

Notice of meeting and agenda

Governance, Risk and Best Value Committee

10:00am, Tuesday, 27 November 2018

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

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

Contact –

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1. Order of Business

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

2. Declarations of Interest

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

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minute of the Governance, Risk and Best Value Committee of 30 October 2018 – submitted for approval as a correct record (circulated)

5. Outstanding Actions

- 5.1 Outstanding Actions – 27 November 2018 (circulated)

6. Work Programme

- 6.1 Governance, Risk and Best Value Work Programme – 27 November 2018 (circulated)

7. Reports

- 7.1 Internal Audit: Capacity to Deliver the 2018/19 Internal Audit Plan as at 22 October 2018 – report by the Executive Director of Resources (circulated)
- 7.2 Internal Audit – CIPFA Benchmarking Exercise Outcomes and Actions – report by the Executive Director of Resources (circulated)
- 7.3 Corporate Leadership Team Risk Update – report by the Executive Director of Resources (circulated)
- 7.4 Corporate Governance Framework Self-Assessment 2017/18 – report by the Chief Executive (circulated)
- 7.5 Change Portfolio – report by the Chief Executive (circulated)
- 7.6 Capital Theatres Company Performance Report 2017/18 – referral from the Culture and Communities Committee (circulated)
- 7.7 Annual Assurance Schedule – Place – report by the Executive Director of Place (circulated)

- 7.8 Committee Reporting – report by the Chief Executive (circulated)
7.9 Whistleblowing Update – report by the Chief Executive (circulated)

8. Motions

- 8.1 None.

Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillors Mowat (Convener), Main (Vice-Convener), Bird, Jim Campbell, Doggart, Howie, Key, Lang, Munro, Rae and Watt.

Information about the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee consists of 11 Councillors appointed by the City of Edinburgh Council. The Governance, Risk and Best Value Committee usually meet every four weeks in the City Chambers, High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

Further information

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

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

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

For remaining items of business likely to be considered in private, see separate agenda.

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Item 4.1 - Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday, 30 October 2018

Present

Councillors Mowat (Convener), Main (Vice-Convener), Bird, Jim Campbell, Doggart, Howie, Lang, Munro, and Watt.

1. Minute

Decision

To approve the minute of 25 September 2018 as a correct record.

2. Outstanding Actions

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

Decision

- 1) To agree to close the following Actions:
 - Action 3(2)** – Governance of Major Projects: progress report
 - Action 6(2)** – Internal Audit: Overdue Recommendations and Late Management Responses
 - Action 10** – Change Portfolio
 - Action 14** – Revenue Monitoring 2017/18 – Outturn Report
 - Action 17(1)** – City of Edinburgh Council – 2017/18 Annual Audit Report to the Council and the Controller of Audit

- 2) To otherwise note the outstanding actions.

(Reference – Outstanding Actions – 30 October 2018, submitted.)

3. Work Programme

Decision

- 1) To note that a performance update on the garden waste charge, including the implementation of the new collection process, would be considered by the Transport and Environment Committee in December and should be referred to this committee.
- 2) To otherwise note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme – 30 October 2018, submitted.)

4. Quarterly Status Update – ICT Programme

The quarterly progress update for the City of Edinburgh Council's ICT programme of work was provided. Details were provided of the joint work between the Council and its ICT partner, CGI, to increase the pace of delivery to improve core ICT services, achieve continuous improvement and progress the associated major systems changes and developments which would better enable and enhance citizen facing services and the internal business operations of the Council.

Decision

- 1) To note the quarterly update.
- 2) To agree that future reports would include benchmarking data for Priority 3 and 4 incidents and a graphical representation of management information.
- 3) To request a briefing note on the history of the Council's use of the MyGovScotland portal for and future plans.

Declaration of Interests

Councillor Main declared a non-financial interest in this item as the parent of a pupil at James Gillespie's High School.

(References – Governance, Risk and Best Value Committee, 31 July 2018 (item 8); report by the Executive Director of Resources, submitted.)

5. Annual Assurance Schedule – Resources

The Resources Directorate Annual Assurance Schedule was presented. Details were also provided of progress in developing an action plan to improve internal controls.

Decision

- 1) To note the Resources Directorate annual assurance schedule.
- 2) To note that an action plan was being developed to respond to the issues identified in the annual assurance statement, which would be combined with

other directorate plans to provide a composite action plan for reporting to the Corporate Policy and Strategy Committee.

- 3) To agree that a briefing note on payroll overpayments would be circulated to members.

(References – Governance, Risk and Best Value Committee, 31 July 2018 (item 4); report by the Executive Director of Resources, submitted.)

6. Internal Audit: Training Attendance and Feedback

An update was provided on attendance at Internal Audit training sessions delivered between June and October 2018 and details were provided on analysis of post training survey responses confirming the level of understanding of the key training objectives.

Decision

- 1) To note training attendance levels.
- 2) To note that a further training session was planned for 22 October 2018 to cover those members of the target audience who had not yet attended and that executive directors had confirmed that they would ensure that attendance was prioritised by their team members.
- 3) To note the feedback received on the quality of training delivered.
- 4) To agree that the training materials would be shared with committee members.

(Reference – report by the Executive Director of Resources, submitted.)

7. Edinburgh Health and Social Care Partnership: Internal Audit Update Report and Assurance Arrangements

Details were provided of actions that were underway to address internal audit assurance challenges and associated risks affecting health and social care services in Edinburgh.

Decision

- 1) To note that the Internal Audit Team was currently reviewing a significant quantity of evidence provided by the Edinburgh Health and Social Care Partnership and Council directorates/divisions to support the closure of open and overdue findings during August 2018. A five-week window (to 5 October 2018) had been given to services to address and resolve any subsequent Internal Audit queries raised, prior to findings being formally recorded as overdue.
- 2) To note current governance and assurance arrangements in place for progressing all historic, current and new internal risk findings.

- 3) To note the status update for all overdue Internal Audit items for the Edinburgh Health and Social Care Partnership and the Edinburgh Integration Joint Board.
- 4) To agree that consideration would be given to quantifying the positive financial impact of resolving gaps in current controls and this would be taken into account in the forthcoming Action Plan in December 2018.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

8. Asset Management Strategy Transformation Programme – Update

The Finance and Resources Committee had considered a report which set out an overview of the original Asset Management Strategy in the context of the changes that had taken place over the past three years and the forecast future requirement for significant new build, over the next three-year period. The report had been referred to the Governance, Risk and Best Value Committee for scrutiny.

Decision

To note the report by the Executive Director of Resources.

(References – Finance and Resources Committee, 27 September 2018 (item 2); referral from the Finance and Resources Committee, submitted.)

9. School and Early Years Playgrounds Development – referral from the Education, Children and Families Committee

The Education, Children and Families Committee had considered a report setting out proposals for the development and improvement of playgrounds within schools and early learning establishments across the City. The report had been referred to the Governance, Risk and Best Value Committee for consideration.

Decision

To note the report by the Executive Director for Communities and Families.

(References – Education, Children and Families Committee, 9 October 2018; referral from the Education, Children and Families Committee, submitted.)

10. Resolution to Consider in Private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in paragraph 14 of Part 1 of Schedule 7(A) of the Act.

11. Delivery of the New Boroughmuir High School – Post-Project Review – referral from the Education, Children and Families Committee

The Education, Children and Families Committee had considered a report on the post-project review report on the delivery of the new Boroughmuir High School. The report was referred to the Governance, Risk and Best Value Committee for consideration.

Decision

- 1) To note the report by the Executive Director for Communities and Families.
- 2) To agree that the Convener and Vice-Convener would discuss with officers what information on project implementation could be made public.

(References – Education, Children and Families Committee, 9 October 2018; report by the Executive Director for Communities and Families, submitted.)

Governance, Risk and Best Value Committee

27 November 2018

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	26/09/16	Corporate Leadership Team Risk Update	To request that progress reports on the additional precautionary surveys currently being undertaken in buildings sharing similar design features to those of the PPP1 schools, would be referred to the Governance, Risk and Best Value Committee for scrutiny.	Executive Director of Resources	15 January 2019		The Edinburgh Schools Inquiry update report will be considered at Corporate Policy and Strategy Committee on 4 December. It will be referred onto GRBV thereafter (15 January 2019)
2	24/10/16	Home Care and Re-ablement Service Contact Time	To request an update report 6 months after the implementation of the new ICT system for shift allocation.	Chief Officer, Edinburgh Health and Social Care Partnership	31 March 2019		A project is currently underway to look at short term interventions to increase

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
	29/09/17		To ask the Chief Officer, Edinburgh Health and Social Care Partnership to provide an update on why the new ICT system for shift allocation was not implemented earlier in the year	Chief Officer, Edinburgh Health and Social Care Partnership			<p>efficiency and contact time within the internal Home Care and Reablement service. This will consider issues such as sickness absence management, mobile working technology, improved management information and efficiency of travel.</p> <p>The replacement of the existing shift/resource allocation system has been placed on hold pending a wider consideration of the ICT strategy for the Partnership and the wide</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							variety of systems currently utilised within the Partnership. An outline business case is in development for the replacement of the existing Swift system. Any replacement for our shift allocation system would need to interface effectively with the replacement for Swift.
3	01/08/2017	Governance, Risk and Best Value Work Programme – 1 August 2017	To note an investigation report on retention of case records would be reported to the appropriate committee and a timescale for this would be provided as soon as possible.	Executive Director for Communities and Families	January 2019		The internal auditor's investigation is still ongoing therefore it may take a few months before an update is provided. The Executive

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>Director for Communities and Families will provide an update once the Chief Internal Auditor's investigation is concluded.</p> <p>The final audit report would be referred from the Corporate Policy and Strategy Committee to GRBV.</p>
4	01/08/2017	Employee Engagement Update 2017	To request the action plan drafted following the 2017 employee survey was reported to GRBV for scrutiny and approval prior to implementation	Chief Executive	January 2019		The report will be provided following completion of the employee survey which is due to commence in March 2018 and following an analysis and reporting of the

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>results an action plan will be developed and reported to committee to address the results.</p> <p><u>UPDATE</u></p> <p>The employee survey closed at the end of June 2018. Analysis work is still being carried out, with a report expected to come to the Corporate Policy and Strategy Committee in December 2018 and to the Governance, Risk and Best Value Committee in January 2019.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5	26/09/2017	Principles to Govern the Working Relationships between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee	To accept the high-level principles subject to further information on how elected members could best engage with the process.	Chief Internal Auditor	January 2019		Deferred to January 2019.
6	20/03/18	Internal Audit Quarterly Update Report Quarter 3 – (1 October – 31 December 2017)	<ol style="list-style-type: none"> 1) To circulate performance information in regard to third party suppliers for Adult Drug and Alcohol services to members for information. 2) To ask that Internal Audit provide a future update on GDPR 	Chief Officer, Edinburgh Health and Social Care Partnership Chief Internal Auditor	January 2019 28 August 2018		CLOSED

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>readiness.</p> <p>3) To ask for a report on the Edinburgh Alcohol and Drug Partnership governance and reporting arrangements and that that report be referred on to the Edinburgh Alcohol and Drug Partnership.</p>	Chief Social Work Officer/Head of Safer and Stronger communities	May 2018	8 May 2018	CLOSED
7	05/06/18	Internal Audit Report - Housing Property Follow Up - May 2018	To ask the Executive Director of Place to provide updated information on gas inspection records.	Executive Director of Place	November 2018		<p>Recommended for closure</p> <p>Briefing note circulated on 2 November 2018</p>
8	31/07/18	Internal Audit Opinion and Annual Report for the Year Ended 31 March 2018	To request that each Director bring forward a plan on how they will strengthen the control environment within their Directorate and in future include reference to this	Chief Executive and all Executive Directors	15 January 2018		<p><u>3 October 2018</u></p> <p>Assurance schedules will be reported as follows:</p> <p>Resources – 30 October 2018</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			within each Director's assurance statement.				Place and C&F – 27 November 2018 Health & Social Care and Chief Executive (Strategy and Insight including Comms – 15 January 2018
9	31/07/18	Licensing Forum - Update on Review of Constitution and Membership	To note the progress made on reviewing the appointment process and constitution, with a revised process and constitution to be submitted to the City of Edinburgh Council for approval.	Executive Director of Place	January 2019		
10	31/07/18	Expansion of Early Learning and Childcare from 600 – 1140 hours by 2020. Audit Scotland Report and Risks	To ask the Chief Executive to submit a report to the Edinburgh Partnership on workforce planning.	Chief Executive	April 2019		A report is scheduled to go to the Education, Children and Families Committee in March 2019 and will be reported to

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							the Edinburgh Partnership thereafter.
11	28/08/18	Committee Reporting	To request a report by the end of 2019 to monitor the impact of the steps taken to improve the process.	Chief Executive	End of 2019		
12	25/09/18	Internal Audit: Overdue Findings and Late Management Responses as at 31 August 2018	To agree that an update on the three outstanding Overdue Findings for Place Directorate would be provided at the next meeting	Executive Director of Place	November 2018		Recommended for Closure Briefing note will be circulated before November 2018 committee.
13	25/09/18	City of Edinburgh Council – 2017/18 Annual Audit Report to the Council and the Controller of Audit	<p>1) To agree that Place Directorate would provide a briefing note to members on the housing issues in the report.</p> <p>2) To agree that a report be brought back to committee to provide a progress update on the</p>	<p>Executive Director of Place</p> <p>Executive Director of Place</p>	<p>October 2018</p> <p>January 2019</p>		<p>1. Closed – briefing circulated to GRBV members on 12 October 2018.</p> <p>2. Roads Improvement Plan progress update will be</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>Roads Improvement Programme.</p> <p>3) To agree that the Governance, Risk and Best Value Committee Work Programme would be updated to include two overview reports; one on Housing and one on Health and Social Care, covering outstanding audit issues and the direction of travel. The Health and Social Care report was expected to include details of Integration Joint Board (IJB) governance and the responsibilities of the IJB and the Council.</p>	Executive Director of Place	January 2019		<p>presented to Committee in January 2019.</p> <p>3. An overview report on Housing is being prepared for January's GRBV Committee.</p>
14	30/10/18	Governance, Risk and Best Value	To note that a performance update on the garden	Executive Director of Place	January 2019		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		Work Programme – 30.10.18	waste charge, including the implementation of the new collection process, would be considered by the Transport and Environment Committee in December and should be referred to this committee.				
15	30/10/18	Quarterly Status Update – ICT Programme	To request a briefing note on the history of the Council's use of the MyGovScotland portal for and future plans.	Executive Director of Resources	November 2018		Recommended for closure Circulated on 14/11/18
16	30/10/18	Annual Assurance Schedule – Resources	To agree that a briefing note on payroll overpayments would be circulated to members.	Executive Director of Resources	November 2018		Recommended for closure Circulated on 20/11/18
17	30/10/18	Internal Audit: Training Attendance and Feedback	To agree that the training materials would be shared with committee members.	Executive Director of Resources	October 2018		Recommended for closure Circulated on 31/10/18
18	30/10/18	Delivery of the New Boroughmuir	That the Convener and Vice-Convener would	Convener/Vice-			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		High School – Post-Project Review (B agenda report)	discuss with officers what information on project implementation could be made public.	Convener			

Governance, Risk and Best Value Committee

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
Section A – Regular Audit Items								
1	Internal Audit: Overdue Recommendations and Late Management Responses		Paper outlines previous issues with follow up of internal audit recommendations, and an overview of the revised process within internal audit to follow up recommendations, including the role of CLG and the Committee	Internal Audit	Chief Internal Auditor	Council Wide	Quarterly	15 January 2019 7 May 2019 September 2019
2	Internal Audit Quarterly Activity Report		Review of quarterly IA activity with focus on high and medium risk findings to allow committee to challenge and request to see further detail on findings or to question relevant officers about findings	Internal Audit	Chief Internal Auditor	Council Wide	Quarterly	15 January 2019 7 May 2019 September 2019

3	IA Annual Report for the Year		Review of annual IA activity with overall IA opinion on governance framework of the Council for consideration and challenge by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	July 2019
4	IA Audit Plan for the year		Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	20 March 2019
5	Accounts Commission	Annual report	Local Government in Scotland: Financial Overview	External Audit	Executive Director of Resources	Council Wide	Annually	January 2019
6	Accounts Commission	Annual report	Local Government in Scotland: Performance and Challenges	External Audit	Executive Director of Resources	Council Wide	Annually	August 2019
7	Annual Audit Plan	Scott Moncrieff	Annual audit plan	External Audit	Executive Director of Resources	Council Wide	Annually	March 2019
8	Annual ISA 260 Audit Report	Scott Moncrieff	Annual Audit Report	External Audit	Executive Director of Resources	Council Wide	Annually	September 2019
9	Interim Audit Report	Scott Moncrieff	Interim audit report on Council wide internal financial control framework	External Audit	Executive Director of Resources	Council Wide	Annually	August 2019

10	IT Audit Report	Scott Moncrieff	Scope agreed during annual external audit planning cycle	External Audit	Executive Director of Resources	Council Wide	Annually	October 2019, as part of the quarterly Status of the ICT Programme Update
11	Audit Charter	Scott Moncrieff	Annual Audit Charter	External Audit	Executive Director of Resources	Council Wide	Annually	March 2019
Section B – Scrutiny Items								
12	Governance of Major Projects	TBC	To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Chief Executive	All		November 2018
13	Welfare Reform	Review	Regular update reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	March 2019
14	Review of CLT Risk Scrutiny	Risk	Quarterly review of CLT's scrutiny of risk	Risk Management	Chief Executive	Council Wide	Quarterly	27 November 2018 19 February 2019 7 May 2019
15	Whistleblowing Quarterly Report		Quarterly Report	Scrutiny	Chief Executive	Internal	Quarterly	27 November 2018 19 February 2019 7 May 2019
16	Workforce Control	Staff	Annual report	Scrutiny	Executive Director of Resources	Council Wide	Annual	July 2019
17	Committee Decisions	Democracy	Annual report	Scrutiny	Chief Executive	Governance, Risk and Best Value	Annual	Date TBC Re-examine after improved

						Committee		information tracking.
18	Monitoring of Council Policies	Democracy	Annual report	Scrutiny	Chief Executive	Council Wide	Annual	Spring 2019
19	Edinburgh Shared Repairs Service and Legacy Closure Programme	Review	Progress reports	Scrutiny	Executive Director of Resources	All	Six-monthly	February 2019
20	Revenue Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	November 2018 March 2019 June 2019
21	Capital Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	November 2018 March 2019 June 2019
22	Revenue Outturn	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	August 2019
23	Capital Outturn and Receipts	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	August 2019
24	Treasury – Strategy report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	March 2019
25	Treasury – Annual report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	August 2019
26	Treasury – Mid-term report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	January 2019

27	Status of the ICT Programme	Review	Progress Reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	February 2019 June 2019
28	Annual Assurance Schedules	Review	Progress Report	Scrutiny	All Directorates	Council	Annual	November 2018 (Place) January 2019 (EIJB, Chief Executive & Communities and Families)
Section C – Council Companies								
29	Capital Theatres	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	November 2018
30	Edinburgh Leisure	Review	Progress Report	Scrutiny	Executive Director for Communities and Families	Council Wide	Annual	January 2019
31	Capital City Partnership	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	May 2019
32	Transport for Edinburgh	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	June 2019
33	Lothian Buses	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	June 2019
34	Edinburgh Trams	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	June 2019
35	Edinburgh International Conference Centre	Review	Progress Report	Scrutiny	Executive Director of Resources	Council Wide	Annual	September 2019

36	Marketing Edinburgh	Review	Progress Report	Scrutiny	Chief Executive	Council Wide	Annual	September 2019
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GRBV Upcoming Reports

Appendix 1

Report Title	Type	Flexible/Not Flexible
January 2019		
Internal Audit: Overdue Recommendations and Late Management Responses	Scrutiny	Flexible
Internal Audit Quarterly Activity Report	Scrutiny	Flexible
Accounts Commission	Scrutiny	Flexible
Treasury – Mid-term report	Scrutiny	Flexible
Annual Assurance Schedule – Edinburgh Integration Joint Board	Scrutiny	Flexible
Annual Assurance Schedule – Communities and Families	Scrutiny	Flexible
Annual Assurance Schedule – Chief Executive	Scrutiny	Flexible
Edinburgh Leisure Annual Report	Scrutiny	Flexible
Implementation of Garden Waste Charge – referral from Transport and Environment Committee	Scrutiny	Flexible
Outstanding Audit Issues – Housing	Scrutiny	Flexible

Outstanding Audit Issues – Health and Social Care	Scrutiny	Flexible
Principals to Govern the Working Relationships between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee	Scrutiny	Flexible
Roads Improvement Plan Progress Update	Scrutiny	Flexible
February 2019		
Review of CLT Risk Scrutiny	Scrutiny	Flexible
Whistleblowing Quarterly Report	Scrutiny	Flexible
Edinburgh Shared Repairs Service and Legacy Closure Programme	Scrutiny	Flexible
Status of the ICT Programme	Scrutiny	Flexible
March 2019		
Internal Audit Annual Plan for 2019/20	Scrutiny	Flexible
External Audit Annual Plan for 2019/20	Scrutiny	Flexible
Annual External Audit Charter	Scrutiny	Flexible
Welfare Reform Annual Update	Scrutiny	Flexible

Revenue Monitoring Quarterly Report	Scrutiny	Flexible
Capital Monitoring Quarterly Report	Scrutiny	Flexible
Treasury – Strategy Annual Report	Scrutiny	Flexible

Governance, Risk and Best Value Committee

10.00am, Tuesday 27 November 2018

Internal Audit: Capacity to deliver the 2018/19 Internal Audit plan as at 22 October 2018

Item number	7.1
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This paper includes proposals to rebase the 2018/19 IA plan; addresses the Governance, Risk, and Best Value (GRBV) Committee's request to confirm the capacity of Internal Audit (IA) to deliver the 2018/19 IA plan by 31 March 2019; and includes proposals to address the estimated shortfall in IA capacity as at 22 October 2018.

It is currently estimated that there is a shortfall of 345 audit days between the period 22 October to 31 March 2019 (which is the equivalent of approximately 6 FTE and/or delivery of 14 audits) that will impact IA's ability to fully deliver the 2018/19 IA plan by 31 March 2019.

This estimated shortfall is attributable to notice periods for new starters impacting upon achieving full team capacity; further staff turnover; a significant amount of unplanned time spent on follow-up; and the time invested up-front in preparing, launching, and delivering training on the new TeamCentral system to achieve future benefits. These activities have also fully utilised the contingency of 70 days that was included in the plan.

The report seeks agreement on how to address this estimated shortfall.

Internal Audit: Capacity to deliver the 2018/19 Internal Audit plan as at 22 October 2018

1. Recommendations

- 1.1 The Committee is requested to:
 - 1.1.1 Note the reasons for the shortfall in IA capacity;
 - 1.1.2 Note current progress with plan delivery;
 - 1.1.3 Approve proposals to rebase the 2018/19 IA plan;
 - 1.1.4 Note that following approval of the rebased plan, an estimated shortfall in IA capacity of approximately 345 days (the equivalent of 6 FTE and 14 audits) remains, impacting IA's ability to deliver the full 2018/19 IA plan by 31 March 2019;
 - 1.1.5 Approve that relevant resource to complete the plan be allocated to IA to obtain sufficient assurance on the Council's key risks to support provision of the 2018/19 Internal Audit annual opinion as required by the Public Sector Internal Audit Standards.

2. Background

- 2.1 Internal Audit is required to deliver an annual plan of work, which is scoped using a risk-based assessment of Council activities. Additional reviews are added to the plan where considered necessary, to address any emerging risks and issues identified during the year.
- 2.2 GRBV approved the draft 2018/19 IA plan in March 2018. It was noted that the plan may need to be reviewed during the year to deal with any changes in resource availability or areas of risk that are identified which require a reactive focus.
- 2.3 The 2018/19 internal audit plan includes a total of 44 audits for completion by the Council's IA team (across the Council; the Edinburgh Integration Joint Board; Lothian Pension Fund; and 3 arms-length organisations), requiring an estimated total of 1,385 audit days.
- 2.4 The plan also includes a further 6 specialist audits (audits where the IA team does not have the necessary skills) that will be delivered by PwC under the existing co-source agreement.

- 2.5 The delivery of the originally approved plan was based on an assumption that the IA team would be at full capacity by June 2018.
- 2.6 Following discussion at Committee in July, GRBV requested a paper to confirm IA's capacity to deliver the 2018/19 plan. This was presented in August 2018 and noted that (as at 6 August 2018) there was an estimated shortfall in IA capacity of approximately 239 days to deliver the full 2018/19 IA plan by 31 March 2019, and that a further update on IA capacity would be provided before December 2018.

3. Main report

Impacts on IA capacity to deliver the plan

Recruitment

- 3.1 Committee will be aware that the permanent internal IA team has increased from 7 to 11 FTE during 18/19. Taking into account the generalist audit work coming back to the Council from PWC, this is an overall 2 FTE resource increase. IA has now successfully recruited to all vacant roles, including the additional capacity that was approved by the Executive Director of Resources. Varying notice periods for the external appointees resulted in phased start dates between August and October 2018. The 2018/19 IA plan had assumed that the team would be at full capacity by June 2018 but unfortunately market response and notice periods made this impossible.
- 3.2 Due to a recent resignation, the team has also been impacted by one further vacancy effective from the end of October 2018. Recruitment is underway; however, it is expected that the vacant role will not be filled until the beginning of January 2019. Additionally, one team member has indicated that they are planning to retire mid-February which will again have an impact on in-year delivery.
- 3.3 These recruitment challenges have impacted IA's ability to deliver the plan by 254 days.

Follow-up

- 3.4 As Committee is aware, a total of 30 historic High and Medium rated IA findings were reopened across Services in June 2018. The management and follow-up time required to confirm that these have now been effectively addressed was not reflected in the capacity assumptions supporting the 2018/19 plan when it was approved.
- 3.5 A significant amount of time (circa 200 days) has already been spent on follow-up of both current and historic IA findings up to October, in comparison to the 180 days follow-up time included in the 2018/19 annual plan for the full year for all audits.
- 3.6 IA is currently performing follow-up on all open high; medium; and low rated findings. Typically, a risk-based follow-up approach would be applied, with all highs, and a sample of medium rated findings being validated prior to closure; with the balance of mediums and lows included in the scope of the next audit planned in the service area.

- 3.7 Given the issues previously highlighted to Committee, it is not proposed to move to this model until the Council's current risk, control and follow-up culture matures further to allow implementation of a risk-based approach. Follow-up should therefore continue to be performed on all open IA findings for the remainder of the 2018/19 plan year. It is hoped that this approach can be proposed when preparing the 2019/20 IA plan.

Plan additions

- 3.8 An additional review of the new Garden Waste project and registration process was added to the 2018/19 IA plan in July 2018. This incurred around 20 days of audit staff time to perform and was added to the IA work plan prior to the change process approved by Committee in August 2018.

TeamCentral Launch and Training

- 3.9 Time has also been usefully invested (circa 160 days) in configuring, testing, and piloting the TeamCentral system that was launched in July to automate the follow-up process.
- 3.10 Further time (circa 10 days) was invested in developing and delivering training (12 training sessions were delivered) that focused on the importance of balancing service delivery with risk and controls; with the aim of improving risk culture, and awareness of the importance of implementing and sustaining agreed management actions to close IA findings across the Council.
- 3.11 Whilst the TeamCentral system launch and training have required some short-term IA capacity, it is expected that completion of audits and subsequent follow-up will become significantly more efficient, resulting in longer term time-saving benefits. In addition, the sharing of knowledge and understanding within the Council's staff involved in implementing management actions will improve both quality and timeliness of implementation.
- 3.12 The total impact of the challenges described above is estimated at circa 644 audit days (refer to analysis included at Appendix 1) in comparison to approximately 345 days required to deliver the remainder of the 2018/19 IA plan (refer section 3.19 below). With significant additional effort, the balance of circa 300 days of additional work has been absorbed by the IA team together with the resources provided by PwC in addition to routine audit activity. However, this is not sustainable in the medium to long term.

Progress with plan delivery

- 3.13 In terms of progress, 6 of the 44 planned 2018/19 audits to be delivered by the IA team have been completed to date, and a further 8 are in progress. Good progress is also being made with finalising the 5 2017/18 reviews which were carried over into 2018/19.
- 3.14 PwC has supported delivery of the IA plan with resources provided (at no cost to the Council) during August and September 2018 to deliver 3 audits, creating capacity within the IA team to focus on follow-up work.

- 3.15 As reported to Committee in August, the contingency time of 70 days included within the plan has been fully utilised to support the activities noted above.

Proposals to rebase the 2018/19 IA plan

- 3.16 It is proposed that the following audits are removed from the 2018/19 IA plan, resulting in a total saving of 90 days of audit time:

3.16.1 Resilience – the objective of this review was to assess the adequacy and effectiveness of resilience plans across services. However, the 2017/18 resilience review completed in September 2018 highlighted that business impact assessments resilience plans have not yet been completed for all statutory and critical services. This is reflected in a High rated finding with agreed implementation dates of June 2020 for high risk essential services, and December 2021 for remaining essential services. Consequently, limited assurance would be provided by completing this review as part of the 2018/19 IA plan;

3.16.2 Care Homes Follow-Up – The objective of this review was to revisit a sample of the care homes that IA had assessed as ‘red’ following completion of care home visits in quarter 1 2017/18. However, a significant number of the findings raised in the Care Homes Assurance report yet to be implemented, and therefore seeking the desired assurance in 18/19 would be premature; and

3.16.3 City Deal – on the basis that the City Deal is a partnership of a number of organisations across Edinburgh, it has been agreed with management that it would be more appropriate for the City Deal partnership to source external assurance on their programme of activities.

- 3.17 It is estimated that an additional 100 days follow-up time will be required to support closure of open IA findings between 22 October 2018 and 31 March 2019.

- 3.18 Days allocated to the remaining audits in the plan have also been reviewed and reduced by a total of 30 days, as set out in the Appendix.

Capacity to deliver the 2018/19 IA plan

- 3.19 When the proposed changes outlined at 3.14 to 3.16 above are taken into account, a further 1,085 days of IA activity (including 50 days contingency time) is the estimate required (as at 22 October 2018) to deliver the full 2018/19 plan. This is in comparison to an estimated 740 available days from the IA team, leaving a shortfall of approximately 345 days. This equates to approximately 6 FTE or delivery of 14 audits.

Options to deliver the 2018/19 IA plan

- 3.20 Further reduce the audits included in the 2018/19 IA plan. This option is not recommended by IA as it will reduce level of assurance provided across the Council’s most significant risks, impacting IA’s ability to deliver an annual opinion.

- 3.21 Advise the 3 external arms-length organisations that IA services will not be provided in 2018/19. This would save circa 45 audit days, enabling delivery of 1.8 audits for the Council but would have adverse reputational consequences. This has not been discussed with the bodies involved and is not recommended as an option;
- 3.22 Recruit resources from the temporary employment market to support completion of the plan; or
- 3.23 Request resources from PwC under the terms of the existing co-source agreement.
- 3.24 It is proposed that the Chief Internal Auditor be authorised to draw down resource as appropriate in consultation with the Head of Legal and Risk to allow delivery of the 18/19 plan.

4. Measures of success

- 4.1 Delivery of the full 2018/19 IA plan by 31 March 2019.

5. Financial impact

- 5.1 The costs associated with using contract or co-source resources to support plan delivery are estimated at circa £150 - £200K. It is proposed that this be managed as a financial pressure by the Head of Legal and Risk within the overall Divisional budget, in consultation with the Executive Director of Resources.

6. Risk, policy, compliance and governance impact

- 6.1 Failure to deliver the IA plan could impact on the ability to provide the annual IA opinion for 2018/19 as required by the Public Sector Internal Audit Standards requirements.

7. Equalities impact

- 7.1 Not applicable.

8. Sustainability impact

- 8.1 Not applicable.

9. Consultation and engagement

- 9.1 Not applicable.

10. Background reading/external references

- 10.1 [Internal Audit Annual Plan 2018-19](#)

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11. Appendices

Appendix 1 – Analysis of Impacts on IA capacity to deliver the plan

Appendix 2 – Analysis of Audit Days Required to Deliver the 2018/19 Annual Plan

Appendix 1 – Analysis of Impacts on IA capacity to deliver the plan

Impact	No of Days
Recruitment – impact of varying notice periods	254
TeamCentral project – system configuration, testing, and pilot	160
IA training design and delivery	10
Additional follow-up time	200
Garden waste review – addition to IA plan	20
Total impact on plan	644
Total plan shortfall	345

Appendix 2 – Analysis of Audit Days Required to Deliver the 2018/19 Annual Plan

Directorate	Review	Original Plan Days	Revised Days	Comments
C&F	St Katherines	30	20	In progress. Revised days reflects work to be completed.
C&F	Schools Capital Project	25	25	Not started.
C&F	First Line Assurance Framework	25	15	In progress. Revised days reflects work to be completed.
CEO	Portfolio Governance Framework	25	25	Not started.
CEO	Resilience	25	0	Proposed for removal.
CEO	City Deal	25	0	Proposed for removal.
Council Wide	Quality Governance and Regulation	25	25	At early planning.
Place	Trams	90	90	At early planning.
Council Wide	Emergency Prioritisation and Complaints	40	40	Not started.
Council Wide	General Data Protection Regulation Follow-up	-	-	PwC Specialist review – no IA time required.
Council Wide	Health and Safety - Life and Limb Risks	-	-	PwC Specialist review – no IA time required.
Council Wide	Validation	40	15	In progress. Revised days reflects work to be completed.
Council Wide	Homelessness	40	40	Not started.
Council Wide	Monthly follow-up	180	100	Original 180 days fully utilised. A further 100 days required through to end March 2019.
Council Wide	Payments and Charges	40	40	Not started.
Council Wide	Transformation	30	30	Not started.
H&SC	Care Homes Follow Up	40	0	Proposed for removal.
Miscellaneous	EIJB - governance	25	20	At early planning. Days reduced reflecting cross-over between the three audits.
Miscellaneous	EIJB – scheme of integration	25	20	
Miscellaneous	EIJB – strategic planning	25	20	
Miscellaneous	Internal Audit quality assurance	30	15	Days reduced.
Miscellaneous	Lothian Valuation Joint Board	15	15	Not started.
Miscellaneous	SEStran	15	15	Not started.
Miscellaneous	Royal Edinburgh Military Tattoo	15	15	Not started.
Place	Localities Operating Model	40	40	At early planning.
Place	Building Standards Follow up	20	20	Not started.

Directorate	Review	Original Plan Days	Revised Days	Comments
Place	Carbon Reduction Commitment Scheme	20	15	In progress. Revised days reflects work to be completed.
Place	Licencing	25	25	At early planning.
Place	Edinburgh Roads Services	25	25	Not started.
Place	Port Facility Security Plan	15	15	Not started.
Place	Waste Services	25	25	Not started.
Resources	Payroll	30	30	Not started.
Resources	Certifications and Software Licencing	-	-	PwC Specialist review – no IA time required.
Resources	CGI Change Management	25	25	Not started.
Resources	CGI Sub contract management	25	25	Not started.
Resources	Out of support technology infrastructure and public sector network accreditation	-	-	PwC Specialist review – no IA time required.
Resources	System Access Controls	25	15	In progress. Revised days reflects work to be completed.
Resources	Lothian Pension Fund - Unlisted investment valuations and application of fees and charges	-	-	PwC Specialist review – no IA time required.
Resources	Lothian Pension Fund - Unitisation	20	20	Not started.
Resources	Lothian Pension Fund - Stock Lending	20	20	Not started.
Resources	Project review - Customer Transformation	25	25	Not started.
Resources	Project review - ERP System	40	40	At early planning.
Resources	Supplier Management Framework and Construction Industry Scheme	30	30	Not started.
Resources	Implementation of Asset Strategy and CAFM	30	30	Not started.
Resources	Implementation of FM SLA	25	25	Not started.
Resources	Public Sector Cyber Resilience Action Plan	-	-	PwC Specialist review – no IA time required. At draft reporting.
	Contingency	-	50	
	Total Days	1,295	1,085	Equivalent of 6FTE or 14 Audits
	Completed Audits	90		
	Total plan days	1,385		

Governance, Risk and Best Value Committee

10.00am, Tuesday 27 November 2018

Internal Audit – CIPFA benchmarking exercise outcomes and actions

Item number	7.2
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

The purpose of this paper is share the outcomes of the Internal Audit (IA) Chartered Institute of Public Finance and Accountancy (CIPFA) 2018 audit benchmarking exercise, which is based on the Council's 2017/18 IA structure; plan delivery; and financial performance.

The CIPFA report is based on responses received from participating IA teams across UK local authorities and highlights a number of potential areas for targeted improvement based on their survey responses, many of which have already been actioned.

This paper also details how these potential improvement areas have been addressed.

Internal Audit – CIPFA benchmarking exercise outcomes and actions

1. Recommendations

- 1.1 The Committee is requested to note:
 - 1.1.1 the outcomes of the CIPFA audit benchmarking club report; and
 - 1.1.2 the progress made by IA in addressing the key themes identified from the benchmarking exercise.

2. Background

- 2.1 In June 2018, IA participated in a CIPFA corporate services benchmarking club exercise for Audit as part of the commitment made by the Council's Executive Director of Resources to formally benchmark the relative performance and cost of the Council's Corporate Services. This benchmarking process is open to all UK local authorities.
- 2.2 The survey covered the following areas:
 - 2.2.1 cost analysis – comparison of actuals and planned data for mainline costs, cost per auditor, and overhead costs;
 - 2.2.2 audit coverage – analysis of actual and planned audit days by type of audit;
 - 2.2.3 staffing - salary bands, part time FTE and qualifications;
 - 2.2.4 audit context - levels of outsourcing, management reporting and responsibilities;
 - 2.2.5 corporate governance – analysis of the organisation's Annual Government Statement, and IA findings / agreed management actions from the past 12 months; and
 - 2.2.6 outputs – IA reporting habits.
- 2.3 The survey outcomes were based on actual costs and information on team performance (including annual plan content and delivery) for 2017/18; with 2018/19 budget and plan data also provided.

- 2.4 A report was also obtained that compared the Edinburgh IA outcomes against 12 local authorities (2 Scottish and 10 English) who were available as comparators (as not all authorities take part). The relevant report is attached at Appendix 1.

3. Main report

Cost Analysis

- 3.1 The cost analysis section of the report highlights that Edinburgh's IA costs per £m organisational turnover were (and will) remain lower than average as the Edinburgh IA team size is smaller when compared to other authorities with a similar (or lower) gross revenue turnover.
- 3.2 However, based on the information submitted, costs per auditor were higher and productive days lower when compared to other IA public sector teams. This is attributable to lack of historic staff turnover within the IA team. At the time the data was provided for the benchmarking, existing team members were long serving Council employees, positioned at the top of pay grades, and in receipt of the maximum annual leave associated with their continuous service. Additionally, there had been historically limited investment in internal team development, given the prior arrangement with an external audit partner, with a focus on evolving and improving the efficiency of the audit process. It is also recognised that Edinburgh has a buoyant recruitment market for these skills, making attracting staff to the Council more difficult.
- 3.3 Actions implemented to address higher than average costs per auditor and lower than average productive days are included at sections 3.10 to 3.14 below.

Audit Coverage

- 3.4 Audit coverage outcomes highlight that the focus of the Council's 2018/19 IA plan focussing on strategic and corporate risks; transformation and major projects; corporate governance; commissioning; and core technology was aligned with peers who participated in the survey.
- 3.5 The 2018/19 IA plan included a number of 'themed' reviews (for example Payments and Charges, and Emergency Prioritisation and Complaints) that will provide assurance across a number of services. This approach provides assurance on how effective directorates/divisions are at working together to deliver services, and typically seeks to identify control weaknesses at handover points in processes. This approach is reflected in the benchmarking as a decreasing focus on specific operational and departmental risks, as there was no 'themed review' classification included in the CIPFA questionnaire.
- 3.6 A systems access review was also included in the plan which focuses on the identification of potential inappropriate access rights to financial systems (e.g. the control weakness that resulted in the £1m fraud loss at Dundee City Council), and a review of the adequacy of payroll system controls. These reviews are being

performed in partnership with Scott Moncrieff. This focus on financial systems is not aligned with other survey participants.

- 3.7 A post-implementation review of the effectiveness of the school's first line assurance framework was also included in the 2018/19 plan, in contrast to other authorities who are reducing their coverage of schools.
- 3.8 Similarly, our plan includes increasing focus on non-financial systems in contrast to our peers. This reflects ongoing focus on Building Standards, where system enhancements are required to improve the effectiveness of workflow management; systems used by Customer and Digital Services to support the HMO licence payment process; and systems used to register the homeless.
- 3.9 Focus on 'other activities' is decreasing in line with peers. Whilst it is not fully clear from the survey what these 'other activities' comprise, it is likely that they refer to operational activities (for example corporate governance and fraud) that are performed by some public-sector IA teams.

Staffing

- 3.10 In addition to the higher than average costs per auditor (noted at 3.1 above), this section of the report highlights that the number of qualified auditors; team members in training; and employee turnover was lower than average in comparison to local authority peers, whilst the number of part-time employees was aligned with average peer responses.
- 3.11 Since the delivery of IA services was brought 'in house' in May 2017, the team has been restructured, with capacity increased from seven to eleven FTE, and three new Senior Auditor roles introduced. Part of the cost of this has been offset by the movement of generalist work carried out by PWC back to the Council team. Three of the six original team members have now left the Council; and seven new team members (including the Chief Internal Auditor) have been appointed. One role at auditor level is currently vacant, with recruitment underway.
- 3.12 The team restructure has resulted in a reduction in costs per auditor and increased the total number of productive days as a result of salary placements and annual leave allocations.
- 3.13 These changes have also significantly increased both the number of qualified auditors and team members in training, and it is expected that this will result in further increases in both productivity and efficiency.
- 3.14 The opportunity to improve audit efficiency by using data analytics is currently being explored, and implementation of the new TeamCentral automated follow-up process will also improve efficiency. Further efficiency improvements could also be considered by additional automation of the audit process, using existing systems.

Audit Context

- 3.15 Audit context outcomes illustrate that the most local authority IA teams have an 'in house' Head of Audit, with the majority reporting to the section 151 officer (Section

95 Officer in Scottish Authorities) or statutory chief financial officer in benchmark club authorities, in contrast to the Council's model where the Chief Internal Auditor reports to the Head of Legal Risk (who is also the Council's Monitoring Officer) and then to the Executive Director of Resources. Reporting to the statutory chief financial officer is not aligned with good governance practice and could potentially result in conflicts of interest and challenges in relation to IA independence.

- 3.16 This section of the report highlights that some Heads of Internal Audit also have responsibility for first line operational activities such as counter-fraud; the whistleblowing hotline; anti-bribery; anti-money laundering activities; and second line assurance activities such as risk management. There is often debate as to whether this is desirable or appropriate.
- 3.17 Whilst good practice recommends that IA should be an independent third line of defence with no first line operational or second line assurance responsibilities, it is not uncommon for IA teams to have responsibility for second line assurance activities. Where this is the case, it is important to ensure that ongoing independent assurance on these activities is obtained to confirm ongoing compliance with Public Sector Internal Audit Standards (PSIAS) independence requirements.
- 3.18 The benchmarking exercise also confirms that Edinburgh is the only IA team that has confirmed that they are non-compliant with PSIAS requirements, with 50% of PSIAS compliance assessments based on external quality reviews. It should be noted that the questionnaire supporting the benchmarking did not request information on the extent of and specific areas of non-compliance. Elected Members will be aware that this non-compliance stems from the specific issue arising from the historic IA follow-up process which has now been addressed.
- 3.19 The report also highlights that the Council is part of the group of 31% of respondents who do not perform risk maturity assessments as part of the IA reporting process. This assessment typically confirms whether management has identified the risks associated with IA findings; the extent to which the risks are managed; and whether management are risk aware, or risk naïve.
- 3.20 Risk maturity assessments consider the maturity and effectiveness of an organisation's risk management framework across the areas included within the scope of each audit. It is IA's opinion that implementation of risk maturity assessments would not add value until the Council's risk culture is more fully embedded at all levels. It is expected that a review of the Council's risk management framework will be included in the 2019/20 IA plan.
- 3.21 Additionally, the report notes that Council's IA team does not take the lead in preparing the annual governance statement (AGS) in line with 56% of participants, and currently do not audit the AGS. Only 28% of participating IA teams are involved in auditing the AGS. However, IA has requested oversight of the AGS to confirm that the content is in accordance with the outcomes of completed audit work.

- 3.22 Responses in relation to the annual audit opinion indicate that Edinburgh was the only authority that provided a limited assurance opinion, as most of opinions provided in 2017/18 were either favourable or adequate. Unfortunately, the benchmarking data does not provide any comparator on quality of audit activity.

Corporate Governance

- 3.23 This confirms that the Council takes longer to implement agreed management actions in comparison to other authorities.
- 3.24 The survey also confirms that 15 respondents have an independent reporting line to a Governance, Risk, and Best Value Committee (or equivalent governance forum); that the Council's GRBV Committee meets more frequently than those of other local authorities; and that most committees comprise solely Elected Members with no Independent Members.
- 3.25 Most participating authorities also appear to present an annual audit plan for approval, with only 13% of participants planning on a rolling six monthly basis.

Outputs

- 3.26 This section focuses on the outcomes of IA reports, and highlights that that the Council has received a higher percentage of limited (amber) and inadequate (red) IA assurance reports in comparison to the average across other participating authorities. This outcome is also linked to provision of the 2017/18 red rated IA opinion presented to the GRBV in July 2018. Again, the benchmarking data does not provide any comparator on quality of audit activity or whether other authorities are concentrating on key risk areas, but it is assumed that this is the case.
- 3.27 The survey also highlights that the Council's IA team produced fewer IA reports in comparison to the average number of reports produced by other authorities. It should be noted that survey only requested details of audit completed across the Council, and this outcome does not reflect the audit work performed for the Edinburgh Integration Joint Board; the Lothian Valuation Joint Board; and third-party arms-length external organisations.

Summary

- 3.28 Whilst the report identified that the Council is an outlier in some regards to its peers based on the data provided, the reasons for this were already identified and it is considered that an improved picture would be achieved in terms of alignment were the comparison to be run against data reflecting the current IA position.

4. Measures of success

- 4.1 Resolution of the findings highlighted in the benchmarking exercise will improve the skills set of the IA team and efficiency of delivery of the annual plan.

5. Financial impact

5.1 There are none arising directly from this report.

6. Risk, policy, compliance and governance impact

6.1 There are none arising directly from this report.

7. Equalities impact

7.1 There are none arising directly from this report.

8. Sustainability impact

8.1 There are none arising directly from this report.

9. Consultation and engagement

9.1 Not applicable.

10. Background reading/external references

10.1 [Internal Audit Annual Plan 2018-19](#)

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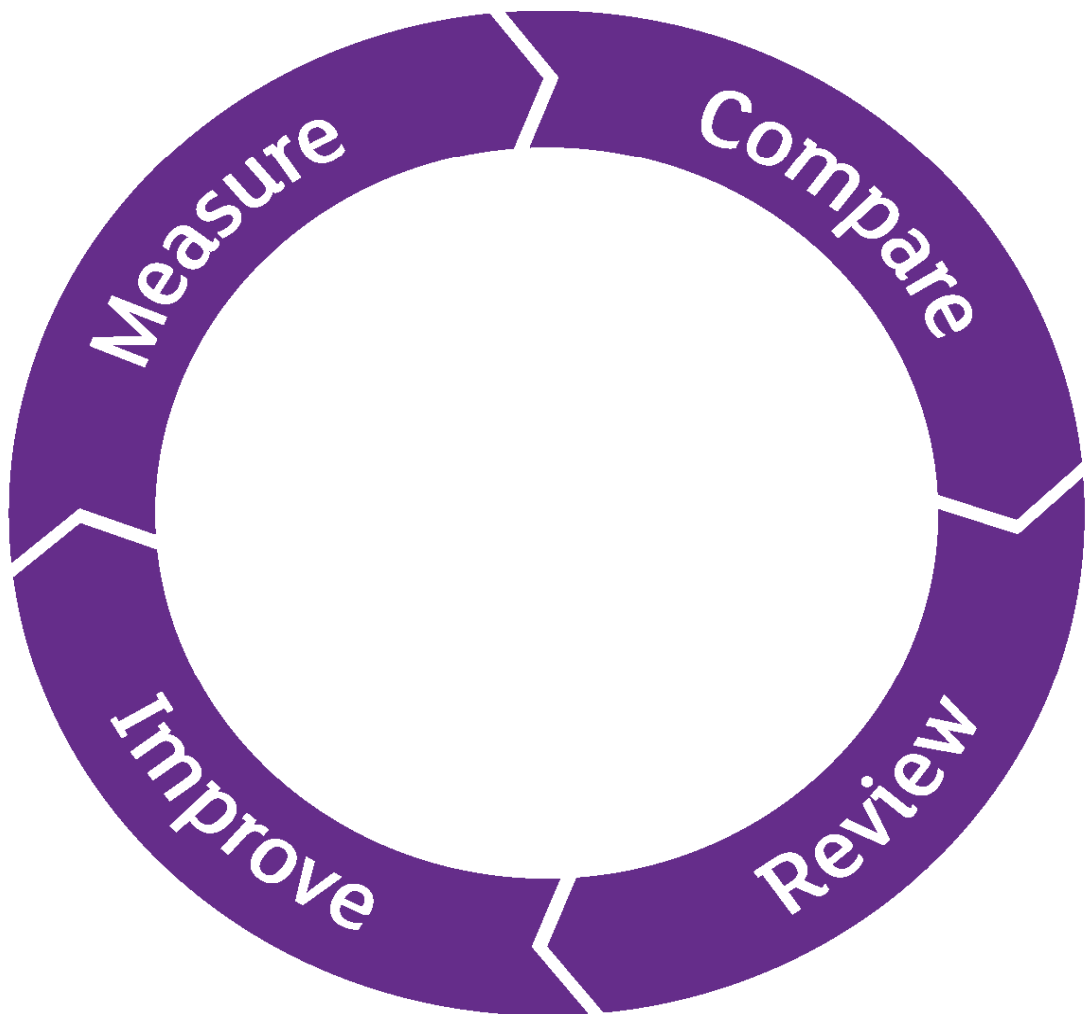
11. Appendices

Appendix 1 – CIPFA Benchmarking Report

Analytics & Research

audit benchmarking club

2018 - Edinburgh Final Report



Introduction

This report closely follows the order of the questionnaire and you may find it helpful to have a copy of your questionnaire to hand when looking through the report.

The report contains a great deal of information that we hope you will find interesting and useful in the management of Audit. However, unlike our other benchmarking reports, it has little direct cost or performance comparisons.

Our aim is to produce benchmarks that are reasonably accurate, but they cannot possibly be precise to the nearest penny. Therefore, members should bear in mind that we are looking for their best estimates throughout the questionnaire, and they are encouraged not to spend unreasonable amounts of time and effort on obtaining absolutely precise figures.

As well as measuring the audit days on different categories of audits we are also collecting data on the number of audit reports produced allowing analysis between audit days and audit reports. It will also allow further analysis of total audit activity and output.

We are also collecting data on assurances provided, starting with the annual opinion issued in accordance with PSIAS. The intention here is to inform the internal auditor's understanding of the risks and challenges affecting their client organisation and how internal control is being impacted. It is not intended to be used as a benchmark of how good an authority is. The information should help internal auditors to provide context when reporting or planning future work.

We will be keen to receive feedback from users on how the club can best support you.

At the end of the Benchmarking process, your authority will also receive supplemental materials which will provide further depth to this report:

- **Interactive report:** an Excel spreadsheet containing all the bar charts found in this report. The user can change the charts to show custom comparator groups.
- **Database:** an Excel spreadsheet containing all data submitted by club members in 2018. The user can also populate a copy of the questionnaire with the data for any member.
- **Narrative report:** a report containing an analysis of the responses to the text based parts of the questionnaire.

We hope you find the report useful. Please let us know any ideas you have that could help improve the exercise.

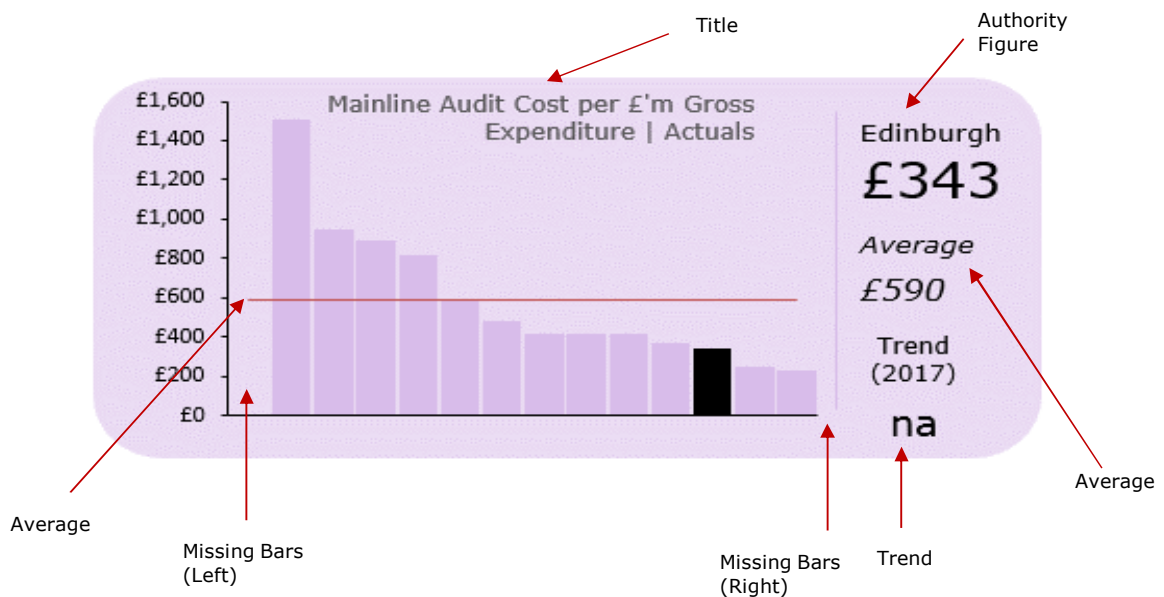
Useful Information

Averages: Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded and for this reason sets of averages sometimes do not reconcile precisely.

Charts: We display a large amount of data on charts as this allows us to show data for entire groups efficiently and gives far more information than a simple average (i.e. range of data, individual authority values etc.) Below we have annotated some examples of the charts we use.

Bar Charts

This is our standard way of displaying a full set of data for a particular indicator



Title: Title of this particular data set

Authority: Figure for your authority

Average: The average figure of all the authorities included in this report.

Trend: The figure that you provided to us for the previous years' club.

Purple Bars: Each purple bar represents an authority in the comparator group

Black Bar: Your authority's figure

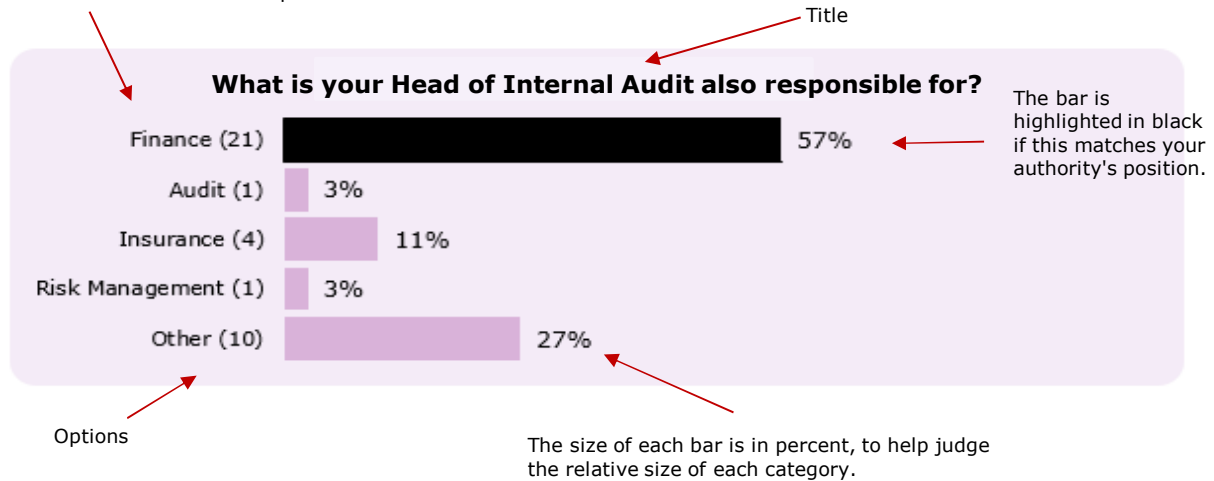
Missing Bars (Left): Missing data or data that has been excluded. These figures are not included in the average.

Missing Bars (Right): Represents values which are 0 and have been included in the average

Useful Information

Summary Bar Charts

The number in brackets is the number of authorities that match this option.



Please note: Depending on the type of data being displayed more than one bar may be highlighted black.

Definitions of Assurance Levels:

Excellent (positive): The control system is effective ensuring service delivery is robust and resilient and client objectives are consistently achieved.

Good (positive): There is a sound system of internal control designed to achieve the client's objectives and manage key risks.

Although key controls are to be put in place, they are not consistently applied in all areas.

Limited (negative): Overall, there are significant weaknesses in the system of internal controls in relation to key risks.

Although this puts some of the client's objectives at risk in one or more key area, there are some adequate controls in place.

Inadequate (negative): Control processes are weak leaving the system open to significant error or abuse and non achievement of the client's objectives.

Significant non-compliance with basic control processes expose the client to error or abuse.

CIPFA Audit Benchmarking Club

2018

Contents

Section 1: Quartile Figures

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Section 2: Cost Analysis

This part focuses on side to side comparison of Actuals and Planned data for mainline costs, cost per auditor, and overhead costs.

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Section 3: Audit Coverage

This part focuses on the breakdown of audit days by type of audit. Both Actuals and Planned days are analysed.

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Section 4: Staffing

This section examines staffing salary bands, part time FTE and qualifications.

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Section 5: Audit Context

This part focuses on levels of outsourcing, management reporting and responsibilities.

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Section 6: Corporate Governance

This part analyses the organisation's Annual Government Statement, as well as agreed actions/recommendations from the past 12 months.

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Section 7: Outputs

This section examines the reporting habits of your Internal Audit.

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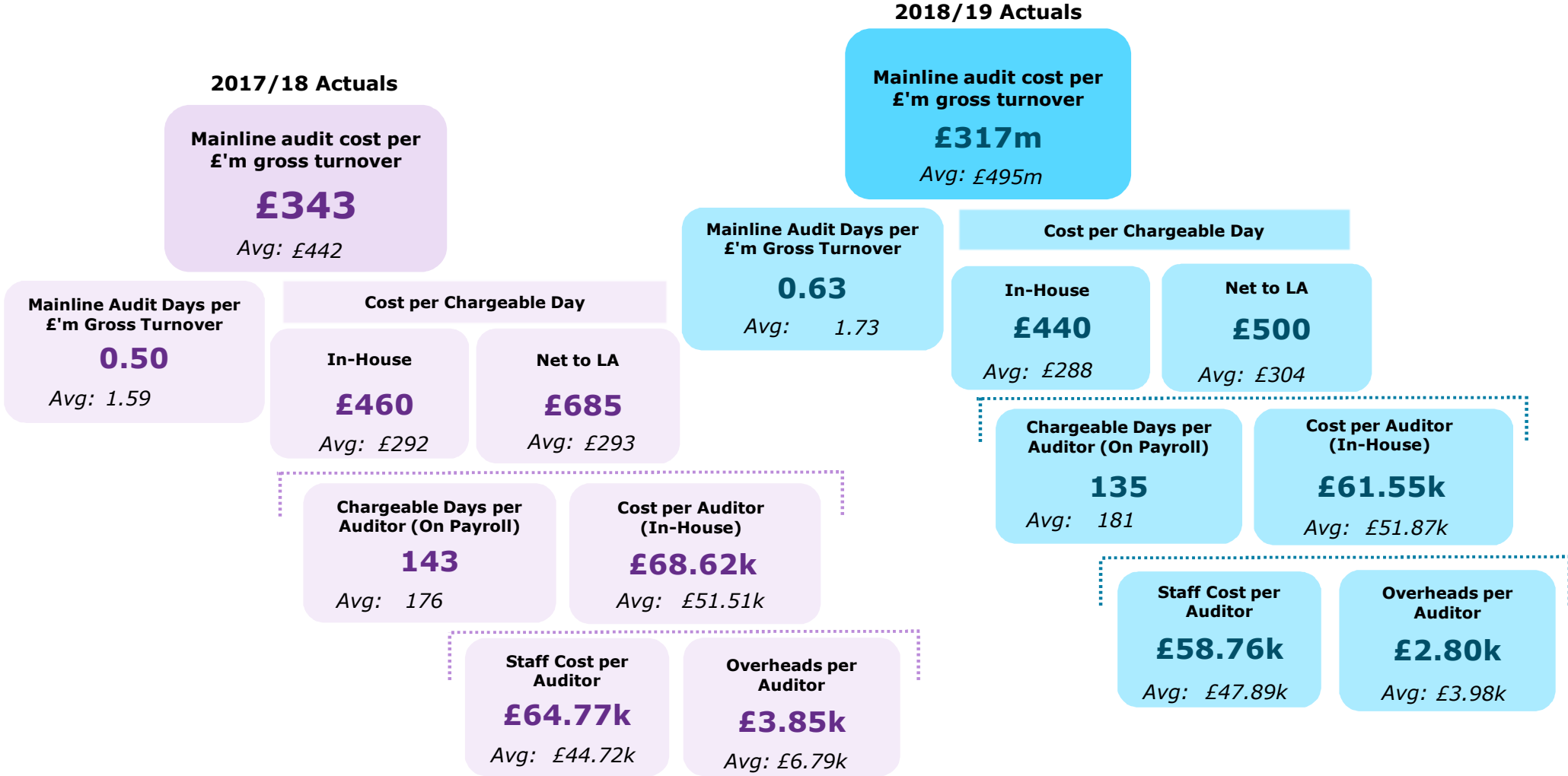
Section 1: Quartile Figures

This section contains data on relative costs and days per auditor in your organisation. Two of the tables present a statistical overview splitting the respondents' sample into three quartiles (25%, 50% and 75%), as well as taking into account the highest and lowest value submitted. This allows you to see the distribution of the data and position yourselves amongst the sample.

	Edinburgh	<i>Average</i>	Minimum Value	Lower Quartile	Median	Upper Quartile	Maximum Value
Cost/auditor £'k							
Pay	£64.8k	£44.7k	£33.7k	£39.3k	£41.6k	£50.8k	£64.8k
Pay	£58.8k	£47.9k	£39.4k	£45.3k	£47.7k	£50.1k	£58.8k
Overheads	£3.8k	£6.8k	£0.3k	£1.6k	£3.6k	£6.6k	£47.1k
Overheads	£2.8k	£4.0k	£0.8k	£1.7k	£2.6k	£4.3k	£15.8k
Total	£68.6k	£51.5k	£34.2k	£43.0k	£48.6k	£56.0k	£86.3k
Total	£61.6k	£51.9k	£41.8k	£48.4k	£51.1k	£57.1k	£61.6k
Chargeable Days per auditor	143	176	143	163	172	187	260
Chargeable Days per auditor	135	181	135	177	184	188	202
Cost per day (net to LA)	£685	£293	£63	£254	£283	£325	£685
Cost per day (net to LA)	£500	£304	£185	£267	£285	£360	£500
Chargeable Days per £'m	0.5	1.6	0.5	1.1	1.3	2.2	3.3
Chargeable Days per £'m	0.6	1.7	0.6	1.1	1.4	2.2	3.6
Cost per £'m	£343	£442	£227	£294	£417	£510	£895
Cost per £'m	£317	£495	£221	£312	£394	£615	£1,014

The Total Cost per Auditor in 2017/18 for Edinburgh is situated in the interval between the upper quartile and the maximum value implying that more than 75% of the authorities have a lower or equal total cost per auditor.

Section 2: Cost Analysis



In-house means staff on payroll & agency staff, exc. bought-in & contracted out.

This tree diagram displays a number of key cost benchmarks. For each benchmark two figures are given, the first being the authority's value and the second (in italics) is the group average.

Section 2: Cost Analysis | Continuation

Basic Data for Edinburgh	2017/18 Actuals	2018/19 Planned
Gross turnover £'m	£1,758m	£1,871m
FTE staff (on payroll)	6	9
FTE agency staff	0.5	0.7
Staff cost (on payroll) £'k	£360k	£507k
Agency staff cost £'k	£61k	£60k
Overheads cost £'k	£25k	£27k
Bought-in cost £'k	£201k	£45k
Contracted out cost £'k	£0k	£0k

Benchmarks	2017/18 Actuals		2018/19 Planned	
	Edinburgh	Avg.	Edinburgh	Avg.
Mainline audit days per £'m gross t/o	0.50	1.59	0.63	1.73
Cost per £'m gross turnover	£343	£442	£317	£495
Chargeable days per auditor (on payroll)	143	176	135	181
Cost per auditor (in-house)	£68.62k	£51.51k	£61.55k	£51.87k
Staff cost per auditor (in-house)	£64.77k	£44.72k	£58.76k	£47.89k
Overheads cost per auditor (in-house)	£3.85k	£6.79k	£2.80k	£3.98k

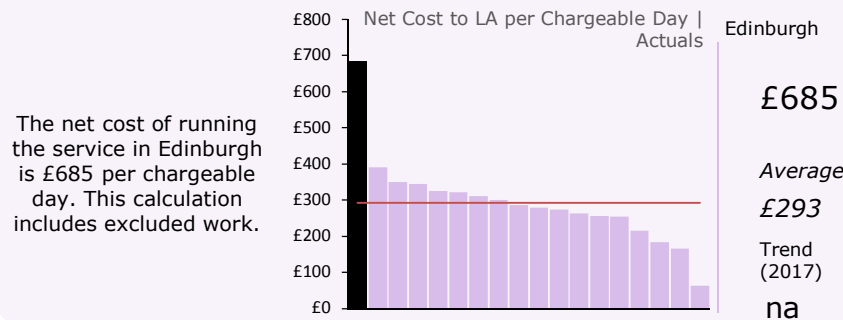
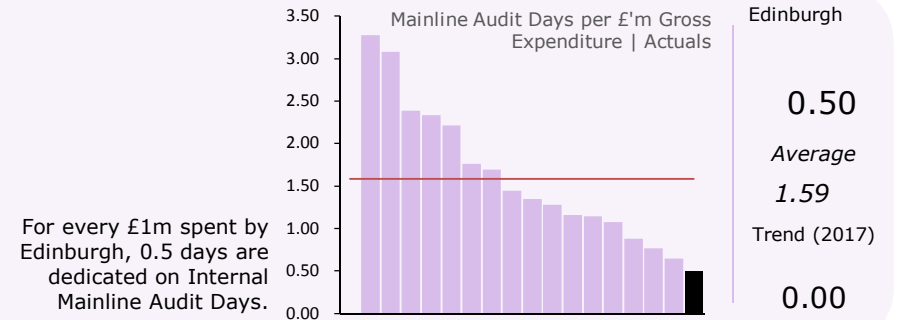
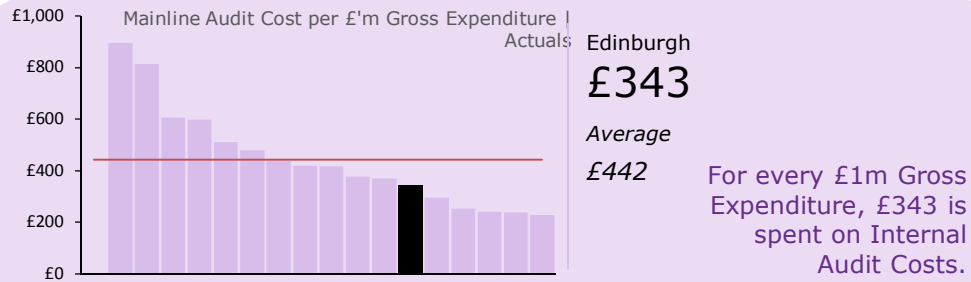
Chargeable Audit Days	Audit Days	Cost £'k	Cost / Day	Avg.
In-House Actuals 2017-18	970	£446k	£460	£292
In-House Actuals 2018-19	1,351	£594k	£440	£288
Bought-In* Actuals 2017-18	155	£201k	£1,297	£375
Bought-In* Actuals 2018-19	80	£45k	£563	£318
Contracted-Out Actuals 2017-18	0	£0k	na	£391
Contracted-Out Actuals 2018-19	0	£0k	na	£363
Total Actuals 2017-18	1,125	£647k	£575	£301
Total Actuals 2018-19	1,431	£639k	£446	£296
Work for Other Bodies Actuals 2017-18	245	£44k	£180	£255
Work for Other Bodies Planned 2018-19	245	£46k	£188	£259
Net to LA Actuals 2017-18	880	£603k	£685	£293
Net to LA Planned 2018-19	1,186	£593k	£500	£304
Excluded work Actuals 2017-18	0	£0k		
Excluded work Planned 2018-19	0	£0k		
Mainline Audit Actuals 2017-18	880	£603k		
Mainline Audit Planned 2018-19	1,186	£593k		

* Bought-in days are shown inclusive of non-chargeable days to show a consistent cost/day figure.

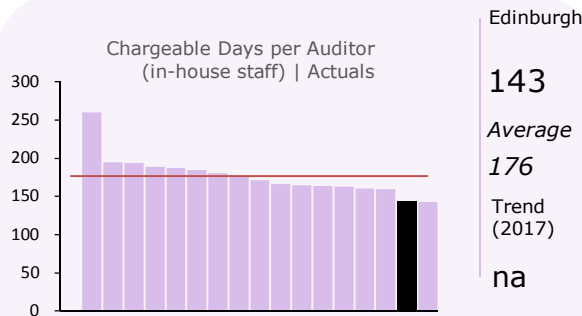
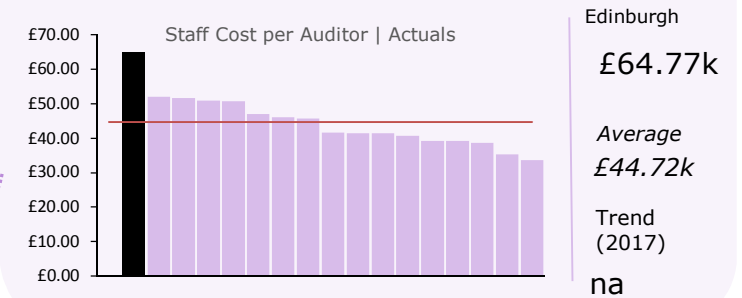
Audit Questionnaire, Sections 3 & 4(b)

Section 2: Cost Analysis | Continuation

Breakdown of Mainline Audit Costs | Actuals

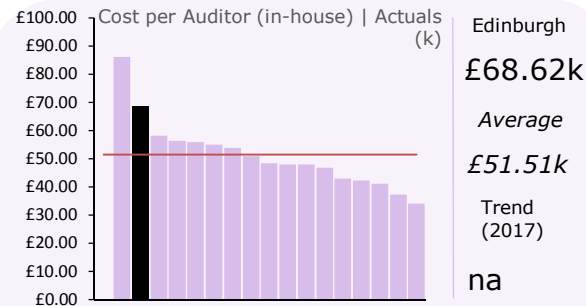


Edinburgh spends £64.77k per in-house auditor. This is the total cost per auditor for only agency staff and staff on payroll. This is 45% more than the average amount spent per in-house auditor.



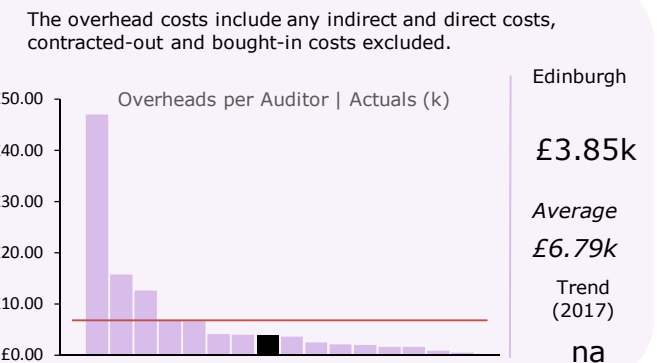
Edinburgh spends 143 days per in-house auditor (staff on payroll and agency staff).

This is 19% less than the time spent on average.



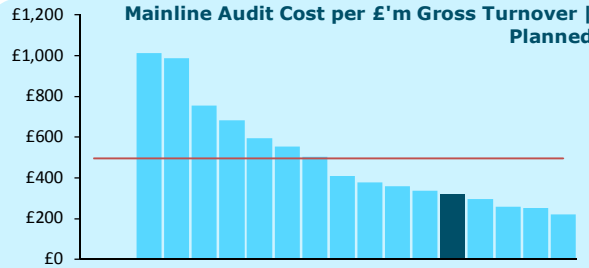
Edinburgh spends £68.62k per in-house auditor. This is the total cost per auditor with contracted-out and bought-in costs deducted.

This is 33% more than the average amount spent per in-house auditor.



Section 2: Cost Analysis | Continuation

Breakdown of Planned Mainline Audit Costs | Planned



Edinburgh

£317

Average

£495

Trend (2017)

na

For every £1m Gross Expenditure, £317 is planned to be spent on Internal Audit Costs.

This is a decrease of 8% compared to 2017-18 Actuals.

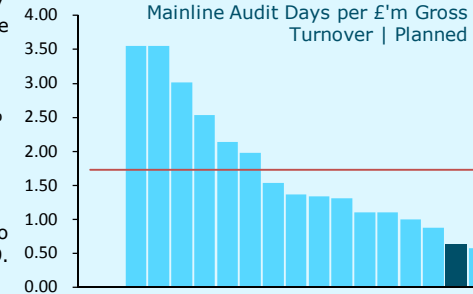
On average, the Internal Audit spent is estimated to increase by 12% in 2018-19.

For every £1m spent by Edinburgh, 0.63 days are dedicated on Internal Mainline Audit Days.

This is an increase of 27% compared to 2017-18 Actuals.

On average, the Internal Audit days are estimated to increase by 9% in 2018-19.

Mainline Audit Days per £'m Gross Turnover | Planned



Edinburgh

0.63

Average

1.73

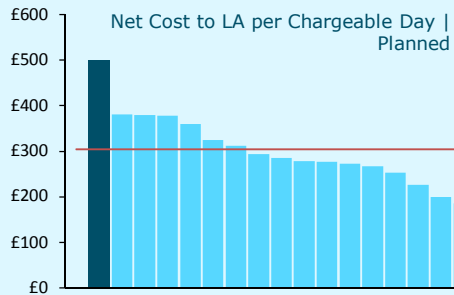
Trend (2017)

na

The net cost of running the service in Edinburgh is £500 per chargeable day. This includes excluded work.

This is a decrease of 27% compared to 2017-18 Actuals.

On average, the net cost of running the service is expected to increase by 4% in 2018-19.



Edinburgh

£500

Average

£304

Trend (2017)

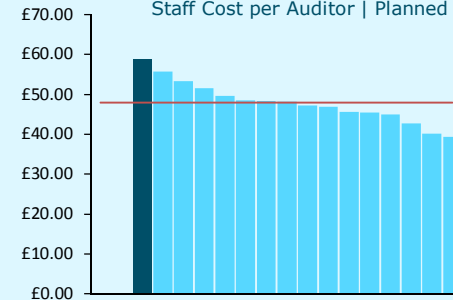
na

Edinburgh spends £58.76k per in-house auditor. This is the total cost per auditor for only agency staff and staff on payroll.

This is a decrease of 9% compared to 2017-18 Actuals.

On average, the spend per in-house auditor is expected to increase by 7% in 2018-19.

Staff Cost per Auditor | Planned



Edinburgh

£58.76k

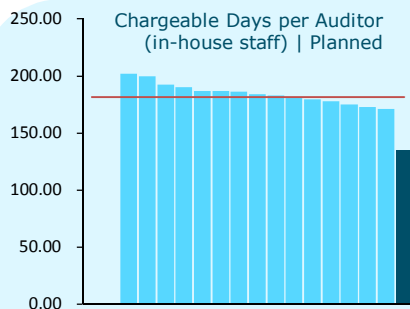
Average

£47.89k

Trend (2017)

na

Chargeable Days per Auditor (in-house staff) | Planned



Edinburgh

135

Average

181

Trend (2017)

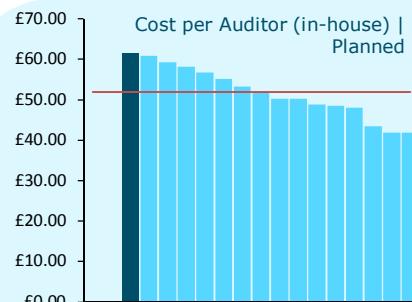
na

Edinburgh spends 135 days per in-house auditor (staff on payroll and agency staff).

This is a decrease of 6% compared to 2017-18 Actuals.

On average, the days spent per in-house auditor are to increase by 3% in 2018-19.

Cost per Auditor (in-house) | Planned



Edinburgh

£61.55k

Average

£51.87k

Trend (2017)

na

Edinburgh spends £61.55k per in-house auditor. This is the total cost per auditor with contracted-out and bought-in costs deducted.

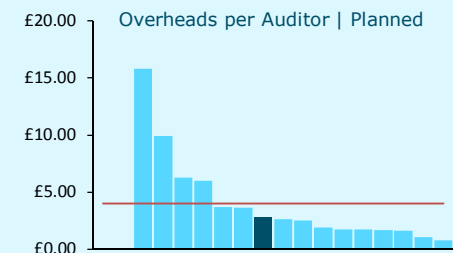
This is a decrease of 10% compared to 2017-18 Actuals.

On average, the spend per in-house auditor is expected to remain stable with a slight decrease of 0.7% in 2018-19.

The overhead costs per auditor for Edinburgh are to face a decrease of 27% compared to 2017-18 Actuals.

The average change between planned and actual data is a decrease of 41%.

Overheads per Auditor | Planned



Edinburgh

£2.80k

Average

£3.98k

Trend (2017)

na

Section 2: Cost Analysis | Continuation

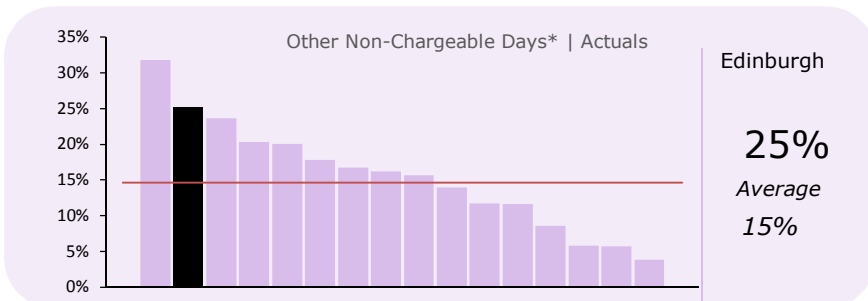
Analysis of Days per Auditor

Edinburgh	Number of Days		Days per FTE		Average Days per FTE	
	2017/18 Actuals	2018/19 Planned	2017/18 Actuals	2018/19 Planned	2017/18 Actuals	2018/19 Planned
Total Days PA	1,560	2,340	260	260	260	260
Non-Productive Days:						
Bank Holidays	36	54	6	6	9	7
Annual Leave	162	266	27	30	30	31
Special Leave	0	0	0	0	1	0
Sickness	140	287	23	>max	7	4
Training	10	27	2	3	9	7
Available Days	1,212	1,706	202	190	208	209
Other Non-Chargeable Days	351	495	59	55	33	27
Chargeable Days	861	1,211	143	135	176	181

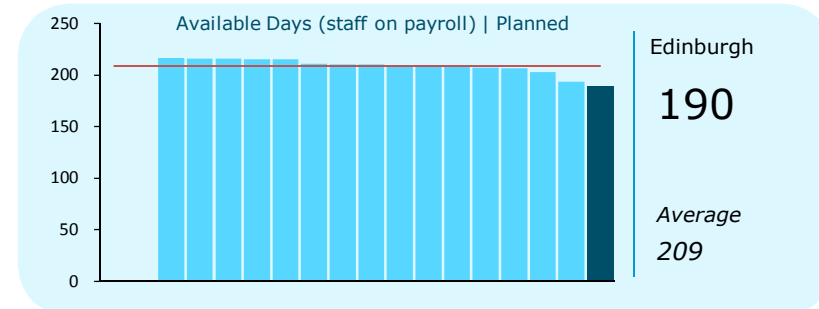
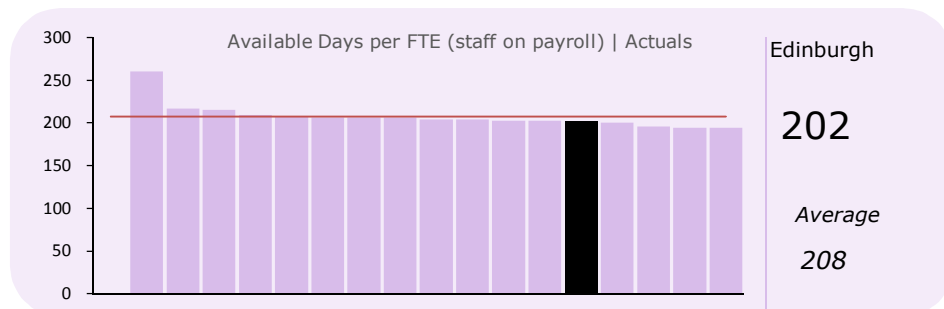
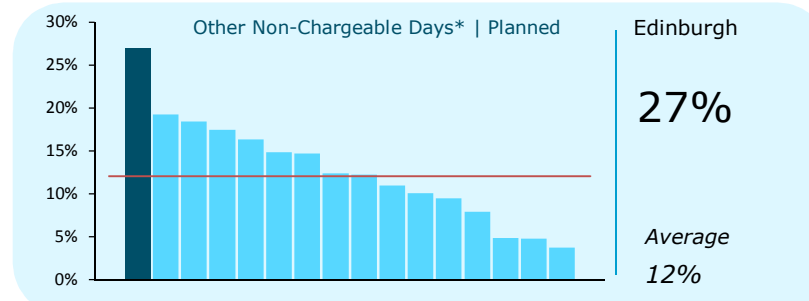
Overhead Costs	Total Cost		Cost per FTE		Avg. Cost per FTE	
	2017/18 Actuals	2018/19 Planned	2017/18 Actuals	2018/19 Planned	2017/18 Actuals	2018/19 Planned
Transport & travel	£0k	£0k	£0.00k	£0.00k	£0.15k	£0.22k
Other running costs	£6k	£7k	£0.92k	£0.73k	£1.01k	£1.04k
Accommodation	£0.00k	£0.00k	£0.00k	£0.00k	£0.88k	£0.95k
IT	£19k	£20k	£2.92k	£2.07k	£0.81k	£0.80k
Other central charges	£0.00k	£0.00k	£0.00k	£0.00k	£4.57k	£1.22k
Total Overhead Cost	£25k	£27k	£3.85k	£2.80k	£6.79k	£3.98k

Agency Staff Days

	2017/18 Actuals	2018/19 Planned
Total Agency Staff Days	164	210
Non-Chargeable Days	27	35
Chargeable Agency Staff Days	137	0



*This is displayed as a percentage of all available days, including agency staff and bought-in audit.



Section 3: Audit Coverage

3a. Audit Days by Type of Audit per £'m 2017/18 Actuals

Types of Audit	Mainline Audit Days Actuals			Bought-In Audit Days Actuals		Contracted-Out Audit Days Actuals			
	Days (number)	Days/£'m Turnover	Days/£'m Turnover Avg.	Days (number)	% of Total Mainline Days	% Avg.	Days (number)	% of Total Mainline Days	% Avg.
Fundamental Financial Systems	15	0.01	0.26	..	0.0%	9.8%	..	0.0%	6.3%
Fundamental Non-Financial Systems	30	0.02	0.15	..	0.0%	10.0%	..	0.0%	0.0%
Strategic and Corporate Risks	30	0.02	0.15	..	0.0%	6.4%	..	0.0%	6.3%
Operational and Departmental Risks	190	0.11	0.25	..	0.0%	8.2%	..	0.0%	7.7%
Corporate Governance	0	0.00	0.09	..	na	8.3%	..	na	8.3%
Core IT	60	0.03	0.07	..	0.0%	21.1%	..	0.0%	6.7%
Commissioning which includes contracts and procurement	30	0.02	0.06	..	0.0%	0.4%	..	0.0%	8.3%
Establishments – non-schools (planned and reactive audits)	420	0.24	0.02	..	0.0%	0.0%	..	0.0%	0.0%
LA schools (planned and reactive audits)	0	0.00	0.10	0	na	0.0%	..	na	1.9%
Transformation and major projects	75	0.04	0.02	..	0.0%	1.8%	..	0.0%	14.3%
Consultancy and audit related advisory services	20	0.01	0.10	..	0.0%	0.1%	..	0.0%	9.1%
Other (please specify below)	10	0.01	0.32	0	0.0%	0.0%	..	0.0%	0.0%
Total Mainline Audit Days	880	0.50	1.59	..	0.0%	6.5%	..	0.0%	5.2%

Gross Expenditure
£'m
£1,758m
Avg: £809m

3b. Audit Days per £'m 2018/19 Planned

Types of Audit	Mainline Audit Days Plan			Bought-In Audit Days Plan		Contracted-Out Audit Days Plan			
	Days (number)	Days/£'m Turnover	Days/£'m Turnover Avg.	Days (number)	% of Total Mainline Days	% Avg.	Days (number)	% of Total Mainline Days	% Avg.
Fundamental Financial Systems	90	0.05	0.22	..	0.0%	6.3%	..	0.0%	6.3%
Fundamental Non-Financial Systems	80	0.04	0.08	..	0.0%	0.0%	..	0.0%	0.0%
Strategic and Corporate Risks	90	0.05	0.18	..	0.0%	6.3%	..	0.0%	6.3%
Operational and Departmental Risks	192	0.10	0.35	0	0.0%	7.7%	..	0.0%	7.7%
Corporate Governance	40	0.02	0.10	..	0.0%	7.7%	..	0.0%	7.7%
Core IT	90	0.05	0.11	..	0.0%	19.6%	..	0.0%	6.7%
Commissioning which includes contracts and procurement	40	0.02	0.08	..	0.0%	0.0%	..	0.0%	8.3%
Establishments – non-schools (planned and reactive audits)	60	0.03	0.01	..	0.0%	0.0%	..	0.0%	0.0%
LA schools (planned and reactive audits)	50	0.03	0.08	..	0.0%	0.0%	..	0.0%	10.0%
Transformation and major projects	300	0.16	0.04	..	0.0%	0.0%	..	0.0%	0.0%
Consultancy and audit related advisory services	45	0.02	0.08	..	0.0%	0.0%	..	0.0%	0.0%
Other (please specify below)	9	0.00	0.26	..	0.0%	7.1%	..	0.0%	0.0%
Contingency*	100	0.05	0.14	..	0.0%	0.0%	..	0.0%	7.7%
Total Mainline Audit Days	1,186	0.63	1.73	..	0.0%	6.1%	..	0.0%	5.8%

Gross Expenditure
£'m
£1,871m
Avg: £730m

Audit Questionnaire, Section 4(a)

Section 3: Audit Coverage | Continuation

All of the figures should be interpreted as the number of days spent on the particular activity for each million pound spent by Edinburgh.

Edinburgh spent 0.5 days on Mainline Audit for 2017-18.
With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.

Edinburgh spent 0.01 days on Fundamental Financial Systems for 2017-18.

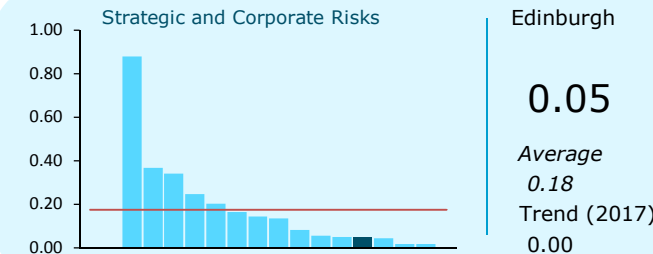
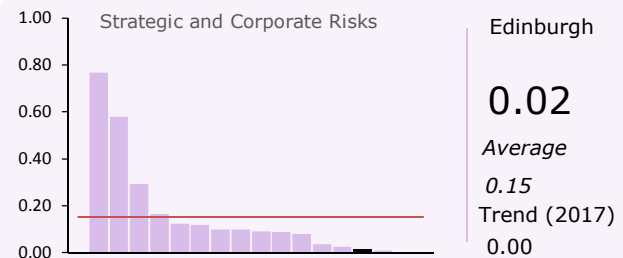
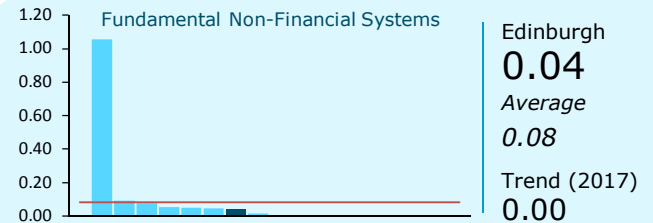
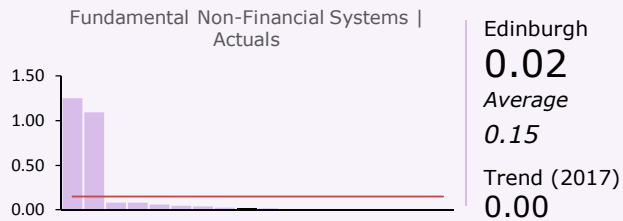
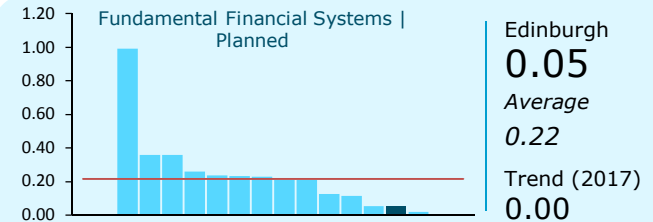
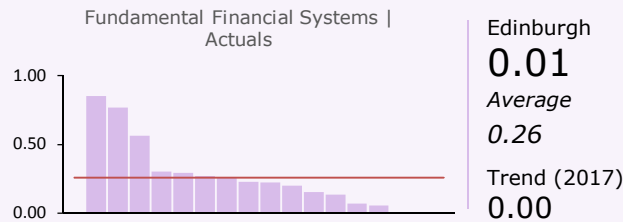
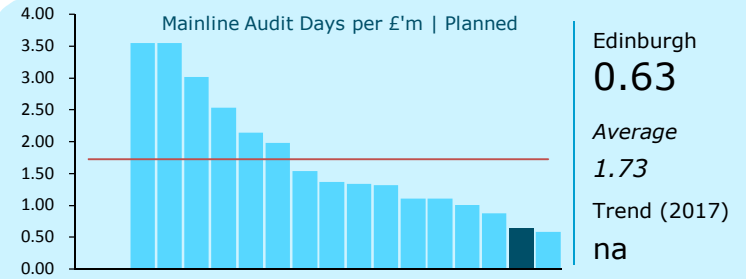
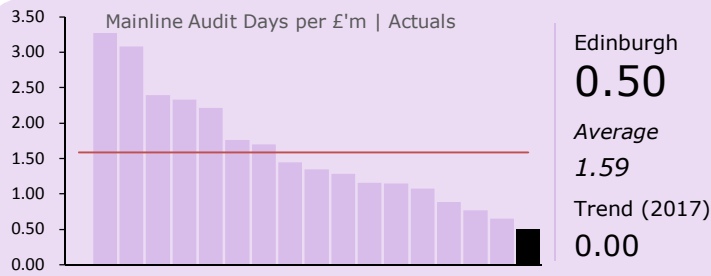
With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is a decrease for the next financial year.

Edinburgh spent 0.02 days on Fundamental Non Financial Systems for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is a decrease for the next financial year.

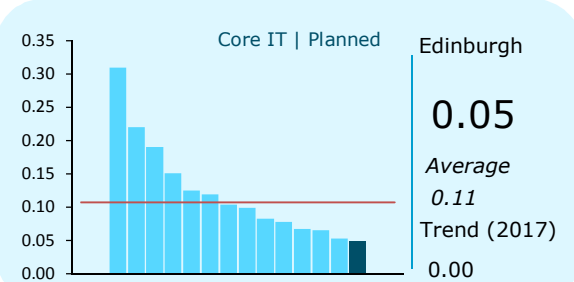
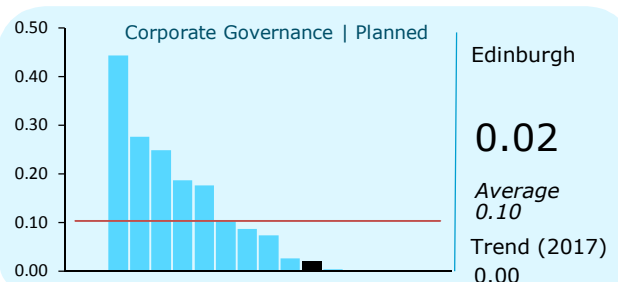
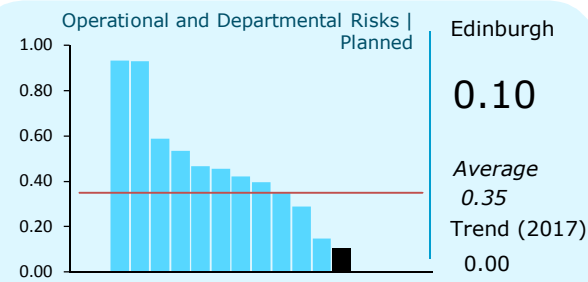
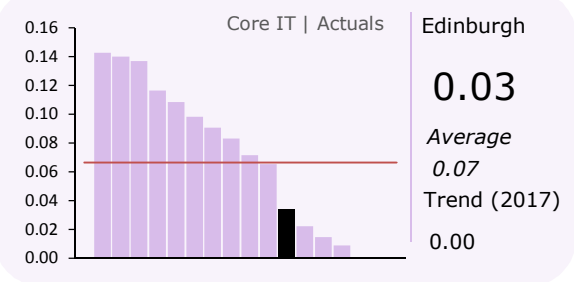
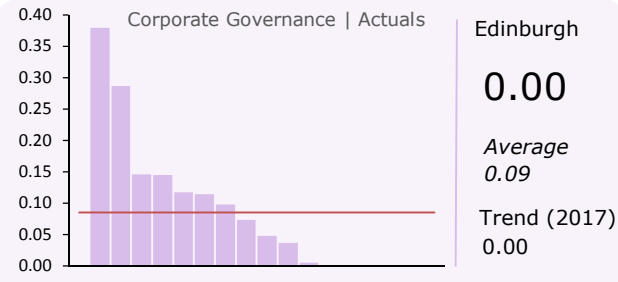
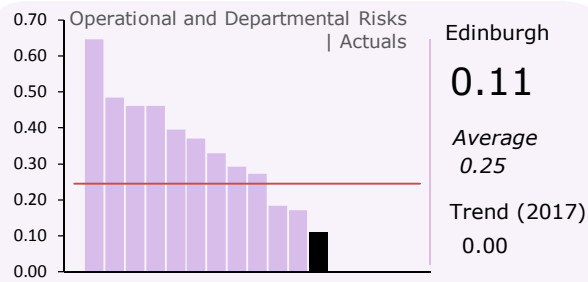
Edinburgh spent 0.02 days on Strategic and Corporate Risks for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.



Audit Questionnaire, Section 4(a)

Section 3: Audit Coverage | Continuation



All of the figures should be interpreted as the number of days spent on the particular activity for each million pound spent by Edinburgh.

Edinburgh spent 0.11 days on Operational and Departmental Risks for 2017-18.

With regards to its planned data, Edinburgh expects to have a decrease in the number of days in 2018-19. The average trend is an increase for the next financial year.

Edinburgh spent 0. days on Corporate Governance for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.

Edinburgh spent 0.03 days on Core IT for 2017-18.

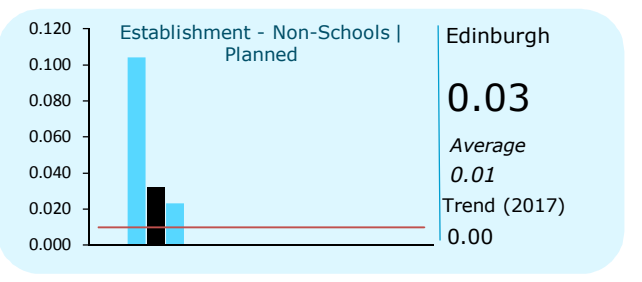
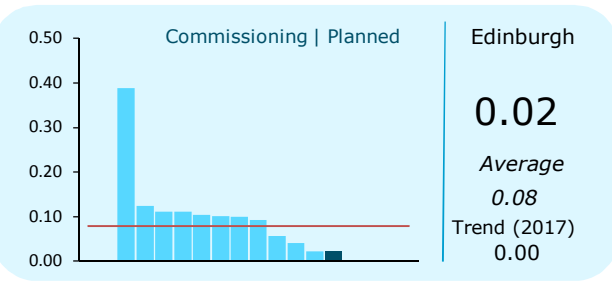
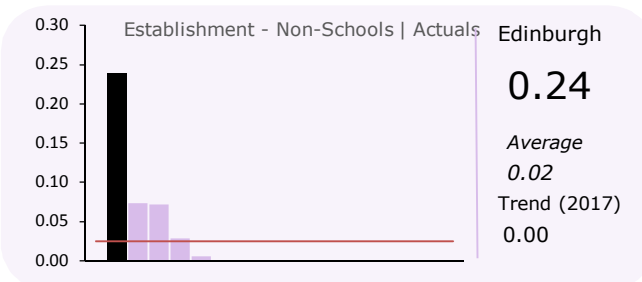
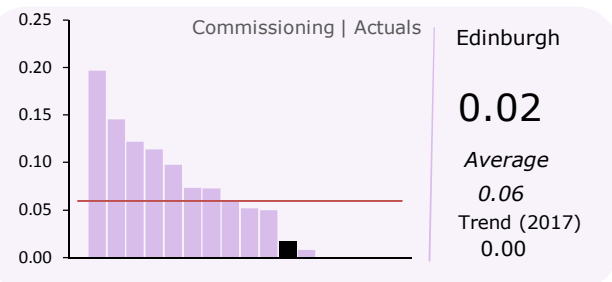
With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.

Edinburgh spent 0.02 days on Commissioning for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.

Edinburgh spent 0.24 days on Non School Establishments for 2017-18.

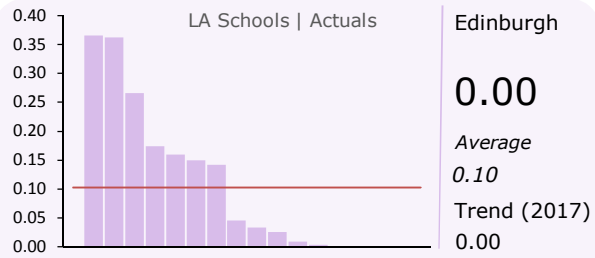
With regards to its planned data, Edinburgh expects to have a decrease in the number of days in 2018-19. The average trend is a decrease for the next financial year.



Section 3: Audit Coverage | Continuation

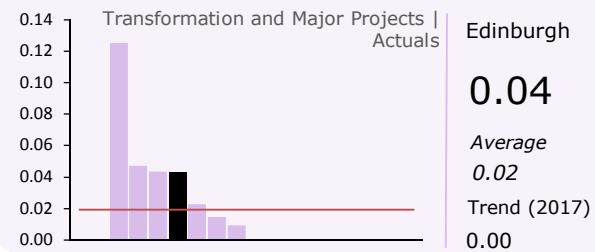
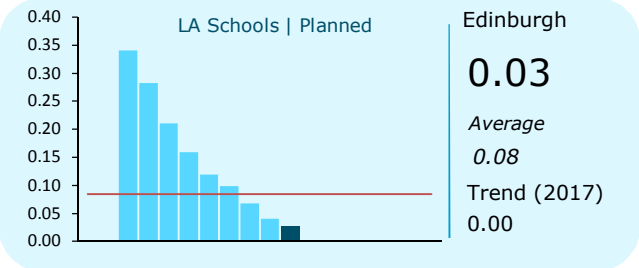
3a. Audit Days by Type of Audit per £'m 2017/18 | Continuation

All of the figures should be interpreted as the number of days spent on the particular activity for each million pound spent by Edinburgh.



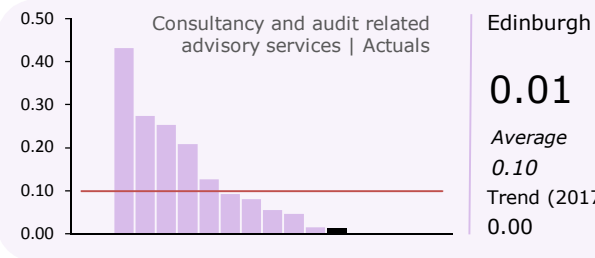
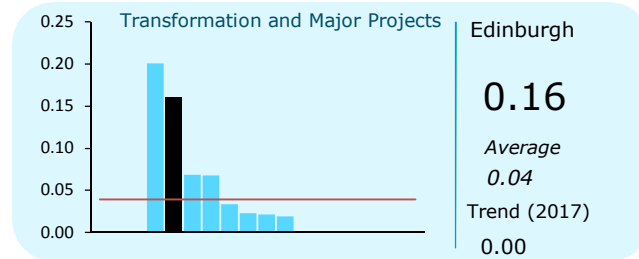
Edinburgh spent 0. days on Schools for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an decrease for the next financial year.



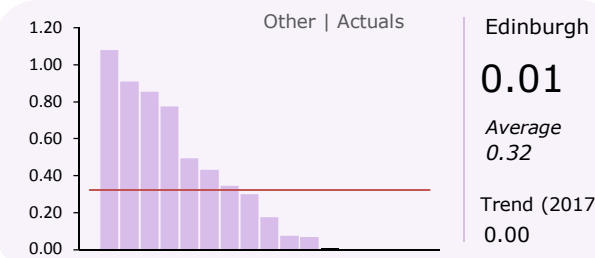
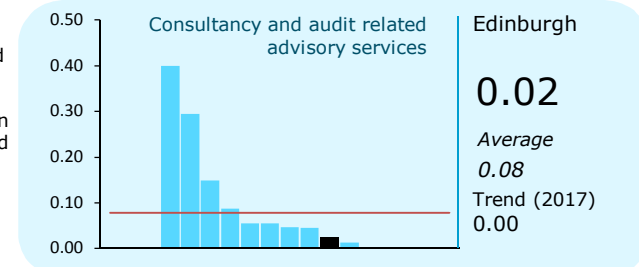
Edinburgh spent 0.04 days on Transformation and major projects for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is an increase for the next financial year.



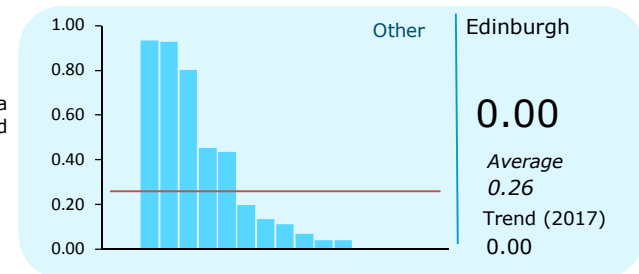
Edinburgh spent 0.01 days on Consultancy and audit related advisory services for 2017-18.

With regards to its planned data, Edinburgh expects to have an increase in the number of days in 2018-19. The average trend is a decrease for the next financial year.



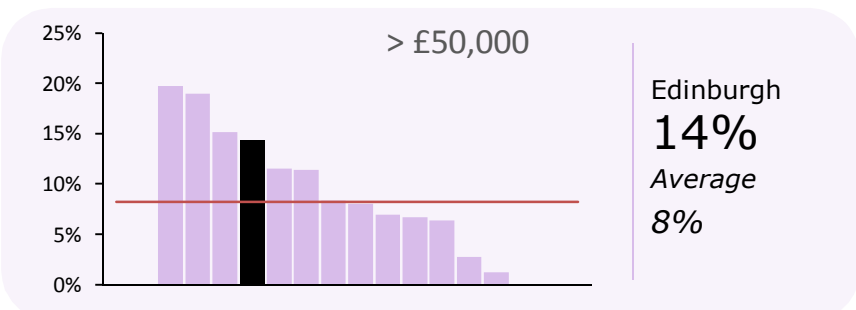
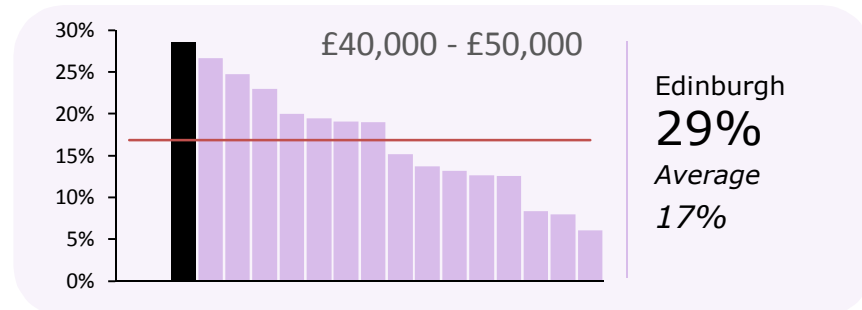
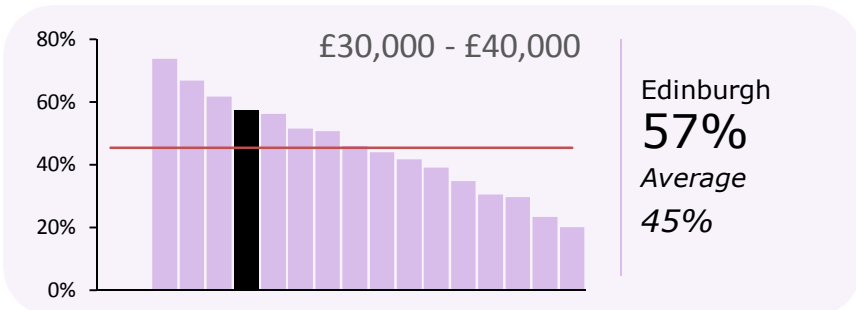
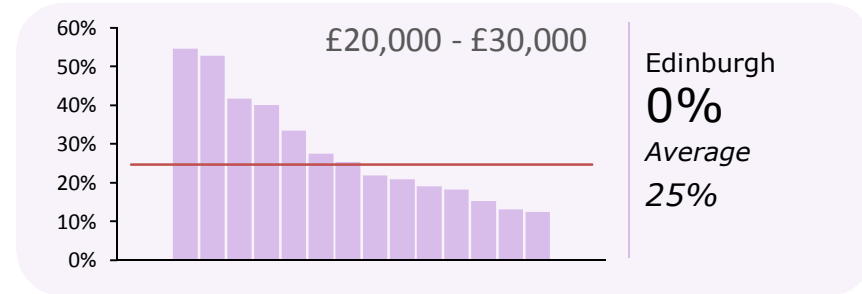
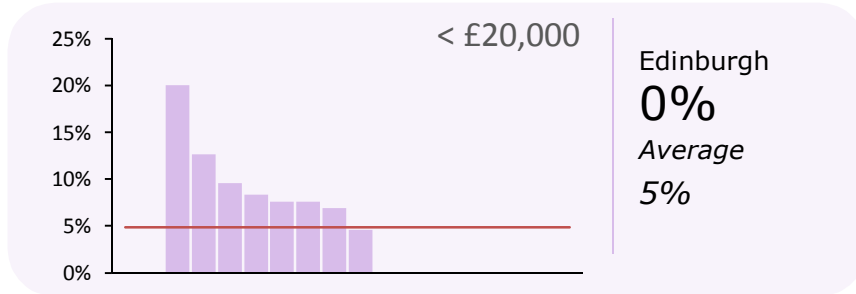
Edinburgh spent 0.01 days on Other Activities for 2017-18.

With regards to its planned data, Edinburgh expects to have a decrease in the number of days in 2018-19. The average trend is an decrease for the next financial year.



Section 4: Staffing

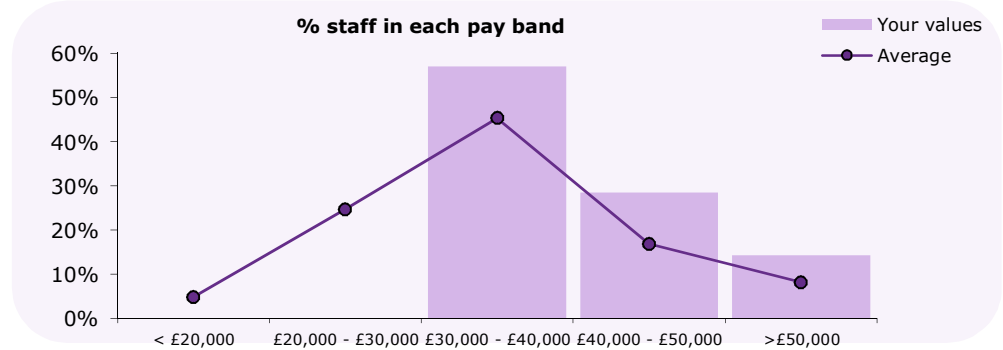
Staff Salary Bandings at 31 March 2018



Section 4: Staffing | Continuation

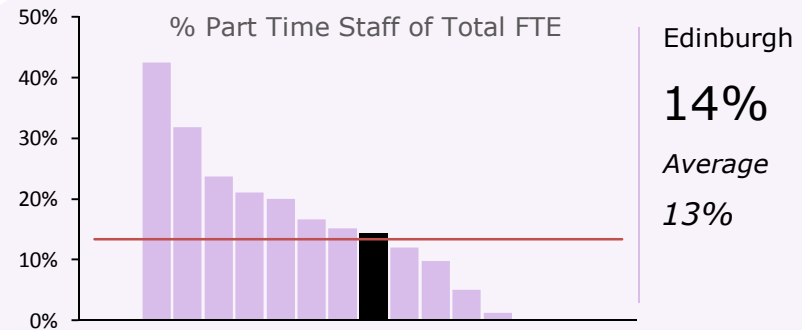
Staff Salary Bandings at 31 March 2018, Part Time Staffing, and Qualifications

Bands	FTE	% of Total	Avg. %
under £20k	0.0	0%	5%
£20k-30k	0.0	0%	25%
£30k-40k	4.0	57%	45%
£40k-50k	2.0	29%	17%
> £50k	1.0	14%	8%
Total	7.0		



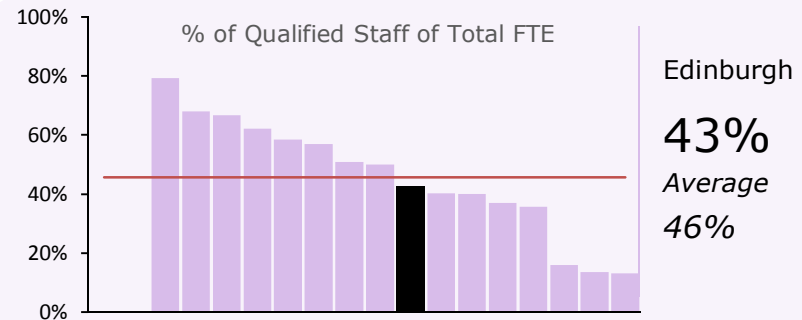
Part Time Staff at 31 March 2018

Staff	FTE	% of Total	Avg. %
Full time	6.0	86%	87%
Part time	1.0	14%	13%



Audit Qualifications at 31 March 2018

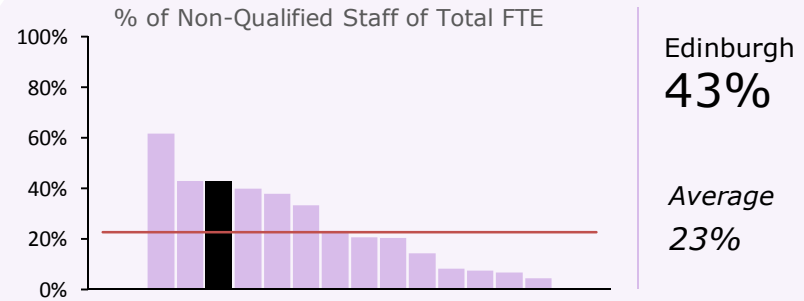
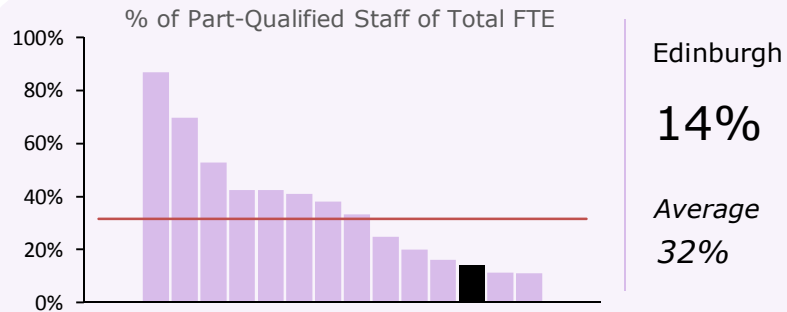
Staff	FTE	% of Total	Avg. %
Qualified	3.0	43%	46%
Part-Qualified	1.0	14%	32%
Non-Qualified	3.0	43%	23%
Total	7.0		



Audit Questionnaire, Section 6(a) & (b)

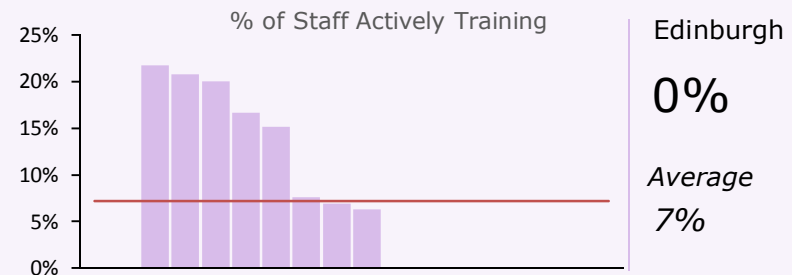
Section 4: Staffing | Continuation

Audit Qualifications at 31 March 2018 Continuation



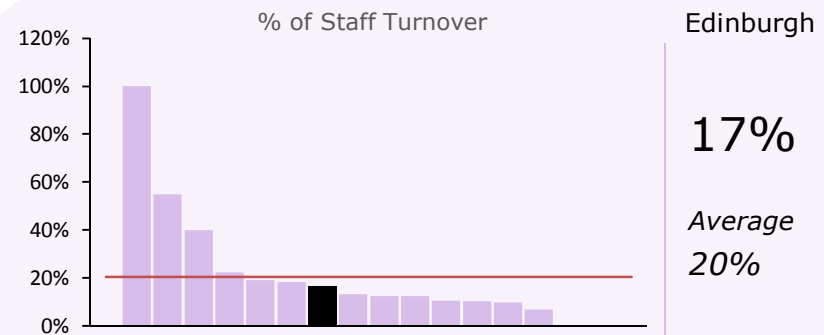
% Audit Staff in Training at 31 March 2018

Staff	FTE	% of Total	Avg. %
Trainees	0.0	0%	7%



Audit Staff Level Changes

Staff	FTE	% of Total	Avg. %
Staff at 31 March 2017	6.0		
Staff leaving the audit section	1.0	17%	20%
Staff joining the audit section	2.0	33%	27%
Staff at 31 March 2018	7.0		



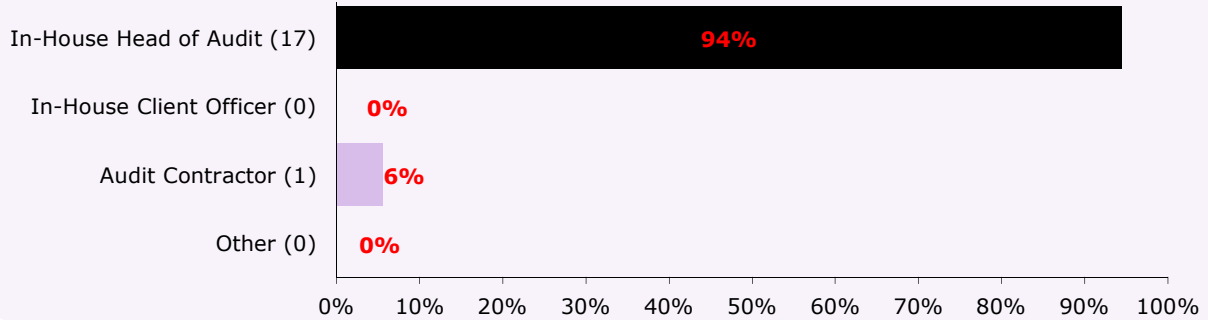
Section 5: Audit Context

Level of Outsourcing within Internal Audit

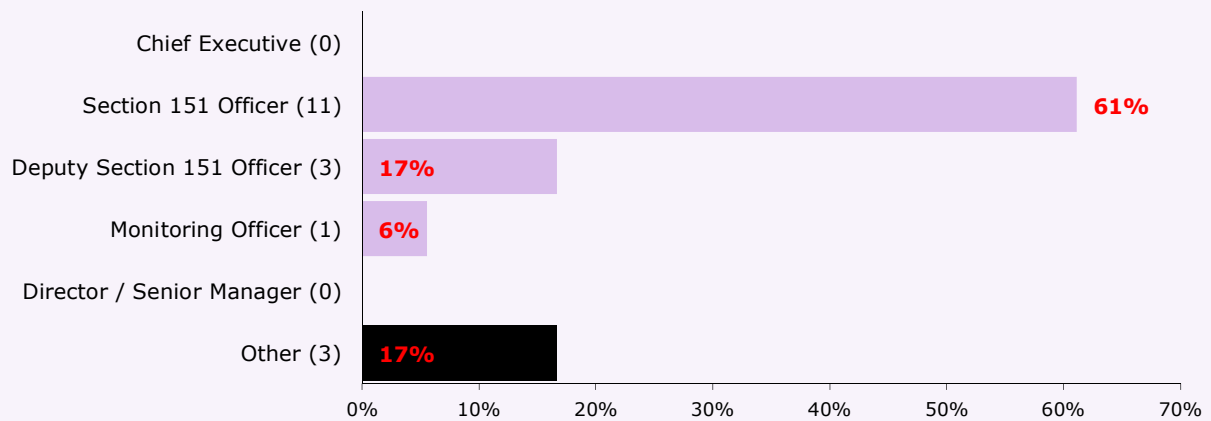
Service Structure	% Delivered	Avg.
In-House	100%	82%
Outsourced to a SSA	0%	6%
Outsourced to an EC	0%	12%

SSA = Shared Service Arrangement
EC = External Contractor

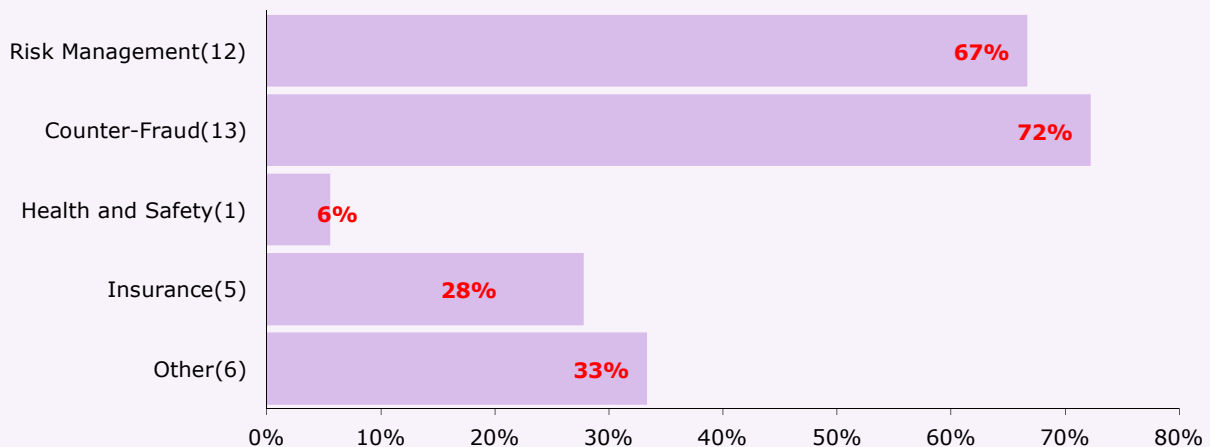
What is the role of your Head of Internal Audit?



What is the management reporting line of your Head of Internal Audit?



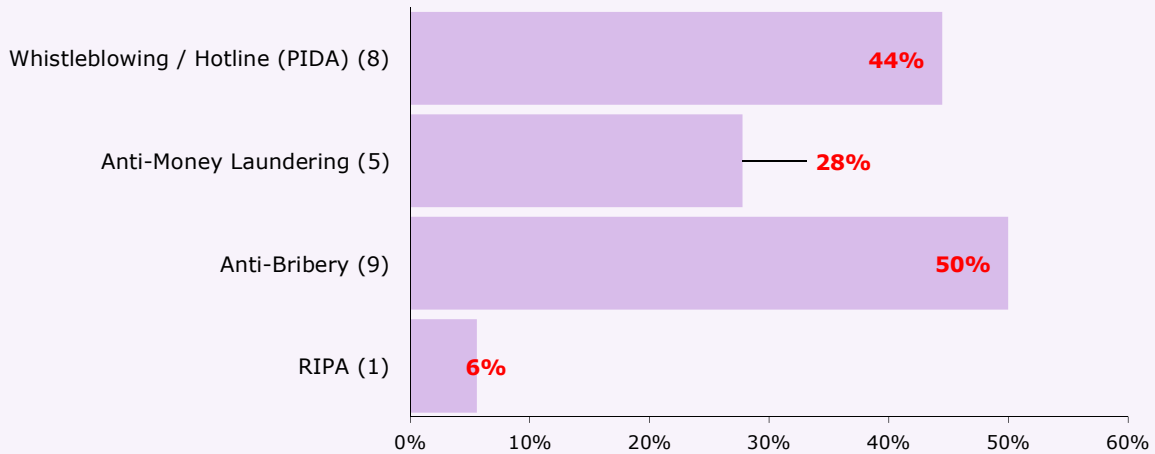
What is your Head of Internal Audit also responsible for?



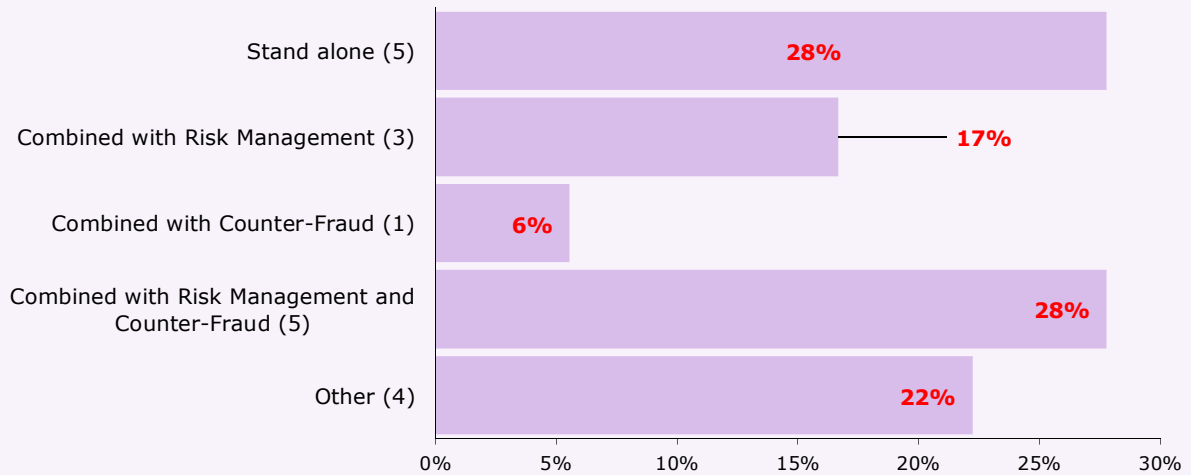
Audit Questionnaire, Sections 1 & 7(a)

Section 5: Audit Context | Continuation

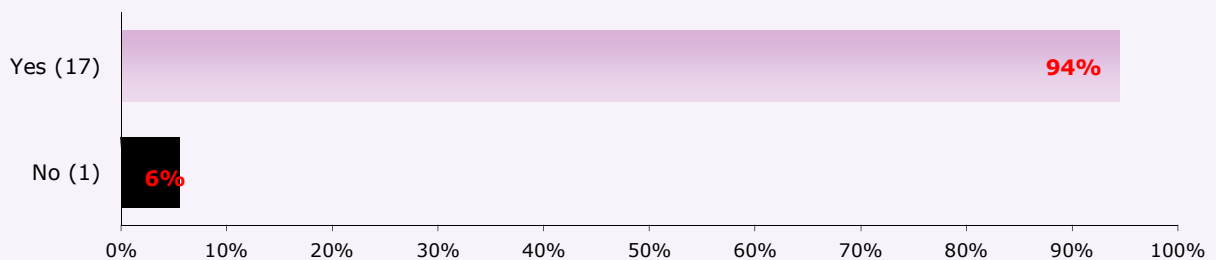
What areas is the Head of Internal Audit the notifiable officer for?



Where does the Audit function fit into your structure?

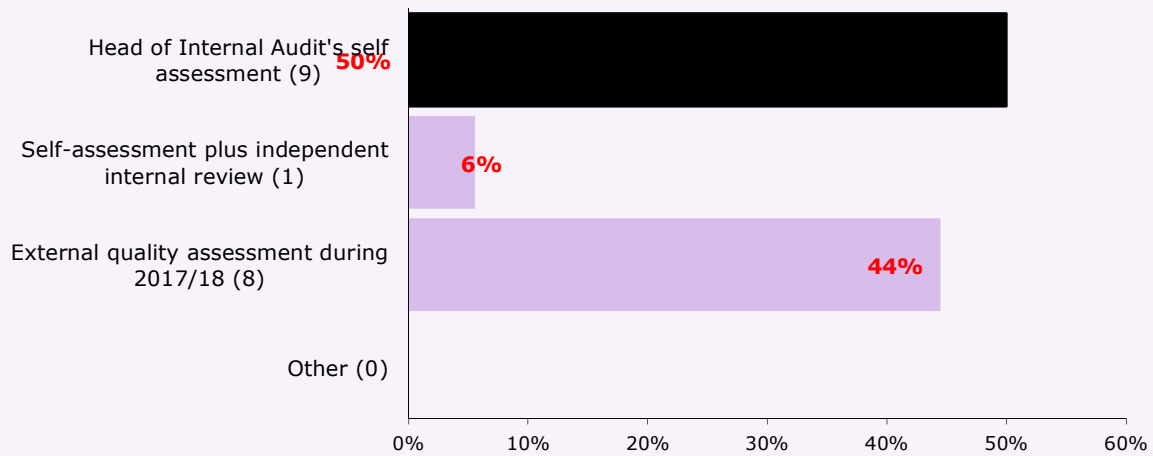


Does your Internal Audit function comply with PSIAS?



Section 5: Audit Context | Continuation

What is the basis for the head of internal audit's statement in the Annual Report?



Year of External Quality Assessment

2016/2017

Plan for External Quality Assessment

2021/2022

Who undertook/will undertake External Quality Assessment?

Another Scottish local authority
Internal Audit team

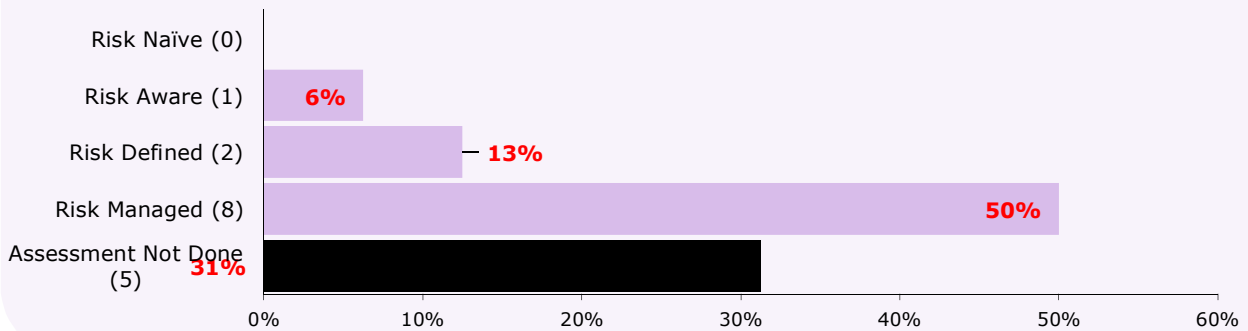
Does External Quality Assessment include compliance with Local Government Application Note and PSIAS?

No

Section 6: Corporate Governance

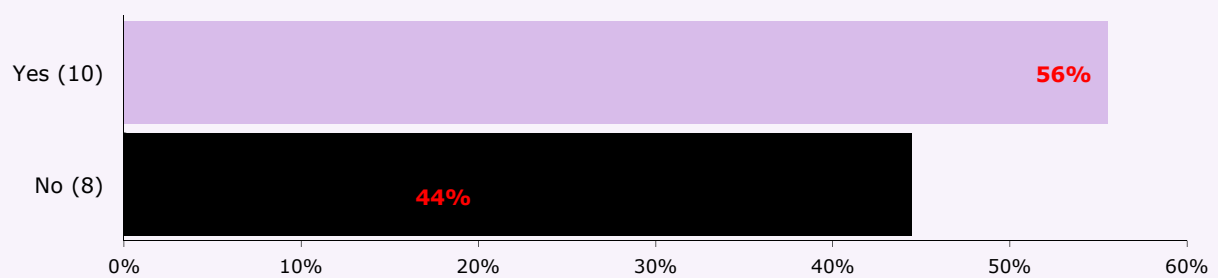
The Council

What is the outcome of risk maturity assessment?

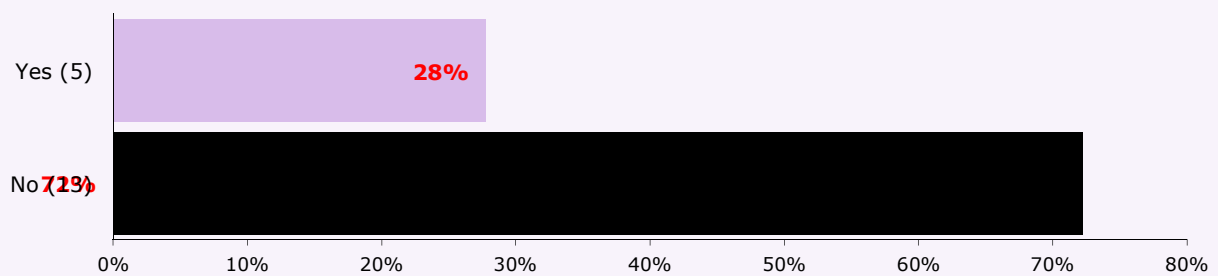


The Council's Annual Governance Statement

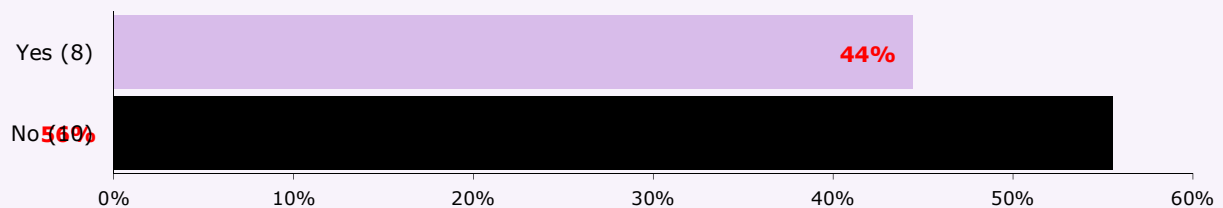
Does Internal Audit take the lead in preparing the Annual Governance Statement?



Do you audit the Annual Governance Statement?

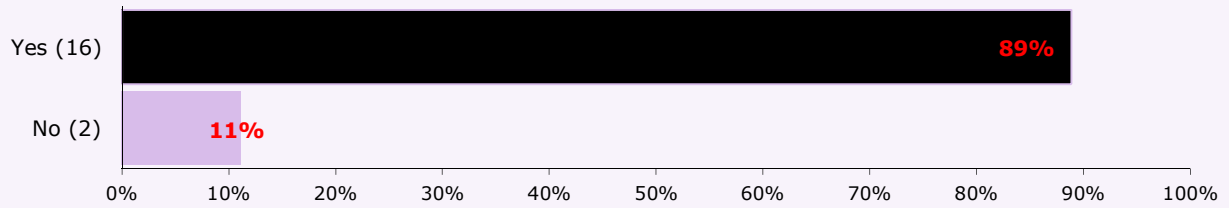


Does Internal Audit take the lead in the risk management framework?

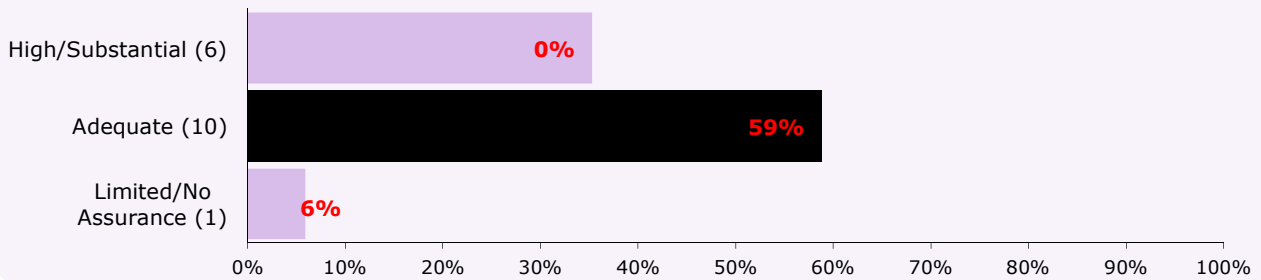


Section 6: Corporate Governance

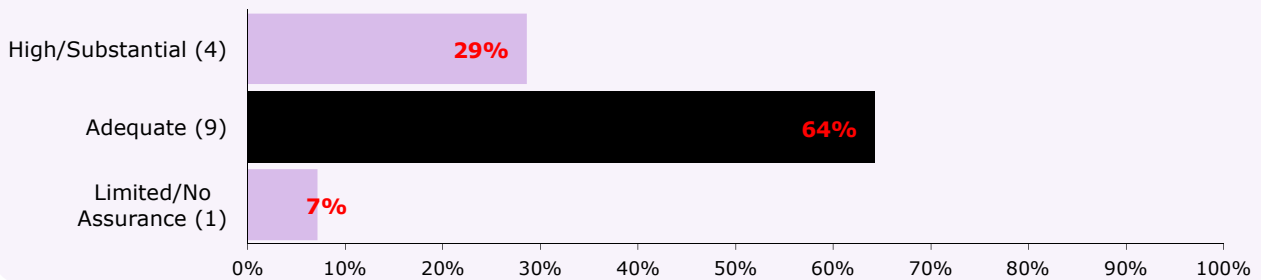
Do you audit the risk management framework?



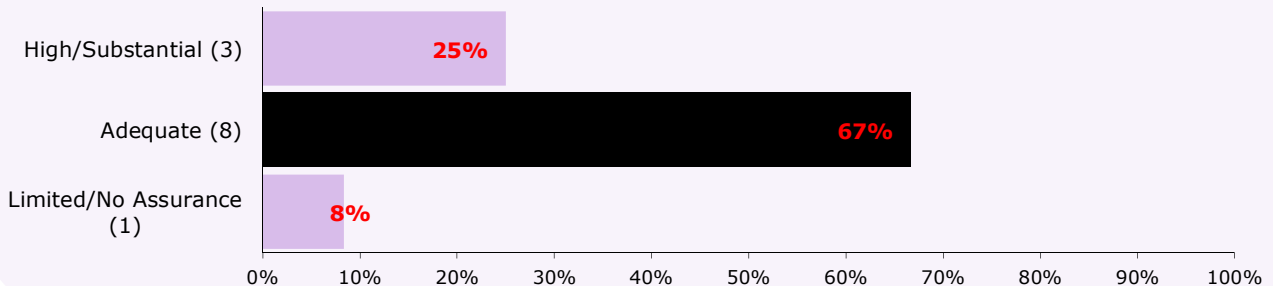
What was the Head of Internal Audit overall annual audit opinion?



What was the Head of Internal Audit annual audit opinion for other than non-LA schools?



What was the Head of Internal Audit annual audit opinion for LA Schools?

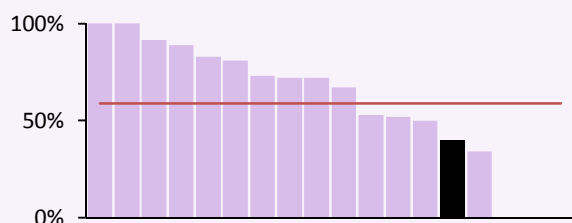


Section 6: Corporate Governance

High Risk / Priority Actions or Recommendation

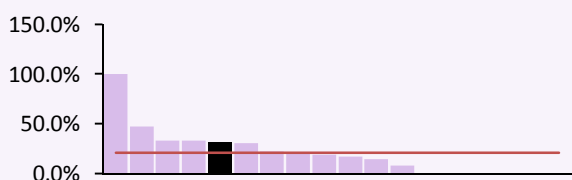
In relation to follow up work you have undertaken over the past 12 months, what proportion of previously agreed actions/recommendations have been implemented by management?

Fully Implemented



Edinburgh
40.0%
Average
58.8%
Trend (2017)
0%

In Progress/Partly Implemented



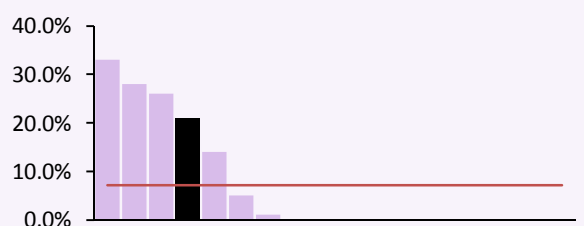
Edinburgh
31.0%
Average
20.8%
Trend (2017)
0%

Not Applicable/No Longer Relevant



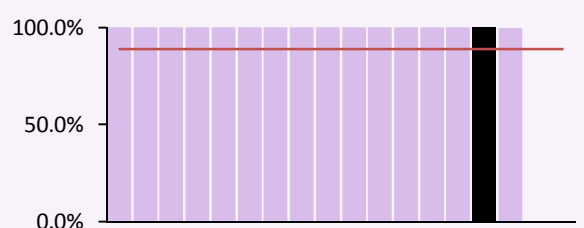
Edinburgh
8.0%
Average
2.2%
Trend (2017)
0%

No Action



Edinburgh
21.0%
Average
7.1%
Trend (2017)
0%

Total



Edinburgh
100.0%
Average
88.9%
Trend (2017)
0%

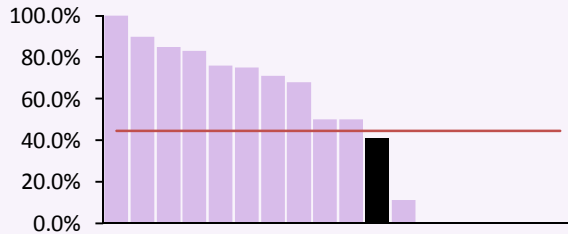
Audit Questionnaire, Section 8(b)

Section 6: Corporate Governance

Medium Risk/Priority Action or Recommendation

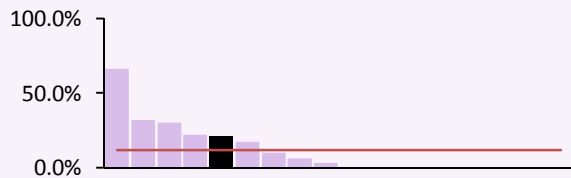
In relation to follow up work you have undertaken over the past 12 months, what proportion of previously agreed actions/recommendations have been implemented by management?

Fully Implemented



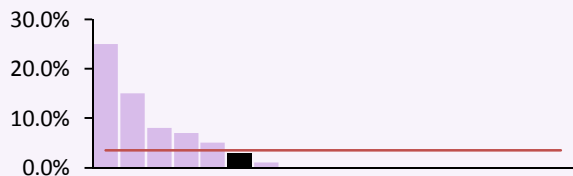
Edinburgh
41.0%
Average
44.4%
Trend (2017)
0%

In Progress/Partly Implemented



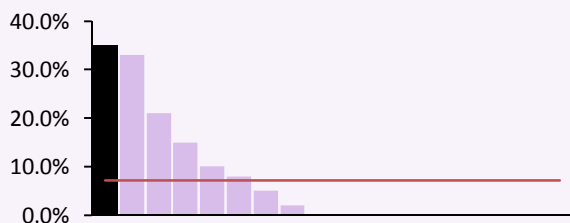
Edinburgh
21.0%
Average
11.5%
Trend (2017)
0%

Not Applicable/No Longer Relevant



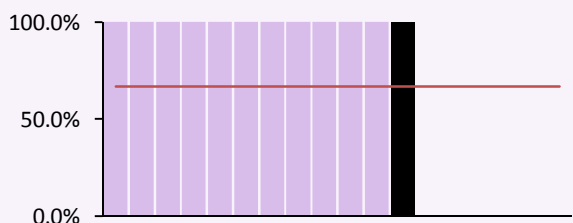
Edinburgh
3.0%
Average
3.6%
Trend (2017)
0%

No Action



Edinburgh
35.0%
Average
7.2%
Trend (2017)
0%

Total



Edinburgh
100.0%
Average
66.7%
Trend (2017)
0%

Section 6: Corporate Governance

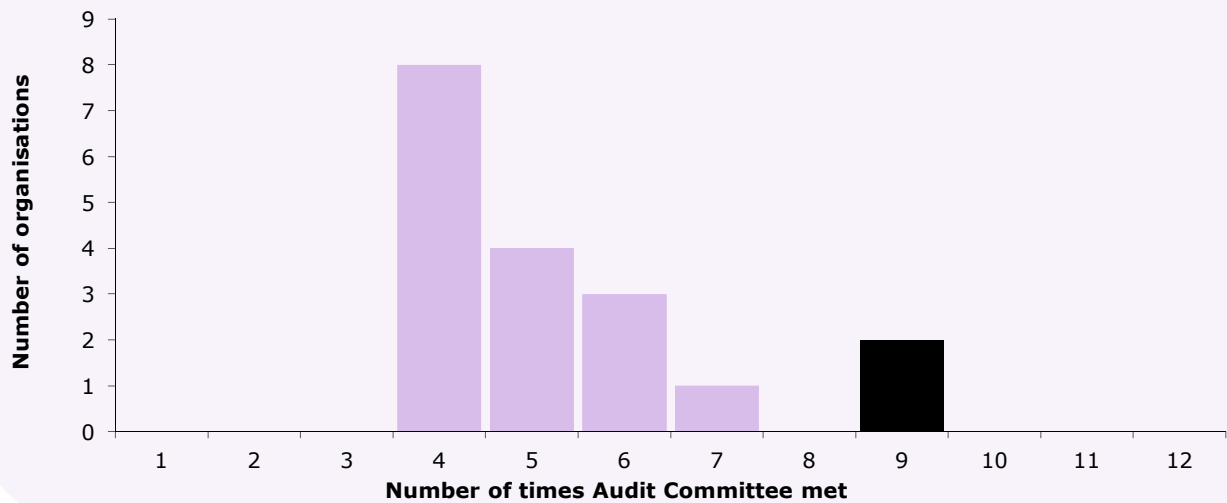
Reporting to Members

As Head of Internal Audit, who do you report to?

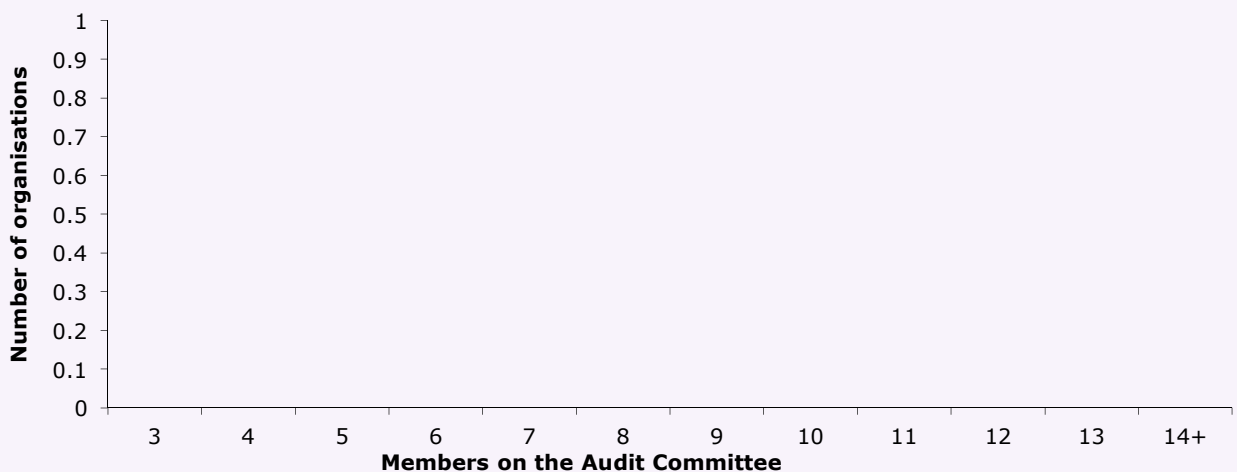
Governance Risk and Best

Responded the same: 15 members

How many times did the Audit Committee meet in 2017/18?



How many members and non-members are on the Audit Committee?



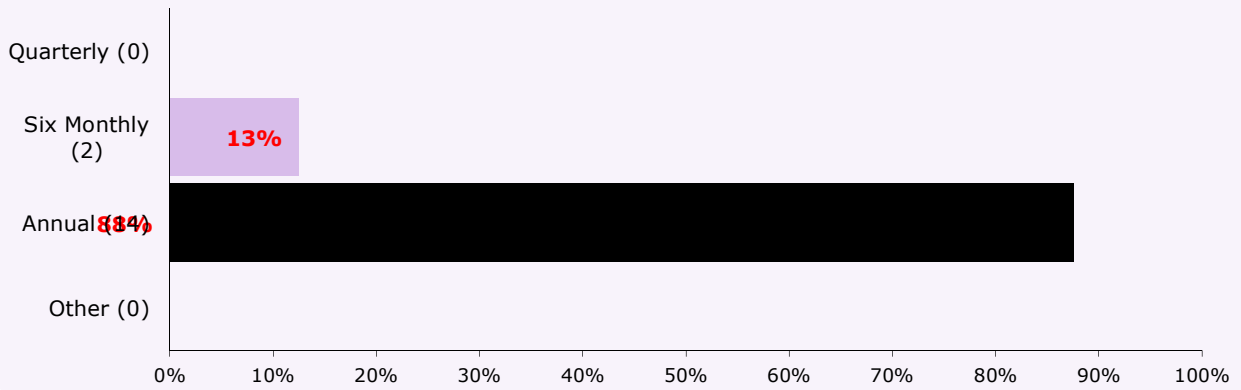
How many of the Audit Committee members are independent?

Audit Committee	No.	Avg.
Elected Members	11.0	-0.8
Independent Members	0.0	1.2
Total	11.0	#DIV/0!

Section 6: Corporate Governance

Audit Plan

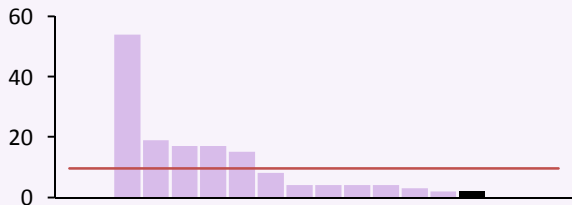
What is the timeframe of your formally approved audit plan?



Section 7: Outputs

The purpose of this section is to examine the reporting habits of Internal Audit. An effective reporting structure allows for establishing gaps and areas of improvement. The figures below aim to demonstrate whether there is room for development of reporting in your Authority compared to other Members.

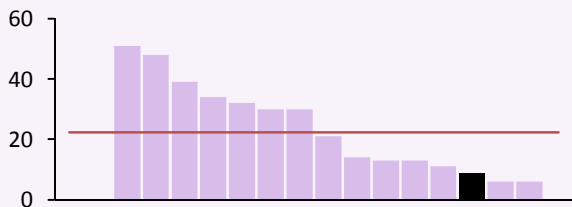
Number of Reports with Excellent Assurance



Edinburgh
2
Average
10

Out of all reports produced by Edinburgh, 7% have received an excellent quality assurance rating, compared to an average of 35%.

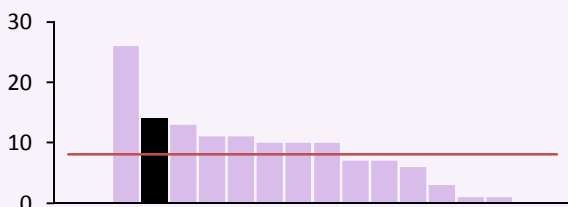
Number of Reports with Good Assurance



Edinburgh
9
Average
22

Out of all reports produced by Edinburgh, 33% have received a good quality assurance rating, compared to an average of 83%.

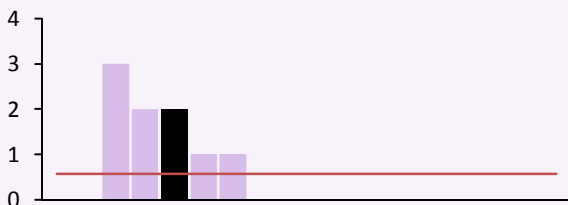
Number of Reports with Limited Assurance



Edinburgh
14
Average
8

Out of all reports produced by Edinburgh, 51.85% have received a limited quality assurance rating, compared to an average of 30.1%.

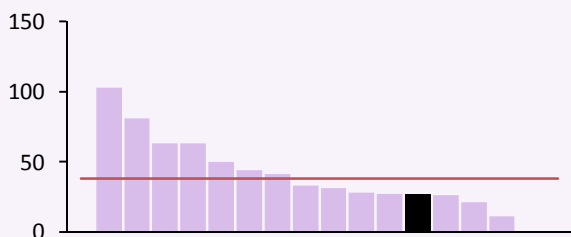
Number of Reports with Inadequate Assurance



Edinburgh
2
Average
1

Out of all reports produced by Edinburgh, 7.41% have received a limited quality assurance rating, compared to an average of 2.1%.

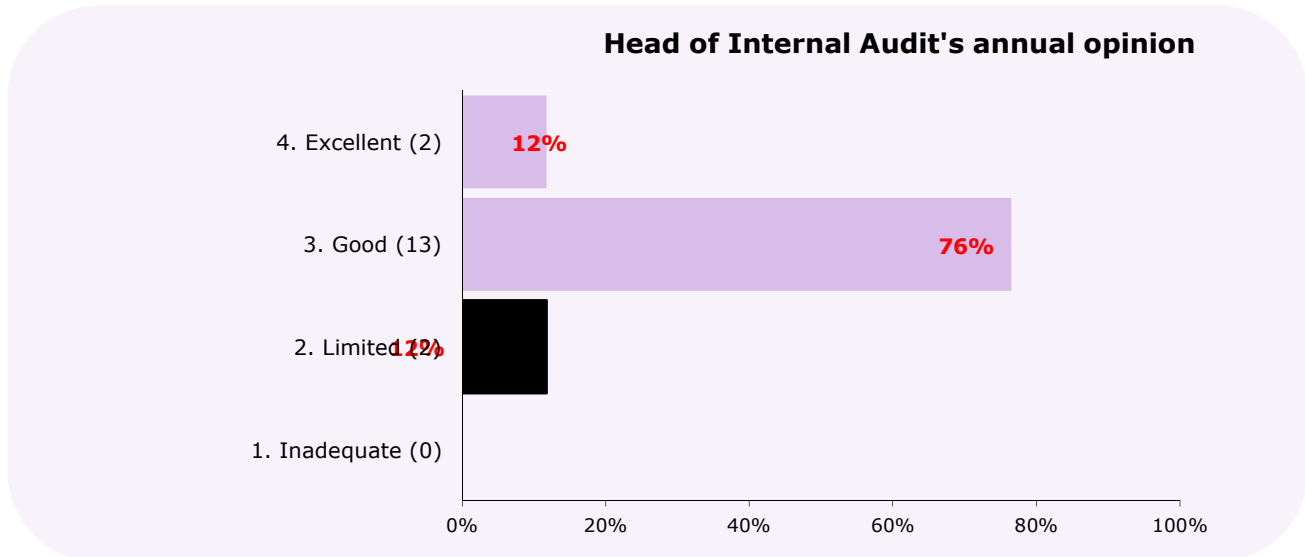
Total Number of Reports



Edinburgh
27
Average
38

Section 7: Outputs | Continuation

This year the Audit Benchmarking club has included the self-evaluation of the Head of Internal Audit on risk areas. This aims to provide a quick snapshot of the overall assurance level that your authority faces. The scale of assurance levels is defined below, as per the questionnaire. Although this scale depicts different types of performance, it does not contain any sort of prescriptive evaluation.



Excellent (positive)	The control system is effective ensuring service delivery is robust and resilient and client objectives are consistently achieved.
Good (positive)	There is a sound system of internal control designed to achieve the client's objectives and manage key risks. Although key controls are to be put in place, they are not consistently applied in all areas.
Limited (negative)	Overall, there are significant weaknesses in the system of internal controls in relation to key risks. Although this puts some of the client's objectives at risk in one or more key area, there are some adequate controls in place.
Inadequate (negative)	Control processes are weak leaving the system open to significant error or abuse and non achievement of the client's objectives. Significant non-compliance with basic control processes expose the client to error or abuse.

Audit Questionnaire, Section 9

CIPFA is the leading professional accountancy body for public services, whether provided by the public or private sectors. It provides education and training in accountancy and financial management, and sets and monitors professional standards.

CIPFA also provides professional services to public sector organisations and managers. These include: statistical and technical information services, research services, consultancy, advisory networks and forums.

CIPFA holds more data on local government performance than any other organisation in the world and our Corporate Services Benchmarking Clubs are the market leader in local government benchmarking, with high levels of participation and customer satisfaction. Our detailed reports, databases, and interactive tools provide you with solid evidence to support decisions on budget and improvement.

We also do...

In addition to Audit, other Benchmarking Clubs include Accountancy, Benefits, Counter-Fraud, Legal and Risk Management.

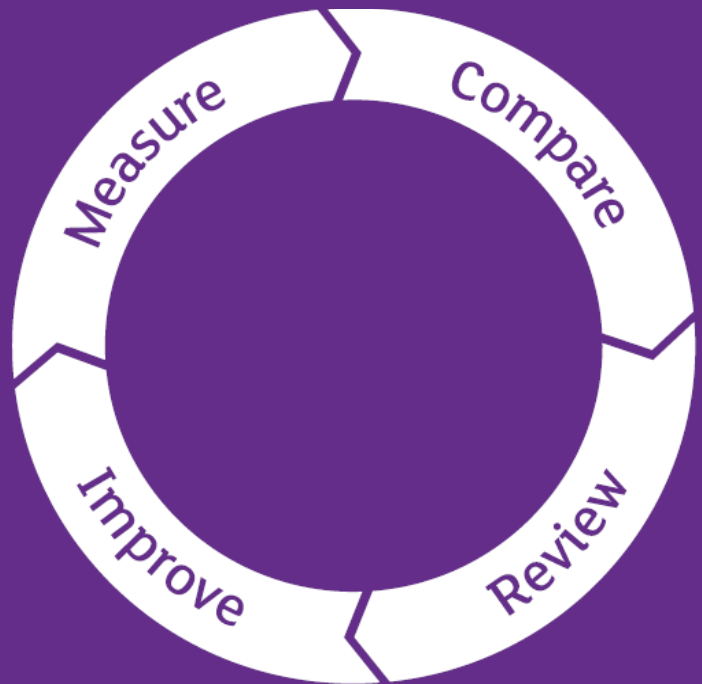
We also provide other Audit related services through CIPFAstats and TISonline.

To learn more about other benchmarking clubs in areas such as Adult Social Care, Children's Services and Customer Contact, or to see our Value for Money indicator stream, please see our website:
www.cipfa.org/services/benchmarking

Contact us

To find out more about our other Corporate Services Benchmarking Clubs please visit our website:
www.cipfa.org/corporateservices

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E: customerliaison@cipfa.org T: 020 7543 5600



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Governance, Risk and Best Value Committee

10.00am, Tuesday 27 November 2018

Corporate Leadership Team Risk Update

Item number	7.3
Report number	
Executive/routine	
Wards	All
Council Commitments	

Executive summary

The Council's risk management framework seeks to ensure that risks to, and within, the Council are effectively managed, reviewed and updated through quarterly Risk and Assurance Committees held at both Directorate and Corporate Leadership Team (CLT) levels.

The information presented in this report reflects the Council's top risks and the key controls in place to mitigate them as at 24 October 2018. These risks and the associated controls have been scrutinised and challenged by the CLT and are presented to the Governance, Risk and Best Value Committee for oversight and review.

Corporate Leadership Team Risk Update

1. Recommendations

- 1.1 Members of the Governance, Risk and Best Value Committee are recommended to:
 - 1.1.1 review and scrutinise the CLT Risk Update and be assured by the risk management framework, controls and mitigations in operation; and
 - 1.1.2 request, where appropriate, further updates from relevant officers to discuss the key risks and mitigating actions identified.

2. Background

- 2.1 The Governance, Risk and Best Value (GRBV) Committee is responsible for monitoring the effectiveness of the Council's risk management arrangements.
- 2.2 The Council has an Enterprise Risk Management Policy and operational procedures in place which describe why, when and how risk management should take place. The refreshed Enterprise Risk Management Policy and associated Risk Appetite Statement were approved by the Corporate Policy and Strategy Committee on 7 August 2018.
- 2.3 The purpose of this report is to provide an update to the GRBV Committee on the current key risks facing the Council and the work being undertaken to reduce the level of risk within the Council.
- 2.4 Some risk and associated mitigation measures lie outside the direct or full control of the Council. The Council's risk management framework seeks to reduce the Council's exposure to risk where practicable and proportionate, recognising that some mitigation measures may be the responsibility of third parties.
- 2.5 The CLT Risk Update was last presented to the GRBV Committee on 28 August 2018.

3. Main report

- 3.1 The information in this report and presented in the appendices reflects the Council's top risks and the key controls in place to mitigate them, as at 24 October 2018.
- 3.2 During the last quarter, risks have been reviewed at Risk Management Groups, Service Management Teams, and Risk and Assurance Committees within each

Directorate. The top risks have been escalated to the CLT Risk and Assurance Committee for oversight, scrutiny and confirmation of scoring, in accordance with the Council's risk management framework.

- 3.3 In addition to those risks on the CLT Risk Register, the CLT Risk and Assurance Committee also considers new and emerging risks, threats and uncertainties. As part of normal 'business as usual' activities, relevant teams and groups are monitoring, managing and reporting the various aspects of these areas appropriately. These themes (and any others which may arise) are kept under review and considered for inclusion in the CLT Risk Register where appropriate.
- 3.4 The Council's current top risk is considered to be around the provision of health and social care services. The Edinburgh Integration Joint Board (EIJB) and the Council's Corporate Policy and Strategy Committees receiving updates on performance and progress in this area, with the EIJB Audit and Risk Committee and the Council's GRBV Committee scrutinising appropriate matters that fall within their respective remits.
- 3.5 Several risks have been re-scored since the last report to GRBV, and these are indicated in the appendix.
- 3.6 Due to the methodology used to score risks, risks may appear in the red zone. It should be noted that it may not always be practicable or proportionate to undertake mitigation measures which reduce the scoring to a level that risks move out of the red zone, and work to reduce risk may take some time to become fully effective in reducing the scoring of a risk.
- 3.7 It is intended to undertake a full refresh of the CLT top risks by 31 December 2018, and this will consider all current and emerging risks for inclusion in the updated CLT Risk Register.
- 3.8 Opportunities to improve the risk management framework, based upon good practice in the public and private sector, are being constantly reviewed and considered for implementation. These enhancements are designed to refine and enhance several areas of the risk management framework and will be documented in the next update of the Policy and Procedure documents.
- 3.9 The Corporate Risk Management Team is undertaking work to update Directorate and Service level risk registers, and migrating the outputs to Pentana, the Council's risk management system. This is expected to be completed by 31 December 2018. This is intended to enhance the recording and reporting of information, and it should be noted that activities to manage risks remain ongoing across all areas of the Council whilst this work is in progress.

4. Measures of success

- 4.1 Effective risk management aims to ensure that key risks to the Council are identified, managed, and communicated appropriately and that suitable controls are put in place to mitigate risks to acceptable levels. This aims to protect the Council's assets, people, finances and reputation, while spending less time

reacting to sudden events, and improving decision-making at all levels of the organisation.

5. Financial impact

- 5.1 Although each risk may have an associated financial impact, there is no direct financial impact arising specifically from this report.
- 5.2 Control measures to mitigate risk may have an associated cost which is to be funded from existing budgets in the first instance.

6. Risk, policy, compliance and governance impact

- 6.1 Effective risk management aims to improve performance against objectives by contributing to more efficient use of resources, reduction in management time spent dealing with sudden shock events and more focus internally on doing the right things properly.
- 6.2 By its very nature risk management cannot guarantee to protect against every possible negative consequence. Even with a perfectly-functioning risk management framework, events considered significant or untoward with a low likelihood may still occur, resulting in significant negative consequences.

7. Equalities impact

- 7.1 There are no direct impacts upon equalities arising from this report.

8. Sustainability impact

- 8.1 There are no direct impacts upon sustainability arising from this report.

9. Consultation and engagement

- 9.1 As part of the Council's risk management framework the information in the appendices has been discussed, challenged and agreed by the CLT.

10. Background reading/external references

- 10.1 [Corporate Leadership Team Risk Update: report to GRBV 28 August 2018](#)
- 10.2 [Enterprise Risk Management Policy](#)
- 10.3 [Council's Risk Appetite Statement](#)

Stephen S. Moir

Executive Director of Resources

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11. Appendices

Appendix 1 – CLT Top Risks with Key Controls and Further Actions as at 24 October 2018

Appendix 2 – Guidance for assessing impact and likelihood of risks

Appendix 1 - CLT Top Risks with Key Controls and Further Actions as at 24 October 2018

Risks are sorted based on highest to lowest 'Current score'

'Scoring change' indicates how the 'Current score' has moved since the last report.

Risk description	Original		Key Controls	Current		Key Further Actions	Scoring change
	I	L		I	L		
<p>Health and Social Care</p> <p>Increased demand for services and associated demographic changes results in significant financial pressures which, when compounded by historic funding arrangements and traditional service models, creates a significant risk that the Council fails to implement and/or deliver appropriate health and social care arrangements, as required by the Edinburgh Integration Joint Board (EIJB). The potential impact of failure to manage this risk effectively could include direct harm to people, safeguarding breaches, inappropriate or insufficient care packages being offered and significant reputational damage to the Council with additional impact on funding of other Council budgets.</p>	5	4	<ul style="list-style-type: none"> Scrutiny of health and social care performance by Governance, Risk and Best Value Committee (GRBV) and Corporate Policy and Strategy Committee (CP&S) Access to external experts for capacity and capability and knowledge sharing Partnership working with service areas and IJB (IJB Procurement Board) IJB Audit Programme managed by the Council's Chief Internal Auditor who is also the Chief Internal Auditor for the IJB Strengthened Health and Social Care Partnership and Edinburgh IJB senior management team, with an experienced Chief Officer and Head of Operations (Social Work Professional) and substantive Chief Financial Officer in post IJB risk register reported to IJB Audit and Risk Committee 	5	4	<ul style="list-style-type: none"> Work currently in progress to implement the actions in the Health and Social Care Improvement Plan Work in progress to refresh the Edinburgh Health and Social Care Partnership risk register Work in progress to establish effective risk management and escalation processes within localities. Enhancements to the approach to Internal Audit have been agreed with the Council and IJB's Chief Internal Auditor. Review of governance for the Partnership and IJB being led by the Chief Officer, supported by the Good Governance Institute. 	=
<p>ICT capabilities</p> <p>Despite increased scrutiny, and robust performance and contract management arrangements within the Council, there is a risk that the level of ICT service provided to the Council is below that required for the Council to deliver its services effectively, efficiently, safely or in line with planned revenue savings initially budgeted. This risk includes reliability and availability of hardware systems and software, as well as maintaining accreditations required to deliver Council services.</p>	5	5	<ul style="list-style-type: none"> Agreed Business Impact Assessment in place Re-set of CGI/CEC contract agreed and approved by both the Finance and Resources Committee and CGI Board. All contract change requests agreed and signed by relevant parties. Internal audit of CGI contract management completed Standardised quarterly scrutiny of CGI performance by GRBV. Device refresh project in delivery phase to replace hardware across the Council's ICT estate over the next 12 months. Cyber and Information Security Group established, chaired by the Executive Director of Resources, to deliver against the Scottish Government's Public-Sector Action Plan on Cyber Resilience External vulnerability scan of complete Council ICT estate completed Cyber Essentials certification achieved 	4	3	<ul style="list-style-type: none"> CEC and CGI finalising a revised performance dashboard and key performance indicators for more rigorous performance management. Revised governance and penalties regime being finalised as part of the re-set arrangements. Review of CEC IT capabilities and operating model being undertaken by the Head of Customer and Digital Services. Achievement of Cyber Essentials certification Delivery of Citizen Digital Enablement (CDE) and Enterprise Resource Planning (ERP) projects is progressing. 	↓
<p>Building Standards verification</p> <p>If the Council's response to the Scottish Government intervention on the Building Standards Service is ineffective the Council may lose its verification ability leading to significant income and reputational damage.</p>	4	4	<ul style="list-style-type: none"> Scrutiny by GRBV including report by Internal Audit presented 8 May 2018 Working alongside Scottish Government to deliver improved outcomes Dedicated project management resource in place Regular reporting to Project Board 	4	3	<ul style="list-style-type: none"> The Building Standards Improvement project is continuing to make progress on the action plan and areas for improvement. The underlying Idox system upgrades and improvements are due for deployment as planned. Further actions will be considered and implemented where appropriate. 	↑
<p>Capital asset management</p> <p>Due to the age of a number of properties across the Council's operational estate, there is risk that properties are not of a sufficiently safe and sustainable standard for their continued use, potentially resulting in structural failures and/or negative health and safety consequences for staff, service users or members of</p>	5	5	<ul style="list-style-type: none"> Committee approved Asset Management Strategy and Asset Management Works budget in place. Progress against the Asset Management Strategy reported regularly to Finance and Resources Committee. Asset registers in place with prioritised budget spend on those deemed of greatest risk to public safety General Inspections carried out annually as part of rolling condition surveys 	4	3	<ul style="list-style-type: none"> Significant progress has been made with the planned Asset Management Works programme during 2018/19 with a specific focus on properties assessed as having overall condition C status from the estate wide condition survey. Advance planning for the programme of Asset Management Works for 2019/2020 is underway. 	=

<p>the public. Associated with this, the Asset Management Strategy requires that decisions are made to dispose of properties in a planned manner. The risk associated with the implementation of the strategy is that disposal decisions are not made in a timely manner, which results in additional costs pressures for both the capital and revenue budgets and consequently demographic pressures cannot be responded adequately to by the property portfolio, particularly for education and health and social care services.</p>			<ul style="list-style-type: none"> • Corporate Health and Safety Policy • Asbestos, Fire Safety and Water Safety Policies • Initial Condition Survey of all premises completed • Public and employers' liability insurance policies • Significant additional funding committed to property repair through budget process • Commissioned first year of programme of upgrade works, focussing on areas of greatest need • Statutory compliance testing • Fire Safety, Asbestos and Water Safety Standing Groups chaired by Head of Property and Facilities Management meets regularly • Asset Management Strategy Transformation Update report to Finance and Resources Committee on 27 September 2018 				
<p>Change</p> <p>Key deliverables, benefits and timescales for achieving change across the Council may not be achieved in line with business expectations, requirements, budgets and resources. This may result in adverse impacts on service delivery, the Council's finances and reputation, the anticipated need for further savings to deliver balanced budgets may create additional pressure on our infrastructure, capital and revenue funding and affect the execution of the Council's business plan, adverse reputational impact, and industrial relations.</p>	5	5	<ul style="list-style-type: none"> • Council Change Strategy aligned to budget setting process agreed by Finance and Resources Committee in October 2018 • Improved programme and project governance being applied through the CLT Change Board and new Business Case gateways process • Plans for the key projects in terms of scoping and resources being reviewed • Key transformation programmes supported by Programme / Project Management expertise • Effective Long-Term Financial Planning in place, aligned to the Council's Business Plan and Performance Framework • Provision for demographic change built into long term financial planning assumptions • Welfare Reform (including Universal Credit) progress reported to Corporate Policy and Strategy Committee regularly • Regular review of financial challenges and assumptions with Members Budget Core Group and Finance and Resources Committee • Monthly Performance Dashboard reporting to Directorates • Savings and implementation plans are monitored and reviewed, monthly budget reporting • GRBV scrutinises Council Finance and Performance outcomes, assumptions and delivery. • Council review of progress against Business Plan Political Commitments • Council Performance Dashboard and Local Government Benchmarking Results for 2017/18 considered by the Corporate Policy and Strategy Committee in August. 	4	3	<ul style="list-style-type: none"> • Implementation of Change Strategy and enhanced portfolio governance and business case approvals • Clear and robust programme/project plans • Greater focus on delivery assurance and benefits realisation • Refreshed Directorate Business Plans to be produced • Annual External Audit of Council's Accounts and financial planning assumptions to be reported. 	=
<p>Housebuilding programme</p> <p>Due to capacity within the house-building industry, the availability of suitable land, uncertainties around planning assumptions used in financial models (demographics, demand, economics etc) there are risks to the delivery of the Council's housebuilding programme, including subsequent knock-on impacts in relation to Council income and reputation.</p>	4	3	<ul style="list-style-type: none"> • Short, medium and long-term planning through the Housing Revenue Account (HRA) planning process involving input from appropriate functions including Finance, Legal and Risk • Risk management workshops undertaken with the HRA, the Granton project, 'Edinburgh Homes'/Scottish Futures Trust to identify key risks to delivery. Risks being managed by appropriate teams • City Region Deal Executive Board meets regularly • Housing stock investment strategy 	4	3	<ul style="list-style-type: none"> • Development of the new Local Development Plan (LDP2) is continuing to be progressed. 	=
<p>Health and Safety (H&S)</p> <p>There is a risk of non-compliance with the Council's legislative requirements and associated suite of health and safety policies and/or failure to comply with procedures or applicable legislation which could lead to an incident resulting in harm to staff, service users or</p>	5	4	<ul style="list-style-type: none"> • Progress on Corporate H&S Strategic Plan is reported annually to CLT and Finance and Resources Committee. • Rolling H&S audit programme identifies areas for improvement. • H&S performance is measured and reported to CLT Risk and Assurance Committee quarterly, Council H&S Group and Service-level H&S Groups • H&S risks and issues reported to CLT on a weekly basis, H&S is a standing CLT agenda item 	4	3	<ul style="list-style-type: none"> • Greater uptake and attendance at H&S training sessions, with high levels of attendance at IOSH Managing Safely, positively role-modelled by CLT. • Implementation of phase 1 of the new Facilities Management (Janitorial) Service has been successful completed. 	=

<p>members of the public, liability claims, regulatory breaches, fines and associated reputational damage.</p>	4	5	<ul style="list-style-type: none"> • Corporate H&S Training programme available across the whole organisation and completion figures are reported quarterly to CLT Risk and Assurance Committee quarterly, Council H&S Group and Service-level H&S Groups • H&S is part of the Council's Induction Programme • Council's Health and Safety Policy – refresh completed and approved by Corporate Policy and Strategy Committee. • Asbestos Policy • Fire Safety Policy • Water Safety Policy • 3-year Corporate H&S Strategy approved by the Corporate Policy and Strategy Committee. • IOSH Leading Safely courses delivered to the Council's Wider Leadership Team • Content improvements made to the Council's intranet in respect of Health and Safety issues. 	4	3	<ul style="list-style-type: none"> • Directorates developing local Health and Safety Plans to target specific areas for improvement and have been co-produced through risk management workshops. 	
<p>Follow-up to Internal Audit actions</p> <p>There is a risk around the failure to close out agreed actions following internal audits. This influences Internal Audit's opinion on the effectiveness of the Council's control environment.</p>	4	5	<ul style="list-style-type: none"> • Services and Directorates consider risks to their areas (including from historic actions) and escalate through Risk and Assurance Committees in each Directorate. • Internal Audit report regularly to CLT, Risk and Assurance Committees and GRBV • Improved visibility through use of new IA system TeamMate 	4	3	<ul style="list-style-type: none"> • Consider opportunity to build on the self-assurance framework in place in Communities and Families • Executive Directors are producing and monitoring plans in response to GRBV amendment passed on 31 July 2018. • Individual Executive Directors are presenting their annual assurance schedules for 2017/18, including Internal Audit and Controls issues for GRBV scrutiny. 	=
<p>Major incident</p> <p>A sudden high impact event causes harm to people and damages infrastructure, systems or buildings. Buildings, staff and/or systems are non-operational for a time, resulting in a reduced ability to deliver services. Failure to deliver an appropriate level of service in the event of a sudden operational requirement may lead to harm to people and reputational damage to the Council.</p>	5	5	<ul style="list-style-type: none"> • Council Business Continuity and Emergency Plans are in place • All Chief Officers have been briefed about the Council's Incident Management response arrangements and on-call responsibilities • Information Technology Disaster Recovery (IT DR) arrangements in place • Effective and regular liaison and partnership working between the Council and other responder organisations at a local and national level including contingency planning for major events • Externally contracted services include DR and business continuity provisions • Lessons learned from key events including winter weather • New governance arrangements in place in the event of Op UNICORN • Rolling programme of IT disaster recovery tests being delivered 	3	4	<ul style="list-style-type: none"> • Council participation in multi-agency scenario testing of emergency plans. • Major resilience testing incident planned for November 2018 	↓
<p>Customer experience and expectations</p> <p>Customer dissatisfaction around delivery of citizen facing services (e.g. waste management, roads, etc.) may lead to an increase in complaints with consequential financial pressures and reputational damage.</p>	4	5	<ul style="list-style-type: none"> • Waste Services Improvement Plan in place and being progressed • Roads Service Improvement Plan in place and has been approved by the T&E Committee and will now be delivered • Customer Transformation Programme being delivered in partnership with front-line services • Customer Skills Training being deployed across all Customer Contact Centre staff • Improved social media skills and capability being jointly delivered by Communications and Customer • Channel Shift and Process Automation aspects of the Customer Transformation Programme are being delivered to improve accessibility and responsiveness of services • Corporate Policy and Strategy Committee to receive regular reports and updates on Customer Transformation and Customer Contact Centre improvements and service delivery. • Strategy and Insight leading the review and refresh of the Complaints Policy. 	3	4	<ul style="list-style-type: none"> • Improvements to Council Complaints and Feedback Policy and handling arrangements, with improved KPIs being reported for 2017/18. • Citizens Panel to provide feedback on customer experience and service improvements • Enhancements to Council social media responses to issues and proactive campaigns, such as during the Edinburgh Festivals. • Learning from Garden Waste review. 	=

<p>Homelessness</p> <p>Due to planned welfare changes, the introduction of Universal Credit, changes to the benefit payment process, and a buoyant private rented market, greater demands will be placed on homelessness services across the city. Move-on, permanent accommodation for homeless people is not sufficient to meet this demand and there is insufficient capacity in temporary accommodation, leading to more people rough-sleeping or in sub-standard conditions, and to breaches in the Council's statutory duties.</p>	5	5	<ul style="list-style-type: none"> Homelessness Taskforce established and meeting monthly. Recommendations and progress reported to Housing and Economy Committee Several current and future workstreams coordinated through the Homelessness Taskforce including: <ul style="list-style-type: none"> Young Persons Accommodation Shared housing Training for Council officers Housing First Review of Allocations Policy Access to Private Sector Accommodation Developing ICT systems 	3	4	<ul style="list-style-type: none"> Discussion with Scottish Government to access funding from National Taskforce Increase access to mid-market rent (MMR) Customer engagement events Rolling programme of training for Council officers on a locality basis Developing traditional B&B model into shared housing between August-December 2018 	=
<p>Workforce Capacity and Capability</p> <p>The risk is that the Council is unable to recruit, retain, develop, engage and reward its employees effectively, including those in specialist roles to enable service delivery in a sustainable and affordable manner. There is a risk that the Council does not have adequate arrangements in place for the support and monitoring of Armed Forces reservists within the workforce</p>	3	5	<ul style="list-style-type: none"> Council People Strategy provides strategic priorities for workforce management and development. People Plans developed for each Directorate of the Council. Deployment of effective learning and development, including staff induction and new line manager induction sessions. Commitment to Living Wage Use of a new candidate portal to simplify the recruitment process Support for the Armed Forces Reservists Project Employee Survey undertaken. Work is in progress to analyse the responses and subsequently determine future actions required New HR operating model implemented to enable greater focus on professional support provided to cross cutting workforce thematic issues, such as recruitment and retention. 	2	5	<ul style="list-style-type: none"> Implementation of new recruitment campaign for teaching staff. Further development and review of HR policies and procedures to ensure these are agile, enabling and support recruitment and retention. Improvements to recruitment process and deployment of new-starter portal to provide earlier access to relevant information for new appointees. Council's workforce implications arising from Brexit continue to be closely reviewed and monitored via Services, HR, and Employment Law. Finalisation of leadership development approach for the Council 	=
<p>Information Governance</p> <p>A major loss of data from the Council's control could result in fines, claims, loss of public trust and reputational damage. This includes both physical records (papers, files, folders etc) and data lost as a result of cyberattacks. This risk takes into account new requirements under the new General Data Protection Regulation.</p>	5	5	<ul style="list-style-type: none"> Information Security policy Suite of information governance policies and procedures Laptop and media encryption Service automation controls in place IT Security Managed Service procured with requirements to adopt CESG (Communications Electronics Security Group – now part of the National Cyber Security Centre) and ISO (international standards) best practice approaches and improve the security defences, monitoring and awareness of the security threat landscape Leavers process includes removal of access to IT applications Cybersecurity campaigns Internal Audit testing of phishing Cyber and Information Security Group established, chaired by the Executive Director of Resources, to deliver against the Scottish Government's Public-Sector Cyber Resilience Action Plan on Cyber Resilience Cyber Essentials certification achieved GDPR implementation tracked by the Information Governance Unit. 	3	3	<ul style="list-style-type: none"> CEC and CGI finalising a revised performance dashboard and key performance indicators for more rigorous performance management to support ICT information governance requirements, including security issues. Monthly management information demonstrating any threats. Cyber and Information Security Steering Group continues to meet monthly and is progressing work to refresh the IT Acceptable Use Policy. Implementation of SharePoint technology as part of the device/hardware 12-month refresh project to improve security and storage arrangements across the ICT estate. Review of Public Sector Cyber Action Plan commitments and delivery, with an on time status update submitted to the Deputy First Minister. 	=
<p>Major Programme and Project Delivery and Assurance</p> <p>The Council is unable to ensure the effective management and successful delivery, on time and budget, of major programmes and projects. This risk also outlines the need for the Council to prioritise and deploy project delivery resource effectively, according to business needs, ensuring that benefits are realised</p>	4	4	<ul style="list-style-type: none"> Oversight of major programmes and projects by the relevant Executive Committees and the Governance, Risk and Best Value Committee CLT Change Board provides monthly portfolio management and oversight for all programmes and projects All significant change to have an approved business case detailing resources and skills required to deliver Appointment of Strategic Change and Delivery Manager within Strategy & Insight 	3	3	<ul style="list-style-type: none"> Implementation of recommendations from change management reform audit report agreed at committee. Improved focus on Council's Change Portfolio and Status Reporting via CLT Change Board each month. 	=

<p>and learning is shared effectively across all delivery activity.</p>			<ul style="list-style-type: none"> • Work in progress to implement the Internal Audit recommendations relating to Change Management • Council approval of additional monies (up to £1m) to support project management resourcing to develop proposals comprising the broader Change Strategy 				
<p>Tram extension project</p> <p>There are risks associated with the delivery of the proposed tram extension project, including reputational risks to the Council. Although the Council has not yet committed to this project it is now considered appropriate to report it as a risk.</p>	<p>3</p>	<p>5</p>	<ul style="list-style-type: none"> • Governance arrangements in place as appropriate to the current status of the project • Tram Project Board (including external subject matter expert) established and meets regularly • External project management and engineering expertise engaged • Project risk register reviewed and reported to Project Board on a regular basis • Quantitative Risk Analysis undertaken by external project management consultancy • Final Business Case to include updated modelling (carried out externally) • Council due to consider Final Business Case ahead of a vote in March 2019 • Lessons learned from the Edinburgh Tram Inquiry to be considered at all appropriate opportunities • Public consultation undertaken 	<p>3</p>	<p>3</p>	<ul style="list-style-type: none"> • The current plan of work is considered appropriate to address the risk. Any further actions will be considered where appropriate. 	<p>=</p>

Appendix 2 - Guidance for assessing impact and likelihood of risk

Likelihood	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Probability	0-15%	16-35%	36-60%	61-80%	81-100%
Chance of occurrence	Hard to imagine, only in exceptional circumstances	Not expected to occur, unlikely to happen	May happen, reasonable chance of occurring	More likely to occur than not	Hard to imagine not happening
Timeframe	Greater than 10 years	Between 5-10 years	Likely between 3-5 years	Likely between 1-3 years	Likely within 1 year

Impact	1 Negligible	2 Minor	3 Moderate	4 Major	5 Extreme
Effect on outcomes	Minimal effect	Minor short term effect	Part failure to achieve outcomes	Significant failure to achieve obligations	Unable to fulfil obligations
Financial effect	Corporate: up to £250k Services: up to £100k	Corporate: £250k - £750k Services: £100k - £300k	Corporate: £750k - £5m Services: £300k - £1m	Corporate: £5m - £20m Services: £1m - £5m	Corporate: £20m + Services: £5m +
Reputational damage	None	Minor	Moderate loss of confidence and embarrassment	Major loss of confidence and adverse publicity	Severe loss of confidence and public outcry

Likelihood	5 Almost Certain	Low	Medium	High	High	High
	4 Likely	Low	Low	Medium	High	High
	3 Possible	Low	Low	Medium	Medium	High
	2 Unlikely	Low	Low	Low	Low	Medium
	1 Rare	Low	Low	Low	Low	Low
		1	2	3	4	5
		Negligible	Minor	Moderate	Major	Extreme
		Impact				

Governance, Risk and Best Value Committee

10am, Tuesday 27 November 2018

Corporate Governance Framework Self-Assessment 2017/18

Item number	7.4
Executive/routine	
Wards	All
Council Commitments	

Executive Summary

The Council's Corporate Governance Framework (CGF) is based on the Chartered Institute of Public Finance & Accountancy and Society of Local Authority Chief Executives model framework Delivering Good Governance in Local Government.

The Council's self-assessment of its compliance with the framework for the financial year 1 April 2017 to 31 March 2018 is presented for scrutiny.

Corporate Governance Framework Self-Assessment 2017/18

1. Recommendations

- 1.1 To note the Corporate Governance Framework Self-Assessment 2017-18.
- 1.2 To note that the Council overall has an effective framework and actions had been identified where improvement action was necessary.

2. Background

- 2.1 In November 2017 Committee considered officers' self-assessment against the framework for the 2016/2017 financial year and agreed that the format and reporting on the framework be reviewed.
- 2.2 An initial workshop with committee members and officers identified areas for improvement and was followed up with a full day round table session for key officers on reformatting the framework, defining the evidence required to demonstrate compliance and good governance and the provisional assessment of that evidence.
- 2.3 Further evidence was provided by service areas and the self-assessment reviewed by the Corporate Leadership Team (CLT).

3. Main report

- 3.1 The Corporate Governance Framework (CGF) self-assessment template demonstrates the Council's compliance with the CIPFA/SOLACE framework by providing narrative and links to key documentary evidence.
- 3.2 Officers assess the Council's compliance with each requirement on a scale out of 10.
- 3.3 Areas for improvement are identified and actions added to the improvement plan section at the end of each framework principle.

2017/18 Self-Assessment (position at 31 March 2018)

- 3.4 Overall officers considered that overall the framework was generally effective, although there were a number of areas that were adequate and required improvement to ensure controls were more robust. The Council was also aware of several areas where significant improvement was required. However, improvement actions were either set to be put in place or were already in motion in April 2018 for these areas.
- 3.5 Areas where we are performing well include: integrity, ethical values, rule of law; openness; engagement with citizens and service users; vision; public financial management; business planning; capability of leadership and others; audit committee (effective assurance); transparency and reporting.
- 3.6 Areas requiring significant improvement were: 6.2.1 alignment of risk management and internal control with achieving objectives; 7.2.2 robust arrangements for assessing compliance with CGF principles, publishing results and improvement actions; and 7.3.3 ensuring recommendations from audits, peer challenge, reviews and inspections are welcomed and acted upon. Where improvement actions are still required these have been included in the improvement plan section.
- 3.7 In conclusion, officers consider compliance with the CGF to be generally effective with significant improvements required in areas highlighted at 3.7 above and more general improvement needed in areas with mid-range self-assessment scores to provide a more robust set of internal controls.

Current position

- 3.8 Improvement actions are being progressed and outcomes will be included in next year's self-assessment.
- 3.9 In preparation for the next reporting year (2018/19) work has started on further improving the process by bringing the annual assurance and CGF self-assessment processes together to create one joined up process and ensure both elements conclude in time to be considered in the annual governance statement.

4. Measures of success

- 4.1 Success will be measured through the annual self-assessment exercise.

5. Financial impact

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

6. Risk, policy, compliance and governance impact

- 6.1 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.

7. Equalities impact

- 7.1 There are no equalities impacts arising from this report.

8. Sustainability impact

- 8.1 There are no sustainability impacts arising from this report.

9. Consultation and engagement

- 9.1 Consultation with all relevant service areas is undertaken in preparation of the self-assessment.

10. Background reading/external references

None.

Andrew Kerr

Chief Executive

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11. Appendices

Appendix 1 – The City of Edinburgh Council Corporate Governance Framework Self-Assessment 2017/18

**The City of Edinburgh Council
Corporate Governance Framework
Self-Assessment 2017/18**

Principle 1	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Supporting principle	1.1 Behaving with integrity and Demonstrating Strong Commitment to Ethical Values	
Requirement of the Council's Framework	1.1.1 Developing a leadership culture based on values, integrity and public interest that is communicated and understood by all and forms the basis of a framework for decision making and action.	Score out of 10: 8
Evidence of compliance and links	<p>The Council has begun a journey to strengthen the leadership culture and support improved decision making at officer level. This though involves cultural change with officers and is not yet embedded throughout the organisation. Decision making at committee level is strong and there is a robust framework that is supported by a suite of governance documentation, that is regularly reviewed by officers and elected members.</p> <p>There is strong and demonstrable commitment from the Corporate Leadership Team (CLT) to promote a strong organisational culture that behaves with integrity, the rule of law and that is value led. Examples of this come from the establishment of strong corporate values that underpin the culture we are trying to create. The priority of CLT to develop the leadership culture within the organisation has included creating a Wider Leadership Team (top 100 managers) and ensuring that all managers across the organisation have undertaken leadership training which was values led. CLT have regular away days where they reflect on their leadership and this has included a joint session with senior councillors. This is an ongoing process in a complex organisation and leadership development training is under review by HR.</p> <p>From a legal and compliance perspective we have an independent whistleblowing process to ensure any concerns raised are investigated independently working closely with the Council's Monitoring officer.</p> <p>In addition to this there are several different facets that ensure we have a robust framework in place. These include:</p> <ul style="list-style-type: none"> ▪ The <u>Member/Officer Protocol (2016)</u> sets out the roles and responsibilities of Elected Members and Council officers, including the Chief Executive, to ensure clarity when carrying out their respective duties. ▪ Mandatory training sessions provided for Elected Members on their obligations under the <u>Councillors' Code of Conduct</u>. ▪ Comprehensive induction and ongoing training programme for Elected Members that includes mandatory, essential and developmental sessions on a wide range of responsibilities, skills and areas of topical interest. ▪ The <u>Scheme of Delegation</u> (June 2017) sets out the powers delegated by the City of Edinburgh Council to officers, pursuant to the <u>Local Government (Scotland) Act 1973</u>. The Scheme facilitates the efficient conduct of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, thereby ensuring that decisions are taken at an appropriate level and ensure sufficient and appropriate scrutiny. ▪ <u>Councillors' register of interests and expenses</u> and <u>membership of organisations</u> published in full on the Council's website. ▪ The <u>Council's People Strategy and People Plan for 2017-20</u> is built around a core set of values that guide everything we do. Our values define the culture we want to build within our organisation and set out our commitment to each other within our workforce as well as to our citizens and communities. ▪ Our <u>Employee Code of Conduct</u> and the Council's <u>values</u> of Put Customers First, Honesty and Transparency, Working Together and Forward Thinking are now included as part of our performance framework and set out our expectations. New <u>employee induction</u> is focussed on our four values so all new starts understand the importance of living these values in the early days of their employment with the Council. ▪ Principles and our values are communicated regularly to staff, are 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 framework therefore takes account of how they are living those values in service delivery. ▪ Our employees are expected to refresh their knowledge and understanding of key policies such as <u>Anti-Bribery</u>, <u>Complaints</u> etc. 	

	<ul style="list-style-type: none"> ▪ There is strong and demonstrable commitment from the Corporate and Wider Leadership Teams to drive cultural change and leadership development with development sessions taking place. ▪ The Council's Business Plan, agreed on 24 August 2017, is reviewed at Full Council on an annual basis. This review is supported by an annual mid-term review of progress towards implementation. ▪ The Council's Whistleblowing Policy encourages a culture of disclosure of wrongdoing that is much wider than that covered by public interest disclosure legislation. Our whistleblowing arrangements are a key risk management tool and widely seen as an exemplar across the public sector. ▪ Monitoring Officer reports are independent when considered by Council or committee. ▪ The Monitoring Officer and Chief Internal Auditor have an independent reporting line to Governance, Risk and Best Value and direct access to the Chief Executive. <p>Whilst a strong operational framework exists to ensure that employees behave with integrity (for example established Council policies and decision making processes), it is important that is effectively applied, with employees held accountable where they do not behave with integrity or demonstrate strong commitment to ethical values. This is achieved through the Council's performance framework with ongoing employee conversations and formal 'looking backwards' conversations, and the disciplinary process.</p>	
Requirement of the Council's Framework	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.	Score out of 10: 7
Evidence of compliance and links	<p>The Council's Corporate Policy Framework mandates the annual review of policies which must be approved by Council or the responsible Executive Committee. The Council's Policy Register maintains a central public facing record of all council policies.</p> <p>A council policies toolkit has been developed and is available on the Council's intranet site. This includes consultation and engagement strategies for new policies, a how-to guide, guide to policies and annual review, examples and a policy template for committee reporting.</p> <ul style="list-style-type: none"> ▪ The Council consults and engages with stakeholders on policies and procedures, eg. Trade Unions, relevant service providers, legal advisers. ▪ Assurance Statements for Council policies are reviewed and are considered as being current, relevant and fit for purpose. These are <u>reported</u> to the relevant Committee. Working closely with the Communications Team, relevant information is cascaded to staff via Managers' news and the internal intranet pages are updated as necessary. ▪ A programme of policy review has been agreed and policy refresher arrangements are in place for employees. Employment policies are subject to Governance, Risk and Best Value Committee (GRBV) policy assurance with a revised process having been agreed at the GRBV in September 2017 which will provide further scrutiny. ▪ As part of readiness for implementation of the new IT system (Enterprise Resource Planning System) circa 30 process workshops have been completed in relation to core HR processes coupled with the design and build of 'to be' policies, procedures and guidance. ▪ Employment policy compliance controls have been designed for incorporation into Enterprise Resource Planning System to automate manual processes, ensure consistency across the organisation, assist employees and managers with compliance and enable efficient monitoring/reporting at all levels. ▪ Report template and guidance are regularly updated and incorporate reporting of adherence to council business plan commitments and policy implications. 	
Requirement of the Council's Framework	1.1.3 Ensuring the organisation's ethical standards permeate all aspects of the organisation's culture and operation and are reflected in its policies and procedures	Score out of 10: 7
Evidence of compliance and links	<p>Council values are an integral part of our strategic planning and performance management frameworks. The council has embedded mechanisms to ensure ethical standards are permeated across the organisation.</p> <ul style="list-style-type: none"> ▪ Consideration of regular internal and external (September 2017) audit reports by Governance, Risk and Best Value Committee. 	

- The Council's [Whistleblowing Policy](#) mandates an independent service provider with authority to decide on the categorising of disclosures and investigations, with investigation outcomes reported quarterly to the Governance, Risk and Best Value Committee.
- Consideration of The Standards Commission for Scotland Hearing results by Council.
- As a public authority, the values of public service delivery are at our core and are reflected in [Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22](#). The principles and actions set out in this plan drive the way we work and the way we deliver services.
- [Council Framework to Advance Equality and Rights 2017-21](#) ensures that citizens are able to use Council services and join in with the life and work of the city.
- The current Council [Performance Framework](#) was agreed in August 2017 and ensures a clear statement of vision, values and strategic objectives aligned with the Coalition agreement is embedded within the operation of the Council. The framework details performance measures and describes the monitoring of performance which is reported twice a year to all executive committees.
- As a public authority, the values of public service delivery are at our core, we work in partnership with communities and service partners to deliver services of benefit to our people.
- [Employee Code of Conduct](#) sets out the Council's values and describes how we carry out our business and the standards of conduct we expect from our employees.
- [Disciplinary Code](#) Provides details of the conduct, attitude and behaviours expected of employees.
- [Performance Management Framework](#) is designed to support managers and employees to have open, honest, and supportive performance conversations.
- [The Avoidance of Bullying and Harassment at Work Policy](#) covers management of complaints in relation to bullying and harassment at work. The focus is on early intervention and resolution by managers, to ensure complaints are dealt with quickly.
- [Equality and Diversity Policy](#) was updated in August 2017 with the purpose of ensuring that all our employees are treated fairly, equally and with respect in their working lives covering: pay and benefits and terms and conditions of employment; dealing with grievances and disciplinary issues, dismissal, redundancy; parental leave and flexible working; recruitment, promotion, training and development.
- [Equality, Diversity and Rights Framework 2017-21](#) is a response to legislation, including the Human Rights Act 1998, the Scotland Act 2003, and the Equality Act 2010. Co-produced with members of the Edinburgh Equality and Rights Network (EaRN) during 2016/17, it sets out a series of commitments to ensure that equality, diversity and rights are central to the Council's vision of being a fair, inspired, thriving and connected city.
- The [Council's People Strategy and People Plan for 2017-20](#) (February 2017) provides a clear line of sight from the Council's [Business Plan](#) and describes the people opportunities and challenges the Council faces over the short, medium and long term and sets out the key strategic people themes we need to address in order to deliver our commitments. Council values are linked to performance through a number of routes, including our [New approach to performance](#) co-produced with employees.
- The response to Serious Organised Crime within a local authority involves coordinating a number of disparate services to ensure consistency of approach, governance and reporting, and compliance to the duties outlined in [Scotland's Serious Organised Crime Strategy](#). The strategy focuses on the detection and disruption of Serious Organised Crime and preventing it at source. Work is facilitated through a Council-wide group.
- [Contract Standing Orders](#) – establish the principles of transparency, equal treatment, non-discrimination and proportionality in how the Council procures its goods, services and works.
- The Council's Monitoring Officer (the Council's Head of Legal and Risk) actively investigates any significant issues coming to his attention, whether through whistleblowing, complaints or other avenues. This has on occasion resulted in reports to full Council, demonstrating that it is taken seriously and that any issues are actively managed.
- The Council's Information Governance team manages the Council complaints systems and the relationship with the SPSO. The council has a new complaints policy agreed by CP&S in July 2017.
- In September and December 2017, the Learning and Development Team piloted an induction/welcome event for new leaders, 'Setting Leaders up for Success'. From April 18, new leaders joining the City of Edinburgh Council and newly promoted leaders within the Council are invited to a welcome event. This takes place every 4-6 weeks, led by the Chief Executive. The aim is to welcome new leaders, help them get clear on their leadership role, help to develop their leadership skills and introduce them to our leadership culture. New leaders are also expected to complete relevant essential

	<p>learning on key council policies as part of their induction. A dedicated space has been created on the Council’s e-learning platform for new leader essential learning.</p> <ul style="list-style-type: none"> ▪ The Pensions and Trusts Committee adopted, on behalf of Lothian Pension Funds, the United Nations Principles for Responsible Investment and a revised Statement of Investment Principles in March 2008. ▪ Non-compliance with standards is reported to Committee. For example non-compliance with Public Sector Internal Audit Standards was reported to Governance Risk and Best Value Committee on <u>31 July 2018</u>. 	
Supporting principle	1.2 Relationship with External Providers	
Requirement of the Council’s Framework	1.2.1 Ensuring the organisation’s ethical standards are understood and upheld by external providers of services.	Score out of 10: 7
Evidence of compliance and links	<p>The Council has strong controls to ensure external providers of services understand the organisation’s aims and ethical standards. Improvements are necessary though and work in particular is taking place on grant management to ensure a greater level of consistency and a robust control process.</p> <ul style="list-style-type: none"> ▪ The Council’s Annual Assurance Process, which seeks assurance on ethical standards, includes significant Council companies and the Joint Boards. This process informs the Annual Governance Statement reported to <u>Full Council in June 2017</u> as part of the un-audited financial accounts. ▪ The Council’s <u>Procurement Handbook</u> (updated in 2017) incorporates guidance relating to ethical procurement which includes relevance of award criteria relating to fair work practices and supply or use of ethically- or fairly-traded products as applicable. ▪ As part of the procurement process for goods and services, the Council has set standards to manage integrity, compliance and monitoring, taking into account but not limited to, ethical and fair work practices in the tender submission documents. It is noted that should a contract be adopted from the Scottish Government Framework these standards are also included within the documentation. Contract management by service areas may give a weighting to these standards (where applicable) and they are monitored throughout the duration of the contract term. ▪ Template procurement documentation including terms and conditions is drafted with advice from Legal Services. On larger projects and bespoke contracts, specific legal advice is obtained. Legal obligations imposed upon contractors cover the Council’s ethical standards in relation to such matters as community benefits, environmental and sustainability impact and workers’ rights. ▪ The Council provides grant funding to third parties to improve social, environmental and economic outcomes for Edinburgh’s citizens and communities and grant agreements shall require the grant recipient to have in place proper employment, recruitment and selection practices, disclosure checks where appropriate and comply with all equal opportunities requirements. ▪ The Council’s Standard Condition of Grant states that organisations in receipt of a grant should have policies and practices in place which should minimise any detrimental environmental impacts and complement the Council’s commitment to protecting and improving Edinburgh’s environment for future generations. ▪ Following risk assessment where the Council has agreed an action which is non-compliant with Contract Standing Orders the action is recorded and noted publicly via Committee meeting transparency obligations and providing challenge to the decision. ▪ The Council’s Standard Condition of Grant determines that organisations in receipt of a grant must have a commitment to mainstream equalities and rights in accordance with the <u>Equality Act 2010</u>. Both in terms of its practices employing staff and volunteers and in providing services, the organisation should be able to demonstrate that it: advances equality of opportunity; fosters good relations; and eliminates any unlawful discrimination, harassment and victimisation. ▪ <u>Section 2 of the Local Government Act 1986</u> prohibits the Council from publishing any material that appears to be designed to affect public support for a political party. The same section also prohibits the Council from awarding funding to organisations for this purpose. ▪ The Council expects grant funded organisations to adopt policies which comply with fair work practices and promote fair and equal pay, including the Living Wage. ▪ The Edinburgh Compact Partnership’s principles of openness, transparency, integrity, fairness, mutual respect and accountability will apply to all decisions on the provision of grant funding. 	

Supporting principle	1.3 Respecting the rule of law	
Requirement of the Council's Framework	1.3.1 Demonstrating commitment to adherence to the rule of the law and regulations while ensuring individuals fulfil their responsibilities and optimise available powers to the benefit of all.	Score out of 10: 8
Evidence of compliance and links	<p>The council is committed to adhering to the rule of law and has a strong framework to ensure effective controls are in place and respond to changes in legislation such as the introduction of GDPR.</p> <ul style="list-style-type: none"> ▪ The Council has appointed statutory officers as follows, <u>Monitoring Officer</u>, <u>Head of Paid Service</u>, <u>Head of Finance</u> (section 95 officer), <u>Chief Education Officer</u>, <u>Chief Internal Auditor</u>, <u>Chief Social Work Officer</u> and <u>Data Protection Officer</u>. ▪ Members have the opportunity to challenge officers submitting reports and seek advice from the Head of Legal & Risk and Chief Internal Auditor. ▪ Members are encouraged to seek advice from senior officers on legislative and regulatory matters and are offered appropriate training. ▪ <u>Employee Code of Conduct</u> approved by Corporate Policy and Strategy Committee in August 2012. ▪ The Chief Financial Officer's responsibilities are set out in the <u>Financial Regulations</u>. ▪ The Chief Financial Officer is a standing member of the Corporate Leadership Team. ▪ The Integration Joint Board is tasked with delivering its vision for a caring, healthier, safer Edinburgh through taking actions to transform how Council and NHS services and staff teams work together; with other partners; and those who use services and communities. A <u>Strategic Plan 2016-19</u> has been agreed and published. The Council is also co-signatory to the Scheme of the Establishment of the Edinburgh Integration Joint Board (EIJB) and as such complies with the legislative requirements of the Public Bodies (Joint Working) (Scotland) Act 2014. ▪ The Chief Social Work Officer provides an <u>annual report</u> to the Corporate Policy and Strategy Committee each year. ▪ The Council Health and Safety Manager provides an annual report on health and safety performance to the Finance and Resources Committee. ▪ The <u>Internal Audit Opinion</u>, a requirement of Public Sector Internal Audit Standards, includes required details on Internal Audit independence. ▪ <u>Committee Terms of Reference and Delegated Functions</u> and <u>Scheme of Delegation to Officers</u> are regularly reviewed (most recently June 2017). These terms of reference and delegated functions set out the powers delegated by the City of Edinburgh Council to its officers, committees and sub-committees pursuant to the Local Government (Scotland) Act 1973. ▪ Contracts of employment, job descriptions, the Employee Code of Conduct, HR policies and the Scheme of Delegation to Officers are clear on the responsibilities given to job roles and/or individuals. ▪ Promotion of codes of conduct of regulatory bodies such as Scottish Social Services Council (SSSC) and General Teaching Council Scotland (GTCS). ▪ Key Council policies are reviewed on request by Legal Services to ensure compliance with relevant laws and regulations. Where any proposed course of action or policy is potentially non-compliant, this is flagged by Legal Services. Legal Services will escalate concerns to senior management as appropriate. ▪ <u>The Community Empowerment (Scotland) Act</u> received Royal Assent in 2015 and sets out duties for public bodies in relation to community planning. In response, the Edinburgh Partnership is undertaking a review and consultation of community planning governance arrangements, together with the development of a new Local Outcome Improvement Plan and Locality Improvement Plans, to ensure the planning and partnership working arrangements in the city meet the legislative requirements set out in the Act. ▪ The Community Empowerment (Scotland) Act additionally sets out a range of duties to allow community bodies to ask the Council, or other public bodies, to be involved in decisions and have a greater role in improving outcomes for their communities. This includes the establishment of participation requests and duties in relation to asset transfer. The Council approved in March 2018 its approach for managing participation requests and has reviewed its existing asset transfer policy to ensure it meets the new legal requirements. 	
Requirement of the Council's Framework	1.3.2 Dealing with breaches, corruption and misuse of power effectively.	Score out of 10: 8
Evidence of compliance and links	<ul style="list-style-type: none"> ▪ The Monitoring Officer is the Head of Legal and Risk and was appointed by <u>Council on 4 February 2016</u>. Allegations of corruption or misuse of power are considered by the Monitoring Officer, who acts independently of the Council. He has the power to conduct investigations and report his findings to full Council. He has done so previously (last time was June 2016). 	

- Legal Services will report breach of legal and regulatory provisions to senior management (primarily through Head of Legal and Risk and Monitoring Officer). Serious breaches may be dealt with by the Monitoring Officer. Other breaches will be addressed by Legal Services providing appropriate advice to service areas and monitoring implementation of that advice. Legal Services are also consulted in relation to complaints from the public which allege non-compliance with laws or regulations.
- Staff at all levels will report breaches of the Council’s statutory obligations under the Data Protection Act, 2018 to the Council’s Data Protection Officer via the Information Governance Unit. This is done through an established and revised Personal Data Protection Procedure (February 2018). High risk breaches will then be reported by the Data Protection Officer to the UK Information Commissioner.
- The Council’s Whistleblowing Policy mandates an independent service provider with authority to decide on the categorising of disclosures and manner of investigations, with investigation outcomes reported quarterly to the Governance, Risk and Best Value Committee.
- Consideration of regular internal and external (September 2017) audit reports by Governance Risk and Best Value Committee.
- The Council Health and Safety Strategy and Plan 2018-20 was approved by the Finance and Resources Committee (March 2018)
- Relevant policies and procedures are in place:
- Disciplinary Procedure
- Anti-bribery Policy – update report to CP&S in Feb 2017 (Note:- Employee Relations (ER) related policies no longer need to be automatically reviewed every year. This was agreed as a change to our governance arrangements last year (finalised at F&R in Dec 2017, following GRBV and CP&S). ER related Policies will now only be reviewed where we have expressly stated in a report, e.g. performance management, or where there is a legislative change or organisational need etc. So, the Anti-Bribery Policy did not need to be formally reviewed in March 2018)
- Fraud Prevention Procedure – update report on Fraud Prevention and Detection considered by Committee in September 2017
- Whistleblowing Policy (revised March 2018)

Following a review of our practices and procedures for recording, retaining, and monitoring employee lifecycle checks in 2017, we identified a need to strengthen how we are meeting our internal and statutory obligations in 2 specific areas, Right to Work and ‘Grey Fleet’ (this is the terminology used for colleagues who use their personal vehicle for work purposes). Work has been ongoing to ensure that we are 100% compliant and at the time of writing the following outcomes have been achieved:

Right to work:

- 93% of colleagues right to work information has been verified and updated on iTrent. The remaining 7% are proactively being contacted to collect the information;
- We now understand the nationalities of our workforce and this has helped us proactively communicate with colleagues who may be directly impacted by Brexit; and
- We are now able to proactively work with colleagues who are required to provide ongoing evidence of their right to work in the UK. This has significantly reduced the financial and reputational risk to the Council as where it is found that we do not comply with the current legislation we may face a financial penalty (civil penalty) and in some cases, prosecution.

Grey Fleet.

- 1188 colleagues have now provided information which enables them to continue claiming mileage;
- 1691 colleagues who had not claimed mileage in the last year have been removed from the scheme and can no longer claim mileage;
- For colleagues who are still to provide information we are proactively contacting them, but should the appropriate information not be provided they will be removed from the scheme.
- This work has significantly reduced the risk to the organisation.

Principle 1 - Improvement plan

- Improve links and further embed CLT in committee reporting process. In autumn 2018 a review of the Council’s operational governance processes will commence. This aims to bring a greater level of transparency, clear accountability and build greater links between committees, CLT and officer management teams

Responsible officer(s)
Democracy, Governance & Resilience Manager

	<ul style="list-style-type: none"> • Policy management refresh – review arrangements and ensure controls and processes in place. • Grant Standing Orders <p>Further action has been taken to support the aims of Principle 1. The Council has undertaken a review of some of its activities and procedures and now has in place, or has plans to have in place the following:</p> <ul style="list-style-type: none"> • A new enterprise risk management policy and risk appetite statement have been approved by CLT and August 2018 Corporate Policy and Strategy Committee. Together with the rollout of Pentana as the Council’s risk management software, this will aid understanding of risk management Council wide, improve risk awareness and improve the identification and management of risks. • The Council Health and Safety Strategy and Plan 2018-20 was approved by the Finance and Resources Committee (March 2018). Good Progress is being made to deliver the plan, including: roll out of the IOSH Leading Safely course to the wider leadership team (100 senior managers); new Water Safety Policy; H&S training needs analysis is almost complete; Chief Executive chairing of the Health and Safety Committee, and a campaign to promote accident and near miss reporting. • The Council won a 2018 ALARM award for the design and rollout of a self-assurance framework, collaborated on by multiple service areas. • Renewed focus on the internal control environment through delivery of the internal audit plan identified areas for improvement. This has received significant CLT attention as well as political oversight and this, together with a rebranded service and training sessions on the role of internal audit, is helping drive better understanding and focus on closing agreed management actions which should create more strongly controlled environment. • Team Central is to be implemented to ensure that Internal Audit findings are appropriately addressed by mitigating control weaknesses identified by Internal Audit and ensuring that risks are appropriately managed. • The Council is working with the Edinburgh Partnership to undertake a comprehensive review of its community planning arrangements. This has been to CP&S and Culture and Communities Committee in October and will be agreed by the end of the calendar year. • The Council will review its locality governance arrangements in the winter of 2018 and will have completed its review of Community Councils by the end of April 2019. 	Head of Finance
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Principle 2	Ensuring openness and comprehensive stakeholder engagement	
Supporting principle	2.1 Openness	
Requirement of the Council’s Framework	2.1.1 Demonstrating an open culture through decisions that have been subject to consultation and/or engagement, are public, evidenced, impact assessed and, where necessary, justification for confidentiality explained.	Score out of 10: 7
Evidence of compliance and links	The council is committed to ensuring open and transparent decision making and that people and communities are engaged in the process of policy development ahead of decisions being taken. We always consult on all major decisions of the council – issuing 93 consultations through the council’s singular consultation hub. We have engaged extensively on the council’s budget for 2018/19 undertaking a range of engagement types. We are also currently consulting on the city’s community planning arrangements to ensure maximum participation and are developing plans for increasing the amount of the council’s budget that is decided upon by the public to 1% by the end of this council period.	

Ensuring open decision making is fundamental to ongoing trust in the democratic process. As budget pressures only increase over the coming years, trust from the public is fundamental and to that end the council intends to redouble its efforts through the it's change strategy. Plans are currently being developed to undertake long term engagement work with the public on some of the challenges faces by the council to try and ensure there is as much buy-in as possible on the decisions taken by the council. This must be seen as a first step to increase our efforts to further ensure all aspects of the council are as transparent as possible.

- The [Access to Information Act 1985](#) schedule 1 requirements regarding exempt information are implemented throughout policy and procedure. Training on the act is provided for key officers and elected members as part of the Governance Framework Training Session.
- [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).
- The committee report template and guidance include standard sections requiring authors to detail consultation and engagement, sustainability impact, equalities impact, financial impact, measures of success and risk, policy, compliance and governance impact. This provides necessary information for elected members to take decisions with clear explanation of key considerations.
- Any decisions that are taken by officers under urgency provision require a report to the next committee detailing the decision taken and the reasons. See [Committee Terms of Reference and Delegated Functions \(June 2017\)](#).
- [Council Diary](#) arrangements reported to Council annually (last reported March 2018)
- The [Scheme of Delegation](#) (June 2017) sets out the powers delegated by the City of Edinburgh Council to officers, pursuant to the [Local Government \(Scotland\) Act 1973](#). The Scheme facilitates the efficient conduct of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, thereby ensuring that decisions are taken at an appropriate level and ensure sufficient and appropriate scrutiny.
- Copies of agendas, minutes and reports for all Council and committee meetings are held by Edinburgh City Archives.
- Members have the opportunity to challenge officers submitting reports at Agenda Planning Meetings and committee.
- [Petitions](#) procedure streamlined as part of most recent review of [political management arrangements](#). (June 2017).
- [Deputations](#) (representative of a group or organisation speak at a committee meeting on a subject of their choice) are welcomed to feed into policy making at Council and Committees.
- Statutory requests for information are dealt with via an established process. Council responses are routinely made publicly available through its [FOI Disclosure Log](#).
- Complaints made to the Council are dealt with under the [Council's Complaints Procedure](#), which has a clear outline of responsibilities, timescales and escalation routes to the Scottish Public Services Ombudsman. This procedure is available on our website for the public and on the Orb for staff. There is a Corporate Complaints Management Group which promotes and facilitates better complaints management throughout the organisation.
- [Edinburgh People Survey – annual citizen survey](#) measures satisfaction with key universal services and highlights where further research or consultation may be necessary.
- 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 the strategic direction provided by the Accounts Commission and follows best practice guidance provided by the Improvement Service.
- The Council regularly consults and engages with stakeholders and members of the public on its plans and policies. Methods to seek feedback include surveys, focus groups, public meetings, and involving relevant stakeholders in participatory budgeting and local community planning. Details on how to find out about and participate in consultations and records are available via our [Consultation Hub](#).
- The Council's budget engagement process explains the pressures the Council faces and the areas where it proposes to spend and save, then records what was done as a result of public feedback. This has recorded high engagement levels and garnered positive attention in local press and on social media.
- Honesty and transparency is enshrined in the [protocol for member officer relations](#) in decision-taking and advice giving.
- Financial impact reporting arrangements are embedded in the [financial regulations](#).

- Contract Standing Orders (June 2016) ensure that proper procedures are adhered to throughout the procurement process and that there is compliance with relevant sustainable development and equality requirements required by law and co-production with key stakeholders is planned as appropriate. Contract Standing Orders demonstrate the Council's compliance with the general principles of equal treatment, non-discrimination, transparency and proportionality.
- Procurements must not be designed with the intention of unduly favouring or disadvantaging any potential tenderer. Contract Standing Orders clearly demonstrate the Council's open approach to tendering processes and details Relevant Values and Associated Tender Procedures for all potential Contracts including appropriate approval and delegation levels.
- The Council's performance reporting takes into consideration appropriate feedback to the relevant stakeholders of any decisions taken by Council by using appropriate communication routes. The annual performance report which went to CP&S and Council in August includes insight from the Edinburgh People Survey which is the largest local authority survey of its type in the UK.
- Community engagement is core for the Neighbourhood Partnership and localities approach. A wide range of activities are carried out, ensuring opportunities are provided in ways that are appropriate for communities of place, interest and identity. These inform service development and responses by Council and partners.
- Locality Improvement Planning - each locality has produced a Locality Improvement Plan based on a significant programme of community engagement with local stakeholders and the wider community. The engagement was delivered by a range of partners involving a wide variety of methods and focussing on service users and people living in areas experiencing the highest levels of deprivation.
- Service Developments – the development of facilities and new services are planned and delivered in consultation with local communities with changes and improvements seeking to reflect identified local need where possible e.g. upgrades to local playparks (e.g. Leith Links Play Park Designs); library service refurbishments
- Participatory Budgeting – local communities are increasingly involved in having a say on the allocation of small grants, and neighbourhood environment improvement funds through participatory budgeting, with the development of a range of creative ways both digital and events based to engage greater numbers of local people. E.g. Leith Chooses as an example of the most developed process engaging over 1,000 people at a community voting event and attracting over 31,000 votes cast
- Place Improvements – linked to the bullets above, Locality teams are regularly engaged in significant local stakeholder consultation on wider public realm projects – eg. Regeneration of Westside Plaza, Queensferry High Street etc, as well as very localised engagement and consultation regarding locally prioritised environmental improvement projects, reported back through Neighbourhood Partnerships and Locality Committee's.
- Community Planning Review - The Council in establishing locality committees as part of the new governance framework, acknowledged the potential for enhancing community planning arrangements at neighbourhood and locality levels. This basis, a proposal for a review and consultation of these arrangements was agreed at the City of Edinburgh Council meeting on 26 October 2017 and was referred to the Edinburgh Partnership for formal agreement. A programme of engagement and consultation on these proposals with a wide range of stakeholders is currently underway and is scheduled to be completed in October 2018.
- Community participation is core to community planning and the Council's approach. Communities are involved in decision making structures, such as the Neighbourhood Partnerships, where they can influence and shape service design and delivery in partnership with the Council and partners. For example, extensive engagement was carried out to inform the development of the Locality Improvement Plans, approved in November 2017, and particularly with those experiencing the greatest inequality. Through this process communities of place, interest and identity identified their priorities and will continue, through ongoing dialogue and engagement, to influence the design and delivery of services to improve outcomes in their areas. A key area of the locality-based working has been to involve communities in decision making on the use of devolved funds such as the Community Grants Fund and Neighbourhood Environment Programme. This role has further been strengthened with the use of participatory budgeting, which has increased local democratic decision making, promoted a greater understanding of public budgets and encouraged communities to develop their own solutions to issues. Online engagement is a key element of this work and complements traditional forms of engagement.

Requirement of the Council's Framework	2.2.1 Ensuring effective engagement with clarity of purpose, objectives and intended outcomes.	Score out of 10: 6
Evidence of compliance and links	<p>Engagement with institutional partners is facilitated through a number of different forums as well as more bilateral relationships. The council has strong relationships with the rest of the public sector through the Edinburgh Partnership, the business community through the Edinburgh Business forum, neighbouring other local authorities through the City Region Deal governance and the Scottish Government and other Scottish local authorities through our membership of Cosla and the Scottish Cities Alliance. Further evidence of our engagement includes:</p> <ul style="list-style-type: none"> ▪ Engagement with the Scottish Government through our Membership of Cosla and the Scottish Cities Alliance ▪ Development of regional partnerships through the new regional governance arrangements taken forward by the Edinburgh and South East Scotland City Region Deal which include the 6 regional authorities, both governments and their agencies and the tertiary and third sectors. A Joint Committee to take this forward has been formally established as has a Regional Enterprise Council which will provide private and third sector leadership to regional engagement. ▪ The business community through the Edinburgh Business forum as well as a number of sector-based groups such as The Edinburgh Planning Forum and the Edinburgh Tourism Action Group. ▪ Key resilience stakeholders are engaged through the Multi-Agency Scottish Resilience Structure. ▪ Engagement with institutional stakeholders can take a variety of forms and is determined by the nature of the relationship and the activity being undertaken. ▪ In reporting to Committee, all consultation and engagement activities relating to Council decisions are outlined and published within the content of reports. ▪ The work of Localities and 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 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. ▪ 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. 	
Requirement of the Council's Framework	2.2.2 Developing partnerships based on trust, shared commitments, a challenge culture and added value.	Score out of 10: 6
Evidence of compliance and links	<p>The Council has a robust framework for partnership working which can be seen through the Edinburgh Partnership, the Integration Joint Board and City Region Deal Framework. This partnership approach has encouraged innovation and facilitate a collaborative engagement. The next step is to turn facilitation into more joined up delivery.</p> <ul style="list-style-type: none"> ▪ The Edinburgh Partnership (EP) is made up of a 'family' of strategic, advisory, locality and neighbourhood partnerships and groups. The EP Board is not an incorporated body. The partnership operates in a spirit of mutual respect and partnership working. Each member has equal standing. 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 aim of the partnership is to work together to address common problems and to hold partners to account in terms of partnership services. ▪ The EP Board is currently carrying out a review and consultation of its governance arrangements and developing a Local Outcome Improvement Plan in response the legal requirements of the Community Empowerment (Scotland) Act 2015. The new plan will state ambitions to further strengthen approaches to change, challenge and effective partnership working. Locality Improvement Plans, also a legal requirement, were approved in November 2017 following a period of extensive consultation with communities and public and voluntary sector partners. Work is now ongoing with partners and the community to develop and deliver actions to address the outcomes identified. 	

- Neighbourhood Partnerships are Advisory Committees of the Council. They are governed by a constitution approved by Council at the time of establishment (March 2007) 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. Localities, Locality Planning and Locality Leadership Teams have agreed to place more focus on locality working and improved partnership working. In order to better support this work, the council and its partners have agreed four co-terminus locality areas. 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. These community planning arrangements are subject to the Edinburgh Partnership review and consultation currently underway, with new arrangements proposed to be approved in Autumn 2018.
- Neighbourhood Partnerships are Advisory Committees of the Council. They are governed by a constitution approved by Council at the time of establishment (March 2007) 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.
- Localities, Locality Planning and Locality Leadership Teams have agreed to place more focus on locality working and improved partnership working. In order to better support this work, the council and its partners have agreed four co-terminus locality areas. 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.
- Locality hubs have been developed to involve partnership agencies to facilitate direct access to preventative and community-based Health and Social Care Services.
- The Community Safety Partnership is responsible for coordinating a multi-agency response to promote community safety, to reduce reoffending and to tackle antisocial behaviour across the city. Improving community safety and effective reduction in reoffending depends on a complex, multi-agency and multi-sector approach to the delivery of a wide range of both universal and specialist services. This multi-agency approach to community safety has strengthened the locality focus which allows for closer engagement with neighbourhoods.
- The Edinburgh Integration Joint Board (EIJB) is a formally constituted decision making body as set up under the provisions of the Public Bodies (Joint Working)(Scotland) Act of 2014. It is a formal board whose membership comprises Non-Executive Directors of NHS Lothian and Elected Members of City of Edinburgh Council. It is required to act as a single body rather than the sum or 'sides' of its membership and its operational requirements are set out in the agreed Scheme of Establishment. The IJB is required to have in place at its accountable officers a Chief Officer and Chief Finance Officer and it sets out its aspirations in its Strategic Plan.
- The operational element which delivers the IJB's strategic intention is the Edinburgh Health and Social Care Partnership (EHSCP), led by the Chief Officer and Executive team the partnership brings together the operational, planning and delivery oversight of a range of adult social care services with a number of community health and hospital-based services in Edinburgh. The aim is to improve the health and wellbeing of citizens by joining up the planning and delivery of health and social care services previously delivered separately by The City of Edinburgh Council and NHS Lothian.
- The IJB also includes, as non-voting members, professional, carer and service user members to ensure that all views are incorporated in planning and instructing strategic objectives.
- Council Health and Safety Forum with Trades Unions meets quarterly to ensure appropriate level of consultation and engagement on health and safety matters.
- Partnership meetings with trade unions take place on a regular basis at a council wide and service area level. We consult trade union colleagues on people related/cultural change developments, e.g. new and revised HR policies, learning at work and our new approach to performance etc. The Council recognises 8 trades unions for the purposes of collective bargaining. To help the consultation and negotiation process, the trades unions have appointed a staff side secretary covering all non-teaching staff and another covering teaching staff. The Council has a Working Together Protocol, which sets out the way that management and the trades unions should work together to achieve their shared goals and common interests and the behaviours expected from both sides.
- The full City Region Deal was agreed in July 2018 by the City Region and both National governments. It consists of a range of partners, including 6 councils, 4 universities and the involvement of the business and third sector.
- The Council is an active member of COSLA and SOLACE participating in key national and local issues.

	<ul style="list-style-type: none"> The Council is currently reviewing its arrangements with the business community through the Edinburgh Business Forum. 	
Supporting principle	2.3 Engaging with individual citizens and service users effectively	
Requirement of the Council's Framework	2.3.1 Ensuring effective engagement with clarity of purpose, objectives and intended outcomes.	Score out of 10: 7
Evidence of compliance and links	<p>The Council has made significant efforts over recent years to improve the way we engage and consult with citizens and communities moving to a significantly more digitally enabled approach. There is however more work to do to sustain and broaden our approach in this regard to ensure we are improving outcomes.</p> <ul style="list-style-type: none"> The Council developed a Consultation Framework which provides guidance to officers on deciding whether the appropriate approach to an issue is communication, engagement or consultation. <u>The Edinburgh People Survey</u> measures satisfaction with key universal services and highlights where further research or consultation may be necessary. 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 for example a series of workshops have taken place across localities leading to the development of the Locality Improvement Plans. Guidance on community engagement policies and approaches is produced and cascaded to staff and members as appropriate. This includes the formal adoption of the National Standards for Community Engagement by Council in March 2017. The Edinburgh People Survey has a boosted sample of minority ethnic communities and a representative sample of people in Council housing, and people of all age groups. The Council communicates on its budget proposals with direct mailings to community organisations who represent and provide services to different stakeholder groups. This has recorded high engagement levels and positive attention in local press and social media. Where appropriate, the Council gathers monitoring information on various demographic characteristics through surveys. A wide range of engagement activities are carried out, ensuring opportunities are provided in ways that are appropriate for communities of place, interest and identity to express their needs and views on services and future provision to inform service development and delivery. This includes a recent extensive exercise to engage the community to inform the development of the Locality Improvement Plans required under the <u>Community Empowerment (Scotland) Act 2015</u>. The work to develop the Integration Joint Board's understanding of the local population is done through ongoing dialogue with service user and partner agency representation at regular JSNA (Joint Strategic Needs Assessment) stakeholder group meetings. 	
Requirement of the Council's Framework	2.3.2 Developing effective communication methods that encourage, collect and evaluate views and experiences while ensuring inclusivity.	Score out of 10: 7
Evidence of compliance and links	<p>The Council has made significant efforts over recent years to improve the way we engage and consult with citizens and communities. There is however more work to do to sustain and broaden our approach in this regard to ensure we are improving outcomes.</p> <ul style="list-style-type: none"> The Council regularly consults and engages with stakeholders and members of the public on its plans and policies. Methods to seek feedback include surveys, focus groups, public meetings, and involving relevant stakeholders in participatory budgeting and local community planning. Details on how to find out about and participate in consultations and records are available via our <u>Consultation Hub</u>. <u>Budget engagement</u> decisions are reported through 'You Said, We Did' in the form of a web page update and press release. The Neighbourhood Partnership communications approach and performance framework for Local Community Plans set out effective mechanisms for providing feedback on how stakeholder views have informed service development and delivery. This is a core element of the National Standards for Community Engagement which has been adopted by the Council and the 12 Neighbourhood Partnerships. 	

	<ul style="list-style-type: none"> ▪ Engagement activity is designed to address the involvement of all stakeholders, with mapping and demographic data informing the approaches. This is completed in a Neighbourhood Partnership context by the production of an equalities checklist to support staff in meeting equalities legislative duties. ▪ Annual survey of communities and other stakeholders about impact of community payback work within their area is included in annual community payback report. ▪ The EP Board, EP strategic partnerships and Locality Leadership Teams all engage in feedback activities through public performance reports or local engagement events, to inform the development of plans and strategies including LIPs and LOIPs. The EP focuses on co production approaches to ensure views of citizens are taken into account. The EP has supported Neighbourhood Partnerships to engage in feedback activities with local communities. ▪ EP supports the Edinburgh Equality and Rights network (EaRN) to ensure communities of interest are engaged with and supported in community planning activity. 	
Requirement of the Council's Framework	2.3.3 Ensuring consideration of future needs and the impact of decisions on future generations.	Score out of 10: 7
Evidence of compliance and links	<p>The council is currently developing a 2050 City Vision with the express intention of ensuring we have a city that meets the needs of future generations. This goes alongside a clear strategic framework for this council period and equality impact assessments.</p> <ul style="list-style-type: none"> ▪ The council, working with partners, are currently developing an Edinburgh 2050 city vision which will provide long term direction for the future of the city. ▪ The Council uses population projections to anticipate future need at below city-level, enabling us to project overall demand for services and anticipate long-term need. ▪ The Change Strategy project was launched in 2017 to develop transformative proposals to be presented to Elected Members and the public in late 2018. ▪ The Integration Joint Board is tasked with delivering its vision for a caring, healthier, safer Edinburgh through taking actions to transform how Council and NHS services and staff teams work together; with other partners; and those who use services and communities. A Strategic Plan 2016-19 has been agreed and published. ▪ The Council's Financial Regulations and accompanying Finance Rules set out the requirement for Executive Directors to consider on an ongoing basis their respective budgets, including active management of risks and service pressures, delivery of approved savings and appropriate application of service investment. Taken together, these actions contribute to ensuring that the Council's overall expenditure is maintained within budgeted levels and that financial sustainability is secured in accordance with the financial strategy. ▪ The Council has maintained revenue expenditure within budgeted levels for ten successive years and attained its target level of unallocated reserves one year early in March 2011 and, despite severe financial pressures, has kept them at this level since that time. The Council's overall level of unallocated and earmarked reserves was assessed as appropriate as part of the 2016/17 Annual Audit Report, with the annual Risks and Reserves report considered as part of the budget process also identified as an area of good practice. ▪ All new budget proposals are subject to detailed officer and political scrutiny at the development, implementation and subsequent delivery stages. In addition, all Committee and Council reports require authoring officers to consider, liaising as appropriate with Finance staff, the financial implications of planned actions, including the adequacy of budget provision, timing of costs and savings and any specific risks around implementation, informed by specific report-writing guidance in this area. The Head of Finance additionally requires to sign off the financial implications sections of all relevant reports, with the right to withdraw reports from Committee agendas where this is not undertaken enshrined in the Financial Regulations. ▪ The Council maintains a detailed five-year financial framework within the context of a ten-year financial plan. In addition to capturing changes in the Council's key income and expenditure drivers, the plan incorporates the current and future financial impacts of all material approved plans and actions, allowing decisions to be taken in the knowledge of their anticipated impact on delivery of the Council's key priorities. ▪ Decisions on any new borrowing are rooted in consideration of their prudence, affordability and sustainability, with levels of external borrowing assessed against a suite of prudential indicators as part of the annual budget motion and corresponding loans charge provision made within the budget framework. 	

	<ul style="list-style-type: none"> The Council has approved its approach to participation requests as required by the Community Empowerment (Scotland) Act and reviewed its existing asset transfer policy to ensure compliance with the new legal duties. 	
Principle 2 - Improvement plan	<ul style="list-style-type: none"> New Complaints Policy to be approved by CP&S in October 2018. Routine assurance programme of Stage 2 Complaint responses established by IGU in July 2018. Community planning review currently underway to improve community engagement 2050 City Vision to be published 2019 Embed new ways of engaging and collaborating with citizens as part of the change strategy 	<p>Responsible officer(s)</p> <p>Information Governance Manager Policy and Insight Senior Manager PMO City Deal</p>

Principle 3	Defining outcomes in terms of sustainable economic, social, and environmental benefits	
Supporting principle	3.1 Defining outcomes	
Requirement of the Council's Framework	3.1.1 Having a sustainable vision for the organisation which sets out strategy, forward planning and impact on stakeholders.	Score out of 10: 8
Evidence of compliance and links	<p>The council has a business plan and performance framework in place to drive clear strategic planning and performance management. There are opportunities to further strengthen this approach and further embed a culture of performance management.</p> <ul style="list-style-type: none"> <u>The Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22</u> was agreed in August 2017. The plan forms a central part of the Council's strategic planning and performance framework. The plan describes our Commitments to the city, our strategic aims and outcomes, our challenges, how we'll measure success and the future of our organisation. To deliver Council vision and strategic aims, 20 associated outcomes have been set out. These outcomes link to our 52 commitments to the city which will be prioritised over the duration of this plan and into the future. The plan clearly articulates our intended outcomes and expected impacts on citizens. The Council's strategic aims of "A forward looking Council" and "An empowering Council" are underpinned by the organisation's culture and values. These are the principles that drive how services are delivered and how people work with citizens and communities. <u>Edinburgh Partnership's Community Plan 2015-18</u> 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.' Four strategic outcomes were agreed. Locality Improvement Plans have been developed to meet the requirements of the <u>Community Empowerment (Scotland) Act 2015</u>. Development has been informed by extensive engagement in each of the four Localities to ensure the views of the community are taken into account and the plans are tailored to fit the individual needs and aspirations of each of the Localities and the specific areas of need within them. The development process for the plans has been subject to an Integrated Impact Assessment and the plans screened under Schedule 2 of the Environmental (Scotland) Act 2005. The Council's <u>People strategy</u> is built around a core set of values that guide everything we do. Our values define the culture we want to build within our organisation and sets out our commitment to each other within our workforce as well as to our citizens and communities. The Council's budget process is founded upon priority-based principles, with additional demographic-related investment provided on an annual basis and proportionately lower savings requirements applied to the priority areas of education, children's services and health and social care. The Council was one of the first in Scotland to introduce a long-term financial plan, doing so <u>in 2009</u>. The expenditure and income assumptions underpinning the plan are subject to at-least six-monthly review, with the results of <u>the most recent such assessment</u> considered by the Finance and 	

	<p>Resources Committee on 5 September 2017. The Council’s arrangements in these areas were assessed as effective in the recently-published 2016/17 Annual Audit Report.</p> <ul style="list-style-type: none"> ▪ The Council’s budget strategy has sustainability at its core, with, for example, no capital or other investment approved without assurance over its longer-term affordability. ▪ In acknowledging the potential for closer integration of financial and non-financial information to inform decision-making, however, work is underway between Finance and Strategy & Insight colleagues to develop service profiles for all main areas of Council activity. ▪ The mainstreaming of participatory budgeting forms a key action to achieve the Council’s strategic aim of being “An empowering Council”. The Council has continued to support participatory budgeting in the city in the last year as a key approach to improving local democracy and strengthening the role of communities in the decision-making process. A number of initiatives were delivered including Choose Youth Work and Leith Chooses, which was a joint initiative between the Council and the community councils in Leith. Funding was also secured from the Scottish Government’s Community Choices programme to support the delivery of the Joined Up for Integration Project and a Participatory Budgeting Champions Programme. Through this programme 38 people from public, voluntary and community sectors were trained and now form a core group of practitioners to assist in the development of the approach in the city. 	
Supporting principle	3.2 Sustainable economic, social and environmental benefits	
Requirement of the Council’s Framework	3.2.1 Ensuring that policies and plans are sustainable and balance the needs of all economic, social and environmental stakeholders.	Score out of 10: 6
Evidence of compliance and links	<p>The Council’s Integrated Impact Assessment incorporates the following areas: Equality, Human Rights, Sustainability, Environment and Economy. It has been developed to support us to meet our legal duties, including those arising from the Environmental Impact Assessment (Scotland) Act and the Climate Change (Scotland) Act, and will be used as evidence for the Fairer Scotland Duty. It is carried out for any plan, strategy or proposed service change that may have an impact on equalities, the environment or the economy. Further, each report to Committee must include an assessment of the impact on sustainability.</p> <ul style="list-style-type: none"> ▪ The Council’s Equality, Diversity and Rights Framework ensures that citizens have a fair access to services and are able to use these services and join in with the life and work of the city. ▪ Economic and social benefits are not specified requirements when policy and planning decisions are taken however they are fundamental in the Council’s Business Plan and are therefore implicit in the decision making for the Council. ▪ The Committee report template and guidance includes standard sections requiring authors to detail consultation and engagement, sustainability impact, equalities impact, financial impact, measures of success and risk, policy, compliance and governance impact. Officers have a duty to ensure that all relevant information is contained within Committee reports to ensure that the decisions being taken are open and transparent where benefits and impacts are in conflict. ▪ The Council has a robust approach to risk and this is incorporated explicitly in all reports to Committee on decisions to be taken. The report template also requires officers to explicitly consider the financial impacts of any decisions taken. ▪ The Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22 forms a part of a robust strategic framework that connects the strategic vision of the Council and its partners to the detailed plans that guide the delivery of our frontline services. This framework ensures that all Council plans and strategies are driven by and focused towards the delivery of a single shared vision for the city and our services. This framework comprises of 2050 City Vision, Community Plan and Local Development Plan, Locality Improvement Plans, Council Strategies and Directorate Business Plans. ▪ In the development of policies and procedures, the Council takes account of the public interest associated with decisions to be taken. ▪ Petitions procedure redesigned as part of most recent review of political management arrangements. (June 2017). ▪ Deputations (representative of a group or organisation speak at a committee meeting on a subject of their choice) are welcomed to feed into policy making at Council and Committees. 	

	<ul style="list-style-type: none"> ▪ The Council’s Strategy and Insight function gathers extensive information about the social and demographic attributes of residents and analyses this to provide input into policy decisions. ▪ The Council explicitly offers choices about service prioritisation and policy to residents through its budget engagement activity. 	
Principle 3 - Improvement plan	<p>Work is currently underway to develop the new community plan (LOIP) with this scheduled for completion in Autumn 2018.</p> <p>The Council commissioned an external audit of the Council’s climate change and sustainability activity and governance which is being undertaken by the Edinburgh Centre for Carbon Innovation. This will make recommendations for improvement to Corporate Policy and Strategy Committee by December 2018.</p>	<p>Responsible officer(s) Strategy Manager (Communities)</p> <p>Policy and Insight Senior Manager</p>

Principle 4	Determining the interventions necessary to optimise the achievement of the intended outcomes	
Supporting principle	4.1 Determining interventions	
Requirement of the Council’s Framework	4.1.1 Supporting decision makers to take decisions based on objective information and rigorous analysis, whilst considering best value, risk, stakeholder views and future impacts.	Score out of 10: 6
Evidence of compliance and links	<p>The Council has a strong framework to support decision makers, in particular elected members. This is even more important in a changing environment with the Council having a minority administration. How elected members are supported, and the information provided to enable strong scrutiny and decision making, has to be flexible as those needs crystallise. The Council needs to continually adapt to ensure it is agile enough to maintain this strong framework. Officer decision making also has its strengths but further improvement is needed to ensure sufficient clarity on accountability and process, as well as linking it with committee decision making.</p> <p>Enhanced and earlier scrutiny of approved budget proposals has contributed positively to the proportion subsequently delivered. There is still a need in some cases however for financial decisions taken by individual service areas to take greater account of monetary and other impacts elsewhere within the Council, such that best overall use is made of scarce resources.</p> <p>Elected Members – Strategic Decision Making</p> <ul style="list-style-type: none"> ▪ Committee report template and guidance is regularly reviewed and includes standard sections requiring authors to detail consultation and engagement, sustainability impact, equalities impact, financial impact, measures of success and risk, policy, compliance and governance impact. ▪ Workshops and briefing notes are regularly used to support Committee reports. ▪ Members have the opportunity to challenge officers submitting reports and ask questions at both agenda planning meetings or committee. ▪ All Council and Committee reports and decisions are recorded and are available on the CEC web site via Council papers online (since May 2003). ▪ Regular email, face-to-face and one-to-one briefings take place with elected members. 	

- Deputations (representative of a group or organisation speak at a committee meeting on a subject of their choice) are welcomed at Council and Committees.
- Petitions process, established in 2012, engages and involves citizens in the democratic process. To date over 18,000 signatures have been submitted. The process was reviewed in [June 2017](#), to ensure a speedier resolution for petitioners.
- The Council is developing a 4-year Change Strategy to ensure it is improving performance and is managing its budgets. The budget engagement process is currently out to consultation and was approved by Finance and Resources Committee.
- A wide range of engagement activities are carried out, ensuring opportunities are provided in ways that are appropriate for communities of place, interest and identity to express their needs and views on services and future provision to inform service development and delivery.
- The Council's Locality Improvement Plan development sought the views of communities on the use of assets and the delivery of services in a local context, across organisational silos.

Corporate – Operational Decision Making

- Building on recognised weaknesses in the management and delivery of major change a CLT led Monthly Change Board has been established. This board has agreed a project management tool kit that will ensure all significant projects have full business cases developed prior to committee approval and that benefits are tracked and measured. This approach is beginning to embed although it will take time to mature.
- The Council is currently consulting on a 4-year strategic change strategy to ensure that council is improving services and ensuring it continues to balance its budget in the context of significant financial pressures.
- The Council's Business Plan was agreed in August 2017 and will be reviewed in February 2019 to make sure its aligned with the Council's developing change strategy. The Council's Business Plan is part of a broader Performance Framework which is currently under review to ensure the council is consistently improving and focusing on its performance. The Commercial and Procurement Service have three Commercial Partners, each with responsibility to liaise and work with different service areas across the Council. The Commercial Partners report to senior management within their service area on procurement activity and compliance. This ensures that good practice and areas of concern can be identified and feed into operational decisions.
- The Council Contract Standing Orders provide the 'rule-book' for procurement and purchasing of supplies, services and works from which a framework of controls is implemented. Commercial and Procurement Services has continued to improve compliance using our Purchase to Pay (P2P) processes to maximise controls available, in parallel implementing new controls for compliance.
- Regular engagement with service areas continues across all Directorates, providing 'dashboard' type reporting and enabling review, analysis and adherence in relation to contractual spend, purchase to pay process, CSOs etc. This ensures the Council is continuously reviewing its performance in relation to best value for procurement of goods and services, offering opportunity for intervention where necessary, to enable achievement of the defined needs.
- CLT review audit action follow up, HR performance and Health and Safety data monthly to ensure appropriate scrutiny.
- The scope of contract purchases continues to be reported to Finance and Resource Committee on a 6-monthly basis, whilst the Council's Annual Report (the first being this year) is both reported to Committee and subsequently submitted to the Scottish Government in order to comply with our obligations under the Procurement Reform (Scotland) Act 2014. This offers transparency in detailing both the scope of procurement activity (both backward and forward looking) and a review of compliance against the Council's Procurement Strategy, with a view to self-evaluation and continuous improvement.
- Reflecting increased scrutiny at the savings inception, development and delivery stages, there has been a marked increase in recent years in the proportion of approved savings subsequently delivered.
- Against a backdrop of restricted overall resource availability, additional emphasis has been placed on Executive Directors recognising, and wherever possible containing, associated revenue implications of the decisions being recommended. In recognising that there may be cases where this is not possible, however, some additional provision has been included in the budget framework.

Requirement of the Council's Framework	4.2.1 Establishing and implementing robust planning and control cycles that take into account stakeholder input, risks and are adaptable to changing circumstance.	Score out of 10: 6
Evidence of compliance and links	<p>The Council is building on its existing performance framework with a proposed 4-year strategic change strategy that will ensure we are taking at a long-term approach to improving services and balancing budgets within the context of financial pressures.</p> <ul style="list-style-type: none"> ▪ The City of Edinburgh Council Business Plan 2017-22 (August 2017) forms a central part of the Council's strategic planning and performance framework and is reviewed and revised regularly taking into account changes to the strategy and policy environment within which the Council operates. The Business Plan ensures that Council strategy, the City Vision, the Community Plan, the budget plan, the people plan and Directorate Business Plans reflect the priorities of the public, elected members, partners and our people. ▪ The Council's planning and performance framework is reviewed at Full Council annually 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. ▪ A monthly Change Board with representatives from the Corporate Leadership Team and project leads provides oversight of key projects. ▪ A Risk Committee led by the Council's Corporate Risk Manager meets regularly with representatives from key risk stakeholders. ▪ A new Strategy and Communications division with enhanced capacity for strategic change to drive service improvements was established in August 2018 ▪ A data warehouse and dynamic dashboard reporting toolkit is being developed through Cognos to provide a single repository for all data in the Council and facilitate data profiling to identify and action data quality issues. Cognos dashboards allows data to be blended from multiple sources (internal and external) and uses a wide range of analytical tools to enable a single view of information across the Council. The dashboard will provide deeper insight into performance and service provision and support effective decision making, service planning and improvement. ▪ Targeted service improvements and enhanced monitoring of performance by CLT form a core part of the Council's Business Planning process. ▪ Urgent decision provision is included within the Committee Terms of Reference and Delegated Functions. ▪ The Scheme of Delegation (June 2017) sets out the powers delegated by the City of Edinburgh Council to officers, pursuant to the Local Government (Scotland) Act 1973. The Scheme facilitates the efficient conduct of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, thereby ensuring that decisions are taken at an appropriate level and ensure sufficient and appropriate scrutiny. ▪ As part of the Terms and Conditions (T&C's) issued in a tender process, the T&C's detail that the delivery of goods and services may be varied (adaptable) if they follow the conditions, to allow for changing circumstance. In some cases, there is a detailed Change Control Notice. This notice is submitted to the Council, signed by the Service Provider. The Council agrees to respond to the Change Control Notice within 3 weeks of receipt. (Services agreement for use by public sector bodies). ▪ The Contract Management Manual (June 2018) sets out the detailed requirements for the conduct of contract management activity within the Council. A suite of operational documents to support the monitoring and reporting of contract outcomes and central support team to provide guidance and continuity of process and procedure is also in place. ▪ The Council's Resilience service submits an Annual Report to the Corporate Policy and Strategy Committee, summarising resilience activities across the City of Edinburgh Council during the preceding year. Resilience is a statutory, cross-council activity involving internal and external consultation and engagement with a range of partner organisations and stakeholder interests and the report details how the Council complies with statutory duties, which include planning, risk assessment, warning and informing and exercising, as set out in The Civil Contingencies Act 2004, Contingency Planning (Scotland) Regulations 2005 and Preparing Scotland: Scottish Guidance on Preparing for Emergencies. ▪ Public Sector Internal Audit Standards requires Internal Audit to develop a risk based annual plan that determines the priority of Internal Activity in order to provide assurance on the design and effectiveness of the controls established across the Council to manage its most significant risks. This plan should also be aligned with the Council's strategies and goals. ▪ HR provision of assurance on an annual basis <ul style="list-style-type: none"> ▪ An Annual Workforce Controls Report and Quarterly Workforce Dashboards are presented to CLT and to F&R Committee covering the following: <ul style="list-style-type: none"> ▪ the number of Full Time Equivalent (FTE) employees, the type of contract they are employed through and the turnover of new starts and leavers; ▪ trends on absence rates, including the top five reasons for short and long-term absence; ▪ the cost of the pay bill, including the cost associated with new starters and leavers; 	

	<ul style="list-style-type: none"> ▪ insight relating to our performance framework (launched April 2017) including the percentage of annual conversations carried out, the number of Conversation Spotlight workshops carried out and feedback received from our employees who have attended the course; ▪ the number of VERA/VR leavers and associated cumulative budget savings; and the number of redeployees and associated costs.
Requirement of the Council's Framework	4.2.2 Establishing effective KPIs and capacity to generate performance information that allows for the quality of services and projects to be assessed/measured regularly.
Evidence of compliance and links	<p>The Council's performance framework was agreed in August 2018 and is designed to drive a performance culture. This framework is currently being reviewed to ensure all aspects of performance are integrated and enabled with first class systems. This approach builds on:</p> <ul style="list-style-type: none"> ▪ Progress against the delivery of our strategic plans is tracked by a Council-wide performance management framework. A key component of the framework is a well-defined suite of performance indicators which are used to measure success at each level of the strategic framework. Key performance indicators are being established through engagement with service area senior managers as part of the planning and performance framework. Coalition commitments measures are being established through consultation with service areas and elected members and will form part of the performance framework reporting to Senior Management Teams, Corporate Leadership Team and Committees. The <u>performance framework</u> is reviewed annually and performance reporting against the Council's commitments and outcomes forms the basis of the annual report on progress. ▪ Monitoring of performance is done through performance dashboards which 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. ▪ The <u>Annual Performance Overview</u> report was presented to Full Council on 24 August 2017. This report provides an overview of performance covering the key performance indicators linking to benchmarking and citizen's perception as well as progress towards achieving community plan outcomes. This report aims to promote a 'one Council' approach to deliver on corporate, political and Community Planning priorities. ▪ A <u>Performance Dictionary</u> has been developed to provide a brief description and purpose of the City of Edinburgh Council's key performance indicators. ▪ KPI monitoring and measurement is an integral element in the development of a contract and forms a component of the quality score in the tender evaluation process. KPI planning at outset in the tender process ensures the performance of services / projects can be robustly and accurately measured. The successful tenderer is required to ensure provision of adequate monitoring of performance against agreed KPI's, the method of which is detailed within the tender documentation ▪ The Governance, Risk and Best Value Committee was established to take the lead role as the Council's main scrutiny panel. This is convened by a senior opposition member. Both the Chief Executive and the 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. ▪ The Accounts Commission's <u>Best Value Audit Report</u> stated that the Governance, Risk and Best Value Committee 'provides effective scrutiny of the Council's operations and performance.' ▪ 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. ▪ The Council Companies' Hub was established in <u>June 2016</u> to improve officer scrutiny of Council companies, including risks. It clarifies roles and responsibilities, good governance, elected members' duties as councillors and the mitigation of conflicts of interest. ▪ The Annual Assurance schedule issued to all Heads of Service, Executive Directors, Council Companies and Joint Boards includes sections on risk and performance. ▪ When working with partners early consideration is given to risks and the appropriate framework and reporting mechanisms to be used. ▪ The Corporate Risk Team regularly meet with partners to ensure that where shared risks exist these are considered and assigned to appropriate owners. Some examples of these meetings are with representatives from NHS Lothian in relation to the EIJB/EHSCP, representatives from Edinburgh Trams to consider operational risks from the existing tram system, and the tram extension project to consider project and future operational risks.
	Score out of 10: 6

	<ul style="list-style-type: none"> ▪ Reviewing service quality is embedded within the strategic change and delivery programme which covers process review and service improvement. Service areas work in partnership with change teams to identify opportunities for new ways of working. ▪ The Commercial and Procurement Service works with service areas, suppliers and Strategy and Insight to ensure spend and service level, including KPI data, is available to measure performance of the contract during its life and prior to re-tender. This ensures the Council is procuring goods and services which meet its defined needs. This allows us to ensure that the contract is being managed regarding capacity, value for money and delivering savings both financially and in-service efficiencies. Service areas also monitor suppliers to ensure the general T&Cs of the contract are being met and that all sustainable and community benefits are being realised. ▪ As part of the Council's Governance arrangements, regular reviews of project governance and management is carried out on larger projects and recommendations for improvements acted upon. <p>The Integration Joint Board is developing a performance framework and reporting lines as part of its ongoing Governance Review. This will enable the Council to place reliance on the wider IJB framework for elements which sit within the remit of the IJB.</p>	
Requirement of the Council's Framework	4.2.3 Ensuring that budgeting and resource planning is informed by realistic revenue and capital estimates and aims to deliver objectives, strategies and plans in a sustainable manner.	Score out of 10: 7
Evidence of compliance and links	<p>The Council's revenue and capital budget frameworks are underpinned by regular and proactive review of the full range of factors influencing the costs of delivering its services and the resources available to fund them.</p> <ul style="list-style-type: none"> ▪ The Council has an on-going system of review in place with regard to its main expenditure and income drivers. The contents of the revenue budget framework are subject to at-least six-monthly formal reporting, reflecting as appropriate updated grant funding estimates, population and wider demographic projections, inflationary forecasts (including pay awards) and cost impacts of legislative and other changes. The results of <u>the most recent assessment</u> were reported to the Finance and Resources Committee on 5 September 2017. <u>The most recent assessment</u> as reported to the Finance and Resources Committee on 12 June 2018. These assumptions and the effectiveness of the overall approach were favourably assessed as part of the Council's recent <u>Annual Audit Report</u>. ▪ Budget has been balanced for eleven successive years due to a flexible and responsive approach. ▪ Budget reporting is presented regularly to SMTs. monthly to CLT and bi-monthly to F&R. ▪ While, as mentioned at 4.2.2, maintaining financial sustainability remains one of the Council's key on-going challenges, revenue expenditure has been contained within approved levels for eleven successive years without recourse to unallocated reserves which remain at the level set out in its Financial Strategy. ▪ Capital expenditure and income projections are similarly based on up-to-date prudent assessments of likely receipt levels, grant funding, asset condition, Council commitments and priorities and other relevant data. By assisting service areas to develop realistic expenditure plans and promptly identifying instances of potential project delays, the level of expenditure slippage recorded across the programme has been significantly reduced in recent years, comparing very favourably with other authorities and realising savings in loans charge expenditure contributing to addressing wider savings targets. 	
Supporting principle	4.3 Budgeting and financial sustainability	
Requirement of the Council's Framework	4.3.1 Ensuring that the budgeting process and financial strategy are sustainable whilst considering objectives, service priorities, affordability and medium/long-term plans.	Score out of 10: 7
Evidence of compliance and links	<p>The Council has a duty to ensure that its revenue and capital spending plans are prudent, affordable and sustainable whilst supporting the delivery of its priority outcomes. With this in mind, proposals are developed against the backdrop of a longer-term framework, recognising that the need for efficiency, transformation and prioritisation in the Council's services is a recurring one. The Council has also undertaken a strategy of the incorporation within the revenue and capital frameworks of significant resources to address historic underinvestment in the Council's estate and recognising the potential additional revenue liabilities of changes to the estate going forward.</p>	

Strategic

- Progress against the delivery of our strategic plans is tracked by a Council-wide performance management framework, including key financial indicators
- The Council's budget strategy affords relative protection to key service areas and priorities within an overall position that emphasises the need for both revenue and capital expenditure and income to remain in balance over the medium term.
- While recognising the Council's legal responsibility to set a balanced revenue budget for the following financial year by 11 March, both the revenue and capital budget-setting processes adopt a whole-life approach, capturing the expenditure and income implications of approved or proposed actions not just for the following but also subsequent years. In this vein, the approved 2018/23 revenue and capital budget frameworks, in acknowledging historic underinvestment in the corporate estate, include significant additional resources to address this backlog, as well as adopting a more proactive and planned maintenance approach and recognising potential additional revenue liabilities of changes to the estate going forward.
- The Council's capital plan similarly adopts a longer-term timeframe and is informed by explicit consideration of Council priorities, thereby maximising the level and effectiveness of investment available to take forward key initiatives with reference to the principles contained within the Asset Management Strategy and relevant Asset Management Plans.
- In addition to the direct impacts of specific proposals, the long-term financial plan takes account of the wider implications of the Council's activity in such areas as the associated required levels of pay award and on-cost provision, fees and charges income and enabling investment. The framework also recognises that demand for the Council's services mirrors changes in the population as a whole and therefore makes explicit provision for the impact of demographic-led growth in such areas as school education, older people's care and services for those with physical and/or learning disabilities. The framework also reflects the financial impact of future changes such as approved increased employer pension contributions and anticipated changes in grant funding.
- The Council's financial framework incorporates modelling of a number of key income and expenditure variables and, by adopting a four-year timeframe, seeks to provide a contingency against material changes in any of these key factors influencing the overall savings requirement.
- While acknowledging current demands and pressures within its financial planning processes, the Council has also placed an increased emphasis on preventative investment in recent years, with notable successes achieved in term of both improved outcomes and cost savings in the area of home care reablement and looked-after children's services. The Change Strategy recognises the crucial role such a preventative approach will play going forward, forming a key pillar of the Council's future operating model.
- The Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22 describes how a sustainable balanced budget will be delivered in a challenging environment, with increasing demand for services at a time of on-going financial constraint.

Operational

- While work is underway to introduce further integration of the revenue and capital budgets, the process also takes account of the indirect impacts of changes in demand for Council services, such as additional property and school meal costs linked to growth in the number of pupils within the Council's schools.
- The Council's budget framework is underpinned by a comprehensive and regular review of the key factors influencing the Council's need to spend and the likely level of resources available to support that spend over the medium- to longer-term, be it due to demographic trends, inflationary pressures, legislative reform or grant funding or other changes. The results of these assessments are reported to the Council's Leadership Team and the Finance and Resources Committee on an at-least six-monthly basis, allowing the adequacy of the Council's actions to be framed against not just the immediate savings requirement but also the medium-term financial position. This medium-term perspective also informs the assessment of the adequacy and proposed use of the Council's reserves in striking an appropriate balance between meeting specific liabilities as they fall due and supporting required transformation through, for example, spend to save investment or meeting staff release costs to secure recurring employee cost savings.
- An increased focus on workforce controls in recent years has seen modest overall reductions in agency and overtime expenditure but, more fundamentally, the Council has acknowledged that it will need to reduce overall staffing numbers through service redesign and prioritisation if it is to secure financial sustainability going forward.
- The Council has implemented a single workforce dashboard and management information (MI) process to provide the organisation with consistent, regular, and accurate workforce MI/data to facilitate workforce controls, strategic workforce planning, and to measure performance. Reporting has

	<p>now been implemented at the Council, Directorate, and Division/Service level (for certain measures) to provide reliable insight into a range of workforce controls. The recent implementation of workforce dashboards at Directorate level provides regular MI on the monthly variation in Full Time Equivalent (FTE)/costs (by contract type – permanent, Fixed Term Contract (FTC) acting up/secondment and apprentice), and trend analysis to support workforce management controls.</p>	
<p>Principle 4 - Improvement plan</p>	<ul style="list-style-type: none"> ▪ Develop a Council Change plan to provide a 4 year comprehensive strategy to improve services and balance budgets in the context of significant financial pressures. ▪ Review Performance Framework to ensure performance management is imbedded across the organisation and different aspects of council performance are properly imbedded. ▪ Complete the creation of a data warehouse that enables efficient high-quality performance information to be created. ▪ Improve links and further embed CLT in committee reporting process. In autumn 2018 a review of the Council’s operational governance processes will commence. This aims to bring a greater level of transparency, clear accountability and build greater links between committees, CLT and officer management teams. This will include a review of the report template and guidance. ▪ The Council is modelling a range of key expenditure and income assumptions and adopting a four-year timeframe across the period of the framework to increase the robustness of the plans brought forward. 	<p>Responsible officer(s)</p> <p>Strategic Change and Delivery Manager</p> <p>Governance, Democracy and Resilience Manager.</p>

<p>Principle 5</p>	<p>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	
<p>Supporting principle</p>	<p>5.1 Developing the entity’s capacity</p>	
<p>Requirement of the Council’s Framework</p>	<p>5.1.1 Regularly reviewing and improving effectiveness through performance monitoring, benchmarking and other methods to achieve defined outcomes.</p>	<p>Score out of 10: 6</p>
<p>Evidence of compliance and links</p>	<p>The Council’s Performance framework assesses the Council’s performance from a number of different sources including the Local Government Benchmarking Framework, a suite of corporate performance indicators, progress against delivery of the Administration’s 52 commitments and feedback from the Administrations 52 political commitments. The developing Council Change Strategy will build on this to ensure we are reviewing and improving effectiveness.</p> <p>Difficult decisions will undoubtedly be required if investment in delivering the Council’s priority outcomes is to be sustained. All areas of the Council need to contribute to addressing these financial challenges, both to secure sustainability and secure best value in the delivery of its services.</p> <ul style="list-style-type: none"> ▪ Prioritisation is key for the Council in regard to budget and focussing on outcomes. The importance of savings from all areas of Council is essential to meet budget needs and achieve best value. ▪ The Council also considers the findings of all Audit Scotland national reviews. ▪ The <u>Edinburgh Partnership</u> (EP) engages appropriately in all matters relating to communities and working in collaboration to ensure the added value can be achieved. All partners share a single vision for the city that: ‘Edinburgh is a thriving, successful and sustainable capital city in which all forms of 	

	<p>deprivation and inequality are reduced.’ The Edinburgh Partnership provides a useful mechanism to gather partner and community views on service delivery.</p> <ul style="list-style-type: none"> ▪ In line with Scottish Government legislation the Edinburgh Integration Joint Board was formally established in April 2016, with responsibility for planning the future direction and overseeing the integration of health and social care services for the citizens of Edinburgh through the Edinburgh Health and Social Care Partnership. The Integration Joint Board is tasked with delivering its vision for a caring, healthier, safer Edinburgh through taking actions to transform how Council and NHS services and staff teams work together; with other partners; and those who use services and communities. ▪ The Community Safety Partnership is responsible for coordinating a multi-agency response to promote community safety, to reduce reoffending and to tackle antisocial behaviour across the City. Improving community safety and effective reduction in reoffending depends on a complex, multi-agency and multi-sector approach to the delivery of a wide range of both universal and specialist services. This multi-agency approach to community safety has strengthened the locality focus which allows for closer engagement with neighbourhoods. ▪ The newly created Joint Committee to oversee the implementation of the City Deal will create further opportunity for regional collaboration and capacity. 	
<p>Requirement of the Council’s Framework</p>	<p>5.1.2 Developing strategies and plans for the most appropriate model of delivery and allocation of resources to achieve the best possible outcomes.</p>	<p>Score out of 10: 7</p>
<p>Evidence of compliance and links</p>	<p>Form must follow function. The Council has a clear business plan (agreed in 2017) and is building on this through a developing council change strategy that will consider appropriate models of delivery building on the previous transformation programme that created locality functions, centralised and modernised back office functions and created radically more digital models of delivery. A programme of service reviews was completed during the reporting period.</p> <ul style="list-style-type: none"> ▪ The Council’s customer transformation programme has not only created efficiencies but created greater channels for citizens to engage. This is an ongoing evolution but the foundations for a truly digitally enabled council have been laid with 38 transactions now having been made available online. ▪ This includes the development of a process automation programme which seek to build on this approach automating significant numbers of processes to reduce administration time and cost. ▪ The Council has a People Strategy in place, agreed at committee in February 2017. ▪ The council is currently reviewing both its approach to talent and learning development. ▪ The council continues to benchmark its performance through the LGBF. ▪ 4 Locality Committees were established in 2018 to further devolve power to communities. ▪ EDI was the organisation’s ALEO to develop property within the city. The Council reviewed its objectives in terms of property development and changed its approach to ensure the most appropriate and effective form of delivery was being utilised. In <u>February 2017</u> the Council agreed to wind up the company. The projects and assets are to be transferred to the Council. The transition strategy was agreed in <u>September 2017</u>. ▪ Retendering of our recruitment framework to ensure visibility and scrutiny of our temporary resources across the organisation ▪ A review of Supply Teachers completed in June 2017 which included comprehensive engagement with HT & DHT’s to redesign the database (complete data refresh), process and evaluation. ▪ The contract award for the provision of <u>Occupational Health Services and Employee Assisted programme</u> was reported to Committee in the last quarter of 2017. ▪ Benchmarking on health and safety performance is carried out with other Local Authorities in Scotland each year. ▪ The Council’s adoption of participatory budgeting provides an important mechanism to enable communities to identify priorities and make decisions on the allocation of resources to improve the quality of life in the city. This, combined with the participation of communities in the decision-making process for devolved locality budgets, has provided residents with an opportunity to influence the allocation of resources to meet their needs and circumstances. 	
<p>Supporting principle</p>	<p>5.2 Developing the capability of the entity’s leadership and other individuals</p>	

Requirement of the Council's Framework	5.2.1 Ensuring clarity on roles, responsibilities and expectations for members and officers in terms of relationships and decision making.	Score out of 10: 7
Evidence of compliance and links	<p>It is important that all new and existing members and officers are clear on their roles and responsibilities. We have improved our approach to onboarding and induction as this is a critical time in setting members and employees up for success. New elected members take part in a welcome event, are offered an experienced buddy and take part in classroom based essential learning in their first few weeks in office. In relation to employees, we have developed a new candidate portal for new recruits joining the Council and make it easier for them to complete essential learning. We have also created Setting You/Them up for Success Guides and a Welcome Event hosted by the Chief executive and Executive Directors every 4-6 weeks. This helps develop capability early in a new employee's career with the Council. Our new approach to performance focuses on the importance of having clarity conversations with all employees, setting clear goals and a development plan which is reviewed regularly through 1-1 check-ins and annual reviews.</p> <p>All operational governance documentation is subject to review annually and forms part of any review of the political management arrangements.</p> <ul style="list-style-type: none"> ▪ <u>Procedural Standing Orders for Council and Committee Meetings</u> establish procedure for the conduct for such meetings and the decision-making process. ▪ Following the Local Government elections in May 2017 the <u>Governance – operational governance framework</u> was further reviewed (29 June 2017) to meet the aims and aspirations of the newly elected Council. ▪ There has been a reduction of eight to six executive committees and change of committee remits to ensure a more balanced structure. These committees ensure that there is significant business at all committees to ensure a joined-up approach to Council services, allowing sufficient focus and time to the business of the committee. ▪ Committees have the authority to refer reports to other Committees for specific review and scrutiny. This recognises the role and input of each particular committee but nevertheless provides clarity on the decision maker. For example, the Treasury Management report was considered by Finance and Resources (<u>7 November 2017</u>), Council (<u>23 November 2017</u>) and Governance, Risk and Best Value Committee (<u>28 November 2017</u>). ▪ A significant addition to the remit of the executive committees is strategic development. This allows the Local Development Plan and the corporate infrastructure investment programme that comes out of it, to be aligned with housing and economic policies. ▪ There is also additional scrutiny of health and social care issues, recognising the Integration Joint Board's role but also the duties and responsibilities of the Council. ▪ The Governance, Risk and Best Value Committee retained its current cross cutting scrutiny remit within the model and also takes the lead role as the Council's main scrutiny panel. ▪ <u>Committee Terms of Reference and Delegated Functions</u> set out the powers delegated by the City of Edinburgh Council to its committees and sub-committees pursuant to the Local Government (Scotland) Act 1973. ▪ The <u>Scheme of Delegation</u> sets out the powers delegated by the City of Edinburgh Council to officers, pursuant to the <u>Local Government (Scotland) Act 1973</u>. The Scheme facilitates the efficient conduct of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, thereby ensuring that decisions are taken at an appropriate level and ensure sufficient and appropriate scrutiny. Specific reference to the Chief Executive's responsibilities can be found at Paragraph 4.1 ▪ <u>Financial Regulations</u>. The Regulations clearly set out the responsibilities of Executive Directors with regard to budget management and the securing of best value with regard to resources entrusted to them. The Regulations also clarify Elected Members' role with regard to setting the Council's financial strategy and scrutinising the effectiveness of its financial management arrangements ▪ <u>Contract Standing Orders</u> apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services. ▪ The <u>Member-Officer Protocol</u> sets out the roles and responsibilities of Elected Members and Council officers, including the Chief Executive, to ensure clarity when carrying out their respective duties. ▪ A suite of performance indicators is being further developed to measure the <u>Business Plan 2017-2022</u> progress and success at each level of the strategic planning framework. Indicators will be presented via dashboards and will include financial, workforce and customer elements to give a balanced view of performance against outcomes and commitments. Performance will be scrutinised by Elected Members and the Council's Corporate Leadership Team. 	

	<ul style="list-style-type: none"> ▪ The Council Leader was appointed as Convenor of the Corporate Policy and Strategy Committee on <u>22 June 2017</u>. ▪ The leader of the Council undertakes the Chief Executive's performance conversation. ▪ The Council's performance framework for Senior Management Teams and Corporate Leadership Team is reviewed annually and performance reporting against the Council's commitments and outcomes forms the basis of the annual report on progress. The annual review gives Council the opportunity to ensure the outcome-based measures which join up priorities across service areas and partnership continue to be effective. ▪ The Council's <u>New Candidate Portal</u> has been a positive development in our approach to employee onboarding ▪ <u>Setting You</u> and <u>Setting Them</u> up for Success Guides have supported employees and their line managers to improve the induction experience and help employees to develop the capabilities they need early in their employment. ▪ <u>The Performance Framework</u> was co-produced with employees and is designed to support employees and their managers to have engaging and constructive performance conversations. It offers a blend of templates, tools and tips to support our people to be the best they can be. 	
Requirement of the Council's Framework	5.2.2 Developing the capability of members and officers through the encouragement and provision of appropriate training and continued professional development tailored to their respective roles.	Score out of 10: 7
Evidence of compliance and links	<p>Training and development provision for elected members is strong, with regular classroom-based programmes running throughout the year based on feedback from training needs analysis, elected member and officer requests. Training and Development for officers starts with on-boarding and induction, through to essential learning and continuing professional development. There is a blend of classroom-based learning, e-learning, coaching and on-the-job training. Dependent upon job role and statutory requirements, employees are supported and funded to achieve relevant qualifications.</p> <ul style="list-style-type: none"> ▪ Council <u>People Strategy</u> and People Plan was reported to Finance and Resources Committee on <u>23 February 2017</u> and Corporate Policy and Strategy Committee <u>28 March 2017</u>. People strategy updates have been ongoing on priority aspects of our strategic commitments e.g wellbeing, workforce dashboards, policy updates, performance framework and our engagement strategy. ▪ The <u>Open Framework agreement for Learning and Development</u> was reported to F&R Committee in November 2017. The framework will run for 3 years in the first instance and enables the Council to take a more strategic approach to the procurement of learning and development. ▪ A comprehensive induction programme for elected members was developed for implementation following the Scottish Local Government election in May 2017. This is supplemented on an ongoing basis by both regular general and tailored training for elected members. Most recently an Autumn Winter programme of elected member training and development was carried out in October/November 2017 based on the outcome of a training needs analysis exercise. ▪ An Elected Members' Resources section was created on the Orb in preparation for the new Council following the Local Government election in May 2017. A wide range of information is available, including roles and responsibilities, code of conduct, training and development materials, key strategies and policies and city/ward information. ▪ Elected members are provided with ongoing briefings, briefing notes and presentations on topics of relevance. ▪ Regular meetings with conveners and vice conveners (weekly and/or fortnightly), briefings for member groups, 121 meetings on individual projects. ▪ Monthly employee induction events hosted by Chief Executive, Council Leader and Executive Directors. ▪ Launched Essential Learning, Key Policies Handbook to support policy refresher. ▪ Ongoing job specific induction and essential learning across the Council. ▪ The IOSH Leading Safety Course has been rolled out to the Wider Leadership Team in 2018 (one outstanding session). ▪ Work has been ongoing to identify health and safety training needs across the Council. 	
Requirement of the Council's Framework	5.2.3 Ensuring arrangements are in place to consider leadership effectiveness and staff performance.	Score out of 10: 7
Evidence of compliance and links	We continue to invest in leadership development, starting with new leader induction, essential learning for leaders around key Council policies and supporting our leaders to embed our new approach to performance to achieve the cultural change we need to enable the Council to achieve its vision.	

- We have introduced New Leader Induction and essential learning.
- We continue to invest in our Wider Leadership Team (WLT) which meets monthly to work together on key issues and learn from each other and from external speakers. The WLT continue to meet in leadership sets as part of their ongoing leadership development.
- The foundation of our leadership development is the 'Future, Engage, Deliver' approach.
- Our Performance Framework incorporates key elements of looking ahead and looking back performance conversations and giving and receiving feedback throughout the performance year. We have supported our leaders to embed the new approach through Conversation Spotlight workshops which have been delivered throughout 2017/18.
- Under the new Performance Framework all GR1-12 employees are in scope for performance review. The historical PRD process focused on measuring performance for GR5-12 colleagues only (approx. 6,000).
- The overall completion rate was 74% for GR1-12 employees on the 17/18 standard performance cycle April to March. The new framework has increased engagement with the GR1-4 group with a 65% completion rate for these employees in 2018, versus a 12% completion rate in 2017 under the historical PRD approach. The Performance Management framework has at its core the principle of both what employees are delivering as well as the 'how'.
- An update on our employee engagement activity was reported to GRBV in August 2017

Requirement of the Council's Framework

5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.

Score out of 10: 8

Evidence of compliance and links

The wellbeing of our workforce remains a critical area of concern for us. We have continued to see a rise in long term absence, with the majority attributed to long term conditions relating to stress, depression and mental fatigue. Whilst much has been done, we are committed to a renewed focus on this agenda through a combination of revised policies to drive the right culture and behaviour, training to develop skills in our leadership population to support employees with wellbeing issues and knowledge and awareness for our employees. The overarching aim of our approach is one of prevention and engagement with available support.

- Occupational Health and EAP - The Council has procured the services of an Occupational Health provider to ensure we are able to gain independent professional advice to support colleagues with absence, including ill health retirement and reasonable adjustments. There is a focus on mental health and physical conditions whereby colleagues can be referred for early prevention without waiting until the condition is so severe it causes absence.
- We provide a free confidential employee assistance programme for all colleagues who would like confidential advice ranging from bereavement to healthy body healthy mind. This includes trauma counselling and Cognitive Behavioural Therapy.
- As part of our onboarding and induction process for new employees, our Occupational Health provider comes along to our welcome events to promote our Employee Assistance programme
- We have offered weekly Managing Attendance Workshops for Line managers throughout 2017/18.
- Availability of support mechanisms is regularly communicated through manager's newsletter and internal communications.
- Staff Benefits
We provide broadly the same level of benefits as most large employers to meet a range of lifestyles including:-
 - Enhanced annual leave entitlement and a range of special paid and unpaid leave
 - Flexible working options
 - Enhanced Maternity, Paternity, Adoption and Shared Parental Leave provision
 - Childcare Vouchers
 - Ride to Work Scheme
 - Premium Benefits card with access to local discounts and special offers
- Financial

	<ul style="list-style-type: none"> ○ Ethical financial services through a credit union membership including loans, savings and mortgages. ○ Season ticket loans ○ Car benefit scheme - salary sacrifice car lease scheme ○ Local Government Pension Scheme ○ Scottish Teachers' Superannuation Scheme ▪ The <u>Annual Report on Health and Safety Performance</u> was reported to the Finance and Resources Committee in March 2017. Substantial progress was made in 2017 to improve the Council's health and safety performance, building on progress made in previous years. In the past 3 years the Council has achieved a 49% decrease in the number of reportable injuries to employees including a 69% decrease in major/specifies injuries (such as fractures). ▪ A Career Transition Service was put in place at the start of Transformation to support employees through the organisational review process. The service provides: <ul style="list-style-type: none"> ○ help with completing personal profile forms and application forms; ○ interview skills training; ○ 1:1 coaching/career guidance; ○ support for redeployees; and ○ support for Voluntary Redundancy leavers. 	
<p>Principle 5 - Improvement plan</p>	<ul style="list-style-type: none"> ▪ Agree the Council's 4 year Change Strategy alongside the Budget in March 2019 ▪ We have reviewed our approach to leadership development, set up a leadership learning group which includes front line colleagues and managers, led by the Head of Customer and IT; we are investing in growing our coaching capability and our leadership development offering- Leadership in a Box. We will evaluate this as we go. ▪ We have been researching best practice in talent management and will be launching our new approach to talent in 2018/19 ▪ We are embedding our new approach to performance and are currently reviewing the performance framework as set out in the original approach to ensure it is as integrated as possible. ▪ continue to evaluate and improve our approach through employee engagement activities such as focus groups and our colleague opinion survey. We continue to offer 5 Conversation Spotlight workshops each month for our leaders. ▪ A wellbeing workshop is being developed taking a holistic approach starting with line manager awareness and focusing on supportive conversations. This will include mental health awareness and enable managers to arrange the right support or guide the employee to engage in the support available. ▪ On 1 Oct 2018 the new absence management policy will go live, promoting wellbeing and early prevention. This policy is less punitive and more supportive to help colleagues engage more with their wellbeing and ability to be at work fit and healthy. ▪ To make the remaining 11 out of 21 top transactions available online. 	<p>Responsible officer(s)</p> <p>Strategic Change and Delivery Manager Head of Human Resources Resourcing and Talent Manager</p>

<p>Principle 6</p>	<p>Managing risks and performance through robust internal control and strong public financial management</p>
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Supporting principle	6.1 Managing risk	
Requirement of the Council's Framework	6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation.	Score out of 10: 6
Evidence of compliance and links	<p>The Council has a risk management framework in place which is used to manage risk across the council. The framework consists of an Enterprise Risk Management Policy, Risk Appetite Statement, procedures, structures and software. In addition, Council policies and decisions include appropriate consideration of risk. The framework is proportionate and appropriate for the Council, and is reviewed and updated on an ongoing basis. Education and training activities take place to ensure knowledge and understanding of risk management is cascaded, that managing risk is part of managing the organisation, and that we all have a role to play in managing risk. The Corporate Risk Team work closely with central business functions (including Internal Audit), Directorates and Services to ensure that risk is managed, reported and escalated in accordance with the Enterprise Risk Management Policy.</p> <ul style="list-style-type: none"> ▪ The Council has a risk management framework which consists of a Policy, Risk Appetite Statement, procedures and tools. ▪ Risk Management is included in New Leaders' Induction events to emphasise the importance and relevance of risk management to all managers, and what is expected of them within their teams. ▪ The Corporate Risk Team work alongside Directorates and Services to provide training, run risk management workshops and provide advice to ensure risk management is fully embedded across the Council. ▪ Quarterly Risk and Assurance Committees in each Directorate and the CLT are chaired by the Chief Risk Officer (CRO) to maintain a consistent approach and ensure that the importance of risk management in the decision-making process is understood by all. One session has also been provided on health and safety responsibilities by Corporate Health and Safety. ▪ The Chief Risk Officer and Chief Internal Auditor have provided three training sessions to Elected Members which have highlighted the importance of risk management to the decision-making process. ▪ There is an enterprise risk management framework in place which is described in the Enterprise Risk Management Policy (publicly available) while the Risk Management Procedure is for internal use. Both documents are reviewed annually. An updated Policy and Risk Appetite Statement was approved by Corporate Policy and Strategy Committee on 7 August 2018. ▪ The framework provides for the identification, recording, management and reporting of risks through Risk and Assurance Committees and Risk Management Groups in each Directorate. ▪ Risk Management Groups focus on operational risk within teams and ensure that knowledge and understanding is cascaded appropriately throughout the organisation. ▪ Risks are escalated in accordance with the Policy from Service Teams, through Directorate then CLT Risk Registers. ▪ The Governance, Risk and Best Value Committee scrutinises the top risks on a quarterly basis. ▪ An internal audit of the risk management function was carried out in November 2016. There were no 'high' findings. All actions identified are scheduled for closure within the agreed timelines. ▪ The most recent Annual Audit Report from Scott Moncrieff noted "Overall, we were satisfied that risk management arrangements appear to be embedded across the organisation". ▪ The Internal Audit team consider the Council's top risks when developing the Internal Audit Plan. ▪ Internal audits may raise new risks which are then managed in accordance with the Policy. ▪ The Corporate Risk Team may, through the course of their work, identify issues which may be appropriate for Internal Audit to consider. ▪ The Corporate Risk Team are working alongside the Change Delivery Team to ensure that major projects and programmes have effective risk management arrangements in place. This work includes establishing standardised performance reporting mechanisms and risk management information. ▪ The Risk Management Procedure document describes how Risk Owners are identified for each risk. ▪ Risk Owners ensure the risk is managed, and monitor progress against planned actions. The Procedure also describes how Action Owners may be allocated to carry out elements of the response, including using insurance where appropriate. ▪ The Council won an award for the Schools Self-assurance framework in 2018. 	

Supporting principle	6.2 Robust internal control	
Requirement of the Council's Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.	Score out of 10: 5
<p>Evidence of compliance and links</p> <p>The three lines of defence model is operated across the Council:</p> <ul style="list-style-type: none"> the first line – Service Areas that own and manage risk; the second line – teams that oversee or specialise in risk management and developing frameworks and policies, for example, Information Governance; Strategic Change and Delivery; Risk Management; and Corporate Health and Safety; and the third line – teams that provide independent assurance, above all internal audit. 	<p>In 2017/18 it was identified that a number of historic management actions to address Internal Audit findings raised had either not been implemented, or were implemented but had not been sustained, resulting in a total of 30 historic IA findings being reopened and tracked as overdue. This was discussed at GRBV in May 2018, and the Council's <u>response</u> to the GRBV decision taken in May was presented to the June GRBV Committee meeting. Additionally, a number of current agreed management actions continue not to achieve their agreed implementation dates.</p> <ul style="list-style-type: none"> The <u>Enterprise Risk Management Policy</u> describes how risk management aligns with the achievement of objectives, while the <u>Risk Management Procedure</u> describes how the policy is carried out in practice. Assurance on the adequacy and effectiveness of controls in place to mitigate the most significant risks faced by the Council is delivered via completion of the annual Internal Audit Plan. The 2017/18 plan can be located at: <u>Internal Audit Annual Plan 2017/18</u> An Internal Audit report is produced at the end of each audit which details the control weaknesses identified and the associated residual risks. Actions are agreed with Service Area Management to ensure that these weaknesses are remediated, and implementation dates for completion of management actions are agreed. Implementation progress is monitored and the actions are implemented and verified prior to closing Audit recommendations. Overdue recommendations are reported monthly to the Corporate Leadership Team (CLT) and quarterly to the Council's Governance, Risk and Best Value Committee. The latest report provided to the Governance, Risk and Best Value Committee can be found at: <u>Internal Audit - Overdue Findings and Late Management Responses - GRBV June 2018</u> An internal audit of the risk management function was carried out in November 2016. There were no 'high' findings. The <u>Annual Audit Report 2016-17</u> from Scott Moncrieff noted "Overall, we were satisfied that risk management arrangements appear to be embedded across the organisation". Wide range of internal and external counter fraud activities, including Council Tax, Benefits, parking, school placement and national fraud initiative work The Council's Chief Internal Auditor is required (per Public Sector Internal Audit Standards) to provide an independent and objective annual opinion on the adequacy and effectiveness of the Council's control environment and governance and risk management frameworks. The opinion is provided to the Governance, Risk, and Best Value Committee and should also be used to inform the Council's Annual Governance Statement. The <u>Member/Officer Protocol (2016)</u> sets out the roles and responsibilities of Elected Members and Council officers, including the Chief Executive, to ensure clarity when carrying out their respective duties. <u>Councillors' Code of Conduct – Standards Commission</u> - the standards councillors must apply when undertaking their Council duties. <u>Anti-bribery policy</u> – introduced in 2012 to strengthen existing anti-corruption measures and to meet the requirements of the Bribery Act 2010. <u>Published Register of Elected Members' Interests and Expenses</u> – as required by the Standards Commission. <u>Policy on Fraud Prevention</u> – introduced in 2013 and contains preventative and control measures designed to reduce the risks to the Council from fraud and fraudulent activity. Anti-bribery Policy and Fraud Prevention Policy are essential learning for all Council employees, with e-learning modules available. The Council's Monitoring Officer will investigate serious allegations of fraud, corruption or maladministration and report findings and recommendations to full Council. The Council's <u>Whistleblowing Policy</u> mandates an independent service provider with authority to decide on the categorising of disclosures and investigations, with investigation outcomes reported quarterly to the Governance, Risk and Best Value Committee. Contract Standing Orders (June 2018) – regularly updated essential legal and operational rules for all Council staff to follow when procuring a contract, including escalation processes to Legal and Risk, ensuring that all procurements meet strategic objectives of the Council and achieve best value. 	

	<ul style="list-style-type: none"> There are also a number of additional third line of defence assurance providers who assess the adequacy and effectiveness of the Council's controls in addition to Internal Audit. These include (for example) External Audit (who assess the adequacy and effectiveness of the Council's key financial controls and audit the financial statements); The Care Inspectorate; the Scottish Housing Regulator; the Health and Safety Executive; and the Information Commissioners Office. 	
Requirement of the Council's Framework	6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	Score out of 10: 6
Evidence of compliance and links	<p>During 2017/18, Internal Audit did not conform with the requirements of the Public Sector Internal Audit Standards for the following reasons:</p> <ul style="list-style-type: none"> There has been insufficient follow-up of Internal Audit findings between April 2015 and October 2017 to monitor and ensure that management actions have been effectively implemented; and Long term sickness absence and recruitment challenges within the Internal Audit team has impacted completion of the two internal quality assurance reviews included in the 2017/18 Internal Audit annual plan to ensure consistency of audit quality. This non conformance has been reflected in the Council's 2017/18 annual Internal Audit opinion reported to the GRBV in July 2018. The <u>Internal Audit Plan</u> is driven by the Council's organisational objectives and priorities, and the risks that may prevent the Council from meeting those objectives. The Governance, Risk and Best Value (GRBV) Committee's remit includes agreeing internal audit plans and ensuring internal audit work is properly planned with due regard to risk, materiality and coverage. The Council's 2018/19 Internal Audit Plan was approved by the Governance, Risk and Best Value Committee in March 2018 <u>Internal Audit Plan 2018 - 19</u> The work of Internal Audit informs the annual Governance Statement. Annual Assurance Exercise – seeks assurance from executive directors, heads of service, significant Council companies and joint boards over a wide range of controls and requirements which is then certified by the responsible executive director/chief officer to inform the drafting of the Annual Governance Statement. The Council's risk management framework is continuously reviewed and improvements are implemented as appropriate. The Council's Risk Appetite Statement and Enterprise Risk Management Policy were agreed by GRBV in August 2018. Where risk management and/or governance frameworks are considered as either high or medium risk in the context of individual audit reviews, these areas will be included in scope. 	
Requirement of the Council's Framework	6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon.	Score out of 10: 8
Evidence of compliance and links	<p>The Council has a strong, independent audit committee which is chaired by an opposition elected member. The Council's GRBV committee is independent as the Council's main scrutiny committee as well as its audit committee. It is linked with the Council's decision-making bodies, having a relationship that both supports and challenges the services under the oversight of the executive committees. However, the Committee has the power to act on its own accord with no need for executive committee permission and its power to call any elected member or officer to the committee provides it the ability to effectively scrutinise. There is a history of scrutinising difficult areas for the Council including shared repairs and Cameron House. It has also improved governance across the Council by driving change such as policy review.</p> <ul style="list-style-type: none"> <u>The Accounts Commission Best Value Audit Report</u> stated that the Governance, Risk and Best Value Committee 'provides effective scrutiny of the Council's operations and performance.' <u>Committee Terms of Reference and Delegated Functions</u> require the Governance, Risk and Best Value Committee to be convened by a senior opposition member. Both the Chief Executive and the 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. 	

	<ul style="list-style-type: none"> ▪ The Committee has a role in the Council’s governance framework for its companies, scrutinising their past performance on an annual basis. ▪ The Committee receives quarterly and annual whistleblowing monitoring reports, including investigation outcomes and proposed management actions, and will in future monitor the implementation of management actions. The Council’s independent whistleblowing service provider has direct access to the committee on request and the committee can request sight of full investigation reports and call on investigating officers and council officers to attend its meetings in private session to account for their actions. ▪ 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. ▪ GRBV also reviews and performs scrutiny on the CLT risk register; monitors progress with delivery of the Internal Audit Plan; and scrutinises all Internal Audit reports.
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Supporting principle	6.3 Managing data	
Requirement of the Council’s Framework	6.3.1 Ensuring that data is properly managed, accurate and of a good quality.	Score out of 10: 6

Evidence of compliance and links	<p>The Council has a strong centralised Information Governance Unit that monitors and assesses compliance with its statutory obligations under information governance legislation. As processes mature and training and awareness reach more staff there has been a significant increase in activity, particularly in relation to breach reporting. This increase reflects the fact that the Council is better at identifying issues when they occur and taking appropriate action to mitigate impact and reduce reoccurrence.</p> <p>This year has been dominated by the coming into force of the EU General Data Protection Regulation and the UK Data Protection Act 2018. A significant compliance project was undertaken to provide a gap analysis across all Council service areas. This resulted in 94 reports, covering all Council functions, providing a current assessment of compliance and identifying information risks e.g. shadow IT systems. A number of recommendations were made as part of the analysis and validation work is currently underway to ensure that these are implemented as fully as possible.</p> <ul style="list-style-type: none"> ▪ The Council’s <u>Information Governance Policies</u> set out the Council’s approach to the collection, storage, use, sharing and security of information, including employee roles and responsibilities. Policies are supported by an information governance framework consisting of detailed <u>guidance, procedures</u> and mandatory training for all employees. The framework is promoted through an annual communications plan which includes various awareness raising initiatives and training events. ▪ The Information Governance Unit maintains a Council-wide <u>Record of Processing</u> which documents why and how personal data is processed by the Council. How the Council manages personal data is also explained within the Council’s <u>Privacy Notice</u>. ▪ Procedures to review and comment upon <u>information sharing agreements</u> and <u>personal data collection and use</u> are also in place within the organisation. Data Protection Impact Assessments are carried out when new processes for handling personal data are introduced, or existing ones updated. This ensure compliance with all data protection principles. ▪ Standard information governance related terms and conditions have been added to all new Council contracts. ▪ The <u>Employee Code of Conduct</u> gives clear guidance for employees in the use of Council Assets, Systems and Information. ▪ <u>Policy on Fraud Prevention</u> aims to uphold the highest standard of conduct and ethics in all areas of the Council's work. ▪ The <u>ICT Acceptable Use Policy</u> gives clear guidance on effective use of technology, providing opportunities to communicate and interact internally, with partners and with the public. The Policy outlines the standards of conduct that are required of staff when using all electronic communications and systems. ▪ Senior Management Teams regularly monitor performance of their services as part of the Council’s Performance Framework. A key element of this involves senior officers analysing the performance data in advance of the performance discussion to identify areas of good practice and areas for improvement. The quality and accuracy of the data is assessed at this point to ensure that the performance information is robust. ▪ Data quality is also reviewed and audited as part of statutory returns (for example Local Government Benchmarking Framework, Children’s Social Work Services returns) to ensure performance information is robust and accurate.
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	<ul style="list-style-type: none"> Established management information data and reporting supports service managers with their operational decision making and allows for comparisons and trends over time to be analysed with confidence. 	
Supporting principle	6.4 Strong public financial management	
Requirement of the Council's Framework	6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.	Score out of 10: 7
Evidence of compliance and links	<p>The Council operates a tiered framework of financial planning and control, with regular updates provided to Senior Management Teams, the Council Leadership Team and elected members. There are, however, opportunities to improve transparency in financial reporting and improvements to the internal control framework are also required to provide increased assurance as to their effectiveness.</p> <ul style="list-style-type: none"> The Council Performance Framework forms part of the annual budget setting process to ensure the Council aligns its performance and planning with its budgets. This also provides an annual opportunity to review and refine the approach to performance management. The Council's Financial Regulations set out the responsibilities of Executive Directors in managing their respective budgets within approved levels. To this end, Finance staff work closely with service managers in supporting the development and delivery of robust savings measures, as well as providing timely advice facilitating the management of risks and pressures and, where necessary, highlighting issues where a service- or Council-wide response may be required. Given the constraints under which all service areas are necessarily working, the role of Finance staff continues to combine the functions of support and challenge, with an increasing emphasis upon informing decisions about the relative prioritisation afforded to services as a route towards longer-term sustainability. Within the constraint of limited resource availability, as noted in a number of previous sections, the Council's medium-term financial strategy and budget framework seek to strike an appropriate balance between reflecting the Council's commitments whilst maximising the availability and proactive use of resources to support delivery of key outcomes, acknowledging the risks to which the Council is exposed and its maturity in addressing these risks. 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. 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 more volatile areas, allowing available staffing resource to support a range of key initiatives within the Council. The Council's internal control framework was examined as part of the 2016/17 Annual Audit process and assessed to be well-designed and effective in supporting the Council's wider governance framework. As part of the wider new elected member induction process, the Finance function has supported improving the financial literacy of members through the provision of dedicated, well-attended sessions on financial statements, financial planning and treasury management. Officers are also assigned to work with each political group in developing its budget proposals and advising on wider financial matters. 	
Principle 6 - Improvement plan	<ul style="list-style-type: none"> Refresh of Information Governance Policies and further development of the Council's Information Governance Framework to support services. Establishment of an Information Board to facilitate better information management. Vary all existing Council contracts to ensure they have adequate clauses on information governance obligations. Information Governance Maturity Assessment to highlight information risks and future work priorities. 	<p>Responsible officer(s)</p> <p>Information Governance Manager</p>

Principle 7	Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
Supporting principle	7.1 Implementing good practice in transparency	
Requirement of the Council's Framework	7.1.1 Writing and communicating reports to the public and other stakeholders in a transparent manner which facilitates accountability and accessibility.	Score out of 10: 7
Evidence of compliance and links	<p>The Council's reports have a strong focus on decision making and the information required to make those decisions. The information is often lengthy, covering a wide range of options and consequences and helps ensure that the information is comprehensive, supports decision making and covers legislative requirements. However, there is a need to improve the quality of reports to ensure they are succinct but still provide all relevant information. Reports are not consistent and often the data and information contained in reports is not easily benchmarked from year to year or across external partners.</p> <p>Access to reports is good with a robust focus on ensuring private reports are kept to a minimum and thus most decision making is done in public.</p> <ul style="list-style-type: none"> ▪ The Council meets all obligations outlined in the Local Government (Access to Information Act) 1985. ▪ The Council's procedural standing orders ensure compliance with requirements outlined in the Local Government (Access to Information Act) 1985. ▪ Council minutes are concise and provide all necessary information as required by the Local Government (Scotland) Act 1973. ▪ Training on the Access to Information Act is provided for key officers and elected members as part of the Governance Framework Training Session. ▪ All Council and Committee reports and decisions are recorded and are available on the CEC website via Council papers online (since May 2003). ▪ Webcasting of Council and major committee meetings – webcasts available for 5 years online and then by request via the Council archive. ▪ New report templates and guidance are routinely introduced, the latest of which was in September 2017. This stresses the importance of using plain English and includes standard sections including an executive summary. 	
Supporting principle	7.2 Implementing good practices in reporting	
Requirement of the Council's Framework	7.2.1 Elected member and senior management owned annual reporting on performance, best value and resource stewardship.	Score out of 10 7
Evidence of compliance and links	<p>As part of the Council's annual performance framework performance is submitted to all executive committees. In addition a full council annual performance report is submitted to CP&S each year. The overall framework and business plan is also published annually. Finally, there is a significant change project to improve the quality and automation of our performance reporting.</p> <ul style="list-style-type: none"> ▪ Annual 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. This report also includes annual analysis of performance against Local Government Benchmarking Framework indicators. ▪ Annual publication of performance against Community Plan indicators and targets. ▪ Annual performance report on the Integration Joint Board (IJB) including 23 National Indicators and progress report of its strategic direction to IJB. ▪ Annual submission to Local Government Benchmarking Framework on various performance indicators including indicators relating to value for money and stewardship of resources. ▪ Annual submission to Scottish Public Services Ombudsman of Council complaints. ▪ Various thematic annual submissions to stakeholders e.g. Education returns, Scottish Social Housing Charter Indicators, financial submission to Scottish Government etc. 	

	<ul style="list-style-type: none"> ▪ Results of Edinburgh People Survey are reported and acted upon. ▪ Regular performance discussion within service areas on operational performance. ▪ Regular CLT performance meeting discussing service level performance. Senior Managers accountable for their area performance providing comments for indicators along with service improvements. ▪ Six monthly reporting to elected members on coalition commitments to give Council Leaders/Conveners opportunity to discuss the progress in achieving milestones and performance measures. ▪ The Council's Strategy and Performance website provides an overview of all Council strategies and reports against progress and performance. The website includes council wide performance reports as well as financial and benchmarking information. ▪ Edinburgh by Numbers is an infographic report led by Strategy and Insight with collection of city facts and figures for people who do business here. ▪ Various thematic reports e.g. on Educational Attainment are available to access online. ▪ The Council publishes performance information regularly to inform our customers and stakeholders about progress towards delivery of strategic aims and outcomes. This demonstrates our ability to be transparent and accountable and our commitment to seeking continuous improvement. 	
Requirement of the Council's Framework	7.2.2 Ensuring that robust arrangements for assessing compliance with CG Framework principles, publishing results and improvement actions are in place for the Council and jointly managed services.	Score out of 10: 5
Evidence of compliance and links	<p>Assessing compliance with the Corporate Governance Framework in 2016/17 highlighted many areas where improvement was required in the process for collecting the data. A review took place which identified weaknesses and identified improvement actions to ensure the CGF is a more effective tool in improving processes and practices across the council.</p> <ul style="list-style-type: none"> ▪ A Corporate Governance Framework Self-Assessment Exercise, following the Cipfa/SOLACE recommended format, is undertaken annually and submitted in full to the GRBV Committee. ▪ The self-assessment for the period 1 April 2016 - 31 March 2017 was reported to the GRBV Committee on 28 November 2017. ▪ A comprehensive review was undertaken and resulted in a revision of evidence requirements and realignment of the timetabling of processes to allow for synergies with the annual assurance exercise and the production of the Council's Governance Statement. 	
Requirement of the Council's Framework	7.2.3 Ensuring that performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.	Score out of 10: 8
	<p>The Council adopts a number of means to improve the transparency of its financial affairs, including relevant commentary in its Annual Accounts, production of the annual Key Facts and Figures publication and supplementary information to accompany the issuing of Council Tax bills.</p> <ul style="list-style-type: none"> • The Council's financial statements have been prepared by the statutory deadline and without subsequent qualification every year since 1997/98. • The financial statements are accompanied by a management commentary that includes a range of key financial performance indicators, prepared in accordance with professional standards and with prior-year comparator and background information. The Council also actively participates in the Local Government Benchmarking Framework and other performance improvement networks to examine opportunities to adopt and share best practice with other local authorities and public-sector bodies. • The Council additionally prepares an annual Key Facts and Figures document that provides, in an accessible format, details of its revenue and capital budgets and associated key activities. 	
Supporting principle	7.3 Assurance and effective accountability	
Requirement of the Council's Framework	7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	Score out of 10 6

Evidence of compliance and links	<p>Partnership working is generally clear with robust arrangements for decision making and where accountability lies. Health and Social Care has different arrangements from the rest of the council through the IJB and we are working within a legislative framework. The IJB are currently reviewing their governance to ensure it is fit for purpose.</p> <ul style="list-style-type: none"> ▪ Arrangements for scrutiny and accountability for services directed by the IJB were agreed in the scheme in May 2016. There is a need, however, to further clarify roles and responsibilities within the complex accountability arrangements of the IJB. EIJ, CEC and NHS Lothian all have duties and responsibilities out of the creation of the IJB. ▪ Council Companies' Hub established in June 2016 to improve the officer scrutiny of Council companies. It clarifies roles and responsibilities, good governance, elected members duties as councillors and the mitigation of conflicts of interest. ▪ Annual performance reporting by Council Companies to the responsible Executive Committee and GRBV has commenced, with development of a reporting template and guidance out for consultation ▪ The Council's Chief Executive holds regular one to one meetings with Chief Executives of the Council's key ALEOs. ▪ Neighbourhood Partnership, partnership working at Committee but decisions are delegated as per the requirements of the Local Government (Scotland) Act 1973 to the Locality Manager. ▪ 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. ▪ The Edinburgh Partnership 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 Governance of the Edinburgh Partnership is currently being reviewed and will be in place by early 2019 to ensure successful delivery of the Approved Locality Outcome Improvement Plan. ▪ The Community Empowerment (Scotland) Act received Royal Assent in 2015 and sets out duties for public bodies in relation to community planning. In response, the Edinburgh Partnership is undertaking a review and consultation of community planning governance arrangements, together with the development of a new Local Outcome Improvement Plan and Locality Improvement Plans, to ensure the planning and partnership working arrangements in the city meet the legislative requirements set out in the Act. 	
Requirement of the Council's Framework	7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3 rd party service delivery and that this is reflected in the annual governance statement.	Score out of 10: 7
Evidence of compliance and links	<p>Third party or supplier management risk is a consistent theme that is reflected in a number of specific risks included in the CLT risk register, and will be covered by a number of audits included in the 2018/19 Internal Audit annual plan, for example: Compliance with IR35 and Right to Work Requirements; CGI sub-contract management; CGI Change Management; Supplier Management Framework; and Tram Extension.</p> <ul style="list-style-type: none"> ▪ Audit applies a standard methodology to all work performed that is aligned with the requirements of the Public Sector Internal Audit Standards (PSIAS). These can be found at Public Sector Internal Audit Standards. ▪ We also perform an internal quality assurance exercise and are subject to an independent quality assurance check (performed every three years) by another local authority. We also apply key performance indicators, and progress against these is reported to the Governance, Risk and Best Value Committee twice per year. These measures ensure the ongoing quality and effectiveness of Internal Audit. ▪ Internal Audit has an independent reporting line to the Governance, Risk and Best Value Committee. The Chief Internal Auditor meets with the convenor and vice-convenor of the committee at least quarterly, and more frequently if required. ▪ Implementation of audit recommendations is monitored with validation performed to confirm that controls gaps have been addressed prior to closure. All overdue recommendations (those that have not achieved their initial implementation date) are reported monthly to the Council's Corporate Leadership Team and quarterly to the Governance, Risk and Best Value Committee. The latest report is located at Latest GRBV Report 26 September 2017. 	

	<ul style="list-style-type: none"> ▪ Council Companies Hub established in June 2016 to improve the officer scrutiny of Council companies. It clarifies roles and responsibilities, good governance, elected members duties as councillors and the mitigation of conflicts of interest. ▪ 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 – June 2017. ▪ Annual reporting by Council Companies to the responsible Executive Committee and the Governance, Risk and Best Value Committee. 	
Requirement of the Council's Framework	7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.	Score out of 10: 4
Evidence of compliance and links	<p>In 2017/18 it was identified that a number of historic management actions to address Internal Audit findings raised had either not been implemented, or were implemented but had not been sustained, resulting in a total of 30 historic IA findings being re-opened, and tracked as overdue. This was discussed at GRBV in May 2018, and the Council's response to the GRBV decision taken in May was presented to the June GRBV Committee meeting. Response to GRBV decision on Historic Internal Audit Findings Additionally, a number of current agreed management actions continue not to achieve their agreed implementation dates.</p> <ul style="list-style-type: none"> ▪ Implementation of agreed management actions to support closure of Internal Audit findings raised is monitored with validation performed to confirm that controls gaps have been addressed prior to closure. All overdue agreed management actions and findings (those that have not achieved their initial implementation date) are reported monthly to the Council's Corporate Leadership Team and quarterly to the Governance, Risk and Best Value Committee. The latest report is located at Internal Audit - Overdue Findings and Late Management Responses June 2018 ▪ 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 – June 2017. ▪ The Council's Strategy & Insight service along with Finance lead on the Annual Audit report of Council services to support statutory duties and use external scrutiny to ensure services benchmark with their peers. The Audit Report is scrutinised by the Governance, Risk and Best Value Committee and an improvement plan is developed to ensure actions identified in the report are act on. ▪ Local Area Network (LAN), comprising representatives of all the scrutiny bodies who engage with the councils, draws scrutiny activity for each council in Scotland. Edinburgh is part of the scrutiny activity which is based on the shared risk assessment. Improvement actions from each inspection are implemented and progress reported regularly to senior managers and relevant Committees. ▪ An annual validation audit is also included in the IA plan. This confirms that controls to address historic controls gaps have been implemented and sustained. 	
Principle 7 - Improvement plan	7.2.2 <ul style="list-style-type: none"> ▪ Lessons learned were actioned from this exercise and a new template and procedure were agreed following elected member and officer workshops. ▪ A session was scheduled for April 2018 with senior Council stakeholders to facilitate holistic population and provide additional peer-scrutiny to submissions. ▪ Governance, Risk and Best Value Committee reporting will be reformatted to focus on improvement actions and their monitoring. <ul style="list-style-type: none"> • With the current Edinburgh Partnership Plan due for completion in 2018 a new LOIP, taking account of the legal requirements set out in the Community Empowerment (Scotland) Act 2015. This work is scheduled for completion in Autumn 2018 has been agreed. • The council is working with Scottish Government on their Local Governance Review • At the June Governance, Risk, and Best Value Committee, an action plan was presented in response to the GRBV decision on historic management actions taken in May. Response to GRBV Decision on Historic Internal Audit Findings • A revised set of Internal Audit Key Performance Indicators will be taken to GRBV in January. 	Responsible officer(s) Governance & Resilience Senior Manager Strategy Manager (Communities) Chief Internal Auditor Democracy, Governance and Resilience Manager Chief Officer IJB

- A review of the report template and guidance is to be conducted.
- IJB currently undertaking a governance review.

Governance, Risk and Best Value Committee

10.00am, Tuesday 27 November 2018

Change Portfolio

Item number	7.5
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

To report on the status of the Council's Portfolio of significant projects.

Change Portfolio

1. Recommendations

That the Committee note:

- 1.1 the dashboard containing the status of projects within the portfolio as at the end of October in Appendix 1; and,
- 1.2 those projects which are currently assessed as Red and their supporting narrative and remedial action being taken also in Appendix 1.

2. Background

- 2.1 This report forms part of the regular six-monthly report to Governance Risk and Best Value Committee to give members an oversight of delivery and risk of the Council Portfolio of change.
- 2.2 Since our last report in June 2018 the Corporate Leadership Team Change Board has continued to meet monthly to monitor the overall shape and size of the portfolio; manage resource allocation; track project delivery and that benefits are delivered.

3. Main report

- 3.1 The role of the Delivery Unit includes overseeing a portfolio approach to delivery. This encompasses consistency in the management of change through the implementation of best practice activities including business case development. And ongoing prioritisation to ensure projects continue to meet the strategic objectives of the Council and to direct resources to our priority areas.
- 3.2 Thereafter the Delivery Unit oversees the ongoing delivery of projects through to completion through enhanced governance and standards. This discipline includes providing dashboard reporting to the monthly Change Board chaired by the Chief Executive, and to the Governance, Risk and Best Value Committee every six months.
- 3.3 The monthly dashboard in Appendix 1 sets out the current status of the portfolio as at the end of October.
- 3.4 In January, Internal Audit issued a report on how the Council manages Projects, Programmes and Benefits Realisation. Work is well underway to develop and

enhance good project and programme delivery practices across the organisation. To date 10 internal audit actions have been closed, we are in active dialogue with Internal Audit around closing 4 actions and there are further 2 actions which are not yet due.

4. Measures of success

- 4.1 Success will be based on how well the Delivery Unit and Portfolio dashboard support the council to manage and monitor change, and ensure delivery of strategic objectives and coalition commitments. In doing so, we aim to ensure that the right projects are taken forward at the right time.

5. Financial impact

- 5.1 The financial impacts of significant change will also be reported through the revenue and capital monitoring process. The purpose of the pack is to give a holistic overview of all the change activity in the council so we can direct finances accordingly.

6. Risk, policy, compliance and governance impact

- 6.1 The Change Board ensure greater transparency in decision making, management of risk, prompts remedial action, and provide assurance around the delivery of change.

7. Equalities impact

- 7.1 Equalities impact assessments are carried out within individual projects led by the Senior Responsible Officer (SRO). They are addressed in separate reports to Council or Committee.

8. Sustainability impact

- 8.1 Sustainability impact assessments are carried out within individual projects led by the SRO. They are addressed in separate reports to Council or Committee.

9. Consultation and engagement

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

10. Background reading/external references

10.1 [Change Portfolio June 2018](#)

10.2 [Internal Audit Update Report 1 January to 31 July 2018](#)

Andrew Kerr

Chief Executive

Gillie Severin, Strategic Change and Delivery Manager

E-mail: gillie.severin@edinburgh.gov.uk | Tel: 0131 469 3042

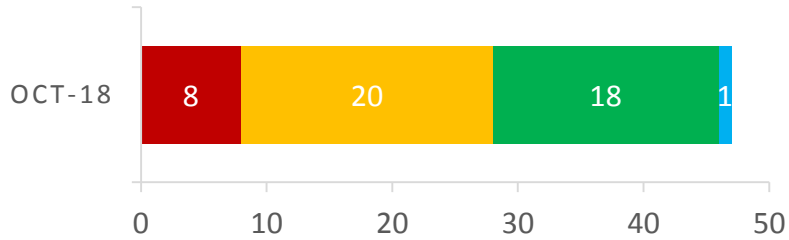
Simone Hislop, Change Manager

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

11. Appendix

Appendix 1 Portfolio Dashboard as at the end of October.

PORTFOLIO RAG STATUS



MOVEMENTS IN THE PORTFOLIO IN THIS CYCLE

GDPR	Completed :and now managed within Risk Framework
2050 City Vision	Moved to Business As Usual
Edinburgh Partnership Review and Consultation of Governance & Partnership	Completed and managed through Business as usual
Edinburgh Partnership Community Plan LOIP	Completed and managed through Business as usual
Fountainbridge	Joins the Portfolio as a new project

PROJECTS REPORTING RED

Facilities Management Transformation – Asset Management Strategy

Estate Rationalisation – Asset Management Strategy

Travel Demand

Edinburgh Leisure : Sports Facilities in Schools

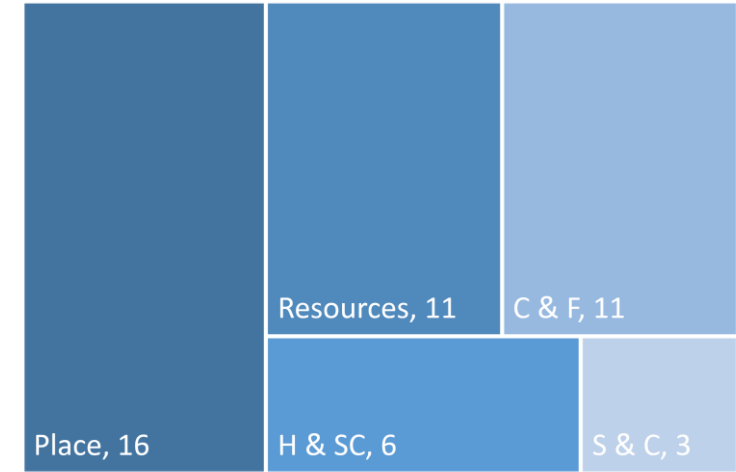
Building Standards Improvement

Reablement and Homecare Efficiency – Health and Social Care

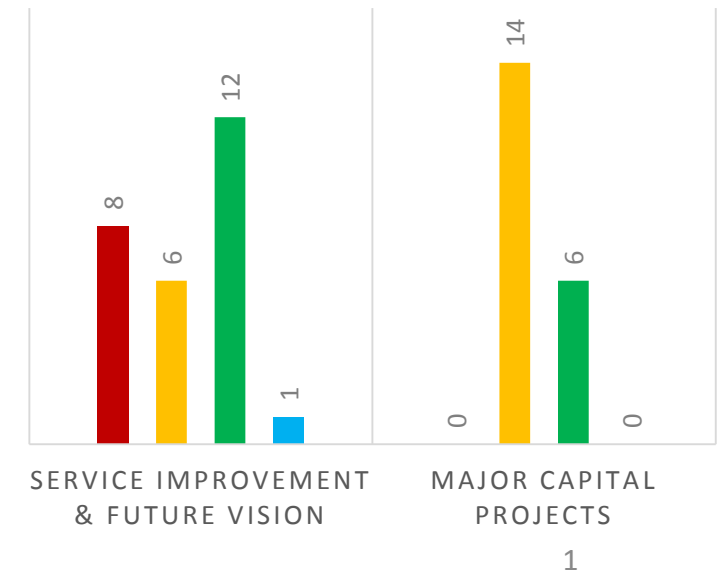
Asset Based approaches to Demand Management - Health and Social Care

Service Transformation Self Directed Support - Health and Social Care

PROJECTS BY DIRECTORATE



RAG BY THEME



Directorate project performance overview

Service Improvement & Future Vision

Place	Resources		Communities & Families	Health & Social Care	Strategy & Insight
Building Standards Improvement	Asset Condition	Gandlake	Edinburgh Leisure-Sports Facilities in Schools	Assisted Transport Review	Committee Mgt Systems
Communal Waste Redesign	Facilities Management Transformation	Voice/ Call Centre	Travel Demand Management	Workforce Management and Agency Control	Merged File and LAAC Record Review
Roads Improvement Plan	Estate Rationalisation	ERP	SWIFT Replacement	Reablement & Homecare Efficiency	Edinburgh and South East Scotland City Deal
Local Development Plan 2	Investments	Intranet		Responder Service Contract Review	
	Customer Transformation Programme	Barclaycard Online Payments - Completed -		Asset Based approaches to Demand Management	
	Enterprise Content Management			Service Transformation (self-directed support)	

Portfolio Update: the following projects have reported as **RED**

Project	Senior Responsible Officer	Description	Mitigating Actions
Facilities Management Transformation	Peter Watton	The Facilities Management (FM) Transformation element of the overarching Asset Management Strategy Programme has proven more challenging to implement than was originally envisaged. The phase 1 Janitorial Review has been completed and implemented and the phase 2 review of the Cleaning service is currently being scoped. However, with the Councils' operational estate increasing in size due to new schools, the FM team is facing cost pressures with more floorspace to support, rather than a reduced estate costing less to manage.	The Asset Management Strategy, which was originally set in 2015, is currently the subject of detailed review, which will be reported to the Finance and Resources Committee in January 2019. This review will seek to address the issues of non-delivery of financial savings and the underlying assumptions from the original strategy, designed by external consultants, being flawed.
Estate Rationalisation	Peter Watton	The Estate Rationalisation element of the overarching Asset Management Strategy Programme has been unable to release the assumed financial savings originally forecast, because the scale of disposal of Council operational properties has not been able to be achieved. A fundamental review of future disposal and rationalisation opportunities needs to be undertaken, given that corporate office accommodation has already been significantly reduced within the city centre.	The Asset Management Strategy, which was originally set in 2015, is currently the subject of detailed review, which will be reported to the Finance and Resources Committee in January 2019. This review will seek to address the issues of non-delivery of financial savings and the underlying assumptions from the original strategy, designed by external consultants, being flawed.
Travel Demand	Crawford McGhie	Sensitive and challenging project to deliver Financial Savings.	New SRO in appointed. Dedicated Project Manager to be allocated. Further Business Case to be developed around the mix of in house vehicles and staff to enable further savings.
Edinburgh Leisure Sports Facilities in School	Andy Gray	The transfer of the management of secondary school sports facilities to Edinburgh Leisure currently sits with a budget pressure of just over £1m. This pressure stems from historic income targets and additional costs such as charges from PPP partners and FM.	Measures to reduce the deficit such as price harmonisation have been implemented whilst others such as the introduction of non-core hour charge to customers have been put on hold following an approved motion at Full Council. Options to further reduce the budget pressures are being progressed.
Building Standards Improvement	Michael Thain	Red status remains in place ahead of the Scottish Government appointing verifier status.	Robust Improvement Plan in place with clear actions and deliverables. Good progress being made against recommendations however status Red as we await decision from Scottish Government in March 2019.

Portfolio Update: the following projects have reported as **RED**

Project	SRO	Description	Mitigating Actions
Reablement & Homecare Efficiency	Judith Proctor	Red status reflects the inability to deliver cost avoidance savings as targeted.	The Sustainable Community Support programme is considering the shape of internal and commissioned home care services going forward and will design optimal model. Efforts will continue to make short term efficiency improvements in these services in the meantime.
Asset Based approaches to Demand Management	Judith Proctor	Red status reflects the considerable slippage in projected financial benefits.	The Partnership is redesigning its approach to change and transformation and the revised programme will be presented to the IJB in early 2019. The mainstreaming of asset based practice will form a key part of this, with refreshed business case and implementation plans to follow.
Service Transformation Self Directed Support	Judith Proctor	Red Status reflects that the Project has never been scoped or initiated.	The future approach to self directed support will form part of the revised transformation plan, which will be presented to the IJB in early 2019.

RAG status guidelines: the following RAG guidance is provided to project SROs

RED	Amber	Green
<ul style="list-style-type: none"> - The project requires immediate remedial action to achieve objectives - The timeline/cost/objectives are at risk - Significant obstacles or issues prevent the work team and consequently the programme from meeting plans - Even with corrective action, expected action may be insufficient to ensure outcomes/ benefits are met - 2 or more projects / workstreams are RED - 2 or more risks or issues are red 	<ul style="list-style-type: none"> - The project has a problem but action is being taken to resolve this , or - The project has a potential problem that has been identified and no action may be taken at this time but it is being carefully monitored - Some obstacles or issues put the work team at risk of meeting plans - Outcomes/ benefits likely to be achieved but action must be taken quickly - 1 - 3 projects / workstreams are AMBER - 0 to 2 projects / workstreams are AMBER - 2 or more risks or issues are RED 	<ul style="list-style-type: none"> - The project is on target to succeed. - Face only minor obstacles, if any - High confidence in ability to implement plans - No issues are threatening the outcomes or benefits - 0 to 1 projects / workstreams are AMBER - No projects / workstreams are RED - No risks or issues are RED

Prioritisation Framework: this matrix acts as a guide as to whether a project should report to the portfolio board

SECTION 1 - PRIORITISATION AND CATEGORISATION FRAMEWORK

	Low - 1	Medium - 2	High - 3
Strategic	Does not align to the Council's Strategy Framework	Supports/ enables Council Strategy Framework Business Plan/ Coalition Pledges, City Vision/ City Deal	Integral component Council Strategy Framework Business Plan/ Coalition Pledges, City Vision/ City Deal
Financial	Financial impact revenue/ capital <£1m	Financial impact revenue/ capital £1-5m	Financial impact revenue/ capital £5m + Generates significant savings/income
Risk	Low probability of the risk materialising which has an impact on the Council's Objectives	Possible that the risk may materialise which has at least a significant impact on the Council's objectives	Greater than 50% that the risk will materialise with at least a significant impact to the Council's objectives
Transformational	Incremental change to the current service offering	Provides opportunity for a changed service offering such as deploying new software, however the changes does not fundamentally alter the service offering	Provides opportunities to deliver at least one service in a new or significantly different manner
Community / Environmental Impact	Moderate impact on one locality	Moderate impact on multiple Localities or significant impact in at least one locality	Major impact on Multiple Localities or significant impact in at least one locality forming part of a locality improvement plan
Political	Negligible/ Minor political implications	Project will require ongoing Committee Scrutiny	Highly sensitive, likely to be subject to Committee debate and scrutiny. Potential for Trade Union interest / Service reductions
Staff Impact/Culture	Negligible/ Minor staff implications	Major staff implications in at least one Service Area	Highly sensitive, likely to be subject to Committee debate and scrutiny. Potential for Trade Union interest / Service reductions
Legislative	Marginal change to existing regulatory/ legislative framework	New Mandatory Regulatory/ Compliance Project which has an incremental change. Unlikely to carry reputational impact	New Mandatory Regulatory/ Compliance Project with potential of reputational impact

SECTION 2 - OVERALL PROJECT CATEGORISATION

	Overall Weighted Score	Description
1. Transformational	15 or above	Projects of work which have significant strategic, financial and political impact for the council and our customers.
2. Business Change	10 to 14	Projects of work or necessary undertakings which delivering incremental and/or important outcomes for the council and our customers.
3. Small Change	Less than 10	Localised changes or undertakings which have low strategic, political or financial impact but are required to be delivered.

Governance, Risk and Best Value Committee

10am, Tuesday 27 November 2018

Capital Theatres Company Performance Report 2017/18 – referral from the Culture and Communities Committee

Item number	7.6
Report number	
Wards	All
Council Commitments	

Executive summary

On 13 November 2018 the Culture and Communities Committee considered the fifth annual performance report prepared by the Executive Director of Place as a requirement of the Services Funding Agreement process adopted in 2013/14.

The report has been referred to the Governance, Risk and Best Value Committee for information.

Terms of Referral

Capital Theatres Company Performance Report 2017/18 – referral from the Culture and Communities Committee

Terms of referral

- 1.1 On 13 November 2018 the Culture and Communities Committee considered the fifth annual performance report prepared by the Executive Director of Place as a requirement of the Services Funding Agreement process adopted in 2013/14.
- 1.2 The Committee agreed:
 - 1.2.1 To note the positive performance of Capital Theatres during 2017/18.
 - 1.2.2 To refer this report to the Governance, Risk and Best Value Committee.

For Decision/Action

- 2.1 The Governance, Risk and Best Value Committee is requested to consider the report.

Background reading / external references

[Culture and Communities Committee – 13 November 2018](#)

Laurence Rockey

Head of Strategy and Communications

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Sarah Stirling, Assistant Committee Officer

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sarah.stirling@edinburgh.gov.uk | Tel : 0131 529 3009

Links

Appendices

Appendix 1 – Report by the Executive Director of Place

Culture and Communities Committee

10.00am, Tuesday, 13 November 2018

Capital Theatres

Company Performance Report 2017/18

Item number

Report number

Executive/routine

Wards

Council Commitments

Executive

All

[C46](#)

Executive Summary

This is the fifth annual performance report prepared as a requirement of the Services and Funding Agreement process adopted in 2013/14.

Festival City Theatres Trust has now been renamed and branded as Capital Theatres (CT), and is responsible for the programming and management of both the King's and Festival Theatres, and the Studio at the Festival Theatre. CT has had another successful year, with positive growth in programming and income.

CT are currently progressing a King's Theatre Capital Redevelopment Project. A separate project update report has been prepared for Committee.

Capital Theatres

Company Performance Report 2017/18

1. Recommendations

- 1.1 It is recommended that Committee note the positive performance of CT during 2017/18.
- 1.2 To refer this report to the Governance, Risk and Best Value Committee.

2. Background

- 2.1 This is the fifth annual performance report prepared as a requirement of the Services and Funding Agreement process adopted in 2013/14.

3. Main report

- 3.1 CT, previously Festival City Theatres Trust, reports on its performance to Council Monitoring Officers as required by the Services and Funding Agreement on a monthly, quarterly and annual basis.
- 3.2 The Services and Funding Agreement for 2017/18 was aligned to Council Commitments and had 22 Targets aligned to six key performance headings reflecting the citywide Culture Plan objectives. These were:
 - 3.2.1 ensuring that everyone has access to world class cultural provision;
 - 3.2.2 encouraging the highest standards of creativity and excellence in all aspects of cultural activity;
 - 3.2.3 supporting greater partnership working in the cultural and creative sectors and maximise resources available to help them thrive all year round;
 - 3.2.4 articulating the positive impact to culture in Edinburgh and promoting Edinburgh's cultural success locally, nationally and internationally;
 - 3.2.5 developing and supporting the infrastructure which sustains Edinburgh's cultural and creative sectors; and
 - 3.2.6 investing in artist and practitioner development, and supporting and sustaining the local artistic community.

- 3.3 To deliver a more memorable and user friendly company name for the development, promotion and management of the Festival and King's Theatres and the Festival Theatre's Studio venue, the board addressed and agreed the change from Festival City Theatres Trust to CT.
- 3.4 The programme continues to reflect work by international and national theatre and dance companies, alongside performances and participation activities by local non-professional groups across the three venues.
- 3.5 2017/18 programme examples included:
 - 3.5.1 the musical comedy The Addams Family;
 - 3.5.2 the continued success of the panto, in this instance, Cinderella;
 - 3.5.3 another strong season for the city's amateur companies including Edinburgh Music Theatre and the Bohemians Lyric Opera Company;
 - 3.5.4 five secondary schools were brought together to collaborate on the devised renewed take on A Midsummer Night's Dream, called Shakedown;
 - 3.5.5 a new theatre experience was delivered in the shape of WHIST which took individual audience members on a virtual reality journey into the unconscious mind;
 - 3.5.6 a strong dance programme included Richard Alston's new work premiere Carnival; and the only Scottish dates of the new Cuban dance company Acosta Danza;
 - 3.5.7 a vivid and hilarious devised performance piece, The Great Lafayette, celebrating Festival Theatre's history as the oldest continuous theatre site in Scotland was staged in-house and in care homes;
 - 3.5.8 the eighteen young members of the Attic Collective concluded their year of year of training and development supported by Capital Theatres;
 - 3.5.9 the Learning and Participation programme continues, and delivered 329 events with participant numbers up by 28%;
 - 3.5.10 126 accessible performances were delivered including 25 relaxed, 25 dementia friendly, 27 BSL interpreted performances, 32 audio described, and 17 captioned; and
 - 3.5.11 The Forget Me Not programme (a project to make the theatres dementia-friendly) delivered 118 events.
- 3.6 Ticket income increased by 4% to £10.3m, online ticket sales increased by 1% to 53% of all sales and c.60% of audiences are Edinburgh residents.
- 3.7 The theatres programme also received very positive reviews and press coverage and a link to the online CT's Annual Review is provided at point 10 in this report.

4. Measures of success

- 4.1 CT contribute to the delivery of the Council's Business Plan.
- 4.2 The Services and Funding Agreement ensures performance reporting requirements are monitored and met.
- 4.3 Success is also measured against Culture Plan objectives:
 - 4.3.1 ensure that everyone has access to world class cultural provision;
 - 4.3.2 encourage the highest standards of creativity and excellence in all aspects of cultural activity;
 - 4.3.3 support greater partnership working in the cultural and creative sectors and maximise resources available to help them thrive all year round;
 - 4.3.4 articulate the positive impact of culture in Edinburgh and promote Edinburgh's cultural success locally, nationally and internationally;
 - 4.3.5 develop and support the infrastructure which sustains Edinburgh's cultural and creative sectors; and
 - 4.3.6 invest in artist and practitioner development, and supporting and sustaining the local artistic community.

5. Financial impact

- 5.1 The Council awarded a grant of £616,937 to Capital Theatres in 2017/18.
- 5.2 Capital Theatres ticket income increased by 4% to a total of £10.3m.

6. Risk, policy, compliance and governance impact

- 6.1 This report is required under the Council's governance arrangements for Council Companies. There are no risk, policy or compliance implications arising from this report.

7. Equalities impact

- 7.1 CT actively promotes access to services for different equalities groups; provides data on the level of use of services by equalities groups; provides evidence of quality analysis relating to equality groups.

8. Sustainability impact

8.1 There are no sustainability implications arising from this report.

9. Consultation and engagement

9.1 None

10. Background reading/external references

10.1 Capital Theatres website: [Capital Theatres](#)

10.2 Capital Theatres Annual review 2017/18: [Capital Theatres Annual Review 2017/18](#)

10.3 Previous Committee Reports:

[Culture and Sport Committee Item 7.5 on 19 August 2014 Culture and Sport Committee | The City of Edinburgh Council](#)

[Culture and Sport Committee Item 7.6 on 16 December 2014 Culture and Sport Committee | The City of Edinburgh Council](#)

[Culture and Sport Committee Item 7.2 on 18 August 2015 Culture and Sport Committee | The City of Edinburgh Council](#)

[Culture and Sport Committee Item 7.2 on 23 August 2016 Culture and Sport Committee | The City of Edinburgh Council](#)

[Culture and Communities Committee Item 9.4 on 14 November 2017 Culture and Communities Committee | The City of Edinburgh Council](#)

Paul Lawrence

Executive Director of Place

Contact: Lindsay A Robertson, Culture Service Manager (Arts, Events and Festivals)

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11. Appendices

None

Governance, Risk and Best Value Committee

10.00am, Tuesday, 27 November 2018

Annual Assurance Schedule – Place

Item number	7.7
Executive/routine	Executive
Wards	All
Council Commitments	

Executive Summary

The purpose of this report is to present the Annual Assurance Schedule from the Executive Director of Place to the Governance, Risk and Best Value Committee for scrutiny.

Annual Assurance Schedule – Place

1. Recommendations

- 1.1 To note the Place Directorate annual assurance schedule, submitted for scrutiny.
- 1.2 To note that an action plan is being developed to respond to the issues identified in the annual assurance statement, which will be combined with other Directorate plans to provide a composite action plan for reporting to the Corporate Policy and Strategy Committee.

2. Background

- 2.1 Each year the City of Edinburgh Council requires that the individual Executive Directors complete certificates of assurance that represent their professional view of the effectiveness and appropriateness of controls in their areas of responsibility. These certificates support the writing of the Annual Governance Statement which is a component part of the authority's Statement of Accounts.
- 2.2 An assurance schedule, to help prompt Executive Directors and relevant Heads of Service to consider various aspects of their control environment, is circulated in advance of certificates.
- 2.3 On 31 July 2018 the Chief Internal Auditor, in her annual opinion, reported weaknesses in regard to the Council's internal controls for the year ended 31 March 2018. The Governance, Risk and Best Value Committee requested that an action plan from each Directorate be developed to identify how they are going to improve internal controls.
- 2.4 On 7 August 2018 the Corporate Policy and Strategy Committee also considered the Internal Audit Opinion and called for an update report on Directorate actions to strengthen controls including the timescales for implementation.

3. Main report

- 3.1 For context, the Place directorate remit includes Culture, Localities, Place Development and Place Management. The service areas are:

Culture

- Cultural Strategy (Arts, Events and Festivals);
- Cultural Venues: Museums and Galleries; and
- Cultural Venues (Usher Hall, Assembly Rooms, Church Hill and Ross Theatres).

Place Development

- Economic Development;
- Housing Development;
- Housing Property;
- Planning and Building Standards;
- Regulatory Services; and
- Transport Networks.

Place Management

- Community Transport;
- Fleet Services;
- Parks, Greenspace and Cemeteries;
- Scientific and Bereavement Services;
- Transport Infrastructure; and
- Waste and Cleansing.

3.2 In 2017/18 the directorate employed 2,300 people and the annual gross budget for 2016/17 was £82,576,971.

3.3 The Place schedule (appendix 1) was completed and returned to the Strategy and Insight Division, which includes the corporate governance team, after which a Certificate of Assurance was issued. This informed the drafting of the Annual Governance Statement, submitted to Council as part of the Unaudited Annual Accounts on 28 June 2018.

3.4 The Certificates of Assurance require that Heads of Service and Executive Directors confirm that:

3.4.1 they have considered the effectiveness of controls in their service area/directorate, including controls in place to mitigate major risks to their service area/directorate's objectives;

3.4.2 to the best of their knowledge, appropriate controls are in operation upon which they can place reasonable assurance and that there are no significant

matters arising that should be raised specifically in the Annual Governance Statement (or otherwise); and

- 3.4.3 they have identified actions that will be taken to continue improvement.
- 3.5 In the Place Directorate, the schedule was completed by service managers from across the directorate and the analysis and outcomes from this have formed the basis on which the Executive Director's statement was completed.
- 3.6 Before signing their Certificate of Assurance, the Head of Service or Executive Director concerned should personally assure themselves that the schedule has been completed accurately.
- 3.7 An action plan for Place is attached at appendix two. This includes actions in relation to identified internal control weaknesses. In each instance a responsible officer and a deadline for completion is included.

4. Measures of success

- 4.1 Improved internal controls and good governance throughout all service areas.
- 4.2 Identification of areas where controls require strengthening.

5. Financial impact

- 5.1 The annual assurance process and production of the annual governance statement is contained within relevant service area budgets.

6. Risk, policy, compliance and governance impact

- 6.1 The assurance schedule exercise acts as a prompt for service areas to think about good governance and the internal control environment. Action plans support improvements in areas where weaknesses have been identified.
- 6.2 Completed schedules are reviewed by a group led by the Democracy, Governance and Resilience Senior Manager and consists of representatives from Internal Audit and Governance.

7. Equalities impact

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

8. Sustainability impact

- 8.1 There are no direct sustainability impacts as a result of this report.

9. Consultation and engagement

- 9.1 The annual assurance schedule exercise is a corporate activity concerned with internal controls and does not require consultation or external engagement.
- 9.2 The Annual Assurance Schedule template for 2017/18 was drafted using input from the Council's subject matter experts. This included contributions from Resilience, Internal Audit, Health and Safety, Corporate Governance, Legal Services, Finance and Human Resources.

10. Background reading/external references

- 10.1 [City of Edinburgh Council – 28 June 2018 – Unaudited Annual Accounts 2017-18](#)
- 10.2 [Internal Audit Opinion and Annual report for the Year ended 31 March 2018, report to Governance, Risk and Best Value Committee, 31 July 2018](#)

Paul Lawrence

Executive Director of Place

Contact: Paul Lawrence, Executive Director of Place

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11. Appendices

Appendix 1 – Place Annual Assurance Schedule

Appendix 2 – Place Action Plan

Executive Director's Schedule to Support Evidence of Assurance for the Annual Governance Statement

For the year end 31 March 2018

Directorate	Place				
Completed by	Alison Coburn	Job title	Senior Executive Assistant	Date completed	08/05/2018
Signed off by	Paul Lawrence	Job title	Executive Director of Place		
Print name of signatory	Paul Lawrence	Date of signature	09/05/2018		

Introduction

The Statement of Accounts 2017/2018 includes the Annual Governance Statement signed by the Council Leader, the Chief Executive and the Head of Finance. The Annual Governance Statement is supported by Certificates of Assurance from each of the Executive Directors.

The Certificates of Assurance require Executive Directors to confirm that:

1. they have considered the effectiveness of controls in their directorates, including controls in place to mitigate major risks to their directorate's objectives;
2. to the best of their knowledge, appropriate controls are in operation upon which they can place reasonable assurance and that there are no significant matters arising that should be raised specifically in the Annual Governance Statement (or otherwise); and
3. they have identified actions that will be taken to continue improvement.

Completing this schedule helps prompt Executive Directors to consider various aspects of their control environment before signing their Certificate of Assurance. Executive Directors should seek assurance through issue of a similar schedule to their Heads of Service to satisfy themselves that effective controls are in place across all service areas.

This schedule should be used as a prompt to think about good governance and the internal control environment and is not an exhaustive list.

Guidance on completing the schedule

The schedule should be completed by the Executive Director or by a nominated senior manager (suggested managers to provide information and/or responses are highlighted below). Additional guidance notes are provided throughout the document.

Before signing the Certificate of Assurance Executive Directors should ensure that this schedule has been completed accurately.

Please note that although evidence does not need to be attached to the completed schedule, accurate reference should be made to any supporting evidence because **responses made in the schedule may be subject to audit at a later date.**

Your assessment should consider how your directorate's arrangements would stand up to external scrutiny. When completing the schedule please include your assessment of the directorate's compliance and, if your assessment is partially or not compliant, please note planned improvement actions in the relevant column.

Please return your completed schedule to governance@edinburgh.gov.uk no later than **Friday 27 April 2018**.

Section	Requirements	Supporting officers
Section 1	Internal Control Environment	Head of Service
Section 2	Risk and Resilience	Service Area Risk Committee Representative/Resilience Co-ordinator
Section 3	Workforce Controls	Head of Service
Section 4	Council Companies	Senior Relationship Lead / Company Observer(s)
Section 5	Policy	Head of Service
Section 6	Governance and Compliance	Head of Service
Section 7	Information Governance	Directorate Record Officers
Section 8	Health & Safety	SMT Health & Safety Lead
Section 9	Performance	Head of Service
Section 10	Commercial and Contract Management	Head of Service
Section 11	Change and Projects	Head of Service
Section 12	Financial Control	Service Area Financial Manager or Representative
Section 13	Group Accounts	RESOURCES only
Section 14	National Agency Inspection Reports	Head of Service
Section 15	Internal Audit, External Audit & Review Reports	Head of Service
Section 16	Progress	Executive Director

For further information or assistance please contact:

Gavin King

Democracy, Governance and Resilience Senior Manager
Strategy & Insight
529 4239 or gavin.king@edinburgh.gov.uk

Laura Callender

Governance Compliance Manager
Strategy & Insight
529 3655 or laura.callender@edinburgh.gov.uk

1 Internal Control Environment requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
1.1	You must have internal controls and procedures in place throughout your directorate that are proportionate, robust, monitored and operate effectively.	<p>Please describe and/or give examples of the controls and procedures that you have in place and how these are monitored, tested, and reported.</p> <p>Place SMT meets on a fortnightly basis and includes all Heads of Service (service area managers when Heads of Service were not available) and the Business Partners from Communications, Finance and Human Resources. Standing items on each agenda include financial monitoring, HR dashboard etc. Quarterly Risk Management discussions take place in addition to the Place Risk Committee and Place is represented on the Council's Health and Safety Board. wide Health and Safety Groups have been established to ensure that operational matters are regularly reviewed and discussed regularly. In addition, dedicated groups meet to discuss specific issues raised by/in the service e.g. HAVs.</p> <p>Regular meetings of Service Area Management Groups allow for discussion on internal controls and procedures to ensure arrangements are proportionate, robust, monitored and are operating effectively.</p> <p>Service areas follow Council procedures for financial transactions and procurement arrangements. Regular monitoring of budgets is undertaken by budget holders and engagement with Finance colleagues is on-going on a regular basis, with updates at divisional management teams on a monthly basis, in addition to the standing item discussed at each SMT.</p>	Compliant	Regular reviews of Place processes and procedures take place and changes made if improvements/changes are identified.

			<p>The process for performance reporting is evolving as part of the implementation of the Council's business plan. Key Performance Indicators are being developed with Strategy and Insight for monitoring and reporting to Committee as appropriate. Monitoring on the Coalition Pledges is also undertaken and reported to Committee on a six-monthly basis. In addition, performance improvement plans have been prepared.</p> <p>Robust review of procurement, recruitment requests is undertaken within the service, with Head of Service and Executive Director sign off where appropriate. In addition overtime for people Grade 8 and above is also approved by the Director.</p> <p>On Caselink, Place have added HRBP sign off on recruitment requests in addition to that of Finance, before requests are passed to Heads of Service and Executive Director. For Place, changes are being considered to ensure robust business cases are submitted as part of all recruitment requests.</p>		
1.2	You must have controls and procedures in place to manage the risks in delivering services through council companies, partners and third parties.	Please describe and/or give examples of the controls and procedures that you have in place and how these are monitored, tested and reported.	Place provides oversight for six Council Arms Length Companies (ALCs) (Tram and Lothian Buses are monitored through Transport for Edinburgh). Board Observers have been nominated and regularly attend Board Meetings, as well as having regular meetings with representatives of the ALCs. The frequency of these is determined by the needs of the service and the	Compliant	

			<p>organisation.</p> <p>As appropriate, the ALCs are invited to the appropriate Executive Committee on an annual basis to present on progress and upcoming activities. All Place ALCs are represented on the Council's Governance Hub and all ALC arrangements are governed by the Council's policy and procedure for the Governance of ALCs.</p> <p>Company business plans are presented to the relevant executive and Board appointments are approved by Council. There are Elected Member representatives on the ALC Boards.</p> <p>Where ALCs and/or third parties provide services on behalf of the Council and/or receive Council funding, robust Service Level Agreements are in place. These are monitored on a regular basis and action is taken if performance is not satisfactory or where issues are identified.</p>		
1.3	Your internal controls and procedures and their effectiveness must be reviewed regularly.	Please describe how these are reviewed, by whom and how often.	<p>Internal controls and procedures are considered by SMT and divisional teams. Risk Registers and controls are reviewed quarterly at SMT. Finance is discussed fortnightly at SMT. The Council's Health and Safety Manager is invited to attend SMT on a quarterly basis, as are representatives from Internal Audit and Risk Management.</p> <p>A review of internal controls is undertaken annually to ensure the controls and procedures are proportionate and appropriate, with the next review</p>	Compliant	

			scheduled for September 2018.		
1.4	Did the last review of your internal control environment identify any weaknesses that could have an impact on the Annual Accounts?	Please include the date of the last review, whether any weaknesses were identified and, if so, how these have been or will be addressed.	N/A	No	
1.5	Has the monitoring process applied to funding/operating agreements identified any problems that could have an impact on Annual or Group Accounts?	Please describe the arrangements you have in place, including an overview of the monitoring process and frequency of reporting, and summarise any problems that have been identified.	N/A	No	
2	Risk and Resilience requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
2.1	Your risk management arrangements should identify the key risks to your directorate (and the Council) including those arising from: <ol style="list-style-type: none"> 1. Change (e.g. structural, service delivery, demographic and/or management) 2. Partnerships (external and internal) 3. Projects 4. Legal or regulatory action(s), and 5. Reputational damage. 	Please describe your risk management arrangements and confirm that these adequately cover the three categories listed.	<p>The Place risk register is reviewed on a quarterly basis to ensure that the key risks are considered and updated regularly. Although the frequency of review has been set quarterly, it can be increased as new risks are identified. Service area risk registers are also reviewed and updated regularly.</p> <p>An internal risk working group, with representatives from every service area, meets bi-monthly.</p> <p>The Place Risk Committee meets on a quarterly basis to consider recent issues. Where appropriate, the risk register and controls in place are updated where appropriate.</p> <p>Risks arising from partnership arrangement</p>	Compliant	

			<p>and/or projects are considered on a divisional basis and are escalated to the Place SMT risk register if appropriate.</p> <p>In reviewing risks for Place, consideration is given to whether risks need to be escalated to CLT.</p> <p>A Place Lead Officer for Risk was identified and has recently been replaced following retirement.</p>		
2.2	You must have effective controls and procedures in place to manage the risks identified above to a tolerable level or actions put in place to mitigate and manage the risk.	Please describe the controls and procedures that you have in place.	The controls in place for risks are reviewed on a quarterly basis and additional action taken if the assessment of the risk has increased. All risks are currently considered to be adequately controlled to maintain them at tolerable levels.	Compliant	
2.3	The robustness and effectiveness of your risk management arrangements must be regularly reviewed.	Please describe how you review your risk management arrangements, who does this and how often.	The robustness and effectiveness of the risk management arrangements is undertaken on a regular basis (quarterly) at the Place Risk Committee, in conjunction with colleagues from the Council's corporate risk team.	Compliant	
2.4	Did the last review identify any weaknesses that could have an impact on the Annual Accounts?	Please include the date of the last review, any weaknesses that were identified and how these will be addressed.	N/A	No	

2.5	There must be appropriate escalation/communication to the directorate Risk Committee and CLT Risk Committee (as appropriate) of significant issues, risks and weaknesses in risk management.	Please describe the process for escalation/communication to the relevant Risk Committees.	<p>Service area management teams consider risk on a regular basis and escalate significant issues, risks and weaknesses as appropriate. These can be escalated to the Service area risk registers, to the Place Risk Committee and to CLT if appropriate.</p> <p>Guidance throughout this process is provided by the corporate risk team to ensure consistency and oversight.</p>	Compliant	
2.6	You should have arrangements in place throughout your directorate for the identification, recording and minimising of bribery risks.	Please describe these arrangements and how they are monitored and reported.	<p>This is embedded within the Place risk process to ensure that any risks are identified and captured.</p> <p>In addition, Place maintains a register of all gifts and hospitality offered and accepted. The process for this has been recently updated to ensure that information is captured on a more regular basis and also to ensure that all offers are captured.</p>	Compliant	
2.7	You should have arrangements in place to promote and support the embedding of the Council's Whistleblowing Policy and procedures, including raising awareness of the routes for concerns to be raised.	Please describe the arrangements you have in place, including the reporting of disclosures received by management to the Council's independent service provider.	<p>The arrangements in place for dealing with Whistleblowing reports is in line with the Council's policy and procedures, including following up appropriately on any concerns raised.</p> <p>As this policy is included in the suite of policies which employees are asked to confirm they have read and understood, this exercise is carried out in line with HR requirements.</p> <p>In addition, the policy is picked up on an ad-hoc basis at team meetings and wider Place manager get-togethers as appropriate.</p>	Compliant	

2.8	You should have arrangements in place throughout your directorate for the recording and addressing of audit actions.	Please describe these arrangements and how they are monitored and reported.	<p>All audit actions are shared with the relevant service managers and progress is followed up directly with Internal Audit.</p> <p>Place SMT and CLT review the open audit actions, and specifically outstanding audit actions on a monthly basis.</p> <p>Updates are provided to the Internal Audit team in face to face meetings and through the Council's approved process for review of audit actions.</p>	Partially Compliant	The process for reviewing audit actions in Place requires to be improved to ensure early warnings are picked up where actions have been delayed/deferred/are no longer applicable. This will be carried out on the introduction of Team Central which will be launched in July 2018 and which will be used to track all open audit actions for Place.
2.9	<p>Your directorate should have appropriate resilience arrangements in place, including:</p> <ol style="list-style-type: none"> 1. A Service Area Resilience Group and Workplan 2. A Resilience Coordinator and deputies for each essential activity area 3. A Counterterrorism Coordinator and deputy 4. A Building Incident Manager for each staffed Council premise. <p>All who should have received the appropriate training.</p>	Please confirm your compliance with each requirement and how you ensure each is managed.	The Place arrangements for resilience, counter terrorism and building incidents are in line with Council processes and procedures and are carried out in conjunction with the Council's resilience team.	Compliant	
2.10	Your business continuity plans and arrangements should mitigate the business continuity risks facing your directorate's essential activities.	Please detail the plans and arrangements you have in place and explain how and when these are reviewed and reported.	The Place Business Continuity Plans mitigate the risks facing the essential services in Place.	Partially Compliant	Further work is required to develop plans for the Mortuary in following up on an internal audit finding. This should be complete by end of June

					2018. Discussion planned with Business Continuity and Emergency Planning colleagues in summer 2018 to ensure full compliance.
3 Workforce Control requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions	
3.1	You should have arrangements in place to ensure workforce resources are managed properly, including compliance with payroll policies, overtime controls, absence management and performance eg. home/remote working.	Please describe these arrangements and how they are monitored and reported. Place services ensure workforce resources are managed in line with Council policies and procedures. Payroll submissions are completed in line with the Council arrangements, while all overtime is approved by line managers and Heads of Service (up to GR7) and the Executive Director (for GR8 and above) in advance of the overtime being worked. Absence management policies and performance management policies are followed by line managers in line with policy arrangements for people at various grades. Home/remote working in Place is carried out on an ad-hoc basis rather than as a service delivery approach.	Compliant		
3.2	You should have robust controls in place to manage off-payroll workers/contractors, including agency workers and consultants, ensuring approved framework contracts have been used and that those engaged are wholly compliant with the provisions of	Please detail the controls you have in place to ensure compliance and explain how these are monitored and reported. A review of arrangements was carried out as part of the wider Council review of off-payroll workers and changes were made to ensure compliance with the provisions of IR35 procedures.	Compliant		

	IR35 Council guidance and procedures.				
3.3	You must ensure that recruitment and selection is only undertaken by appropriately trained individuals and is fully compliant with Council policies and procedures, including vacancy approvals and controls.	Please describe how you ensure compliance.	<p>All Place recruitment is now carried out through Talentlink, with approval arrangements in line with previous service arrangements (sign off by Finance and HR before Head of Service and Director).</p> <p>Vacancy controls were reviewed as part of the Council's recruitment freeze in 2017 and found to still be relevant and up to date.</p> <p>Recruitment panels are always chaired by individuals who have been appropriately trained and appropriate training is progressed for anyone proposed for recruitment panels who has not completed the relevant training.</p>	Compliant	
3.4	You should have robust controls in place to manage new starts, movers and leavers, including induction and mandatory training, IT systems security (access and removal) and access to buildings and service users' homes.	Please describe the controls and monitoring in place.	These arrangements are in line with Council processes and procedures. The implementation is carried out by line managers.	Compliant	

3.5	You must have robust controls in place to ensure that statutory workforce requirements are met, eg. PVG/disclosure checks, statutory registration/qualification, European Working Time Directive, right to work in the UK.	Please describe the controls you have in place, including monitoring and reporting arrangements.	These arrangements are in line with Council processes and procedures. The implementation is carried out by line managers.	Compliant	To discuss with third and fourth tier managers how to ensure that these arrangements are consistent across Place services.
3.6	You should have arrangements in place to manage staff health and wellbeing, ensuring sickness absence is managed in compliance with the policy, including stress risk assessments and referrals to occupational health.	Please describe the arrangements you have in place to ensure compliance.	Arrangements in Place follow the Council's processes and procedures and regular reports are presented at SMT on performance. In addition this is discussed with the Trade Unions at Place JCC meetings as appropriate.	Compliant	To discuss with third and fourth tier managers how to ensure that these arrangements are consistent across Place services.
3.7	You must ensure compliance with essential training requirements and support learning and development appropriately, including professional CPD requirements.	Please detail how you monitor to ensure compliance.	<p>Professional development is delivered in service areas e.g. local staff development groups offer CPD opportunities.</p> <p>Council opportunities for training through courses and CECIL are available to staff and personal development is a key part of the Performance Conversations process.</p> <p>Where service or individual needs are identified, these are met through local arrangements e.g. specific training courses for skills required (advanced driving for bad weather).</p>	Compliant	
3.8	You should have arrangements in place to support and manage staff performance eg. regular 1:1/supervision meetings, performance/spotlight	Please describe the arrangements you have in place.	All Place services follow the Council's performance conversations process appropriately for their roles and responsibilities, with at least 2 conversations per year. Toolbox talks take	Compliant	

	conversations.		place in more manual service areas while team meetings and briefings are used to share information and gather feedback.		
3.9	You must ensure compliance with HR policies and procedures across all service areas, eg. Code of Conduct, Disciplinary, Grievance, Bullying and Harassment.	Please describe how you monitor compliance across all service areas, eg. maintaining a register of gifts and hospitality, recording conflicts of interest, recording and approving secondary employment where required.	Place services adhere to the Council policies and procedures for HR and people are reminded of this annually, in line with the Council's Essential Learning arrangements.	Compliant	
4 Council Company requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
4.1	You must have arrangements in place for the oversight and monitoring of the council companies you are responsible for, that give you adequate assurance over their operation and delivery for the Council.	Please describe the arrangements you have in place, including observer attendance at board meetings, monitoring and reporting on performance/development/risks, Governance Hub, etc.	<p>Place provides oversight for six Council Arms Length Companies (ALCs) (Tram and Lothian Buses are monitored through Transport for Edinburgh). Board Observers have been nominated and regularly attend Board Meetings, as well as having regular meetings with representatives of the ALCs. The frequency of these is determined by the needs of the service and the organisation.</p> <p>As appropriate, the ALCs are invited to the appropriate Executive Committee on an annual basis to present on progress and upcoming activities. All Place ALCs are represented on the Council's Governance Hub and all ALC arrangements are governed by the Council's policy and procedure for the Governance of ALCs.</p> <p>Company business plans are presented to the relevant executive and Board</p>	Compliant	

			<p>appointments are approved by Council. There are Elected Member representatives on the ALC Boards.</p> <p>Where ALCs and/or third parties provide services on behalf of the Council and/or receive Council funding, robust Service Level Agreements are in place. These are monitored on a regular basis and action is taken if performance is not satisfactory or where issues are identified.</p>		
4.2	<p>You must ensure that an appropriate Service Level Agreement, or other appropriate legal agreement, is in place for each Arm's Length External Organisation that you are responsible for.</p>	<p>Please confirm that this is the case, that each agreement is up to date and the frequency of review.</p>	<p>Agreements are in place in respect of almost all of the ALCs and these are approved by the appropriate Executive Committee.</p> <p>Marketing Edinburgh's agreement is due to be considered by Housing and Economy Committee in June 2018 in response to a request for further information in March 2018.</p>	<p>Partially compliant</p>	<p>Internal Audit are currently reviewing the Service Level/Funding Agreements in place.</p> <p>A review of arrangements is underway for the Council's Transport ALCs which do not currently have SLA/Funding Agreements in place. These companies do, however, comply with other Council policies in respect of Governance.</p>
4.3	<p>You must regularly consult and engage with recognised trade unions.</p>	<p>Please describe the arrangements you have in place.</p>	<p>Service areas meet with Trade Union representatives in line with service activities and these meetings take place on a regular (but not necessarily the same) frequency.</p> <p>A DJCC for Place takes place each quarter, and a Culture service JCC takes place quarterly too. Arrangements for Place Development and Place Management have</p>	<p>Compliant</p>	<p>Arrangements for Place Management and Development are to be embedded in 2018.</p>

			<p>been discussed regularly at the Place DJCC and arrangements are being established for regular meetings in these areas.</p> <p>Place Senior Managers also participate in the Council's Partnership at Work Forum.</p>		
5 Policy requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
5.1	You should have arrangements in place to ensure all directorate staff are made aware of and fully understand the implications of relevant existing and new council policies.	Please describe the arrangements you have in place at directorate level eg. Employee Handbook requirements, as well as locally in relation to operational and/or role specific requirements.	<p>Employee handbooks have been created in some service areas and these are reviewed regularly (e.g. Waste and Cleansing).</p> <p>For other service areas, the relevant policies are reviewed as part of the annual essential learning process.</p>	Compliant	
5.2	You should have arrangements in place for the annual review of policies owned by your directorate, via the relevant executive committee, to ensure these comply with the Council's policy framework.	Please describe the arrangements you have in place to ensure the policies you are responsible for are up to date and fit for purpose (reflecting organisational changes, best practice, operational experience and legislative changes).	<p>This takes place on an annual basis, around December/January and the review is reported to the appropriate Executive Committee.</p> <p>Specific reviews and updated policies are still reported to Committee on an ad-hoc basis. For example, an update on Waste and Cleansing policies is being considered by Transport and Environment Committee in May 2018.</p>	Compliant	
5.3	You should ensure that policies and procedures of particular relevance to services within your directorate are implemented in a planned and consistent manner.	Please describe the arrangements you have in place eg. action plans, training programmes, etc.	<p>As part of the policy review, a review of the implementation is also undertaken, while implementation plans are put in place for new/revised policies.</p> <p>Employee Handbooks are updated where relevant and arrangements are put in place to ensure employees are aware through toolbox talks and 121 conversations. For new employees, these policies are covered as part of induction.</p>	Compliant	

6 Governance and Compliance requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
6.1	You must ensure directorate staff are aware of their responsibilities in relation to the Council's governance framework eg. Committee Terms of Reference and Delegated Functions, Scheme of Delegation, Contract Standing Orders, Financial Regulations.	Please describe the arrangements you have in place to ensure operational decisions and activities are carried out within agreed parameters.	Place adheres to the Council Terms of Reference and Delegated Functions, Scheme of Delegation, Contract Standing Orders and Financial Regulations. These are considered as part of all service area operations. Place contribute to the annual review of the Scheme of Delegation and review the arrangements in place at that time. Place services work closely with Procurement to ensure the Contract Standing Orders are adhered to, with advice sought where concerns are identified.	Compliant	Further arrangements are being prepared to delegate activities to Heads of Service (where these do not currently exist) and formal confirmation of these changes will be notified to the individuals when agreed.
6.2	The authority, responsibility and accountability levels within your directorate should be clearly defined, with proper officer designation delegated, recorded, monitored, revoked and reviewed regularly to meet the requirements of the Scheme of Delegation.	Please describe the process for this including how this is undertaken, by whom and the frequency of review.	This is reviewed annually following the review of the Scheme of Delegation.	Compliant	In 2018, further delegations and designations are planned. Place SMT are working with Legal Services to ensure appropriate arrangements are in place.
6.3	You should have arrangements in place to ensure your directorate's activities are fully compliant with relevant Scottish, UK and EU legislation and regulations.	Please describe the arrangements you have in place, including risk assessment, monitoring and compliance with statutory reporting requirements.	Advice is sought on all activities as the need arises, including on relevant legislation and regulations.	Compliant	
7 Information Governance requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions

7.1	Directorate staff must be made aware of their responsibilities in relation to the proper management of Council information, including the need to adhere to Council policies, procedures and guidance around: information governance; records management; data quality; information rights; information compliance; information security; and ICT acceptable use.	Please describe the arrangements in place and how these are monitored and reported.	<p>Council arrangements are implemented throughout Place, with regular updates to managers through Managers News, Team Talk, toolbox talks, management teams, Place SMT, Extended SMT and Extended SMT (to 4th tier).</p> <p>Compliance is monitored as part of the essential learning review and in dealing with FOI/SAR/DP requests.</p> <p>Place managers works with colleagues in relevant services to ensure compliance with the relevant policies within services.</p> <p>Place have an identified Data Governance Officer who also works with corporate colleagues and with service areas on request.</p>	Compliant	
7.2	Data sharing arrangements with third parties must be recorded, followed and regularly reviewed throughout all service areas in your directorate.	Please describe the arrangements in place and how these are monitored and reported.	<p>All data sharing requests are dealt with in consultation with the Information Governance Unit and in accordance with their procedures and policies.</p> <p>For activities delivered locally for national agencies such as Business Gateway, a data sharing agreement is in place and is reviewed regularly by the national body e.g. the Business Gateway National unit.</p>	Compliant	
7.3	Privacy impact assessments must be completed to assess risks to processes that handle personal data (when appropriate) throughout all service areas in your directorate.	Please describe the arrangements in place and how these are monitored and reported.	Yes, where appropriate. These are always completed in conjunction with the Information Governance team.	Compliant	

7.4	All directorate staff must be made aware of their responsibilities to report and manage data protection and information security breaches.	Please describe the arrangements in place and how these are monitored and reported.	All staff are aware of their responsibilities to report and management data protection and information security breaches. Reminders are included in Managers News, at team meetings and 121 conversations. Corporate GDPR training has been rolled out over the past 12 months and briefings were arranged for managers across Place.	Compliant	Continue to review processes and procedures in line with Council arrangements for GDPR.
7.5	Information risks should be routinely recorded in risk registers and managed throughout all service areas in your directorate.	Please describe the arrangements in place and how these are monitored and reported.	The Place Risk Register is reviewed regularly and information risks are captured at the appropriate level risk register for the risk.	Compliant	
7.6	Processes that manage Council records, created and used within your directorate, must be documented within approved procedures.	Please describe the arrangements in place for both core service records and business support records (e.g. Finance, HR, Health & Safety, Procurement etc.), as well as how these arrangements are reviewed and updated.	<p>Arrangements for record keeping are undertaken in line with the Council policies and procedures, and local arrangements where these exist (e.g. in Transport as part of their Quality Assurance activities.</p> <p>H&S records (e.g. Divisional improvement Plan, List of Risk Assessment, Workplace Inspections) are kept by the service area and reviewed by service area management team quarterly.</p> <p>Accident reporting and records are recorded and held on SHE Assure.</p> <p>Financial transactions are recorded on Oracle and monitored using the Council's systems such as Frontier.</p>	Compliant	

7.7	All Council records within your directorate should be routinely disposed of according to their relevant record retention rules and these disposals should be documented.	Please describe the arrangements in place and how these are monitored for compliance..	<p>All records are stored and disposed of according to the Council's processes and procedures. Where specific retention and disposal arrangements are required e.g. European funded programmes, these are followed.</p> <p>Archive records are stored by Iron Mountain and are reviewed in line with the retention and disposal arrangements.</p> <p>A directorate Records Officer is in place to provide guidance and advice as well as to liaise with corporate colleagues as appropriate.</p>	Compliant	
8	Health & Safety (H&S) requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
8.1	Directorate staff must be made aware of their responsibilities under relevant H&S policies and procedures, including: Council Health and Safety Policy; Fire Safety Policy and Procedures; First-aid and Emergency Procedures; Stress Policy and Procedures; Accident, incident and work-related ill health reporting and investigation procedure; all other relevant health and safety policies and procedures (e.g. Asbestos, Water Safety).	Please describe the arrangements you have in place to meet these requirements and how these are monitored.	<p>All policies and procedures are available on the Orb and staff are aware of their responsibilities under the relevant ones.</p> <p>Risk assessments in place and regularly reviewed along with safe working procedures. Staff made aware of relevant risk assessments and safe working procedures through induction, team briefings and tool box talks. Health and Safety management indicators including details of accidents and incidents regularly reports to management teams. Regular audits of Health and Safety carried out by Corporate Health and Safety team to ensure compliance.</p> <p>Place is represented on the Council's Health and Safety Board and actions arising are communicated through the Place Health and Safety working group. Health and Safety performance reports are</p>	Compliant	

			<p>provided by the Council's Health and Safety team at SMT on a regular basis.</p> <p>Service areas discuss Health and Safety on a regular basis (the frequency differs depending on the service activities) and action is taken to address any concerns raised through the risk assessments, Health and Safety assessments and/or as a result of feedback from people.</p> <p>A HAVs working group has been established in 2017 in response to concerns raised about how HAVs are managed within the service. Stress risk assessments carried out as required and stress related absence reported both through Health and Safety performance reporting and attendance management reporting.</p> <p>All buildings have an Establishment manager who is responsible for fire safety including carrying out regular fire evacuation testing.</p>		
8.2	You must have appropriate arrangements in place for establishing, implementing and maintaining procedures for the ongoing hazard identification, risk assessment and determination of necessary controls to ensure all H&S risks are adequately controlled.	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	See answer to 8.1.	Compliant	

8.3	You must have competencies, processes and controls in place to ensure that all service areas in your directorate, and any other areas of responsibility, operate in compliance with all applicable H&S laws and regulations.	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	See answer to 8.1.	Compliant	
8.4	You must have appropriate arrangements in place for the identification and provision of H&S training necessary for all job roles, including induction training.	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	<p>Appropriate arrangements for Health and Safety are considered by service area management teams, in response to the type of activities undertaken in each area.</p> <p>The Council's Health and Safety team engage with service area management teams on a regular basis to ensure appropriate training is provided as necessary for all job roles, including induction training.</p>	Compliant	
8.5	You must have a robust governance and reporting structure for H&S in your directorate.	Please provide the name of the SMT member in your directorate who sits on the Council H&S Group. Please also describe your governance and reporting structure for H&S and how you ensure that H&S issues across your directorate are brought to the attention of the Council H&S Group as appropriate.	<p>Alexander Burns represented Place on the Council's Health and Safety Group. Alex organised an internal working group to cascade information from the corporate group and also to consider Health and Safety across the service areas. This forum is also utilised if concerns raised within Place need to be escalated to the corporate Health and Safety group.</p> <p>Health and Safety is discussed at service area management teams on a regular basis (the frequency is determined by the service activities) and on the Place SMT agenda on a regular basis.</p>	Compliant	Alex is being replaced on the Corporate Health and Safety Board by Gareth Barwell and on the Member/Officer/Trade Union Group by Carol Reid. Carol will chair the Place Health and Safety Group from June 2018.

9	Performance requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
9.1	Where performance monitoring identifies inadequate service delivery or poor value for money, you must have arrangements in place for reporting to CLT, Committee and/or Council.	Please describe your performance monitoring arrangements, including frequency of reporting, and provide detail of any such reports during the reporting period.	<p>The arrangements for performance monitoring have changed somewhat in 2017/18 as corporate reporting on the Council Business Plan is still being established. The KPIs for Place have been reviewed but reporting of progress is still to be carried out effectively.</p> <p>In the meantime, Place service areas have continued to monitor performance against statutory indicators and other established measures.</p> <p>During 2017, issues were identified with service delivery in Building Standards and an improvement plan established. An Internal Audit and Scottish Government review have identified further improvement required and this is being progressed currently. This has been reported to Planning Committee and Governance Risk and Best Value Committee.</p> <p>A Roads Improvement Plan was approved by Transport and Environment Committee in 2017 and this has been followed up with reports to GRBV and progress updates to T&E.</p> <p>The Waste and Cleansing Improvement Plan was concluded in 2017 with a final report to T&E. Work continues within the service to ensure improvements are maintained.</p>	Partially compliant	Regular reporting of KPIs is to be established with Strategy and Insight.

9.2	You should have arrangements in place to implement and monitor improvement measures to address any service delivery or performance problems.	Please describe the arrangements you have in place and give details of improvement measures introduced during the reporting period, eg. exception reporting to CLT, and any outstanding issues.	See 9.1	Compliant	
9.3	<p>You should have appropriate arrangements in place throughout your directorate for recording, monitoring and managing customer service complaints and customer satisfaction, including:</p> <ol style="list-style-type: none"> 1. Compliance with the complaints procedure, including stage 1 and 2 processes. 2. Recording and analysing all complaints to identify service improvement. 3. Implementation of improvement actions in relation to common complaints. 4. Adherence to the Council's Managing Customer Contact in a Fair and Positive Way Policy, to support staff in handling difficult situations. 5. Addressing recommendations from the SPSO in relation to the service area. 	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	<p>Customer complaints and customer satisfaction are monitored in line with Council policy and procedures. Place utilises both Confirm and Capture for managing complaints and customer satisfaction and works closely with the Customer division to ensure action is taken where performance falls below the standard expected. Performance is reported as part of the corporate performance report to CLT and to the appropriate Committees.</p> <p>Place follows the Council's policies and procedures in relation to customer service, managing customer contact in a fair and positive way and customer complaints.</p> <p>Place acts on feedback from the corporate complaints team and the SPSO where appropriate.</p>	Partially compliant	Improvement are required in ensuring customer contacts are responded to within the Council's target timescales.

10 Commercial and Contract Management requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
10.1	You must have arrangements in place to ensure all goods, services and works are procured and managed in compliance with the Contract Standing Orders.	Please describe the arrangements in place and how these are monitored and reported.	<p>The corporate arrangements for procuring goods and services are utilised throughout Place. Where alternative arrangements are required, Place follow the Council arrangements for Waivers and/or reporting to Committee.</p> <p>Place SMT and service area management teams meet regularly with colleagues from Procurement to discuss contract arrangements, procurement activities and performance.</p> <p>The Procurement Commercial Partner for Place meets regularly with colleagues to maintain strong links with service areas and Place SMT members.</p>	Compliant	Work will continue to ensure compliance with the procurement arrangements where appropriate and alternative arrangements are progressed where this is not possible.
10.2	You must have arrangements in place to ensure that there are named contract managers in place for every contract managed by the directorate and they are made aware of their contract monitoring and record keeping responsibilities.	Please describe these arrangements and how they are monitored and reported.	Procurement Commercial Partner and Place SMT have reviewed all contracts in Place and have identified contract managers. They are aware of their contract monitoring and recording responsibilities.	Compliant	Further review to be undertaken in September 2018 and refresher training arranged where appropriate.
10.3	You must have controls and procedures in place to ensure that contract and supplier monitoring is carried out and recorded in accordance with the contract terms.	Please describe the arrangements in place and how these are monitored and reported.	Contract Managers are in regular contact with Procurement Category Managers on this. Controls are in place to ensure monitoring is carried out and recoded in accordance with each contract terms.	Compliant	Sample review to be carried out in September 2018 to provide assurance on this.

10.4	You must have arrangements in place to ensure that changes to contracts or supplier details are recorded and communicated to relevant parties.	Please describe the arrangements in place and how these are monitored and reported.	Arrangements are in place for this.	Compliant	
11 Change and Project Management requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
11.1	All projects/programmes must have a clear business justification, as a minimum this should articulate outcomes and benefits, normally via a business case prior to commencing delivery.	Please outline the arrangements you have in place.	All projects/programmes have clear business justification and articulated outcomes and benefits. Major projects (as defined corporately) are reported to Place SMT and to CLT on a regular basis.	Compliant	
11.2	Your project/programme management arrangements should have appropriate governance in place to support delivery. As part of governance, clear roles, responsibilities, and accountabilities are articulated and demonstrated by all members of the project/programme team.	Please outline the arrangements you have in place.	Appropriate governance arrangements are in place to support service delivery. For some projects e.g. Tram Extension and Central Edinburgh Transformation the governance in place is strong and robust. However, work is underway to strengthen the arrangements in place for some existing and upcoming projects to ensure delivery and accountability.	Partially compliant	Further work required to support project delivery across all projects/programmes.
11.3	You must have effective controls in place to track delivery progress, take corrective action if required, and ensure ongoing viability of your projects and programmes.	Please outline the controls you have in place and confirm that these adequately ensure delivery and ongoing viability.	For governance of major projects (as defined corporately) effective controls are in place and reporting is in Place. For smaller projects/programmes, controls are in place and are monitored at the appropriate level. Where issues arise, these are dealt with by the project lead and Senior Responsible Officer.	Compliant	

11.4	You should have a robust benefits management framework in place, including clear benefit measures, owners and realisation plan.	Please outline the arrangements you have in place.	This is integrated into the business cases for all projects and programmes.	Compliant	
11.5	You must undertake end stage reviews and once the project has delivered the required outputs a formal closure process should be undertaken, including a final lessons learned exercise.	Please outline the arrangements you have in place.	This is integrated into the process for managing projects//programmes.	Compliant	
12	Financial Control requirements	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
12.1	The operation of financial controls in your directorate must be effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.	Please describe your financial controls.	Place follows the Council's policies and procedures in relation to financial controls and transactions and operates utilising the corporate systems for financial transactions (oracle) and financial monitoring (frontier).	Partially Compliant	Internal Audit of Housing Property identified some issues with the processing of payments for contractors. These are being addressed with the management actions being implemented following this review.
12.2	The arrangements you have in place to monitor expenditure/budget variances should identify control problems or variances that could have an effect on the Annual Accounts.	Please give details of the arrangements you have in place and if any control problems or variances have been identified.	Financial monitoring takes place at service/team level, as appropriate. Finance colleagues regularly attend service area management teams and work with local managers to monitor expenditure/budget variances. Finance/Budget is a standing item on the Place SMT, with the Finance Manager for Place a core member of the Place Senior	Compliant	

			Management Team.		
12.3	You should have arrangements in place to ensure all material commitments and contingent liabilities (i.e. undertakings, past transactions or events resulting in future financial liabilities) are notified to the Chief Financial Officer.	Please describe the arrangements you have in place and provide details of any such notifications to the Chief Financial Officer.	Material Commitments and Contingent Liabilities are identified by service areas with Finance colleagues and are notified to the Chief Financial Officer.	Compliant	
12.4	You should have arrangements in place to protect assets against theft, loss and unauthorised use and identify any significant losses.	Please describe the arrangements you have in place and if there have been any significant losses please detail these and outline any corrective action that has been, or will be, taken.	Arrangements have been developed with service areas and corporate property to protect assets against theft, loss, unauthorised use and to identify any significant losses. This is particularly true in the Council's depots and community recycling centres.	Partially compliant	Further analysis requires to ensure that these arrangements are consistent across Place.
12.5	You should have arrangements in place to review the adequacy of insurance provision and its adequacy in covering the risk of loss across your directorate.	Please describe the arrangements you have in place including the frequency of review and date of last review.	Insurance provision is managed by the Insurance section in Finance, however this is reviewed annually with the service to ensure adequacy.	Compliant	

12.6	You should have arrangements in place for identifying any weaknesses in your directorate's compliance with Council financial policies or statutory/regulatory requirements.	Please describe the arrangements you have in place, detail any weaknesses that have been identified and (if any) how these have been or will be addressed.	Weaknesses in compliance would be identified through regular financial monitoring and discussed with the corporate finance team before taking steps to address these weaknesses. No weaknesses have been identified in 2017/18.	Compliant	
12.7	You should have arrangements in place that would identify any internal control, risk management or asset valuation problems within service areas that could affect the Annual Accounts?	Please describe the arrangements you have in place and detail any problems that have been identified.	These would be identified through regular financial monitoring and discussed with the corporate finance team before taking steps to address the issues raised. None have been identified in 2017/18 through the financial monitoring process.	Compliant	
13 Group Accounts (Resources only)		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
13.1	Have there been any developments during the year that should lead to additions, deletions or amendments to the companies included in the Group Accounts?	This question requires a Yes/No response. If the response is Yes, please provide details.	N/A	Yes / No	
13.2	You should have arrangements in place to identify any internal control, risk management or asset valuation problems with Council companies that could affect the Group Accounts.	Please describe the arrangements in place and detail any problems that have been identified during the reporting period.	N/A	Compliant / Partially compliant / Not compliant	

14 National Agency Inspection Reports		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
14.1	You should have arrangements in place to identify any reports relating to your directorate that could impact on the signing of the Annual Governance Statement.	Please describe the arrangements you have in place, list the inspection reports published during the year, detail any issues that could have an impact and explain how these have been reported.	<p>Arrangements are in place to identify reports relating to Place which could have an impact on the signing of the annual governance statement.</p> <p>For example in December 2017 the Scottish Government carried out a further review of Building Standards. The outcome of this is now known and the Council is working with Scottish Government and an Improvement Team to develop an Improvement Plan, building on the progress made in 2017. This has been reported to Elected Members and considered by Governance Risk and Best Value Committee.</p>	Partially Compliant	
14.2	You should have arrangements in place that adequately monitor and report on the implementation of recommendations.	Please describe the arrangements you have in place.	These are discussed by service managers and actions are included within the improvement plans developed in response.	Partially compliant	Further review of arrangements for monitoring and reporting on improvements to be considered for strengthening.
15 Internal Audit, External Audit and Review Report Requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
15.1	Have there been any internal audit, external audit or review reports published during the year that have highlighted high, medium or significant control deficiencies?	This question requires a Yes/No response. Please also list the reports published during the year and highlight any that have flagged high, medium or significant control deficiencies.	<p>A number of internal audits have been carried out in Place during 2017/18, with some high and medium control deficiencies identified. Management actions are in place for all of these reports and regular follow up is undertaken and reported to Internal Audit.</p> <p>For outstanding actions (where actions have not been delivered within the agreed</p>	Yes	This process will be strengthened with the introduction of Team Central for monitoring internal audit actions as there is no one system currently available which allows all actions to be tracked.

			timescale), a monthly review is undertaken and information (when available) is supplied to Internal Audit. In addition, regular meetings between managers and Internal Audit have been arranged to discuss actions and seek clarity on progress.		
15.2	You should have arrangements in place to ensure all recommendations from these reports have been (or are being) implemented and that this is monitored effectively.	Please describe your implementation, monitoring and reporting arrangements and provide detail of any recommendations that are outstanding at the end of the reporting period.	<p>A Council wide issue has recently been identified where Internal Audit findings raised dating back to 1 April 2016 have either not been implemented; or were implemented, but have not been sustained, resulting in unnecessary exposure to service delivery risk.</p> <p>The Corporate Leadership Team agreed that each Directorate would review the full population of IA High and Medium rated findings and confirm (via a self attestation process) whether these had been implemented; not implemented; implemented but not sustained; or were no longer applicable, with any findings that had not been implemented, or were implemented but not sustained, reopened by Internal Audit to ensure that these risks are effectively addressed.</p> <p>The results for Place confirmed that a total of 2 High and 3 Medium rated findings will be reopened.</p> <p>The Executive Director of Place and Place Heads of Service are all personally committed to ensuring that this historic position is addressed together with timely resolution of our existing population of open IA findings. Action plans have been</p>	Partially compliant	Action Plans are now in place for all re-opened actions as well as all outstanding actions for Place service activities.

			developed and sufficient resources allocated to ensure that this will be achieved within appropriate timeframes.		
16 Progress		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
16.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years should have been addressed satisfactorily.	Please detail how any remaining outstanding issues or recommendations are being addressed.	All outstanding issues and recommendations have been progressed, or are being progressed as per the requirements of the prepared improvement plans. Rolling action logs are maintained for all committees and regular updates are provided to members on progress until actions are complete.	Partially compliant	New arrangements are being introduced to track Committee actions and to ensure that these are followed up immediately following committees and progress tracked.

Reviewed by		Role	Internal Audit	Date	
Reviewed by		Role	Democracy, Governance and Resilience Senior Manager	Date	

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

		<p>directorate’s essential activities.</p>	<p>Business Impact Assessments for all Place services are being progressed with support from the Corporate Resilience team. Actions identified will be progressed in accordance with the Council’s business continuity arrangements.</p> <p>Specific business continuity plans are in place for key service activities and these are reviewed on a regular basis.</p>	<p>Heads of Service, Service Managers and Resilience Specialist</p> <p>Service Managers</p>	<p>This is on-going</p> <p>Reviewed annually</p>
4.1	Council Company Requirements	<p>You must have arrangements in place for the oversight and monitoring of the council companies you are responsible for, that give you adequate assurance over their operation and delivery for the Council.</p>	<p>The arrangements for oversight and monitoring of the Culture, Economic Development and Transport arms length companies are in line with the Council’s governance arrangements.</p>	N/A	N/A
4.2	Council Company Requirements	<p>You must ensure that an appropriate Service Level Agreement, or other appropriate legal agreement, is in place for each Arm’s Length External Organisation that you are responsible for.</p>	<p>Internal Audit reviewed the Place agreements in place. Additional information has been requested and Place are currently working with Internal Audit to clarify the requirements of this action and will put the necessary changes in Place, where appropriate.</p>	Operations Manager	31 December 2018

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

			<p>In line with the Council's business planning process, a suite of Key Performance Indicators is currently being developed for Place. This is being prepared on a balanced scorecard approach, with the focus on outcomes rather than outputs. This includes data gathering on a regular basis (will be monthly, quarterly or annually depending on the KPI) and will be reported to Place Senior Management Team meetings, to CLT and to Committee/Council in line with the regular reporting schedule. This will sit alongside reporting on the Programme for the Capital reporting on a six monthly basis.</p> <p>Place has action plans in place in two service areas currently to address identified performance issues – Roads and Building Standards. Progress on each is monitored regularly and reported to the appropriate Committees.</p> <p>Where performance issues are identified, specific action plans are developed and monitored accordingly.</p>	<p>Executive Director Heads of Service Strategy and Insight</p> <p>Service Managers Head of Service Strategy and Insight</p> <p>Service Managers Heads of Service</p> <p>Service Managers Heads of Service</p>	<p>31 December 2018</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>
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Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

9.3	Performance Requirements	You should have appropriate arrangements in place throughout your directorate for recording, monitoring and managing customer service complaints and customer satisfaction.	A review of Place's approach to responding to customer complaints and response times is currently underway to ensure consistency and compliance with the Council's processes and procedures. An action plan will be implemented if the findings indicated that Council timescales for response are not being achieved or that there are issues with compliance.	Operations Manager	31 March 2019
11.2	Change and Project Management Arrangements	Your project/programme management arrangements should have appropriate governance in place to support delivery. As part of governance, clear roles, responsibilities, and accountabilities are articulated and demonstrated by all members of the project/programme team.	<p>The corporate arrangements for governance of major change projects has changed during 2018. Place contributes to this process with regular dashboards on all projects submitted to CLT on a monthly basis and to GRBV regularly.</p> <p>A review of projects underway in the directorate has been undertaken and the findings are currently being considered corporately before local actions will be identified.</p>	<p>N/A</p> <p>Executive Director Heads of Service</p>	<p>N/A</p> <p>31 March 2019</p>
12.1	Financial Control Requirements	The operation of financial controls in your directorate must be effective in ensuring the valid authorisation of financial transactions and	An issue was identified by Internal Audit as part of a review of payments to contractors in Housing Property. Actions have been agreed with Internal Audit and are currently being	Head of Place Development	XX

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

		maintenance of accurate accounting records.	implemented. This is being managed in accordance with Internal Audit findings and reported through the TeamCentral system. No other issues have been identified in Place service areas.		
12.4	Financial Control Requirements	You should have arrangements in place to protect assets against theft, loss and unauthorised use and identify any significant losses.	A review of arrangements for all operational buildings managed by Place and Localities is required to ensure that arrangements are being applied consistently.	Heads of Service Service Managers	30 June 2019
14.1	National Agency Inspection Reports	You should have arrangements in place to identify any reports relating to your directorate that could impact on the signing of the Annual Governance Statement.	Arrangements are in place to identify reports which could have an impact on the signing of the Annual Governance Statement. In 2016/17, the Scottish Government review of the Building Standards service identified a number of improvements required. These have been shared corporately and with Elected Members. An improvement plan is in place and progress is being monitored and reported.	Head of Place Development	30 June 2019
14.2	National Agency Inspection Reports	You should have arrangements in place that adequately monitor and report on the implementation of recommendations.	As part of the 2018/19 assurance schedule review, managers have been asked to confirm the current	Executive Director Heads of Service Service Managers	31 March 2019

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

			<p>arrangements and assess these for adequacy.</p> <p>The findings of this will be used to determine if further changes are required to strengthen the approach in Place.</p>	<p>Executive Director Heads of Service</p>	<p>30 June 2019</p>
15.1	Internal Audit External Audit and Review Report Requirements	<p>Have there been any internal audit, external audit or review reports published during the year that have highlighted high, medium or significant control deficiencies?</p>	<p>The arrangements for implementing actions following internal audit arrangements has been reviewed with the introduction of TeamCentral. Services are working with Internal Audit to improve the flow of information and to ensure that the expectations in respect of audit actions are clearly understood.</p> <p>For external audit and review reports, arrangements continue to be monitored through the development of implementation of improvement plans.</p>	<p>Executive Director Heads of Service Service Managers</p> <p>Executive Director Heads of Service Service Managers</p>	<p>31 March 2019</p> <p>On-going</p>
15.2	Internal Audit External Audit and Review Report Requirements	<p>You should have arrangements in place to ensure all recommendations from these reports have been (or are being) implemented and that this is monitored effectively.</p>	<p>The implementation of all internal audit actions is now being tracked through TeamCentral.</p> <p>A review of all open actions is currently underway.</p>	<p>Executive Director Heads of Service Service Managers</p> <p>Operations Manager</p>	<p>On-going</p> <p>31 December 2018</p>

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

			<p>Service managers are responsible for ensuring that implemented audit actions continue to be monitored for effectiveness.</p> <p>Internal Audit are currently undertaking a review of a sample of closed audit actions to check on-going compliance. This includes Place actions. The findings of this will be reported in due course and any required actions will be taken.</p>	<p>Service Managers</p> <p>Internal Audit</p>	<p>On-going</p> <p>On-going</p>
16.1	Progress	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years should have been addressed satisfactorily.	<p>All outstanding actions from Committees are now being tracked through action logs for individual committees and regular updates are included in Rolling Action Logs and/or within Committee reports. The outstanding actions are reviewed as part of the process for Committee planning and reporting and Committee work programmes are updated to bring forward reports and updates as requested.</p> <p>Internal Audit actions are now being tracked through TeamCentral and will be monitored closely on an on-going basis.</p>	<p>Executive Director</p> <p>Heads of Service</p> <p>Service Managers</p> <p>Heads of Service</p> <p>Service Managers</p> <p>Operations Manager</p>	<p>Actions are progressed regularly by Service Managers and reviewed/updated on a bi-monthly basis as part of the Committee process.</p> <p>Actions are progressed as appropriated. A monthly review is undertaken by</p>

Appendix 2 – Place Directorate Action Plan in Response to Annual Assurance Statement Findings

					Heads of Service and action taken as appropriate.
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Governance, Risk and Best Value Committee

10am, Tuesday, 27 November 2018

Committee Reporting

Item number	7.8
Report number	
Executive/routine	Executive
Wards	N/A
Council Commitments	

Executive Summary

Options developed by a short-life officer working group to improve the standard of committee reporting are detailed. This includes revised template options and a supporting workplan.

Committee Reporting

1. Recommendations

- 1.1 It is recommended that Committee considers options 1, 2 and 3 and refers a recommended option to Corporate Policy and Strategy Committee.

2. Background

- 2.1 The current report template was introduced as part of the Council's Governance Review in September 2012. This was designed to reflect and take advantage of modern business practices, including the Council's recent move to electronic circulation of meeting papers.
- 2.2 Further incremental changes have been made to the template in the intervening period to reflect Audit Scotland recommendations, changes to legislation and service area guidance. This has included the addition of the Financial Impact and Risk, Policy, Compliance and Governance Sections.

3. Main report

- 3.1 Feedback has been received from officers and elected members that the existing report template needs refreshing in order to better support committee decision making and facilitate transparency.
- 3.2 A short-life working group consisting of officers from Strategy and Communications was formed to assist with the development of a new reporting template and supporting measures. The group was given the brief of simplifying and modernising the template whilst retaining strong internal controls. Ensuring that any solution considered the needs of all elected members and remained accessible to members of the public was of key importance.
- 3.3 Engagement sessions with elected members and business support staff took place in October 2019. Feedback on existing and draft options was provided by attendees and has been incorporated into final proposed versions (appendix 1-3).
- 3.4 The following features are contained in proposed options:
All options
- 3.5 All options presented include embedded writing guidance. This guidance is designed to increase visibility and will be combined with the implementation of a

committee management system later this year. (see section 3.12.5). A more comprehensive guidance document will be refreshed and retained.

- 3.6 All text and content has been made compliant with Royal National Institute of Blind People (RNIB) accessibility guidelines.
- 3.7 The authorising officer and report contact information has been moved to the front page. This improves ease of reference and makes full meeting papers more navigable for those using screen reading software in combination with electronic bookmarks.

Option 1 (appendix 1)

- 3.8 Option 1 is a streamlined version of the existing template. This pulls out and highlights key sections.
 - 3.8.1 Recommendations have been moved to the front page and swapped with Executive Summary.
 - 3.8.2 Sections on Risk, Policy and Governance Impact; Equalities and Sustainability have been merged into a new Stakeholder/Community Impact Section.
 - 3.8.3 Measures of Success has been replaced by Next Steps.
 - 3.8.4 All other sections have been retained.
 - 3.8.5 Guidance requires authors to minimise Main Report section contents to a maximum of two pages.

Option 2 (appendix 2)

- 3.9 Option 2 is significantly shorter than other versions and focuses on providing key information to assist decision makers while utilising appendices to present additional material.
 - 3.9.1 Recommendations have been moved to the front page in place of the Executive Summary.
 - 3.9.2 Background and Background Reading sections have been merged.
 - 3.9.3 A new Next Steps section has been added.
 - 3.9.4 Main Report has been replaced by Supporting Information. Guidance requires authors to minimise this section to a maximum of two pages.
 - 3.9.5 Any additional information to that in Supporting Information should be included as an appendix under this option. This includes financial considerations, stakeholder/community impacts, statistics and analysis. This will give flexibility.

Option 3 (appendix 3)

- 3.10 This option mirrors the existing template most closely. All sections remain the same.

3.11 Financial Impact has been renamed Affordability and Value for Money.

Supporting Activities

3.12 Activities will be carried out to support the implementation of a new template as follows:

3.12.1 In addition to the embedded guidance, the separate report writing guidance document will be refreshed with input from service areas.

3.12.2 An officer e-learning module for report writing will be developed to reflect the new template and practices.

3.12.3 There will be communication of the new template and practices through internal newsletters, briefings and the orb intranet site. Drop-in help sessions will be established for report authors and service area 'report champions' will be identified.

3.12.4 The effectiveness of the new process will be reviewed by Strategy and Communications on a rolling-basis.

3.12.5 A committee management system including report management tools will be rolled out during 2019. This is expected to create overall efficiencies in the reporting process whilst allowing for a more structured management of report writing. Report authors will be required to gain authority to access the report writing system. This can be issued on completion of report writing training or e-learning. Report writing guidance can also be displayed more prominently by requiring authors to open a new template with embedded guidance within the software package.

4. Measures of success

4.1 An effective report template and work programme will better support the decision-making process for elected members whilst ensuring that reports remain accessible to members of the public.

5. Financial impact

5.1 All activities described in this report and presented options are contained within existing budgets. Reduction in report sizes is expected to provide increased capacity for directorates.

6. Risk, policy, compliance and governance impact

6.1 An effective committee reporting process embeds internal controls and facilitates healthy governance and the achievement of best value through quality decision making, accountability and transparency.

7. Equalities impact

- 7.1 Proposed options have been developed to ensure that the report template meets key RNIB guidelines for accessibility and readability.

8. Sustainability impact

- 8.1 The current paperless reporting process continues to support sustainable outcomes and a relative reduction in carbon footprint. The introduction of a committee management system and related report workflow tools will be utilised to further reduce the paper circulation of meeting papers whilst still meeting statutory and accessibility requirements.

9. Consultation and engagement

- 9.1 Workshop sessions and one-to-one briefings were made available to all members of the Governance, Risk and Best Value Committee and Corporate Policy and Strategy Committee.
- 9.2 Individual service areas were engaged through a workshop for executive officers. Feedback was also provided individually by those unable to attend.
- 9.3 Analysis of report templates of 12 other local authorities, Cosla and the UK Civil Service was undertaken.

10. Background reading/external references

- 10.1 [City of Edinburgh Council – 20 September 2012 – Review of Political Management Arrangements](#)

Andrew Kerr

Chief Executive

Contact: Ross Murray, Governance Officer

E-mail: ross.murray@edinburgh.gov.uk | Tel: 0131 469 3870

11. Appendices

Appendix 1 – Option 1 - Streamlined

Appendix 2 – Option 2 – Super Streamlined

Appendix 3 – Option 3 – Existing Structure

Committee name

Time, day, date

Name of report

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 Recommendations should be clear, concise and focussed.
- 1.2 Recommendations asking the committee to note information should be limited to instances where this has been requested or is of vital importance to the committee.

Director's name

Director's job title

Contact: Name, job title

E-mail: [e-mail address](#) | Tel: 0131 123 4567

Report

Name of report

2. Executive Summary

- 2.1 The Executive Summary should summarise the contents of the report and reason for submission in one paragraph.

3. Background

- 3.1 The background section should contain the essential information needed to understand the reason for the report. Keep the information succinct. If detailed background is required, this should be listed in appendices.

4. Main report

- 4.1 This section should be no longer than two pages. Any additional detail should be included as appendices. Elected members have to read a large volume of reports in a short amount of time. Include only the information requested or required to support the recommendations or options. Good writing advice is contained within the report writing guidance document.

5. Next Steps

- 4.1 This section should outline the next steps that will be taken following the Committee report.

6. Financial impact

- 6.1 Have you considered the following:
- 6.1.1 Business Case
 - 6.1.2 Budget provision
 - 6.1.3 Refer to any revenue or capital costs associated with the report

- 6.1.4 State what these costs are and give the financial year(s) in which the costs will be incurred
 - 6.1.5 Income/Savings
 - 6.1.6 External funding
 - 6.1.7 A comparison of the financing options that have been considered
 - 6.1.8 Any financial risks.
- 6.2 For Procurement reports the following should be detailed:
- 6.2.1 The detail and justification of quality/cost split
 - 6.2.2 Pricing or pricing range whether possible.
 - 6.2.3 Additional information as detailed in the report guidance document.

7. Stakeholder/Community Impact

- 7.1 Have you consulted or engaged with the community in creating this report/proposal? What is the impact on the community and does it meet any of the Council's priorities?
- 7.2 This section should provide any health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.
- 7.3 You should clearly identify any impacts relating to carbon impacts, adaptation to climate change and sustainable development, as well as the steps taken (or planned) to mitigate any adverse impacts.

8. Background reading/external references

- 8.1 A background paper is a document relating to the subject matter of the report that either contained information on which the report was based on or was relied upon by the author in preparing the report. Private documents should not be listed in this section. Documents listed are required by the Local Government (Scotland) Act 1973 to be made available to the public on request. If possible this should be a link to a copy of the document online.
- 8.2 You should also reference relevant previous Council reports and minutes by linking to Council Papers Online.

9. Appendices

Committee name

Time, day, date

Name of report

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 Recommendations should be clear, concise and focussed.
- 1.2 Recommendations asking the committee to note information should be limited to instances where this has been requested or is of vital importance to the committee.

Director's name

Director's job title

- Contact: Name, job title
- E-mail: [e-mail address](#) | Tel: 0131 123 4567

Report

Name of report

2. Background

- 2.1 The background section should contain the essential information needed to understand the reason for the report. Keep the information succinct. If detailed background is required, this should be listed in appendices.
- 2.2 Background papers should also be included in this section. These are documents relating to the subject matter of the report that either contained information on which the report was based on or was relied upon by the author in preparing the report. Private documents should not be listed in this section. Documents listed are required by the Local Government (Scotland) Act 1973 to be made available to the public on request. If possible, this should be a link to a copy of the document online.
- 2.3 You should also reference previous Council reports and minutes on the issue by linking to Council Papers Online.

3. Next Steps

- 3.1 This section should outline the next steps that will be taken following the Committee report.

4. Supporting Information

- 4.1 This section should be no longer than two pages. Any additional detail should be included as appendices. Elected members have to read a large volume of reports in a short amount of time. Include only the information requested or required to support the recommendations or options. Good writing advice is contained within the report writing guidance document.

5. Appendices

The following information can be included as appendices:

- Financial Considerations
- Stakeholder/Community Impact – community engagement, equalities impact, sustainability impact
- Statistics and Analysis

Appendix 1 – Financial Considerations

This section should generally include:

- Business Case
- Budget provision
- Refer to any revenue or capital costs associated with the report
- State what these costs are and give the financial year(s) in which the costs will be incurred
- Income/Savings
- External funding
- A comparison of the financing options that have been considered
- Any financial risks.

Not all of these considerations will be relevant for every report but they provide guidelines on what should be considering to ensure a report has the required information included.

For Procurement reports the following should be detailed:

- The detail and justification of quality/cost split
- Pricing or pricing range whether possible.
- Additional information as detailed in the report guidance document.

Appendix 2 – Stakeholder/Community Impact

Have you consulted or engaged with the community in creating this report/proposal? What is the impact on the community and does it meet any of the Council's priorities?

This section should provide any health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.

You should clearly identify any impacts relating to carbon impacts, adaptation to climate change and sustainable development, as well as the steps taken (or planned) to mitigate any adverse impacts.

Appendix 3 – Statistics and Analysis

Statistics, tables, figures and analysis should be included in this section.

For accessibility purposes descriptions should be included as standard text beside each inclusion.

Committee name

Time, day, date

Name of report

Item number
Executive/routine
Wards
Council Commitments

Executive Summary

The Executive Summary should summarise the contents of the report and reason for submission in one paragraph.

Director's name

Director's job title

Contact: Name, job title

E-mail: [e-mail address](#) | Tel: 0131 123 4567

Report

Name of report

1. Recommendations

- 1.1 Recommendations should be clear, concise and focussed.
- 1.2 Recommendations asking the committee to note information should be limited to instances where this has been requested or is of vital importance to the committee.

2. Background

- 2.1 The background section should contain the essential information needed to understand the reason for the report. Keep the information succinct. If detailed background is required, this should be listed in appendices.

3. Main report

- 3.1 This section should be no longer than two pages. Any additional detail should be included as appendices. Elected members have to read a large volume of reports in a short amount of time. Include only the information requested or required to support the recommendations or options. Good writing advice is contained within the report writing guidance document.

4. Measures of Success

- 4.1 This section should identify how the proposed actions in the report will be measured or assessed. This ensures that an outcome or performance improvement is identified at the outset and can be effectively scrutinised.

5. Affordability and Value for Money

- 5.1 Have you considered the following:
 - 5.1.1 Business Case
 - 5.1.2 Budget provision

- 5.1.3 Refer to any revenue or capital costs associated with the report
 - 5.1.4 State what these costs are and give the financial year(s) in which the costs will be incurred
 - 5.1.5 Income/Savings
 - 5.1.6 External funding
 - 5.1.7 A comparison of the financing options that have been considered
 - 5.1.8 Any financial risks.
- 5.2 For Procurement reports the following should be detailed:
- 5.2.1 The detail and justification of quality/cost split
 - 5.2.2 Pricing or pricing range whether possible.
 - 5.2.3 Additional information as detailed in the report guidance document.

6. Risk, policy, compliance and governance Impact

- 6.1 This section should provide any health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.

7. Equalities impact

- 7.1 All reports to Council Committees should contain summary information on the relationship of its contents, analysis or recommendations of the report with
- 7.1.1 The three Public Sector Equality Duties (PSED) general duties.
 - 7.1.2 The ten key areas of rights as identified in the [ERIA guidance](#).

8. Sustainability impact

- 8.1 You should clearly identify any impacts relating to carbon impacts, adaptation to climate change and sustainable development, as well as the steps taken (or planned) to mitigate any adverse impacts.

9. Consultation and engagement

- 9.1 This section should highlight who you have consulted or engaged with on the subject of the report. This may involve referring to any consultation period or that specific partners have been consulted with. If a formal consultation exercise with citizens or partners is necessary it should be undertaken to adhere with the Council's Consultation Framework (Consulting Edinburgh)

10. Background reading/external references

- 10.1 A background paper is a document relating to the subject matter of the report that either contained information on which the report was based on or was relied upon by the author in preparing the report. Private documents should not be listed in this section. Documents listed are required by the Local Government (Scotland) Act 1973 to be made available to the public on request. If possible this should be a link to a copy of the document online.
- 10.2 You should also reference relevant previous Council reports and minutes by linking to Council Papers Online.

11. Appendices

Governance, Risk and Best Value Committee

10am, Tuesday 27 November 2018

Whistleblowing update

Item number	7.9
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive summary

This report provides a high level overview of the operation of the Council's whistleblowing service for the period 1 July to 30 September 2018.

The report also recommends that current follow-up arrangements for whistleblowing and Monitoring Officer reports should continue.

Whistleblowing update

Recommendations

- 1.1 To note the report, including that current follow-up arrangements for whistleblowing and Monitoring Officer reports should continue

Background

- 2.1 The Council's whistleblowing service, including a confidential reporting line, is contracted to an independent external organisation, currently Safecall Limited.
- 2.2 This report covers the period from 1 July to 30 September 2018.

Main report

Reports to Safecall

- 3.1 During the reporting period Safecall received five new disclosures as follows:

Category	Number of disclosures
Major/significant qualifying disclosures	0
Minor/operational qualifying disclosures	1
Category to be determined	1
Non-qualifying disclosures	3

- 3.2 Managing a number of complex investigations was the focus for officers this quarter.

Whistleblowing Review - Action Plan Progress and follow-up

- 3.3 The Monitoring Officer had confirmed that he would report back to Committee on follow-up of actions resulting from whistleblowing or Monitoring Officer reviews. Following further consideration, it is recommended that current follow-up arrangements by officers within Governance and/or Legal and Risk is sufficient and should continue. This will be kept under review and any recommended changes brought forward to committee as required.

Measures of success

- 4.1 Employees feel able to report suspected wrongdoing as early as possible in the knowledge that:
- 4.1.1 their concerns will be taken seriously and investigated appropriately;
 - 4.1.2 they will be protected from victimisation; and
 - 4.1.3 the provisions of the whistleblowing policy ensure all matters at the Council are fully transparent and officers are accountable.

Financial impact

- 5.1 The cost of the whistleblowing service for the three-month period 1 July to 30 September 2018 was £4,725 (exclusive of VAT).
- 5.2 Investigation costs totalled £6,248.45 (exclusive of VAT) this quarter.

Risk, policy, compliance and governance impact

- 6.1 The whistleblowing policy was developed and agreed to complement existing management reporting arrangements and to ensure employees have the right to raise concerns in the knowledge that they will be taken seriously, that matters will be investigated appropriately and confidentiality will be maintained.

Equalities impact

- 7.1 There are no direct equalities implications arising from this report.

Sustainability impact

- 8.1 There are no sustainability implications arising from this report.

Consultation and engagement

9.1 There was consultation with the trades unions to secure a local agreement in relation to the revised whistleblowing policy.

Background reading/external references

[Finance and Resources Committee 27 March 2018: item 7.4 - Whistleblowing Policy](#)

Andrew Kerr

Chief Executive

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