

# Notice of meeting and agenda

## Governance, Risk and Best Value Committee

**10.00 am Tuesday, 29th October, 2019**

Dean of Guild Court Room - City Chambers

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

### Contacts

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## **1. Order of Business**

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

## **2. Declaration of Interests**

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

## **3. Deputations**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minute of the Governance, Risk and Best Value Committee of 17 September 2019 – submitted for approval as a correct record 7 - 12

## **5. Outstanding Actions**

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- 5.1 Outstanding Actions – 29 October 2019 13 - 28

## **6. Work Programme**

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- 6.1 Governance, Risk and Best Value Committee Work Programme – 29 October 2019 29 - 36

## **7. Business Bulletin**

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- 7.1 Governance, Risk and Best Value Committee Business Bulletin – 29 October 2019 37 - 40

## **8. Reports**

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<b>8.1</b>	Quarterly Status Update - Digital Services Programme – Report by Executive Director of Resources	41 - 50
<b>8.2</b>	Annual Assurance Schedule – Resources Directorate – Report by Executive Director of Resources	51 - 88
<b>8.3</b>	Resources Directorate – Internal Audit Action Update – referral from the Finance and Resources Committee	89 - 110
<b>8.4</b>	Capital Budget Strategy 2020-2030 – referral from the Finance and Resources Committee	111 - 126
<b>8.5</b>	Roads Services Improvement Plan Update – Report by Executive Director of Place	127 - 144
<b>8.6</b>	City of Edinburgh Council Sheltered Housing – Report by Chief Officer, Edinburgh Health and Social Care Partnership	145 - 152

## **9. Motions**

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**9.1** If any

### **Laurence Rockey**

Head of Strategy and Communications

### **Committee Members**

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Councillor Joanna Mowat (Convener), Councillor Eleanor Bird, Councillor Jim Campbell, Councillor Maureen Child, Councillor Phil Doggart, Councillor Gillian Gloyer, Councillor Melanie Main, Councillor Rob Munn, Councillor Gordon Munro, Councillor Alex Staniforth and Councillor Norman Work.

### **Information about the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. The Governance, Risk and Best Value Committee usually meets in the Dean of Guild Court Room in the City Chambers on the

High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

## **Further information**

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If you have any questions about the agenda or meeting arrangements, please contact , Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4240 / 0131 529 4237, email [lesley.birrell@edinburgh.gov.uk](mailto:lesley.birrell@edinburgh.gov.uk) / [martin.scott@edinburgh.gov.uk](mailto:martin.scott@edinburgh.gov.uk).

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

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

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# Minutes

## Governance, Risk and Best Value Committee

10.00am, Tuesday, 17 September 2019

### Present

Councillors Mowat (Convener), Bird, Jim Campbell, Child, Doggart, Gloyer, Main, Munn, Munro, Staniforth and Work.

### 1. Minute

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#### Decision

To approve the minute of 13 August 2019 as a correct record.

### 2. Outstanding Actions

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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** – Internal Audit Opinion and Annual Report for the Year Ended 31 March 2018

**Action 6 (3)** - City of Edinburgh Council – 2017/18 Annual Audit Report to the Council and the Controller of Audit

**Action 10** - Business Bulletin -Governance, Risk and Best Value Committee

**Action 11** - Internal Audit Quarterly Update Report: 26 November 2018 to 29 March 2019

**Action 12** - Capital City Partnership: Progress Update

**Action 14 (1)** - Accounts Commission – Local Government in Scotland: Challenges and Performance 2019 – referral from the Finance and Resources Committee

**Action 16** - Workforce Control Annual Report – referral from the Finance and Resources Committee

- 2) To agree that an update be provided on the Committee's Business Bulletin on the procedure for Committee oversight of the annual assurance statements (Action 3).
- 3) To add an expected completion date of November 2019 for Action 19.
- 4) To otherwise note the outstanding actions

(Reference – Outstanding Actions – 17 September 2019, submitted.)

### **3. Work Programme**

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#### **Decision**

- 1) To agree to a report on the management of sheltered housing, under Items for Scrutiny.
- 2) To add the review of the Member/Officer Protocol to the workplan with timescales for submission noting that the Protocol would be developed in consultation with members.
- 3) To agree that a workshop for members would be held prior to submission to the Committee.
- 4) To otherwise note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme – 17 September 2019, submitted.)

### **4. City of Edinburgh Council – 2018/19 Annual Audit report to the Council and Controller of Audit**

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Details were provided of the principal findings arising from the City of Edinburgh Council's 2018/19 external audit, which focused primarily on the review of the financial statements, but also included consideration of the Council's financial management, financial sustainability, governance and transparency and arrangements to secure and demonstrate value for money.

#### **Decision**

- 1) To note that, following the audit process, it was anticipated that an unqualified audit opinion would be issued on the Council's Annual Accounts for 2018/19.
- 2) To refer the audited Annual Accounts for 2018/19 to the Finance and Resources Committee for approval and thereafter to Council for noting.
- 3) To note that, following approval by the Finance and Resources Committee, the audited Annual Accounts would be signed and submitted to the external auditor.



- 4) To note the areas of strength identified within the wider scope audit work and that progress in the delivery of the remaining improvement actions set out in Appendix 5 of the auditor's report would be reported to the Committee during the coming year.
- 5) To request that an update report be submitted in January 2020 on progress with the action plan.
- 6) To agree that the Convener would write to the Convener of the Policy and Sustainability Committee to request details of the Committee's planned scrutiny activities and when reports were expected.

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

## 5. External Review of Internal Financial Controls 2018/19

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Details were provided of the 2018/19 external audit review of internal financial controls, which concluded that, whilst opportunities for further improvement existed and that there was a need, in some cases, to embed previous recommendations, the controls assessed were considered to be well-designed.

### Decision

- 1) To note the findings of the 2018/19 external review on the effectiveness of the Council's internal controls.
- 2) To note that a further update on progress in implementation of the improvement actions contained within the report would be provided to the Committee in January 2020.

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

## 6. Capital Investment Programme – Outturn 2018/19 and Revised Budget 2019-24

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The Finance and Resources Committee had referred a report which presented the final outturn for the Council's capital programme for 2018/19, including details of capital receipts and slippage/acceleration in projects within the Capital Investment Programme, to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

The report also set out a revised capital budget for the period 2019-24.

### Decision

To note the report by the Executive Director of Resources

(References – Finance and Resources Committee, 15 August 2019 (item 7); report by the Executive Director of Resources, submitted.)

## **7. Capital Monitoring 2019/20 Period 3 – referral from the Finance and Resources Committee**

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The Finance and Resources Committee had referred a report which set out forecast capital expenditure and income for the current financial year at month 3 and compared this with the revised capital budget, to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

### **Decision**

To note the report by the Executive Director of Resources.

(References – Finance and Resources Committee, 15 August 2019 (item 10); report by the Executive Director of Resources, submitted.)

## **8. Revenue Monitoring Outturn 2018/19 – referral from the Finance and Resources Committee**

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The Finance and Resources Committee had referred a report which set out the provisional 2018/19 revenue outturn position for the Council based on the unaudited financial statements to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

### **Decision**

To note the report by the Executive Director of Resources.

(References – Finance and Resources Committee, 15 August 2019 (item 6); report by the Executive Director of Resources, submitted.)

## **9. Revenue Monitoring 2019/20 Period Three**

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Details were provided on the main conclusions of the first quarterly revenue monitoring report for 2019/20.

### **Decision**

To note the report by the Executive Director of Resources.

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

## **10. Treasury Management Annual Report 2018/19**

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The Finance and Resources Committee, and subsequently the City of Edinburgh Council, had considered a report on Treasury Management activity in 2018/19. The report was referred by the City of Edinburgh Council to the Governance, Risk and Best Value Committee for scrutiny.

## **Decision**

To note the report by the Executive Director of Resources.

(References – Act of Council No 15 of 22 August 2019; Finance and Resources Committee, 15 August 2019 (item 8); report by the Executive Director of Resources, submitted.)

## **11. Corporate Governance Framework Self-Assessment 2018/19**

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Details were provided on the Council's Corporate Governance Framework (CGF) which was 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 2018 to 31 March 2019 was presented.

### **Decision**

To note the report by the Chief Executive.

(Reference – report by the Chief Executive, submitted.)

## **12. Whistleblowing Update**

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A high-level overview of the operation of the Council's whistleblowing service for the period 1 April to 30 June 2019 was provided.

### **Decision**

To note the report by the Chief Executive.

(References – report by the Chief Executive, submitted.)

## **13. Whistleblowing Monitoring Report**

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The Council, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 12 and 15 of Part 1 of Schedule 7(A) of the Act.

An overview of the disclosures received and investigation outcome reports completed during the period 1 April to 30 June 2019 was provided.

### **Decision**

- 1) To note the report.
- 2) To request that the Chief Officer, Edinburgh Health and Social Care Partnership, and the Executive Director of Place report to the December 2019 meeting of the

Committee on progress with management actions, responses and timescales, in relation to cases raised by the Committee, and that these be added to the Committee Work Plan.

(Reference – report by the Chief Executive, submitted.)

# Outstanding Actions

## Governance, Risk and Best Value Committee

29 October 2019

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	01/08/2017	<a href="#">Governance, Risk and Best Value Work Programme – 1 August 2017</a>	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	December 2019 <del>November 2019</del> <del>August 2019</del> <del>April 2019</del>		<b><u>October 2019</u></b>  A team has now been established to review the historic population of files to identify any that could potentially have been merged with incorrect file retention dates applied. Internal Audit will review the scope and approach being applied to this review in October to confirm that it is appropriately

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>designed to ensure that any merged files are identified and reviewed.</p> <p>A final report detailing the outcomes of this work together with Internal Audit recommendations in relation to the review process applied to files prior to their destruction will be presented to the Governance Risk and Best Value Committee in December 2019.</p> <p><b><u>May 2019</u></b></p> <p>Strategy and Comms are preparing a paper which will include</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>the outcomes of the audit findings – this will be reported to the Corporate Policy and Strategy Committee and referred thereafter to GRBV.</p> <p><b><u>Update</u></b></p> <p>The internal auditor's investigation is still ongoing therefore it may take a few months before an update is provided.</p> <p>The Executive Director for Communities and Families will provide an update once the Chief Internal Auditor's investigation is</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							concluded.  The final audit report would be referred from the Corporate Policy and Strategy Committee to GRBV.
2	26/09/2017	<a href="#">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</a>	To accept the high-level principles subject to further information on how elected members could best engage with the process.	Chief Internal Auditor	May 2020 <del>September 2019</del> January 2019 <del>November 2017</del>		<b><u>September 2019</u></b>  Please note that a briefing note by the Chief Internal Auditor has been circulated to members separately.
3	31/07/18	<a href="#">Expansion of Early Learning and Childcare from 600 – 1140 hours by 2020. Audit Scotland Report and Risks</a>	To ask the Chief Executive to submit a report to the Edinburgh Partnership on workforce planning.	Chief Executive / Executive Director for Communities and Families	December 2019 <del>October 2019</del> June 2019		<b><u>September 2019</u></b>  The Edinburgh Partnership will consider this report on 18 December



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>2019, in order to allow it to be considered by the Education, Children and Families Committee on 8 October 2019.</p> <p><b><u>May 2019</u></b></p> <p>The report was submitted to the Education, Children and Families Committee in <a href="#">March 2019</a> and it will be submitted to the Edinburgh Partnership in October 2019.</p> <p><b><u>October 2018</u></b></p> <p>A report is scheduled to go to the Education, Children and</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Families Committee in March 2019 and will be reported to the Edinburgh Partnership thereafter.
4	28/08/18	<a href="#">Committee Reporting</a>	To request a report by the end of 2019 to monitor the impact of the steps taken to improve the process.	Chief Executive	December 2019		
5	30/10/18	Delivery of the New Boroughmuir High School – Post-Project Review (B agenda report)	That the Convener and Vice-Convener would discuss with officers what information on project implementation could be made public.	Convener	August 2019 <del>June 2019</del> <del>March 2019</del>		<b>Recommended for closure</b> The Convener has discussed this matter with officials and has agreed to close this action from the rolling actions log. The item will be added to the forward work programme with a date to be

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							confirmed, subject to the further advice of the Head of Legal and Risk. <del>Convener has been in discussion with officials regarding this matter.</del>
6	15/01/19	<a href="#">Roads Services Improvement Plan</a>	To agree that an update be submitted in October 2019 following the meeting of the Transport and Environment Committee.	Executive Director of Place	October 2019		Report on agenda for this meeting.
7	15/01/19	<a href="#">Garden Waste Bin Collection Project: What Worked Well and Lessons Learned – referral from the Transport and Environment Committee</a>	To ask that a briefing note be circulated providing details of vehicles, overtime and staffing.	Executive Director of Place	October 2019 <del>August 2019</del> <del>June 2019</del> February 2019		Briefing Note will be issued before Committee meets in October  <del>Briefing Note will be issued before Committee meets in August.</del>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<del>Briefing Note will be issued before Committee meets in June 2019.</del>
8	04.06.19	<a href="#">Welfare Reform Annual Report</a>	To agree that the Convener would write to the Convener of the Corporate Policy and Strategy Committee recommending that he write to the UK Government requesting assistance to mitigate the impact of welfare reform, and that details, including any responses, would be provided in the Committee's Business Bulletin.	Convener	August 2019		
9	04.06.19	<a href="#">Accounts Commission – Local Government in Scotland: Challenges and Performance 2019 – referral from the</a>	1) To request a briefing note clarifying the data in Exhibit 4 of the report on the	Chief Executive	August 2019		<b>1) Closed -</b> Update provided in the Business Bulletin for Committee on 12

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		<a href="#">Finance and Resources Committee</a>	<p>percentage of young people in poverty.</p> <p>2) To agree that the Convener would write to the Convener of the Finance and Resources Committee to recommend that he write to the Scottish Government conveying the Committee's concerns at the lack of government funding, and that details, including any responses, would be provided in the Committee's Business Bulletin.</p>	Convener			September 2019.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10	04.06.19	<a href="#">Accounts Commission – Safeguarding public money: are you getting it right? – referral from the Finance and Resources Committee</a>	<ol style="list-style-type: none"> <li>1. To request that the Accounts Commission report be circulated to all members of the Council for information, and to recommend that it be included in the training pack for new councillors.</li> <li>2) To agree that the Convener would arrange a meeting with a group of members of the Committee and officers to consider the Councillor checklists and identify any gaps.</li> </ol>	Chief Executive	July 2019		<ol style="list-style-type: none"> <li>1. <b>CLOSED</b> – report circulated to all councillors on 25 July 2019 and to the Governance Team to arrange for it to be included in the training for new councillors.</li> </ol> <p><b>Recommended for closure</b></p> <p>The Convener has written to the Convener of Finance and Resources.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
11	04.06.19	<a href="#">Change Portfolio</a>	To agree to an update on the Business Bulletin on the timescale for the Paperless Strategy and Councillors' responsibilities as data controllers.	Executive Director of Resources	October 2019		<b>Update</b> - Item is included in the Business Bulletin for the October meeting of Committee.
12	13.08.19	<a href="#">Internal Audit Annual Opinion for the year ended 31 March 2019</a>	To request that the Chief Executive, Executive Directors and Chief Officer of the Edinburgh Health and Social Care Partnership, supported by the Chief Internal Auditor, report to the relevant Executive Committee at the earliest opportunity and the subsequent GRBV Committee setting out clear plans to ensure the closure of all historic and	Chief Executive / Executive Directors / Chief Officer, EHSCP and Chief Internal Auditor	December 2019		<b>Resources Update</b> A report on items pertaining to the Resources Directorate has been submitted for the October meeting of F&R Committee and is to be referred to the following meeting of this Committee.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			overdue internal audit management actions to enable an improvement to the overall Internal Audit Opinion for 2019/20 and to refer all audits with a red finding to the next meeting of the appropriate Executive Committee for their consideration and that action plans would be reported back to GRBV.				
13	13.08.19	<a href="#">Annual Update on Council Transport Arms-Length Companies</a>	To agree that the report to Policy and Sustainability Committee later this year would provide additional clarity regarding the reporting arrangements for ALEOs to the Council and governance schematics and this	Chief Executive	November 2019		<b>Update</b> Report will be going to Policy and Sustainability Committee on 26 November 2019.



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			should be referred back to GRBV				
14	13.08.19	<a href="#">Marketing Edinburgh Annual Update</a>	To agree that details would be provided about the amount of income generated by Film Edinburgh for the Council.	Executive Director of Place	January 2020		Briefing Note will be issued before Committee meeting in December 2019
15	17.09.19	<a href="#">Outstanding Actions</a>	To request that an update be provided on the Committee's Business Bulletin on the procedure for Committee oversight of the annual assurance statements	Chief Executive	December 2019		
16	17.09.19	<a href="#">Work Programme</a>	1) To request a report on the management of sheltered housing, under Items for Scrutiny.	Chief Officer, Edinburgh Health and Social Care Partnership	December 2019		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To add the review of the Member/Officer Protocol to the workplan with timescales for submission and to agree that a workshop for members would be held prior to submission to the Committee	Chief Executive			
17	17.09.19	<a href="#">City of Edinburgh Council – 2018/19 Annual Audit Report to the Council and the Controller of Audit</a>	1) To request that an update report be submitted in January 2020 on progress with the action plan.  2) To agree that the Convener would write to the Convener of the Policy and Sustainability	Chief Executive / Executive Director of Resources  Convener	January 2020		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Committee to request details of the Committee's planned scrutiny activities and when reports were expected.				

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# Work Programme

## Governance, Risk and Best Value Committee

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
<b>Section A – Regular Audit Items</b>								
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	December 2019 March 2020 June 2020
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	December 2019 March 2020 June 2020

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	August 2020
4	IA Audit Plan for the year		Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	March 2020
5	Accounts Commission	Annual report	Local Government in Scotland: Financial Overview	External Audit	Executive Director of Resources	Council Wide	Annually	January 2020
	Accounts Commission	Annual report	Local Government in Scotland: Performance and Challenges	External Audit	Executive Director of Resources	Council Wide	Annually	June 2020
	Annual Audit Plan	Scott Moncrieff	Annual audit plan	External Audit	Executive Director of Resources	Council Wide	Annually	March 2020
8	Annual ISA 260 Audit Report	Scott Moncrieff	Annual Audit Report	External Audit	Executive Director of Resources	Council Wide	Annually	September 2020
9	External Audit Review of Internal Financial Controls	Scott Moncrieff	Interim audit report on Council wide internal financial control framework	External Audit	Executive Director of Resources	Council Wide	Annually	September 2020
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	Internal Audit Charter	Annual Report	Annual Audit Charter	Internal Audit	Executive Director of Resources	Council Wide	Annually	March 2020
<b>Section B – Scrutiny Items</b>								
12	Change Portfolio		To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Chief Executive	All	Six-monthly	December 2019
13	Welfare Reform	Review	Update reports to be referred annually by Corporate Policy and Strategy Committee	Scrutiny	Executive Director of Resources	Council Wide	Annual	June 2020
14	Review of CLT Risk Scrutiny	Risk	Quarterly review of CLT's scrutiny of risk	Risk Management	Chief Executive	Council Wide	Quarterly	December 2019 March 2020 June 2020
15	Whistleblowing Quarterly Report		Quarterly Report	Scrutiny	Chief Executive	Internal	Quarterly	December 2019
16	Workforce Control	Staff	Annual report	Scrutiny	Executive Director of Resources	Council Wide	Annual	June 2020
17	Committee Decisions	Democracy	Annual report	Scrutiny	Chief Executive	Governance, Risk and Best Value Committee	Annual	Date TBC  Re-examine after improved information tracking.
18	Monitoring of Council Policies	Democracy	Annual report	Scrutiny	Chief Executive	Council Wide	Annual	Spring 2019

19	Revenue Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	September 2020
20	Capital Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	September 2020
21	Revenue Outturn	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	September 2020
22	Capital Outturn and Receipts	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	September 2020
23	Treasury – Strategy report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	March 2020
24	Treasury – Annual report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	September 2020
25	Treasury – Mid-term report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	January 2020
26	Status of the ICT Programme	Review	Progress Reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	October 2019 January 2020
27	Annual Assurance Schedules	Review	Progress Report	Scrutiny	All Directorates	Council	Annual	October 2019 (Resources) December 2019 (Place) January 2020 (Communities and Families) February 2020



								(Chief Executive) August 2020 (EIJB)
28	Management of Sheltered Housing	Review	Progress Report	Scrutiny	Chief Officer, Edinburgh Health and Social Care Partnership	EHSCP	Flexible	December 2019
29	Review of the Member/Officer Protocol	Review	Including timescales for submission	Scrutiny	Chief Executive	Council Wide	Flexible	January 2020
<b>Section C – Council Companies</b>								
30	Capital Theatres	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	December 2019
31	Edinburgh Leisure	Review	Progress Report	Scrutiny	Executive Director for Communities and Families	Council Wide	Annual	January 2020
32	Capital City Partnership	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	May 2020
33	Transport for Edinburgh	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2020
34	Lothian Buses	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2020
35	Edinburgh Trams	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2020
36	Edinburgh International Conference Centre	Review	Progress Report	Scrutiny	Executive Director of Resources	Council Wide	Annual	December 2019
37	Marketing Edinburgh	Review	Progress Report	Scrutiny	Chief Executive	Council Wide	Annual	August 2020

## GRBV Upcoming Reports

## Appendix 1

Report Title	Type	Flexible/Not Flexible
<b>December 2019</b>		
Annual Assurance Schedules - Place	Scrutiny	Flexible
CLT Risk Register	Scrutiny	Flexible
IA Quarterly Update	Scrutiny	Flexible
Edinburgh International Conference Centre - Annual Progress Report	Scrutiny	Flexible
Capital Theatres - Annual Progress Report	Scrutiny	Flexible
IA Overdue Findings and Late Management Responses	Scrutiny	Flexible
Internal Audit's capacity to deliver the 2019/20 Internal Audit annual plan	Scrutiny	Flexible
Internal Audit CIPFA Benchmarking Report	Scrutiny	Flexible
Leading IA in the public sector and the role of the HIA	Scrutiny	Flexible

Change Portfolio	Scrutiny	Flexible
Management of Sheltered Housing	Scrutiny	Flexible
Edinburgh Health and Social Care Partnership – Historic and overdue management actions	Scrutiny	Flexible
Whistleblowing Quarterly Report	Scrutiny	Flexible
Whistleblowing Monitoring Report (B agenda)	Scrutiny	Flexible
Whistleblowing Case – Management Actions and Responses – Place Directorate (B agenda)	Scrutiny	Flexible
Whistleblowing Case – Management Actions and Responses – Edinburgh Health and Social Care Partnership (B agenda)	Scrutiny	Flexible
<b>January 2020</b>		
Accounts Commission – Local Government in Scotland: Financial Overview	Scrutiny	Flexible
Treasury – Mid-term report	Scrutiny	Flexible
Status of the ICT Programme	Scrutiny	Flexible
Annual Assurance Schedule – Communities and Families Directorate	Scrutiny	Flexible
Review of the Member/Officer Protocol	Scrutiny	Flexible



# Business bulletin

## Governance, Risk and Best Value Committee

**10.00am, Tuesday, 29 October 2019**

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


Nicola Harvey

Head of Customer and Digital Services

[Nicola.harvey@edinburgh.gov.uk](mailto:Nicola.harvey@edinburgh.gov.uk)

0131 469 5006

# Governance, Risk and Best Value Committee

Convener:	Members:	Contact:
<p>Councillor Joanna Mowat</p> 	<p>Councillor Joanna Mowat (Convener)</p> <p>Councillor Eleanor Bird</p> <p>Councillor Jim Campbell</p> <p>Councillor Maureen Child</p> <p>Councillor Phil Doggart</p> <p>Councillor Gillian Gloyer</p> <p>Councillor Melanie Main</p> <p>Councillor Rob Munn</p> <p>Councillor Gordon Munro</p> <p>Councillor Alex Staniforth</p> <p>Councillor Norman Work</p>	<p><u>Jamie Mcrae</u> Committee Officer</p> <p><u>Martin Scott,</u> Assistance Committee Officer</p>

Recent news	Background
<p><b>Paper “less” Project</b></p> <p>The aim of the project is to:</p> <ul style="list-style-type: none"> <li>• Reduce print costs</li> <li>• Reduce printed paper usage</li> <li>• Deploy scanning technology to agreed processes with a view to reducing the costs of transporting documents and reduce the storage space required for paper archives</li> </ul> <p><b>Our Paper “less” Plans</b></p> <ul style="list-style-type: none"> <li>• Set up a council wide paperless working group - complete</li> <li>• Introduce Hybrid Mail, referred to on the Orb front page as “My letters” and which allows all employees letters to be sent directly by Royal Mail resulting in the reduction of paper purchasing, envelope purchasing, labour and postage costs. The technology roll out is complete and awareness campaigns have started with current uptake at 30%,</li> </ul>	<p>Nicola Harvey</p> <p>Head of Customer and Digital Services</p> <p><a href="mailto:Nicola.harvey@edinburgh.gov.uk">Nicola.harvey@edinburgh.gov.uk</a></p> <p>0131 469 5006</p>

meaning a reduction in time and effort in creating office based mailings reducing manual production and transportation.

- Introduce scanning of inbound mail into the Council during 2019 – anticipated September and dependant on the solution being rolled out by CGI. Councillors confidential mail processes will however remain unchanged.
- Promote best value printing buying using a new software product called “Skyline” with anticipated delivery in September and dependant on the solution being rolled out by our partners CGI
- Reduce colour printing as it is very expensive and make it cheaper when required – a new copier contract to be tendered in 2019. Defaults to most copiers have already been set to black and white over the estate. (1 colour print / copy costs 10 times that of a black and white one)
- Reduce printing by changing behaviours and educating staff with a campaign which ongoing and will run throughout 2019
- Promote scanning rather sending documents in internal mail and use electronic storage rather than paper deep storage warehouses, where data / records retention rules allow it.
- Promote electronic storage rather than scanning paper after the event (e.g. Invoices) – store print perfect PDF’s rather than paper where we can roll out in Dec 2019
- Reduce current transactional printing and mailing cost, for example, servicing and notification letters being provisioned by the cheapest methods and using new frameworks, while exploiting any internally developed capability – by the end of 2019
- Reduce paper “forms” and promote more electronic methods of data capture – Lean team initiatives are being rolled out, to move away from many paper manual forms such as time sheet, paper forms and increase records submissions by electronic formats.
- Procure a best in class future solution for paper printing by renegotiating the Xerox Contract which is due up in early 2020 and increasing visibility of who prints what and at what cost. This will eliminate some waste and change behaviours over time.
- Reduce paper waste by printing less and sending less to land fill or for confidential shredding which will also reduce costs

- Using recycled paper and envelopes where possible – we have piloted recycled paper types and are analysing envelope usage which is underway with a view to moving to 100% recycled products whenever we need to print.

Councillor's mail will remain confidential and continue to be delivered unopened and to the appropriate Councillors' supporting staff for action.

### **Forthcoming activities:**

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# Governance, Risk and Best Value Committee

10.00am, Tuesday, 29 October 2019

## Quarterly Status Update – Digital Services Programme

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 It is recommended that the Committee reviews and scrutinises the quarterly update.

#### **Stephen S. Moir**

Executive Director of Resources

Contact: Nicola Harvey, Head of Customer and Digital Services,  
Customer and Digital Services Division, Resources Directorate

E-mail: [Nicola.harvey2@edinburgh.gov.uk](mailto:Nicola.harvey2@edinburgh.gov.uk) | Tel: 0131 469 5016

## Quarterly Status Update – Digital Services Programme

### 2. Executive Summary

---

- 2.1 The purpose of this report is to provide a quarterly progress update upon the Council's Digital Services programme of work. The Council and our technology partner, CGI UK Limited, have continued to work in partnership to increase the pace of delivery to improve core digital services, achieve further improvement and progress the associated major systems changes and developments which will further enable and enhance our citizen facing services and the internal business operations of the Council.

### 3. Background

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#### **Council ICT and Digital strategy**

- 3.1 The City of Edinburgh Council's current strategy for ICT and Digital, known as "Empowering Edinburgh" was approved in 2013/14. This strategy was to be underpinned by more detailed implementation plans in 3 waves, through to 2015/16, which culminated in the procurement process to award our current partnership arrangements to CGI UK Limited. Whilst this strategy and the intent behind it maintains some relevance, following the initial 3 years of our partnership with CGI, this is now due for a fundamental refresh and refocus.
- 3.2 In redefining the Council's strategy, the digital context in which we operate continues to evolve. Aligning our technology ambitions and the broader development of a Digital Strategy for Edinburgh, connected to the City Region Deal and the Data Driven Innovation Programme, will be critical. It is therefore timely for the Council to take forward the refresh of its technology strategy and to provide leadership and support for a City Digital Strategy to be developed.

## 4. Main report

- 4.1 Since the last quarterly update to the Committee there have continued to be improvements to service delivery and the management of incidents, along with progress with change projects.
- 4.2 The six priority digital transformation programmes that the Council and CGI, along with other suppliers, are in full delivery or have now been delivered. The detail of these individual programmes along with project status is detailed below:
- Enterprise Resource Planning (ERP);
  - Citizen Digital Enablement (CDE);
  - Housing Repairs and Mobile Working;
  - Web Content Management Refresh;
  - Enterprise Content Management and Intranet;
  - Business Intelligence.

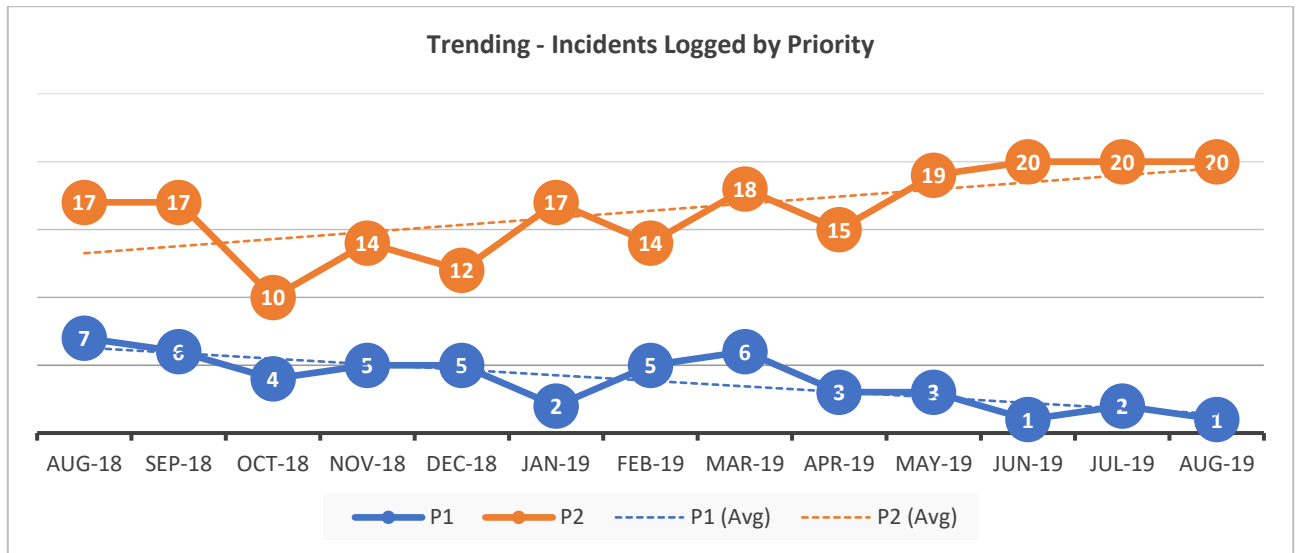
Project	Status (April)	Target completion date	Status Update
Enterprise Resource Planning (ERP)	Amber	Initial Phase expected to complete in Q2 2020.	<p>The ERP Programme, which will deliver a range of upgrades to core systems in Finance, HR and Banking and Payments Services is now entering the key delivery phase.</p> <p>The council's contract with our HR and Payroll system provider has been extended to March 2023. System improvements and process changes are underway and will be completed during Autumn 2019. Current delivery timelines for the upgrade of our financial system (Q2 2020) remains as forecast, until detailed commercial arrangements are formalised with partners and suppliers. The selection of our new debt management system for banking and payments is expected to complete in October 2019, following due diligence. This extended timescale allowed additional work to be completed to compare products to ensure the best fit solution is chosen. The revised target date for delivery is now Q2 2020.</p> <p>As the various technology upgrades and integration partners are identified and procured, confirmed programme costs are being built into the financial model for the programme, which is rigorously monitored by Finance.</p>

Project	Status (April)	Target completion date	Status Update
			Internal Audit remain fully engaged with key aspects of programme delivery with an Agile audit approach being adopted.
Citizen Digital Enablement (Channel Shift)	Green	September 2019 (Live to Contact Centre staff)  October 2019 (Live to citizens)	<p>The deployment of the new Customer Relationship Management (CRM) system has gone live with Contact Centre staff, as planned on 26 September 2019. The roll out has gone successfully.</p> <p>The next phase deployment will make the system accessible to citizens in October 2019.</p> <p>Our legacy CRM will be decommissioned in Q4 2019 following successful deployment of the new solution and the completion of process migration.</p> <p>Our new digital assistant web chat facility is live, allowing simple and frequently asked questions to be answered automatically for citizens. This improves response times and enhances productivity, freeing Contact Centre staff up to deal with the more complex enquiries.</p> <p>Planning for Phase 2 of this programme has commenced and involves a detailed cost/benefit exercise for how we can further integrate our CRM with more transactions and a broader range of Council services.</p>
Housing Repairs and Mobile Workings	Green	September 2019	The Housing Repairs project was launched in September 2019 and introduces a new mobile workforce management capability. This capability is also being assessed fore broader application in other services.
Web Content Management	Amber	Phase 1 (website front page refresh) June 2019  Phase 2 (full migration to new website) December 2019	<p>Phase 1 – the Go Live of the new “beta” web site was successfully launched in June 2019 and engagement is continuing with citizens and services users to seek feedback.</p> <p>Phase 2 – migration of the remaining core website content to the new web platform is targeted to complete by December 2019.</p> <p>Whilst progress is on-track, the status is being held at Amber to ensure content migration is delivered fully.</p>
Intranet	Green	September 2019	The new Council Intranet (Orb) went live in September 2019 and content updates and migration work is continuing with services.

Project	Status (April)	Target completion date	Status Update
Enterprise Content Management (ECM)	Green	February 2020	<p>The Enterprise Content Management project has commenced with Sharepoint being deployed along with a number of other applications to enable migration of to a modern, secure document management solution.</p> <p>Go live for this solution is now commencing within a number of teams.</p>
Business Intelligence	Green	December 2019	<p>The Business Intelligence (BI) programme will deliver a consolidated management information, analytics and reporting solution to provides visual operational performance.</p> <p>The build and deployment of the solution has been completed and deployed to the Data team in Strategy and Communications. Using the new technology provided, work has now commenced on insight enhancements commencing with the Routesmart system.</p> <p>Integrations will be phased in over November 2019 to April 2020.</p>

### Core Digital Service Performance

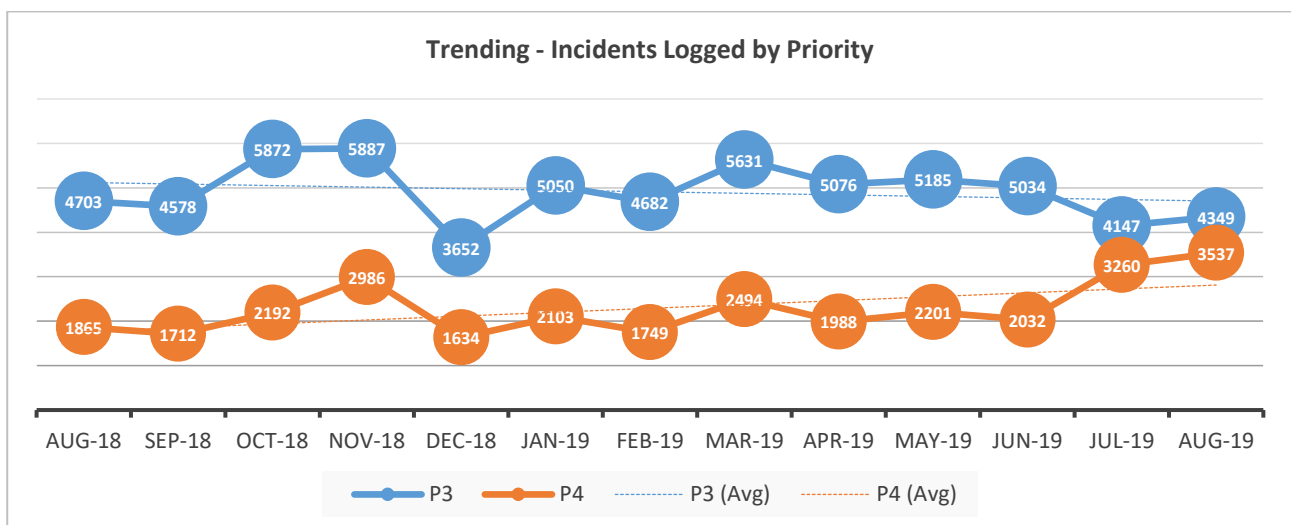
- 4.3 Service performance is driven through a set of twenty-five key contractual measures which, in turn translate to a set of key performance indicators (KPIs). These KPIs can be adjusted and the opportunity to ensure that these continue to drive improved performance and measure the most critical issues for the Council is currently being reviewed.
- 4.4 Since the last report to Committee, service level agreement (SLA) attainment levels has increased from 82% to 90% of all KPIs being met for the quarter.
- 4.5 There has been a continued reduction in the number of Priority 1 incidents over the year. Priority 2 incidents show a slight upwards trend. This remains in line with expectations when looking at the standard deviation across the previous 18 months and also the level of change across the ICT estate being under taken.



#### 4.6 Resolution SLA Performance – Priority 1 and Priority 2

Ref	Description	Target	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	
KPI01	# Priority 1 Incidents where resolution is > 4 Hrs	1	1	1	1	0	2	0	
KPI02	# Priority 2 Incidents where resolution is > 8 Hrs	2	0	0	1	1	2	0	
			Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019
			0	1	0	0	0	0	0
			0	5	1	2	2	2	3

4.7 The overall volume of non-critical Priority 3 (P3) and Priority 4 (P4) incidents remains consistent but, while there is a reduction in P3 incidents, we have seen an increase in P4 incidents across the quarter, e.g. users becoming used to their new device, password resets, assistance on updates to laptops and mobiles. Performance in resolving these incidents remains strong at over 96% resolved within SLA. The ratio of incidents to users remains less than 0.5 calls per user per month.



#### 4.8 Resolution SLA Performance – Priority 3 and Priority 4

Ref	Description	Target	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019
KPI03	% Priority 3 Incidents resolved in < 24 Hrs	90.0%	94.5%	93.0%	95.0%	92.7%	90.2%	89.7%
KPI04	% Priority 4 Incidents resolved in < 48Hrs	90.0%	98.0%	97.9%	98.4%	96.6%	93.1%	91.7%
			<b>Feb 2019</b>	<b>Mar 2019</b>	<b>Apr 2019</b>	<b>May 2019</b>	<b>June 2019</b>	<b>July 2019</b>
			86.7%	88.6%	90.30%	90.20%	90.10%	91.40%
			90.0%	91.7%	90.80%	90.20%	90.30%	94.70%
								<b>Aug 2019</b>
								96.50%
								97.40%

#### Performance challenges and planned improvements to service

4.9 The new remote access solution for non-refreshed devices, which supplements the original Direct Access system, has been developed and has completed user acceptance testing. This has been rolled out to over 200 users and feedback is positive. The new solution allows an increase in capacity and resilience to enable more users to access systems remotely, at the same time, for example in emergencies. This will be replaced fully by the more resilient “Always On” Virtual Private Network (VPN) solution once all devices across the ICT estate have been refreshed.

#### Wider Digital Change Projects

4.10 In addition to the major digital change programmes detailed, over the reporting period significant progress has been made in driving forward the wider digital programme, with a focus on upgrading infrastructure, improving customer service, enabling more flexible and agile ways of working, and upgrading and modernising core business applications. Key deliverables in this area over the last few months include:

#### End User Device Refresh programme

4.11 The device refresh programme has successfully deployed over 12,400 devices by the end of September 2019 across the learning and teaching and corporate digital estate for the Council, with around 1500 devices remaining to be deployed.

4.12 This number is broken down as follows:

- 9100 new devices in learning and teaching in 154 of the 192 establishments
- 3300 new devices in the Corporate estate across 225 out of 275 teams.

4.13 The deployment schedule for a number of these devices has been delayed at the request of the business units concerned to fit with other priorities, for example the Finance Division delayed deployment due to year-end accounting requirements.

4.14 Additionally, this programme incorporated 1000 additional devices deployed under an approved change request into the learning and teaching digital estate.

- 4.15 User feedback remains positive for this programme, and the deployment team are maintaining effective relationships with head teachers and other key stakeholders.
- 4.16 The programme is now moving forward with the final deployments for the original scope scheduled in for the beginning of October.

### **Cybersecurity Management**

- 4.17 Security Improvements are being addressed by the Council and CGI teams collaboratively. These improvements cover a range of security disciplines from user account management through to network improvement workshops.
- 4.18 A revised Security Management Plan (SMP) has been agreed and is being delivered against the Governance framework.
- 4.19 Patch Management is subject to continuous improvement and, for WINTEL servers and End User Devices, a 14-day patching regime is underway. Adopting this schedule on Unix devices is now being progressed.
- 4.20 Internal and external vulnerability and penetration testing of the Council's network has taken place. All findings have been incorporated into the remediation activities being driven by the Council and CGI.
- 4.22 Automated vulnerability scanning has now been implemented and a baseline scan was completed in September.
- 4.21 The planning to achieve Cyber Essentials Plus accreditation, building upon the successful accreditation for Cyber Essentials in October 2018, is currently underway. Full completion of the device refresh programme is a significant interdependency for this to be progressed.
- 4.22 The Council continues to work closely with the Cabinet Office and the UK Government Digital Service in respect of the Public Services Network (PSN) Code of Connectivity accreditation. The Council continues to retain this standard, with major improvements being achieved over the last 12 months and further security enhancements planned in support of future accreditation requirements. The Committee is advised that the continuation of the PSN standard for public bodies is being reviewed by the UK Government at present.

### **Governance and Contract Management**

- 4.23 The Council and CGI have an operational governance framework in place, built upon the requirements in the contact. This includes regular reporting to the Corporate Leadership Team's Change Board in accordance with the Council's approved approach to managing major projects and change.
- 4.24 An Internal Audit review in respect of CGI Partnership Management and Governance arrangements is due to commence shortly, as part of the 2019/20 approved Internal Audit Plan for the Council.
- 4.25 Following the Council's external audit opinion for 2018/19, the Committee is advised there have been improvements with the issues raised in terms of security compliance, service performance and change delivery by CGI as well as a more



managed approach to engagement with both Internal and External audit to ensure timely submission of evidence.

## **5. Next Steps**

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- 5.1 The Council continues to strengthen and improve our management, governance, security and delivery arrangements for the digital programme, in partnership with CGI. The development of a future focussed strategy and direction for our technology requirements therefore becomes increasingly key as the phase 1 elements of our digital programme are now in delivery. The development of a clear strategy will also inform the future prioritisation of investment, both capital and revenue, in digital activities.

## **6. Financial impact**

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- 6.1 Our partnership with CGI is saving the Council an estimated £6m per annum against the 2015/16 baseline spend on ICT with our former partner, BT. Over the first phase of the Council's contract with CGI, this saves £45 million. The Committee should note that this saving has already been fully assumed and incorporated as part of the Council's Medium-Term Financial Framework and planning assumptions.

## **7. Stakeholder/Community Impact**

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- 7.1 The Council's Corporate Leadership Team (CLT) risk register formally identifies digital capabilities and information governance as a risk and is ensuring that sufficient mitigations and active management of risks continues to be undertaken. This is further complemented by risk reporting and management in respect of information governance, including GDPR implementation.
- 7.2 The Council's Change Board actively monitors and tracks progress on all council wide programmes ensuring that targeted action is taken should timelines, benefits or costings deviate from the original business case, this includes the ICT programme.

## **8. Background reading/external references**

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- 8.1 [Quarterly Status Update - ICT Programme](#) – report to Governance, Risk and Best Value Committee – 30 October 2018
- 8.2 [Quarterly Status Update - ICT Programme](#) – report to Governance, Risk and Best Value Committee – 19 February 2019
- 8.3 [Quarterly Status Update - ICT Programme](#) – report to Governance, Risk and Best Value Committee – 4 June 2019

**9. Appendices**

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9.1 None.

## Governance, Risk and Best Value Committee

10.00am, Tuesday, 29 October 2019

### Annual Assurance Schedule – Resources Directorate

<b>Item number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All
<b>Council Commitments</b>	

#### Executive Summary

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The purpose of this report is to present the Annual Assurance Schedule from the Executive Director of Resources to the Governance, Risk and Best Value Committee for scrutiny and to note that an action plan will be developed in response to areas where controls need to be enhanced.

**Stephen S. Moir**

Executive Director of Resources

Contact: Stephen S. Moir, Executive Director of Resources

E-mail: [stephen.moir@edinburgh.gov.uk](mailto:stephen.moir@edinburgh.gov.uk) | Tel: 0131 529 4822

## Annual Assurance Schedule – Resources Directorate

### 1. Recommendations

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- 1.1 To note the Resources Directorate annual assurance schedule for 2018/19, submitted for scrutiny.

### 2. Background

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- 2.1 Each year the City of Edinburgh Council requires that the Executive Directors complete Certificates of Assurance that represent their 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 A review of the process was undertaken by Strategy and Communications in response to feedback received in relation to last year's exercise resulting in the implementation of a 'comply or explain' model. The format and design of documentation was also updated to reduce manual administration and implement auto-population of improvement actions. This is designed to help officers to use improvement actions to inform the corporate governance framework self-assessment exercise. The process will continue to be reviewed in line with feedback.
- 2.4 On 13 August 2019 the Chief Internal Auditor, in her annual opinion, reported significant weaknesses in regard to the Council's internal controls for the year ended 31 March 2019. The Governance, Risk and Best Value Committee asked for an action plan from each directorate on how they are going to improve internal controls.

### 3. Main report

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- 3.1 The Resources Assurance schedule (appendix 1) was completed and returned to the Democracy, Governance and Resilience 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 for 2018/19.

- 3.2 The Certificates of Assurance require Heads of Service and their Executive Directors to confirm that:
  - 3.2.1 They have considered the effectiveness of controls in their service area/directorate, including controls in place to mitigate major risks to their division/directorate's objectives.
  - 3.2.2 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
  - 3.2.3 They have identified actions, where appropriate that will be taken to continue improvement.
- 3.3 The schedule is completed by the relevant Executive Director.
- 3.4 Before signing their Certificate of Assurance, the Executive Director should ensure that the schedule has been completed accurately.
- 3.5 An overview of the Resources Directorate is attached at appendix two. This ensures that the assurance statement can be considered relative to the overall responsibilities, functions, budgets and staffing levels for the Directorate.

#### **4. Measures of success**

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- 4.1 Improved internal controls and good governance throughout all Divisions and the Directorate as a whole.
- 4.2 Identification of areas where controls require strengthening.

#### **5. Financial impact**

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

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 The assurance schedule exercise acts as a prompt for Directorates 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**

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

## **8. Sustainability impact**

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

## **9. Consultation and engagement**

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- 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 2018/19 was drafted using input from the Council's subject matter experts. This included contributions from Resilience, Internal Audit, Health and Safety, Governance, Legal Services, Financial Services and Human Resources.

## **10. Background reading/external references**

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- 10.1 [Internal Audit Opinion and Annual Report for the Year Ended 31 March 2018 \(item 7.11 GRBV August 2019\)](#)

## **11. Appendices**

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Appendix 1 – Resources Directorate Annual Assurance Schedule

Appendix 2 – Resources Directorate Overview

# Executive Director's Schedule of Assurance for the Annual Governance Statement

For the year ending 31 March 2019

Directorate	Resources				
Completed by	Stephen S.Moir	Job title	Executive Director of Resources	Date completed	18/04/19
Signed off by		Job title	Executive Director of Resources		
Print name of signatory	Stephen S.Moir	Date of signature			26/04/19

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Reviewed by		Role	Democracy, Governance and Resilience Senior Manager	Date	
Issued to Internal Auditor		Date			

## Introduction

The Statement of Accounts 2018/2019 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.

Before signing the Certificate of Assurance Executive Directors should ensure that this schedule has been completed accurately. 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 (suggested managers to provide information and/or responses are highlighted below).

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

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



## Guidance on completing the Schedule

The schedule should be completed by the Executive Director or by a nominated senior manager.

The format has changed to a 'comply or explain' model this year. **The primary worksheet for completion is the 'Assurance Statements' tab. Where improvement actions are recorded these will auto-populate the first column of the 'Improvement Plan' tab.**

Your assessment should consider how your directorate's arrangements would stand up to external scrutiny. Please note that although evidence does not need to be provided as part of this exercise, **responses made in the schedule may be subject to audit at a later date.** Additional guidance notes are provided below.

Please return your completed schedule to [governance@edinburgh.gov.uk](mailto:governance@edinburgh.gov.uk) no later than 19 April 2019.

**Step 1:** Please address each statement in the "Assurance Statements" tab. The options for the response are included as a drop down. Please note this submission covers the financial year 1 April 2018 to 31 March 2019.

**Step 2:** Where a "Partially Compliant" or "Not Compliant" response is given, a clear explanation should be completed in the free text explanation cell to the right. There is no word limit however, responses should be as concise as possible. These should include a brief description and reference to any evidence that supports the position. You should also set out the actions that you will be taking to address the non-compliance in the "Improvement Actions" cell.

**Step 3:** On the "Improvement Plan" tab please provide the details for each "Action Owner" and "Action Deadline" where "Improvement Actions" have auto-populated from the "Assurance Statement" tab.

### For further information or assistance please contact:

Gavin King	Laura Callender
Democracy, Governance and Resilience Senior Manager	Governance Manager
Strategy & Communications	Strategy & Communications
529 4239 or <a href="mailto:gavin.king@edinburgh.gov.uk">gavin.king@edinburgh.gov.uk</a>	529 3655 or <a href="mailto:laura.callender@edinburgh.gov.uk">laura.callender@edinburgh.gov.uk</a>

### Internal Control Environment

1	Explanation
1.1	Please explain why your directorate is not fully compliant.
<b>Corporate Governance Framework</b>	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. 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.
1.2	Please explain why your directorate is not fully compliant.
<b>Corporate Governance Framework</b>	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. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement
1.3	1. Please explain why reviews are not undertaken or were not effective and what needs to be done to rectify this. 2. Please describe any weaknesses that were identified that could have an impact on the Annual Accounts.
<b>Corporate Governance Framework</b>	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. 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. 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.
1.4	Please detail any problems that have been identified and could have an impact on the Annual or Group Accounts.

<b>Corporate Governance Framework</b>	<p>4.2.1 Establishing and implementing robust planning and control cycles that take into account stakeholder input, risks and are adaptable to changing circumstance.</p> <p>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.</p> <p>6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Risk and Resilience</b>	
<b>2</b>	<b>Explanation</b>
2.1	<p>Please explain why your risk management arrangements do not identify all of the key risks to your directorate (and the Council) including those arising from or that could impact on:</p> <ol style="list-style-type: none"> <li>1. Change (e.g. structural, service delivery, demographic and/or management);</li> <li>2. Partnerships (external and internal);</li> <li>3. Projects;</li> <li>4. Legal or regulatory action(s);</li> <li>5. Reputational damage; and</li> <li>6. Bribery (e.g. the identification, recording and minimising of bribery risks).</li> </ol>
<b>Corporate Governance Framework</b>	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.
2.2	Please explain why current controls and procedures do not effectively record and manage the risks identified to a tolerable level and explain why suitable actions are not in place to mitigate the risk.
<b>Corporate Governance Framework</b>	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.
2.3	<ol style="list-style-type: none"> <li>1. Please explain why regular reviews are not undertaken and what needs to be done to rectify this.</li> <li>2. Please describe and evidence any weakness that were identified and the impact they could have on the Annual Accounts.</li> </ol>
<b>Corporate Governance Framework</b>	<p>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.</p> <p>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.</p>
2.4	Please explain why the process(es) for escalation/communication to the relevant Risk Committees are inadequate.
<b>Corporate Governance Framework</b>	<p>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.</p> <p>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.</p>
2.5	Please explain where your arrangements were inadequate and the instances when they failed to support and promote the relevant policies or procedures to your staff.

<b>Corporate Governance Framework</b>	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. 1.3.2 Dealing with breaches, corruption and misuse of power effectively.
2.6	Your resilience and business continuity arrangements should include: 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; and 5. All who should have received the appropriate training. Please explain why you do not have these arrangements in place.
<b>Corporate Governance Framework</b>	6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation. 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. 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.
<b>Workforce Controls</b>	
<b>3</b>	<b>Explanation</b>
3.1	Please explain why the arrangements your directorate had in place did not ensure your directorate's workforce resources were managed properly.
<b>Corporate Governance Framework</b>	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.
3.2	Please explain why your directorate's controls failed to effectively manage off-payroll workers/contractors.
<b>Corporate Governance Framework</b>	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.
3.3	Please explain why your directorate's recruitment arrangements failed to meet requirements.
<b>Corporate Governance Framework</b>	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.4	Please explain why your directorate's controls failed to effectively manage new starts, movers and leavers.
<b>Corporate Governance Framework</b>	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.5	Please explain why your directorate's controls failed to ensure that statutory workforce requirements were met e.g. PVG/disclosure checks, statutory registration/qualification, European Working Time Directive, right to work in the UK.
<b>Corporate Governance Framework</b>	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. 5.2.1 Ensuring clarity on roles, responsibilities and expectations for members and officers in terms of relationships and decision making.
3.6	Please explain why your directorate's arrangements have failed to effectively manage staff health and wellbeing.
<b>Corporate Governance Framework</b>	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
3.7	Please explain why the arrangements your directorate had in place failed to ensure the effective delivery of staff training and development.

<b>Corporate Governance Framework</b>	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.
3.8	Please explain why your directorate's arrangements failed to support and manage staff performance.
<b>Corporate Governance Framework</b>	5.2.3 Ensuring arrangements are in place to consider leadership effectiveness and staff performance.
3.9	Please explain why your directorate's arrangements failed to ensure compliance with the Council's HR Policies and procedures including: 1. Employee Code of Conduct; 2. Disciplinary; 3. Grievance; 4. Bullying and Harassment; 5. Maintaining a register of gifts and hospitality; 6. Recording conflicts of interest; and 7. Recording and approving secondary employment where required.
<b>Corporate Governance Framework</b>	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.10	Please explain why your directorate failed to consult and engage with recognised trade unions on a regular basis.
<b>Corporate Governance Framework</b>	2.2.1 Ensuring effective engagement with clarity of purpose, objectives and intended outcomes.
<b>Council Companies</b>	
<b>4</b>	<b>Explanation</b>
4.1	Please explain why your directorate's arrangements failed to effectively provide oversight and monitoring of Council companies.
<b>Corporate Governance Framework</b>	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. 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. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual
4.2	Please explain why appropriate agreements were not in place with the ALEOs you are responsible for.
<b>Corporate Governance Framework</b>	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. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement.
<b>Policy</b>	
<b>5</b>	<b>Explanation</b>
5.1	Please explain why your directorate's arrangements do not ensure staff awareness and understanding.
<b>Corporate Governance Framework</b>	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
5.2	Please explain why your directorate's arrangements failed to ensure the annual review of the policies owned by your directorate.
<b>Corporate Governance Framework</b>	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.

Governance and Compliance	
6	Explanation
6.1	Please explain why your directorate's arrangements are not sufficient to ensure compliance with the framework, e.g. 1. Committee Terms of Reference and Delegated Functions; 2. Scheme of Delegation; 3. Contract Standing Orders; and 4. Financial Regulations.
<b>Corporate Governance Framework</b>	5.2.1 Ensuring clarity on roles, responsibilities and expectations for members and officers in terms of relationships and decision making 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. 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.
6.2	Please explain why your directorate was not fully compliant with the relevant Scottish, UK and EU legislation and regulations and any mitigating circumstances/reasons.
<b>Corporate Governance Framework</b>	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. 1.3.2 Dealing with breaches, corruption and misuse of power effectively. 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. 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.
Information Governance	
7	Explanation
7.1	Please explain why your staff were not fully aware of their responsibilities and how this has impacted on compliance.
<b>Corporate Governance Framework</b>	6.3.1 Ensuring that data is properly managed, accurate and of a good quality.
7.2	Please explain why your directorate is not fully compliant.
<b>Corporate Governance Framework</b>	6.3.1 Ensuring that data is properly managed, accurate and of a good quality. 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.
Health & Safety	
8	Explanation
8.1	Please explain why your directorate's arrangements failed to ensure your staff were (1) fully aware of their H&S responsibilities and (2) trained appropriately.
<b>Corporate Governance Framework</b>	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. 1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance. 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. 5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
8.2	Please explain how your directorate failed to have the necessary H&S controls and procedures in place.
<b>Corporate Governance Framework</b>	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
8.3	Please explain how your arrangements failed to ensure all applicable H&S laws and regulations were complied with.
<b>Corporate Governance Framework</b>	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.

8.4	Please explain the weaknesses you have identified in the governance and reporting structure for H&S in your directorate.
<b>Corporate Governance Framework</b>	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
<b>Performance</b>	
<b>9</b>	<b>Explanation</b>
9.1	Please explain why the required arrangements were not in place.
<b>Corporate Governance Framework</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>5.1.1 Regularly reviewing and improving effectiveness through performance monitoring, benchmarking and other methods to achieve defined outcomes. 5.1.2</p> <p>Developing strategies and plans for the most appropriate model of delivery and allocation of resources to achieve the best possible outcomes.</p> <p>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.</p> <p>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.</p> <p>7.2.1 Elected member and senior management owned annual reporting on performance, best value and resource stewardship.</p>
9.2	Please explain why the required arrangements were not in place.
<b>Corporate Governance Framework</b>	2.3.2 Developing effective communication methods that encourage, collect and evaluate views and experiences while ensuring inclusivity.
<b>Commercial and Contract Management</b>	
<b>10</b>	<b>Explanation</b>
10.1	Please explain where your directorate's procurement activities failed to comply with the Council's Contract Standing Orders.
<b>Corporate Governance Framework</b>	<p>1.2.1 Ensuring the organisation's ethical standards are understood and upheld by external providers of services.</p> <p>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.</p> <p>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.</p>
<b>Change and Projects</b>	
<b>11</b>	<b>Explanation</b>
11.1	Please explain where your directorate failed to have the appropriate arrangements in place for any of its projects or programmes, including: 1. Clear business justifications; 2. Clear operational governance (i.e. authority to take decisions); 3. Effective controls to track delivery and take corrective action if required; and 4. A formal closure process.
<b>Corporate Governance Framework</b>	<p>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.</p> <p>4.2.1 Establishing and implementing robust planning and control cycles that take into account stakeholder input, risks and are adaptable to changing circumstance.</p> <p>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.</p>
<b>Financial Control</b>	
<b>12</b>	<b>Explanation</b>
12.1	Please explain where your directorate's financial controls failed to ensure compliance.

<b>Corporate Governance Framework</b>	6.3.1 Ensuring that data is properly managed, accurate and of a good quality. 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.
12.2	Please explain (1) why your directorate's monitoring arrangements could not be relied upon to identify any problems or variances and, (2) if any, what these were.
<b>Corporate Governance</b>	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.
12.3	Please explain (1) why your directorate did not have the required arrangements in place, and (2) the details of any material commitments or contingent liabilities that should have been notified to the CFO.
<b>Corporate Governance Framework</b>	4.3.1 Ensuring that the budgeting process and financial strategy are sustainable whilst considering objectives, service priorities, affordability and medium/long-term plans.
12.4	Please explain why your directorate did not have the required arrangements in place.
<b>Corporate Governance Framework</b>	6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation. 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.
12.5	Please explain why your directorate did not have the required arrangements in place.
<b>Corporate Governance Framework</b>	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.
12.6	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Annual Accounts.
<b>Corporate Governance Framework</b>	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.
<b>Group Accounts (Resources only)</b>	
<b>13</b>	<b>Explanation</b>
13.1	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Group Accounts.
<b>Corporate Governance Framework</b>	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.
13.2	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Group Accounts.
<b>Corporate Governance Framework</b>	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.
<b>National Agency Inspection Reports</b>	
<b>14</b>	<b>Explanation</b>
14.1	Please explain why your directorate did not have the required arrangements in place and provide detail on any issues that could have an impact on the signing of the Annual Governance Statement, including how these have been reported.
<b>Corporate Governance Framework</b>	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. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.

14.2	Please explain why your directorate did not have the required arrangements in place.
<b>Corporate Governance Framework</b>	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. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.
<b>Internal Audit, External Audit &amp; Review Reports</b>	
<b>15</b>	<b>Explanation</b>
15.1	Please explain why your directorate did not have the required arrangements in place.
<b>Corporate Governance Framework</b>	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. 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. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.
<b>Progress</b>	
<b>16</b>	<b>Explanation</b>
16.1	Please describe and detail any outstanding issues or recommendations.
<b>Corporate Governance Framework</b>	Not Applicable



<b>Assurance Statement</b>				
<b>Ref</b>	<b>Statement</b>	<b>Response</b>	<b>If no, please explain</b>	<b>Actions to be taken</b>
<b>1</b>	<b>Internal Control Environment</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
1.1	I have internal controls and procedures in place throughout my directorate that are proportionate, robust, monitored and operate effectively.	Compliant		
1.2	I have controls and procedures in place to manage the risks in delivering services through council companies, partners and third parties.	Compliant		
1.3	My internal controls and procedures and their effectiveness are regularly reviewed and the last review did not identify any weaknesses that could have an impact on the Annual Accounts.	Compliant		
1.4	The monitoring process applied to funding/operating agreements has not identified any problems that could have an impact on Annual or Group Accounts.	Compliant		
<b>2</b>	<b>Risk and Resilience</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
2.1	I have risk management arrangements in place to identify the key risks to my directorate (and the Council).	Compliant		
2.2	I have effective controls and procedures in place to record and manage the risks identified above to a tolerable level or actions are put in place to mitigate and manage the risk.	Compliant		
2.3	The robustness and effectiveness of my risk management arrangements is regularly reviewed and the last review did not identify any weaknesses that could have an impact on the Annual Accounts	Compliant		
2.4	There is appropriate escalation/communication to the directorate Risk Committee and CLT Risk Committee (as appropriate) of significant issues, risks and weaknesses in risk management.	Compliant		
2.5	I have arrangements in place to promote and support the Council's policies and procedures for staff to raise awareness of risk concerns, Council wrongdoing and officer's misconduct.	Compliant		
2.6	My directorate has appropriate resilience arrangements in place and my directorate's business continuity plans and arrangements mitigate the business continuity risks facing our essential activities.	Compliant		
<b>3</b>	<b>Workforce Control</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
3.1	I have arrangements in place to ensure workforce resources are managed properly, including compliance with payroll policies, overtime controls, absence management and performance e.g. home/remote working.	Compliant		
3.2	I 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 IR35 Council guidance and procedures.	Compliant		
3.3	I 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.	Compliant		

3.4	I 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.	Compliant		
3.5	I have robust controls in place to ensure that statutory workforce requirements are met.	Compliant		
3.6	I have arrangements in place to manage staff health and wellbeing; ensuring that sickness absence, referral to occupational health and stress risk assessments is managed in compliance with the Council's HR policies.	Compliant		
3.7	I ensure compliance with essential training requirements and support learning and development appropriately, including professional CPD requirements.	Compliant		
3.8	I have arrangements in place to support and manage staff performance e.g. regular 1:1/supervision meetings, performance/spotlight conversations.	Compliant		
3.9	I ensure compliance with the Council's HR policies and procedures across all of my service areas.	Compliant		
3.10	I regularly consult and engage with recognised trade unions.	Compliant		
<b>4</b>	<b>Council Companies</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
4.1	I have arrangements in place for the oversight and monitoring of the Council companies I am responsible for, that give me adequate assurance over their operation and delivery for the Council.	Compliant		
4.2	I have an appropriate Service Level Agreement, or other appropriate legal agreement, in place for each Arm's Length External Organisation that I am responsible for.	Compliant		
<b>5</b>	<b>Policy</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
5.1	I have arrangements in place to ensure all directorate staff are made aware of and fully understand the implications of all relevant existing and new council policies and procedures.	Compliant		
5.2	I have arrangements in place for the annual review of policies owned by my directorate, via the relevant executive committee, to ensure these comply with the Council's policy framework.	Compliant		
<b>6</b>	<b>Governance and Compliance</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
6.1	I ensure directorate staff are aware of their responsibilities in relation to the Council's governance framework and that the authority, responsibility and accountability levels within my directorate are clearly defined, with proper officer designation delegated, recorded, monitored, revoked and reviewed regularly to ensure ongoing compliance with the Scheme of Delegation.	Compliant		
6.2	I ensure my directorate's activities are fully compliant with relevant Scottish, UK and EU legislation and regulations.	Compliant		

<b>7</b>	<b>Information Governance</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
7.1	I ensure directorate staff are made aware of their responsibilities in relation to the proper management of Council information, including the need to adhere to relevant legislation, Council policies, procedures and guidance around: information governance; records management; data quality; data breaches and privacy impact assessments; information rights; information compliance; information security; and ICT acceptable use.	Compliant		
7.2	I ensure data sharing arrangements with third parties are recorded, followed and regularly reviewed throughout all service areas in my directorate.	Compliant		
<b>8</b>	<b>Health and Safety</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
8.1	Directorate staff are made aware of their responsibilities under relevant H&S policies and procedures and I have appropriate arrangements in place for the identification and provision of H&S training necessary for all job roles, including induction training.	Compliant		
8.2	I have the necessary arrangements in place to establish, implement and maintain procedures for ongoing hazard identification, risk assessment and the determination of necessary controls to ensure all H&S risks are adequately controlled.	Compliant		
8.3	I have competencies, processes and controls in place to ensure that all service areas in my directorate, and other areas of responsibility, operate in compliance with all applicable H&S laws and regulations.	Compliant		
8.4	I have a robust governance and reporting structure for H&S in my directorate.	Compliant		
<b>9</b>	<b>Performance</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
9.1	I have arrangements in place for reporting to CLT, Committee and/or Council when performance monitoring identifies inadequate service delivery or poor value for money and ensure that improvement measures to address these issues are implemented and monitored.	Compliant		
9.2	I have appropriate arrangements in place throughout my directorate for recording, monitoring and managing customer service complaints and customer satisfaction.	Compliant		
<b>10</b>	<b>Commercial and Contract Management</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
10.1	I ensure all goods, services and works are procured and managed in compliance with the Contract Standing Orders.	Compliant		
<b>11</b>	<b>Change and Project Management</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
11.1	All projects and programmes have a clear business justification, as a minimum this should articulate outcomes and benefits; have appropriate governance in place to support delivery; effective controls in place to track delivery progress and to take corrective action if required; have a robust benefits management framework in place; and ensure that a formal closure process is undertaken.	Compliant		
<b>12</b>	<b>Financial Control</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
12.1	The operation of financial controls in my directorate is effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.	Compliant		

12.2	I am confident that the arrangements in place to monitor expenditure/budget variances would identify control problems or variances that could have an effect on the Annual Accounts.	Compliant		
12.3	I 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.	Compliant		
12.4	I have arrangements in place to review and protect assets against theft, loss and unauthorised use; identify any significant losses; and, ensure the adequacy of insurance provision in covering the risk of loss across my directorate.	Compliant		
12.5	I have arrangements in place for identifying any weaknesses in my directorate's compliance with Council financial policies or statutory/regulatory requirements.	Compliant		
12.6	I have arrangements in place for identifying any internal control, risk management or asset valuation problems within my directorate's service areas that could affect the Annual Accounts.	Compliant		
<b>13</b>	<b>Group Accounts (Resources only)</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
13.1	I have arrangements in place for identifying and reviewing any developments during the year that should lead to additions, deletions or amendments to the companies included in the Group Accounts.	Compliant		
13.2	I have arrangements in place to identify and review any internal control, risk management or asset valuation problems with Council companies that could affect the Group Accounts.	Compliant		
<b>14</b>	<b>National Agency Inspection Reports</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
14.1	I have arrangements in place to identify any reports relating to my directorate and can confirm that there were no inspection reports that could impact on the signing of the Annual Governance Statement.	Compliant		
14.2	I have arrangements in place that adequately monitor and report on the implementation of recommendations.	Compliant		
<b>15</b>	<b>Internal Audit, External Audit and Review Reports</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
15.1	I have arrangements in place to ensure that all recommendations from any internal audit, external audit or review report published during the year, that have highlighted high, medium or significant control deficiencies, have been (or are being) implemented and that this is monitored effectively.	Compliant		
<b>16</b>	<b>Progress</b>	<b>Assessment of compliance</b>	<b>If not fully compliant, please explain</b>	<b>Improvement actions</b>
16.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years have been addressed satisfactorily.	Compliant		

		Improvement actions	Action Owner	Action Deadline
<b>1 Internal Control Environment requirements</b>				
1.1	I have internal controls and procedures in place throughout my directorate that are proportionate, robust, monitored and operate effectively.	0		
1.2	I have controls and procedures in place to manage the risks in delivering services through council companies, partners and third parties.	0		
1.3	My internal controls and procedures and their effectiveness are regularly reviewed and the last review did not identify any weaknesses that could have an impact on the Annual Accounts.	0		
1.4	The monitoring process applied to funding/operating agreements has not identified any problems that could have an impact on Annual or Group Accounts.	0		
<b>2 Risk and Resilience</b>				
2.1	I have risk management arrangements in place to identify the key risks to my directorate (and the Council).	0		
2.2	I have effective controls and procedures in place to record and manage the risks identified above to a tolerable level or actions are put in place to mitigate and manage the risk.	0		
2.3	The robustness and effectiveness of my risk management arrangements is regularly reviewed and the last review did not identify any weaknesses that could have an impact on the Annual Accounts	0		
2.4	There is appropriate escalation/communication to the directorate Risk Committee and CLT Risk Committee (as appropriate) of significant issues, risks and weaknesses in risk management.	0		
2.5	I have arrangements in place to promote and support the Council's policies and procedures for staff to raise awareness of risk concerns, Council wrongdoing and officer's misconduct.	0		
2.6	My directorate has appropriate resilience arrangements in place and my directorate's business continuity plans and arrangements mitigate the business continuity risks facing our essential activities.	0		

3 Workforce				
3.1	I have arrangements in place to ensure workforce resources are managed properly, including compliance with payroll policies, overtime controls, absence management and performance e.g. home/remote working.	0		
3.2	I 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 IR35 Council guidance and procedures.	0		
3.3	I 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.	0		
3.4	I 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.	0		
3.5	I have robust controls in place to ensure that statutory workforce requirements are met	0		
3.6	I have arrangements in place to manage staff health and wellbeing; ensuring that sickness absence, referral to occupational health and stress risk assessments is managed in compliance with the Council's HR policies.	0		
3.7	I ensure compliance with essential training requirements and support learning and development appropriately, including professional CPD requirements.	0		
3.8	I have arrangements in place to support and manage staff performance e.g. regular 1:1/supervision meetings, performance/spotlight conversations.	0		
3.9	I ensure compliance with the Council's HR policies and procedures across all of my service areas.	0		
3.10	I regularly consult and engage with recognised trade unions.	0		
4 Council Companies				
4.1	I have arrangements in place for the oversight and monitoring of the Council companies I am responsible for, that give me adequate assurance over their operation and delivery for the Council.	0		

4.2	I have an appropriate Service Level Agreement, or other appropriate legal agreement, in place for each Arm's Length External Organisation that I am responsible for.	0		
<b>5</b>	<b>Policy</b>			
5.1	I have arrangements in place to ensure all directorate staff are made aware of and fully understand the implications of all relevant existing and new council policies and procedures.	0		
5.2	I have arrangements in place for the annual review of policies owned by my directorate, via the relevant executive committee, to ensure these comply with the Council's policy framework.	0		
<b>6</b>	<b>Governance and Compliance</b>			
6.1	I ensure directorate staff are aware of their responsibilities in relation to the Council's governance framework and that the authority, responsibility and accountability levels within my directorate are clearly defined, with proper officer designation delegated, recorded, monitored, revoked and reviewed regularly to ensure ongoing compliance with the Scheme of Delegation.	0		
6.2	I ensure my directorate's activities are fully compliant with relevant Scottish, UK and EU legislation and regulations.	0		
<b>7</b>	<b>Information Governance</b>			
7.1	I ensure directorate staff are made aware of their responsibilities in relation to the proper management of Council information, including the need to adhere to relevant legislation, Council policies, procedures and guidance around: information governance; records management; data quality; data breaches and privacy impact assessments; information rights; information compliance; information security; and ICT acceptable use.	0		
7.2	I ensure data sharing arrangements with third parties are recorded, followed and regularly reviewed throughout all service areas in my directorate.	0		

<b>8</b>	<b>Health and Safety</b>			
8.1	Directorate staff are made aware of their responsibilities under relevant H&S policies and procedures and I have appropriate arrangements in place for the identification and provision of H&S training necessary for all job roles, including induction training.		0	
8.2	I have the necessary arrangements in place to establish, implement and maintain procedures for ongoing hazard identification, risk assessment and the determination of necessary controls to ensure all H&S risks are adequately controlled.		0	
8.3	I have competencies, processes and controls in place to ensure that all service areas in my directorate, and other areas of responsibility, operate in compliance with all applicable H&S laws and regulations.		0	
8.4	I have a robust governance and reporting structure for H&S in my directorate.		0	
<b>9</b>	<b>Performance</b>			
9.1	I have arrangements in place for reporting to CLT, Committee and/or Council when performance monitoring identifies inadequate service delivery or poor value for money and ensure that improvement measures to address these issues are implemented and monitored.		0	
9.2	I have appropriate arrangements in place throughout my directorate for recording, monitoring and managing customer service complaints and customer satisfaction.		0	
<b>10</b>	<b>Commercial and Contract Management</b>			
10.1	I ensure all goods, services and works are procured and managed in compliance with the Contract Standing Orders.		0	
<b>11</b>	<b>Change and Project Management</b>			
11.1	All projects and programmes have a clear business justification, as a minimum this should articulate outcomes and benefits; have appropriate governance in place to support delivery; effective controls in place to track delivery progress and to take corrective action if required; have a robust benefits management framework in place; and ensure that a formal closure process is undertaken.		0	



<b>12</b>	<b>Financial Control</b>			
12.1	The operation of financial controls in my directorate is effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.		0	
12.2	I am confident that the arrangements in place to monitor expenditure/budget variances would identify control problems or variances that could have an effect on the Annual Accounts.		0	
12.3	I 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.		0	
12.4	I have arrangements in place to review and protect assets against theft, loss and unauthorised use; identify any significant losses; and, ensure the adequacy of insurance provision in covering the risk of loss across my directorate.		0	
12.5	I have arrangements in place for identifying any weaknesses in my directorate's compliance with Council financial policies or statutory/regulatory requirements.		0	
12.6	I have arrangements in place for identifying any internal control, risk management or asset valuation problems within my directorate's service areas that could affect the Annual Accounts.		0	
<b>13</b>	<b>Group Accounts (Resources only)</b>			
13.1	I have arrangements in place for identifying and reviewing any developments during the year that should lead to additions, deletions or amendments to the companies included in the Group Accounts.		0	
13.2	I have arrangements in place to identify and review any internal control, risk management or asset valuation problems with Council companies that could affect the Group Accounts.		0	
<b>14</b>	<b>National Agency Inspection Reports</b>			
14.1	I have arrangements in place to identify any reports relating to my directorate and can confirm that there were no inspection reports that could impact on the signing of the Annual Governance Statement.		0	

14.2	I have arrangements in place that adequately monitor and report on the implementation of recommendations.	0		
<b>14</b>	<b>Internal Audit, External Audit and Review Reports</b>			
15.1	I have arrangements in place to ensure that all recommendations from any internal audit, external audit or review report published during the year, that have highlighted high, medium or significant control deficiencies, have been (or are being) implemented and that this is monitored effectively.	0		
<b>16</b>	<b>Progress</b>			
16.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years have been addressed satisfactorily.	0		

# Resources Directorate Overview

29 October 2019



# Executive Director of Resources

**Stephen S. Moir**

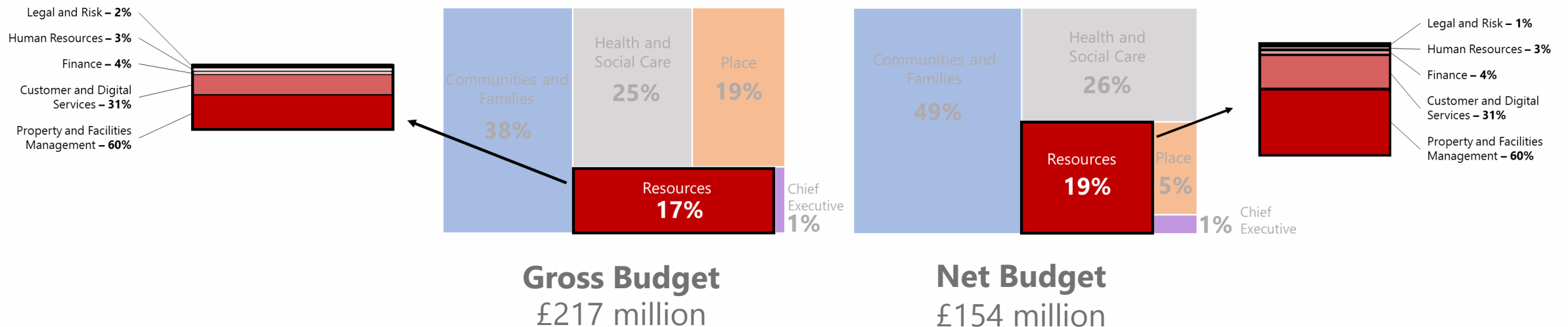
**BSc (Hons.), MSc, PhD, Chartered FCIPD, FCMI, FRSA**

# Resources Directorate

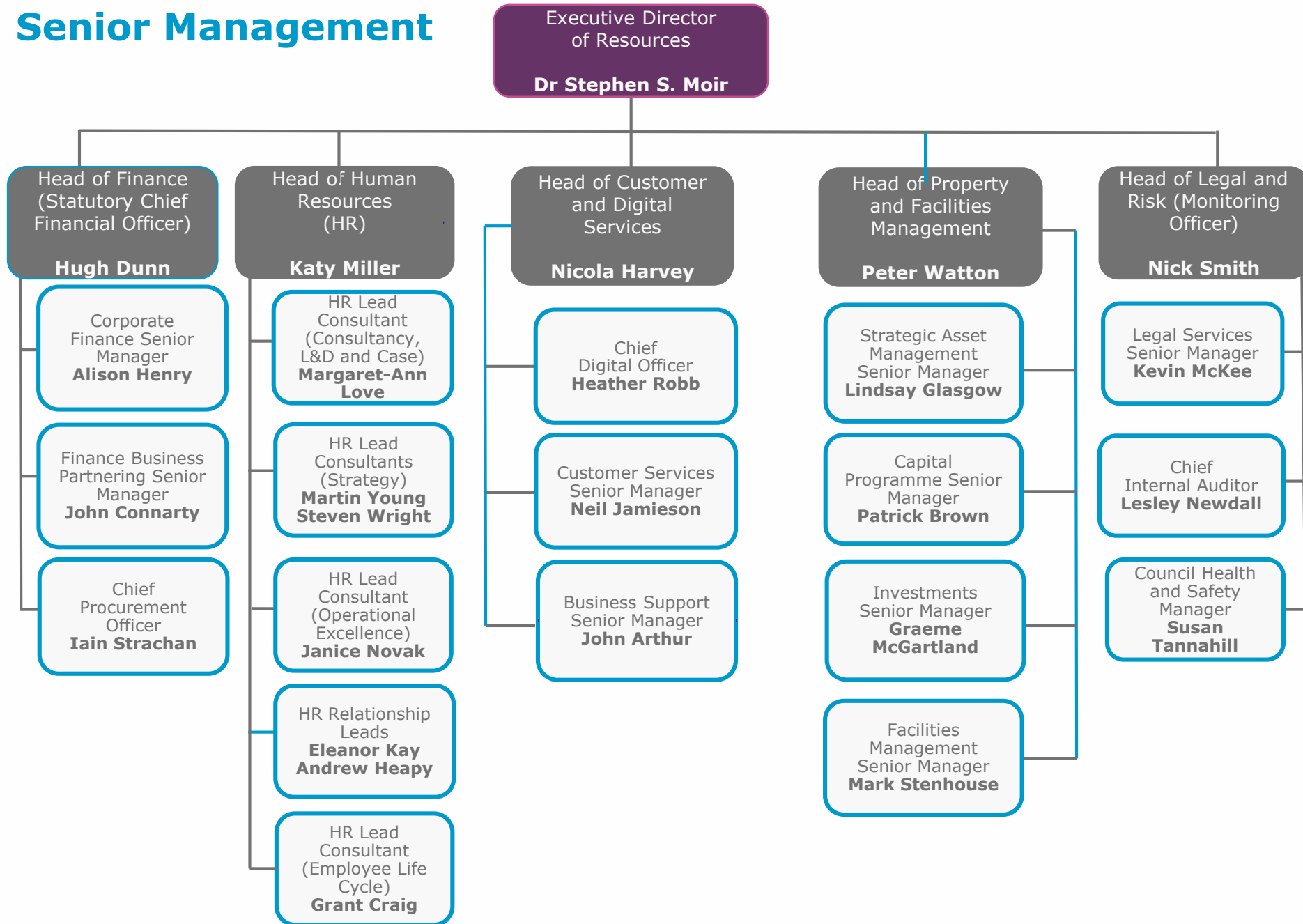
We provide a range of **enabling customer and corporate services** through our 2800 colleagues who work **across the whole of the Council's operations**. The directorate frequently acts as **the first point of contact between the Council and citizens or service users** for a range of activities through the provision of online, telephony and face to face delivered contact and transactional services, including **welfare and benefits administration** on behalf of the Scottish and UK Governments. The directorate also has a key role to ensure the **collection and effective management of Council Tax and Non-Domestic rates across Edinburgh**.

The **corporate services provided** by the Resources directorate **ensure that the Council is well governed**, with appropriate and effective controls in operation which **enables value for money**, second and third lines of defence and provides the necessary infrastructure the Council requires to deliver its functions. These functions include: **Finance, Procurement, Human Resources, Recruitment, Payroll, Digital Services, Business Support Services, Legal Services, Internal Audit, Risk Management, Health and Safety, the Capital Programme team, Strategic Asset Management and Facilities Management**. In addition to the more traditional corporate services, the directorate also provides direct front-line service through the delivery of **school catering, security, cleaning and janitorial services** across the City.

Lastly, Resources acts as **the host for many of the costs associated with the overall running of the Council**, including the **operational property estate and utility costs**, the **estates repair and maintenance programme** and the **IT strategic partnership contract**, covering both schools and core Council services.



# Directorate Senior Management





# Head of Finance Hugh Dunn

**(Statutory Section 95 Chief Financial Officer)**

- **Corporate Finance:**  
(Treasury Management, Insurance, Financial Systems, Major Projects, Capital Finance)
- **Finance Business Partnering**  
(Professional Accountancy Support for Resources, Place, Communities and Families and the Edinburgh Integration Joint Board and relevant Arm's Length Bodies such as the Lothian Valuation Board)
- **Commercial and Procurement Services:**  
(Commercial Partners, Commercial Operations, Grants and Contract Management Team)
- **Lothian Pension Fund:**  
(Operating at Arm's Length to the Council)

# Finance

## Resources Directorate

**£6.8m**  
(net budget)

We are responsible for working with Councillors and the Corporate Leadership Team to set the **financial strategy and financial management** arrangements within the Council **and its partner bodies** and have a lead role in promoting and **delivering value for money and efficiency in service provision**, in line with legislation and best practice. The Division also includes key corporate finance functions, such as **Treasury Management and Insurance**.

The **Commercial and Procurement Services team supports** all parts of **the Council to buy the goods, services and works** needed to deliver our priorities in an efficient, effective and legally-compliant manner. The team also ensures a strong focus on contract management as well as the delivery of broader community benefits along with **embedding the Council's approaches to Fair Trade, Fair Work, Modern Slavery and the Construction Charter** across our supply chain.

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**£300m savings achieved since 2012** **2012**



This shows the comparative size of the **2012 revenue budget** and the **2019 revenue budget**

**142 Staff** (137 FTE)

**External Audit Fee, Explanation**

**£7.3m**

**600k**

**Excel Scotland Membership, Explanation**

**£300k**

**What We Spend**

**£8.3 million**

**Funding and Income** **£1.5million**

**Shared Insurance, money re-charged to Scottish Borders**

**£200k**

**Services provided to Council Companies**

**£1.3 m**

**The Council's Accounts** received an **Unqualified Opinion**, from our **independent external auditor** judges our financial statements to be fairly represented and compliant, **every year since 1997/98** and we have achieved **balanced financial outturn** for each of the last 12 years.

CIPFA Benchmarking undertaken in 2018/19 showed the Accountancy function to have **a staffing complement nearly 40% lower** than its peer group average.

**3.9 FTE**

**CEC**

**6.3FTE** per  
£100m  
gross  
revenue  
turnover

**Peers**



# Head of Customer and Digital Services Nicola Harvey

- **Customer Contact and Transactions:**  
(Contact Centre, Customer Hub, Locality Front Office Support, Council Tax Collection, Non-Domestic Rates Collection, Counter Fraud, Welfare Reform and Benefits Administration, Web Transactions, @Edinhelp).
- **Citywide Business Support:**  
(Executive and administrative support for Council Teams, Print, Design, Mail and Courier Services)
- **Digital Services in partnership with CGI UK Ltd:**  
(Digital Strategy, Cybersecurity, Digital Change Programmes, Service Support, Commercial and Contract Management)
- **Continuous Improvement Teams:**  
(Lean Process Review and Intelligent Automation Teams)

# Customer and Digital Services

Resources Directorate

£47.4m  
(net budget)

£154.5m

We provide the **first point of contact** for many citizens and services users **with the Council** by phone, face to face or online. **Customer Contact and Transactional Services** undertake a range of processing, contact, **benefit, welfare and payment/collection activities** such as service income, **Council Tax and business rates**. These services also include fraud prevention; parking, planning and housing administration; banking and payment services, debt recovery and social care support.

**Business Support works alongside all our front line teams**, providing essential administrative services, including support for statutory meetings, we also provide the Council's print, design and mail/courier services. Digital Services delivers our ICT arrangements for both Council services and Schools, focusing on **designing our services around the needs of people**.

The **Customer Team process** collection and payment of both **Council Tax and NDR** – These account for **65% of our overall Revenue Budget**

Council Tax and Non-Domestic Rates

Scottish Government Grant

1,135 Staff (1,033 FTE)

£30.4m

ICT, Contract payments and support

£27.4m

Third Party Payments

£8m

Administration and Payments made

Print and Mail, Council wide

£900k

What We Spend

£68.4 million

Funding and Income

£21 million

Re-charging for Customer

£1.6 m

Contact Services, Council wide

Funds for Payments, Benefits and Grants, Grant funding for payments

£8 m

Re-charging for Tax Collection and

£9 m

ICT Contracts, Grant funding for payments



Between October 2018 and April 2019, **we received 84,000 contacts from citizens**. **76,000** came through our **website** or email, **8,000** were over **the phone or face-to-face** and **3 people** wrote us a letter.

**Processing Landlord Registrations was automated in May 2018**. Since then, we have received **nearly 20,000 requests**. **Previously** it would have taken **10 minutes** to process **each form**. **It now takes less than 3 minutes**.

10 Minutes

3 Minutes

This **7 minute saving** multiplied out **across 20,000 transactions**, equates to a **saving of more than 2,300 hours**



## Head of Human Resources Katy Miller

- **HR Relationship Leads, Consultancy and Case Teams**
- **Learning and Organisational Development**  
(New Starter Welcome, Leadership Development, Performance Conversations, Professional and Statutory Training, CPD, Learning Experience Platform / Online Learning, Coaching and Mentoring)
- **HR Strategy**  
(HR Policy, Employee Relations, Reward and Remuneration Diversity and Inclusion, Wellbeing, Workforce Planning and Resourcing, HR analytics and Workforce Management Information)
- **Contract Management**  
(Occupational Health, Employee Assistance, Agency Workers, Salary Sacrifice Schemes)
- **Employee Life Cycle**  
(Recruitment, Contracts of Employment/Variations and changes, Payroll Administration, Employer Pension Administration)

# Human Resources

## Resources Directorate

**£4.7m**  
(net budget)

**£154.5m**  
(net budget)

The Council has more than **18,200 employees** across hundreds of different roles. The Human Resources (HR) Division **leads the development and delivery of the Council's People Strategy and associated workforce plans**, working alongside directorates and divisions. We manage the **relationship** between the Council and **our recognised trade unions**, including those representing teachers. We lead on the development and review of the **Council's HR policies** to ensure people are well supported in the workplace and are clear about their accountabilities. We provide a range of **learning and development opportunities**, including leadership development to equip our leaders and managers to get the best from the people they work with and create the right climate, culture and conditions for successful delivery of Council services.

HR manages important services to support the wellbeing of all our employees, including our **Occupational Health Service**, Employee Assistance (Counselling) and health surveillance arrangements for workers, as well as managing our **flexible workforce contract for agency workers**. We also have a range of important transactional services to support the whole employment life cycle, from hire to retire, including running **12 different payrolls each month**. We support the **advertising and recruitment** processes for **4,500 roles each year** and directly deliver new starter welcome events all year round.



There are **12 grades** in our main Local Government Employee (LGE) pay structure which are broadly grouped into **Operational** (gr 1-4), **Operational/Managerial** (gr 5-8) and **Senior Management** (gr9-12). In the chart above **the top line** shows each grade's **proportion of the total workforce**, the **bottom line** shows each grade's **proportion of the total cost** of staffing

### Employee Life Cycle

#### Leadership, Learning & Development

109 team members

**£5.2m**

**£180k**

**£700k**

### What We Spend

**£6.2 million**

### Funding and Income

**£1.5 million**

#### Employee Life Cycle

**£750k**

#### Salary Sacrifice Schemes

**£486k**

Money saved from lower Tax and NI liabilities

We **administer 950 transactions per working day** including staff travel claims, overtime adjustments and contractual changes. That adds up to **more than 250,000 transactions** over 261 working days

Based upon the **CIFPA Benchmarking club HR operations across the Council** cost roughly **£326 per employee**. The **national average across other Local Authorities** is **£568**





# Head of Legal and Risk Nick Smith

**(Statutory Monitoring Officer)**

- **Legal Services**  
(Commercial and Contract Law, Real Estate, Licensing, Criminal Justice Social Work, Child and Adult Protection, Litigation and Employment Law)
- **Internal Audit**  
(Chief Internal Auditor role, PWC co-source delivery, working in collaboration with External Audit, Scott Moncrieff. Also provides Internal Audit services to the Edinburgh Integration Joint Board and the Lothian Pension Fund)
- **Health and Safety**
- **Risk Management**



# Legal and Risk

Resources Directorate

£1.4m  
(net budget)

£154.5m  
(net budget)

We provide a wide range of specialist **Legal advice and guidance across both the Council and the EIJB** in areas such as **commercial, property and planning, licensing and employment law.**

We also manage the Council's obligations to ensure the **Health and Safety** of our staff, service users, visitors and our compliance with safety regulations and the law, working with the Trade Unions.

Our **Internal Audit** and **Risk Management** teams **ensure** that the Council balances the need for **effective internal control with risk safely and sustainably and that we meet our statutory obligations.**

Some functions we provide are charged to directorates on a 'pay as you go' basis, however, it is not always practical to re-charge all our work, so some funding comes directly to us from corporate finance budgets.

## Funding Legal Services

Some funding comes directly to Legal and Risk

Some money is spent on external legal services

External

Legal and Risk Funding

Some income is raised from charging external partners

The General Fund

Other Service Areas

Some Funding Comes from other Areas paying for Legal Services

64 Staff (60 FTE)

Legal Practice: general legal costs and costs not covered by Services

External Legal Services,

£3.9m

£100k

£250k

## What We Spend

£4.2 million

## Funding and Income

£2.8 million

Recharging directorates, Charges for legal services

£2.4 m

Commercial Practice, Income from charging external customers

£400k



Our **Legal Services** won the **In-House Public Sector Legal Team of the Year** at the 2019 **Scottish Legal Awards**

Some specialist **legal advice needs to be sourced externally.** We spend approximately **£250,000 on external legal opinion** compared **to £3.9 million spent internally.**

External



Internal

# Head of Property and Facilities Management

## Peter Watton

- **Strategic Asset Management**  
(Service Design, Energy and Sustainability, Community Asset Transfer Advisory Team, Estate Optimisation)
- **Capital Programme Delivery and Design**  
(Programme Management, Chief Architect, Interior Design)
- **Investment Portfolio**
- **Facilities Management (FM)**  
(Locality FM Services, Repairs and Maintenance, Cleaning, Janitorial, Catering for both corporate and schools, Physical Security).



# Property and Facilities Management

Resources Directorate

**£98.9m**  
(net budget)

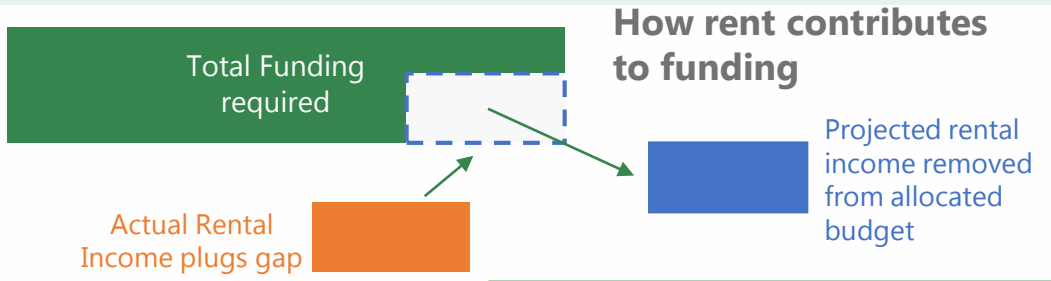
**£154.5m**  
(net budget)

We are responsible for the strategic management of an estate of **1,735 buildings**. Roughly one third of these are "operational" buildings that we use to deliver services. Across the **585 operational buildings** around the city there are offices, community hubs, Social Work centres, yards, depots, The City Chambers an estate of **51 Nurseries and Early Years Centres, 127 Primary Schools and 25 High Schools**, as well as **13 Museums and Galleries**

We also manage a portfolio of **1,150 commercial properties** which **raises £15 million in income each year**. This income is used to reduce the amount of revenue allocated to the service and is made back over the course of the year as rent comes in. This means we **start each year with a budget deficit**.

Our **Facilities Management** Teams ensure that we have physically **secure, clean and well maintained** assets and our **Catering** Teams produce **18,000 school meals daily**, as well as supporting corporate catering and events.

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**1,730 Staff** (1,015 FTE)

**£26m**

**PPP Contract costs**, operation of towards PPP schools

**£42m**

**Running Costs**, utilities, repairs and maintenance, business rates

**£47m**

## What We Spend

**£129.8 million**

## Funding and Income

**£34.8 million**

**Capital Programme Management**

**£5 m**

**Re-charging of services**, Repairs and maintenance, janitorial

**£11 m**

**Commercial Property Income**

**£15m**



**83% of the condition of our operational estate is now rated as satisfactory or higher, following year 1 of a 5 year programme investing £118M in our building maintenance regime, to create a safe, sustainable estate fit for the future.**

Over its operational lifetime, **the revenue cost** of running a building is approximately **five times** the **capital cost** of construction.

If new buildings are being planned, consideration should be given to the revenue costs in future years.





# Governance, Risk and Best Value Committee

10.00am, Tuesday 29 October 2019

## Resources Directorate – Internal Audit Action Update – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Governance, Risk and Best Value Committee is asked to consider this report as part of its work programme.

**Laurence Rockey**

Head of Strategy and Communications

Contact: Martin Scott, Committee Services

Email: [martin.scott@edinburgh.gov.uk](mailto:martin.scott@edinburgh.gov.uk) | Tel: 0131 529 4237

# Referral Report

## Resources Directorate – Internal Audit Action Update – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 10 October 2019, the Finance and Resources Committee considered a report by the Executive Director of Resources. This report followed Internal Audit's annual opinion for the City of Edinburgh Council for the financial year ended 31 March 2019 and the outcomes of Internal Audits completed at the end of the 2018/19 Internal Audit Plan which have either a Councilwide finding and are applicable to all Directorates or are specific to the Resources Directorate.
- 2.2 The Finance and Resources Committee agreed:
- 2.2.1 To note the 2018/19 Internal Audit opinion and the associated summary findings from the final audits undertaken in the plan relevant to the Resources Directorate.
  - 2.2.2 To note the position in respect of the current open and overdue internal audit findings relating to the Resources Directorate.
  - 2.2.3 To agree to refer the report and any feedback from the Committee to the next available meeting of the Governance, Risk and Best Value Committee.

### 3. Background Reading/ External References

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- 3.1 Minute of the Finance and Resources Committee of 10 October 2019.
- 3.2 [Finance and Resources Committee – 10 October 2019 - Webcast](#)

### 4. Appendices

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Appendix 1 – report by the Executive Director of Resources

# Finance and Resources Committee

10.00am, Thursday 10 October 2019

## Resources Directorate – Internal Audit Action Update

Item number	7.2
Executive/routine	Executive
Wards	All
Council Commitments	

### 1. Recommendations

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- 1.1 It is recommended that the Committee:
- 1.2 Note the 2018/19 Internal Audit opinion and the associated summary findings from the final audits undertaken in the plan relevant to the Resources Directorate.
- 1.3 Note the position in respect of the current open and overdue internal audit findings relating to the Resources Directorate.
- 1.4 Agrees to refer this report and any feedback from the Committee to the next available meeting of the Governance, Risk and Best Value Committee.

**Stephen S. Moir**

Executive Director of Resources

Resources Directorate

E-mail: [stephen.moir@edinburgh.gov.uk](mailto:stephen.moir@edinburgh.gov.uk) | Tel: 0131 529 4822

## Resources Directorate - Internal Audit Action Updates

### 2. Executive Summary

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- 2.1 This report follows Internal Audit's annual opinion for the City of Edinburgh Council for the financial year ended 31 March 2019 and the outcomes of Internal Audits completed at the end of the 2018/19 Internal Audit Plan which have either a Councilwide finding and are applicable to all Directorates or are specific to the Resources Directorate.
- 2.2 No 'Critical' Internal Audit findings were raised during the course of 2018/19 and the total number of findings and High rated findings raised had decreased when compared to prior years. However, a number of significant weaknesses in the Council's overall control environment were identified by Internal Audit.
- 2.3 It was the Chief Internal Auditor's independent and professional opinion that the Council's established control environment; governance and risk management arrangements had not adapted or evolved sufficiently to support effective management of the changing risk environment and the Council's most significant risks, putting achievement of the Council's objectives at risk.
- 2.4 Consequently, Internal Audit reported a 'red' rated opinion, with an assessment towards the middle of this category, reflecting that significant enhancements are required to the Council's established control environment; governance; and risk management arrangements to ensure that the Council's most significant risks are effectively mitigated and managed. This outcome remained unchanged when compared to the Internal Audit opinion presented for the 2017/18 financial year.
- 2.5 The completion of the 2018/19 Internal Audit plan brought with it a number of reports which identified management actions for the Resources Directorate to address. This report outlines the summary status of these internal audit reports for scrutiny by the Committee, as detailed in Appendix 1. In addition, the Internal Audit actions that remain open and are now overdue for completion by the Resources Directorate as at 23 September 2019 are outlined in Appendix 2.

### 3. Background

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- 3.1 The objective of Internal Audit (IA) is to provide high quality independent audit assurance over the control environment established to manage the Council's most significant risks, and their overall governance and risk management arrangements in accordance with Public Sector Internal Audit Standards (PSIAS) requirements.
- 3.2 It is the responsibility of the Council's Chief Internal Auditor 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 in line with PSIAS requirements. The opinion is provided to the Governance, Risk, and Best Value Committee and should be used to inform the Council's Annual Governance Statement.
- 3.3 Where control weaknesses are identified, Internal Audit findings are raised, and management agree actions and timescales by which they will address the gaps identified.
- 3.4 It is the responsibility of management to address and rectify the weaknesses identified via timely implementation of these agreed management actions.
- 3.5 The IA definition of an overdue finding is any finding where all agreed management actions have not been implemented by the final date agreed by management and recorded in Internal Audit reports.
- 3.6 Internal Audit is not the only source of assurance provided to the Council as there are a number of additional assurance sources including: external audit, regulators and inspectorates, that the Committee should equally consider when forming their view on the design and effectiveness of the Council's control environment, governance and risk management arrangements.

### 4. Main report

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#### **Internal Audit Opinion 2018/19**

- 4.1 Internal Audit considered that significant enhancements were required to the Council's control environment, governance and risk management arrangements to ensure that the Council's most significant risks were effectively mitigated and managed and raised an overall 'red' rated opinion, with an assessment towards the middle of this category. This opinion aligned with the outcome reported for the 2017/18 financial year and was subject to the inherent limitations of internal audit (covering both the control environment and the assurance provided over controls).
- 4.2 No 'Critical' Internal Audit findings were raised for 2018/19 and the total number of findings (including High rated findings) raised had decreased when compared to prior years, which highlighted some positive improvement. However, a number of new and significant weaknesses in the Council's control environment had been identified, together with an increased trend in the percentage and ageing of overdue IA findings as at 31 March 2019 in comparison to prior years.

- 4.3 Consequently, whilst it was IA's opinion that whilst some progress was evident, the Council's established control environment; governance; and risk management frameworks had not yet adapted sufficiently to support effective management of the changing risk environment and the Council's most significant risks, putting achievement of the Council's objectives at risk.

#### **Areas where improvement is required**

- 4.4 The 2018/19 Internal Audit plan and the associated reports completed in the final quarter of the plan identified improvements being required in a number of areas, as detailed in Appendix 1:
- 4.4.1 The majority of Internal Audit findings raised highlighted that key first line management controls (most notably quality assurance reviews) had either not been established or, where established, are not consistently reviewed to confirm their ongoing effectiveness to support management of key service delivery risks. This was highlighted in the outcomes of several reviews, including GDPR (gap analysis) Internal Audit Actions Follow-up; Contract Management; Developer Contributions and IR35 and Right to Work.
  - 4.4.2 Significant concerns were also highlighted in relation to effective management of technology risks, as the Council's technology partner CGI UK Limited had not implemented ongoing vulnerability scanning as a service. Consequently, potential network vulnerabilities may not be fully identified and addressed in a timely manner. Progress has already been made in this area since the conclusion of these audits.
  - 4.4.3 The technology Certifications and Software Licencing review also confirmed that CGI had not yet established adequately designed processes to support effective ongoing management of the Council's full population of software licences, which could potentially impact user access and also has associated cost implications for the Council. Quarterly updates on the Digital Services Programme continue to be submitted to the Governance, Risk and Best Value Committee to scrutinise progress in this area. Additionally, the Elected Member Digital Advisory Board, with membership from the Finance and Resources Committee maintains an overview of performance, progress and risks in this area.
  - 4.4.4 The Financial Systems Access Controls review identified a significant finding, a plan for which is currently being developed by Digital Services to be applied across all the Council's financial systems. The full detail of this report was discussed as a Part B item at the Governance, Risk and Best Value Committee, with the Head of Finance as the Council's Statutory Section 95 Chief Financial Officer in attendance to respond to questions.
  - 4.4.5 Reviews of major projects and organisational change confirmed that the Council's Change Board is now providing effective oversight of the

Council's major projects portfolio, and that projects are generally well managed. However, further improvements were required to ensure that senior responsible officers (SROs) and supporting project managers consistently manage projects in line with the Council's established project management framework; whole of life (capital and revenue) costing is applied when calculating project costs; the impact of changes on support provided by Council Directorates to the Health and Social Care Partnership is consistently considered when preparing business cases; and that adequate project management resource is provided to support delivery of major projects.

- 4.4.6 Whilst the Property and Facilities Management Division has consistently achieved their financial savings targets, the Asset Management Strategy review confirmed that a new realistic and achievable Council Asset Management strategy is required to ensure that ongoing financial savings targets and service delivery improvements are achieved across the Council's operational property portfolio, to support effective and ongoing property portfolio management, optimisation, and maintenance. IA also highlighted that complete and accurate data and management information on the occupancy status; market and lease values; and condition of the Council's property assets was required to support achievement of the Council's property management objectives. These issues are being addressed as part of the new Asset Information Management Systems (AIMS) project. In addition, the Finance and Resources Committee maintains a strong and ongoing assurance role in respect of the Asset Management Strategy and receives regular reports upon this area of work.

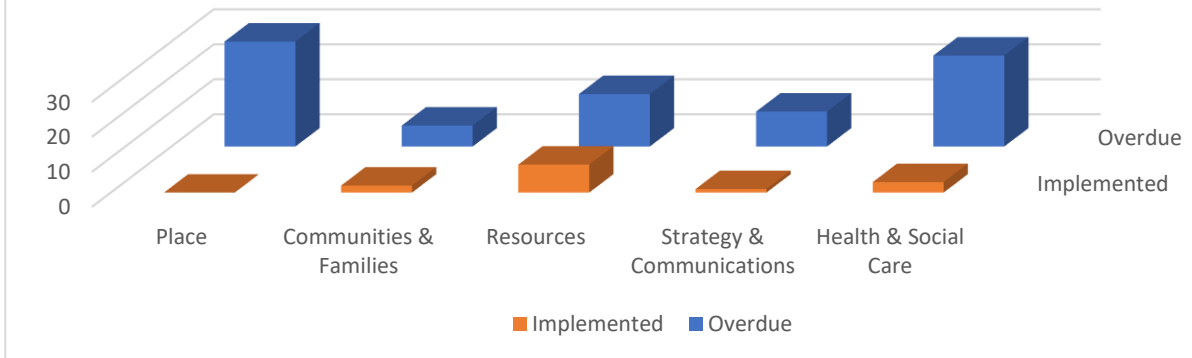
#### **Areas where positive assurance was provided**

- 4.5 Although some improvements were required, the Payments and Charges review used a combination of data analytics and sample testing to confirm that the majority of adult residential care home; licencing; and parking permit fees that generate circa £55M income annually for the Council were accurately calculated and applied.

#### **Open and Overdue Internal Audit actions as at 23 September 2019**

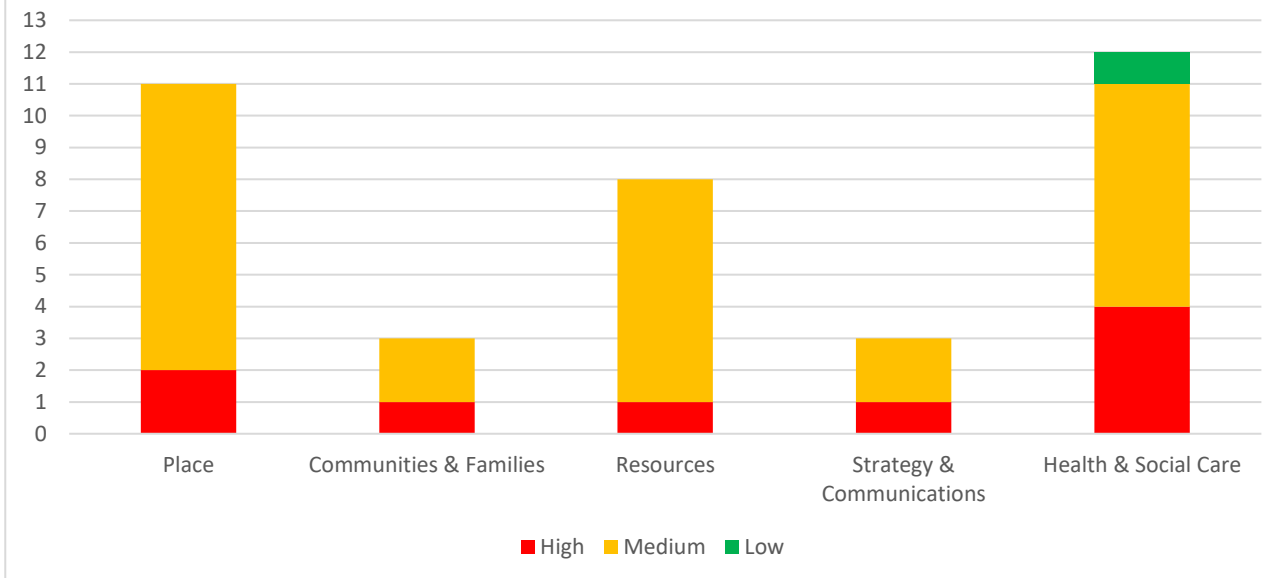
- 4.6 Figure 1 illustrates the allocation of the total of 87 overdue management actions between those where action is required 73 and the 14 that have been passed to IA for review across the directorates/divisions. As members of the Committee will note, the Resources Directorate continues to make positive progress with closing overdue actions.

**Figure 1: Overdue and Implemented Management Actions by Directorate**



4.7 Of these 37 management actions, 9 are associated with High rated findings, only one of which is the responsibility of the Resources Directorate, as detailed in Figure 2 below:

**Figure 2 - management actions with more than one revised completion date since July 2018**



4.8 In addition to these actions, which are deemed to be both open and overdue, there are a range of findings that are currently open but are not overdue. These continue to be tracked and managed by the Executive Director of Resources and the Resources Heads of Service.



## **5. Next Steps**

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- 5.1 The Resources Directorate is actively managing the response to the internal audit findings and progress against these is reviewed at the Corporate Leadership Team on a monthly basis. The Executive Director of Resources continues to hold Quarterly Performance and Assurance Meetings with the Resources Heads of Service and their direct reports to ensure that the timely completion, evidence and closure of internal audit actions remains a priority for all Divisions within the Directorate.

## **6. Stakeholder/Community Impact**

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- 6.1 As with all internal audit related findings, this report highlights that the Council is currently exposed to a level of risk that puts achievement of its objectives at risk and which could potentially impact services delivered and support provided to citizens, stakeholders, and community groups.

## **7. Background reading/external references**

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- 7.1 None.

## **8. Appendices**

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- 8.1 Appendix 1 - Audits Completed Between 1 April 2018 and 31 March 2019  
8.2 Appendix 2 - Internal Audit Overdue Management Actions as at 23 September 2019

## Appendix 1 – Audits completed between 1 April 2018 and 31 March 2019

Ref	Review Title	Report Outcome	No. of findings raised			
			High	Medium	Low	Totals
<b>Council wide Audits</b>						
1.	Contract Management and Construction Industry Scheme Payment Deductions	Significant Enhancements	2	-	-	2
2.	Validation	Significant Enhancements	2	-	1	3
3.	Financial System Access Controls	Significant Enhancements	1	-	-	1
4.	Emergency Prioritisation and Complaints – Customer Contact Centre	Generally Adequate	-	2	1	3
5.	GDPR (Gap Analysis) Follow-up	Generally Adequate	1	1	1	3
6.	IR35 and Right to Work	Generally Adequate	1	1	1	3
7.	Payments and Charges	Generally Adequate	-	5	-	5
8.	Organisational Change	Generally Adequate	-	1	-	1
	<b>Totals</b>		<b>7</b>	<b>10</b>	<b>4</b>	<b>21</b>
<b>Resources Directorate Audits</b>						
9.	Public Sector Cyber Action Plan for Cyber Resilience Review	Significant Enhancements	1	2	-	3
10.	Public Services Network (PSN) Accreditation	Significant Enhancements	2	1	-	3
11.	Certifications and Software Licencing	Significant Enhancements	2	-	-	2
12.	Implementation of Asset Strategy and CAFM system	Significant Enhancements	3	-	-	3
13.	Implementation of Facilities Management Service Level Agreement	Generally Adequate	1	-	-	1
	<b>Totals</b>		<b>9</b>	<b>3</b>	<b>-</b>	<b>12</b>

## Appendix 2 - Internal Audit Overdue Management Actions as at 23 September 2019

### Glossary of terms

- Project – This is the name of the audit report.
- Issue Type – This is the priority of the audit finding, categorised as Critical, High, Medium, Low and Advisory.
- Issue – This is the name of the finding.
- Status – This is the current status of the management action. These are categorised as Pending (the action is open and there has been no progress towards implementation), Started (the action is open, and work is ongoing to implement the management action), Implemented (the service area believe the action has been implemented and this is with Internal Audit for validation).
- Agreed Management action – This is the action agreed between Internal Audit and Management to address the finding.
- Estimated date – the original agreed implementation date.
- Revised date – the current revised date. **Red** formatting in the dates field indicates the last revised date is overdue.
- Number of revisions – the number of times the date has been revised post implementation of TeamCentral. **Amber** formatting in the dates field indicates the date has been revised more than once.

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
1	Historic Unimplemented Findings MIS1601 - issue 1 Budgetary Impact	Medium	Recommendation 1 - Budgetary Impact  Implemented	The repairs and maintenance budget for 2016/17 will be closely monitored as services are now procured direct from suppliers and an imbedded due diligence process has been developed. This will inform the budget setting process, but it should, however, be noted that this has historically been based on availability and not need.	Estimated Date: 31/03/2017 Revised Date: 29/06/2018 No of Revisions 1
2	Non-Housing Invoices  Schedule of Rates	Medium	New non-housing contractor framework  Implemented	The non-Housing contractor framework will be re-tendered during 2017. The inclusion of detailed best-value and due-diligence options will be considered as part of the process. This may include schedule of rates, gain share, penalties etc or a combination.	Estimated Date: 31/08/2017 Revised Date: 31/03/2019 No of Revisions 3
3	Non-Housing Invoices  Availability of documentation	Medium	Computer Aided Facilities Management (CAFM)  Implemented	It is anticipated that Computer Aided Facilities Management (CAFM) system will be in operational use (services being implemented on a rolling programme thereafter) in early 2017 with a non-Housing R&M implementation process in place for FY 2017/18	Estimated Date: 01/04/2017 Revised Date: 31/08/2018 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
4	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.1 - Finance: Claremont project plan Implemented	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. Timelines for Claremont being engaged is subject to change, but indicative timeline is – 30 August 2019	Estimated Date:30/08/2019 Revised Date: No of Revisions0
5	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.2 - HR: Midland project plan Implemented	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. Timelines for Midland HR being engaged is subject to change, but indicative timeline is – 31 July 2019	Estimated Date: 31/07/2019 Revised Date: No of Revisions 0

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
6	<p>Planning and S75 Developer Contributions</p> <p>End to end developer contribution processes, procedures, and training</p>	High	<p>PL 1801 Iss 2 Rec 2.3(1) Legal agreements and rates</p> <p>Implemented</p>	<p>Legal Services has developed a contributions template for use by planning officers prior to the determination of an application where contributions are required. Planning will continue to work with Legal Services to refine and finalise the template. 1. Legal Services will develop a template which will contain a drop-down list of all information required to be filled in by Planning officers for every developer agreement, prior to a minded to grant status being issued by Planning.2. To ensure consistency, Legal Services will apply a revised hourly charge rate based on a blended rate of the charges made by existing external firms preparing developer contribution legal agreements.</p>	<p>Estimated Date: 01/07/2019</p> <p>Revised Date:</p> <p>No of Revisions 0</p>

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
7	Property Maintenance Monitoring of outstanding jobs	Medium	Monitoring of outstanding jobs  Implemented	The AS400 system does not allow recoding or reporting on completion until invoice stage. Contractors are already confirming when jobs complete to agreed Service Level Agreements (M&E in particular). This includes outstanding jobs. New contracts being procured will require all contracts to report on performance, but this is not anticipated to be complete until end 2017 by which time Computer Aided Facilities Management (CAFM) will also be in place. CAFM will support monitoring of outstanding works orders. In the meantime, as noted in Finding 2, an interim monitoring/tracking process has been developed for condition survey high risk/urgent items	Estimated Date: 31/12/2017 Revised Date: 31/05/2019 No of Revisions 4

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
8	Cyber Security - Public Sector Action Plan  RES1808: Issue 1: Critical Operational Cyber Security Controls	High	RES1808: Issue 1: Recommendation 4.1 - User access controls  Implemented	CGI indicated that the full recommendations made by the external auditor could not be implemented without significant change to the contract and at a notable additional cost. CGI provided the Council and the External Auditors with details of the current oversight of the CGI Wintel and UNIX password policies. Current ongoing evidence of this oversight via the Security Working Group will be provided to external audit, a statement confirming the risk acceptance by the Executive Director of Resources will be prepared, approved, signed, and provided to Scott Moncrieff.	Estimated Date: 31/05/2019 Revised Date:  No of Revisions 0



Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
9	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements	High	Rec 12.2 Resources - Annual assurance from Third Party Providers  Started	Assurance should be obtained annually for statutory and critical services from third party service providers that their resilience plans remain adequate and effective; and have been tested to confirm that the recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers.	Estimated Date: 28/06/2019 Revised Date: 30/06/2020 No of Revisions 1
10	Enterprise Resource Planning (ERP) MP1804 - Issue 3 ERP Detailed Project Plans	High	ERP Issue 3.3a - Debt Management - draft project plan  Started	Detailed plans will be developed in collaboration with third party suppliers onboarding onto the programme and when they are engaged in delivery. No supplier is in place for replacement of the debt management system. Draft project plan with key milestones and deliverables will be prepared for 30 August 2019	Estimated Date: 30/08/2019 Revised Date: 29/11/2019 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
11	Planning and S75 Developer Contributions Backlog of Legacy Developer Contributions	High	PL 1802 Recommendation 1.1 Review of developer contributions held in the Finance database  Started	A full review of all developer contributions held in the Finance database will be performed, and all entries reconciled to amounts held on deposit and/or in the general ledger.	Estimated Date: 31/01/2016 Revised Date: 30/09/2020 No of Revisions 1
12	Asset Management Strategy Issue 1: Visibility and Security of Shared Council Property	Medium	Review of existing shared property  Started	A review of the office estate is underway by the Operational Estates team to identify third party users and approach them to seek appropriate leases or licences to allow them to occupy the premises and ensure the Council is appropriately reimbursed.	Estimated Date: 31/10/2018 Revised Date: 31/08/2019 No of Revisions 2

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
13	Asset Management Strategy Issue 1: Visibility and Security of Shared Council Property	Medium	Formalised rental agreements  Started	The Operational Estates team are also reviewing third sector tenancies across the Operational Estate. This will require the collation of information directly from establishments (who have traditionally made direct arrangements with third parties), to capture all instances and formalise these arrangements. Given the size and complexity of this task, it is envisaged that this will take around two years to complete.	Estimated Date: 31/10/2018 Revised Date: 31/10/2019 No of Revisions 2
14	Asset Management Strategy  Property and Facilities Management Data Completeness; Accuracy; and Quality	High	Property and Facilities Management Data Completeness; Accuracy; and Quality  Pending	Current Computer Aided Facilities Management (CAFM) system users have access to the operational data they need in the system to perform their roles and are also updating the CAFM system with new data.  Whilst the vision is to have all property data in CAFM, the volume of property data that could be captured and recorded is near infinite, therefore property data that will retained in CAFM has to be focused on the effort and cost to collect versus the value it provides.  The CAFM Business Case includes requirement for a Data Quality Manager, who will be the responsible data steward for Property and Facilities Management (P&FM) data. Their role is not necessarily to collect the data but to ensure rigor and control over it. This will involve ensuring regular reviews of data within the system and ensuring that data is managed and maintained in line with the established CAFM data	Estimated Date: 31/03/2016 Revised Date: 31/03/2022 No of Revisions 1

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
				<p>hierarchy and agreed Council information management policies and procedures.</p> <p>Sharing data steward responsibilities across services is problematic, as they hold responsibility and accountability for the data under their remit. It would be highly unlikely that a data steward from another service would want to take on the additional accountability of data from P&amp;FM. We recommend that P&amp;FM establish their own data steward.</p> <p>The CAFM Business Case includes the delivery of a Data Quality Strategy for P&amp;FM. The objective of the data quality strategy is to attribute risk and value to the data maintained in the system. Additionally:</p> <ul style="list-style-type: none"> <li>• data change processes and procedures that capture data processing and management in CAFM will be designed and implemented.</li> <li>• processes for reviewing data quality, for example, review of condition survey data run in tandem with review of property data every five years, will be designed and implemented.</li> <li>• data validation controls within CAFM will be applied; and</li> <li>• data quality audit controls for individual data fields available in CAFM will be applied, and audit reports run at an appropriate frequency to identify any significant changes to key data.</li> </ul>	

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates
15	Asset Management Strategy Property and Facilities Management Data Completeness; Accuracy; and Quality	High	Resolution of known data quality issues  Pending	<p>A reconciliation of the two lists has been performed and there are no obvious discrepancies other than properties which are out with the scope of the survey team.</p> <ul style="list-style-type: none"> <li>• The viability of establishing a referencing system for concessionary lets in the CAFM system will be explored.</li> <li>• The volume and value of known concessionary lets across the Council Estate will form part of the Annual Investment Portfolio update which is reported to the Finance and Resources committee.</li> <li>• There is an ongoing work stream looking at vacant and disposed properties and the systems updates required.</li> </ul>	<p>Estimated Date: 31/03/2016 Revised Date: 31/03/2022 No of Revisions 1</p>

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# Governance, Risk and Best Value Committee

10.00am, Tuesday 29 October 2019

## Capital Budget Strategy 2020-2030 – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Governance, Risk and Best Value Committee is asked to consider this report as part of its programme of work.

**Laurence Rockey**

Head of Strategy and Communications

Contact: Martin Scott, Committee Services

Email: [martin.scott@edinburgh.gov.uk](mailto:martin.scott@edinburgh.gov.uk) | Tel: 0131 529 4237

# Referral Report

## Capital Budget Strategy 2020-2030 – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 10 October 2019, the Finance and Resources Committee considered a report by the Executive Director of Resources. This detailed priorities for council capital investment over the medium to long-term and set out a plan on how they could be funded.
- 2.2 The Finance and Resources Committee agreed:
- 2.2.1 To note the priorities for capital expenditure outlined in this report and the proposed funding solutions.
  - 2.2.2 To note that delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget.
  - 2.2.3 To note that further reports will be presented to the Committee prior to the Council setting its budget in February 2020.
  - 2.2.4 To agree that the report would be referred to Governance, Risk and Best Value Committee, following Finance and Resources, as part of its programme of work.

### 3. Background Reading/ External References

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- 3.1 Minute of the Finance and Resources Committee of 10 October 2019.
- 3.2 [Finance and Resources Committee – 10 October 2019 - Webcast](#)

### 4. Appendices

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Appendix 1 – report by the Executive Director of Resources



# Finance and Resources Committee

10am, Thursday 10 October 2019

## Capital Budget Strategy 2020-2030

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 To note the priorities for capital expenditure outlined in this report and the proposed funding solutions.
- 1.2 To note that delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget.
- 1.3 To note that further reports will be presented to the Committee prior to the Council setting its budget in February 2020.
- 1.4 To note that this report will be referred to Governance, Risk and Best Value Committee, following Finance and Resources, as part of its programme of work.

#### Stephen S Moir

Executive Director of Resources

Contact: Rebecca Andrew, Principal Accountant

Finance Division, Resources Directorate

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## Capital Budget Strategy 2020-2030

### 2. Executive Summary

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- 2.1 The report details priorities for council capital investment over the medium to long-term and sets out a plan on how they could be funded. Priorities put forward for proposed additional funding include the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.
- 2.2 It is recognised that the Council's capital resources are limited. Borrowing carried out for investment must be repaid from increasingly limited revenue budgets. The budget strategy in this report can only be funded if the Council is able to balance its revenue budget over the medium to long term to comply with the terms of the Prudential Code. Moreover, the strategy assumes that some priorities, such as the City Centre Transformation and wider transport initiatives, will need to be funded from a combination of external funding and realignment of existing budgets.

### 3. Background

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- 3.1 The Council's capital investment programme for the period 2019-24 was approved at its budget meeting of 21 February 2019. This budget was subsequently revised to reflect slippage from 2018/19, funding approved after the budget had been set and updated project cash flows. This revised budget was approved by Finance and Resources committee on 15 August 2019.
- 3.2 Beyond this 5-year planning horizon, allocation of capital resources is based on a 10-year indicative programme approved by the former Policy and Strategy Committee in 2008, which has subsequently been rolled forward and adjusted to reflect commitments made in relation to tram life-cycle and cycling. A summary of the current programme for the period 2020-2030 is included at Appendix 1.
- 3.3 This report details capital investment priorities for the next 10 years and sets out potential funding solutions. This report should be read in parallel with the revenue budget report elsewhere on this agenda as the revenue impact of additional capital expenditure needs to be contained within a balanced revenue budget.

- 3.4 This report only covers the general fund capital investment programme. The capital expenditure requirements for the Housing Revenue Account will be reported to Finance and Resources Committee in January 2020 as part of the Housing Revenue Account business plan.

## 4. Main report

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### Capital Priorities

- 4.1 Priorities for capital expenditure, identified by officers and discussed through the operational Asset Management Board, are aligned to our statutory responsibilities to deliver services together with achieving our strategic objectives.
- 4.2 In order to continue to deliver high-quality services, the Council needs to continue to invest in the condition and suitability of its assets. The existing capital plan, as set out in Appendix 1, includes £174m for the existing operational estate and £121m for roads and pavements as well as investment in specific assets such as North Bridge and the King's Theatre. It is anticipated that additional investment will be required, particularly in Council buildings for them to be fit for purpose.
- 4.3 Since 2000, the Council has invested significantly in replacement schools to modernise its learning and teaching estate. The construction of the new St Crispins is about to commence, the new Queensferry High School is nearing completion and there is currently funding for a new secondary school at Craigmillar and replacement sports facilities at Trinity High School. As set out in the Wave 4 business case reported to this committee on 11 October 2018, there is also a requirement to replace secondary schools at Currie, Trinity, Wester Hailes, Liberton and Balerno, which are not currently funded within the existing capital investment programme. Scottish Government has advised that the replacement of Currie High School will form part of the initial phase of its New Learning Estate Investment programme, but the Council will need to provide match-funding to take the project forward. A separate report from the Director of Communities and Families elsewhere on this agenda provides more detail on priorities for the Council's learning estate.
- 4.4 When investing in new assets, the Council is adopting a service design led approach to improve access to services, consolidate our estate and re-provision services effectively. This approach is designed to enhance service user experience and ensure upfront engagement and participation with the future shaping of services and Council assets, generating efficiencies and recurring savings where possible.
- 4.5 The Council is also required to invest in order to deliver new statutory obligations. The capital programme contains £25m, funded by the Scottish Government to

complete its programme of new and extended early years facilities so that all 3 and 4 year olds receive 1140 hours per annum of free childcare. The funding allocated to this programme of work fully met the requirements of the Council's business case submission to the Scottish Government.

- 4.6 Edinburgh is a growing city and capital investment is required both to promote inclusive growth and to address its impacts on citizens and the city. The capital programme provides investment in public realm assets surrounding the new St James development as well as the extension of the tram line to Newhaven, subject to confirmation of the business case in the autumn. Both these projects are funded from external income so that economic benefits can be generated without impacting on Council services.
- 4.7 The Council is also working to promote economic growth across the wider city region and the capital programme reflects the Council's match-funding contribution to the Edinburgh and South East Scotland City Deal.
- 4.8 Economic, housing and population growth in the city have also increased demands for service infrastructure. The Local Development Plan action plan sets out infrastructure required to address the anticipated impact of new housing development. While developers' contributions will be sought to meet much of the cost, the Council will need to provide significant investment beyond the £35m, which was provided in the 2018/19 budget process.
- 4.9 The increase in Edinburgh's population is not solely linked to new development and projected increases in the number of school-aged children will require the Council to provide additional school places by expanding its existing programme of school extensions.
- 4.10 In response to the growth in the older age groups of the population, the Health and Social Care Partnership is following a transformative programme of people centred, community-based care. This requires alternative delivery models in addition to the traditional care home provision. The delivery of new intermediate care facilities is currently being scoped to meet this requirement, with the first phase utilising the £10m in the current CIP. Further requirements will emerge over forthcoming years.
- 4.11 Economic growth in Edinburgh has resulted in increased house prices and rent levels, making good quality housing unaffordable to many citizens. While additional social housing provision is financed by the Housing Revenue Account, the general fund capital programme provides £225m for lending to Edinburgh Living and National Housing Trust LLPs. These projects are self-financing as a result of income from affordable rents. Additional housing can therefore be provided without impacting on other expenditure priorities.
- 4.12 The Council is aiming for Edinburgh to be a zero-carbon city by 2030. To this end, 10% of all transport capital expenditure has been set aside for cycling projects and the capital programme includes £9.6m to complete the replacement of all Council street lights with energy-efficient lighting. Where new building projects have been

approved the Council is seeking to deliver energy-efficient buildings, but there is likely to be a requirement to retrofit existing buildings with energy-efficient solutions. Opportunities to utilise Spend to Save funding will be assessed. In addition, funding is required to deliver the City Centre Transformation Programme and the wider City Mobility Plan.

- 4.13 On 10 September 2019, Culture and Communities Committee approved a report recommending that the Council consider Hostile Vehicle Mitigation measures are considered at key Council-owned sites within the city centre. The work undertaken to date indicates that costs are likely to be substantial given the nature of the likely interventions. Indications to date are in the realm of £2-3m.
- 4.14 Finally, there are a number of major projects in the current programme, where there is a potential risk of expenditure exceeding budget and these will be reviewed as part of the Council's 2020 budget planning process.

### **Funding Opportunities**

- 4.15 The Council's capital budget is mainly funded by a combination of government grant, asset sales, third-party grants, developers' contributions and borrowing. A contribution may also be made from Council reserves. In determining the funding available for further capital investment, existing assumptions for each of these funding streams have been reviewed. Appendix 2 sets out an additional £281m of potential funding for Council capital priorities.
- 4.16 The existing capital programme assumes Scottish Government general capital grant of £38m per annum. Based on forecasts of capital funding for budget planning it has been assumed that general capital grant can be increased by £5m to £43m in 2020/21, increasing by £0.5m per annum thereafter. Over the ten-year budget period this amounts to an additional £72.5m to fund capital investment.
- 4.17 The Council also receives specific grants for projects which meet national government priorities. The existing programme includes grant from Scottish Government for the expansion of Early Years activities. It is anticipated that the Council's ambitious active travel programme will receive significant funding from Sustrans and there are likely to be further tranches of funding available to the Council to take forward initiatives arising from its City Centre Transformation and City Mobility programmes.
- 4.18 The Scottish Government has announced £1bn of capital equivalent funding which will be available to Council's to replace schools in poor condition, under its New Learning Estate Investment programme. The funding is likely to be revenue in nature and linked to facilities management costs or the achievement of agreed outcomes and paid annually following project completion. However, this funding would provide additional revenue headroom to support borrowing. The Scottish Government will award funding based on business cases for individual schools and has announced that funding for Currie High School will be provided in the initial phase of investment. In estimating likely funding for the Council's Wave 4

programme, it is assumed that the Council will receive capital equivalent funding of 30% of the cost of Currie High School and one other Wave 4 school and that this funding will be received on project completion.

- 4.19 The existing programme assumes developers' contributions for the Tram to Newhaven project. In addition, developers' contributions are anticipated to fund a significant proportion of the Local Development Plan Action Programme, including contributing to any increases in capacity in the Wave 4 schools.
- 4.20 Receipts from asset sales are pooled and used to fund capital priorities across the programme. The exception to this is where these receipts are only created by delivering a new capital project (e.g. the sale of a depot site because new facilities have been provided in a different location). Assumptions for asset sales have been reviewed and it is not considered prudent to increase the assumed level of general receipts by more than the £3m per annum already approved. However, there will be opportunities to release land because of the Wave 4 programme and receipts from the sale of these sites are assumed to be available to fund the school projects.
- 4.21 The Council's ability to use revenue budgets to finance capital expenditure has also been considered. The current revenue budget framework contains the financing costs of £78m of capital expenditure to part-fund the Wave 4 programme. However, this funding is contingent on the Council achieving a balanced medium to long-term revenue budget. In addition, it is assumed that 10% of the increased Council Tax received from newly-built developments is used to fund borrowing for capital expenditure to help meet the cost of the infrastructure requirements of those developments. It is estimated that this could provide a further £43m of capital over a 10-year period.
- 4.22 The Council's current plan has unallocated expenditure of £7m per annum from 2024/25, to provide flexibility in later years. It is proposed that this amount be reduced to £5m per annum, releasing £12m for the priorities identified above.
- 4.23 Finally, Council reserves have been reviewed. The Capital Fund currently has a balance of £55.9m, taking of existing commitments it is proposed that £27m of this amount is used to finance capital priorities.

### **Proposals for Investment**

- 4.24 In view of limited resources available it is proposed that funding is directed to the following priority areas:
- Pressures relating to existing capital projects;
  - Wave 4 Schools;
  - LDP/Rising School Rolls;
  - Asset Management Works Programme.
- 4.25 The combined cost of this investment is set out in Appendix 2 and amounts to £475m over a 10-year period, compared to the £362m of funding identified.

Modelling shows that funding is sufficient up until 2026/27, allowing for slippage across the programme. From 2027/28 onwards, should alternative funding not be identified, the Council will need meet the financing costs of this investment from its revenue budget, which is estimated to be £7.1m per annum from 2027/28. In the event that the Council is unable to make the savings at that time, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered.

- 4.26 It should be noted that investment in new schools is also dependent on the receipt of significant levels of developers' contributions. Prior to the approval of individual projects, detailed business cases will be required, setting out costs and funding assumptions to ensure that projects are affordable.

### **Unfunded Priorities**

- 4.27 It is recognised that this proposal does not provide funding for all Council priorities and the Wave 4 programme is extended over a 10-year timeframe. Funding options for Gaelic Medium Education High School, City Centre Transformation, the City Mobility Strategy and Hostile Vehicle Mitigation will be subject to separate consideration.
- 4.28 In developing business cases for these priorities, the Council will seek to maximise the external funding available and, where appropriate, realign existing budgets

## **5. Next Steps**

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- 5.1 The capital budget strategy will be developed further, and detailed budget proposals will be submitted to this committee prior to the Council setting its budget in February 2020.

## **6. Financial impact**

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- 6.1 This report sets out additional capital expenditure of £475m, offset by additional income of £203m, resulting in a requirement of £272m in loans fund advances. The loans charges associated with this over a 30-year period would be a principal amount of £272m and interest of £246m, resulting in a total cost of £517m based on an assumed loans fund interest rate of 4.6%. This represents an annual cost of £17m.
- 6.2 Revenue budget planning assumptions mean that that costs associated with £78m of the loans fund advances will be met from savings initiatives and £43m can be met from Council Tax. This is contingent on the Council approving a balanced medium-term revenue budget in February 2020. It is also assumed that £38m will be supported by the Scottish Government for investment in schools. The remaining £113m is currently unfunded and will require the Council to find additional revenue savings of £7.1m per annum from 2027/28 onwards. A profile of this additional

funding pressure is set out in Appendix 3. In the event that the Council is unable to make the savings at that time, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered. Any additional capital resources realised will be used to reduce this funding deficit.

- 6.3 Investment in additional assets is likely to result in increased running costs. A report on the associated cost implications of changes in the size and profile of the Council's operational property estate was considered by the Finance and Resources Committee on 23 May 2019. The report noted the need to provide for the additional revenue costs of a number of demand- and condition-led school replacements and new-builds. Based on the cost projections intimated in that report and sums provided within the budget framework in respect of rising school rolls, the Wave Four schools programme and additional, or expanded, facilities linked to the Local Development Plan, this level of provision was anticipated to be sufficient to meet, in full, these additional costs. In addition, all projects will be required to produce a detailed business case, setting out both capital and revenue costs and demonstrating how they will be funded prior to project commencement.

## **7. Stakeholder/Community Impact**

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- 7.1 Engagement on the capital budget strategy will form part of wider engagement on the Council's budget.
- 7.2 The stakeholder and community impact of projects within the programme will be assessed as part of the reporting on individual projects concerned.

## **8. Background reading/external references**

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- 8.1 [Capital Investment Programme 2019-20 to 2023-24 - Council 21 February 2019](#)
- 8.2 [Coalition Budget Motion - Council 21 February 2019](#)
- 8.3 [Capital Strategy 2019-2024 - Council 14 March 2019](#)
- 8.4 [Capital Investment Programme - Outturn 2018/19 and Revised Budget 2019-24 - F&R Committee 15 August 2019](#)
- 8.5 [Capital Investment Programme 2009-19 - Policy and Strategy Committee 8 November 2008](#)
- 8.6 [Local Development Plan Action Programme – January 2019](#)
- 8.7 [Wave 4 Infrastructure Investment Programme - F&R 11 October 2018](#)
- 8.8 [City Centre Hostile Vehicle Mitigation Measures Update Report - C&C Committee 10 September 2019](#)



8.9 [Changes to the Operational Property Estate - Lifecycle Costs Forecast – F&R  
23 May 2019](#)

## **9. Appendices**

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Appendix 1: Existing Capital Investment Programme Summary

Appendix 2: Additional Investment Proposals

Appendix 3: Additional Funding Pressure

**CAPITAL STRATEGY 2020-2030**

**Appendix 1**

**Existing Capital Investment Programme Summary**

	<b>Total</b>	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Existing Programme - Expenditure</b>											
Communities and Families											
Early Years	<b>25.000</b>	25.000	-	-	-	-	-	-	-	-	-
Primary Schools	<b>29.182</b>	27.640	1.542	-	-	-	-	-	-	-	-
Wave 3 Schools	<b>14.500</b>	14.500	-	-	-	-	-	-	-	-	-
Wave 4 Schools	<b>19.000</b>	19.000	-	-	-	-	-	-	-	-	-
Rising School Rolls	<b>7.762</b>	7.762	-	-	-	-	-	-	-	-	-
Libraries	<b>0.650</b>	0.650	-	-	-	-	-	-	-	-	-
Sports Facilities	<b>9.550</b>	1.065	0.165	0.165	7.165	0.165	0.165	0.165	0.165	0.165	0.165
Other	<b>1.000</b>	1.000	-	-	-	-	-	-	-	-	-
Place											
Environment	<b>38.958</b>	38.558	0.200	0.200	-	-	-	-	-	-	-
Homeowners adaptation grants	<b>10.000</b>	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Carriageway and Footways	<b>120.770</b>	10.727	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227
10% Cycling Commitment	<b>17.830</b>	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783
Other Transport and Infrastructure	<b>90.937</b>	36.834	12.753	14.575	3.825	3.825	3.825	3.825	3.825	3.825	3.825
Tram Life Cycle	<b>10.000</b>	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Museums and Arts	<b>13.500</b>	6.500	1.000	6.000	-	-	-	-	-	-	-
St James/Picardy Place	<b>62.900</b>	62.900	-	-	-	-	-	-	-	-	-
NHT and Edinburgh Homes	<b>225.142</b>	71.080	55.104	76.692	22.266	-	-	-	-	-	-
Tram to Newhaven	<b>162.053</b>	74.318	58.004	29.731	-	-	-	-	-	-	-
Resources											
ICT	<b>5.000</b>	5.000	-	-	-	-	-	-	-	-	-
Asset Management Works	<b>173.966</b>	30.000	25.516	20.450	14.000	14.000	14.000	14.000	14.000	14.000	14.000
IJB											
New Care Home	<b>10.000</b>	5.000	5.000	-	-	-	-	-	-	-	-
Unallocated	<b>30.000</b>	-	-	-	-	5.000	5.000	5.000	5.000	5.000	5.000
<b>Existing Programme - Expenditure Budget</b>	<b>1,077.700</b>	<b>441.317</b>	<b>175.294</b>	<b>163.823</b>	<b>63.266</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>

**CAPITAL STRATEGY 2020-2030**

**Appendix 1**

**Existing Capital Investment Programme Summary**

	<b>Total</b>	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Existing Programme - Funding</b>											
Asset Sales (Unringfenced)	<b>18.000</b>	3.000	3.000	3.000	3.000	1.000	1.000	1.000	1.000	1.000	1.000
Developers contributions	<b>1.890</b>	0.750	0.380	0.380	0.380	-	-	-	-	-	-
General Capital Grant	<b>380.000</b>	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000
Specific Capital Grant	<b>25.000</b>	25.000	-	-	-	-	-	-	-	-	-
Loans fund advances	<b>652.810</b>	374.567	133.914	122.443	21.886	-	-	-	-	-	-
<b>Existing Programme - Funding Budget</b>	<b>1,077.700</b>	<b>441.317</b>	<b>175.294</b>	<b>163.823</b>	<b>63.266</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>	<b>39.000</b>

**CAPITAL STRATEGY 2020-2030**  
**Additional Investment Proposals**

**Appendix 2**

	<b>Total</b>	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Additional Priorities - Expenditure</b>											
Existing programme - Pressures	<b>10.000</b>	10.000	-	-	-	-	-	-	-	-	-
Wave 4 Schools											
Currie High School	<b>42.927</b>	1.421	1.502	22.994	16.090	0.919	-	-	-	-	-
Trinity Academy Phase 2	<b>42.065</b>	-	1.688	1.784	22.304	14.106	1.092	1.092	-	-	-
Wester Hailes Education Centre	<b>36.001</b>	-	-	-	-	-	1.233	1.283	19.247	13.468	0.770
Liberton High School	<b>49.140</b>	-	-	-	-	-	1.684	1.751	26.271	18.383	1.050
Balerno High School	<b>57.667</b>	-	-	-	-	-	1.976	2.055	30.830	21.573	1.233
Wave 4 Contingency	<b>22.780</b>	0.142	0.319	2.478	3.839	1.503	0.598	0.618	7.635	5.342	0.305
Infrastructure for Population Growth											
Builyeon Road Primary School (S Queensferry)	<b>16.000</b>	0.800	5.600	6.400	3.200	-	-	-	-	-	-
New Brunstane/Newcraighall Primary School	<b>16.000</b>	0.800	5.600	6.400	3.200	-	-	-	-	-	-
Maybury Primary School	<b>16.000</b>	0.800	5.600	6.400	3.200	-	-	-	-	-	-
Kirkliston/West Edinburgh Secondary Provision	<b>50.000</b>	2.500	17.500	20.000	10.000	-	-	-	-	-	-
Gilmerton Station Road Primary School	<b>16.000</b>	-	-	0.800	5.600	6.400	3.200	-	-	-	-
Granton Waterfront Primary School	<b>16.000</b>	-	-	-	0.800	5.600	6.400	3.200	-	-	-
East of Milburn Tower Primary School	<b>16.000</b>	-	-	-	-	0.800	5.600	6.400	3.200	-	-
Unallocated	<b>20.000</b>	-	-	-	-	-	-	-	-	10.000	10.000
Increased Investment in Council Buildings											
Asset Management Works	<b>48.000</b>	-	-	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
<b>Additional Priorities - Expenditure</b>	<b>474.580</b>	<b>16.463</b>	<b>37.809</b>	<b>73.256</b>	<b>74.234</b>	<b>35.328</b>	<b>27.783</b>	<b>22.398</b>	<b>93.183</b>	<b>74.767</b>	<b>19.358</b>

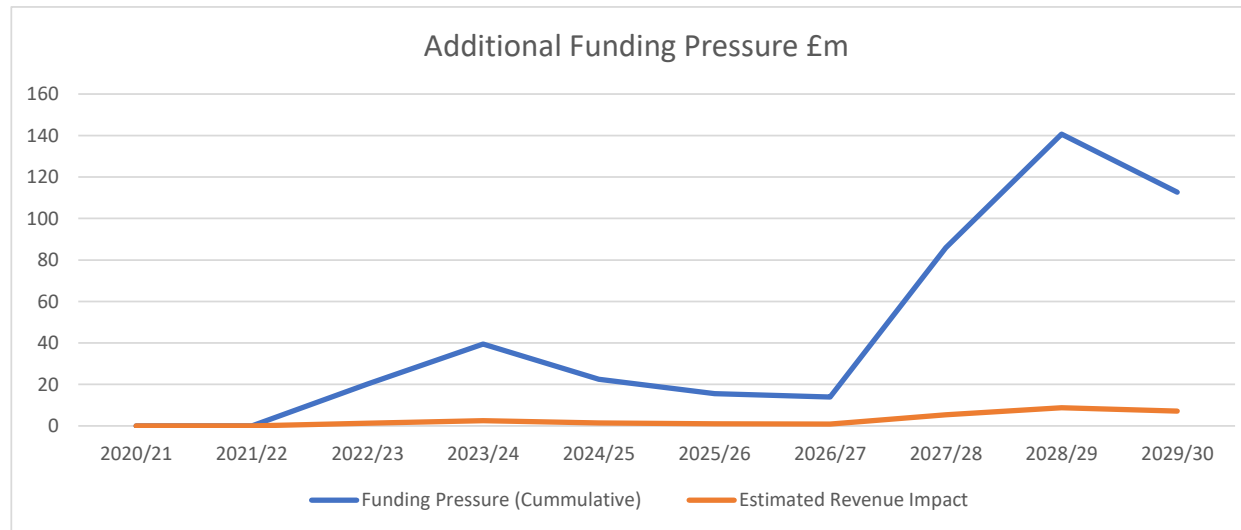
**CAPITAL STRATEGY 2020-2030**  
**Additional Investment Proposals**

**Appendix 2**

<b>Total</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>Additional Priorities - Funding Opportunities</b>											
<i>Income</i>											
Existing Programme - Unallocated Funding											
Asset Sales (Unringfenced)	<b>12.000</b>	-	-	-	-	2.000	2.000	2.000	2.000	2.000	2.000
External Funding											
Increased general capital grant	<b>72.500</b>	5.000	5.500	6.000	6.500	7.000	7.500	8.000	8.500	9.000	9.500
Developers contributions (Wave 4)	<b>12.514</b>	0.004	0.056	0.499	0.307	5.114	-	4.582	0.370	0.827	0.756
Developers contributions (LDP)	<b>58.890</b>	-	-	2.450	13.720	16.000	10.400	5.120	6.080	3.840	1.280
Asset Sales (Wave 4)	<b>19.997</b>	-	-	-	-	-	10.489	-	-	-	9.508
Reserves											
Capital Fund Drawdown	<b>27.000</b>	<b>7.159</b>	<b>5.453</b>	<b>14.388</b>	-	-	-	-	-	-	-
	<b>202.901</b>	<b>12.163</b>	<b>11.009</b>	<b>23.337</b>	<b>20.527</b>	<b>30.114</b>	<b>30.389</b>	<b>19.702</b>	<b>16.950</b>	<b>15.667</b>	<b>23.044</b>
<i>Supported Borrowing</i>											
Borrowing supported by											
Scottish Government Schools Funding	<b>38.000</b>					18.000					20.000
Revenue Budget Framework	<b>78.000</b>		22.500	25.500	30.000						
10% of Increased Council Tax take	<b>43.000</b>	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300
	<b>159.000</b>	<b>4.300</b>	<b>26.800</b>	<b>29.800</b>	<b>34.300</b>	<b>22.300</b>	<b>4.300</b>	<b>4.300</b>	<b>4.300</b>	<b>4.300</b>	<b>24.300</b>
<b>Additional Priorities - Funding Opportunities</b>	<b>361.901</b>	<b>16.463</b>	<b>37.809</b>	<b>53.137</b>	<b>54.827</b>	<b>52.414</b>	<b>34.689</b>	<b>24.002</b>	<b>21.250</b>	<b>19.967</b>	<b>47.344</b>

**CAPITAL STRATEGY 2020-2030**  
**Additional Funding Pressure**

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Additional Expenditure Priorities	<b>474.580</b>	16.463	37.809	73.256	74.234	35.328	27.783	22.398	93.183	74.767	19.358
Additional Funding Opportunies	<b>361.901</b>	16.463	37.809	53.137	54.827	52.414	34.689	24.002	21.250	19.967	47.344
<b>Funding Pressure (Incremental)</b>	<b>112.678</b>	-	-	<b>20.119</b>	<b>19.407</b>	<b>- 17.086</b>	<b>- 6.906</b>	<b>- 1.603</b>	<b>71.933</b>	<b>54.800</b>	<b>- 27.986</b>
Funding Pressure (Cummulative)		-	-	20.119	39.526	22.440	15.534	13.931	85.865	140.664	112.678
Estimated Revenue Impact		-	-	1.254	2.464	1.399	0.968	0.868	5.352	8.768	7.078



# Governance, Risk and Best Value Committee

10.00am, Tuesday, 29 October 2019

## Roads Services Improvement Plan Update

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 It is recommended that Committee:
  - 1.1.1 notes the contents of the report and the positive progress made to date; and
  - 1.1.2 notes that a new redesigned improvement plan is being developed to take account of the progress made to date and the realigned service structure and responsibilities.

**Paul Lawrence**

**Executive Director of Place**

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## Roads Services Improvement Plan Update

### 2. Executive summary

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- 2.1 The Transport and Environment Committee on [11 October 2019](#) considered the following update on the Roads Improvement Plan. The report sets out progress that has been made in delivering the outstanding actions.

### 3. Background

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- 3.1 The Roads Services Improvement Plan was approved on [10 August 2017](#) and sets out 36 actions that were required to help move forward the service to deliver a high-quality road network, to ensure road users can freely travel around our network and to protect the overall appearance of the city.
- 3.2 The last update to Committee was [15 January 2019](#).

### 4. Main report

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- 4.1 The Roads Services Improvement Plan is attached in Appendix 1. This shows the summary of actions, with target timescales and expected outcomes.
- 4.2 The following information provides a summary of progress to date on each section within the improvement plan.
- 4.3 To date, 20 actions have been completed, with 15 outstanding and one action cancelled.

#### **Organisational Structure**

- 4.4 Significant progress has been made in re-defining the organisational structure within the wider roads and transport service. This has created a structure with greater clarity of focus and that will ensure that there is much more ownership of key issues.
- 4.5 The new structure creates two new distinct service areas, incorporating activities which are currently aligned elsewhere in the structure, alongside Localities and Strategic Transport service delivery areas. The areas of responsibility for each service, are shown in the table below:



Place Management		Locality	Place Development
<b>Network Management and Enforcement</b>	<b>Roads and Transport Infrastructure</b>	<b>Locality Teams</b>	<b>Strategic Transport</b>
Citywide Road Network	Asset & Performance	Locality Improvement Plans and projects	Active Travel & Road Safety
Intelligent Traffic Systems	Contracts, Design, Flooding & Structures		Public Transport
Parking and Traffic Regulation	Roads Operations		Major Strategic Projects
Street and Environmental Enforcement	Street Lighting & Signage		Development Management

### **Network Management and Enforcement**

4.6 The aim of the Network Management and Enforcement Service is to oversee the smooth running of the city’s transport network for all users, no matter the mode of transport. The service will regulate activity and take enforcement action where required. This service also contains the Traffic Signals and Traffic Management teams (Intelligent Traffic Systems) which has the tools and expertise to intervene and manage incidents where required.

4.7 This new service area will also be responsible for street/environmental enforcement. By integrating parking enforcement, road works enforcement and street/environmental enforcement) into a single team the Council will have a greater pool of ‘eyes and ears’ to witness or detect offences (or contraventions) and take appropriate action.

### **Roads and Transport Infrastructure**

4.8 The Roads and Transport Infrastructure Service has responsibility for maintaining the safety and performance of all of the city’s road and transport assets. This ranges from repairing road defects, maintaining our road drainage network and gritting our roads (Roads Operations), to undertaking safety inspections, developing and implementing investment plans (Asset and Performance), and repairing street lights, lit signs and other signage assets (Street Lighting and Signage) through to undertaking significant design and delivery of capital investment in our roads and structures (Contracts, Design, Flooding and Structures).

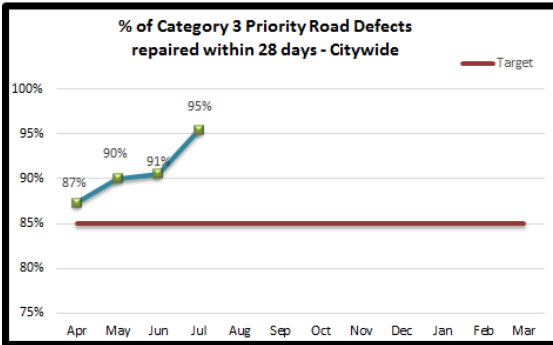
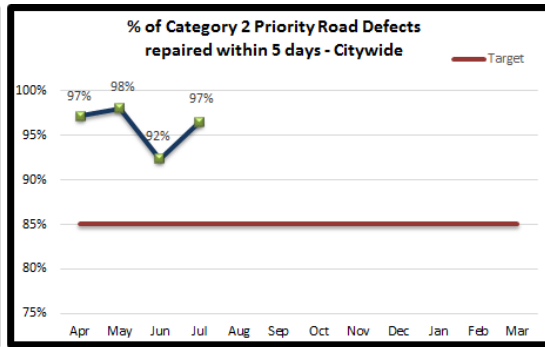
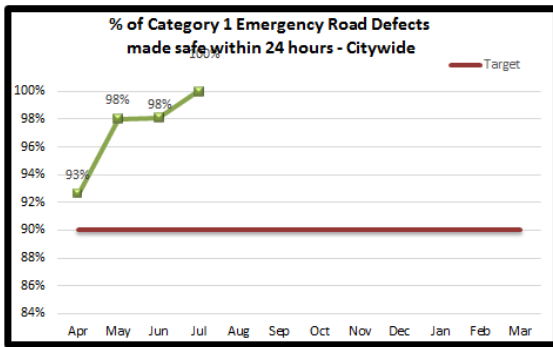
- 4.9 The creation on these new service areas brings in responsibility and resources which have previously been aligned to other parts of the Council, namely Strategic Transport, Localities and Waste and Cleansing.
- 4.10 Local transport and environment teams will remain in place and will be specifically focussed on identifying, defining and delivering local projects that have been prioritised through Locality Improvement Plans, through the use of Neighbourhood Environment Partnership funding and other external sources.
- 4.11 The scope of Strategic Transport service remains on active travel and road safety, public transport and brings in the Development Management activities which were previously managed across both Transport and Planning. This team will continue to work closely with Planning, Housing Investment and Economic Development services to ensure that the growth of the city and the transport network are properly aligned.

#### **Population of the structure**

- 4.12 The Senior Manager roles (Tier 3) within Network Management and Enforcement, Roads and Transport Infrastructure and Strategic Transport have all now been filled.
- 4.13 Operational Managers (Tier 4) within each service have also been confirmed. There are four vacant posts at this grade for which interviews will be held shortly.
- 4.14 Over the course of the coming weeks, staff will be matched and assigned into the relevant teams based on their individual preferences, work experience and training.
- 4.15 It is anticipated that all staff movements will have been completed by the end of the calendar year.

#### **Performance Improvements**

- 4.16 There have been a number of key performance indicators where improvements have been made in recent times. These specifically include:
- 4.16.1 A significant improvement in the Road Condition Index (RCI). The RCI is calculated as a two-year average and Edinburgh's latest RCI is 33.5%. This is a 2.9% improvement from the previous two-year average figure of 36.4%. This represents the lowest RCI in Edinburgh since 2011/12 and the biggest single year improvement since 2008/09; and
- 4.16.2 Recent months have also seen improved performance in repairing category one, two and three defects. This is evidenced in the charts below.



- 4.17 At the Transport and Environment Committee on [12 September 2019](#), a new Risk Based Approach to Road Safety Inspections was approved. This new policy, created in line with the national code of practice, changes the timescale for repairing a category three defect from 28 days to 60 days. It is anticipated that this change will allow the Roads Operations team to increase the percentage of repairs of category three defects that are permanent as opposed to temporary make safe repairs.
- 4.18 More recently, improvements have also been made in reducing the backlog of street lighting faults and improving the number of street lighting faults that are repaired within five working days.

#### **Improvement Plan Assurance**

- 4.19 As part of the Council's Internal Audit programme, an audit of the Roads Services Improvement Plan was undertaken and completed in August 2019. This audit focussed on the overall assurance of the plan and the wider performance framework across Roads Services.
- 4.20 This audit was reported to Governance, Risk and Best Value Committee on 13 August 2019. Whilst the audit noted several areas of good practice and the improved performance in the service, it did also recommend that the Roads Services Improvement Plan should be reviewed and re-based given the length of time that has passed since the original draft and the better understanding that officers now have of what improvements need to be made.
- 4.21 Transport and Environment Committee on 11 October 2019 agreed to the development of a new Improvement Plan which carries forward the outstanding actions from the existing plan, and also adds additional improvement actions based

on the thinking of the new management team and more recent concerns that have been raised by Elected Members (e.g. gully maintenance, road drainage and increasing the number of permanent road repairs).

## 5. Next steps

- 5.1 A new Roads Improvement Plan will be developed for consideration by the Transport and Environment Committee in March 2020. The following actions that remain open from the existing Improvement Plan will be kept open and transferred into the new plan, or replaced if a more effective action can be identified:

Action No.	Action Description
3	Move the ERS budget from being a trading account to a general fund revenue account
5	Retain sufficient resources within localities to progress local road enhancements
6	Review all enquiry types and designate responsible officers/teams for each type of enquiry
7	Work with Customer Service colleagues to improve enquiry handling/resolution
8	Investigate the potential to create a control room operation involving staff from the service, Customer Services and Business Support to ensure appropriate action on issues.
9	Re-align the Roads Inspector function to work alongside the Roads Asset Management Plan
12	Focus on carriageway and footway inspections to ensure they are kept up to date
13	Ensure all squads are properly equipped to carry out permanent first-time repairs wherever possible
16	Allocate resources to repair the large number of defective guardrails across the city
17	Ensure adequate internal capability to properly repair defects on setted streets
21	Review current working patterns to ensure the service delivery is aligned to demand

28	Develop a suite of schedule of rates for the newly established Road Operations service
31	Develop a system to integrate road inspection data with RAMP data to inform optimal investment in our road asset
35	Following market testing and benchmarking, if appropriate, seek Committee approval, develop a contract specification, advertise and procure a prime contract before implementation
36	Convert existing Street Lighting to energy efficient lanterns

- 5.2 A new Network Management and Enforcement Service is being created with the aim of delivering improvement enforcement outcomes, improved management and coordination of road works and reduced street clutter and unauthorised obstructions of footways and carriageways.
- 5.3 There has been less focussed activity on delivering improvements in this service area in recent years and there will need to be more intensive work required to bring together a number of teams that have been more disparately managed previously. An Improvement Plan for this service will be developed and it is anticipated that this will be presented to Transport and Environment Committee for approval in May 2020.

## **6. Financial impact**

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- 6.1 There is no financial impact associated with this report. The new operating structure has been funded within the existing budget and any improvement actions are required to be contained within current resource allocations.

## **7. Stakeholder/community impact**

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- 7.1 There are no significant compliance, governance or regulatory implications expected as a result of approving the recommendations in this report.
- 7.2 The investment in the city's roads, footways, gullies and street lighting improves the accessibility and safety of the road and footway network and therefore has a positive impact for all users, particularly older people and those with a disability.
- 7.3 There are no significant sustainability implications expected as a result of approving the recommendations in this report.

## **8. Background reading/external references**

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8.1 None.

## **9. Appendices**

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9.1 Appendix 1 – Roads Services Improvement Plan Action Update

## Appendix 1 - Roads Services Improvement Plan

Action Point						Status
Action Point	Action	Open/Closed	Lead Team	Comments		Status
<b>Organisational Structure</b>						
1	Roads and Transport Infrastructure	Create a single service to manage and maintain all elements of the road asset maintenance/renewal cycle	Closed	Head of Place Management	Third and Fourth Tier Managers appointed. Matching and assignment to remaining tiers taking place.	Achieved
2	ERS Operating Model	Re-align the ERS service to respond to visible defects on the road network	Closed	Edinburgh Road Services (ERS)	Improved focus on defect repairs and flexible use of resource now in place	Achieved
3	ERS Budget Structure	Move the ERS budget from being a trading account to a general fund revenue account	Open	Roads and Transport Infrastructure Manager	Aiming to have this in place for the start of the 2020/21 financial year	Carry Forward
4	Network Management	Create a single service to coordinate all activity on the road network (permits, TTROs, diversions etc)	Closed	Head of Place Management	Third and Fourth Tier Managers appointed. Matching and assignment to remaining tiers taking place.	Achieved
5	Locality Teams	Ensure sufficient resource remains in our Locality Teams to allow them to deliver road enhancements in consultation with Elected Members and local communities	Open	Head of Place Management	Structural realignment currently underway. Links to Action Point 1.	Carry Forward
<b>Customer Service</b>						
6	Enquiry Owners	Review all enquiry types and designate responsible officers/teams for each type of enquiry	Open	Roads and Transport Infrastructure Manager	This will be influenced by the structural realignment. Linked Action Point 7 and 8.	Carry Forward

						Status
Action Point	Action		Open/Closed	Lead Team	Comments	
7	Customer Enquiries	Work with Customer Service colleagues to improve enquiry handling/resolution	Open	Customer Services Roads Services Business Support	Progress linked to Action Point 6. Will be influenced by the structural realignment	Carry Forward
8	Enquiry Tracking	Investigate the potential to create a control room operation involving staff from the service, Customer Services and Business Support to ensure appropriate action on issues	Open	Head of Place Management	Progress is linked to Action Points 6 and 7. Will be influenced by structural realignment	Carry Forward
<b>Road Safety Inspections</b>						
Page 136	Roads Inspector Team	Re-align the Roads Inspector function to work alongside the Roads Asset Management Plan	Open	Asset and Performance Manager	Required staffing resource has been assessed. Structural changes being implemented as part of the	Carry Forward
	Inspection Recording	Improve the process for recording inspections and defects	Closed	RAMP Manager/Process Analyst	Confirm has been amended to support this improvement.	Achieved
11	Training	Deliver refresher training for all Roads Inspectors	Closed	RAMP Manager	Training delivered on the improved inspection process within the Confirm system.	Achieved



						Status
Action Point	Action		Open/Closed	Lead Team	Comments	
12	Inspection Compliance	Focus on carriageway and footway inspections to ensure they are kept up to date	Open	Asset and Performance Manager	Links to Action Point 10. The new Safety Inspection Team will be resourced in the coming weeks and will have the sole focus on ensuring that all footway and carriageway safety inspections are effectively undertaken in line with the approved policy.	Carry Forward
<b>Defect Repairs</b>						
Page 137	Aim for Right First Time Road Defect Repairs	Ensure all squads are properly equipped to carry out permanent first-time repairs wherever possible	Open	Roads Operations Manager	Good progress has been made but this action can not yet be closed. A hot box squad is now regularly deployed. A new defect categorisation procedure was approved by Transport and Environment Committee on 12 September 2019 which will enable more permanent repairs of category 3 and 4 defects.	Carry Forward
14	Follow Up Repairs - Road Defects	Develop a process to follow up with permanent repairs when temporary repairs are required in the first instance	Closed	Edinburgh Road Services (ERS)	Processes developed within Confirm to support scheduling of Category 3 and 4 defects and provide performance information. Contract has been awarded to undertake permanent repairs. Progress is linked to Action Point 13.	Achieved

Action Point						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
15	Programming and Scheduling of Road Defects	Schedule defect repairs in the most efficient manner and provide key health and safety documentation to squads	Closed	BSS Manager/ERS Manager	Scheduling of work via Confirm continues to improve and key health and safety documentation, including PU drawings, are provided by admin support staff.	Achieved

						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
16	Guardrail Repair and Replacement	Allocate resources to repair the large number of defective guardrails across the city	Open	Head of Place Management	The allocation of resources will be considered further following the structural realignment to ensure the 'best fit'.	Carry Forward
17	Setted Street Repairs	Ensure adequate internal capability to properly repair defects on setted streets.	Open	Roads and Transport Infrastructure Manager	Council Engineers and Design teams have received specialist training on resurfacing of setted streets. Additional training and resource is still required in Roads Operations before this action can be closed off.	Carry Forward
18	Street Lighting Defect Repairs	Reduce the number of outstanding street lighting defects	Closed	Contract and Logistics Manager/Business Support	Significant progress has been made in reducing the backlog of street lighting faults as a result of the re-allocation of internal resources. There has also been improved performance in repairing street lighting faults within target timescales.	Achieved

						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
<b>Workforce Management</b>						
19	Nightshift	Evaluate effectiveness of the nightshift service and consider improvements	Closed	Commercial Manager / Contracts & Logistics Managers	Review of Civils Nightshift operations has been completed. Findings show that the Civils Nightshift team provides a valuable service and offers flexibility for service delivery.	Achieved
Page 140	Increased Investment in resources	Invest in training and engagement for all staff, in addition to providing equipment and leadership to support people in their role.	Closed	OD & Learning/ERS Manager	<p>Training matrix established. Critical training gaps addressed, electronic training records developed.</p> <p>Long term training programme developed with Organisational Development and Learning colleagues.</p> <p>Plant and equipment reviewed and implemented.</p> <p>Bi-</p>	Achieved with additional activities underway
	21	Working Patterns	Review current working patterns to ensure the service delivery is aligned to demand	Open	Roads and Transport Infrastructure Manager/Roads Operations Manager	<p>Business options developed.</p> <p>Review has been placed on hold pending completion of the structural realignment.</p>
22	Apprenticeships	Rollout a full apprenticeship programme within Roads Services to develop young people in our workforce and ensure that we have the right skill sets in the future	Closed	OD & Learning	Apprentice roles have been built in to the operating structure.	Achieved

Action Point						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
23	Service Contract for Street Lighting Repairs	Develop a Service Contract with appropriate suppliers to provide skilled street lighting operatives.	Closed	ERS Manager	A procurement exercise and dialogue with street lighting maintenance companies have shown that there is no market appetite for this contract.	Cancelled

						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
<b>Fleet and Depots</b>						
24	Fleet Maintenance	Consider current use of maintenance bay at Bankhead to avoid the downtime of vehicles travelling to Russell Road Depot	Closed	Commercial Manager/ Fleet Manager	Review of vehicle maintenance has identified the benefits that a dedicated programme of servicing would bring to Bankhead Depot's operations. Designs for a 5 lane maintenance facility at Bankhead Depot are being progressed.	Achieved
25	Depot Review	Review the requirement for three depots for roads and develop a rationalisation/improvement strategy	Closed	ERS Manager/ Asset Strategy Manager	Barnton Depot has now been closed and staff relocated to a new improved Bankhead Depot. This is already identifying greater opportunities for improvement and sharing of resources. Investigations into the potential for a new South East Depot (to accommodate Blackford depot resource) are continuing as part of the Depots Review.	Achieved
26	Salt Storage	Ensure that adequate arrangements are in place to provide core and contingency salt stocks to support our winter maintenance activity	Closed	Commercial Manager/Asset Strategy Manager	Sufficient salt stocks are in place.  Contingency stocks are located at Braehead. Moving forward, the option of strategic stores at both Bankhead and a new South East Depot are being progressed.	Achieved

						Status
Action Point	Action	Open/Closed	Lead Team	Comments		
<b>Improved Business Processes</b>						
27	Confirm Training	Extend training to staff and ensure Confirm is fully utilised	Closed	Confirm Board	The Confirm system is now being used routinely by frontline teams and Roads Inspectors after a rollout of re-familiarisation training.	Achieved
28	Schedule of Rates (SORs)	Develop a suite of schedule of rates for the newly established Road Service operations	Open	Roads Operations Manager	Work is ongoing on the best operating model for the service. Development of SORs will depend on the outcome of these discussions. Links to Action Point 3.	Carry Forward
Page 143	Winter Weather Treatment	Review the winter maintenance operation and ensure that the service achieves value for money	Closed	ERS Manager/Locality Managers	Thermal Mapping is complete. New routes developed and operating effectively.	Achieved
	<b>Improved Asset Management</b>					
30	Asset responsibility	Create a joint TAMP and Roads Inspection function	Closed	Head of Place Management	A new Asset and Performance Team has been created as part of the Roads and Transport Infrastructure Service. The Asset and Performance Manager will have responsibility for TAMP and Road Inspections.	Achieved
31	Inspection and RAMP data	Develop a system to integrate road inspection data with RAMP data to inform optimal investment in our road asset	Open	Asset and Performance Manager	Enquiry and Confirm data is being used to support RCI information. A vehicle-mounted system is being trialled which will undertake detailed capturing of road defect and deterioration data and allow for deeper analysis using GIS software.	Carry Forward

						Status	
Action Point	Action	Open/Closed	Lead Team	Comments			
32	Street Lighting Central Management System (CMS)	Include the provision of CMS in the energy efficient lighting contract	Closed	Street Lighting & Traffic Signals Manager	This has been procured and is now in implementation. C.5000 nodes already installed.		Achieved
<b>Capital Delivery and Contract Management</b>							
33	Prime contractor	Undertake market testing to assess the potential for the procurement of a single prime contractor to deliver all capital works	Closed	Infrastructure Manager	Market testing complete. Positive indications from a number of contractors. Full cost/benefit analysis required after benchmarking with other Local Authorities.		Achieved
34	Contract Management	Benchmark other Councils with prime contractors to determine the optimal contract management structure and roles	Closed	Infrastructure Manager/Commercial and Procurement	Benchmarking complete. Visits have taken place to a number of Local Authorities, all of whom operate using different business models.		Achieved
35	Contract Management	Following market testing and benchmarking, if appropriate, seek Committee approval, develop a contract specification, advertise and procure a prime contract before implementation	Open	Design, Flooding and Structures Manager	A pilot scheme has been undertaken using the Scotland Excel framework. This will be evaluated before a final decision is made on whether to progress a prime contract option.		Carry Forward
36	Street Lighting Project	Convert existing Street Lighting to energy efficient lanterns	Open	Street Lighting and Signage Manager	Works commenced November 2018 on a Ward by Ward basis and are scheduled to end in Mid-2021.		Carry Forward



## Governance, Risk and Best Value Committee

10.00am, Tuesday, 29 October 2019

### City of Edinburgh Council Sheltered Housing

Executive/routine	Routine
Wards	All
Council Commitments	

#### 1. Recommendations

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It is recommended that the Governance, Risk and Best Value Committee:

- 1.1 Note the content of the report and work ongoing to maintain and improve services for residents of sheltered housing, as well as strengthen resident involvement.

**Judith Proctor**

Chief Officer Edinburgh Health and Social Care Partnership

Katie McWilliam (Strategic Programme Manager - Older People)

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## City of Edinburgh Council Sheltered Housing

### 2. Executive Summary

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- 2.1 This report provides information on the management of Council sheltered housing. It has been co-produced by the Housing Service and the Edinburgh Health and Social Care Partnership.
- 2.2 The report also covers the Council's approach to working with sheltered housing residents to ensure their views inform policy and contribute to service improvement.

### 3. Background

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- 3.1 Sheltered housing is for people with support needs who manage to live independently while having access to telecare equipment and support when required. The Council has 31 sheltered housing developments across the city with around 1,100 mainly older residents living in them. The design of shelters homes means they are accessible for the residents, with support provided to assist older people and people with disabilities to live independently for as long as possible.
- 3.2 The housing service in Place Directorate has landlord responsibility for all Council sheltered housing covering housing management services as well as repairs, maintenance and investment in the properties. Locality based housing officers let the homes, help tenants with any difficulties with payment of rent and deal with any tenancy related matters. They also co-ordinate with wider Council services, such as Parks and Greenspace and Waste to help manage the external areas around the homes and to assist with any issues that arise with services provided to residents in the developments. Repairs and maintenance of the properties and any capital investment in the homes is managed through the housing property service.
- 3.3 Where required, support services for residents living in the properties are provided through the Sheltered Housing Support Service (SHSS), which has been managed through the Health and Social Care Partnership's ATEC24 service, (Assistive Technology-Enabled Care 24 hrs a day) since June 2018.

ATEC24 combines Sheltered Housing Support, the Community Alarm and Telecare function and the Community Equipment Store.

- 3.4 Senior officers meet regularly with Sheltered Housing residents and stakeholders through the Council's Tenant Communication Group, set up by the Health and Social Care Partnership to support the review of the SHSS, and the Sheltered Housing Liaison Group (SHLG), which is a sub-group of Edinburgh Tenants Federation (ETF) which links routinely to Housing representatives from Place. Improvements in Sheltered Housing and SHSS is also being informed by the ETF SHLG [survey](#) carried out in 2018 and survey work that has been carried out by SHSS in all 31 Sheltered Housing developments.

## 4. Main report

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### Sheltered Housing – Edinburgh Health and Social Care Partnership

- 4.1 Traditionally sheltered housing has been used for those with a clearly identified need for support. Over the years, there have been improvements in the provision of caring for people in their own homes, meaning they do not necessarily need to move into sheltered housing, to receive the support they need. A move away from a tied accommodation service model towards a visiting support model of service delivery was agreed by the Health, Social Care and Housing Committee on 1 April 2014.
- 4.2 The current SHSS support provided is predominantly for older people, some with disabilities and/or mental health needs, to sustain independent lives in a supported environment. All residents are assessed for any additional support required and, where identified, this is provided according to their needs.
- 4.3 Following what was a period of significant service change for residents and staff the focus has been on stabilising the service while beginning to explore potential future change opportunities, to strengthen support for those who require it. This review work will take account of the current context for the service, future anticipated need and resident views. Resident views will continue to be gathered through the SHSS surveys, regular resident communication and involvement meetings and through discussions at the SLHG, a sub-group of the ETF.
- 4.4 Since October 2018, the SHSS has been carrying out an annual survey of all 31 sheltered housing schemes throughout the city to ensure the service being provided is both equitable and sustainable. The most recent SHSS survey of residents found that 90% of residents agreed that they received the support they needed and 98% that their support officer always treats them with dignity and respect. A 2018 ETF SHLG [survey](#) of sheltered housing residents found that 93% of respondents said they felt safe where they live and just over 84% that their homes met their needs.

- 4.5 Both surveys did indicate that feelings of social isolation are a concern with 39% of residents not feeling involved in the community where they live, and 42% that not enough social activities are provided in their area. SHSS officers are aware of this matter and have been working to increase social activity in community rooms through partnership working with the third sector and support for tenant/resident groups. Thirteen of the complexes have community rooms attached, which enables social activity to improve the general wellbeing of all residents. The rooms are free to use for residents and any activities being provided to support residents and information on activities available are promoted through an activity flyer. Historically, resident wardens were able to assist with social outings on an informal basis. With the change in service provision, staff no longer have capacity to do this work. The focus is providing planned support to service users and being available on site in emergency situations
- 4.6 The Council's supply of accessible housing must be used as effectively as possible to meet the needs of the population of Edinburgh. Taking account of this context, the SHSS are working with the housing service to use up to four sheltered housing properties across the city to assist with the management of hospital discharges to support the Home First priority indicated in the Integrated Joint Board (IJB) Strategic Plan. This will enable people leaving hospital to live in a homelier environment until appropriate permanent accommodation becomes available. Use of these homes will be determined on a case by case basis based on the needs of the individual households.
- 4.7 There is increasing demand for telecare services across Edinburgh to support the independence and wellbeing of elderly and vulnerable citizens. The recent Health and Social Care transformation reflected this growing demand by supporting an increase in front line posts to 38fte posts to provide additional monitoring and response roles. The operations management team also increased from four in 2018 to nine in 2019, to ensure the smooth running of the service and make improvements and efficiencies where possible. Performance for the service is good. 89% of calls that require an emergency response visit are attended to within 45 mins, the KPI is 90%, this figure includes response times for overnight calls. In 2018/19, a total of 488,308 calls were received by the community alarm and telecare service: 95.61% were answered within one minute and 99.36% within three minutes. There was a total of 1650 responder visits to SHSS or housing association properties during this period. The most recent SHSS resident survey also found that 98% of residents who responded agreed that the alarm equipment is regularly checked to ensure it is in working order.
- 4.8 The key aim of the any future change in services is to maintain or improve outcomes for people through making best use of resources and ensuring that future planning and provision is aligned with the Health and Social Care Partnership's strategic outcomes and the Strategic Commissioning Plan for Older

People. The review will also include strengthening collaborative working with Housing.

### **Sheltered Housing - Place**

- 4.9 As with all Council homes the allocation of sheltered properties is based on housing need and the overall aim is to ensure that the processes are fair and transparent, and they meet the statutory and regulatory standards covering the allocation of social housing. As with other Council homes, available sheltered housing is advertised through the Choice based letting system. Of the 1,100 Council sheltered properties only 99 (9% of homes) became available for let in the last financial year.
- 4.10 Locality based housing patch officers manage the advertising and allocation of sheltered housing. In terms of letting policy preference is given to households over 55 or where a member of the household has a need for this type of accommodation. Not all people moving into sheltered accommodation will have a need for support. They also will work with tenants who are having any difficulties paying their rent and to help with any tenancy related matters and to provide advice and assistance on wider council services for residents such as waste collection and maintenance of external areas.
- 4.11 Responsive repairs in tenants' homes and capital investment in developments are managed through Housing Property (HP). An example of recent improvement work being taken forward with residents is the replacements of washing/drying machines located in 9 of the 31 sheltered housing developments. Consultation was carried out with the residents in each of these developments and in response to the feedback received the machines are being replaced. The specification and timetable are being finalised and once confirmed information will be provided to residents on when the machines will be replaced in their individual developments. Work is also being taken forward to look at some potential improvements to community rooms such as painting and changes to furniture etc.
- 4.12 Sheltered Housing tenants along with other Council tenants will benefit from ongoing work being taken forward through the Housing Service Improvement Plan that was agreed and is being reported regularly through the Housing, Homeless and Fair Work Committee. While a recent [survey](#) carried out by the SHLG found that tenant satisfaction with the quality of their homes was relatively high, there were some concerns expressed about some aspects of the repairs service; The initial focus for the improvement in repairs services across the city, and residents will have opportunities to be involved in providing their views on service improvements as this work is taken forward. includes the introduction of Total Mobile, which will help to identify problems relating to getting repairs jobs completed first time and to reduce delivery costs and improve business performance.

## **Sheltered Housing - Involving Residents**

- 4.13 The Scottish Housing Regulator Charter 2017 (Outcome 3) requires that social landlords manage their businesses so that: “tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.” This includes how social landlords gather and take account of the views and priorities of their tenants; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them to become more capable of involvement.
- 4.14 The Sheltered Housing Liaison Group, (SHLG), is a sub group of the [Edinburgh Tenants' Federation](#) (ETF). The SHLG was set by ETF to bring together Sheltered Housing tenants to consider issues of concern to them. The ETF is an umbrella tenant body that brings together tenant groups in Edinburgh to represent their views. The Housing Service has been liaising with the SHLG for many years on repairs and maintenance to sheltered housing and through a Senior Managers Group that looks at improvement across the housing service. The wider range of services provided by the Council can also be the subject of discussion, e.g., estate and waste operations, as well as Government policy; TV licenses for instance. Senior housing officers meet regularly with sheltered housing residents through the SHLG. Housing Officers also attend the Health and Social Care Partnership's Tenant Communications Group as requested.
- 4.15 The SHSS, within the EHSCP, set up a Tenant Communication Group (TCG) in April 2019 to enable residents to meet with the SHSS Management Team and contribute specifically to changes within the service and the planned review of Sheltered Housing support services. Bi-monthly meetings take place in community rooms across localities and ETF is invited to attend. Some members of the SHLG also attend TCG meetings, which assists with information sharing. To date, all 1,100 tenants have been invited to attend with 354 of those attending thus far, from schemes located at Ashton Grove, Ferniehill, Southhouse, Baberton, Currie, Coillesdene, Saughton Mains, Restalrig, Loaning Road, Moira Park, Chesser/Laichfield, Ravenscroft, Calders and Kirkliston.
- 4.16 SHSS surveys and the SHLG survey highlighted that sheltered housing residents would like to see improved communication with residents. A quarter of residents who completed the most recent SHSS felt that they had not been kept well enough informed about changes to the SHSS and a common theme running through the SHLG survey is that residents felt that decisions are being made without their input.
- 4.17 Senior officers from Housing and the Health and Social Care Partnership will continue to attend the Tenant Communication Group and the SHLG. Work is

ongoing to clarify roles and responsibilities for communicating with these groups and on ways to make it easier for residents to become involved and ensure their views are being taken in to account. Adequate notice for meetings will be ensured to support ongoing attendance of key participants. In all group/public meetings with residents, confidentiality and meeting the General Data Protection Requirement all individual residents is paramount.

## **5. Next Steps**

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- 5.1 Senior officers from Housing and the Health and Social Care Partnership will continue to attend the Tenant Communication Group and the SHLG.
- 5.2 Housing will work closely with the SHSS to finalise an action plan being developed in response to the 2018 SHLG survey. The SHLG will be updated on progress on actions taken because of their feedback.
- 5.3 SHSS will develop event guidelines for residents and wider members of the community using the sheltered housing community rooms.

## **6. Financial impact**

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- 6.1 There are no adverse financial impacts arising from this report. Innovative approaches to managing Sheltered Housing will help to ensure best value for the Council and residents.

## **7. Stakeholder/Community Impact**

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- 7.1 There are no adverse stakeholder/community impact implications arising from this report. This work will help to strengthen communication between tenants and the Sheltered Housing Support Service as well as building on approaches to involve Sheltered Housing tenants.

## **8. Background reading/external references**

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- 8.1 [Tied Accommodation within Sheltered Housing Update, Health, Social Care and Housing Committee, 16 June 2015](#)

## **9. Appendices**

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