

# Minutes

## Governance, Risk and Best Value Committee

10.00am, Tuesday 8 March 2022

### Present

Councillors Mowat (Convener), Aldridge (substituting for Councillor Gloyer), Arthur, Cameron, Jim Campbell, Mary Campbell, Doggart, Main, Frank Ross and Work (items 1 to 20).

### 1. Minutes

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#### Decision

To approve the minute of the Governance, Risk and Best Value Committee of 18 January 2022 as a correct record.

### 2. Outstanding Actions

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Details were provided of the Outstanding Actions arising from decisions taken by the Committee.

#### Decision

- 1) To agree to close the following actions:
  - Action 1 – 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
  - Action 8 (4) – Business Bulletin
  - Action 9 (3.1, 3.2, 3.3) – City of Edinburgh Council - 2020/21 Annual Audit Report to the Council and the Controller of Audit
- 2) To otherwise note the remaining outstanding actions.

(Reference – Outstanding Actions 8 March 2022, submitted.)

### 3. Work Programme

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The Work Programme for March 2022 was presented.

## **Decision**

To note the Work Programme.

(Reference – Work Programme 8 March 2022, submitted.)

## **4. Business Bulletin**

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The Committee Business Bulletin for March 2022 was presented.

## **Decision**

To note the Business Bulletin.

(Reference – Business Bulletin 8 March 2022, submitted.)

## **5. Internal Audit: Overdue Findings and Key Performance Indicators as at 26 January 2022**

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Details were provided on the overall progress status for closure of overdue IA findings which were red (adverse trend with action required) as of 26 January 2022, based on the average position across the last three months.

## **Decision**

- 1) To note the status of the overdue Internal Audit findings as at 26 January 2022.
- 2) To note the status of IA Key Performance Indicators for audits that were either completed or in progress as of 26 January 2022.
- 3) To refer the report to the relevant Council Executive committees for ongoing scrutiny of their relevant overdue management actions.
- 4) To refer the report to the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.
- 5) To request that Senior Officers consider the process for agreeing audit terms of reference.
- 6) To include the table of information at Appendix 3 in future iterations of the report.

(Reference – report by the Chief Internal Auditor, submitted.)

## **6. Internal Audit Update Report: 15 November 2021 to 31 January 2022**

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**Tuesday, 8th March, 2022**

Details were provided of the positive progress with delivery of the 2021/22 internal audit annual plan, which showed 93% of the plan was underway. This included 90% of the audits to be completed across the Council.

### **Decision**

- 1) To note the outcomes of completed 2021/22 audits.
- 2) To note the progress with delivery of the rebased 2021/22 Internal Audit plan.
- 3) To note the current internal audit risk profile.
- 4) To note the progress with delivery of internal audit key priorities and ongoing areas of focus.

(Reference – report by the Chief Internal Auditor, submitted.)

## **7. Internal Audit: Internal Audit Charter Annual Update**

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The revised Internal Audit Charter for 2022/23 was presented for approval.

### **Decision**

- 1) To approve the refreshed 2022/23 Internal Audit (IA) Charter.
- 2) To note no changes were proposed to the current IA follow-up process.
- 3) To agree that the Convener sign the refreshed charter, together with the Chief Executive and Chief Internal Auditor, evidencing the commitment of all three key stakeholders to support IA in effective delivery of the annual plan and 2021/22 annual IA opinion.
- 4) To issue a briefing note on approaches taken by different Councils, what Edinburgh had done historically and what the aim was for improving the audit process.
- 5) To create a formal handover process after the 2022 Local Government election for new members of the Committee.

(Reference – report by the Chief Internal Auditor, submitted.)

## **8. Internal Audit Annual Plan 2022-23**

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The draft Internal Audit (IA) plan and supporting IA risk assessment for the period 1 April 2022 to 31 March 2023 was presented to the Committee for approval.

### **Decision**

To approve the 2022/23 Internal Audit plan and supporting risk assessment.

(Reference – report by the Chief Internal Auditor, submitted.)

## 9. External Audit Plan, 2021/22

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Azets were appointed as the Council's external auditor for the six-year term covering the financial years 2016/17 to 2021/22 inclusive. The external audit plan for review year 2021/22 was presented for the Committee's information and outlined the main proposed areas of scrutiny and associated reporting timescales over the coming year.

### Decision

- 1) To note the External Audit Plan for 2021/22, including continuing follow up work to be undertaken in respect of the Council's Best Value Assurance Report.
- 2) To note that periodic updates on the work set out therein would be provided to the Committee.

(Reference – report by the Interim Executive Director of Corporate Services, submitted.)

### Declaration of Interest

Councillor Cameron declared a non-financial interest in the above item as a Board member of CEC Holdings and Chair of EDI Group.

## 10. Internal Audit: Principles to Underpin the Working Relationship between the Governance, Risk and Best Value Committee and the Edinburgh Integration Joint Board Audit and Assurance Committee

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Details were provided of the principles and supporting operational arrangements designed to formalise the established working relationship between the Governance, Risk and Best Value Committee and the Edinburgh Integration Joint Board Audit and Assurance Committee.

### Decision

- 1) To approve the proposed Principles and supporting operational arrangements to formalise the established working relationship between the Committee and the Edinburgh Integration Joint Board Audit and Assurance Committee.
- 2) To ensure that the supporting operational arrangements were consistently applied following approval of the Principles.

(Reference – report by the Chief Internal Auditor, submitted.)

## 11. Corporate Leadership Team Risk Report as at 24 January 2022

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Details were presented of the Council's enterprise risk profile, as at 24 January 2022, and highlighted risks where further action was required (where realistic and possible) to ensure that they were brought within approved enterprise risk appetite levels.

### **Decision**

- 1) To note the Council's current enterprise risk profile.
- 2) To note the progress with the ongoing operational risk management framework pilot and enterprise risk management system procurement.

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

## **12. Annual Assurance Schedule – Resources**

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The Council required Executive Directors to complete Certificates of Assurance that represented their view of the effectiveness and appropriateness of controls in their areas of responsibility. These Certificates supported the Annual Governance Statement which were a component part of the authority's Statement of Accounts. The Assurance Schedule for the Resources Directorate for 2020-21 was submitted for scrutiny.

### **Decision**

- 1) To note the Resources Directorate annual assurance schedule for 2020-21, which was submitted for scrutiny.
- 2) To note that the Corporate Services Directorate annual assurance schedule for 2021-22 would be submitted for scrutiny in accordance with the Committee's work programme.

(Reference – report by the Interim Executive Director of Corporate Services, submitted.)

## **13. Quarterly Status Update – Digital Services**

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A quarterly progress update on the Council's Digital Services programme of works was presented.

### **Decision**

- 1) To note the progress detailed in the quarterly update.
- 2) To provide the Committee with a report on network traffic across the Corporate and learning and teaching networks, focusing on traffic versus capacity.
- 3) To provide information on potential ways to improve phone communication across staff groups whilst working from home.

(Reference – report by the Interim Executive Director of Corporate Services, submitted.)

## **14. Change Portfolio**

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The Change Board was a monthly meeting of the Corporate Leadership Team where the Council's portfolio of significant programmes and projects were considered. It reported every six-months to the Governance, Risk and Best Value Committee, where members received an overview of strategic delivery and the associated risks and issues managed by the Change Board.

### **Decision**

- 1) To note the status of the Council's Portfolio of significant projects and that as with previous reports, a deep dive into a significant project had been included for Elected Members.
- 2) To request that the depot strategy was included in future reports once completed.

(Reference – report by the Interim Executive Director of Corporate Services, submitted.)

## **15. Revenue Budget Framework 2022/27 – progress update – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred a report on the Revenue Budget Framework 2022/27 to the Governance, Risk and Best Value Committee for scrutiny. The report updated members on the projected Council-wide revenue budget position for 2021/22, based on analysis of month eight expenditure and income data. Whilst an overall underspend of £2.628m was forecast, there remained some uncertainty around the impacts of the pandemic on the Council and its ALEOs over the coming months and, more immediately, the level of the teachers' pay award for 2021/22. The position would therefore continue to be kept under active review for the remainder of the year.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 February 2022 (item 2); referral from the Finance and Resources Committee, submitted.)

## **16. Capital Monitoring 2021/22 - Month Eight Position – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred a report on the capital monitoring month eight position to the Governance, Risk and Best Value Committee as part of its

work programme. The report provided details of the capital expenditure and funding position as at month eight and full-year outturn projections for the 2021/22 financial year, providing explanations for key variances.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 February 2022 (item 4); referral from the Finance and Resources Committee, submitted.)

## **17. Sustainable Capital Budget Strategy 2022-2032 – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred a report on the Sustainable Capital Budget Strategy 2022-2032 to the Governance, Risk and Best Value Committee as part of its work programme. The report set out priorities for £1,459.874m of council capital investment, in alignment with the Council Business Plan, over the medium to long-term.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 February 2022 (item 1); referral from the Finance and Resources Committee, submitted.)

## **18. Sustainable Capital Strategy 2022-32 – Annual Report – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred an annual report on the Sustainable Capital Strategy 2022-2032 to the Governance, Risk and Best Value Committee as part of its work programme. The report set out the proposed capital strategy, which provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 March 2022 (item 6); referral from the Finance and Resources Committee, submitted.)

## **19. Annual Treasury Management Strategy 2022/23 - referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred an annual report on the Annual Treasury Management Strategy 2022/23 to the Governance, Risk and Best Value Committee as part of its work programme. The Strategy comprised an Annual Investment Strategy and a Debt Management Strategy. There was a statutory requirement for Council to approve this in advance of the new financial year.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 March 2022 (item 5); referral from the Finance and Resources Committee, submitted.)

## **20. Collaborative Working with Community Councils – referral from the Culture and Communities Committee**

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The Culture and Communities Committee referred a report on collaborative working with community councils following the request of the Governance, Risk and Best Value Committee on 9 November 2021 for a report providing details of the Council's framework. The report was to detail current arrangements, funding and how this linked into wider community planning responsibilities with any actions for improvement identified.

### **Decision**

- 1) To note the report.
- 2) To request information on the number of Community Councils still active and those that were dormant, and which Community Councils were members of the Edinburgh Association of Community Councils.
- 3) To request the website link containing guidance for Community Councils be circulated to members and community councils.

(References – Culture and Communities Committee of 1 February 2022 (item 7); Governance, Risk and Best Value Committee of 9 November 2021 (item 5); referral from the Culture and Communities Committee, submitted.)

## **21. Common Good Asset Register - Biannual Update – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred a biannual update report on the Common Good Asset Register to the Governance, Risk and Best Value Committee. The report updated members on the register of property held by the Council as part of the Common Good.

### **Decision**



To note the report.

(References – Finance and Resources Committee of 3 March 2022 (item 12); referral from the Finance and Resources Committee, submitted.)

## **22. Community Asset Transfer Update – referral from the Finance and Resources Committee**

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The Finance and Resources Committee referred an update report on community asset transfers to the Governance, Risk and Best Value Committee. The report set out the current position in term of process, timescale and status of community asset transfer applications.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 3 March 2022 (item 13); referral from the Finance and Resources Committee, submitted.)

## **23. Internal Audit Update – Referral from the Edinburgh Integration Joint Board Audit and Assurance Committee**

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The Edinburgh Integration Joint Board (EIJB) Audit and Assurance Committee referred an internal audit update report to the Governance, Risk and Best Value Committee for consideration of findings relating to operational service delivery for the Health and Social Care Partnership by the Council. The report provided details of the progress of Internal Audit assurance activity on behalf of the EIJB, performed by EIJB partners – the City of Edinburgh Council and NHS Lothian.

### **Decision**

To note the report.

(References – Edinburgh Integration Joint Board Audit and Assurance Committee of 18 February 2022 (item 8); referral from the Edinburgh Integration Joint Board Audit and Assurance Committee, submitted.)

## **24. Council Companies - Edinburgh Leisure Annual Report 2020/21**

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The Edinburgh Leisure Annual Report 2020/2021 was prepared as a requirement of the Services and Funding Agreement and the Council's policy on Arm's Length External Organisations. The report covered the unprecedented period of the Covid-19 global pandemic and detailed the measures that were taken by Edinburgh Leisure and the Council which ensured the company was able to remain afloat and continued to provide services for communities across Edinburgh.

### **Decision**

- 1) To note the performance of Edinburgh Leisure during 2020/21.
- 2) To provide a briefing note on staffing issues and to confirm Edinburgh Leisure was a Living Wage Employer.

(Reference – report by the Executive Director of Education and Children’s Services, submitted.)

## 25. Whistleblowing update

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A report provided a high-level overview of the operation of the Council’s whistleblowing service for the quarter 1 October – 31 December 2021. The reporting covered months nineteen to twenty-one of coronavirus pandemic measures, where restrictions eased significantly but with continued government advice to work from home where possible. This resulted in significant numbers of Council staff to continue to work from home.

### Decision

To note whistleblowing activity for the quarter 1 October – 31 December 2021.

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

## 26. Whistleblowing Annual Report 2021

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The Whistleblowing Annual Report for 2021 covered the seventh full year of operation of the Council’s whistleblowing service for the period 1 January – 31 December 2021.

### Decision

- 1) To note the report.
- 2) To consider if any additional information could be provided to identify service areas without compromising confidentiality.

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

## 27. Whistleblowing Monitoring Report

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The Committee 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 October to 31 December 2021 was provided.

### Decision

- 1) To note the whistleblowing activity for the quarter 1 October – 31 December 2021.
- 2) To undertake a sampling exercise of cases to attain an average time taken to resolve whistleblowing reports to enable a comparison of current costs compared to future costs.

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

## **28. Whistleblowing Major Investigation Outcome Report (Children's Services)**

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The Committee 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.

A major investigation outcome report in relation to Children's Services was submitted to the Committee for consideration.

### **Decision**

- 1) To note no recommendations had been made by Safecall other than to report the matter to Committee as per the usual process.
- 2) To note the matter was Case Study 3 in the Tanner review report and that process improvements identified through this review would be implemented as agreed by Council.
- 3) To agree that the Convener and Vice-Convener of the Education, Children and Families Committee would receive copies of the report and its appendices in full.
- 4) To consider how best to inform an interested ward councillor of the outcome of the report, and the Convener to write to confirm.

(Reference – report by the Service Director – Legal & Assurance and Council Monitoring Officer, submitted.)

## **29. Whistleblowing Major Investigation Outcome Report (Edinburgh Secure Services)**

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The Committee 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.

A major investigation outcome report in relation to Edinburgh Secure Services was submitted to the Committee for consideration.

## Decision

- 1) To agree the recommendations of the investigation report and the Safecall report and note the consolidated action plan which reflected these recommendations.
- 2) To agree that the Education, Children and Families Committee receive regular reports on progress in implementing the consolidated action plan.
- 3) To note the Monitoring Officer would receive regular progress updates on the disciplinary action taken and action plan implementation, as per the established process, and would produce a closure report in due course.
- 4) To include an explanation in the report to Council explaining that the Tanner Report Team were aware of this case, and why it was not used as a case study in the whistleblowing review.
- 5) To note that a report would be presented to Council by the Monitoring Officer on the public agenda and that the Major Investigation Outcome Report and Response to Investigation Report relating to Edinburgh Secure Services would be made available to members in person.

(Reference – report by the Service Director – Legal & Assurance and Council Monitoring Officer, submitted.)

## 30. Response to Whistleblowing Investigation Report (Edinburgh Secure Services)

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The Committee 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.

A report by the Executive Director of Education and Children's Services set out the Council's response to the whistleblowing major investigation relating to Edinburgh Secure Services. A number of recommendations had been made and a Consolidated Action Plan to implement these was presented.

## Decision

- 1) To agree that the work was supported going forward to ensure that the care provided to the children and young people of Edinburgh, whether they required to be placed in an 'open' children's unit or the secure service, was of the highest quality, was person centred and lived up to the National Residential Standards.
- 2) To refer the report and Consolidated Action Plan to the Education and Children and Families Committee as a private agenda item for consideration.

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(Reference – report by the Executive Director of Education and Children’s Services, submitted.)