orders (June 2015)
	• Committee Terms of Reference and Delegated Functions (June 2015)
	• Member/Officer Protocol (December 2014)
	• Councillors' Code of Conduct – Standards Commission (December 2010)
	• Code of Conduct for Council Employees (August 2012)
	• Anti Bribery Policy (August 2012)
	• Whistleblowing Policy (May 2014)
	• Equality and Diversity in Employment Policy.(August 2006)
	• Performance Review and Development system - sets our core competencies of behaviour.
	• Customer Care framework.
			specifies good governance, clarifies roles and responsibilities, elected members duties as councillors and as directors of companies and the mitigation of conflicts of interest.

5.1.3 Arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.	• Member/Officer Protocol (December 2014) • Councillors' Code of Conduct – Standards Commission (December 2010) - Within the Councillors' Code of Conduct it is clear that it is the responsibility of the elected member to declare an interest and judge whether this should prevent them from taking part in any consideration of the item. • Code of Conduct for Council Employees (August 2012) sets out the standards of behaviour we expect • Our disciplinary policy makes clear what will happen in cases where these standards are not upheld • Our anti-bribery policy makes clear our expectations around behaviour in how we conduct our business relations and this is supported by Gifts and Hospitality Guidelines and Registers. • Published Register of Elected Members' Interests and Expenses • Customer Care – suggestions, compliments and complaints including Managing Customer Contact in a Fair and Positive Way Policy. • Annual Mandatory Key Policy Awareness process • The Edinburgh Partnership (EP) Board records in minutes conflicts of interest in undertaking its business. Public Sector partners on the Board and in the wider partnership arrangements are subject to the Equality Act 2010 provisions and the Public Sector Equality Duties 2013. The EP has a Board member for Equality and Rights.	3	• Council Companies report (30 June 2016) which outlines arrangements for a new Council companies' hub and how this aims to improve the officer scrutiny of Council companies. It specifies good governance, clarifies roles and responsibilities, elected members duties as councillors and as directors of companies and the mitigation of conflicts of interest.
Supporting principle	**5.2 Organisational values are put into practice and are effective.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
5.2.1 Shared values, including leadership	• Council Vision, Values, strategic themes, Pledges, Community Plan, including embedding, where appropriate, into reporting template.	3	

values for the organisation and staff, reflecting public expectations that are communicated to members, staff, the community and partners.	• Our values were built from an engagement process with our customers, elected members, staff and unions as well as our service partners • Values are communicated on our internal intranet and inform the build and delivery of learning and development interventions • Values are a key part of our performance management system and our people's performance therefore takes account of how they are living those values in service delivery • Councillors' Code of Conduct – Standards Commission (December 2010) • Code of Conduct for Council Employees (August 2012) • Disciplinary Code (February 2014) • The Avoidance of Bullying and Harassment at Work Policy (February 2016) • Equality and Diversity in Employment Policy (August 2006) • Whistleblowing Policy (May 2014) • Freedom of Information processes and guidance and the Council's publication scheme. • Performance Review and Development system		
5.2.2 Systems and processes are designed in conformity with appropriate ethical standards, and monitored for continuing effectiveness in practice.	• As a public authority, the values of public service delivery are at our core, our transformation programme has them at its core and this has informed the reshaping of our entire organisation on the concept of localities • We work in partnership with communities and service partners to deliver services of benefit to people in our communities based upon our shared understanding of people's needs in local communities • Councillors' Code of Conduct – Standards Commission (December 2010) • Code of Conduct for Council Employees (August 2012) • Disciplinary Code (February 2014) • The Avoidance of Bullying and Harassment at Work Policy (February 2016) • Equality and Diversity in Employment Policy (August 2006) and regular monitoring reports • Published Register of Elected Members' Interests and Expenses • Whistleblowing Policy (May 2014) • Access to Information • Information Governance Framework (November 2013) which established the Information Council • CEC Framework to Advance Equality and Rights (June 2012)	3	
5.2.3 Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice	• Budgeting systems • Reviews of financial performance reports against forecasts • Preparation and circulation of regular financial monitoring reports • Consideration of internal and external audit reports by GRBV. • Refresh of Public Interest Disclosure (Whistle blowing) Policy and updating of Anti-Fraud Policy • Development of additional guidance around sustainable and ethical procurement as part of Procurement Handbook which has been approved by CLT. • Implementation of mandatory training on a range of key policies and procedures.	3	

5.2.4 An effective standards committee or appropriate equivalent.	• The Council refers complainants to the Standards Commission for Scotland. (The Commission's main task is to ensure that standards of ethical conduct are maintained across local authorities and public bodies and to deal with complaints of misconduct against individual members.) • Councillors' Code of Conduct – Standards Commission (December 2010)	3	
5.2.5 Use shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.	• Councillors' Code of Conduct – Standards Commission (December 2010) • Code of Conduct for Council Employees (August 2012) • Leadership and Development Programme – for employees. • Performance Review and Development system. • Investors in People. • Members have the opportunity to challenge officers submitting reports. • Strategic Governance – agreed capital coalition pledges, Council outcomes and the strategic plan. These are linked for all reports. • Pride in Our People – series of engagement exercises with staff by senior management and senior elected members	3	
5.2.6 In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.	• Individual agreements for partnerships. (EP Partnership Statement is in place, also Induction Pack and Members' handbook) • Local Code of Corporate Governance is completed and reported to the Governance, Risk and Best Value Committee annually.	3	

Transparency, Scrutiny and Risk

Principle – Transparency, scrutiny and risk	Taking informed and transparent decisions, which are subject to effective scrutiny, and managing risk.		
Supporting Principle	**6.1 Be rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**
6.1.1 An effective scrutiny function which encourages constructive challenge and enhances the authority's performance and that of any organisation for which it is responsible.	• Governance, Risk and Best Value Committee set up to replace the audit committee but also take the lead role as the Council's main scrutiny panel. • Accounts Commission Best Value Audit Report stated that the Governance, Risk and Best Value Committee 'provides effective scrutiny of the Council's operations and performance.' • Review of Political Management Arrangements (October 2014) - 70% of respondents recognised that the Governance, Risk and Best Value Committee had successfully enhanced scrutiny of Council business. • The Council has responded to external scrutiny, in the form of external audit and inspection reports, with improvement plans which are reported to the appropriate committees. • Convener of the Governance, Risk and Best Value Committee is an opposition member.	3	
6.1.2 Ensure an effective internal audit function is resourced and maintained	• Co-source arrangement agreed with PWC and contract signed with arrangements in place from 1 April 2013 to 31 March 2016 with an option to extend for 12 months. • Risk management framework now in place and being embedded across the Council. A risk based audit plan, risk based scoring mechanism for audit findings and risk based reporting and escalation procedure has been adopted. • An internal audit template in line with leading practice, providing a consistent reporting format across the Council has been introduced.	3	
6.1.3 Open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	• Councillors' Code of Conduct – Standards Commission (December 2010) • Code of Conduct for Council Employees (August 2012) • Member/Officer Protocol (December 2014) • Committee Terms of Reference and Delegated Functions (June 2015) • Scheme of Delegation to Officers (February 2016) • All Council and Committee reports and decisions are recorded and are available on the CEC web site via Council papers online (since May 2003). • Any decisions that are taken by officers under urgency provision require a report to the next committee detailing the decision taken and the reasons. • Copies of agendas, minutes and reports for all Council and committee meetings held by Edinburgh City Archives. • Members have the opportunity to challenge officers submitting reports. • Enhanced committee reporting following the Review of Political Management Arrangements and reports include links to related pledges and outcomes. • CEC reports have sections for consultation and engagement, sustainability and equalities impact. • Enhanced financial impact reporting arrangements are in place and embedded in the financial regulations. • Contract Standing Orders (February 2015) • Webcasting of Council and the major committee meetings – webcasts kept for 5 years. • FOI requests and replies published on Council website from January 2014 • Council Diary arrangements reported to Council annually (last reported 4 February 2016)	3	Contract Standing Orders scheduled for review June 2016

6.1.4 Arrangements to safeguard members and employees against conflicts of interest and processes to ensure that they continue to operate in practice.	- Councillors' Code of Conduct – Standards Commission (December 2010) - Member/Officer Protocol (December 2014) - Published Register of Elected Members' Interests and Expenses - Procedural Standing Orders (June 2015) section 11 - Code of Conduct for Council Employees (August 2012) - Whistleblowing Policy (May 2014) - Customer Care – suggestions, compliments and complaints - Guidance added to the orb regarding employees declaring conflicts of interest, close personal relationships at work and undertaking secondary employment. - Guidance updated on the orb regarding offering and declaring gifts and hospitality.	3	- Work is underway to improve the processes for employees to declare conflicts of interest, close personal relationships at work, secondary employment and gifts and hospitality. - At their meeting on 27 August 2015 the Finance and Resources Committee approved an action plan to develop the whistleblowing service following consideration of the report on the independent review of the service. Some actions from the plan are still in progress and it is envisaged these will be completed during the 2016/2017 reporting period, e.g.: - Review of the policy - Development of an investigative framework - Training of investigating officers - The role out of an awareness campaign for hard to reach staff.
6.1.5 An effective audit committee or equivalent which is independent of the executive and scrutiny, or suitable alternative.	- Committee Terms of Reference and Delegated Functions (June 2015) Paragraph 10 - Accounts Commission Best Value Audit Report stated that the Governance, Risk and Best Value Committee 'provides effective scrutiny of the Council's operations and performance.' - Committee convener is a member of the opposition. - Comprehensive training by Finance, Internal Audit, Governance, Treasury and Strategy and Insight managers for all committee members. - Ongoing training and workshops on key areas including treasury management, scrutiny and risk. - Governance, Risk and Best Value Committee webcast from 15 August 2013	3	Further training and briefings to be provided to the committee on a rolling basis.
6.1.6 Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the audit committee and external audit	- Chief Financial Officer attends Governance, Risk and Best Value Committee. - Regular meetings with External Audit have been in place for many years, with the focus on achieving compliance whilst also adding value - Finance-based reports are included on all GRBV agendas and promote visibility of the importance attached to good financial management.	3	
6.1.7 Effective, transparent and	Quarterly complaints reporting to CLT with a report to Corporate Policy and Strategy Committee annually. Data available on the Council's website.	3	

Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
accessible arrangements are in place for dealing with complaints.	• Procedures are outlined on the Council's website.		
Supporting principle	**6.2 Have good-quality information, advice and support so that services are delivered effectively and meet the community's wants and needs.**		
Requirements of the local Code	**Evidence of compliance and links**	**Score (1-4)**	**Improvement Plan**

6.2.1 The authority's or partnership's decision makers are provided with information that is fit for the purpose i.e. relevant, timely and with clear explanations of technical issues and their implications.	• All Council and Committee reports and decisions are recorded and are available on the CEC web site via Council papers online (since May 2003).
	• Members have the opportunity to challenge officers submitting reports and ask questions at both agenda planning meetings or committee.
	• New report templates and guidance were introduced in October 2012 and updated in March 2014 with a face to face and online training programme for all staff.
	• Additional focus has been provided on the financial impact section of reports to ensure it is providing all the information a committee requires.
	• New section on risk in committee reports to address requests from members.
	• The Edinburgh Partnership Board agreed its new Community Plan 2015-18, on the 19 March 2015. The Community Plan confirmed:
	  o a shared partnership vision for the city
	  o four city wide community planning outcomes and a suite of associated strategic priorities
	  o a programme of partnership commitments to action
	  o the strategic outcome performance indicator measures and
	  o a new community plan performance monitoring framework.
	• On the 18 June 2015, the EP Board agreed in item 2.0.1, its Community Planning Baseline Report. The report:
	  o set out the rationale context for performance measurement
	  o confirmed the 21 strategic performance indicators used to measure performance (Appendix 1)
	  o the baseline metrics and annual targets, against which the Board will monitor future progress (Appendix 2) and confirmed the annual performance monitoring cycle, the reporting timetable, and the role of the strategic partnerships and advisory groups in supporting the Board's performance monitoring process.
		3	

6.2.2 Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority	• High satisfaction ratings in these information characteristics were apparent in last Financial Management survey but some variability remains in the format of monitoring reports – opportunities to review and spread best practice have therefore been examined by divisional working group, building on adoption of standardised employee monitoring processes. • Adoption of risk-based principles with focus on areas of greatest materiality and variability. Regular reporting to SMTs and Committee maintained. • Additional transparency/visibility of budget facilitated through "Total Budget" and other summarised budgetary analyses, including use of budget planner as part of 2015/16 and 2016/17 public engagement exercises. Suite of financial information also developed to complement budget challenge meetings. • Programme of staff training undertaken, centred on reconsidering and better understanding the role of the accountant, with greater emphasis upon supporting accounting for decision-making. Senior Management Team monitoring reports have also been reviewed to increase clarity and impact, resulting in use of	3	• Opportunities to review and spread best practice will also be considered as part of current service reviews.

	Powerpoint presentations – very positive feedback received.		
6.2.3 Professional advice on matters that have legal or financial implications is available, recorded well in advance of decision making and used appropriately.	• Finance and legal officers are available to members for advice and explanation. • Expert legal or financial advice is provided by the Acting Executive Director of Resources and Head of Legal and Risk. • Report Writing Guidance and statutory provisions require reports and papers to be submitted to the Council or its committees in advance to allow members time to consider them. • Members have the opportunity to challenge officers submitting reports.	3	
6.2.4 Ensure the authority's governance arrangements allow the Chief Financial Officer to bring influence to bear on all material decisions	• The Acting Executive Director of Resources is a full member of CLT, with unfettered access to other Executive Directors and the Finance and Resources Convener/Vice-Convener. • Finance representation included on all Senior Management Teams. • Financial Regulations include right of the Chief Financial Officer to request that items be removed from Committee and/or Council agendas where financial implications.	3	
6.2.5 Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance	• The level of reserves and balances is explicitly examined as part of the annual Budget process.	3	

Supporting principle	6.3 An effective risk management system is in place.		
Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
6.3.1 Risk management is embedded into the culture of the authority; with members and managers at all levels recognising that risk management is part of their jobs.	• The Enterprise Risk Management framework continues to follow best practice for private and public sectors and evolves in line with organisational and service transformation. • CLT and Service Area risks represent a balance of strategic, operational and common council-wide themes. Risks continue to be formally escalated, assessed and reviewed at their quarterly risk committees, which are attended by senior management teams, other key staff and representatives from other risk and assurance teams – for example: Health & Safety and Internal Audit. • Service teams within the Service Areas regularly review and escalate their risks to SMT. • The Governance Risk and Best Value Committee actively scrutinise CLT risks on a quarterly basis and Service Area risks annually. GRBV members have attended risk management and scrutiny training throughout the year.GRBV scrutiny of CLT RR • The Internal Audit Plan for 2016/17 is now a fully aligned risk based approach. Assurance Map for Internal Audit • Risks identified also inform assurance programmes eg within Corporate Property and Communities and Families. • Risk policies across the Council are aligning with the corporate approach to identifying and managing risk.	2/3	• Ensure that as the Council moves through major organisational change risk management continues to be embedded to ensure consistent and informed reporting, communication, decision making and identification of interdependencies. • Redefine the risk framework to reflect organisational transformation and ensure that structures and training continue at appropriate levels across the Council. • Recruit a permanent Chief Risk Officer and increase the current internal resource within the existing risk function.
6.3.2 Ensure the authority's arrangements for financial and internal	• Coverage and assessment of these areas forms an integral part of the annual assurance exercise in preparation for the writing of the Annual Governance Statement.	3	• The adequacy of the questionnaire for this purpose will be reviewed before commencement of the

Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
control and for managing risk are addressed in annual governance reports			2016/2017 process.
6.3.3 Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorization and approval processes	• A framework of internal control is in place, incorporating the improvements recommended as part of the KPMG review; the extent of progress made was independently verified by PWC in March 2014. • Audit Scotland's most recent assessment concluded that controls within the main systems reviewed were operating satisfactorily but with some opportunities for improvement in systems reconciliation and maintenance of supporting documentation in some areas. These recommendations have been addressed as part of resulting action plans. Good progress has also been made in implementing recommendations made by Internal Audit and is tracked on a monthly basis.	3	

6.3.4 Arrangements for whistle-blowing to which staff and all those contracting with the authority have access.	• Whistleblowing Policy (May 2014)
	• Orb guidance for staff and individuals contracted to the authority.
	• At their meeting on 27 August 2015 the Finance and Resources Committee approved an action plan to develop the whistleblowing service following consideration of the report on the independent review of the service.
	• The Finance and Resources Committee decided to continue with an independent service provider with the autonomy to decide on the category of disclosures and to investigate major/significant disclosures.
		4	• The re-procured contract (from May 2016) will extend operation of the service from office hours to 24/7.
			• Some actions from the plan are still in progress and it is envisaged these will be completed during the 2016/2017 reporting period, e.g.:
			  o Review of the policy
			  o Development of an investigative framework
			  o Training of investigating officers
			  o The role out of an awareness campaign for hard to reach staff.

Supporting principle	6.4 Legal powers are used to the full benefit of the citizens and communities in their areas.		
Requirements of the local Code	Evidence of compliance and links	Score (1-4)	Improvement Plan
6.4.1 Actively recognise the limits of lawful activity by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the community.	• Committee Terms of Reference and Delegated Functions (June 2015) • Interim Head of Legal and Risk appointed by the Council as Monitoring Officer – section 7 of the Member/Officer Protocol. • Members have the opportunity to challenge officers submitting reports and seek advice from t Interim Head of Legal & Risk. • Members have the opportunity to seek advice from the Head of Strategy and Insight, Governance and Democratic Services Manager, Committee Services Manager and Clerking Manager.	3	

6.4.2 Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by the law.	• Committee Terms of Reference and Delegated Functions (June 2015) • Interim Head of Legal and Risk appointed by the Council as Monitoring Officer – section 7 of the Member/Officer Protocol. • Monitoring Officer's role and responsibilities. • Members have the opportunity to challenge officers submitting reports and seek advice from the Head of Legal & Risk. • Members have the opportunity to seek advice from the Head of Strategy and Insight, Governance and Democratic Services Manager, Committee Services Manager and Clerking Manager.	3	
6.4.3 Observe all specific legislative requirements, as well as the general legal requirements. In particular, integrate the key principles of good administrative law - rationality, legality and natural justice - into their procedures and decision making processes.	• Committee Terms of Reference and Delegated Functions (June 2015) • Interim Head of Legal and Risk appointed by the Council as Monitoring Officer – section 7 of the Member/Officer Protocol. • Monitoring Officer's role and responsibilities. • Members have the opportunity to challenge officers submitting reports and seek advice from the Legal Manager or Head of Legal & Risk. • Members have the opportunity to seek advice from the Head of Strategy and Insight, Governance and Democratic Services Manager, Committee Services Manager and Clerking Manager. • Councillors' Code of Conduct – Standards Commission (December 2010) – natural justice section 7 – taking decisions on quasi judicial or regulatory applications.	3	

Scoring – The Council's arrangements are scored on a scale of 1 – 4:

1 – Not compliant with local code requirements

2 – Partially compliant with local code requirements

3 – Fully compliant with the requirements of the local code

4 – Exceeds the requirements of the local code.