

Notice of meeting and agenda

Governance, Risk and Best Value Committee

10.00 am Tuesday, 16th January, 2024

Dean of Guild Court Room - City Chambers

This is a public meeting and members of the public are welcome to attend or watch the webcast live on the Council's website.

The law allows the Council to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

Contacts

Email: andrew.henderson@edinburgh.gov.uk / joanna.pawlikowska@edinburgh.gov.uk

1. Order of Business

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

2. Declaration of Interests

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

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minute of Governance, Risk and Best Value Committee of 28 November 2023 – submitted for approval as a correct record 7 - 14

5. Outstanding Actions

- 5.1 Outstanding Actions 15 - 36

6. Work Programme

- 6.1 Work Programme 37 - 46

7. Business Bulletin

7.1 None

8. Reports

8.1	Education and Justice Services Annual Assurance Schedule – Report by the Executive Director of Children, Education and Justice Services	47 - 78
8.2	Millerhill Energy from Waste Plant: Heat Interchange Unit – Report by the Executive Director of Place	79 - 86
8.3	Draft Public Performance Scorecard – Report by the Executive Director of Corporate Services	87 - 126
8.4	Analysis of the top five areas of risk associated with issues raised in audits – Report by the Executive Director of Corporate Services	127 - 136
8.5	Treasury Management: Mid-Term Report 2023/24 – referral from the City of Edinburgh Council Committee.	137 - 156
8.6	The EDI Group – annual update for the year ending 31 December 2022 EDI Group – referral from the Homelessness, Housing and Fair Work Committee.	157 - 198

9. Motions

9.1 If any

Nick Smith

Service Director, Legal and Assurance

Committee Members

Councillor Kate Campbell (Convener), Councillor Katrina Faccenda, Councillor Dan Heap, Councillor Stephen Jenkinson, Councillor Simita Kumar, Councillor Adam Nols-McVey, Councillor Claire Miller, Councillor Joanna Mowat, Councillor Jason Rust, Councillor Edward Thornley and Councillor Lewis Younie

Information about the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council.

This meeting of the Governance, Risk and Best Value Committee is being held in the City Chambers, High Street, Edinburgh and virtually by Microsoft Teams.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Andrew Henderson, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel , email andrew.henderson@edinburgh.gov.uk / joanna.pawlikowska@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 the Council's online [Committee Library](#).

Live and archived webcasts for this meeting and all main Council committees can be viewed online by going to the Council's [Webcast Portal](#).

Webcasting of Council meetings

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

The Council is a Data Controller under current Data Protection legislation. We broadcast Council meetings to fulfil our public task obligation to enable members of the public to observe the democratic process. Data collected during this webcast will be

retained in accordance with the Council's published policy including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally the public seating areas will not be filmed. However, by entering the Council Chamber and using the public seating area, individuals may be filmed and images and sound recordings captured of them will be used and stored for web casting and training purposes and for the purpose of keeping historical records and making those records available to the public.

Any information presented by individuals to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services (committee.services@edinburgh.gov.uk).

This page is intentionally left blank

Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday 28 November 2023

Present

Councillor Campell, Faccenda, Heap, Jenkinson, Kumar, Mowat, Miller, Nols-McVey, Miller, Thornley, Younie and Whyte (substituting for Councillor Rust).

1. Minutes

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 19 September 2023 as a correct record.

2. Outstanding Actions

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

Decision

- 1) To agree to close the following actions:
 - Action 4.1 - 2022/23 Internal Audit Annual Report and Opinion
 - Action 5.1 - City of Edinburgh Council – 2022/23 Annual Accounts Audit
- 2) To agree to that the following actions are kept open:
 - Action 1.2 - Committee Decision Process and the Policy Register
 - Action 6 - Motion by Councillor Griffiths – Childcare 4 All
 - Action 7 - Response to Critical Risk Motion – Report by Chief Executive
- 3) To note the remaining outstanding actions.

(Reference – Outstanding Actions November 2023, submitted.)

3. Work Programme

The Committee Work Programme was presented.

Decision

To note the Work Programme.

(Reference – Work Programme November 2023, submitted.)

4. Business Bulletin

The Committee Business Bulletin was presented.

Decision

- 1) To agree that 6 monthly major projects general update report is submitted which also covers risks and financial Issues; and
- 2) To note the business bulletin.

(Reference – Business Bulletin November 2023, submitted.)

5. Edinburgh International Conference Centre – Annual Update for the year ending 31 December 2022 – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report on the Edinburgh International Conference Centre – Annual Update for the year ending 31 December 2022, to the Governance Risk and Best Value Committee for information.

Decision

- 1) To agree that provide a more detailed reporting mechanism for regular reports submitted to F&R Committee and GRBV;
- 2) To agree that a briefing note on current risks to Projects;
- 3) To agree that the briefing being prepared for F&R regarding loan stocks is circulated to GRBV and that a summary of the briefing note is included in a business bulletin Update; and
- 4) To note the contents of the report.

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

6. Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 31 October 2023

The report provided an update on the progress of open and overdue Internal Audit management actions and key performance indicators as at 31 October 2023. The report presented from each Directorate on the six open resilience audit actions.

As at 31 October 2023, there were a total of 114 open IA management actions, with 21 of these overdue, showing an increase of 2 compared to June 2023 and a decrease of 3 when compared to the same period last year.

Decision

- 1) To note the status of open and overdue Internal Audit (IA) actions and key performance indicators as at 31 October 2023;
- 2) To note progress made on the open resilience audit actions as requested by Committee in September;
- 3) To refer this paper to the relevant Council Executive committees for ongoing scrutiny of the overdue IA actions relevant to their respective remits;

- 4) To refer this paper 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 agree that the EC&F briefing note on Early Years 1140 Hours Expansion Programme delivery March 2023 to be circulated to members of GRBV.;
- 6) To agree that a briefing note is circulated to members of GRBV on the timescales for Self-Directed Support (SDS) Children's Services June 2023; and
- 7) To agree that officers provide an update on Shadow IT Systems in the Risk Acceptance form to be submitted with the February Update report.

(Reference – report by the Head of Internal Audit, submitted.)

7. Internal Audit Update report: Quarter 2 2023/24

The report provided an update on the delivery of the 2023/24 Internal Audit plan approved by Committee in March 2023 and the outcomes of internal audits completed in Quarter 2 of 2023/24. The report also provided a summary of the most recent six-monthly meeting between the GRBV and EIJB Audit and Assurance Committee Convenors and the Head of Internal Audit as a part of the GRBV/EIJB principles.

Thereafter a summary of progress made by the Housing Service in relation to the internal audit into the management of ad hoc mixed tenure works and a summary of progress made by the Place directorate in relation to the internal audit into the health and safety of the Council's outdoor infrastructure was provided.

Decision

- 1) To note progress with the 2023/24 Internal Audit plan approved by Committee in March 2023;
- 2) To note the outcomes of 2023/24 Internal Audit reviews completed in Quarter 2;
- 3) To agree the removal of the Workforce Capacity to Support Service Delivery audit from the 2023/24 Internal Audit plan.
- 4) To note the audits included in the 2023/24 plan to ensure they remain aligned with key risks and emerging priorities.
- 5) To note outcomes of the six-monthly meeting between the GRBV and EIJB Audit and Assurance Committee Convenors and the Head of Internal Audit, as agreed, as part of the GRBV/EIJB principles.
- 6) To note the service area response and actions taken to date to address risks raised in the Internal Audit report in relation to the Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response;
- 7) To note the service area response and actions taken to date to address risks raised in the Internal Audit report in relation to Outdoor Infrastructure (PL2312) – Service Area Response

- 8) To note the Outdoor Infrastructure Audit, the Cross Directorate Health and Safety Audit and the overdue management actions on Life Safety in the Internal Audit Overdue Actions report, including one action which is 551 days overdue.
- 9) To note the concern of the committee on the robustness of the council's current health and safety performance.
- 10) To agree that a report is submitted in one cycle which sets out:
 - Details of the Corporate Health and Safety Team and an assessment of the capacity within that team;
 - Areas within the council that have been assessed as potentially high risk, and what actions have been taken to investigate the adherence to health and safety policies and procedures within those teams including the outcomes of workplace inspections as recommended in the Cross Directorate Health and Safety audit;
 - An assessment of the council's current health and safety policies and procedures and the management and ownership of them;
 - Details of any training needs that have been identified and development of training programmes on health and safety and risk management; and
 - Outcomes of the review of organisational arrangements and how oversight of risk assessment and risk control will be managed within high-risk areas of the council
- 11) To agree that this committee and members of the Policy and Sustainability Committee receive an urgent briefing on the issues raised in the Cross Departmental audit regarding Murrayburn Depot, and the actions that have already been taken to improve health and safety including concerns raised about potential environmental contamination; and
- 12) To agree that officers will provide an update report in 6 months on the management of ad hoc mixed tenure works which will include an update on actions, sampling work and addressing concerns around fraud.

(Reference – report by the Head of Internal Audit, submitted.)

8. Corporate Leadership Team Risk Report as at 26 October 2023

The Council's risk profile as at 26 October 2023 was presented; highlighting the most significant risks facing the Council, and identified key actions being taken in response to those risks.

Risk assessments within this paper have been based on management's view of the internal and external environments within which the City of Edinburgh Council operates, with subsequent actions considered in the context of the Council's risk appetite. Details on the current assessment of the Workforce and Service Delivery risks which were previously reported as being outwith risk appetite and rated as "critical" were also provided.

Decision

- 1) To note the Council's risk profile as at 26 October 2023, the most significant risks facing the Council and the key actions being taken by the Council in response to those risks;
- 2) To note the seven enterprise risks which currently exceed the Council's Risk Appetite levels and the measures being taken in these areas;
- 3) To note the response to Council Motion in relation to the workforce and service delivery which were reported at critical in the last two updates and the response to the question on whether more motions, amendments and questions are being raised at committees; and
- 4) To agree that officers to provide a data led report on the impact of Council decisions on officer's workload including a breakdown of sources.

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

9. Committee Best Practice Guidance

The Committee Best Practice Guidance was presented covering issues and processes for Council and committee meetings.

Decision

- 1) To consider the best practice guidance; and
- 2) To refer the best practice guidance to the Council in December 2023

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

10. Digital Connectivity – Old Town

The report provided an update on the broadband connectivity in the Council area. It highlighted that Full Fibre or Fibre to the Premise (FTTP) broadband connectivity is available to almost 80% of premises from a number of providers and 98% of the premises are capable of receiving 'superfast broadband', which is defined as speed of at least 24Mbps.

Decision

To note the work underway to improve both broadband connectivity.

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

11. After school Care Provider – Additional Support Needs support

The report provided details in relation to the review of the the management of the third party contract and the lessons learned were shared with the Education, Children and Families Committee on Tuesday 07 November 2023 including;

- The need to ensure appropriate contract monitoring is in place and that those managing contracts are clear in their roles and responsibilities and are provided with training and guidance to support them in their role;
- The need to ensure appropriate handover of all aspects of officers' remits when they leave the council or move to another role; and

- The need to establish quarterly updates for senior officers on the impact of contracts to allow any issues or concerns to be addressed timeously to ensure the best value for the council.

The internal audit team has reviewed the action plan and lessons learned from this process and provided recommendations for improvement, where applicable.

Decision

- 1) To note the findings of this report and the lessons learned; and
- 2) To agree the implementation of the next steps outlined in section 5 of this report.

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

12. Capital Monitoring 2023-24 – Month Five Position – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report on the Capital Monitoring 2023-24 - Month Five Position, to the Governance Risk and Best Value Committee as part of its work programme.

Decision

- 1) To agree that a briefing note on Capital Works for Rising School Rolls to be circulated to members of GRBV is circulated; and
- 2) To note the report by the Executive Director of Corporate Services.

(References – Finance and Resources Committee of 21 November (item 11); referral from the Finance and Resources Committee.)

13. Revenue Budget Framework and Medium-Term Financial Plan (MTFP) 2024/29 – Progress Update – referral from the Finance and Resources Committee

At its meeting on the 21 September 2023, the Finance and Resources Committee had referred a report on the Revenue Budget Framework and Medium-Term Financial Plan (MTFP) 2024/29 – progress update, to the Governance Risk and Best Value Committee for scrutiny as part of its work programme.

Decision

- 1) To note the report by the Executive Director of Corporate Services.

(References – Finance and Resources Committee of 21 September 2023 (item 12); referral from the Finance and Resources Committee.)

14. Revenue Monitoring 2023/24 – Month Five Report – referral from the Finance and Resources Committee

At its meeting on the 21 November 2023, the Finance and Resources Committee had referred the Revenue Monitoring 2023/24 – Month Five Report the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.

Decision

To note the report by the Executive Director of Corporate Services

(References – Finance and Resources Committee of 21 November 2023 (item 9); referral from the Finance and Resources Committee.)

15. Sustainable Capital Budget Strategy Update 2024-2034 – referral from the Finance and Resources Committee

At its meeting on the 21 November 2023 the Finance and Resources Committee had referred a report on the Sustainable Capital Budget Strategy Update 2024-2034, to the Governance Risk and Best Value Committee as part of its work programme.

Decision

To note the report by the Executive Director of Corporate Services

(References – Finance and Resources Committee of 21 November 2023 (item 12); referral from the Finance and Resources Committee.)

16. Response to the Edinburgh Tram Inquiry

The report addressed the motion agreed by the Council in September 2023 detailing the Council's response to the Edinburgh Tram Inquiry and outlined the actions taken or proposed to be taken in regard to the Inquiry's recommendations.

Information on the financial cost of the initial tram project and a breakdown of costs highlighted by the Inquiry was presented. Assurance was provided on how the Council would approach breaches of the Employee Code of Conduct or instances of misleading behaviour by Arm's Length External Organisations and contractors.

Decision

- 1) To note the actions outlined in appendix one and appendix three to the Chief Executive's report in regard to the recommendations made by Lord Hardie in the Inquiry Report;
- 2) To note the financial information contained in appendix two;
- 3) To note the response to the motion in regard to any action to be taken regarding employees as a result of the Inquiry's findings and to officer candour, including Arm's Length External Organisations (ALEOs); and
- 4) To note the update on possible legal action as outlined in appendix four.

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

This page is intentionally left blank

Outstanding Actions

Governance, Risk and Best Value Committee

16 January 2024

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	18.01.22	Committee Decision Process and the Policy Register – Report by the Executive Director of Corporate Services	1) To request that a review or internal audit (to be decided in March when the 2022/23 Internal Audit Annual Plan is considered to ensure capacity) is undertaken to ensure the recommendations at paragraph 4.18 of the report have been implemented and that the processes are working effectively.	Executive Director of Corporate Services	December 2022		Closed January 2023
			2) To agree to produce a simple guide to the Council's governance arrangements, decision	Executive Director of Corporate Services	January 2024		Recommended for Closure Submitted to

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			making and committee process, including IIAs, implementation of decisions, the policy register, and the use of the webcast for reviewing committee discussion. The guide to be included in members' training and made available to members and officers on the Orb, with a link to it to be included in committee action sheets for information.				<p>November meeting.</p> <p>November update</p> <p>Recommended for Closure</p> <p>Briefing being prepared for F&R regarding loan stocks to be circulated to GRBV and that a summary of the briefing note is included in a business bulletin update.</p> <p>This is included in the Committee Best Practice Guidelines which has been submitted to</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>GRBV committee on 28 November.</p> <p><u>Update August 2023</u></p> <p>An interim set of guidance will be prepared for December and then an updated set will be provided once the workshops have fed into it.</p> <p><u>Update March 2023</u></p> <p>This guidance will be informed by the workshops and survey on the barriers to elected office as agreed by Policy and Sustainability Committee and</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Council. <u>October 2022</u> A guide is being prepared and will be circulated to members when available.
2	11.10.22	Internal Audit Update Report: 1 May to 31 August 2022	1) To agree that Committee would be advised of the Council's second line assurance landscape.	Head of Internal Audit	March 2024		<u>January Update 2024</u> Risk acceptance will be included within the IA open and overdue performance dashboard paper presented to GRBV in February 2024. <u>Update November 2023</u> This is being considered as part of the 2024/25 annual planning process in collaboration

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							with the Governance and Assurance team - expected completion date 31/03/24 <u>Update May 2023</u> Work is progressing to understand the sources of assurance across the Council.
			2) To agree that Committee were advised of the timescales proposed for the delivery of the second line assurance framework.	Service director – Legal and Assurance	October 2023		Closed October 2023 <u>Update October 2023</u> Governance and Assurance report coming to Committee on 31 October <u>Update August</u>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p><u>2023</u> A progress report is on the GRBV agenda for 1 August and a full report will come to GRBV on 31 October.</p> <p><u>Update May 2023</u> Report will be presented to August Committee.</p> <p><u>Update March 2023</u> Report will be presented to May Committee.</p>
			3) To agree that assurance was provided to Committee concerning risk to Internal Audit capacity,	Senior Audit Manager	31 March 2023		Closed March 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			as a result of the council accepting third party funding with audit conditions, which may compromise Internal Audit's capacity for existing workload commitments and generate vulnerabilities for the council.				
			4) To agree that a briefing note would be provided to Committee by 18 October 2022, to advise why the Audit found that the Directorate Whistleblowing monitoring and reporting processes were inadequate and not operating effectively.	Chief Executive			Closed December 2022
			5) To agree that Committee during the	Governance			Closed December 2022

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			planned whistleblowing workshop would review the process for how Committee received assurance on the satisfactory implementation of whistleblowing actions.	Manager			
			6) To agree that a briefing note would be provided to members, concerning CGI's inability to provide network availability assurance.	Interim Executive Director of Corporate			Closed December 2022
			7) To agree that a briefing note concerning progress with data quality and management was provided to committee particularly in view of how any planned improvements to the management of data	Interim Executive Director of Corporate			Closed December 2022

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			would correlate with organisational effectiveness and robust decision making.				
3	01.08.2023	Edinburgh Leisure Annual Report 2021/22 – referral from the Culture and Communities Committee	1) To circulate a briefing note to members outlining the membership of the Edinburgh leisure Remuneration Committee, current recruitment issues, the number of staff currently being paid below the living wage and the number of staff on each spinal column point on the pay scale.	Executive Director of Place	January 2024 December 2023		<p><u>Update January 2024</u></p> <p>This briefing is expected to be circulated in advance of Committee on 16 January 2024.</p> <p><u>Update October 2023</u></p> <p>Briefing note will be circulated to members.</p> <p><u>Update October 2023</u></p> <p>Briefing note will be circulated to</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							members.
			2) A briefing note to be circulated to members outlining the governance routes for Committee to make clear their expectation that all ALEOs pay their staff living wage.	Executive Director Corporate Services	January 2024		<p><u>Update January 2024</u></p> <p>Report being submitted to P&S in January and briefing note is being prepared for circulation.</p> <p><u>Update October 2023</u></p> <p>A report is being prepared for January Policy and Sustainability Committee regarding this.</p>
4	19.09.2023	2022/23 Internal Audit Annual Report and Opinion – Report by the Head of Internal	1) Details to be provided to committee in three cycles outlining progress on 5 outstanding high-	Head of Democracy Governance and Resilience	November 2023	November 2023	<p>Closed at meeting 28 November 2023</p> <p>Information is included in the IA</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		Audit	rated action from the Corporate Resilience Audit.				report going to GRBV on 28 Nov
			2) Agrees that directors of Place, Corporate Services and Children, Education and Justice Services will bring a report to GRBV Committee in three cycles which analyses the top five areas of risk associated with issues raised in audits. The report should set out an understanding of where there may be underlying and thematic weaknesses and what steps directorates are taking to manage risks in	Chief Executive Executive Directors of Place, Corporate Services & Education, Children and Justice Services. Chief Officer, Health and Social Care Partnership.	January 2024		<u>Update January 2024.</u> Paper submitted to January meeting.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			these areas.				
5	19.09.2023	City of Edinburgh Council – 2022/23 Annual Accounts Audit – Report by the Executive Director of Corporate Services	1) A briefing note to be circulated detailing the impact of value adjustment of socially-rented housing stock, e.g. insurance costs or other annual revenue costs.	Executive Director of Corporate Services	November 2023	November 2023	Closed at meeting 28 November 2023 Breifing note circulated Monday 6 November 2023
			2) Officers to request a response from the EICC board on the reasons for the decision to award a Chief Executive bonus.	Executive Director of Corporate Services	November 2023	December 2023	Recommended for Closure Issued to members on the 22/12/23 <u>Update</u> <u>November 2023</u> Officers have requested information and are awaiting a response.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
6	31.08.23 (Council)	Motion by Councillor Griffiths – Childcare 4 All	Report to Governance Risk and Best Value Committee examining the governance and best value issues associated with this contract the decision to end it.	Executive Director of Children, Education and Justice Services	November 2023	November 2023	Recommended for Closure Paper submitted to November meeting. November update Recommended for Closure Submitted to November meeting under title 'After school Care Provider – Additional Support Needs support'
7	31.08.23 (Council)	Response to Critical Risk Motion – Report by Chief Executive	Details of officer time taken responding to questions from Councillors to be provided in the next Risk Report to	Chief Executive	November 2023	November 2023	Recommended for Closure Submitted to November

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Governance, Risk and Best Value Committee.				meeting. Update November 2023 Recommended for Closure Included in the CLT Risk Report at Appendix 3 that is going to GRBV committee on 28 November.
8	31.10.23	Leadership of the development of new local strategic priorities - Best Value thematic work in City of Edinburgh Council 2022/23 – Report by Chief Executive	Briefing note to be circulating covering engagement and implementation of strategic support for community centres and local hubs with details on which neighbourhood networks are functioning.	Executive Director Place	November 2023	November 2023	Recommended for closure Briefing note circulated on 23.11.2023 Update November 2023 Briefing note is currently being prepared for in

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							advance of the Committee meeting on 28.11.2023.
9	02.11.23 (Council)	Millerhill Energy from Waste Plant Heat Offtake Unit – Report by Executive Director Place	1) To agree that a report be provided to GRBV to allow scrutiny of the increase in costs to date.	Executive Director Place	January 2024		Update January 2024 Submitted to January meeting
			2) To agree that that reports on the future progress of this project are made to GRBV every six months.	Executive Director Place	August 2024		
10	28.11.23	Business Bulletin	6 monthly major projects general update report be submitted which makes reference to risk and any financial Issues.	Executive Director Place	May 2024		
11	28.11.23	Edinburgh International Conference Centre	1) A briefing note on current risks to projects to be circulated.	Executive Director of Place	January 2024		<u>Update January 2024</u>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		– Annual Update for the year ending 31 December 2022 – referral from the Finance and Resources Committee					This briefing note is currently being prepared.
			2) Briefing being prepared for F&R regarding loan stocks to be circulated to GRBV and that a summary of the briefing note is included in a business bulletin update.	Executive Director of Place	February 2024		<u>Update January 2024</u> A summary will be included in the Committee Business Bulletin following completion of the briefing note.
12	28.11.23	Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 31 October 2023	1) EC&F briefing note on Early Years 1140 Hours Expansion Programme delivery March 2023 to be circulated to members of GRBV.	Executive Director of Education and Children’s Services	January 2024		<u>Update January 2024</u> Briefing session being held 18 January with GRBV and F&R Members on Early Years funding.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) Briefing note to be circulated to members of GRBV on the timescales for Self Directed Support (SDS) Children's Services June 2023	Executive Director of Education and Children's Services	January 2024		<u>Update January 2024</u> Briefing will be provided to members by end of January 2024
			3) An update on Shadow IT Systems in the Risk Acceptance form to be submitted with the February Update report.	Head of Internal Audit	February 2024		<u>Update January 2024</u> Risk acceptance will be included within the IA open and overdue performance dashboard paper presented to GRBV in February 2024
13	28.11.23	Internal Audit Update Report: Quarter 2 2023/24	1) A report to be submitted in one cycle which sets out: <ul style="list-style-type: none"> Details of the Corporate Health and Safety Team and an 	Executive Director Corporate Services	February 2024		<u>Update January 2024</u> Convener and Executive Director

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>assessment of the capacity within that team</p> <ul style="list-style-type: none"> • Areas within the council that have been assessed as potentially high risk, and what actions have been taken to investigate the adherence to health and safety policies and procedures within those teams including the outcomes of workplace inspections as recommended in the Cross Directorate Health and Safety audit • An assessment of the council's current health and safety policies and procedures and the management and ownership of them. • Details of any training 				Corporate Services have agreed to defer to February.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>needs that have been identified and development of training programmes on health and safety and risk management.</p> <ul style="list-style-type: none"> Outcomes of the review of organisational arrangements and how oversight of risk assessment and risk control will be managed within high risk areas of the council. 				
			<p>2) An urgent briefing to be circulated to members of GRBV and Policy and Sustainability Committee on the issues raised in the Cross Departmental audit regarding Murrayburn Depot, and the actions that have already been taken to improve</p>	Executive Director Corporate Services	December 2023	December 2023	<p>Recommended for Closure</p> <p>Circulated to members on the 28/12/23</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			health and safety including concerns raised about potential environmental contamination.				
			3) An update report to be provided on the management of ad hoc mixed tenure works which will include an update on actions, sampling work and addressing concerns around fraud.	Executive Director Place	May 2024		
14	28.11.23	Corporate Leadership Team Risk Report as at 26 October 2023	A data led report to be provided on the impact of Council decisions on officer's workload including a breakdown of sources.	Chief Executive Head of Democracy Governance and Resilience	February 2024		Update January 2024 To be combined with statistics report due for submission to GRBV in February.
15	28.11.23	Capital Monitoring 2023-24 - Month Five Position –	Briefing note on Capital Works for Rising School Rolls to be circulated to	Executive Director Corporate	January 2024	January 2024	Recommended for Closure

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		referral from the Finance and Resources Committee	members of GRBV	Services			Circulated to members 09/01/24

This page is intentionally left blank

Work Programme

Governance, Risk and Best Value Committee – 16 January 2024

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholder	Progress updates	Expected date
1	Internal Audit: Overdue Findings and Key Performance Indicators	Quarterly report	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	February 2024 May 2024 September 2024

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholder	Progress updates	Expected date
2	Internal Audit Quarterly Activity Report	Quarterly 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	February 2024 May 2024 September 2024
3	Internal Audit Update	Six months report		Internal Audit	Chief Internal Auditor	Council Wide	Six monthly	June 2024
4	IA Annual Report for the Year	Annual report	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	September 2024

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholder	Progress updates	Expected date
5	IA Audit Plan for the year	Annual report	Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	March 2024
6	Accounts Commission	Annual report	Local Government in Scotland: Financial Overview	External Audit	Executive Director of Corporate Services	Council Wide	Annually	February 2024
7	Accounts Commission	Annual report	Accounts Commission: Local Government in Scotland Overview 2021	External Audit	Executive Director of Corporate Services	Council Wide	Annually	October 2024
8	Annual Audit Plan	Audit Scotland	Annual audit plan	External Audit	Executive Director of Corporate Services	Council Wide	Annually	March 2024
9	City of Edinburgh Council – 2021/22 Annual Audit Report to the Council and the Controller of Audit	Audit Scotland	Annual Audit Report	External Audit	Executive Director of Corporate Services	Council Wide	Annually	September 2024

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholder	Progress updates	Expected date
10	External Audit Review of Internal Financial Controls	Azets	Interim audit report on Council wide internal financial control framework	External Audit	Executive Director of Corporate Services	Council Wide	Annually	October 2024
11	Internal Audit Charter	Annual Report	Annual Audit Charter	Internal Audit	Executive Director of Corporate Services	Council Wide	Annually	March 2024

Section B – Scrutiny Items

12	Change Portfolio		To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Executive Director of Corporate Services	All	Six- monthly	April 2024 October 2024
13	CLT Risk Report	Risk	Quarterly review of CLT's scrutiny of risk	Risk Management	Executive Director of Corporate Services	Council Wide	Quarterly	February 2024 May 2024 September 2024
14	Revenue Monitoring	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Quarterly	February 2024

15	Whistleblowing Quarterly Report		Six Monthly Report	Scrutiny	Chief Executive	Internal	Six Monthly	May 2024 September 2024
16	Revenue Monitoring	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Quarterly	February 2024 June/July 2024
17	Capital Monitoring	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Quarterly	February 2024 June/July 2024
18	Revenue Outturn	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Annual	October 2024
19	Capital Outturn and Receipts	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Annual	October 2024
20	Treasury – Strategy report	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Annual	March 2024
21	Treasury – Annual report	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Annual	October 2024

22	Treasury – Mid-term report	Review	Progress reports	Scrutiny	Executive Director of Corporate Services	Council Wide	Annual	May 2024
23	Annual Assurance Schedules	Review	Progress Report	Scrutiny	All Directorates	Council	Annual	March 2024 (Corporate Services & Place) January 2025 (Education and Children's Services)
24	Forth Green Port	Review	Annual Report	Scrutiny	Executive Director of Place	Council Wide	Annual	October 2024
25	Major Projects Update Report	Review	Six Monthly Report	Scrutiny	Executive Director of Place	Council Wide	Six Monthly	May 2024 November 2024
26	Committee Statistics	Review	Annual Report	Scrutiny	Executive Director Corporate Services	Council Wide	Annual	February 2024 February 2025
Section C – Council Companies								

27	Capital Theatres	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	March 2024
28	Capital City Partnership	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	November 2024
29	Edinburgh Leisure	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	May 2024
30	Update on Council Transport Arms Length Companies	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	May 2024
31	Edinburgh International Conference Centre	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	January 2025

GRBV Committee Upcoming Reports – 16 January 2024

Appendix 1

Report Title	Type	Flexible/Not Flexible
February 2024		
Revenue Budget Monitoring – Month 8	Executive	Non-flexible
Capital Strategy Monitoring Month 8 report	Executive	Non- flexible
Corporate Services Budget Monitoring Month 8 Report	Executive	Non-flexible
Internal Audit: Overdue Findings and Key Performance Indicators	Executive	Non-flexible
Internal Audit Quarterly Activity Report	Executive	Non-flexible
Accounts Commission	Executive	Non-flexible
CLT Risk Register	Executive	Non-flexible
Revenue Budget Monitoring - Month 8	Executive	Non-flexible
Capital Strategy Monitoring Month 8	Executive	Non-flexible

Committee Statistics	Executive	Non Flexible
Health & Safety Update Report	Executive	Flexible

This page is intentionally left blank

Governance, Risk and Best Value Committee

10am, Tuesday, 16 January 2024

Education and Justice Services Annual Assurance Schedule

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the Directorate annual assurance schedule, submitted for scrutiny.
- 1.2 To note that Children's Services annual assurance is not contained within the annual assurance schedule (Appendix 1), this information is now included in the Children's Services Improvement Plan which is reported to the Education, Children and Families Committee at each cycle (Appendix 2).

Amanda Hatton

Executive Director of Children, Education and Justice Services

Contact: Gillian Tracey, Directorate Operations Manager

E-mail: Gillian.tracey@edinburgh.gov.uk

Education and Justice Services Annual Assurance Schedule

2. Executive Summary

- 2.1 The purpose of this report is to present the annual assurance schedule covering 2022/23 to the Governance Risk and Best Value Committee (GRBV) for scrutiny.

3. Background

- 3.1 Each year the City of Edinburgh Council requires that 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 Annual Governance Statement which is a component part of the authority's Statement of Accounts.
- 3.2 An Assurance Schedule, to help prompt Executive Directors and relevant Service Directors to consider various aspects of their control environment, is circulated in advance of Certificates. The schedule will help highlight any areas of concern.
- 3.3 As at December 2023 the Children, Education and Justice Services employed:

	Headcount	FTE
C&F	10199	8078

- 3.4 The revised annual Budget (as of 6 December 2023) for Education and Children's Services:

2022/23 budget	E&CS excl SSC £m	SSC £m	E&CS incl SSC £m
Employee budget	406.8	10.4	417.2
Non-staff expenditure budget	122.79	4.75	127.55
Total expenditure budget	529.63	15.17	544.81
Income budget	-71.57	-14.12	-85.7
Net budget	458.06	1.04	459.1

4. Main report

- 4.1 The Education and Children's Services schedule (appendix 1) was completed and returned to the Democracy, Governance, and Resilience Service, 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. The Certificates of Assurance require Service Directors and Executive Directors to confirm that:
 - 4.1.1 They have considered the effectiveness of controls in their service area/directorate, including controls in place to mitigate major risks to their service area/directorate's objectives.
 - 4.1.2 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
 - 4.1.3 They have identified actions that will be taken to continue improvement.
- 4.2 The schedule is completed by the Service Director/Executive Director or by a nominated senior manager.
- 4.3 Before signing their Certificate of Assurance, the Service Director/Executive Director should ensure that the schedule has been completed accurately.
- 4.4 It should be noted that despite every endeavour being made to address all improvement actions whilst also addressing the requirements during the pandemic, all service areas do have up to date risk registers in place which address both existing and ongoing actions as well as those which are specifically covid related.
- 4.5 SORT is the School Operations Risk Toolkit, a risk control framework used to affect the risk management process to manage the schools. The service risk architecture, for example Monday SORT meeting for all headteachers/business managers and associated staff, facilitate the response and enable a risk managed objective lead response.

5. Next Steps

- 5.1 The process will continue to be reviewed in line with feedback to ensure that effective assurance is provided.
- 5.2 The 23/24 annual assurance schedule will be presented to Governance, Risk and Best Value Committee in 12 months for scrutiny.

6. Financial impact

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

- 6.2 An effective control framework is key in ensuring that the Council has appropriate governance in place.

7. Equality and Poverty Impact

- 7.1 There will be no impact on this

8. Climate and Nature Emergency Implications

- 8.1 There will be no impact on this.

9. Risk, policy, compliance, governance and community impact

- 9.1 The assurance schedule exercise acts as a prompt for service areas to think about good governance and the internal control environment. Action plans support improvements in areas where weaknesses have been identified.
- 9.2 Completed schedules are reviewed by the Democracy, Governance and Resilience Senior Manager and are provided to the Chief Internal Auditor for comment.
- 9.3 The Annual Assurance Schedule template 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. Background reading/external references

10. Background reading/external references

- 10.1 None

11. Appendices

- 11.1 Appendix 1 Children, Education and Justice Services 2022/23 Annual Assurance Schedule
- 11.2 Appendix 2 Children's Services Improvement Plan and Edinburgh Residential Services Improvement Plan Update

Assurance Statement						
Ref	Statement	Response		Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
1	Internal Control Environment	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)			
1.1	I have internal controls and procedures in place throughout my directorate that are proportionate, robust, monitored and operate effectively.	Partially compliant	Education	Annual Internal Audit Plan (based on most significant risks to the Council) CLT Change Board – programme/project management framework Council Companies/ALEOs – Governance Hub, Observers, annual reporting to Executive Committee and GRBV Community planning – Edinburgh Partnership, Community Plan Contingency planning and business continuity arrangements EIJB – scrutiny and accountability arrangements agreed through scheme Enterprise Risk Management Policy and Risk Management Procedure External validation/review eg. external audit, independent assurance providers GRBV quarterly scrutiny of top risks GRBV scrutiny of CLT risk register, delivery of Internal Audit Plan and of all Internal Audit reports Health and safety audits Informal and formal reviews eg. internal audit, quality assurance audits Overdue audit recommendations report monthly to CLT and quarterly to GRBV Policies that mitigate risks eg. Anti-bribery, Fraud Prevention, Whistleblowing Quarterly corporate risks scrutinised at CLT Quarterly Risk and Assurance Committees Regular 121 meetings between the Council's Chief Executive and the Chief Executives of key ALEOs Report template and guidance – section on risks Reporting/review/monitoring at all levels – committee, CLT, SMTs, service level Risk Appetite Statement Risk Management Groups	Education Risk Management Policy SORT Risk Framework Implementation of risk management process on a continual basis for example at weekly Education Management Team meetings Business Manager Forums School Self-Assurance framework Significant Occurrence process (lessons learned meetings)	Resumption of Behaviours of Concern Group Health and Safety cost centre needed for property issues identified for example via the significant occurrence process (Corporate Finance) Roles and responsibilities and capacity need to be clarified between Corporate Facilities Management/Asset Management Multi-agency GIRFEC approaches to Child Protection need to be clarified and agreed to ensure response is efficient and effective My LearningHub to be utilised fully to manage Essential Learnig (Capacity needed to co-ordinate corporately) Corporate Resilience - plan testing required (this stopped during the pandemic and hasn't restarted) Plan required for secondary school rising roles. consideration required in terms of the impact of forced migration bringing for example high numbers of refugees to the city Council wide review of the use of CAFM in terms of maintenance statutory compliance (property) Further support required corporately in terms of the Workforce risk (lack of staff applying for posts) this is a Council wide risk, it is suggested support from Communications and HR would be helpful in terms of city (and wider) promotion
		Compliant	Justice Services - Service Director left her post in September 2022	Risk management policies and strategies (eg procurement, standing orders, project management, health and safety, information governance) Risk Management Procedure Risk management tools Schools assurance programme Shareholder or service level agreements Team Central – monitoring implementation of audit recommendations Training, eLearning and workshops for staff and members Wide ranging internal and external counter fraud activity	Risk is a standing item on Divisional SMT meeting agenda Policies and Procedures Working Group set up to review P&Ps across the division Performance Management/Quality Assurance Monthly monitoring of performance indicators by SMT and exception reporting to CLT QGR - Quality Assurance Framework across SW services Significant Occurrence Notification - dedicated mailbox and reporting arrangements in place. BIAs being reviewed and uploaded to Meridan Annual Self Assurance Questionnaires completed by managers across the division Risk is a standing item on divisional SMT and RR reviewed and updated regularly. Financial Monitoring Regular correspondence between finance and budget holders within the division	Continued work to strengthen controls and improve performance data
1.2	I have controls and procedures in place to manage the risks in delivering services through council companies, partners and third parties.	Partially compliant	Education		Council Procurement rules, guidance and advice from Procurement team	N/A
		Compliant	Justice Services		Education Commissioning Officers in post ensuring competency and capacity to manage, advise and support Commissioning Strategies in place for a range of third sector suppliers and external suppliers. All procurement is in line with contract standing orders and Council Procurement policies. Third party grants and Waivers are monitored and approved via relevant committees Monthly procurement board / Review of Contract waivers / Contract Register reviewed and updated / critical suppliers identified and annual questionnaire sent out in respect of Resilience controls.	

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.	Partially compliant	Education		Internal controls and procedures are reviewed as part of the risk management process/self-assurance framework findings/Significant Occurrence Process/Committee reporting	Continue to respond to areas of control weakness identified on an ongoing basis
		Partially compliant	Justice Services = No H&S Audits have taken place since before the pandemic. Areas of weakness identified in terms of reliance on interdependencies within the Council			Health and Safety, Performance, Audits, Inspections, are standing items on SMT agenda and discussed at service area meetings regularly. Actions noted and implemented and Lessons Learned from reflection exercises are discussed at SMT and WMT meetings and cascaded to/from divisional teams
1.4	The monitoring process applied to funding/operating agreements has not identified any problems that could have a significant negative impact.	Partially compliant	Education		Within Corporate Property the PPP contract management team is responsible for managing the services provided by the two PPP providers and the consequent associated risks.	N/A
		Compliant	Justice Services			Each service area within the division undertakes budget monitoring with finance colleagues and this is discussed at divisional SMT to mitigate the risk of any material variances impacting on the annual accounts. If potential risks are identified these are addressed by SMT. Arrangements are also in place to monitor the financial performance of commissioned contracts.
2	Risk and Resilience	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
2.1	I have risk management arrangements in place to identify the key risks to my directorate (and the Council).	Compliant	Education	Budget Planning Business Impact Analysis CLT Change Board – programme/project management framework CLT scrutiny Contingency planning for major events Council Business Plan Enterprise Risk Management Policy GRBV quarterly scrutiny of top risks Health and safety audits Internal and external audits Internal Audit Plan development considers top risks Leader's induction includes Risk Management Quarterly corporate risks scrutinised at CLT Quarterly Risk and Assurance Committees Report template and guidance – section on risks Reporting/review/monitoring at all levels – committee, CLT, SMTs, service level Resilience Plans	Risks are managed on a continuous basis through the service risk policy and SORT / Self-Assurance risk frameworks to effect the risk management process. E&CS Risk Management Committees and Risk on SMT agenda and discussed regularly (Children and Criminal Justice). Service representation at Risk Forum with clear pathway for escalation and dissemination. Risks aligned and reviewed regularly Self Assurance Framework and presentation to senior managers Business Continuity Plans Business Impact Assessments are being reviewed Legal or regulatory actions would be identified through SMT and governance managed appropriately. Alignment of risks or risk appetite/tolerance through regular review of risk profile	Assess effectiveness of Risk Management on a continuous basis
		Compliant	Justice Services - Service Director left her post in September 2022,			Continuous assessment of risk management and controls following changes to structure and personnel.
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	Education	Resilience Protocols Risk Appetite Statement Risk Management Groups Risk management policies and strategies (eg procurement, standing orders, project management, health and safety, information governance) Risk Management Procedure Risk management tools Schools assurance programme Serious and Organised Crime policies and strategies Serious and Organised Crime plans, procedures and protocols Service Planning Training, eLearning and workshops for staff and members	Risks are managed on a continuous basis through the service risk policy and SORT / Self-Assurance risk frameworks to effect the risk management process. As noted above, risk is included as a standing agenda item on divisional SMT Risk Assessments carried out as required Risk Registers updated regularly and reported to Directorate R&S Committee Clear governance structure in place within the division provides an established route for escalation for risks if required. Ops Manager attends divisional management meetings and meets regularly with senior managers to discuss potential risks and mitigating actions.	Assess effectiveness of Risk Management on a continuous basis
		Compliant	Justice Services - As above			
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	Education		Risk management arrangements are reviewed by the service on an ongoing basis. There has been no internal audit or external scrutiny of arrangements in the last financial year. Risk Management arrangements are reviewed on a continual basis within the service.	The service will take part in external/internal audits of risk management as and when required.
		Compliant	Justice Services - As above			When new Service Director is in post will review Risk Management arrangements to ensure robust and effective.
	There is appropriate escalation/communication to the directorate Risk Committee and CLT Risk	Compliant	Education		Risks are escalated as part of the Council Risk and Assurance Committee reporting timelines.	Continue to escalate risks as required/appropriate.

2.4	Committee (as appropriate) of significant issues, risks and weaknesses in risk management.	Compliant	Justice Services - As above	Risk escalation and management included as part of SMT fortnightly meeting agenda. Agenda planning and attendance at E&CS risk and assurance Committee. Service Director advises CLT and Risk team of any appropriate risks for the CLT Register. Representation and attendance at Council's Risk and Assurance Committee Operations Manager attends Council's Risk Forum and escalates any divisional risks	
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	Education	Use of Council Whistleblowing policy and mechanisms to report School Self-Assurance framework asks all establishment colleagues to remind themselves of Council policies annually Corporate Communications (organisation wide) to remind colleagues of Council policy	Continue to ensure information is cascaded on a regular basis and as required. Ensure Corporate requirements are cascaded effectively as required.
		Compliant	Justice Services	Assurance Questionnaire and guidance to remind all managers of responsibility for ensuring colleagues are aware of the Council's P&P including Whistleblowing Policy. Reviewed Induction Checklist for colleagues joining services within the division Debrief and Lessons Learned exercises are used to analysis where there are weaknesses and improvements needed	Action Plan from debrief sessions to incorporate awareness raising and escalation routes for all colleagues in the division.
2.6	My directorate has resilience and counter terrorism arrangements in place and my directorate's resilience data, plans, arrangements, protocols, and training mitigate the resilience risks that could impact on the delivery of our priority activities and ensure appropriate staff groups are adequately trained to respond to an incident affecting my directorate. All documentation is regularly reviewed and validated.	Compliant	Education	The service has a Resilience Co-ordinator (Operations Manager) and a Resilience Specialist based in the Council Resilience Unit The service has key contingency arrangements that are updated on a regular basis, these are: - Severe Weather Contingency Arrangements - Infection control arrangements - Periods of Absence - Noro Virus Toolkit - Annual Snow School exercise (reinstate 2022/23) - Bomb Threat/Intruder Policy - Significant Occurrence Procedure The Resilience Unit deliver training in terms of Prevent/WRAP/Bomb Scare/Intruder threat as these are Council wide contingency arrangements The services approach to Resilience arrangements are that they are dynamic, for example in relation to the Covid-19 response we were able to create a pandemic plan effectively and efficiently using the existing infection control contingency arrangements as a base The service has good working relationships with Lothian Health Protection regularly seeking infection control advice Regular debriefs post incident for example using Bow Tie	Continue to embed the Business Continuity Cycle on an ongoing basis.
		Compliant	Justice Services	E&CS has a Resilience Co-ordinator and Resilience Deputy who attend the Council Resilience Group and any Working Groups set up for specific events. Resilience Specialist aligned to the service from the Council Resilience Unit. All standalone premises have identified single point of contact and have continuity plans in place in the event of a loss of premises. Plans are reviewed and updated at a service area level on a regular basis, this includes pandemic arrangements and winter weather plan.	
	I have policies, strategies, procedures and protocols as well as associated staff training in place to assess vulnerabilities and divert, deter, detect and disrupt	Compliant	Education	Education Risk Management process (assess and manage risk)	Training to be looked at in terms of Council wide requirement and Essential Learning review

2.7	activity related to serious and organised crime to protect the council, its clients and the wider community.	Compliant	Justice Services		Risk Management processes within the division are in place and include public protection.	Training to be reviewed to ensure it aligns to Council wide requirements and Essential Learning review.
3	Workforce Control	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
3.1	I have arrangements in place to ensure compliance with payroll policies, overtime controls, absence management and performance e.g. home/remote working.	Compliant	Education	360 reviews Annual Internal Audit Plan (based on most significant risks to the Council) Employee Assistance Programme Employee Engagement External validation/review eg. external audit, independent assurance providers	Council policies and procedures in place as appropriate, communicated through Managers News/Council wide communications. The service used the SORT framework to emphasise key messages as and when required (for example through SORT briefings).	N/A
		Compliant	Justice Services	Financial benefits (credit union, season ticket loans, car benefit scheme, pension schemes) Funding scheme for professional qualifications HR Policies (Absence Management, Stress Management, Avoidance of Bullying and Harassment, Equal Treatment) Informal and formal reviews eg. internal audit, quality assurance audits Inspiring Talent Programme Internal and External training opportunities Leader Induction and Essential Learning Leadership Development Programme– Future, Engage, Deliver Managing Attendance Training for managers Occupational Health service Onboarding, induction essential learning and CPD for officers Open framework agreement for Learning and Development People Strategy Performance Management Framework (Performance Conversations) Policies that mitigate risks eg. Anti-bribery, Fraud Prevention, Whistleblowing	Weekly absence reports from HR Hub Management - cascaded to Senior Managers highlighting 'no intervention recorded' Absence Challenge and Support Panels held regularly with comparison reports on areas of concern. Staff induction and annual conversations include compliance with Council policies and procedures including home/remote working. Monthly overtime reports from HR Hub Management - cascaded to senior managers highlighting areas of high overtime, potential anomalies or 50+ hours claimed in month. Ops Manager receives Salary Overpayment report and this is discussed at SMT and action taken where required. H&S Working Group monitor WFH arrangements and impact on colleagues. Overtime data is analysed and each Senior Manager receives a monthly report with anomalies highlighted for further analysis.	Continued analysis of monthly overtime and sickness absence reports to highlight anomalies and gaps.
3.2	I have robust controls in place to ensure that statutory workforce requirements are met, including the management of 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.	Partially compliant	Education	Regular reporting including Health & Safety Performance, absence levels Staff benefits (enhanced entitlements leave entitlement, flexible working options, childcare vouchers, ride to work scheme, premium benefits scheme) Wide ranging internal and external counter fraud activity Wider Leadership Team (incl. Learning Sets)	Continue to seek, take advice from HR/Corporate Procurement in these areas and communicate to colleagues across the service effectively for example through Risk Matters Use SORT as part of risk communication and learning	N/A
		Partially compliant	Justice Services - Departure of Service Director has resulted in links with Council business partners being at a service manager level which reduces controls	Wider Leadership Team programme	Each service within the division is responsible for ensuring compliance with IR35 Council guidance and procedures and work closely with business support colleagues aligned to the service, to monitor off-payroll workers/contractors. Any issues should be highlighted to the Senior Management Team. Service Managers liaise with HR/Corporate procurement when necessary.	Review of divisional SMT membership and agenda to ensure regular attendance from Council business partners in Finance, HR and S&I to ensure oversight and SM level. Services to use approved routes for procuring agency staff.
3.3	I ensure compliance with the Council's HR policies and procedures across all of my service areas, eg. that recruitment and selection is only undertaken by appropriately trained individuals and is fully compliant with vacancy approvals and controls.	Compliant	Education		Continue to seek, take advice from HR in these areas and communicate to colleagues across the service effectively for example through Risk Matters Use SORT as part of risk communication and learning	N/A
		Compliant	Justice Services		All recruitment must be approved by senior managers and signed off by Exec Director as no Service Director. Support through AskHR and use of Essential Learning Matrix - available on the Orb Review of information on Orb in relation to SSSC registration and managers responsibilities. Use of Newsbeat/Managers News to update colleagues on HR Processes/Procedures. TOR Group has implemented actions for managers in our residential services to undertake training and implement inhouse recruitment. Review of PVG requirement and clear guidance on consideration for newly created posts	
	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	Education		Continue to seek, take advice from HR in these areas and communicate to colleagues across the service effectively for example through Risk Matters Use SORT as part of risk communication and learning	N/A

3.4		Compliant	Justice Services		Essential learning for all roles within the division is available on the Orb and includes appropriate learning for recruiting managers. Each service area has bespoke induction procedures and shadowing arrangements. Clear Leavers process in place to improve controls and reduce the risk of any salary overpayments. Support through AskHR and HR colleagues and use of Essential Learning Matrix (orb)	Ongoing review of service specific Policies and Procedures Services are being supported to update Essential Learning for each role by business partners. Direction to managers to be proactive in reviewing training requirements and gaps in completion within their teams.
3.5	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	Education		Continue to seek, take advice from HR in these areas and communicate to colleagues across the service effectively for example through Risk Matters	N/A
		Compliant	Justice Services		Use SORT as part of risk communication and learning Managers are aware of their responsibilities to ensure all colleagues in their services are provided appropriate support and supervision. Absence Management is discussed at SMT quarterly and looks at how best to support staff and line managers to manage staff health and wellbeing in line with Council policy Business Partners provide stats which allows senior managers to address any issues relating to compliance with the Managing Attendance policy, referrals to occupational health and the use of stress risk assessments for individuals and teams. Use of Ask HR advice and support of Council wide Health and Wellbeing/Occupational Health service promoted by senior managers to their line managers and staff.	
3.6	I ensure compliance with essential training requirements and support learning and development appropriately, including professional CPD requirements.	Compliant	Education		Arrangements in place for staff training (Inset days). Promotion of MyLearningHub MyLearningHub links to school Self-Assurance Framework where risk associated training is delivered via induction sessions for new headteacher and Bite-Size refresh sessions for those who wish to refresh their knowledge. All courses are planned/recorded and details are included within Self-Assurance planners. Training is designed to manage risk so for example Resilience/Health and Safety training is scheduled in August/September to support school leaders where they are new to post.	Continue to review Essential Learning on an ongoing basis and use MyLearningHub wherever this is appropriate.
		Compliant	Justice Services - There are still some issues with availability of some face to face training following the removal of pandemic restrictions		Managers are aware of their responsibilities to ensure all colleagues in their services are provided appropriate support and supervision. Absence Management is discussed at SMT quarterly and looks at how best to support staff and line managers to manage staff health and wellbeing in line with Council policy Business Partners provide stats which allows senior managers to address any issues relating to compliance with the Managing Attendance policy, referrals to occupational health and the use of stress risk assessments for individuals and teams. Use of Ask HR advice and support of Council wide Health and Wellbeing/Occupational Health service promoted by senior managers to their line managers and staff.	
3.7	I have arrangements in place to support and manage staff performance e.g. regular 1:1/supervision meetings, performance/spotlight conversations.	Compliant	Education		Regular Council wide reminders - communications in terms of spotlight conversations Meeting culture in place where 1:1 meetings /supervision happen as required	N/A
		Compliant	Justice Services		Senior Managers are aware of their responsibilities to ensure all colleagues in their services are provided appropriate support and supervision.	
4	Council Companies	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)

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	Education	Annual Assurance Process (Directorates) Council Companies/ALEOs – Governance Hub, Observers, annual reporting to Executive Committee and GRBV Regular 121 meetings between the Council's Chief Executive and the Chief Executives of key ALEOs Service Level Agreement Register	SLA in place with Edinburgh Leisure - regular formal meetings with entity (liaison meetings)	N/A
		Compliant	Justice Services		there are no companies for which the division are responsible.	
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	Education		SLA in place with Edinburgh Leisure - regular formal meetings with entity (liaison meetings)	N/A
		Compliant	Justice Services		For services delivered through contracts or grants on behalf of the Council, there is a dedicated Contracts and Commissioning Team in place.	
5	Engagement and Consultation	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
5.1	My directorate engages effectively with institutional stakeholders, service users and individual citizens, applying the council's consultation and engagement standards with evidence that the insights gathered are used to shape my directorates activities.	Compliant	Education	Budget consultation Business sector forums Community engagement activity Community engagement strategy/policy Complaints Improvement Plan Consultation framework Consultation Hub Council Change Strategy Committee Papers Online Current partnerships eg. Poverty Commission, Tourism Strategy, EIJ, City Deal Edinburgh Partnership (LCCPs, Neighbourhood Networks) Edinburgh People Survey Government partnership working Have Your Say webpage	Council Committee reporting processes	N/A
		Compliant	Justice Services - Service Director left her post in September 2022		Regular engagement between ELT/members Engagement Officer (Education) Parental consultation (strategic and within schools) Community Engagement with stakeholders and service users Elected members enquiries highlighting constituents concerns. Service user feedback and evaluation questionnaires The use of People's Stories enhances our insight into the quality of service delivery. Council Committee Reports	
5.2	I have arrangements in place throughout my directorate to ensure that there are effective communication methods that encourage, collect and evaluate views and experiences (while ensuring inclusivity e.g. customer surveys, consultation procedures, social media presence, etc.) and that these insights are used to inform the work of the directorate.	Compliant	Education	Multi-agency partnerships Multi-channel methodology eg. social media platform development Networks/user groups – eg. Edinburgh Tenants' Federation Partnership agreements eg. Police Scotland Partnership governance arrangements Partnership governance documentation Partnership plans eg. Edinburgh Children's Partnership Petitions and Deputations Policies and procedures (consultation framework) Poverty Commission Public participation – deputations and petitions Public sector partnerships	The Quality Improvement Team manage internal and external stakeholder engagement supported by the service Engagement Officer.	N/A
		Compliant	Justice Services		As above, consultations, reviews and audits are in place and embedded in service delivery and evaluation. Advocacy services commissioned to support young people in our care.	
5.3	I have appropriate arrangements in place throughout my directorate for recording, monitoring and managing customer service complaints and customer satisfaction.	Compliant	Education	Strategic plans and agreements Strategy and Performance Hub Surveys eg. Edinburgh People Survey, Annual Tenant Survey Third sector partnership working eg. EVOC Webcasting of Council and major committees, including subtitles	Customer complaints policy	N/A
		Compliant	Justice Services - Recent Council wide audit of Complaints Procedures highlighted weaknesses which are being addressed Service Director left her post in September 2022		Complaint administration systems, logging and recording system/Complaints inbox/Weekly input at EMT on complaints/complaint follow up meetings	Action Plan to review themes and embed learning across the division. Further consideration around how the division manages complaints and whether this robust enough.
5.4	I regularly consult and engage with recognised trade unions.	Compliant	Education		Regular engagement takes place with teaching/non teaching unions through the recognised forums that include Health and Safety forums with union representation. Forums include LNCT/DJCC	N/A

		Compliant	Justice Services - Service Director left her post in September 2022, all discussions in relation to the division are discussed at DJCC.		Any issues in relation to Health and Safety are fed in through the H&S Working Group which union colleagues attend. Ops Manager attends DJCC Senior Managers meet with union colleagues when necessary whilst no JCC in place.	
6.1	Policy	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
6.1	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	Education	Annual Assurance Exercise Annual Policy Assurance Statements Corporate Policy Framework and Toolkit, including consultation and engagement strategies Council Papers Online Employee policy refresher arrangements, process workshops and communications Information Governance framework	The self-assurance questionnaire asks establishment colleagues to familiarise themselves with policies/procedures Council wide communications to promote policies/procedures	Awaiting information Corporately on revised Whistle Blowing/Code of Conduct policies/essential learning. These will be promoted via SORT.
		Compliant	Justice Services - Service Director left her post in September 2022	Policy Register Report template and guidance (incorporating adherence to commitments and policy implications)	Council wide communications to promote policies/procedures. Managers are responsible for ensuring that staff are made aware of new policies and the impact they have on their teams. New policies or significant changes discussed at SMT and Wider Leadership Meetings	
6.2	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.	Partially compliant	Education		Council Committee structure/action logging Role of Internal Audit (actions may relate to policy improvement) Support from Strategy and Communications (management of policies/Committee support)	Education are part of a Council wide exercise that has been ongoing for some time to look at the review of policies across the organisation.
		Partially compliant	Justice Services - Policy Review Audit highlighted areas for improvement, these are being progressed through the P&P Working Group		Web editors now identified to assist service areas Initial Review of all Policies and Authors has been undertaken and working group set up to progress reviews. Support to services to ensure policy updates are presented to Committee	P&P Working Group (WG) meets monthly to monitor progression of agreed workstreams.
7	Governance and Compliance	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
7.1	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	Education	Codes of Conduct Committee Terms of Reference and Delegated Functions Council's Procedural Standing Orders Councillors' Code of Conduct Disclosure and PVG checks	The Council's governance framework is implemented through Committee work Risk management within the service contributes towards effective governance	N/A
		Compliant	Justice Services - Service Director left her post in September 2022	Employee Induction Employee Performance Framework Leadership Programme Legal Services provision of advice Member/Officer Protocol Policies and procedures Regulatory body reporting eg. SSSC, GTCS Scheme of Delegation to Officers Statutory officer appointments and responsibilities Statutory/lead officers' independent reports to committee eg. Monitoring Officer, Chief Social Work Officer, Chief Internal Auditor Whistleblowing Policy	Senior Managers/HOS are aware of the responsibilities aligned to them in terms of scheme of delegation, contract standing orders (including approval limits), reporting requirements and other financial guidance to ensure compliance with Council governance policies and procedures. This is reiterated through email briefings and regular discussions at management team meetings. Clear governance arrangements in place through - Chief Officers' Group, Adult Protection Committee, Child Protection Committee, Offender Management Committee, MAPPA, SOG, ECP and others.	When new Service Director is in post will review arrangements to ensure robust and effective.
7.2	I ensure my directorate's activities are fully compliant with relevant Scottish, UK and international legislation and regulations.	Compliant	Education		Support and advice from Council Legal Services team Risk management used to identify legal risk impacts - (which if required would be discussed in terms of advice with Legal Services) Advice and support sought regularly from the Corporate Health and Safety team in terms of Health and Safety legislation Regular Council wide policy updates	N/A

		Compliant	Justice Services - As above		The division is regulated by statute, regulations, and professional governance and each service areas senior manager is aware of legislation, policies, and procedures. Council Legal Services team provides support and advice when required. Risk management processes Corporate H&S provide advice and support in terms of Health and Safety legislation Quality assurance processes to ensure and monitor compliance with appropriate legislation and regulations.	
8	Responsibility and Accountability	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
8.1	My directorate ensures our officers are clear on their roles and responsibilities in terms of relationships and decision making.	Compliant	Education	Annual Assurance Process (Council Companies and Joint Boards) Annual Assurance Process (Directorates) Codes of Conduct Commercial and Procurement Strategy Committee Terms of Reference and Delegated Functions Complaints Improvement Plan Consultation and engagement Contract Standing Orders Council Change Strategy Council company monitoring including Governance Hub, Council Observers on Boards, committee reporting	Team meeting structures throughout service Risk Management Committee structures, service meeting risk architecture (EMT/ELT) Good structure of 1:1 meetings managers/staff Good structures for establishment staff to meet regularly/make decisions for example Headteachers Executive/Primary/Secondary headteacher forums	N/A
		Compliant	Justice Services - Service Director left her post in September 2022	Edinburgh People Survey Employee Code of Conduct Grant Standing Orders Member/Officer Protocol Monitoring/reporting on delivery of 52 coalition commitments	Clear governance structure around decision making in place which should be communicated through team meetings, 1:1 / supervision, performance conversations and monitored through reviews and senior manger oversight of service delivery. Increased capacity within Commissioning team, to do this	
8.2	I ensure that the Council's ethical standards are understood and embedded across my directorate and are upheld by external providers of services.	Compliant	Education	Onboarding and induction for officers Performance Framework Policies and procedures Procurement framework Procurement Handbook Public participation – deputations and petitions Report template and guidance Scheme of Delegation to Officers	General management of teams promoting the importance of ethical behaviours Equalities training Use of IIA process where appropriate	N/A
		Compliant	Justice Services - Service Director left her post in September 2022,	Service Level Agreement template Standard Condition of Grant	SSSC registered staff are supported by the code of ethical behaviours, The Service Director is also the Chief Social Work Officer. Contract and Commissioning Services and Development Officers are aware of standards and report to senior managers any issues which may be flagged.	
8.3	My directorate ensures that decisions are made on the basis of objective information, the consideration of best value, risk, stakeholder views, rigorous analysis, and consideration of future impacts. This is formalised through appropriate structures. (i.e SMT reporting)	Compliant	Education		Team meeting structures throughout service Risk Management Committee structures, service meeting risk architecture (EMT/ELT) Good structure of 1:1 meetings managers/staff Good structures for establishment staff to meet regularly/make decisions for example Headteachers Executive/Primary/Secondary headteacher forums	N/A
		Compliant	Justice Services - As above		Structure in place regarding reporting to Committees with clear governance around roles and responsibilities. Regular meetings and consultations during service reviews with appropriate stakeholders. Public Protection Committees governance and constitution embedded. SMT meet fortnightly and clear agenda planning in place Executive Director attends SMT until Service Director post has been filled.	
	I consult with elected members as appropriate and as required under the Scheme of Delegation.	Compliant	Education		Regular meetings between ELT/members Council Health and Safety Forum chaired by a member Council Committee reporting structures	N/A

8.4		Compliant	Justice Services - As above		Regular meetings between SMT and Convenor and Vice Convenors. Elected Members Enquiries process embedded across the services for all enquiries. Council Committee reporting structure and good communication with colleagues in Committee Services	
9	Information Governance	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
9.1	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	Education	Annual communications plan, awareness raising initiatives and training events Centralised Information governance unit Council wide Record of Processing Data quality reviews and audits form part of statutory returns Established framework of management information and reporting to support operational decision making and trend analysis Information Board Information governance policies, framework, guidance, procedures and toolkit Information sharing agreements and data protection impact assessments Locking Client's Record Guidance Mandatory training for all employees Staff responsibilities outlined in relevant policies - Employee Code of Conduct, ICT Acceptable Use Policy, Policy on Fraud Prevention Standard data related terms and conditions in all new Council contracts	Risk management structures - discussion on Information Governance Council wide training (Information Governance for example e-learning) Regular liaison/advice and support from Information Governance team Council wide Information Governance forums Use of "Risk Matters" to remain colleagues of Information Governance requirements Lessons learned/debriefing used within service if there is a breach for example Bow Tie cause and effect modelling Role of CGI ensuring ICT infrastructure is compliant Council wide communications on Information Governance requirements Use of Significant Occurrence reporting to report on breaches Information Governance/Digital Learning induction and Bite Size training included within Self-Assurance training valander/annual planner	N/A
		Compliant	Justice Services - SWIFT system is unable to provide full needs of services and the G:Drive is vulnerable to data loss and no process or control to identify changes or errors. Reliance on CGI to retrieve data can be problematic	Infrastructure to improve information governance controls within one area of the division being introduced and will be reviewed on completion to ensure compliance. Weekly meeting with Ops Manager, IG Manager and Exec Asst to discuss FOI and SAR requests to ensure timescales are met and issues addressed. Team briefings and newsletters highlight responsibilities and expectations for all colleagues in the division. CSWO and those with delegated authority can timeously agree Swift records are locked when required. Cross directorate enquiries are co-ordinated via embedded process. Use of Significant Occurrence Notification to report on breaches	Continued development of robust governance controls across the division to reduce risk Swift replacement and improvements to align with requirements	

9.2	I ensure data sharing arrangements with third parties are recorded, followed and regularly reviewed throughout all service areas in my directorate.	Compliant	Education		<p>Risk management structures - discussion on Information Governance</p> <p>Council wide training (Information Governance foe example e-learning</p> <p>Regular liaison/advice and support from Information Governance team</p> <p>Council wide Information Governance forums</p> <p>Use of "Risk Matters" to remains colleagues of Information Governance requirements</p> <p>Lessons learned/debriefing used within service if there is a breach for example Bow Tie cause and effect modelling</p> <p>Role of CGI ensuring ICT infrastructure is compliant</p> <p>Council wide communications on Information Governance requirements</p> <p>Use of Significant Occurrence reporting to report on breaches</p> <p>Information Governance/Digital Learning induction and Bite Size training included within Self-Assurance training valander/annual planner</p>	<p>Risk management structures - discussion on Information Governance</p> <p>Council wide training (Information Governance foe example e-learning</p> <p>Regular liaison/advice and support from Information Governance team</p> <p>Council wide Information Governance forums</p> <p>Use of "Risk Matters" to remains colleagues of Information Governance requirements</p> <p>Lessons learned/debriefing used within service if there is a breach for example Bow Tie cause and effect modelling</p> <p>Role of CGI ensuring ICT infrastructure is compliant</p> <p>Council wide communications on Information Governance requirements</p> <p>Use of Significant Occurrence reporting to report on breaches</p> <p>Information Governance/Digital Learning</p>
	Compliant	Justice Services		<p>All elected members enquiries are progressed through dedicated mailbox and following the Enquiries process and are assigned to Council Officers to provide a response which is approved before release.</p> <p>All FOI and SAR requests are progressed through dedicated mailbox and signed off by an appropriate senior manager before being sent to Information Governance Team.</p> <p>Any learning from data breaches is anonymised and shared appropriately to reduce risk</p>		
10	Health and Safety	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
10.1	Directorate staff are made aware of their responsibilities under relevant Health & Safety policies and procedures and I have appropriate arrangements in place for the identification and provision of Health & Safety training necessary for all job roles, including induction training.	Compliant	Education	<p>Contingency planning and business continuity arrangements</p> <p>Corporate Health and Safety Strategy and Plan</p> <p>Council Health and Safety Group</p> <p>Employee Code of Conduct</p> <p>Enterprise Risk Management Policy</p> <p>Enterprise Risk Management Policy and Risk Management Procedure</p> <p>External validation/review eg. external audit, independent assurance providers</p> <p>Health and safety audits</p> <p>Health & Safety policies and procedures</p> <p>Institution of Occupational Safety and Health training</p> <p>Mandatory Health & Safety training for staff</p> <p>Reporting/review/monitoring at all levels – committee, CLT, SMTs, service level</p> <p>Risk Management Groups</p> <p>Risk management policies and strategies (eg procurement, standing orders, project management, health and safety, information governance)</p> <p>Risk Management Procedure</p> <p>Risk management tools</p> <p>Scheme of Delegation</p> <p>Schools assurance programme</p> <p>Training, eLearning and workshops for staff and members</p>	<p>ECJS Health Safety and Wellbeing Committee</p> <p>Council Health and Safety Group</p> <p>Risk Matters used to share important Health and Safety messages some of which are included within an annual planner</p> <p>Self-assurance questionnaire includes a section on Health and Safety that mirrors the work place inspection checklist for establishments</p> <p>Health and Safety e-learning</p> <p>Health and Safety training</p> <p>Health and Safety essential learning matrix</p> <p>Health and Safety Working Group</p> <p>Health and Safety Committees in schools</p> <p>Council Health and Safety Forum (chaired by a member)</p> <p>Corporate Health and Safety team - regular engagement with headteachers/business managers at relevant</p> <p>SORT used for Health and Safety communications and</p>	<p>Specialised school safety audits are undetaken by the Corporate Health and Safety Team as required and agreed</p>

		Compliant	Justice Services - There are still some issues with availability of some face to face training following the removal of pandemic restrictions due to backlog.
10.2	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 Health & Safety risks are adequately controlled.	Compliant	Education
		Compliant	Justice Services - No H&S Audits have taken place since before the pandemic. Difficulties with accessing inhouse face to face training remains and services are now looking at external providers. Changes post covid to building usage has meant some buildings don't have BUG or named responsible persons.

Health and Safety is a standing item on the SMT agenda. The H&S Working Group evaluates compliance within the service and notes of meetings are circulated to SMT E&CS Health Safety and Wellbeing Committee quarterly meeting - representation from the division in attendance. Self Assurance questionnaire completed by managers which includes a section on H&S with ability to outline areas of concerns. Ops Manager attends monthly Fire Safety Technical Meeting chaired by Council's Fire Safety Manager and Council H&S Group Support provided to managers to ensure they align with divisional controls for H&S and Fire Safety E-Learning and training for appropriate roles.	H&S Audits should be prioritised for high risk services to strengthen assurance and support colleagues
Council wide advice on risk assessment Self-assurance questionnaire and validation guidance (advice on risk assessment) Health and Safety forums Use of SHE incident management portal - creates management information on risk themes we can respond to as a service Use of isomorphic learning (learning from within the organisation) and responding to risk by assessing and mitigating (Significant Occurrence process and Lessons Learned meetings) Bespoke advice as required on specific areas of risk/risk assessment (Corporate Health and Safety Advisors) Corporate Health and Safety site visits (as required) Use of "Bow-Tie" cause and effect model - post event and to risk assess Risk qualification/ to assess risks - quantify by RAG analysis - quantify further if required Use of Risk Management Committees to escalate health	Specialised school safety audits are undertaken by the Corporate Health and Safety Team as required and agreed
Risk Assessments are carried out and reviewed Clear governance structure in place within the division which provides an established route for escalation of risks if required. Use of SHE portal - recent comms and user guides circulated to improve use Shared learning from incidents Corporate H&S site visits when required and support from H&S advisor H&S Working Group includes union colleague and representation from service within the division.	Continued monitoring of SHE portal reporting and frequent comms to encourage use. Training for those with H&S responsibilities to be reviewed as part of MyLearning review.

10.3	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 Health & Safety laws and regulations.	Compliant	Education		Corporate Health and Safety team (all members of the team are qualified in health and safety) ECJS Health Safety and Wellbeing Committee Council Health and Safety Group Risk Matters used to share important Health and Safety messages some of which are included within an annual planner Self-assurance questionnaire includes a section on Health and Safety that mirrors the work place inspection checklist for establishments Health and Safety e-learning Health and Safety training Health and Safety essential learning matrix Council Health and Safety Forum (chaired by a member) Corporate Health and Safety team - regular engagement with headteachers/business managers at relevant forums Self-Assurance Induction and Bite Size training programme	N/A
		Compliant	Justice Services - Difficulties in securing appropriate paperwork for inspections due to reliance on Corporate Property/FM to provide them has impacted negatively on some services.		As at 10.1 Corporate Health and Safety team - regular engagement with managers and attendance at H&S Working Group.	Interdependencies which provide appropriate paperwork for inspections require review to ensure services receive what is needed for inspections (CA-FM)
10.4	I have a robust governance and reporting structure for Health and Safety in my directorate.	Compliant	Education		Council Health and Safety meeting architecture / reporting structures including Union engagement Risk & Assurance Committee structures Service reporting structures/meetings/team ELT/SLT/CLT Use of SHE Significant Occurrence Lessons Learned process and procedure	N/A
		Compliant	Justice Services - As above		As above.	As above
11	Performance	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
	I have arrangements in place for reporting to CLT, Committee and/or Council and, where performance monitoring identifies inadequate service delivery or poor value for money, ensure that improvement measures to address these issues are implemented and monitored.	Compliant	Education	Annual external reporting eg. Local Government Benchmarking Framework, Statutory reporting, Scottish Public Services Ombudsman, Scottish Government, etc Annual performance report to Council B agenda protocol Best Value reporting CLT Meeting - Performance Committee Terms of Reference and Delegated Functions Local Government Benchmarking Framework – Committee Report	Committee reporting structures Risk & Assurance Committee structures Service reporting structures/meetings/team/ELT/CLT Increased capacity in Commissioning Team	N/A

11.1		Compliant	Justice Services - Service Director left her post in September 2022	Monitoring/reporting on delivery of 52 coalition commitments – delete : no longer exists under new administration HR Performance Framework Planning & Performance Framework Strategy and Performance webpage	Regular performance reports provided and discussed at SMT and CLT. Annual Performance Reports are submitted to Committees, these include Partnership Agreements, CSWO Annual Report, Child Protection Committee Annual Report Data collected and shared on SON, Statutory Complaints and Care Service Feedback. Improvement Plans incorporate actions from audits, WB investigations, reviews and inspection reports. These are monitored through working groups and reported through Committee, PP Committees and COG.	Review of performance data and KPIs across the division is underway and supported by business partners.
11.2	My directorate regularly works with relevant teams in Corporate Services to review and improve effectiveness by performance monitoring, benchmarking and other methods to achieve defined outcomes.	Compliant	Education		Regular input at ELT meetings in terms of for example absence statistics.	It would be good to see an approach where KPIs and KRIs data was presented regularly in terms of service planning.
		Compliant	Justice Services - As above		Auditing of regulatory services are undertake and actions monitored and reported to appropriate committees. Performance targets are monitored and monthly performance reports from S&C team are discussed at SMT	As above
12	Commercial and Contract Management	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
12.1	I ensure all goods, services and works are procured and managed in compliance with the Contract Standing Orders.	Compliant	Education	Annual Assurance Process (Directorates) Codes of Conduct Commercial and Procurement Strategy Committee Terms of Reference and Delegated Functions Contract and Grants Management team Contract Standing Orders Council company monitoring including Governance Hub, Council Observers on Boards, committee reporting Grant Standing Orders Legal Services provision of advice Policies and procedures Procurement Handbook Contract management manual Scheme of Delegation to Officers Service Level Agreement Register Standard Condition of Grant	Commercial and Procurement Strategy Contract and Grants Management team Contract Standing Orders Council company monitoring including Governance Hub, Council Observers on Boards, committee reporting Grant Standing Orders Procurement Handbook Scheme of Delegation to Officers Service Level Agreement Register Standard Condition of Grant Support and advice from the Corporate Procurement team Use of "Risk Matters" to share Corporate Procurement advice/requirements Corporate Procurement team engagement - for example headteacher/business manager forums	N/A
		Compliant	Justice Services - Service Director left her post in September 2022,		Contract and Commissioning Team work with service managers to ensure compliance. Monthly Procurement Board which looks at dashboard, contracts register, waivers, pipeline procurements and contract end dates. Waivers are discouraged and only used in exceptions and must be approved by Service Director/Exec Director. Standing item on SMT agenda - QA Reviews/Third Party Spend Separation of duties mechanisms are in place to ensure there is no conflict of interest (3 way checks - Procurement, Commissioning and Budget holder) Multi-disciplinary six monthly monitoring meetings for tier one and tier two contracts. Ongoing oversight of financial processes to ensure commitment matches the ledger	

13	Change and Project Management	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
13.1	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	Education	2050 City Vision Budget Planning Capital Budget Strategy City Plan CLT Change Board Committee Terms of Reference and Delegated Functions Contract Standing Orders Council Business Plan Council Change Strategy Council's Risk Appetite Statement Enterprise Risk Management Policy External audits, reviews and validation Finance Rules Financial Regulations Procurement framework Report template and guidance Revenue Budget Framework Risk Registers Scheme of Delegation to Officers Service Planning Sustainability Strategy process Treasury Management Strategy	Prince 2 methodology used in large projects (includes risk management as part of scope) Council Projects Team advise and support Education (project management) Strategic Asset Planning manage school new builds	Work required on rising roles risks (Strategic Asset Planning) Engagement required with Strategic Asset Planning team in terms of new builds lessons learned, design issues identified and snagging
		Compliant	Justice Services - Service Director left her post in September 2022,		Prince 2 methodology used in large projects (includes risk management as part of scope) IIA are undertaken prior to commencement of new projects/programmes. Proposals for projects are discussed at SMT with clear business justification prior to commencement and all projects have oversight from appropriate senior manager/HOS. Lead Officers are appointed for all projects with clear responsibilities and reporting mechanisms. Council's Project Team provide advice and support	
14.1	Financial Control	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
14.1	The operation of financial controls in my directorate is effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.	Partially compliant	Education	Budget Framework Comprehensive system of revenue and capital monitoring, with SMT and CLT oversight Contract Standing Orders Corporate Debt Policy Council Business Plan Council Change Strategy Elected Member training on financial statements, financial planning and treasury management	Regular input, advice and support from Council Finance team at ELT meetings within service budget monitoring Regular budgetary monitoring/management Risk based approach to budget monitoring Regular budget meetings including Headteachers	N/A
		Compliant	Justice Services - Service Director left her post in September 2022	Employee Training Finance & Resources Committee and Governance, Risk & Best Value Committee oversight/scrutiny Finance Rules Financial Regulations Internal control framework Medium-term Financial Strategy Professional officer representation/support/advice on major project boards, project assurance reviews, SMTs Tiered framework of financial planning and control Treasury Management Strategy	Regular budgetary monitoring and support from Council Finance Team who meet with service managers regularly. Work closely with finance partners to look at pressures and work undertaken to look at reducing additional spending. Risk based approach to budget monitoring and management. Segregation of duties between commissioner, requestor and approver on Oracle at all stages of the financial process. Any additional financial commitment must be discussed with Executive Director and Service Director prior to agreement.	Undertake yearly review of Oracle approval limits

14.2	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	Education	Regular input, advice and support from Council Finance team at ELT meetings within service budget monitoring Regular budgetary monitoring/management Risk based approach to budget monitoring Regular budget meetings including Headteachers	N/A
		Compliant	Justice Services - As above		
14.3	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	Education	Knowledge and application of Finance Rules Expertise and support of Council Finance team Appropriate Committee reporting and regular meetings with Convenor and Vice Convenor in place. Application of finance rules and support of Council Finance Team with regular meetings in diaries and adhoc meetings held as required. Major risks of future liabilities would be discussed with legal colleagues and escalated to CLT	N/A
		Compliant	Justice Services - As above		
14.4	I have arrangements in place to ensure that new and existing leases in the scope of IFRS16 are promptly identified and relevant details notified to Finance colleagues for incorporation in the Council's annual	Compliant	Education	The service does not manage leases, this is undertaken by Corporate Property. Finance have oversight of all leases and what they cost and Corporate Property manage leases on our behalf.	N/A
		Compliant	Justice Services - As above		
14.5	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	Education	Support and advice form Council Insurance Services team Asset register update reminder to school SLTs (as part of self assurance questionnaire) CCTV in some schools Significant Occurrence process (reporting of intruder issues/thefts/lessons learned meetings)	The Council wide approach to CCTV in buildings needs to be agreed. The approach to CCTV across the school estate is neither comprehensive or consistent.
		Compliant	Justice Services - As above		
14.6	I have arrangements in place for identifying any weaknesses in my directorate's compliance with Council financial policies or statutory/regulatory requirements.	Compliant	Education	The self assurance questionnaire has a section on Finance which sets out the main requirements of establishment financial reporting Contract and Commissioning Team to support services All budgets (including ring-fenced funding) are managed per accountancy rules with close working between finance colleagues and budget managers. Transactions and banking assist compliance with HMRC. Separation of duties in place - prior to financial commitments.	School Operations Support are developing further clarification in terms of the self-assurance questionnaire section with a primary headteacher representative
		Compliant	Justice Services - As above		
14.7	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	Education	Council Internal Audit programme (risk based approach where services have the opportunity to make suggestions as to annual Internal Audit plan) Risk forums in place as per Council requirements, Risk and Assurance Committees/Regular discussion on risk at EC&S Wider Management team ELT/SLTs	N/A

		Compliant	Justice Services - As above		As above. Council's Internal Audit programme allows services to make proposals to annual plan. Risk escalation and management is discussed at SMT and cascaded up to CLT and R&A Committee if required.	
15	Group Accounts (Corporate Services only)	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
15.1	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	Education	Annual assurance exercise (internal audit input and oversight) Annual Corporate Governance Framework self-assessment (internal audit input)	Advice and support from Council Finance team/regular update at ELT	N/A
			Justice Services - N/A - Corporate Services only	Annual Governance Statement – informed by the work of IA	N/A - Corporate Services only	
15.2	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	Education	Annual Internal Audit Plan (based on most significant risks to the Council) Audit Charter Chief Internal Auditor's direct reporting line to GRBV Committee Terms of Reference and Delegated Functions - GRBV Comprehensive system of revenue and capital monitoring, with SMT and	Risk structures in place Corporate Property support asset valuation Support of Council Insurance team	N/A
			Justice Services - N/A - Corporate Services only		N/A - Corporate Services only	
16	National Agency & Regulatory Body Inspection Reports	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
16.1	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	Education	Committee Terms of Reference and Delegated Functions Governance, Risk and Best Value Committee – chaired by an opposition councillor and excluding executive committee conveners from its membership, with power to act on its own accord Executive Committee and GRBV oversight of external audit and inspection activity Scrutiny of directorate annual assurance schedules Regulatory Body inspection reports	Internal/External audit for example Council Internal Audit team/Education Scotland/Social Work Scotland	N/A
		Compliant	Justice Services - Service Director left her post in September 2022		Internal/External Reviews include Internal Audit, Care Inspectorate, inspections of services within the division with clear governance arrangements around reporting and progressing recommendations in place. The Quality Regulation and Governance Team (QGR) review grades from national agency inspection reports as part of their role to support the CSWO. Services submit returns to Scottish Government which include performance. CSWO Annual Report is submitted to the Scottish Government Public Protection Committees report to the COG on improvement plans from inspection reports	
16.2	I have arrangements in place that adequately monitor and report on the implementation of recommendations.	Compliant	Education		Committee reporting structures Management of associated actions/recommendations from reports (authorising bodies)	N/A
		Compliant	Justice Services - As above		As above, Inspections, reviews and audits are in place and embedded in service delivery and evaluation. Reporting to Committee on progression of open actions and recommendations from reports.	Work with Property/FM to look at maintenance/inspection schedule and paperwork required for external inspections
17	Internal Audit, External Audit and Review Reports	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
17.1	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	Education	A validation audit of previously closed audit actions is included in the annual Internal Audit Plan Agreed management actions arising from internal audits are recorded and monitored through Team Central on ongoing basis. Overdue management actions are reported monthly to CLT and quarterly to GRBV Evidence above is for Internal Audit only - needs to link to external audit actions (Finance) and Best Value Actions (Governance). Also needs to consider improvement plans from regulator inspections such as Care Inspectorate and Education Scotland and other relevant review reports for the directorate which require monitoring, response and action plan. Integral part of Annual Assurance Schedule	Meetings take place regularly between the Internal Audit team/service colleagues in line with Internal Audit service level agreement requirements There are workshops organised by Internal Audit which support the audit action process and service colleagues are involved in this There are strong links between Risk Management within the service and Internal Audit, this aids the efficiency and effectiveness of the control environment as risk also focuses on the assessment of controls	N/A

		Compliant	Justice Services - Service Director left her post in September 2022		Audit actions are reviewed and monitored through Team Central. Action owners are supported by Ops Manager to view dashboard and provide updates and supporting evidence to IA. Improvement Plans are developed and where necessary short term working groups put in place to progress actions and embed change. As at 16.1 and 16.2 - Governance arrangements in place for reporting through COG regarding public protection.	
18	Progress	Assessment of Compliance	Did your directorate have any issues in this area during the reporting period? (Please reflect where open assurance actions mean that a control weakness exists)	Extract of Evidence from the Council's Corporate Governance Code. For information only.	Relevant service area controls	Improvement Actions (will auto-populate improvement plan tab where you should add action owner and deadline)
18.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years have been addressed satisfactorily.	Compliant	Education	Agreed management actions arising from internal audits are recorded and monitored through Team Central Overdue management actions are reported monthly to CLT and quarterly to GRBV A validation audit of previously closed audit actions is included in the annual Internal Audit Plan Integral part of Annual Assurance Schedule External Audit Report is scrutinised by GRBV and an improvement plan developed IA communicates regularly with Care Inspectorate, Audit Scotland, Scottish Housing Regulator and Education Scotland	Annual review of assurance statement actions/reporting to Governance Risk and best Value Committee	N/A
		Compliant	Justice Services - Service Director left her post in September 2022		A report was submitted to GRBV noting completion of open improvement actions. Actions from 2021/22 have progressed and clear plans developed and timescales set for completion.	

Education, Children and Families Committee

10:00am, Tuesday, 7 November 2023

Children's Services Improvement Plan and Edinburgh Residential Services Improvement Plan Update

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 The Education, Children and Families Committee is asked:
 - 1.1.1 To note the positive progress made against the Children's Services Improvement Plan, and the Edinburgh Residential Services Improvement Plan.
 - 1.1.2 To scrutinise those areas where progress is slower than planned and ensure effective mitigations are in place.

Amanda Hatton

Executive Director Children, Education and Justice Services

Contact: Kathy Henwood, Service Director of Children, and Justice Services

E-mail: Kathy.Henwood@edinburgh.gov.uk

Contact: Steve Harte, Head of Corporate Parenting

E-mail: steve.harte@edinburgh.gov.uk

Children's Services Improvement Plan and Edinburgh Residential Services Improvement Plan Update

2. Executive Summary

- 2.1 Progress has been made in all areas of the Children's Services Improvement Plan. In some areas progress has not been as expected, this primarily relates to delays in getting key staff into post.
- 2.2 This report sets out the continuous improvements in the Edinburgh Secure and Residential Services Improvement Plan from the last report that went to the Education, Children and Families Committee in September 2023.

3. Background

- 3.1 The Executive Director led significant due diligence activity which resulted in a self-assessment and Improvement Plan for Children's Services. This was shared as a B agenda with Committee on 27 April 2023. Updates will continue to be reported at each committee cycle.
- 3.2 On 15 November 2022 the Education, Children and Families Committee requested that the Executive Director of Education and Children's Services would:
 - 3.2.1 Continue to deliver on the Edinburgh Secure Services and Residential Services Improvement Plan; updates have been shared with members.
 - 3.2.2 Continue to report at each cycle the ongoing improvement work.

4. Main Report

- 4.1 Several actions within the Children's Services Improvement Plan are now complete or progressing well. Although delays in recruitment continues to be an issue in some areas, plans have been put in place to mitigate this including reallocation of cases and a review of demand and capacity to ensure best use of resources.
- 4.2 The Practice Standards have been finalised and implemented and will now be a fundamental part of reporting on our performance measures.

4.3 Significant achievements have been made in delivering and sustaining our Edinburgh Secure Services and Residential Services Improvement Plan. Progress is as follows using a Red, Amber, Green scale:

Red = 3 (3% of Actions)

Amber = 15 (17% of Actions)

Green = 42 (47% of Actions)

Completed Actions = 30 (33% of Actions)

4.4 The Care inspectorate have completed three Care Inspections since the last Committee, Seaview Residential House for Children with a Disability; Heathervale Residential House for Children; and Adoption, Fostering and Continuing Care Services. Published Inspection reports for Seaview and Adoption, Fostering and Continuing Care are on the Care inspectorate website; verbal feedback has been received on the inspection of Heathervale. A consistent theme of feedback from recent Care Inspections of our children's houses is that our children in our care state they feel safe, loved, and respected.

4.5 Seaview Residential House was assessed as follows:

How well do we support children and young people's rights and wellbeing? Grade 5 – very good

4.6 Adoption Services were assessed as follows

How well do we support people's wellbeing? Grade 3 – adequate

How well is our care and support planned? Grade 4 – good.

4.7 Fostering Services were assessed as follows

How well do we support people's wellbeing? Grade 4 – good

How well is our care and support planned? Grade 5 – very good

4.8 Continuing Care/Adult Placements were assessed as follows

How well do we support people's wellbeing? Grade 4 – good

How well is our care and support planned? Grade 4 – good.

4.9 **Aberlour and Kibble update** (request following Motion by Councillor Lesley Marion Cameron at Full Council on the 24 November 2023 “To request a progress report to the next Education, Children & Families Committee after the conclusion of the review”).

When we undertook the Pilot alongside colleagues throughout Scotland we anticipated that the main service that would benefit would be Edinburgh Secure Services. Although Edinburgh no longer has a secure house, we have shared the learning gained with managers of all of our houses and will continue to monitor changes to practice and ensure training is geared towards Rethinking Restraint. Whilst other houses rarely ever engage in restraint, the tools and approaches to

deescalate, engaged and connect with heightened behaviour is useful in all residential care settings

- 4.10 The specialist Disability Foster Care team at City of Edinburgh Council has won a prestigious Fostering Excellence Award, recognising their exceptional contributions to foster care. They were awarded The Fostering Network Award for a Social Work Team at The Fostering Excellence Awards.

5. Next Steps

- 5.1 The service will continue to drive the improvement agenda and learn through the process.
- 5.2 This will inform future decision making and enable us to capitalise on best practice and build on our strengths in a way that makes the greatest difference for children and young people and their families.
- 5.3 The Improvement Board will have monthly progress reports against the Improvement Plan and will also receive audit reports. This will be managed under the Corporate Change Programme Board to ensure scrutiny by Corporate Leadership Team.
- 5.4 The Improvement Plans will remain live documents which drives improvement and where an area is deemed to be completed this will be added to the audit plan to ensure continued compliance.

6. Financial Impact

- 6.1 A report was submitted to Finance and Resources on [10 March](#) which detailed costs associated with temporary staff. An update on the Swift replacement and associated costs will be presented to Finance and Resources on completion of analysis, which should be October 2023.

7. Equality and Poverty Impact

- 7.1 The Improvement Plan ensures that we are meeting our statutory obligations to the most vulnerable children, young people, and their families in Edinburgh.
- 7.2 Our commitment is to ensure that Edinburgh is the best place to live and grow up.
- 7.3 We are securing connections with community planning partners, strategic partnership groups and the tackling poverty work, seeing poverty as the largest single cause for children and young people coming to the attention of statutory services.

8. Climate and Nature Emergency Implications

- 8.1 There will be no impact on this.

9. Risk, policy, compliance, governance and community impact

- 9.1 The focus of the plan is to improve the children and families social work practice and approach and ensure safety for our most vulnerable children.
- 9.2 It is recognised that children and young people live within families and communities and as such partners are key in driving forward any change agenda.
- 9.3 Whilst we seek the views of children, young people, and their families on an individual basis, we are eager to ensure we enter greater debate around family and community capacity building, codesign and production of services. This will be reflected in our three-year strategy.

10. Background reading/external references

- 10.1 None

11. Appendices

- 11.1 Appendix 1 Updated Children's Services Improvement Plan

1. Ensuring Safety							Progress		
Review and Strengthen the front door									
Action	Lead	Start	End	Outcome	Evidence	Progress	Progress as 21st August 2023	Progress as of 10/10/2023	
<p>Improve team working and develop a learning culture</p> <ul style="list-style-type: none"> Currently SCD provides a single point of access to the services that help keep children safe. As part of whole family support there is a need for greater emphasis on supporting and building resilient communities. There will be an increased focus on prevention, early help and asset-based community development working across all life stages. 	HOS Early intervention	1st April	Mar-24	Seamless early help offer in place and threshold document agreed by partnership	reduction in the number of needing social work support.	We have a partnership whole family support plan in place and are currently recruiting to the team	Permanent Head of Service in post as of 7th August. Integrated Front Door Project Implementation document now approved at CLT and project manager in place. Strategic and operational boards to be actioned. Partnership whole family support transformation post now recruited and in place. Early help coordinators and participation and business support posts to develop family information directory. Additional team leader post recruitment successful however 5 social work vacancies remain unfilled. Further recruitment in place and agency cover will remain to ensure capacity until recruitment is successful. New model is having positive reduction on work volume going to practice teams.	Recruitment continues to be an issue. Child protection cases are currently being reallocated to ensure timely intervention in line with need. Work on integrated Front Door continues with HSCP colleagues. Visits arranged to neighbouring authorities to share good practice models.	
<ul style="list-style-type: none"> Team to be physically co located with their managers and rota to build in time for team meetings and collaborative time. 	HOS Early intervention	Jun-23	Review September 2023	Better team cohesion and support	Reduced sickness improved morale	Additional capacity in the form of a bridging team and a new grade 12 put into the front door	Significant improvement in practice with tighter systems and processes in place. However still recruitment needed as evidenced above. Return to the office tied to wider organisational review of future of work questionnaire to ensure equity. Questionnaire currently out to all staff.	Use of space and place within Waverley Court, City Chambers and Locality Offices still subject to ongoing review and short term moves in line with identified need. A Development Day has been held and further dates in calendar, Family Based Care Team now relocated to Drumbrae allowing closer working alignment with social work practice teams colleague. Further team movement is part of wider review through Our Future Work	
<ul style="list-style-type: none"> Office space to be re modelled to support collaborative learning and working if necessary 	HOS Early intervention	Mar-23	May-23	As above	As above		In progress Strategic Asset Partnership Manager looking at collaborative work space. Police also requesting collaborative space. Some delay because of need to link to wider corporate property strategy which has now been agreed at P and S Committee	As above, this is being progressed alongside the Our Future Work developments.	
<ul style="list-style-type: none"> Working with Education needs to be better supported to ensure that all notifications from police can be effectively communicated to schools and capacity to deliver Girfec can be enhanced through a dedicated point of contact for education colleagues in schools and settings. Therefore an education safeguarding officer will be developed in social care direct. 	HOS Early intervention -	Mar-23	Sep-23	Improved communication with schools and education focus in planning	Reduction in repeat referrals from schools, better use of team around the learning community	Post established in the whole family support team – currently out to advert.	Schools safeguarding post out for advert and recruiting. Weekly complex cases panel in place with social care and education to ensure information sharing for our most complex young people. Further work needed to ensure education are equal partners in IRD processes hence this is amber.	Recruitment still being progressed, GIRFEC and Child Protection processes being reviewed to ensure timely and appropriate response from all partners. Critical Review of child wellbeing into child protection across the partnership to inform future working is now in place.	
<ul style="list-style-type: none"> Development of reflective group learning offer to support team development and consistency of practice. 	CSWO	Apr-23	Programme in place September 2023	Clarity in relation to what good looks like and a body of positive evidence	Case audit 85 percent adequate or above.		Practice standards in place which articulates what good looks like. Audit programme in place and beginning to evidence practice improvement - most recent audits showing all cases had assessment and management oversight. Learning loop from audit still needs to be embedded and further work required on understanding the data now being captured at the frontdoor - hence this is amber.	Practice Standards finalised and implemented and will be part of performance measure reporting and included Development Days scheduled.	
<p>Manager oversight from CEC manager on all case decisions in place</p> <ul style="list-style-type: none"> Ease note type will be used for management oversight Nothing will be closed or passed to a practice team without manager signing this off. 	HOS Early intervention	1st March 1st April	On going Review effectiveness June 2023	Consistency of decision making	As above	All actions now outcome by a manager	Additional team leaders now recruited. All actions outcomes by a manager. Audit will now be used to ensure this remains consistent	Practice Standards finalised and implemented and will be part of performance measure reporting.	
<ul style="list-style-type: none"> 2 additional staff to be added to the team in the short term to ensure that all contacts can be managed within the week on duty process. The permanent structure of the team will be enhanced by 6 social workers and 2 student placements in addition to the current senior practitioners in place. This will be done from existing social work establishment as a stronger front door will significantly reduce the amount of work going through to practice teams. Initial data shows that currently only 8 cases per week are moving through. This data will need on going weekly monitoring. 	HOS Early intervention	April 2023 April 2023	September 2023 September 2023	Children get a timely response which supports prevention.	Reduction in work going to practice teams No cases on a wait list Decisions making within 24 hours	Bridging team have added another manager to the team so there are 2 managers in place which is providing additional support and supervision to the team. This post needed to be added to the structure as a permanent post and to provide progression opportunities for staff in the	Completed HOS now in post as of 7th August. Practice change has happened and no child is closed without manager sign off. Audit programme will be used to ensure continued compliance.	Practice Standards finalised and implemented and will be part of performance measure reporting. This work is under further review to provide assurance of compliance.	
<ul style="list-style-type: none"> Recruitment campaign which focuses specifically on the front door to be put in place to recruit permanent staff for both children's and adult services. This will include (and be an opportunity to test) :- 1. A new brand for social work in Edinburgh – Working for Edinburgh Children 2. Recruitment specific microsite 3. Open days with director input and an opportunity to meet potential colleagues and see the offices. 	As above	Apr-23	Sep-23	Front door resilient and well-staffed	Reduction in cases which transfer to practice teams Reduction in staff sickness	Initial open day planned for 3rd May. Comms plan in development for revised campaign.	Successful recruitment at team leader level with high demand for these posts but 5 social work vacancies remain	Reallocation of cases work and wider service review. Ongoing Absence Support Panels held at Senior Management Level and part of monthly performance reporting to HOS. Active recruitment continues with support from HR colleagues.	-34% -47%
<p>Assessment pod in place as a test of concept model</p> <ul style="list-style-type: none"> Rod is currently live and has reduced significantly the amount of work going through to the practice teams. Weekly monitoring of this approach is now in place and an options appraisal report will be developed when the team has been in place for 12 weeks. 	HOS Early intervention - Change project lead	Mar-23	May 2023 - formal review	Early support and assessment in place which links to community capacity	Reduction in work going to practice teams No cases on a wait list		The assessment pod has supported 269 children. All have been responded to in 24 hours and have had an assessment completed withing 45 days. Of this group 61 have needed support from the locality teams and 156 have required no ongoing support from social work the rest are supported short term by the assessment pod. All children have been seen alone.	This is part of case reallocation and further review of demand and capacity to ensure right people in right place. Practice Standards are used to monitor workflows.	
<p>Weekly tracking data in place</p>	HOS Early intervention - Change project lead	Apr-23	May 2023 - formal review	Better understanding of need and demand that can be used to inform commissioning and resource allocation	Weekly spreadsheet used at performance management meetings	Data pack developed and in place – beginning to demonstrate reduction in work being passed to the practice teams	11/08/2023 completed and weekly data now moved to monthly progress report from swift rather than weekly manual collection.	Reviewing in line with case reallocation and service review to give assurance re ongoing compliance.	
<p>Partnership Whole family support plan in place</p>	HOS Early intervention - Change project lead	Feb-23	Dec-23	Children and their families get earlier support.	Reduction in children who need social work support Reduction in repeat referrals Increase in numbers of GIRFEC plans in place.	Plan in place and agreed by the partnership – funding secured and team out to advert.	Partnership transformation post now recruited to and will support Head of Service.	Postholder developing strategy with partners and Whole Family Wellbeing fund open to application (January 2024)	
<ul style="list-style-type: none"> Interim manager in place to provide additional support Grade 12 advert out week beginning 27th February Interviews week beginning 27th March 	Exec Director	Mar-23	Sep-23	Additional leadership in place to develop robust early support	Less children require social work support	Interim in post March 2023	Completed Permanent head of service in place 7th August.	Now complete	

Options appraisal report to move to an integrated front door in place this to include :- -Review the existing contact centre arrangement Development of operational manual to embed consistency approach and thresholds applications -Development of Integrated Front Door including Adult Social Care and stakeholders to enable collective decision making -Development of Social Care Direct practice and performance framework -Development of Assessment and Child in Need teams to ensure the children's needs are assessed and identified at the earliest opportunity in order to provide appropriate support and intervention. This will help the service to reduce re-contact and re-referrals and avoid drift and unnecessary delay -Development of robust Management	Change Project Lead	Mar-23	Aug-23	Ensure we build our model based on best practice across the country	Report presented to CLT		Project initiation document agreed by Corporate Leadership team. Project manager in place. Project now being monitored as part of the Change Programme.			
Full allocation model in place Review all current waitlist cases and allocate in line with need -This is dependent on additional audit capacity	HOS Practice Teams	Mar-23	Jun-23	All cases on wait list have been allocated	Audit reports in place	we have identified a number of additional audit staff – 2 will start in March and will begin to audit waitlist cases in the north of the city. Senior manager has ensured all waitlist cases have management review and oversight and is working to full allocation.	Whilst caseload averages remain reasonable there is significant variation across the teams and individual team members. There are a number of staff members who have reduced caseloads due to ongoing health issues which will require more support. Additional resources are being moved to the assessment team to ensure children in need are supported in a timely manner. Initial referral discussions will now be managed in a dedicated team and those children needing an annual financial review of their kinship placement will also be supported by a dedicated resource.	Cases being reallocated to enable this to happen and additional resource being sought to cover staff vacancies.		
Cease dual allocation to team leaders and managers -Current data on case numbers is inaccurate – exercise need to be undertaken to make this accurate. All teams have been asked to complete a data exercise to clarify numbers on current caseloads and the nature of the cases -This will then clarify the number of social workers required to ensure purposeful practice and manageable workloads (no more than 22 children and 15 for those in their first year post qualification)	HOS Practice Teams	Mar-23	May-23	No cases are allocated to a manager	Case load lists	A caseload exercise has been undertaken. Average caseloads are currently 14.5 based on the data provided.	There are still a small number of children allocated to team leaders but this is temporary as their new social workers are coming into post.	Onboarding progressing, further adverts out for recruitment to vacant posts.		
Revise and re model current duty system leading to allocation by locality -This is dependent on the completion of the assessment pod and caseload data identified above. -Working group with all levels of staff represented to devise the new model	HOS Practice Teams	Mar-23	Aug-23	Children have a social worker they are able to build a relationship with and not have to tell their stories multiple times	All children have an allocated social worker		Draft structure developed and managing change process about to be initiated.	Discussions with trade union colleagues to discuss change management process to commence in November 2023		
Re allocate resource between teams to support capacity for full allocation – once the work above has been completed. Case audits and QA	HOS Practice Teams	May-23	Sep-23	As above	As above		on track- additional staffing moving to assessment team to support early action and intervention.	Subject to further review in line with case reallocation of child protection cases and will be brought into wider service review.		
Audit a sample of children on the CP register	CSWO	Feb-23	Mar-23	The quality of practice is understood and we are able to evidence continuous learning and improvement. We are able to identify and celebrate good practice	Audit monthly report Audit action tracker	Plan in place and audit activity re launched in Feb 2023. Moderation, tracking and learning plan needs to be established and embedded.	Completed – audit programme in place and quality assurance framework that includes self-evaluation being developed with managers for full rolled out in September.			
Audit a sample of edge of CP cases	CSWO	Apr-23	Jun-23	As above	As above		24/07/2023 - audit of all children with a CP plan completed and actions for children added to tracker for follow up.			
Audit a sample of CIN cases	CSWO	Apr-23	May-23	As above	As above		24/07/2023 completed and report completed - actions added to tracker for follow up			
Audit a sample of transition cases	CSWO	Apr-23	Jul-23	As above	As above		24/07/2023 completed and report completed - actions added to tracker for follow up			
Audit a sample of through care and aftercare cases	CSWO	Apr-23	Jul-23	As above	As above		24/07/2023 completed and report completed - actions added to tracker for follow up			
Audit sample of emergency reception into care	CSWO	Apr-23	May-23	As above	As above		24/07/2023 completed and report completed - actions added to tracker for follow up			
Monitor and coordinated support for the ESS/RES Consolidated Improvement Plan and the transition from targeted intervention to BAU	HOS Corporate Parenting	Aug-22	ongoing	Children and young people are able to be looked after locally in a placement that is stable and meets their needs.	Improvement board reports demonstrate on going improvement	Improvement board in place since to monitor progress. Reporting in place to each ECF committee. Who Cares give an external review from a child perspective and they are identifying significant positive progress. On going CI programme in place.	27/07/2023 Ongoing. There is also oversight provided to the Children's Services Multi-Agency Quality Assurance (MAQA). This includes service feedback as well as analysis and response to CI reports. Report to each committee on progress	Work progressing well, update to committee scheduled.		
Develop a document and evidence library	Ops Manager	Apr-23	Jul-23	We have a library of good practice, an evidence base for all aspects of our self-assessment and improvement plan.	Document and evidence library in place and accessible.	Request made to add page to Orb and information being gathered for going live date.	In progress Quality Assurance Team are collating documents for next inspection as part of inspection planning. Examples of good practice are being captured in audits and examples where possible are reported to committee in the business bulletin.	Repository now live on the Orb and communication sent out to all staff - Complete.		
SCIM team to take forward the next stage of the review of historic ESS cases	CSWO	Apr-23	Sep-23	Children who may have been subject to historic abuse in our care are supported to tell their story and all appropriate action has been taken	Review reports	External review of possible cases has been commissioned and this is linked to national enquiry. We are now working on a potential redress scheme.	work is ongoing but is delayed pending legal and insurance advice on options in relation to possible redress.	Legal and Insurance advice still pending.		
Section 25 case review completed and improvement plan in place	CSWO	Feb-23	Apr-23	Ensure that children who are cared for but not on an order are in the appropriate place and all family / kinship options have been considered	Review report and action plan in place	Review now completed – child level planning in place – strategic governance systems being developed.	Initial review completed and plans in place for those children. Reviewing office manager has been continuing to review children subject to being looked after under section 25. This cohort of children are now to be tracked to ensure permanence planning is progressing.			
Implementation plan for full QA model in place – including each team having their own improvement and QA plan	CSWO	Mar-23	Sep-23	We have a robust understanding of the quality and impact of our practice.	Audit reports Each leader has their own line of sight plan Annual CSWO report	QA framework now developed. Launched with teams April and May for them to then develop their team plans.	Full launch in August and renewed self evaluation to be undertaken in October			
Children's Services and Justice Senior Management Teams will engage in the development of an annual programme of audit	CSWO	Mar-23	May-23	We understand the quality of our practice, have a learning loop in place and capture and build on best practice.	Annual plan in place Evidence of continuous improvement	Draft plan in place	Audit plan in place linked to Quality Assurance Practice Learning Framework, self-evaluation and supervision policy and procedure			
Review complaints process and resource and ensure learning from complaints.	CSWO	May-23	Sep-23	People are listened to, we learn from what complaints are telling us and any themes.	Learning from practice and reduced complaints		24/07/2023 Complaints being looked at regarding resource - QA team focus has been in relation to auditing, and so to change focus on learning from what children and young people are telling us about the service			

Self-assessment in place and agreed with partners	CSWO	Mar-23	Jun-23	Staff and partners are able to articulate where services are strong and what improvement needs to happen. They own the improvement	Self-assessment in place ratified through the partnership and frontline sessions. Each team has their own version of the self assessment and plan.	Staff engagement and self-assessment events planned April and May.	24/07/2023 self-assessment planned in April and May moved to October given improvement plan and Launch of new ways of working / practice standards in August to ensure self-evaluation can provide more reflection of progress.		
Residential improvement plan •Current demand for placements is exceeding supply – emergency measures have been put in place to mitigate this and an ongoing placement sufficiency plan in development.	HOS Corporate Parenting	Mar-23	Jul-23	Children and young people are able to access placements that meet their needs locally	Number of children placed at a distance, placement stability is strong.	Weekly meetings in place – action plan re UASC, in place, governance systems in development, test project with housing in place. Capacity has now improved and enabled children to move back to the city. Tracking system now needs to be embedded.	27/07/2023 Agreement made to review the Senior Management Review Group (SMRG) that meets very second Thursday to review requests for Out of Authority Placements Review of Family Based Care Intake procedures has begun. The new process for care placements will be work flowed and recorded on SWIFT, allowing for reporting. The new process will require more detailed information regarding the reasons why care is required and what the exit strategy is to return the child to their family. Work to provide throughput of young people in our care is beginning to create capacity. As well as new strategies for supporting UASC population, we have also reviewed the use of our in house provision to better meet need. Numbers of children in our care, in out of area residential and in secure are safely reducing.	Children and families strategy to ensure all ch/yps can remain living in Edinburgh with their family or local community, with a plan to expedite ch/yps plan to return to Edinburgh from out of area residential and foster care arrangements as safe and appropriate.	
Supervision recording and improvement • Case supervision to be recorded on a child's file in the specific case note tab so reporting is enabled. • Currently supervision focuses predominantly on staff welfare and not case management and case reflection. Leaders of practice across all areas of services need training and support to ensure effective supervision is in place. Therefore training will be commissioned and mandatory for all staff in a management role.	HOS Practice Teams	Apr-23	May-23	Drift and delay is minimised	Monthly report in place Annual supervision survey		Completed - supervision/ manager consultation tab added to swift. Practice standards rolled out which now has supervision case record recording	Will be part of monthly reporting performance reports	
• Supervision policy will be revisited to ensure all staff have at least monthly supervision with those in their first year in practice at least fortnightly. Supervision policy will be revisited to ensure all staff have at least monthly supervision with those in their first year in practice at least fortnightly.	CSWO	Mar-23	Oct-23	Managers are able to effectively support reflective practice and children get support that makes a difference and delivers positive outcomes.	Monthly report in place Annual supervision survey	SG Chief social work officer asked for support to identify effective development programmes in these areas.	Practice standards launched on 10th August contain requirements in relation to supervision. Supervision policy update is in progress and on track for launch date/ training in October. Corporate learning and development to support with supervision training	12/10/2023 On track and Progress has been made in developing a Trauma informed supervision model that incorporates personal and child's case management. Roll out and training is being planned for Nov/December - Trauma Lead is supporting with this.	
•Supervision policy will be revisited to ensure all staff have at least monthly supervision with those in their first year in practice at least fortnightly. Supervision policy will be revisited to ensure all staff have at least monthly supervision with those in their first year in practice at least fortnightly.	CSWO	Apr-23	Aug-23	As above	As above		24/07/2023 Supervision policy update is in progress and on track for launch date and training in October.	12/10/2023 practice standards in place for supervision frequency and audits and learning from audits in place. Feedback regarding Trauma informed supervision model and approach being sought from Managers in October and training has been planned for November and December with Trauma lead supporting.	
Howden Hall options report in place to establish an emergency placement and intensive edge of care provision in place.	HOS Corporate Parenting	Jan-23	Jun-23	Edge of care and emergency resource is in place to prevent emergency admission to care which is currently 75%	Reduction in numbers in care and emergency placements.	Formal project in place as part of the change programme	27/07/2023 ESS is now closed as a Secure Unit. The Care Inspectorate are indicating a timeframe of 6 months from conception to approval for the re purposing. Initial actions re Registration are in place and we expect a dedicated Inspector to assist us with Registration soon.	Further to Committee detailing progress made, reliance on partners re physical changes to the building being progressed through CLT.	
2. Building a Platform for Success									
Action	Lead	Start	End	Outcome	Evidence	Progress			
Consideration of the development and embedding of a recognised practice model	Service Director / CSWO through the Child Protection Committee	Oct-23	Mar-24	Edinburgh will have a collaborative recognised practice model that helps make sure that children, parents and family are at the centre of the assessment and any decision making, with a rigorous focus on child safety and wellbeing. There is potential for CEC to adopt the signs of safety model as a practice model instead of child protection conferences.	Improved Practice and assessment of children's needs with more co-production and direct work with children young people and families. Demonstrated in quality assurance case file audits reduction in complaints. Improved assessment of children's needs performance data. This fits without family group decision making approach, the UNRCR. The Promise and strengths based work. It is also known to secure better outcomes for children and young people through trauma and challenge	Early discussions are taking place with the partner agencies to map out the need/timing for a wider stakeholder consultation and scoping plan.			
Establish a governance structure for this plan which includes an improvement board with an independent chair •Independent chair appointed •Board in place with care inspectorate and who cares as full members. •Frontline practitioner board also in place with 2 seats on the improvement board. Consideration of Trade Union membership	Service Director	Jun-23	Sep-23	Plan on track	Reports to IB	Requests for frontline board out. Existing IB in place for residential care.	Independent chair of the Child protection committee in post. Re formatted improvement board now managed as part of the change programme. Who Cares independent advocacy, Care Inspectorate and Independent Chair of CPC will all be members. Agenda planning meeting 28th August 2023.	Monthly CPC meetings in place, CP self evaluation completed in timescales given and reports to Chief Officers Group - Public Protection	
Establish and enhance improvement resource and office of CSWO •Separate the CSWO from the Service Director post to provide additional capacity and also separation of quality assurance from the responsibility for practice management. •Review the capacity in the QA service given the needs in both adult and children's services •Ensure an annual QA plan is in place in both adults and children's services	Exec director	Mar-23	Sep-23	Ensure we have capacity in place to support social work improvement across adult and children's services.	Report to Council	Agreement in principle in place report required to Council and then recruitment process. CSWO post currently being led - update June 2023 post agreed through full council and recruitment process in place - target for approval of appointment to September full council	Completed Recruitment process in place - final interviews 29th July 2023.		
Recruitment campaign •Develop a rolling annual recruitment plan for social work in Edinburgh informed by the work outlined above in relation to the front door.	CSWO	May-23	Sep-23	Staff are able to make effective relationships with the people they work for which support change and positive outcomes.	Caseloads remain in tolerance evidenced in weekly reporting.	Recruitment and retention short life group established	There is now a recruitment program in place, and this is resulting in localised and central recruitment. With a rolling program of recruitment events held in collaboration with HSCP. Two held since April. We had 24 vacancies across the Practice teams - we now have 2. There is also a grow our own initiative in place with implementation of the HSCP social work student hub, roll out to children's for next cohort of students. We have recruited two full time Practice Educators to provide intensive support. They will take several final placement students each year and look to retain these students until they finish their course and join as social workers. First year students will also be taken, with final placements sought in the third sector in Edinburgh to again encourage recruitment into the workforce. We have successfully sponsored seven City of Edinburgh employees from across HR&SC, C&F and CJ to undertake Post graduate Social Work Course beginning in February 2024. These successful candidates will return to Edinburgh council as social workers on completion of their course. All newly qualified social workers will have a supported year in employment to ensure retention.		

Establish an effective communication strategy to support the re launch of social work in Edinburgh to include :- •Weekly CSWO blog •Monthly newsletter for partners •Re-establish face to face pride in practice events •Establish a regular pattern of learning events	CSWO	Jun-23	Sep-23	Staff feel informed and included	Feedback at events	Townhall events in place Comms development group in place.	weekly learning and development CSWO blog will be created once CSWO recruited in permanent position. training needs analysis and training plan to be developed by QA/ L&D. Development day held on the 10th August. Draft comms plan in place.	12/10/2023 Progress being made improving communication , corporate colleagues supporting with newsletter with a learning and development focus. Photographs of Both CSWO and Service Director now both in post achieved. Visits out to teams planning being completed. Planning for learning events stalled due to capacity in learning and development and business case regarding more capacity in this area being written.		
Develop a workforce strategy which includes actions to improve:- Student placements and joint appointments with universities (option to buy into the newly created HSCP Student Hub, or develop a city wide hub – centre of excellence that celebrates students and PE as part of wider Learning Culture). Recruitment – specifically development of a new brand for SW in Edinburgh, new advertisement and rolling recruitment process. Develop from your own qualification routes Induction – consider social work academy models used successfully in other local authorities. Career development – this is dependent on the structure review identified below Succession planning – as above Mandatory training – to be reviewed	Service Director	Jun-23	Nov-23	Stable workforce who feel included and supported to deliver effective outcomes for the people they serve.	Workforce data considered at monthly performance meetings	Practice educator payments have now been increased to £1000 which has expanded the pool and is comparable with other Local Authorities. Pilot in place for Open University grow your own scheme and costings being developed for a wider scheme as interest in this is high. Initial interest for a post-graduation grow your own programme has seen 18 coming forward for 2 places.	see above	Part of the wider service review ensuring we have pathways of progression for social work assistants to social workers and to support students in placements.		
Ensure all policies and procedures are up to date, relevant and understood. •Develop an on line policy and procedure directory •Each policy to have an owner who is responsible for an annual refresh of the policy •Understand of an adherence to policy to be reviewed via monthly audit and QA and learning and development highlighted by audit put in place.	Service Director & CSWO	Mar-23	Dec-23	Staff feel safe to practice, children and their families are clear on their rights and get consistent and good quality support.	Audit reports and QA activity	Initial review in place and baseline established. Corporate support agreed	On-going work to update all policy and procedure. Discussions have taken place with Try-ex . A company who are wanting to develop a procedures and protocol web based support hub in Scotland which pulls all National Policy Procedure and guidance together in one place.	Dedicated leads identified to support this work with anticipated completion date on track.		
Develop and begin working to practice standards •Draft practice standards for consultation circulated 7th November •Working group in place •Standards launched •Review	CSWO	Nov-22	May 2023 launch and review November 2023	As above	As above	•Draft practice standards for consultation circulated 7th November •Working group in place •Standards in final draft stage currently.	Practice standards have been rolled out a development day with all managers and team leaders, and will continue to be embedded and monitored via quality assurance activities. Delay in launch as awaiting new service director and senior team coming into post.	Compliance will be part of the monthly performance reports		
Develop performance tracking and weekly reporting against the practice standards	CSWO	May-23	Review November	As above	As above	As above	In progress and also looking at Scottish Government new data request. launch date			
Enhance the use of swift to improve performance data and weekly reporting •Re-establish the use of case note types •Team leaders to do a monthly recording check list on all files	CSWO	Mar-23	Jun-23	Effective recording in place so children can understand their stories. Performance data to support improvement in place.	Performance reports in place	Casefile check list is in place.	On-going work with Data support and business support to ensure we have a data set to be able to monitor progress. Balanced with no incurred costs given move to new operating system which will provide improved data and performance reports.	On-going work in relation to data cleansing and ensure correct data to enable improved performance reporting. In the transition from SWIFT to new operating model Some performance reporting is needing to be undertaken via excel in the interim such as permance tracking and promise brother and sister data.		
Build a business case for swift replacement and delivery plan.	Service Director	Jan-23	May-23			Full project plan in place as part of the Change Programme	The Business Case for the replacement system was approved at R&F on the 20th June 23. We will now move into the due diligence stage with the preferred vendor. Delivery plan for next steps to be devised, CGI need to be part of this and it will be discussed at SWIFT board replacement Model on 28th June 23. Further paper to be presented to R&F and full council Autumn 23 with plan to commence work with the new provider Jan24	This work is being led by Improvement Partner and Head of Customer and Digital Services. Business Case completed for additional resource within the directorate to undertake tasks required. Report going to Committee shortly on current position.		
3. Owning the Change										
Action	Lead	Start	End	Outcome	Evidence	Progress				
Re launch social work with children in Edinburgh – all staff events to launch the new vision, standards, workforce support	Service Director CSWO	Apr-23	Nov-23	Clarity of role and ability to deliver effective outcomes for children	QA reports demonstrate continuous improvement and learning.	Initial launch events in the diary	Re-launch day held in August which was positive and regular bi-monthly sessions to be set up to ensure continued development.	Dates in the diary for continued bi-monthly sessions with relevant stakeholders.		
Establish frontline practice boards and working groups	Exec Director	Mar-23	Jul-23	Clarity of frontline issues in place	¼ meetings with Exec Director and part of IB	Managers asked to nominate staff for the board	CSWO setting up Practitioner Boards to ensure improved frontline practice issues.			
Deliver the review of through care and after care	HOS Corporate Parenting	Mar-23	Mar-24	Young people get consistent support until 26	Reduction in the number of young people supported on duty.	Initial scoping paper in place	27/07/2023 Business Plan to advance an Organisational review of TCAC is near completion - this will be done when Mark Crawford returns from sickness on 07/08/2023. The Champions Board has reviewed what TCAC should be from a service users perspective and we anticipate a decision at the TCAC service.	Work progressing well, recent positive inspection report encouraging. Continued reporting to Committee and informing elected members on inspection outcomes.		
Devolve budget holding to line managers	Service Director	Oct-23	Mar-24	Budget decision making is made closer to children to ensure more efficient use of resources	Budgets are managed without overspend	Work in place to clarify spend and impact in a number of areas for example, external placements.	Service Director reviewing budget and looking at proposals on track for Mar 24	Forms part of the wider service review and linking with Internal Audit findings.		
Consult on structure review to ensure appropriate supervision ratios and capacity to have full allocation in place.	Service Director	Aug-23	Jan-24	Stable workforce who feel included and supported to deliver effective outcomes for the people they serve.	Caseload data Outcome data for children and young people			This is instrumental in informing the need for reallocation of child protection cases and wider service review. Trade Union consultation and proposed review commence in November 2023		
Undertake a service review of out of hours	Service Director	Aug-23	Mar-24	OOH practice is good	Audits evidence good practice.			As above, this is part of the wider service review and will link in with HSCP and plans for an integrated front door.		
4. Embedding and Innovating										
Action	Lead	Start	End	Outcome	Evidence	Progress				
Leading practice programme to be developed based on the leading for equity approach successfully used in schools	CSWO	Oct-23	Jul-24	Supporting and developing leaders and systems in creating conditions for learning that “interrupt historically discriminatory practices, supports democracy and achieves fair, inclusive, and just outcomes.”	Improved learning environment that caters for all and creates system leaders. A workforce that have a voice in discussions and contributions and ability to learn through reflection and critique A workforce that has access to learning and development. A workforce with measurable achievements and defined measurable outcomes.					

Monthly audit and practice improvement cycle in place and evidence of impact, this highlights areas for review and innovation	CSWO	Mar-23	Ongoing	Continuous improvement in place – audit ratings improve month on month	Monthly report		manager and quality assurance team audit program in place and revised monthly report		
Review of the rest of the residential estate to ensure we have access to placements which meet the needs of children to be cared for and then effectively move on from care.	Head of Corporate Parenting	Sep-23	Mar-24		Sufficiency strategy in place		Howden Hall being re modelled as an emergency reception into care offer. Revised pathway to ensure unaccompanied asylum seeking children are supported appropriately is in place. Consideration being given to re modelling another of the houses to support moving into independence.	Repurposing of Howden Hall continues. The Care Inspectorate are now involved in assisting with registration elements. A review of the fabric of current residential accommodation has been completed. One building is nearing the end of its lifespan and a business case will be submitted regarding funding for a replacement in the coming years. Analysis indicates we have more older children staying in our residential care and we are developing a strategy to consider dedicating one children's residential house to young people aged 18+. A new information system will allow us to analyse the needs of children more efficiently than we can currently achieve and this will allow us to develop the current care strategy to meet children's needs better.	
Ensure an effective multi-agency contextual safeguarding policy, procedure including our response to children who go missing and child exploitation. Refreshed training / briefings.	Service Director	May-23	Dec-23		Audits evidence good practice.		Policy and Procedure being updated. Multi-agency discussions taking place in CPC.	This will be informed by the new Child Protection guidance.	
Improved child focussed understanding of safe and together approach to domestic abuse - refreshed training/ briefings from audit findings	Service Director	May-23	Dec-23		Audits evidence good practice.		Refreshed training to ensure child is seen as a priority is being developed by L&D.	Currently under review by the Child Protection Committee as multi-agency funded.	

This page is intentionally left blank

Governance, Risk and Best Value Committee

10.00am, Tuesday, 16 January 2024

Millerhill Energy from Waste Plant: Heat Interchange Unit

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 Governance, Risk and Best Value Committee is asked to note:
 - 1.1.1 This update on the cost of the development of a Heat Interchange Unit at the Millerhill Energy from Waste site; and
 - 1.1.2 That six monthly updates on the project will be provided for Committee, starting from August 2024.

Paul Lawrence

Executive Director of Place

Contact: Lesley Sugden, Contract Manager

E-mail: Lesley.sugden@edinburgh.gov.uk | Tel: 0131 469 5764

Millerhill Energy from Waste Heat Interchange Unit

2. Executive Summary

- 2.1 This report responds to an action agreed by the Council for a report to Governance, Risk and Best Value Committee to allow scrutiny of the increase in costs to date associated with the construction of a Heat Interchange Unit (HIU) at the Millerhill Energy from Waste (EfW) facility. The Council also requested updates on progress every six months, and these will be provided from August 2024 onwards.

3. Background

Millerhill Energy from Waste Facility

- 3.1 The Millerhill EfW facility was constructed between 2016 and 2019 under a Design, Build, Finance and Operate Contract (the Project Agreement) procured between the Council and Midlothian Council (with the Council as lead Authority) for the disposal of residual waste.
- 3.2 The Council, for itself as Lead Authority and on behalf of Midlothian Council, signed a contract with FCC (E&M) Limited in 2016 for the disposal of residual waste which also involved the construction of the Millerhill EfW facility. FCC will operate the plant for 25 years then return the facility to the Councils'. This is year four of operations.
- 3.3 The facility accepts up to 135,000 tonnes of residual waste from the Council and Midlothian Council, with the City of Edinburgh Council providing around 85% of the input. The capital cost of the facility was £136.9 million which was funded by FCC (the Contractor), with a £36.9 million contribution from the Councils, comprising £29.5m from Edinburgh and £7.4m from Midlothian. The Councils repay the capital cost through a "gate fee per tonne of waste delivered" which also covers the operation and maintenance of the facility. At the end of the Contract Project Agreement, the Councils will own the facility.
- 3.4 The current blended 'gate fee' is approximately £94/tonne, which is below the average Energy from Waste gate fee reported by UK local authorities in 2022 of

£103/tonne¹. The total cost to the City of Edinburgh Council in 2022/23 amounted to £9.8m.

- 3.5 The Councils also receive a share of third party income generated from the sale of energy and third-party gate fees. FCC receive a guaranteed minimum as set out in the project agreement, with additional income shared equally between FCC and the Councils. The Councils' share is then subdivided in proportion to the level of waste generated by each Council. A breakdown of income received to date is provided below:

Table 1: Analysis of Third Party Income

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
3 rd Party Gate Fees	3.88	5.09	5.42	5.70
Energy	4.90	4.13	5.25	16.64
Other Sales	0.07	0	0	0.05
Total	8.75	9.22	10.67	22.39
FCC (Guaranteed Minimum)	8.75	9.22	10.66	10.60
FCC (Gainshare)	0	0	0.006	5.90
CEC (Gainshare)	0	0	0.005	5.01
MLC (Gainshare)	0	0	0.001	0.88
Total	8.75	9.22	10.67	22.39

- 3.6 The plant operates under an Environmental Permit (PPC) regulated by SEPA (Scottish Environment Protection Agency). The requirement to connect to a heat network is a condition of the facility's PPC, without which the facility cannot operate.
- 3.7 A heat network is now being developed by Midlothian Energy Ltd (a joint venture between Midlothian Council and Vattenfall) adjacent to Millerhill EfW plant to service Shawfair.
- 3.8 As the facility has been built as a combined heat and power plant to comply with the PPC, there is potential to transfer heat from the facility to the Shawfair heat network through the development of a HIU. A Heat Supply Agreement was signed between FCC and Midlothian Energy Limited in November 2022, but this cannot take effect until FCC has confirmation from the Councils that the HIU will be provided. Payment terms for the supply of heat form part of the Agreement. These ensure that FCC is no worse off than they would be had they sold power alone (a requirement of the EfW contract between the Councils and FCC is that the Contractor can maintain the base case such that it does not need to increase the unitary charge for waste processing). The Council has engaged independent technical and legal advisers to ensure the terms of the Heat Supply Agreement are in accordance with the EfW contract.

¹ Source: [WRAP Gate Fees Report 2022/2023](#)

- 3.9 As required by the Contract Project Agreement, as the Councils own the facility, FCC approached the City of Edinburgh Council (as Lead Authority) to provide the capital funding to allow the construction of the HIU.
- 3.10 The cost of development of the HIU is shared between the City of Edinburgh Council (80%) and Midlothian Council (20%), in accordance with the Inter Authority Agreement which governs the EfW contract.

Actions from the Council – 2 November 2023

- 3.11 On 2 November 2023, the Council considered a [report](#) seeking approval to increase the level of prudential borrowing to deliver a HIU at the Millerhill EfW facility. This report was referred to Finance and Resources Committee for approval and was duly approved on 21 November 2023.
- 3.12 In considering the report on 2 November 2023, the Council requested a report to Governance, Risk and Best Value Committee to allow scrutiny of the increase in costs to date, with regular updates on progress of the project to be provided to Committee every six months.

4. Main report

Financial Assessment of the Preferred Bid

- 4.1 On 22 September 2022, the Council [approved](#) capital expenditure totalling £5.2m through prudential borrowing (£4.16m to be met by the Council, £1.04m by Midlothian Council) to pay for the addition of plant/equipment at the Millerhill EfW facility. This was to enable the facility to comply with its PCC and to provide heat to the Midlothian Energy Heat Network.
- 4.2 This report outlined the arrangement between FCC and Midlothian Energy Limited and explained that FCC had sought competitive tenders for the design and build of the plant/equipment that will make the link from the facility to the network, namely the HIU and associated pipeline.
- 4.3 Two quotations were received and, following technical and financial evaluation, a recommendation to proceed was made to the Council. This was based on the lowest cost bid.
- 4.4 The report highlighted that the quotations were indicative, and subject to a detailed design stage, once the preferred supplier was identified.
- 4.5 The report also outlined the tendering process which FCC had followed and confirmed that the Council had undertaken its own technical due diligence of the preferred bidders' submission.

Update – October 2023

- 4.6 Following a prolonged period of updating and refining their proposal, the preferred bidder provided a revised price which resulted in FCC reporting an increase in costs

to £8.3m. Alongside the refinement of the bid, FCC undertook an assessment of robustness of the technical solution offered.

- 4.7 At the conclusion of this, a review of the bid submitted by the other bidder (adjusted to take account of the passage of time) was undertaken, and it became clear that the preferred bidder was no longer the lowest cost bid.
- 4.8 FCC then began negotiations with the alternative contractor for the design and build contract.
- 4.9 As noted in paragraph 4.7, to take account of the passage of time, the alternative contractor was asked to review their original bid and to confirm the current estimated costs for the works. The primary reasons for the increase in these costs from their original submission are:
 - 4.9.1 Inflation; and
 - 4.9.2 The introduction of a requirement to complete the connection works pipeline (which, in 2022, was assumed to be delivered separately from this build contract).
- 4.10 For information, in addition to the cost of inflation, the original preferred bidder's cost increases (which led to the review of the overall cost due to them no longer being the lowest cost bid) included inflation, clarification of the scope, and other factors.
- 4.11 Based on these negotiations, the latest estimate to deliver the project is £7.4m, plus a contingency of £0.5m, meaning a total estimated cost of £7.9m. This means the Council's estimated contribution will be £6.32m, an increase of £2.16m on what was previously approved.
- 4.12 On 21 November 2023, Finance and Resources Committee [agreed](#) the increase in prudential borrowing to meet the Council's share of the total cost of the project.

5. Next Steps

- 5.1 Construction of the HIU is scheduled to commence in the first quarter of financial year 2024/25. Costs will be closely monitored to ensure that they align with the approved funding.
- 5.2 The first progress update on the delivery of the heat off-take unit in August 2024.

6. Financial impact

- 6.1 As noted in paragraph 4.1, in September 2022, the Council agreed Prudential Borrowing of £5.2m (£4.16m to be met by the Council, £1.04m by Midlothian Council) to pay for the addition of plant/equipment at the Millerhill EfW facility.

- 6.2 Following a prolonged period of negotiation, the total cost of the development of the HIU has increased, with the cost now estimated to be £7.9m, of which 20% (£1.58m) will be met by Midlothian Council.
- 6.3 The net requirement from the City of Edinburgh Council is £6.32m.
- 6.4 The loans charges associated with the Council's 80% share over a 20-year period would be a principal amount of £6.320m and interest of £4.249m, resulting in a total cost of £10.569m based on an assumed loans fund interest rate of 5.25%. This represents an annual cost £0.528m.
- 6.5 Prudential borrowing has been approved by the Council for this, to be met from the Council's share of third-party income generated by FCC at the Millerhill plant.
- 6.6 Although it is not anticipated that the heat offtake unit will result in additional income, it is considered appropriate that existing income is earmarked towards this investment. This is because both capital expenditure obligation and third-party income arise from the same contract, and neither were budgeted at the time of the September 2022 report. A summary of the financial impact is included in the table below:

Table 2: Millerhill Energy from Waste Plant Heat Offtake Unit - Financials

Capital		£
Estimated Cost from Contractor		7,400,000
Contingency		500,000
Total Capital Cost		7,900,000
Less 20% contribution from Midlothian Council	-	1,580,000
Capital Cost to be met by the City of Edinburgh Council		6,320,000
Revenue Impact - 2025/26 Onwards		
Estimated annual Income from Millerhill Plant (the City of Edinburgh Council's Share) ²		1,700,000
Less: Annual prudential borrowing costs associated with heat offtake unit	-	528,000
Net income available to meet Council budget pressures		1,172,000

² Estimate based on latest information from FCC

7. Equality and Poverty Impact

- 7.1 The HIU will enable the provision of heat to the new Shawfair town on the outskirts of Edinburgh, reducing reliance on fossil fuels. This heating solution also provides energy security and protects consumers from the volatility of fossil fuel prices.

8. Climate and Nature Emergency Implications

- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

Environmental Impacts

- 8.3 The development of a heat network is a vital component in maximising the environmental efficiency of the facility, and minimising the climate impacts of managing waste, and so contributes to the delivery of the Net Zero 2030 target.
- 8.4 Wider environmental benefits would be expected to accrue as there would be an equivalent reduction in the use of energy supplied by other sources, which would have its own environmental impact regardless of whether that is sourced from renewable or other sources.
- 8.5 According to Zero Waste Scotland, converting electricity-only EfW plants to Combined Heat and Power (CHP) systems is estimated to reduce their carbon intensity by 30% (source: [The climate change impacts of burning municipal waste in Scotland, Zero Waste Scotland, June 2021](#)).
- 8.6 Generating both heat and electricity improves the efficiency of the plant, compared to electricity only. According to Zero Waste Scotland, converting electricity-only EfW plants to CHP systems is estimated to reduce their carbon intensity by 30% (source: [The climate change impacts of burning municipal waste in Scotland, Zero Waste Scotland, June 2021](#)).
- 8.7 The district heating network for Shawfair is expected to save over 2,000 tonnes of CO2 per year, the equivalent of taking 1,200 petrol/diesel cars off the road.

- 8.8 The proposed action does not impact, either positively or negatively, on measures to mitigate climate impacts resulting from historic emissions.

9. Risk, policy, compliance, governance and community impact

- 9.1 Whilst this development is within Midlothian Council's area, the heat network project clearly has benefits for the community. The FCC plant manager is actively reaching out to the community to provide an update on progress, including engaging with the local Community Council (Danderhall).
- 9.2 The HIU will enable the provision of heat to the new Shawfair town on the outskirts of Edinburgh, thus reducing reliance on fossil fuels. This heating solution also provides energy security and protects consumers from the volatility of fossil fuel prices.
- 9.3 Health and Safety issues would be the responsibility of FCC rather than the Council. The Council has full access to all of FCC's Health and Safety procedures and records.
- 9.4 The approach outlined in this report is a key part of the Council's own action to tackle climate change from its own activities and meet Net Zero 2030, as well as of the Council's own waste management strategy. Generating both heat and electricity improves the efficiency of the plant, compared to electricity only.
- 9.5 The approach outlined in this report is essential to allow the EfW plant to continue to operate in compliance with its PPC requirement that the facility connects to a heat network within seven years of first operation unless there is no network available.
- 9.6 If the facility fails to connect, then the PCC can be removed by SEPA and the facility can no longer operate. The Councils would then have no waste outlet but would still be required to make contractual payments or a significant compensation payment for the facility.

10. Background reading/external references

- 10.1 [Award of Residual Waste Treatment Contract](#) – Finance and Resources Committee, 17 March 2016.

11. Appendices

- 11.1 None.

Governance, Risk and Best Value Committee

10 am, Tuesday 16 January 2024

Draft Public Performance Scorecard

Executive/routine
Wards

1. Recommendations

- 1.1 That members of Governance, Risk and Best Value Committee:
 - 1.1.1 Consider the content and format of the new Public Performance Scorecard which covers the reporting period July to September 2023.
 - 1.1.2 Note that work will continue to simplify the language and use plain English as much as possible before publication of this report on the performance pages.
 - 1.1.3 Note that the Public Performance Scorecard will be brought to committee on a quarterly basis for scrutiny.

Deborah Smart

Executive Director of Corporate Services

Contact: Gillie Severin, Head of Strategic Change and Delivery

E-mail: gillie.severin@edinburgh.gov.uk

Public Performance Scorecard

Executive Summary

- 1.1 This is the first Quarterly Public Performance Scorecard report which provides an overview of performance across a range of Council services and includes data up to the end of September 2023. The detailed report (Appendix A) provides analysis of performance for Key Performance Indicators (KPIs). It shows current performance against targets, a comparison with the same time last year and where available the four year average for longer term trends.
- 1.2 Appendix B lists recent and future performance and progress reports to give members a wider view of the scrutiny undertaken by Executive Committees.

Background

- 2.1 The Council's updated [Planning and Performance Framework](#) was approved by the Policy and Sustainability Committee on the 21 March 2023. The framework sets out the approach to planning and performance and how the Council measures the delivery of the priorities and outcomes in the [Council's Business Plan: Our Future Council, Our Future City](#) and the day to day performance of Council services.
- 2.2 This is the first Quarterly Public Performance Scorecard (Appendix A) and gives a high-level overview of the day to day performance of Council services whilst the annual Business Plan Update report gives a strategic view of transformation through the delivery of the Business Plan. The Scorecard includes the latest data available for each indicator up to September 2023.
- 2.3 There are 75 indicators split into six themes: Adult Social Care; Children, Families and Communities; Climate Change; Corporate Services; Environmental Services; and Housing. The indicators cover services used by a large proportion of the residents of Edinburgh or where there is a high level of public interest.
- 2.4 Performance will be reported to the Governance, Risk and Best Value Committee on a quarterly basis.

Main report

3.1 The quarterly scorecard uses Key Performance Indicators (KPIs) to give an overview of performance across a range of Council Services. For each indicator, we include:

3.1.1 the latest data available up to September 2023;

3.1.2 the current target where available;

3.1.3 performance for the previous year (to show short term changes in performance); and

3.1.4 previous performance over the longer term through a four-year average where available.

Performance Overview

3.2 The quarterly scorecard uses a RAG status which compares the performance of each KPI. The RAG status is summarised below:

RAG Status	Definition	Count
Green	Performance is on or ahead of target	30
Amber	Performance is just behind target (5% or less)	14
Red	Performance is behind target (more than 5%)	10
Blue	End of year target.	8
Grey	Monitoring only or awaiting target	13

3.3 There are 13 measures with a Grey RAG. These are measures that are either tracking demand for services such as calls to our customer contact team and digital downloads in libraries; for a new measure so 2023/24 is a baseline year and a target will be set for 2024/25; or where a target is in the process of being set.

3.4 There eight indicators with a Blue RAG meaning they are monitored annually and so we need to wait until we have data for March 2024 before we can assign a Red, Amber or Green RAG.

3.5 In addition, a comparison with performance for the same time last year is show as a direction of travel and summarise below:

Direction	Definition	Count
Improving	Performance has improved on last year (more than 2% change on last year)	30
Maintaining	Performance has remained the same as last year (within 2% of last year)	17

Declining	Performance has declined on last year (more than 2% change on last year)	20
Not appropriate	Comparing performance to last year is not possible due to data not being available or where it's a new indicator	8

3.6 While this report provides an overview of performance, more detailed analysis of Council Service performance is considered at various Executive Committee throughout the year. A list of recent performance reports is set out in Appendix B.

Next Steps

- 4.1 The Public Performance Scorecard will be published on [our performance pages](#) of the Council website and promoted through our social media channels.
- 4.1 An accessible version of this report is being developed in Word and will be published on the website as soon as possible. The report includes a 'happy to translate' code so people can request translation of this report if required.
- 4.2 The next Public Performance Scorecard, covering data up to December 2023, will be submitted to Governance, Risk and Best Value for the May 2024 Committee.

Financial impact

- 5.1 Given that this report is retrospective, there is no direct financial impact, however the report includes the Council's performance for key financial performance indicators in 2023/24.

Equality and Poverty Impact

- 6.1 While this report is retrospective, it is used to support decision-making to drive service improvement and delivery of the Business Plan priority: Ending Poverty in Edinburgh.

Climate and Nature Emergency Implications

- 7.1 While this report is retrospective, it is used to support decision-making to drive service improvement and delivery of the Business Plan priority: Become a net zero city by 2030. This report includes the Council's Emissions measure used to monitor progress with this priority.

Risk, policy, compliance, governance and community impact

- 8.1 This report will be published on be published on [our performance pages](#) of the Council website alongside an accessible version and so available to members of the public as part of our public performance reporting. Members of the public will be able to send in comments/queries on this report via emails to the Data Team and these will be tracked.
- 8.2 This report will also be promoted through our social media channels, as organic posts on X (formerly Twitter), Facebook, and LinkedIn. Each post will also include a link to our performance pages on the Council website.
- 8.3 Risk is identified in the report through a RAG status applied to each of the Council's KPIs. The KPIs are used to monitor performance in 2023/24.

Background reading/external references

- 9.1 [Planning and Performance Framework](#)

Appendices

Appendix A: Public Performance Scorecard

Appendix B: Performance scrutiny at committees



Public Performance Scorecard

2023-24 Q2

Overview

This is our first Public Performance Scorecard and it gives an overview of how we are performing. It focuses on giving a picture of the day to day running of Council services and contains a range of indicators. These cover services that a large proportion of the residents of Edinburgh use or where there is a high level of public interest. This report will be updated on a quarterly basis.

For each indicator, we show:

- the latest data available
- current target – allowing us to give each indicator a RAG status
- performance during the previous year (to show short term changes in performance)
- previous performance through a four year average (to show longer term changes in performance)

The indicators are shown under the following six themes:

- Adult Social Care
- Children, Families and Communities
- Climate Change
- Corporate Services
- Environmental Services
- Housing

This report is one way in which we are meeting our public bodies statutory reporting requirements (as set out in the Audit Scotland statutory direction) and showing how we are delivering Best Value.

[Data, Performance and Business Planning](#)



QR/ happy to
translate logo
here

If you would like this document in another language or format such as Braille, large print or a translation, please email the Interpretation and Translation Service at its@edinburgh.gov.uk quoting the unique reference number 23.xxxxx.

Overview - themes



Adult Social Care

We support adults and older people to live well and independently through our health and social care services. Two of our priorities are to support people to move on from hospital once they are ready, and to provide people with the care and support they need to live safely at home. We show our performance for two measures which we use to monitor these priorities.



Children, Families and Communities

Our schools are focusing on improving attainment for all pupils, and we track pupils' achievements throughout their school years. In this section, we show a range of attainment measures from across primary and secondary schools. We know that children and young people who live in areas of deprivation, and those who have been looked after (i.e. cared for by their local authority) tend to have lower levels of attainment and so we have included results for these groups of children separately. We also monitor provision for children under school age, and whether parents and carers get their preferred model (e.g. forest kindergarten, childminder, full year or term time settings), as this can affect their own employment.

We support families to ensure that children are safe, well and thriving but there are times when we have to put in place statutory support to safeguard children – through the child protection system the child or young person becomes care experienced as part of our Corporate Parenting role. We have included several measures to show how we support and safeguard young people.

We provide a wide range of support to people in communities from library resources to keeping people safe. We gather data about how people are using our libraries. We engage with residents to help shape what kinds of supports are needed and how to deliver them. We also monitor the number of complaints we receive about antisocial behaviour orders and how well we are supporting the community justice process.



Climate Change

We declared a Climate Emergency in 2019, setting an ambitious target for the city to become net zero by 2030.

We monitor our progress by measuring the level of our greenhouse gas emissions.



Customer and Corporate Services

It's important that when people get in touch we respond quickly – be it in answering their questions, processing their requests for financial assistance or putting them in touch with the most appropriate Council services. This section covers various measures to show how we are performing when people get in touch with us as well as highlighting some of the 'back office' functions we need to run well to support our public facing services.



Environmental Services

We run a number of services maintaining the environment we live in. This section shows our performance for collecting your rubbish, and maintaining our roads and parks.



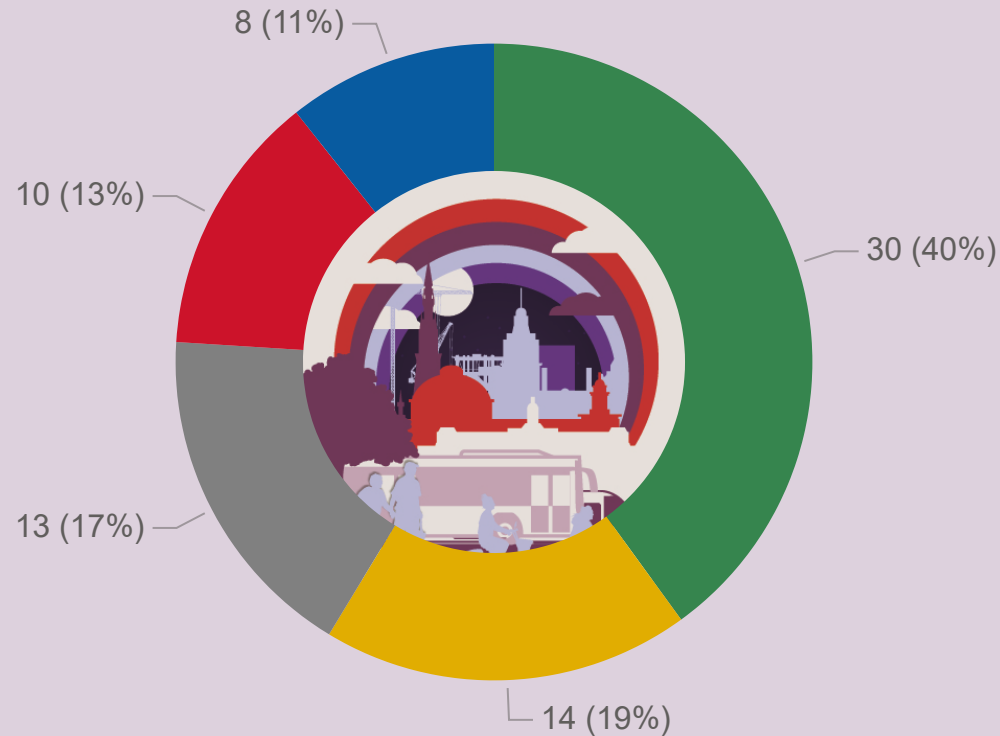
Housing

We support people with their various housing needs. From helping people who are homeless into settled accommodation, renting our council housing, and ensuring repairs to our properties are completed quickly and to a high quality. We are working with developers to support house building in this city through our active work to grow the number of affordable houses as well as efficiently processing planning and building applications. This section contains measures we use to monitor how we are performing across all these services.

How are we performing this quarter?

2023 Q2

Overview - All indicators



Indicators are assessed against a target and given a RAG status where:

- **Green** - Performance is on or ahead of target
- ▲ **Amber** - Performance is behind target by 5% or less
- ◆ **Red** - Performance is behind target by more than 5%
- **Blue** - End of year target
- **Grey** - Monitoring only or awaiting target

Of the 75 KPIs, we have assigned a direction of travel for 67 of the KPIs comparing performance with the previous reporting period. We have not assigned a direction of travel for 8 KPIs due to either the data not being comparable to previous year figures (due to changes in recording or calculation) or where it is a new indicator.

Direction of travel	Definition	Count
Maintaining	Performance has remained the same as last year (within 2% of last year)	17
Improving	Performance has improved on last year (more than 2% change on last year)	30
Declining	Performance has declined on last year (more than 2% change on last year)	20
Not applicable	Comparing performance to last year is not possible due to data not being available or not comparable to previous figures (due to change in calculation) or where it's a new indicator	8

Why some indicators do not have a target?

Grey RAGs are shown for measures that are tracking demand for a service so setting a target is not appropriate; where it is a new measure and a target will be set for next year; or where there is no current target but work to set a target is underway.

Adult Social Care

2023-24 Q2

KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: People waiting for package of care	🟡	326	564	Improving ↑	30 September 2023
Nº: People waiting for discharge from hospital	🟡	179	164	Improving ↑	30 September 2023

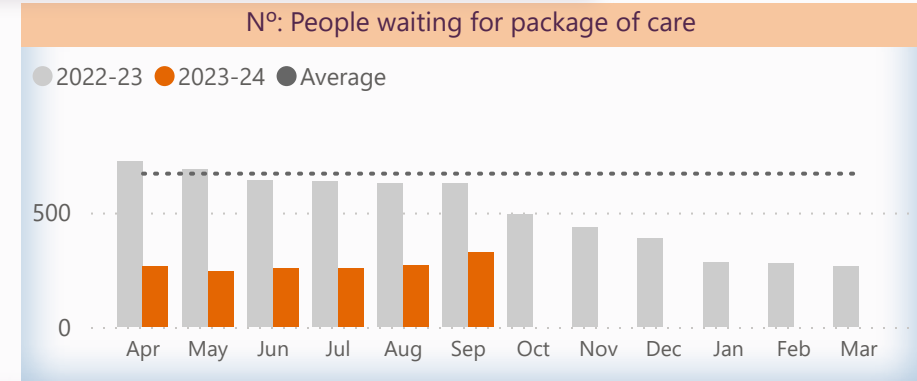
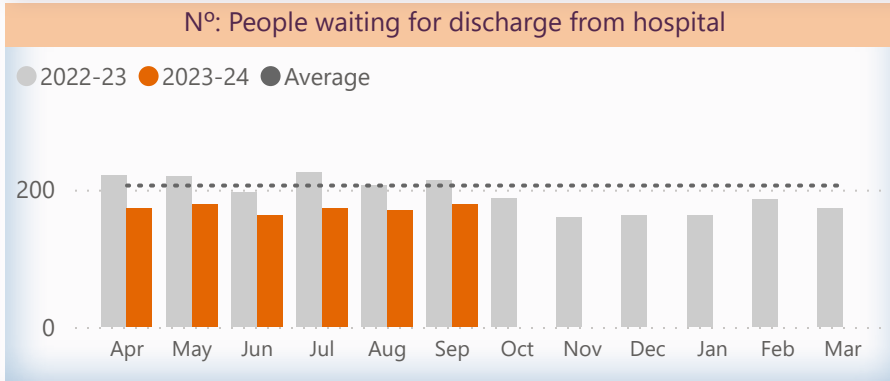


Fewer people were waiting in hospital in Sep 2023 than at the same time last year (179 compared to 214), with the trend over the longer term also reducing (pre-pandemic average over 2017-19 was 206).

Almost half the number of people were **waiting for a package of care** in September 2023 than the same time last year (326 compared with 628). The **longer term trend is reducing** (pre-pandemic average over 2017-19 was 670). The pre-pandemic average has been used for these two measures to show the longer term trend. This recognises the significant impact of the pandemic on the health and social care sector, with the NHS only moving off emergency footing in April 2022.

Further detail on the Health and Social Care partnership performance can be found in [their performance pages](#).

We provide social care support to over 21,500 people.



● End of year target

100%

Education



2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
% Primary pupils achieving literacy	▲	77.3%	78.5%	Maintaining →	31 August 2023
% Primary (deprived areas) achieving literacy	▲	64.4%	65.0%	Improving ↑	31 August 2023
% Primary (looked after) achieving literacy	●	40.0%	38.5%	Improving ↑	31 August 2023
% Primary pupils achieving numeracy	▲	83.7%	84.5%	Maintaining →	31 August 2023
% Primary (deprived areas) achieving numeracy	▲	72.3%	74.0%	Maintaining →	31 August 2023

There are just over 30,000 children in our 90 Primary Schools in Edinburgh.



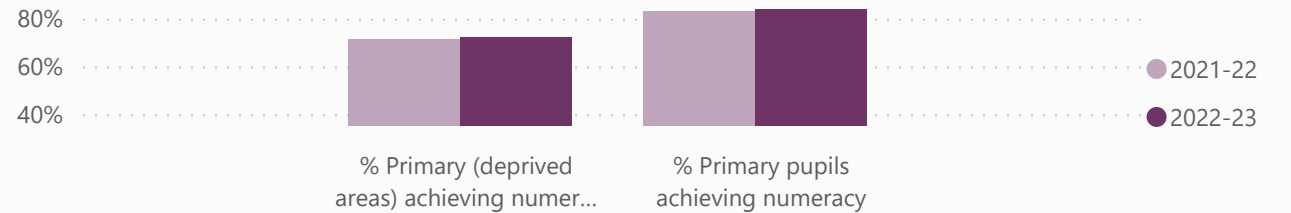
Children, Families and Community



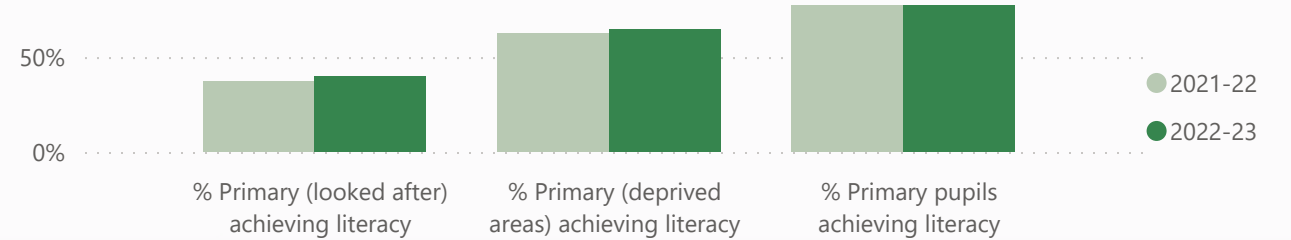
Primary school attainment measures show an **improvement in our 2022/23 performance compared to 2021/22** with the gap narrowing and improved performance for learners living in highest levels of deprivation, down 2 percentage points from 2021/22 to 22% in 2022/23 for literacy and down 1 percentage point in numeracy for the same time period.

Analysis of literacy and numeracy indicated the **need for more intensive support** to improve writing skills in the middle stages of primary education. This work is prioritised in the new Literacy Strategy.

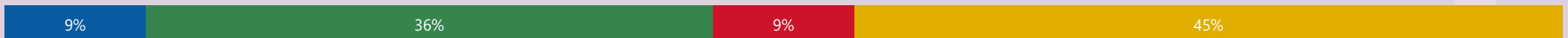
% Primary achieving numeracy



% Primary achieving literacy



● End of year target ● On target ● Over 5% from target ● Within 5% of target



Education (cont.)



2023-24 Q2



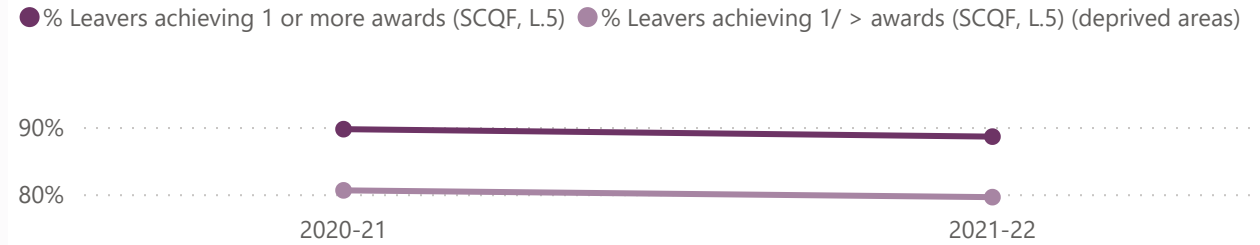
KPI Name	RAG	Value	Target	Direction of travel	Last update
% Leavers achieving 1 or more awards (SCQF, L.6)	▲	68.4%	73.0%	Declining ↓	31 August 2022
% Leavers achieving 1/ > awards (SCQF, L.6) (deprived areas)	◆	44.9%	53.0%	Declining ↓	31 August 2022
% Leavers achieving 1 or more awards (SCQF, L.5)	●	88.6%	88.5%	Maintaining →	31 August 2022
% Leavers achieving 1/ > awards (SCQF, L.5) (deprived areas)	●	79.6%	78.5%	Maintaining →	31 August 2022

There are just over 23,000 young people in our 23 Secondary Schools in Edinburgh

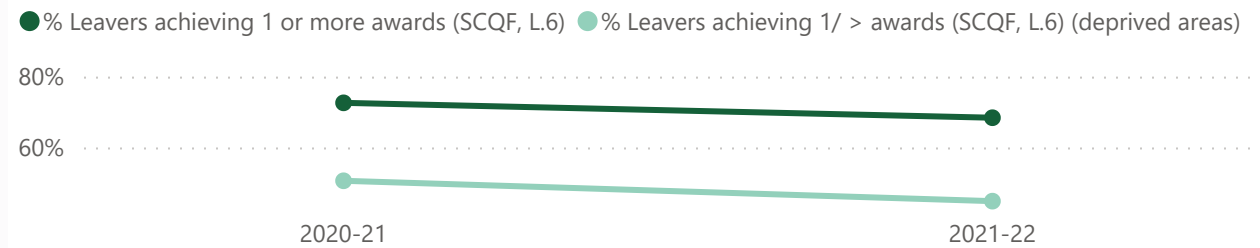
Due to the change in assessment methods during the pandemic, secondary school performance is not comparable between 2019/20, 2020/21, and 2021/22. However, in-year comparisons show a **decreasing gap between 'all pupils' and 'pupils from deprived areas'** - down to 9 percentage points for SCQF level 5 awards (88.6 compared to 79.6). For S4, S5 and S6 pupils, the attainment in our schools has improved relative to the virtual comparator in most measures.

Successful actions taken to reduce the poverty related attainment gap include improving teachers' skills as set out in the Edinburgh Teachers' Charter; appropriate coursing of young people to meet their needs and interests, including SCQF accredited pathways; intensive Quality Improvement support to 'priority' schools; enhanced funding to support play-based and developmentally appropriate pedagogies. **We continue to roll out Leadership for Equity (Poverty) examining culture and equipping staff with core skills for improvement.**

% Leavers achieving 1 or more awards (SCQF, L.5)



% Leavers achieving 1 or more awards (SCQF, L.6)



● End of year target ● On target ● Over 5% from target ● Within 5% of target



Children, Families and Community

Education (cont.)



2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
Positive destinations for school leavers	●	96.1%	95.0%	Maintaining →	31 August 2022
% Receiving funded EL & Childcare (preferred model)	■	74.1%		Not applicable	31 August 2022

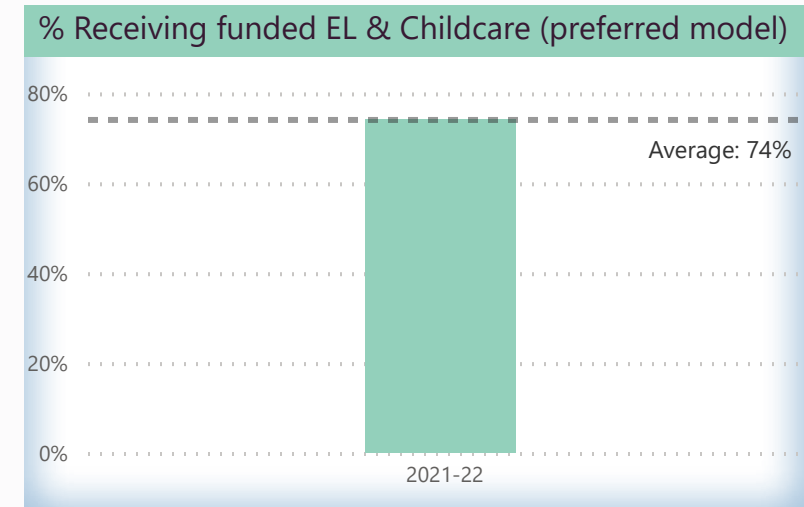
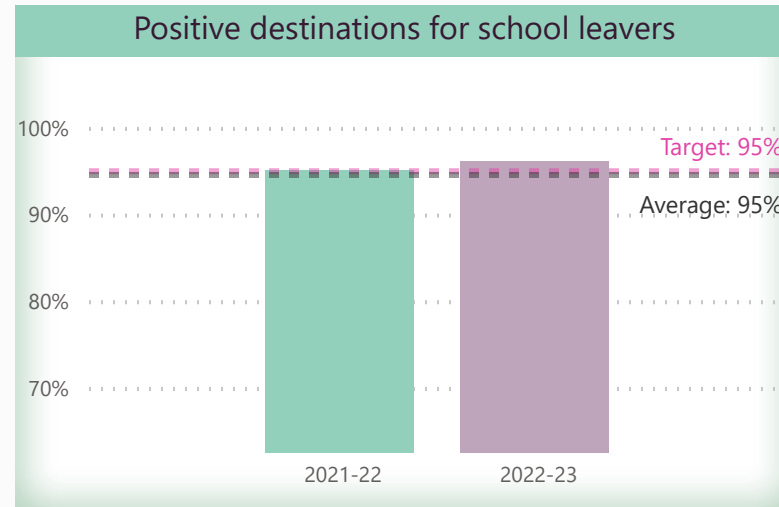
Every two years we ask parents and carers of under 5s for views on our early years services to help us shape future delivery. In our last survey in Nov 21, **74%** of those responding **said they were accessing early year services through their preferred model**. Our next survey will be early 2024.

The number of **school leavers going onto study, into work or training has increased from 95.1% to 96.1%** over the last year and exceeded the national average of 95.7%.

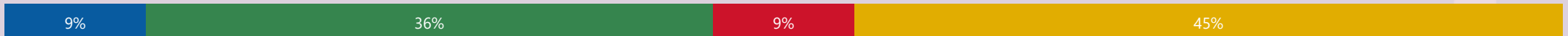


Children,
Families and
Community

There are 11 Special schools, and 207 Early Years centres in Edinburgh. You can find out more about funding for early learning and child care here



● End of year target ● On target ● Over 5% from target ● Within 5% of target



Children Services

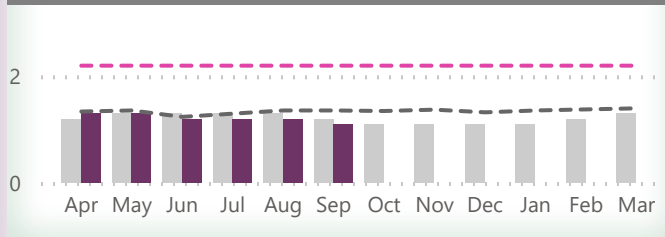


2023-24 Q2

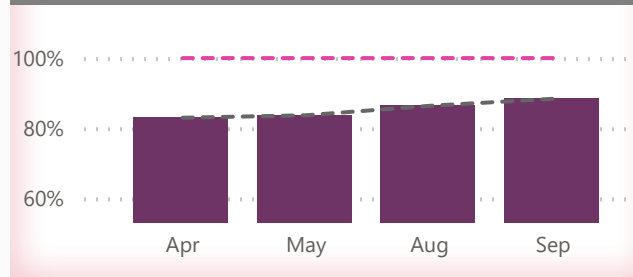


KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: Children on child protection register (per 1K population)	●	1.1	2.2	Improving ↑	30 September 2023
Looked after children (per 1K population)	●	10.6	12.3	Improving ↑	30 September 2023
% Children's Services cases that are allocated	◆	88.4%	100.0%	Not applicable	30 September 2023
% Children with 3 or more placements in a year	▲	5.9%	5.0%	Not applicable	30 September 2023

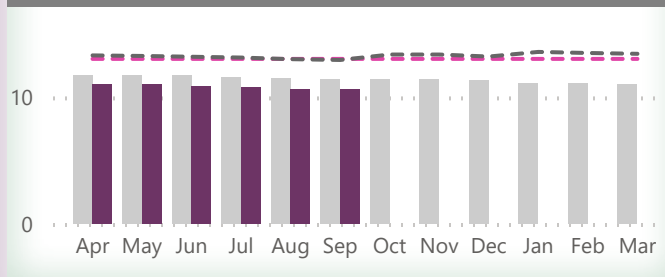
Nº: Children on child protection register (per 1K population)



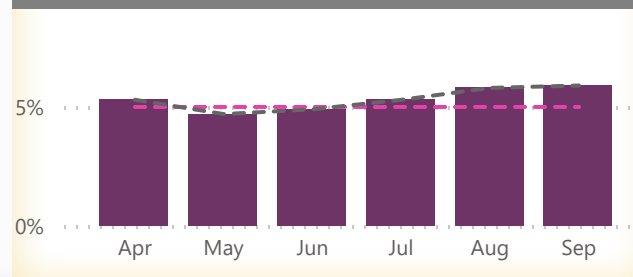
% Children's Services cases that are allocated



Looked after children (per 1K population)



% Children with 3 or more placements in a year



The number of children requiring formal **Child Protection registration has remained stable** across the last four years with the rate at 1.1 in Sep 2023. This is below the national rate of 2.2. Our **rate of looked after children** is below the national average rate of 12.3, and continues to show a **download trend**, reducing from 11.4 to 10.6 over the last 12 months, with the four year average is 12.2.

To broaden the picture of how we support children and young people, we have introduced **two new measures** this year: **'percentage of children's services cases that are allocated'** which is 83.7% and **under the target of 100%**, and **'children with 3 or more placements in a year'**, that is showing an increasing trend between May and September with the current figure at 5.9% and behind the current target.

● 2022-23 ● 2023-24 ● Target ● Avg

● On target ● Over 5% from target ● Within 5% of target



Community - libraries



2023-24 Q2

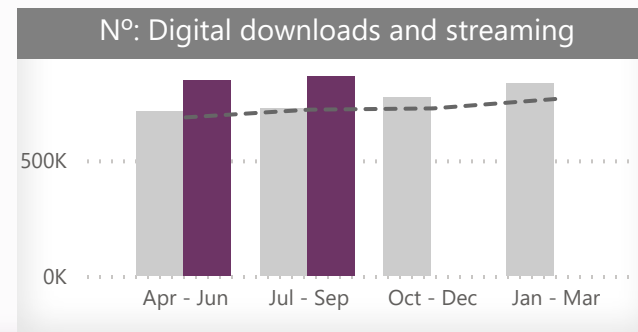
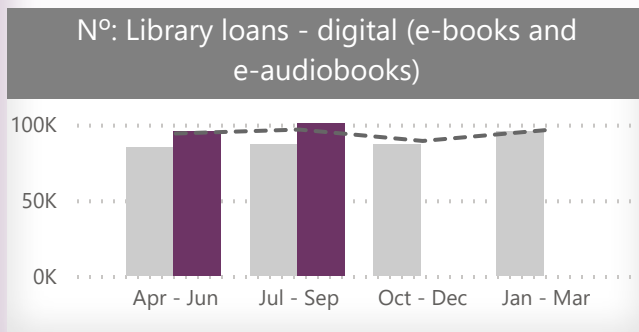
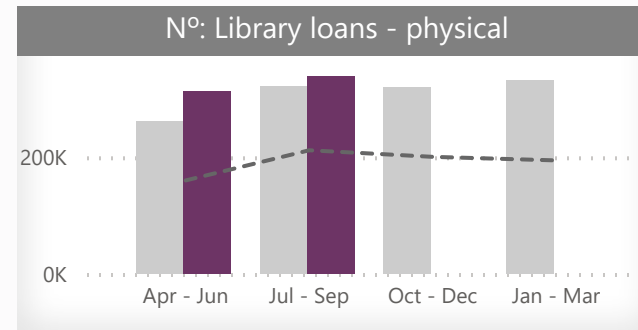
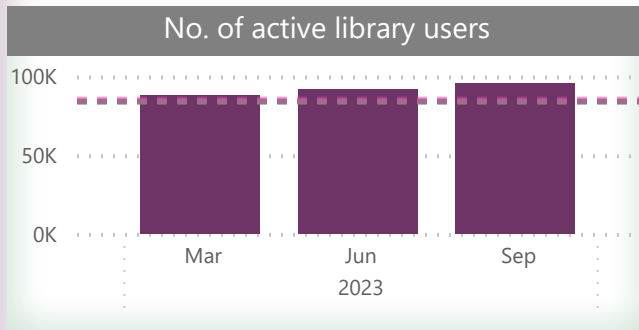


KPI Name	RAG	Value	Target	Direction of travel	Last update
No. of active library users	●	95,683	85,303	Not applicable	30 September 2023
Nº: Library loans - physical	●	337,801		Improving ↑	30 September 2023
Nº: Library loans - digital (e-books and e-audiobooks)	●	100,695		Improving ↑	30 September 2023
Nº: Digital downloads and streaming	●	864,807		Improving ↑	30 September 2023

You can find out more about our library services and how to access them but clicking on the following link - [library services](#)



Children, Families and Community



● 2022-23 ● 2023-24 ● Target ● Avg

● Monitoring only ● On target

Our four library measures show the shift in how people access library services following the physical closure of libraries as part of Covid restrictions. In 2021/22 we start to see the recovery as **people were encouraged to return physically to our libraries**, and at the end of September 2023, there were over 95,000 active library users.

Our digital offering expanded during Covid and the continued **high numbers of digital loans** (over 100,000 in Jul - Sep 2023) and digital **downloads and streams** (over 860,000 in Jul - Sep 2023) show that people are continuing to use the digital library services.



75%

25%

Community - involving people

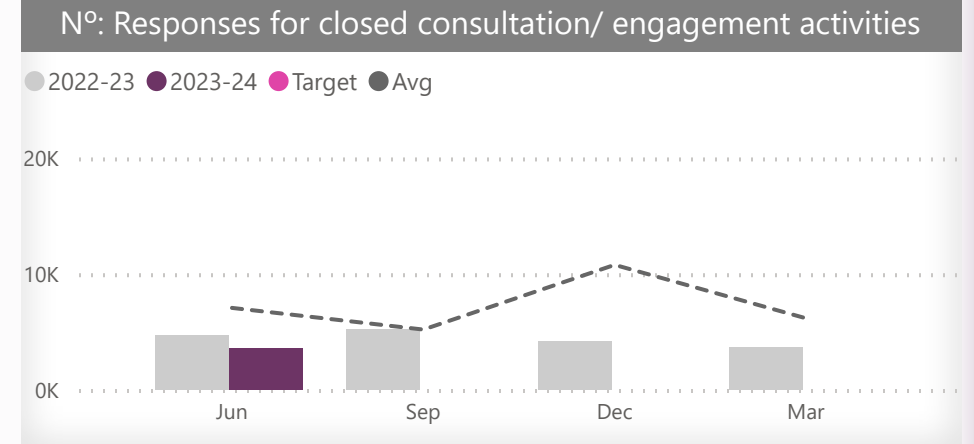
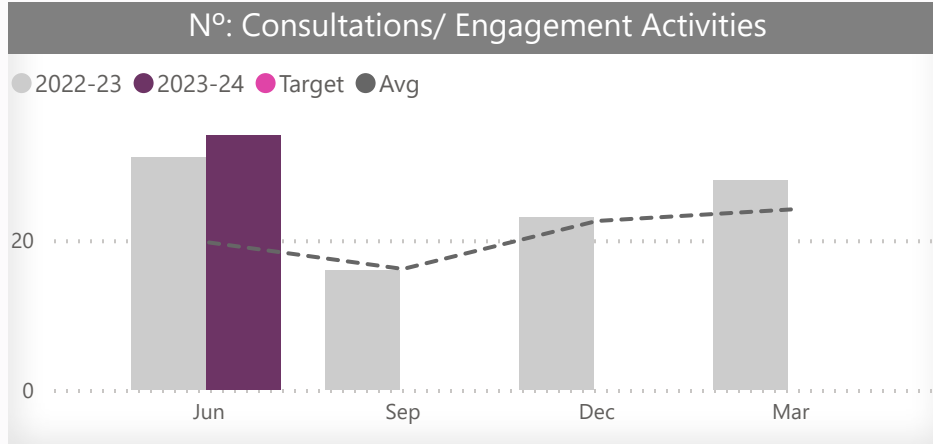


2023-24 Q2

KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: Consultations/ Engagement Activities	🟡	34		Not applicable	30 June 2023
Nº: Responses for closed consultation/ engagement activities	🟡	3,556		Not applicable	30 June 2023



We continue to try to involve communities and residents in our decision making by running consultations and engagement activities. **Between Apr – Jun 2023, we had 34 consultations/engagement activities open** which is higher than figures for last year (31) and the four years average (19.2). To see current consultations, please go to [our consultation hub](#).



● Monitoring only ● On target





Community - keeping people safe



2023-24 Q2

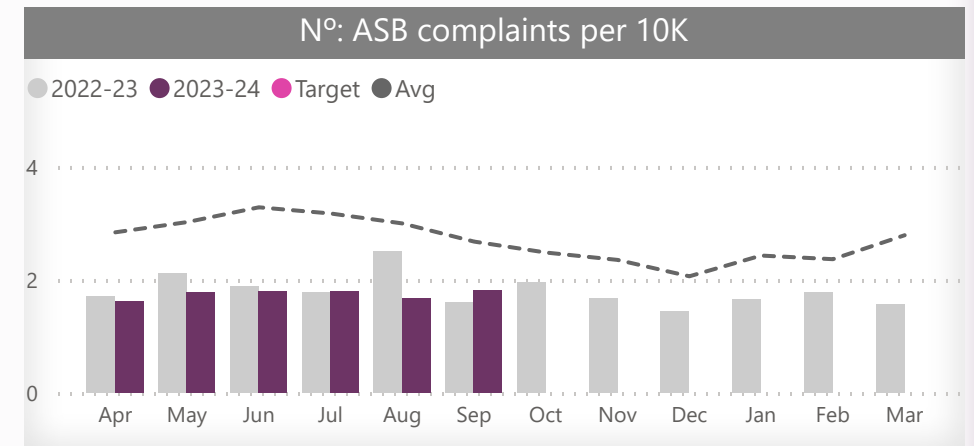
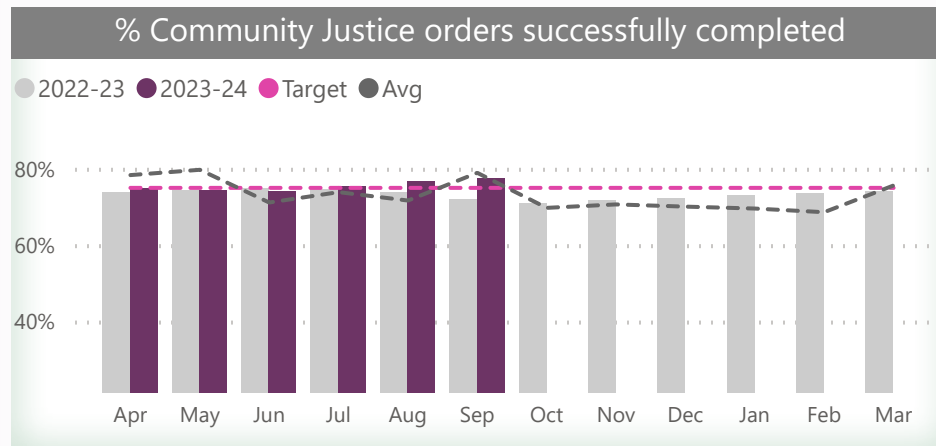
KPI Name	RAG	Value	Target	Direction of travel	Last update
% Community Justice orders successfully completed	●	77.4%	75.0%	Improving ↑	30 September 2023
Nº: ASB complaints per 10K	●	1.8		Declining ↓	30 September 2023



Children,
Families and
Community

The percentage of Community justice **orders successfully completed continues to perform well** at around 75%. Although performance fluctuates month on month, we've been ahead of our target five out of the last six months.

The level of **antisocial behaviour complaints** we receive on a monthly basis **remains low** at around 1.8 per 10,000 population, which is below the four year average, at 2.2.



● Monitoring only ● On target

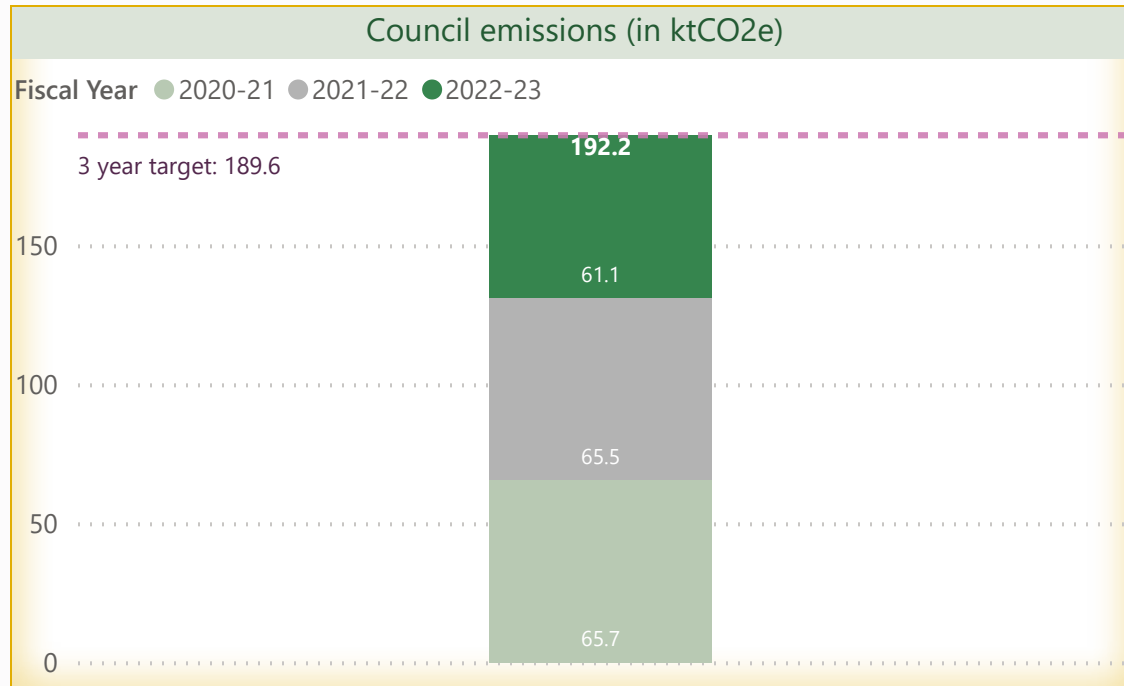


Climate Change



2023-24 Q2

KPI Name	RAG	Value	Target	Direction of travel	Last update
Council emissions (in ktCO2e)	▲	61.1	189.6	Improving ↑	31 March 2023



Our **Council emissions** continue to **slowly decline** with our figure for 2022/23 being 61.1 ktCO2e. When we add our emissions together for the last three years, we have a total of 192 ktCO2e which is above our target of 190 ktCO2e.

More details are available in our [annual progress report on Council Emissions](#).

● Within 5% of target

100%

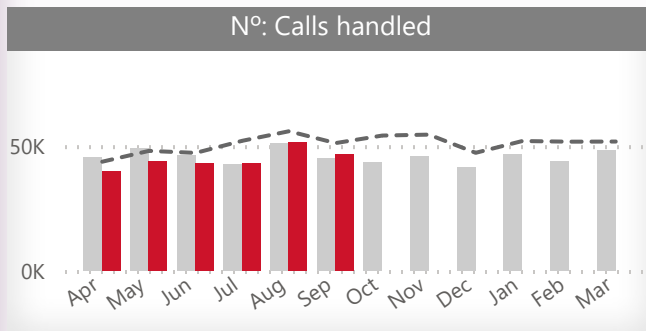
Customer Contact



2023-24 Q2

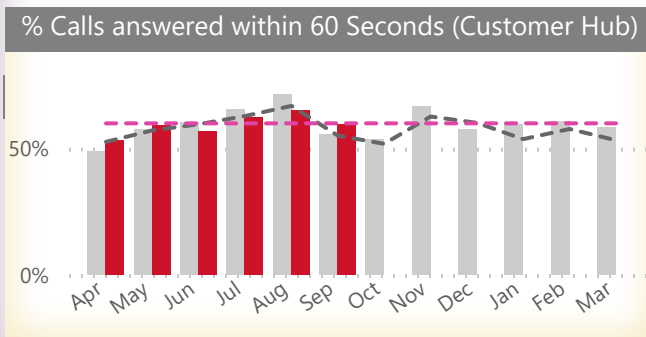
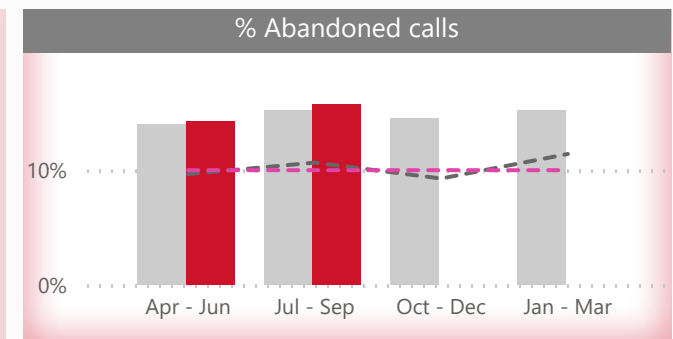


KPI Name	RAG	Value	Target	Direction of travel	Last update
Customer hub satisfaction	▲	71.3%	75.0%	Declining ↓	30 September 2023
% Calls answered within 60 Seconds (Customer Hub)	▲	59.5%	60.0%	Improving ↑	30 September 2023
Nº: Calls handled	●	46,585		Not applicable	30 September 2023
% Abandoned calls	◆	15.7%	10.0%	Declining ↓	30 September 2023



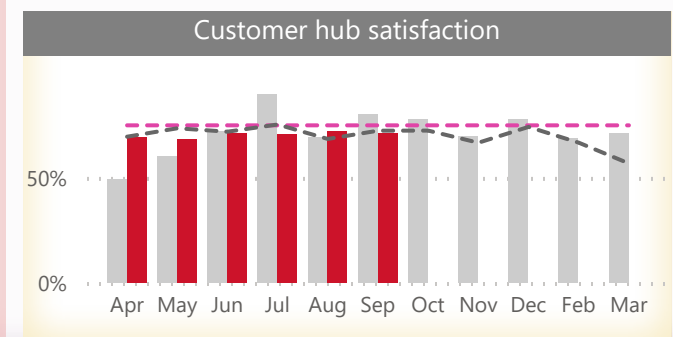
We receive **over 45,000 calls a month** to our customer contact centre and we **answered 59.5% of those within 60 seconds** in September 2023.

People **hang up before their call is answered in 15.7% of calls** and we are aiming to reduce that to 10% which would bring us back in line with our four year average (9%).



Customer contact has gradually been improving since May but there was a slight dip in September 2023 from 72% to 71.3%, just behind our target of 75%.

The Contact Team actively works with the relevant services and follow up on any calls resulting in a dissatisfied survey result.



Fiscal Year ● 2022-23 ● 2023-24 ● Target ● Average

● Monitoring only ● Over 5% from target ● Within 5% of target



Customer Transactions

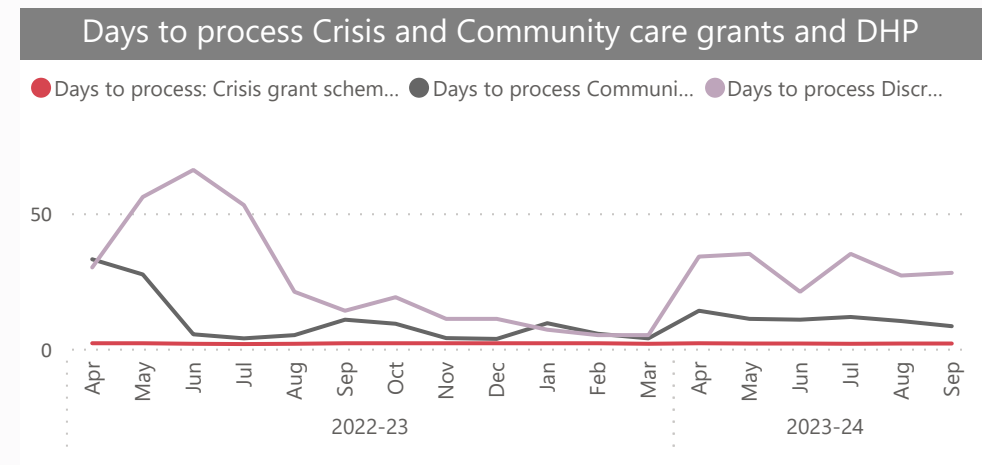
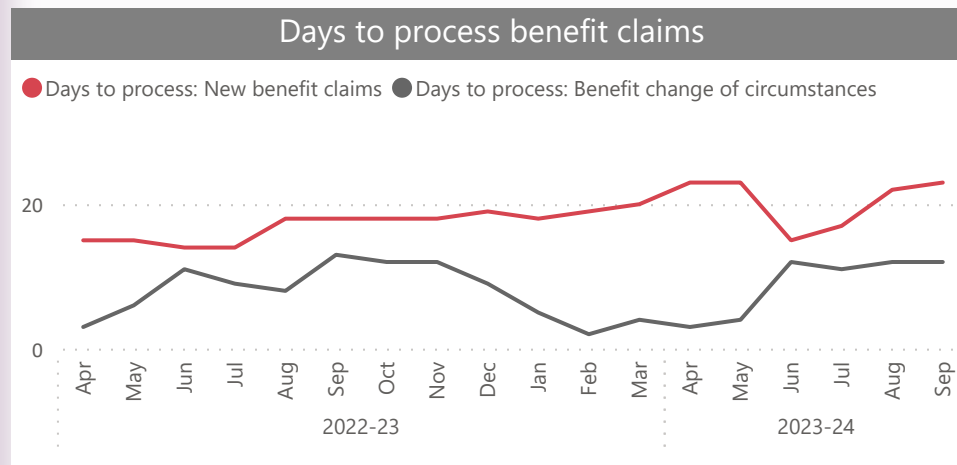
2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
Days to process: New benefit claims	●	23	28	Declining ↓	30 September 2023
Days to process: Benefit change of circumstances	▲	12	8	Improving ↑	30 September 2023
Days to process: Crisis grant scheme applications	●	1.9	2	Improving ↑	30 September 2023
Days to process Community care grant scheme applications	●	8.3	15	Improving ↑	30 September 2023
Days to process Discretionary Housing Payment claims	●	28	30	Declining ↓	30 September 2023

Discretionary Housing Payments are trending **in line with previous years**. Awards are subject to a 6 month review in 2023/24 and this work is under way. It is anticipated that as this work is finalised, performance will return to normal levels.

We process grants and benefit claims as quickly as we can and our performance for **three out of our five processing time measures are consistently ahead of target** (new benefit claims, crisis grants and community care grants). Our processing time for benefit change of circumstances is showing an increase currently due to free school meals/ clothing grants activities at this time of year being prioritised. It is expected that performance will return to normal in the coming months as this activity lessens.



● On target ● Within 5% of target



Finance

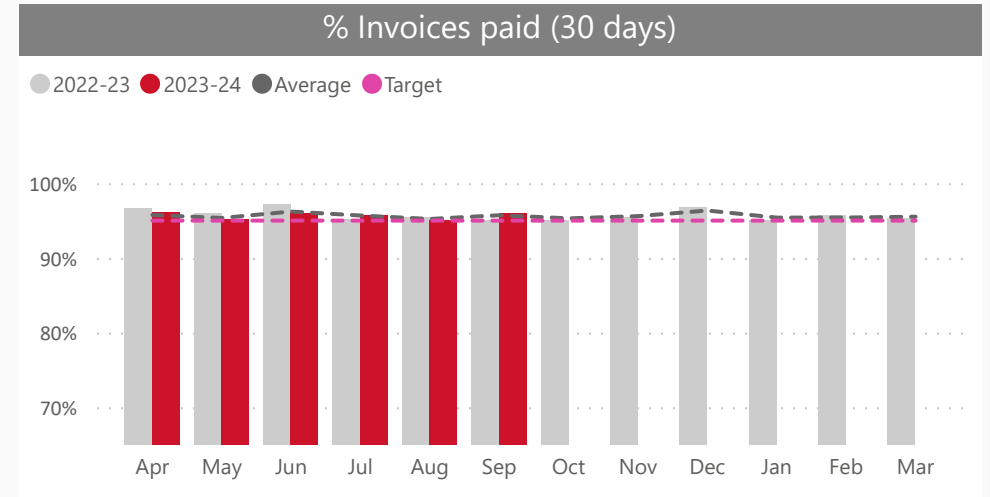
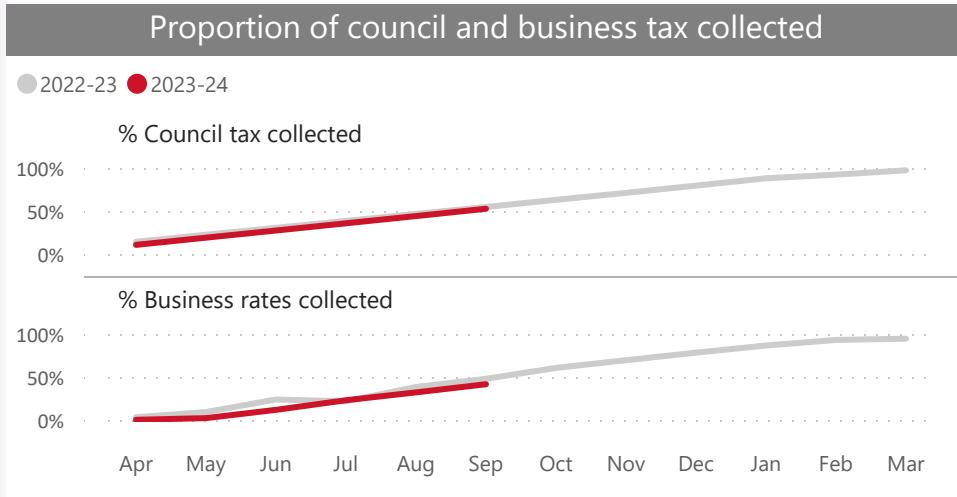


2023-24 Q2

KPI Name	RAG	Value	Target	Direction of travel	Last update
% Business rates collected	▲	41.6%	47.9%	Declining ↓	30 September 2023
% Council tax collected	●	52.6%	52.6%	Declining ↓	30 September 2023
% Invoices paid (30 days)	●	96.0%	95.0%	Maintaining →	30 September 2023

We know it's important for local suppliers to be paid on time, and we have high performance, **above 95% of invoices paid within 30 days**.

Both our Council Tax and Business Rate collections continue to accumulate as we move through 2023. At September 2023 **we had collected 52.6% of Council Tax due this year and 41.6% of Business Rates**. These are similar last year's levels and the four year average. Late legislative changes in February 2023 to Business Rates impacted collection, however from October 2023 they are tracking closer to our target.



● Monitoring only ● On target ● Over 5% from target ● Within 5% of target



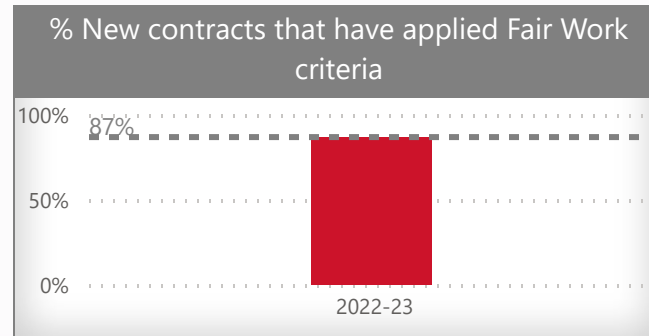
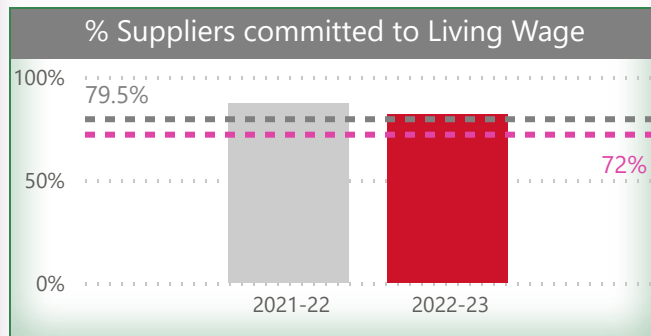
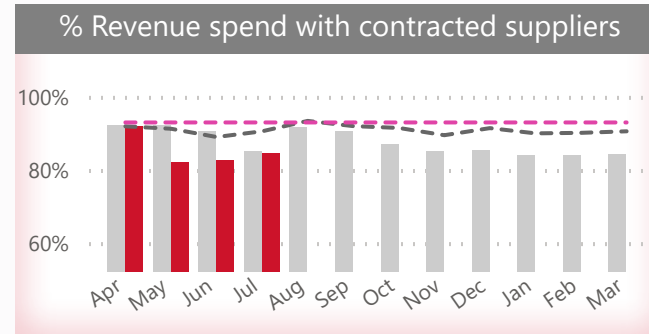
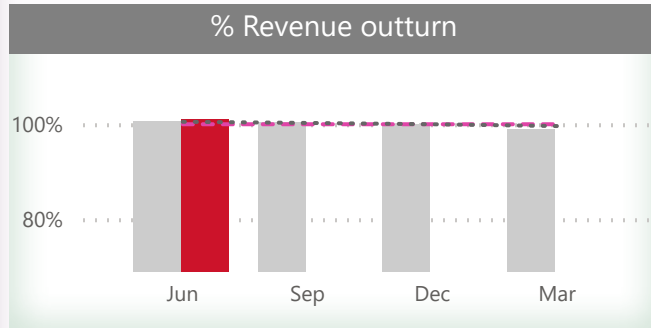
Finance



2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
% New contracts that have applied Fair Work criteria	●	87.0%		Not applicable	31 March 2023
% Revenue spend with contracted suppliers	◆	84.4%	93.0%	Maintaining →	31 July 2023
% Revenue outturn	●	101.0%	100.0%	Maintaining →	30 June 2023
% Suppliers committed to Living Wage	●	82.0%	72.0%	Declining ↓	31 March 2023



It is important for us to encourage our suppliers to be sustainable and fair. The proportion of our **suppliers that are committed to Living Wage is high at 82%** which is above with the four year average (79.5%) but lower than our 2021/22 figure of 87%. Those not paying Real Living Wage came from a few sectors with the highest volumes in temporary accommodation.

The **mandating of RLW being paid by Council third party suppliers** and their supply chains that meet appropriate conditions was **introduced in February** and applied to new procurements from March 2023. We're assessing the impact of this approach. We are also monitoring the proportion of our new contracts that have applied Fair Work criteria and in 2022/23, our performance was 87%.

Fiscal Year ● 2022-23 ● 2023-24 ● Target ● Average

● Monitoring only ● On target ● Over 5% from target ● Within 5% of target



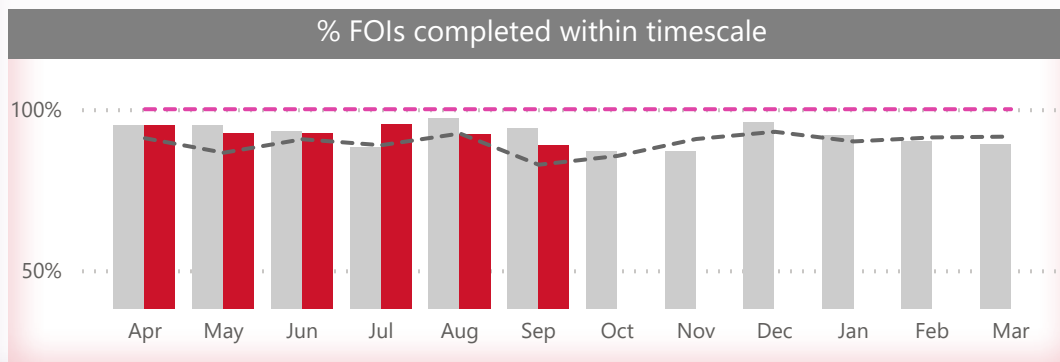
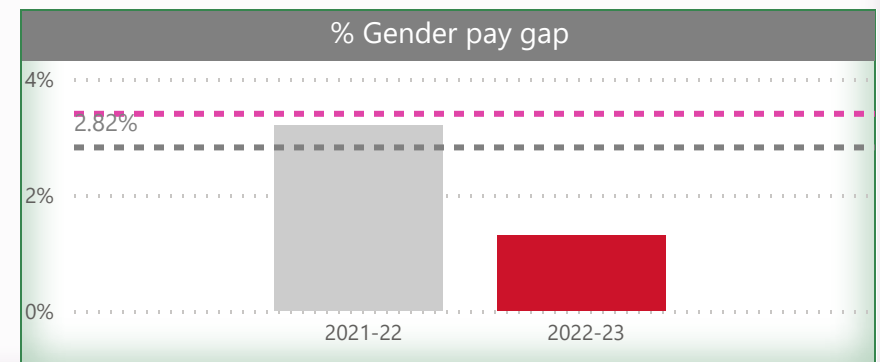
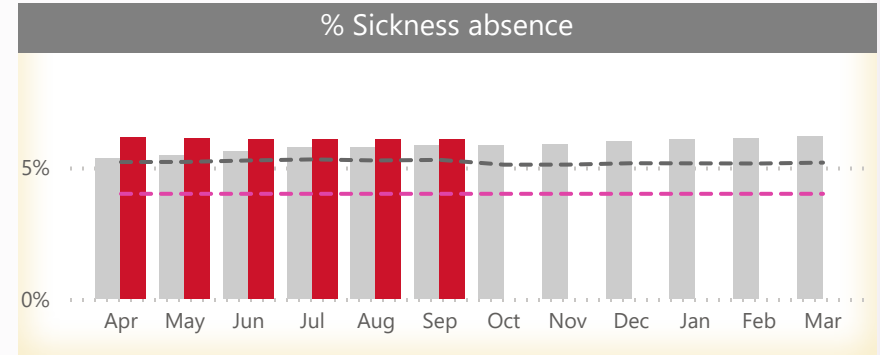
HR and Information Compliance

2023-24 Q2

KPI Name	RAG	Value	Target	Direction of travel	Last update
% FOIs completed within timescale	🔴	88.8%	100.0%	Declining ↓	30 September 2023
% Gender pay gap	🟢	1.3%	3.0%	Improving ↑	31 March 2023
% Sickness absence	🟡	6.1%	4.0%	Declining ↓	30 September 2023

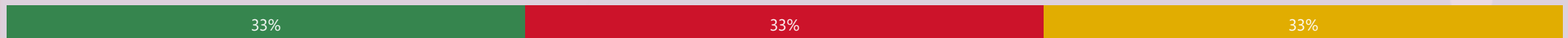
The statutory target is for us to complete 100% of **Freedom of information requests within 20 working days** and we have met that standard **over 90% of the time**. Challenges in achieving 100% are the increase in the number and complexity of requests we are receiving: over 500 in both Aug and Sep 23 in compared to the usual 200 – 300. We will continue to aim to complete all FOIs within timescale.

Since Jan 2023, our **sickness absence** level has been just **above 6%** and we are behind our target of 4%. However, our **gender pay gap** in 2022/23 has decreased to 1.3% and is **ahead of our target** (3%).



● 2022-23 ● 2023-24 ● Average ● Target

● On target ● Over 5% from target ● Within 5% of target



Customer and Corporate Services



Roads

2023-24 Q2

There are just over 940 miles of roads across Edinburgh.

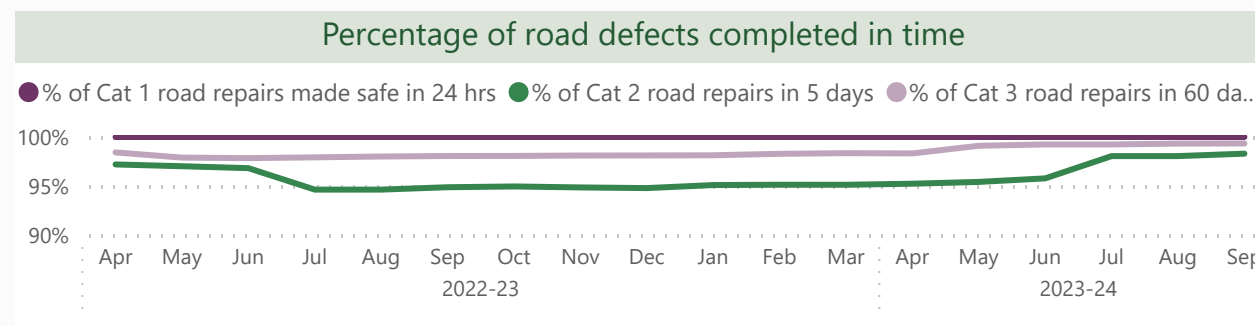
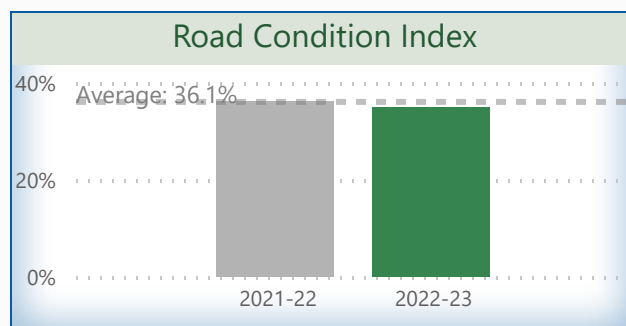
KPI Name	RAG	Value	Target	Direction of travel	Last update
% of Cat 1 road repairs made safe in 24 hrs	●	100.0%	100.0%	Maintaining →	30 September 2023
% of Cat 2 road repairs in 5 days	●	98.3%	85.0%	Improving ↑	30 September 2023
% of Cat 3 road repairs in 60 days	●	99.3%	85.0%	Maintaining →	30 September 2023
Road Condition Index	■	35.0%		Improving ↑	31 March 2023

We continue to show **high performance for road defects repairs** and are consistently above 95% for all three priorities (emergency Category 1; 5 day Category 2; and 60 day Category 3). Our current **Road Condition Index** (independent survey of road conditions) is **35%**.

This is an improvement compared with the previous year (36.2%) and the additional money budgeted in 2023/24 is being focused on improving our road condition further.



Environmental Services



● End of year target ● On target



Street cleaning

2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: Dog fouling Service Requests	⊖	292		Declining ↓	30 September 2023
Nº: Street litter Service Requests	⊖	1,331		Declining ↓	30 September 2023
Nº: Flytipping and dumping Service Requests	⊖	2,972		Declining ↓	30 September 2023
LMS/ LEAMS Score	⬢	86.3	93	Improving ↑	31 March 2023

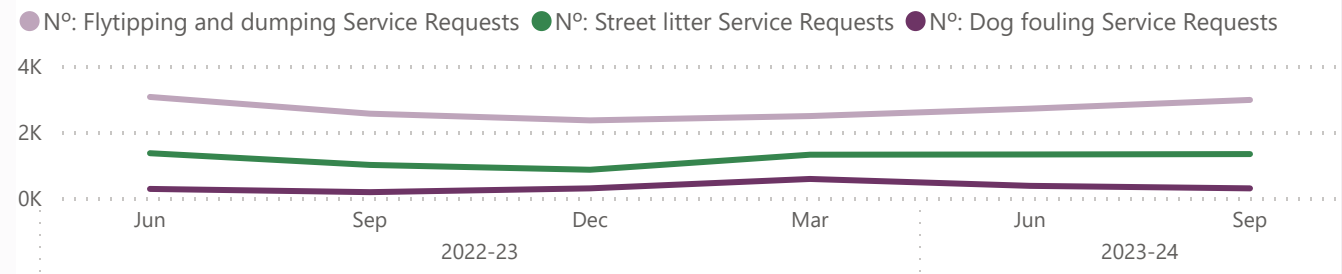


Our latest **Litter Monitoring Score** (LMS, generated from independent surveys undertaken by Keep Scotland Beautiful) has improved and was **86.3 in 2022/23**.

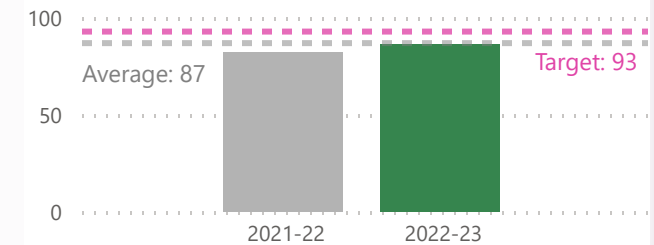
We are working hard to improve our **cleanliness score** in 2023/24 and beyond, increasing our budget and setting ourselves a **challenging target of 93**.

We also monitor demand for our services and so report on the number of requests we receive to respond to **flytipping, street littering, and dog fouling**. All three measures show **fluctuations**.

Number of street cleaning service requests



LMS/ LEAMS Score



● Monitoring only ● Over 5% from target

75%

25%



Parks and Street lighting

2023-24 Q2



PPS Theme	RAG	Value	Target	Direction of travel	Last update
Parks					
% of Parks meeting standard	●	92.0%	92.0%	Maintaining →	31 December 2023
Street Lighting					
% of Street lighting emergency repairs complete in 4 hrs	●	98.4%	95.0%	Maintaining →	30 September 2023
% of Street lighting urgent repairs complete in 24 hrs	●	97.5%	75.0%	Maintaining →	30 September 2023
% of Street lighting repairs complete in 5 days	●	69.9%	50.0%	Improving ↑	30 September 2023



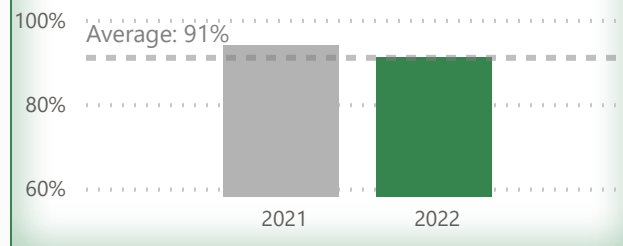
Parks

We continue to maintain our parks to a high standard with over 90% of our parks meeting the parks standards in 21/22.

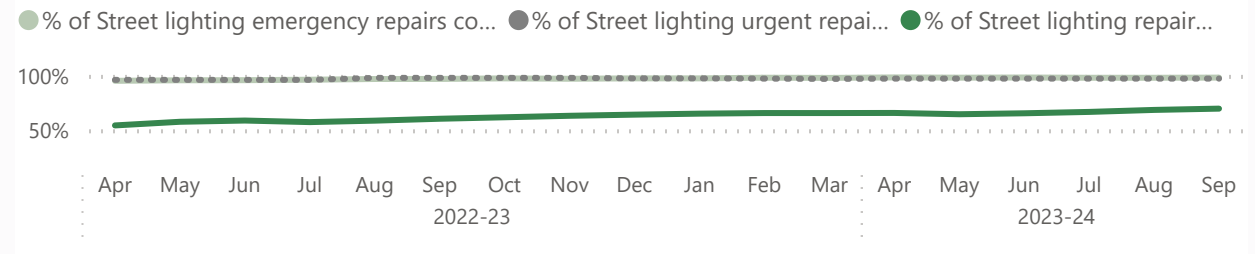
Street lighting

Our repairs for emergency and urgent (24 hrs) street lighting repairs continue to show very high performance in 2023/24 at either 100% or just below each month. While our more urgent repairs are given priority, our performance for our 5 day repairs is also good and improving – up on 2022/23 performance and our latest 12 month average (Oct 22 – Sep 23) is almost 70%.

% of Parks meeting standard



Percentage of road defects completed in time



● On target

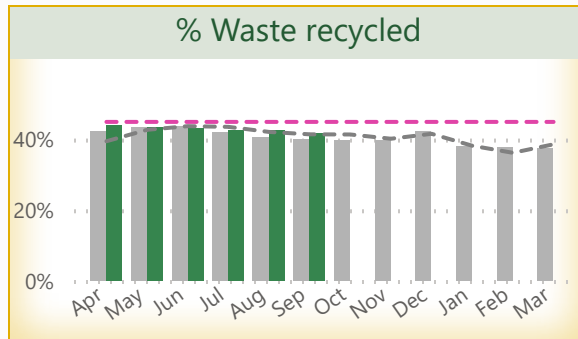
100%



Waste

2023-24 Q2

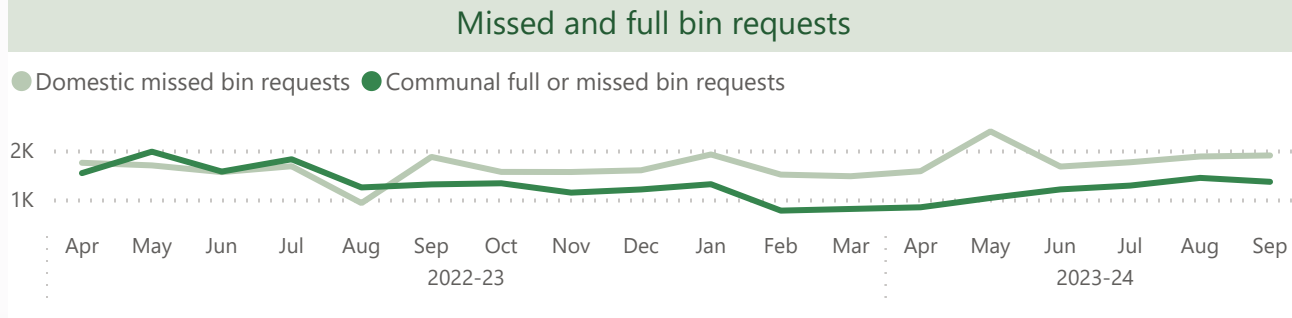
PPS Theme	RAG	Value	Target	Direction of travel	Last update
Waste					
Domestic missed bin requests	●	1,733.3	1,793	Declining ↓	30 September 2023
Communal full or missed bin requests	●	1,144.4	1,770	Improving ↑	30 September 2023
% Waste recycled	▲	41.8%	45.0%	Improving ↑	30 September 2023



The first 5 months of this year (Apr – Aug) shows a small increase in the amount of waste being recycled when compared to the same period last year. At **around 43% recycled each month**, we are closer to our **target of 45%** for 2023/24.

The number of reported **missed domestic bins** continues to fluctuate each month with the average for the last 12 months being just over 1,700 per month. This remains **below our target** for 2023/24 of 1,765 per month. The number of **reported full communal bins is showing a reduction** from the same time last year, with a 12 month average of 1,144 for the period Oct 22 to Sep 23 compared to 1,549 for Oct 21 to Sep 22. The communal bin review continues to be delivered in phases ensuring co-location of recycling and non-recyclable waste to help residents in communal flats recycle more easily.

Did you know that around 450,000 bins are collected each week?



● On target ● Within 5% of target

67%

33%

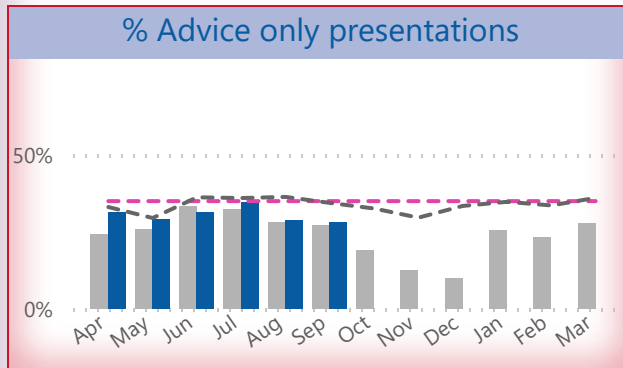


Homelessness

2023-24 Q2



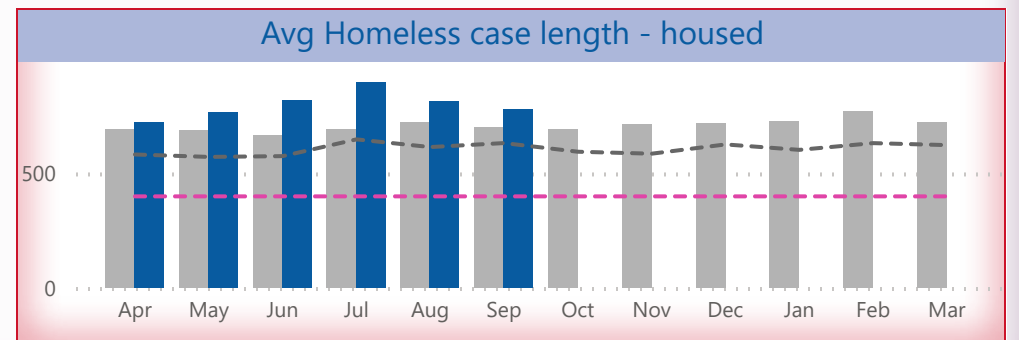
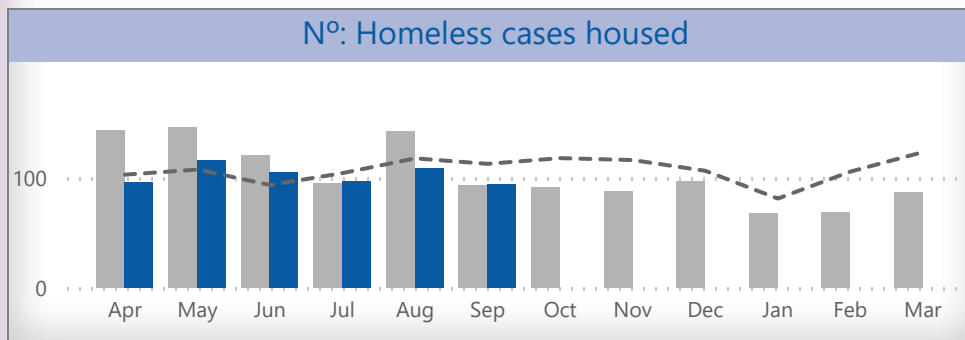
KPI Name	RAG	Value	Target	Direction of travel	Last update
% Advice only presentations	🔴	28.0%	35.0%	Improving ↑	30 September 2023
Nº: Homeless cases housed	🟡	94		Maintaining →	30 September 2023
Avg Homeless case length - housed	🔴	779.3	400	Declining ↓	30 September 2023



The **proportion of advice only presentations** to homelessness services in the first two quarters of 2023/24 is higher than the same period in 2022/23, returning to levels seen in the four year average whilst being **behind our target** (35%).

The Council has invested in services to prevent homelessness and support people to move on from temporary accommodation. At the end of quarter two services have prevented homelessness for 212 households and supported 318 households to move on from temporary accommodation.

The **average time for homeless cases to be rehoused** fell in September (to 779 days) but remains higher than last year, the four year average and **behind our target** (400 days). The number of homeless cases **accessing settled housing** has been **decreasing** since May (100) to 94 in September and we have housed fewer households each month than the same time last year.



Fiscal Year ● 2022-23 ● 2023-24 ● Target ● Average

● Monitoring only ● Over 5% from target



Homelessness



2023-24 Q2

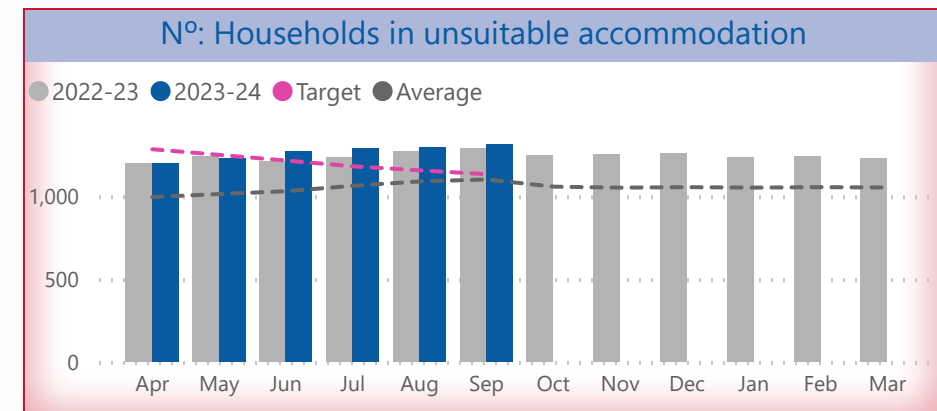
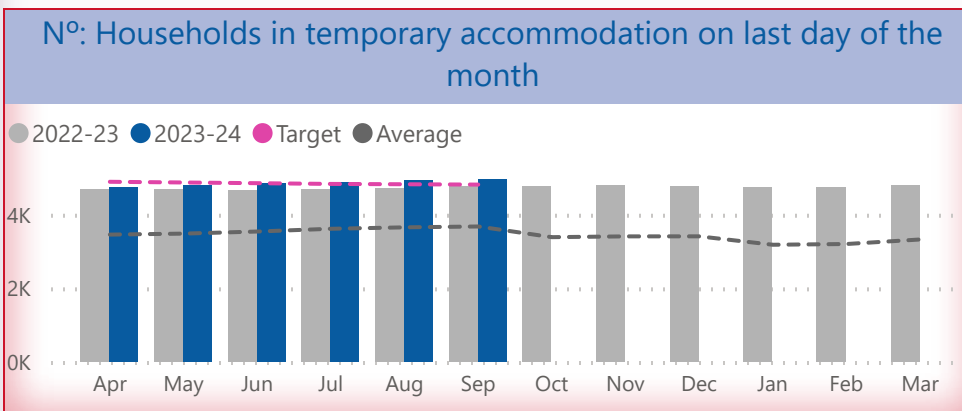
KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: Households in temporary accommodation on last day of the month	🔴	4,948	4,819	Declining ↓	30 September 2023
Nº: Households in unsuitable accommodation	🔴	1,314	1,133	Maintaining →	30 September 2023

There is high demand for social rented homes from homeless households however Edinburgh has one of the lowest proportions of social housing in Scotland with **only 16% of homes for social rent** compared to the national average of 24%. Currently a minimum of **70% of Council social rented homes and 50% of RSL social rented homes are let to homeless households**. Through the EdIndex Board all Registered Social Landlords have been asked to increase their allocations to homeless households to at least 70% to accelerate the reduction in those currently homeless and in unsuitable accommodation.

The number of households in **unsuitable temporary accommodation remains above 1300** and while at a similar level to last year, is higher than the four year average. Likewise, the number of **households in temporary accommodation is around 4900, the highest in Scotland**. A plan to increase the further the number of properties available to homeless people in our own stock is focussed on reducing the number of void properties and increasing the allocations to homeless people, which will reduce the social, compliance and financial risk associated with homelessness.



Housing



● Monitoring only ● Over 5% from target

20%

80%

Housing Management

2023-24 Q2



KPI Name	RAG	Value	Target	Direction of travel	Last update
Avg time to re-let properties	⊖	122		Declining ↓	30 September 2023
Rent collected as % of total rent due	⊕	98.6%		Maintaining →	31 March 2023
Rent lost from empty homes (£)	⊕	£1.1M	£2.2M	Improving ↑	30 September 2023

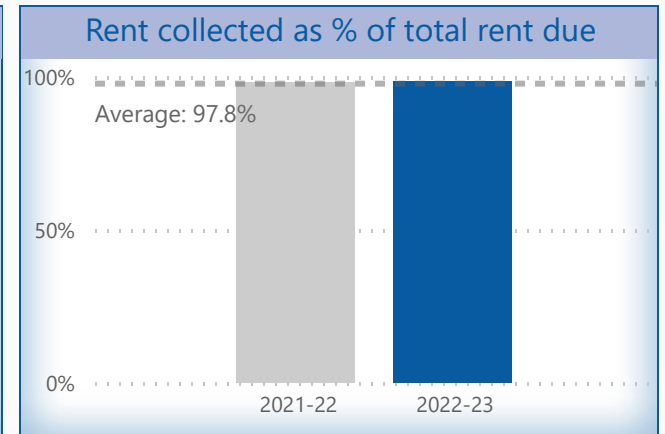
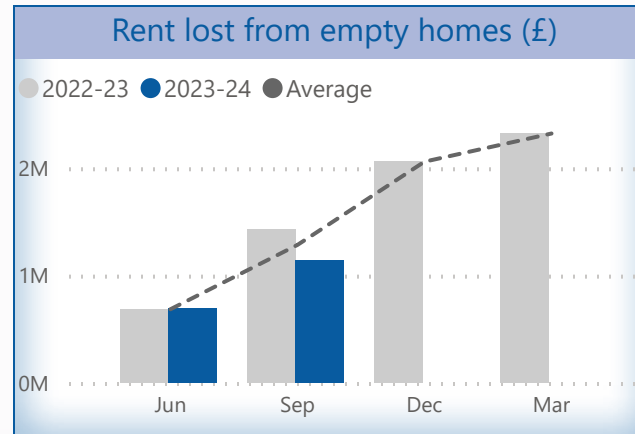
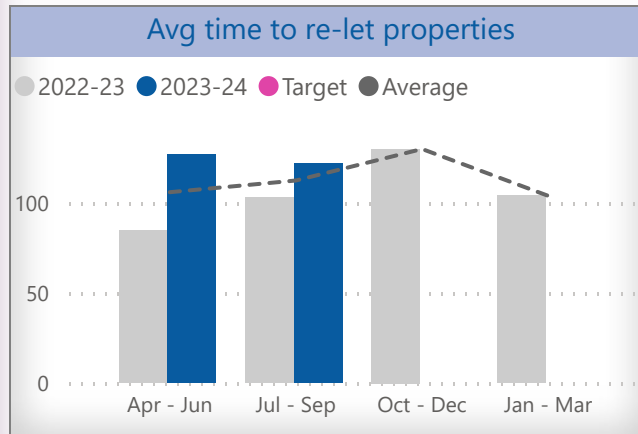


The **average time to re-let our properties is higher in the first two quarters of 2023/24 compared to the same time last year**. Reducing the time it's taking to re-let our homes is a top priority which will also reduce the amount of rent we lose whilst they are empty. We are increasing resources to help carry out repairs quicker, however as we bring properties that have been out of use for a long time back up to lettable standard, the average "time to let" will continue to increase. We are currently forecasting annual rent loss of £2.04M from empty homes which is lower than the end of year target of £2.2M.

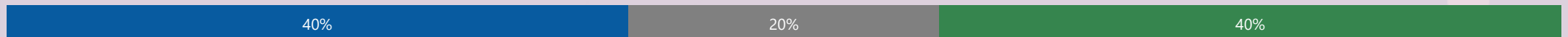
We consistently collect almost all of the rent that is due to us (98.6% in 2022/23) and work hard to support those that may be struggling. We are aiming to collect 99% of rent due by the end of March 2024.



Housing



● End of year target ● Monitoring only ● On target



Housing Management

2023-24 Q2

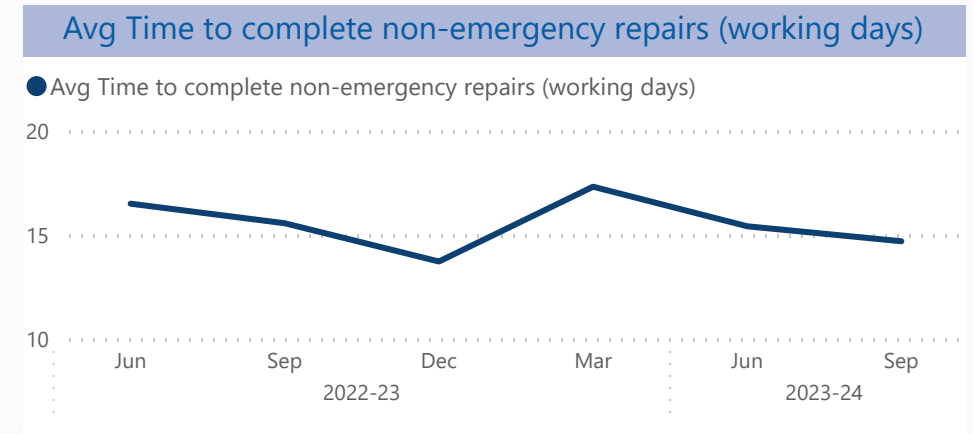
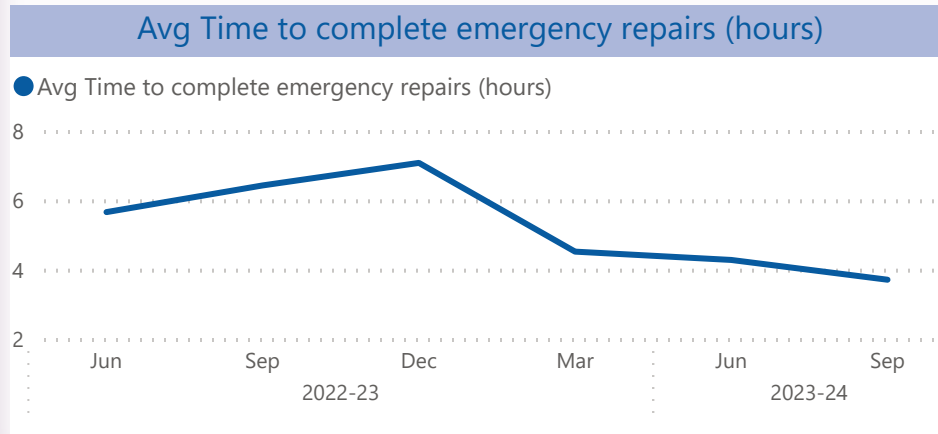


KPI Name	RAG	Value	Target	Direction of travel	Last update
Avg Time to complete emergency repairs (hours)	●	3.7	4	Improving ↑	30 September 2023
Avg Time to complete non-emergency repairs (working days)	●	14.7	20	Improving ↑	30 September 2023

We are working to ensure that repairs to our properties are completed timely, and we have **improved our performance for emergency repairs** from 5.7 hours in Apr – Jun 2022 to 3.7 hours in Apr – Jun 2023. Figures reported are based on 95% of jobs completed due to data quality/ system issues. Our performance for **non-emergency repairs** is fairly level at **around 15 days**.



Housing



● End of year target ● Monitoring only ● On target

40%

20%

40%

Housing development

2023-24 Q2

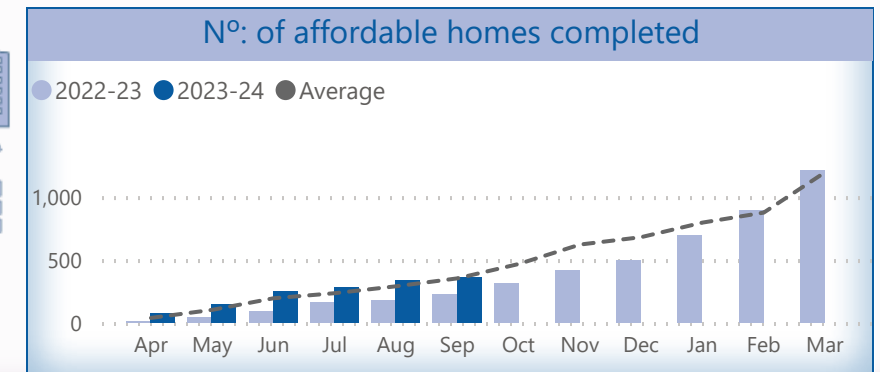
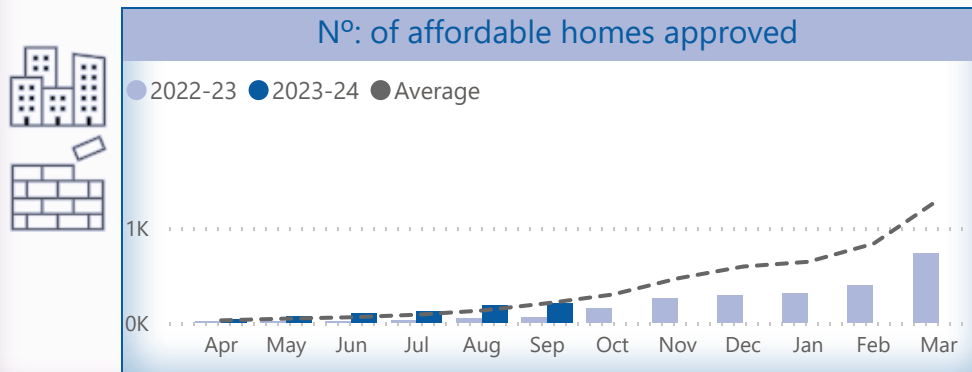


KPI Name	RAG	Value	Target	Direction of travel	Last update
Nº: of affordable homes approved	🟡	205	902	Improving ↑	30 September 2023
Nº: of affordable homes completed	🟡	364	1,247	Improving ↑	30 September 2023



We have made a good start to the year with both **approvals and completions of affordable homes higher** than they were at the same time in 2022/23. We've approved 205 homes since April 2023 which is higher than the four year average of 91. There have been 364 affordable homes completed since April 2023 compared to a four year average of 238.

Increasing the number of new affordable homes remains a key priority with a pipeline of potential new homes being identified for delivery, these however will rely on the right level of funding being made available. Around 900 new affordable homes are expected to be approved for site start in Edinburgh this financial year (2023/24) and based on current delivery programmes, an additional 1,250 affordable homes should be completed. There are a number of factors that have impacted both grant and non-grant funded projects. Ongoing financial uncertainty has resulted in delays in projects being brought forward due to cost increases and delays in planning applications being taken forward has meant some projects will now not be approved until next financial year. For non-grant funded projects, uncertainty in the wider market due to rises in interest rates and risks to rental income streams has resulted in Buy-To-Rent developers not bringing forward projects previously earmarked for approval this financial year.



● End of year target

100%



Planning and Building Standards

2023-24 Q2

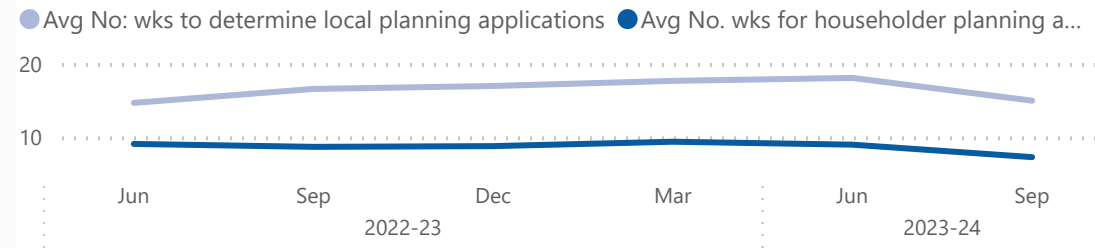


KPI Name	RAG	Value	Target	Direction of travel	Last update
Avg No: wks to determine local planning applications	▲	15	14.4	Improving	30 September 2023
Avg No. wks for householder planning applications to be determined	●	7.3	8.9	Improving	30 September 2023
% Building warrants issued within 10 days	●	90.0%	90.0%	Declining	30 September 2023

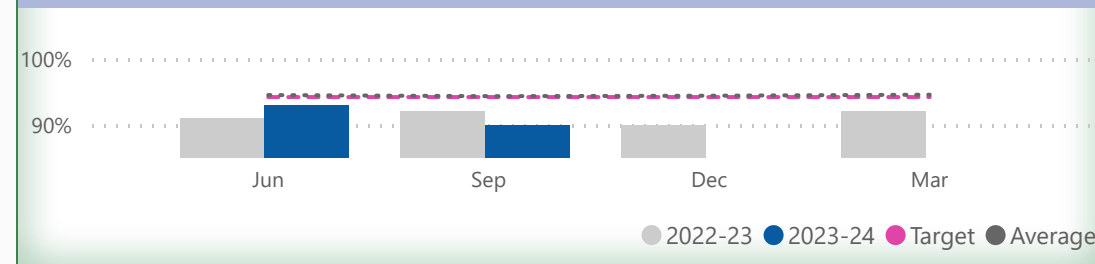
Our average time for **householder planning applications decreased to 7.3 weeks in Jul – Sep 2023**, which is lower than the same quarter last year (8.7 weeks) and below target. The **average time for local (non-householder) applications shows a decrease from 18 weeks to 15 weeks** in the first two quarters of 2023/24. This is close to our target of 14.4 weeks. We are continuing to close off some older applications with longer determination times, which has affected the overall average.

For building warrants issued within 10 days, we continue to meet our target (90%), with **90% of warrants issued within 10 days in Jul – Sep 2023**. This is a similar high level of performance as last year and the four year average.

Weeks for planning applications



% Building warrants issued within 10 days



● On target ● Within 5% of target

Glossary - page 1

Term ▲	Definition
☰ Children, Families and Communities	
Achieving Literacy	Literacy is based on three individual components: Listening and Talking, Reading and Writing. A pupil has achieved the expected level of literacy (dependent on their stage) if they have achieved the expected level in each of the three individual components.
Achieving Numerary	A pupil has achieved numeracy (dependent on their stage) if they have achieved the expected level numeracy and mathematics.
Children with 3 or more placements in a year	Looked After children can either remain at home or be cared for away from their normal place of residence. Children can move between such placements during their episode of care.
Community payback orders	A Community Payback Order (CPO) is a sentence served in the community rather than prison by a person convicted of a lower level (or lower tariff) crime in a court.
Deprived Areas	For the purposes of measurement in Educational attainment, deprivation is defined as any pupil or pupils who live in an area where the Scottish Index of Multiple Deprivation (SIMD) value is within the lowest 20%.
Looked After Children	A 'Looked after child' is a child or young person who is in the care of the Local Authority is termed Looked After. Many Looked After children are subject to a Supervision Requirement through the Children's Hearings system though some may, for example, be cared for through a voluntary agreement.
Positive Destination	A positive destination includes work, training or further study.
SCQF Level 5 or higher	Scottish Credit and Qualifications Framework (SCQF) at level 5 or above.
SCQF Level 6 or higher	Scottish Credit and Qualifications Framework (SCQF) at level 6 or above.
Virtual Comparator	Schools around Scotland which have the same backgrounds as those of our schools. This gives a fair way of comparing our own performance to that of a similar group so that we can see where there is strength and weaknesses.
☰ Climate Change	
Council Emissions	Council emissions are mostly through the following sources: <ul style="list-style-type: none">• energy (buildings and lighting)• waste• fleet and transport

Glossary - page 2

Term	Definition
Corporate Services	
Gender Pay Gap	This is calculated as the difference between average hourly rate of pay for male staff and average hourly rate of pay for female staff divided by the average hourly rate of pay for male staff.
Living Wage	The real Living Wage is an independently calculated rate based on the cost of living and is paid voluntarily by employers. The rate is currently £10.90 and is calculated annually by The Resolution Foundation on an analysis of the wage that employees need to earn in order to afford the basket of goods required for a decent standard of living. This basket of goods includes housing, childcare, transport and heating costs.
Revenue Outturn	The amount of money spent in the year compared to what was available in the budget. The aim is to be as near to 100% spend as possible.
Environmental services	
Litter Monitoring System Score	The Local Environmental Audit and Management System (also known as Litter Monitoring Score/LMS) involves audits to collect information on litter levels, types and the source. Other indicators such as servicing of public use bins, weeds, detritus, graffiti, flytipping and vandalism, are also recorded to provide an overall picture of every site that is inspected. Audits are carried out by each local authority as well as by keep Scotland Beautiful.
Parks minimum standard	Edinburgh's parks are assessed on an annual basis and a Parks Quality Score is produced for each site. These scores are compared to the Edinburgh Minimum Standard which has been developed to benchmark our parks and record how they are improving. Parks are assessed on a number of criteria and must pass assessment minimum level of 60%.
Road Condition Index	The Road Condition Index (RCI) provides information about which sections of a network should be considered for planned maintenance soon, which sections should be investigated to determine the optimum time for maintenance and which sections are generally in a good state of repair. The Road Condition Index in Scotland is the proportion of the network falling within Red and Amber. Red - in poor overall condition which are likely to require planned maintenance soon. Amber - Lengths where some deterioration is apparent which should be investigated to determine the optimum time for planned maintenance treatment.
Road Repairs	Road repairs are diagnosed through inspection using a risk based approach. The inspection takes in to account the potential likelihood of an incident if the defect is untreated and the consequences of that. This then determines how quickly the defect should be repaired using the Cat 1, 2 and 3 repair timescales.
Street lighting repairs	Street lighting repairs are categorised by the nature of the repair required and the potential severity of it not being repaired. Emergency repairs, which include missing panels, exposed wiring and hanging light covers that may cause a threat to safety, will aim to be repaired within 4 hours.

Glossary - page 3

Term ▲	Definition
☐ Housing	
Affordable Home	Affordable housing in Scotland are generally defined as being: Homes for social rent provided by councils and Registered Social Landlords (RSLs) ; Homes for mid-market rent (MMR), which have higher rents than social rented housing, but lower rents than privately rented properties in the surrounding area.; Homes for affordable home ownership, aimed at people who would not be able to buy a home without further financial support.
Emergency/ Non Emergency Housing Repair	The Councils repairs policy sets out which repairs are categorised to be an emergency, urgent or routine repair. The category determines how quickly the council will aim to complete the repair. Emergency - 4 hours Urgent - 24 hours Routine Appointment - 2 weeks Emergency repairs include leaks you cannot stop or contain, loss of heating or hot water, loss of power or lights or a front door that will not close or lock.
Settled Housing	Settled housing refers to secure, medium to long term accommodation. The principle characteristic is that the occupier has security of tenure/residence in their usual accommodation in the medium to long term, or is part of a household whose head holds such security or tenure/residence. In homeless terms, it is a household who is rehoused in either a Local Authority (LA) or Registered Social Landlord (RSL) tenancy

See next page for unsuitable accommodation

Glossary - page 4

Unsuitable temporary accommodation

Accommodation will be deemed 'unsuitable' under the Order if it does not meet the following standards:

1. Basic standards:

- it is not wind and watertight
- it is not suitable for occupation by homeless households, taking into account their needs
- it does not meet the minimum safety standards

A local authority cannot avoid complying with its duty for reasons such as a lack of available housing stock or reliance on third party providers. The minimum safety standards cover health and safety, hygiene, fire, furniture and electrical equipment standards. Further details are covered in Annex A of the Homelessness: code of guidance. There is no time limit, and no exceptions to the requirement to meet the basic standards above.

2. Location standards (subject to exceptions):

- is outwith the local authority area, and the household has not agreed to be accommodated there
- is not near schools or health facilities that are used or might reasonably be expected to be used by members of the family. These facilities should be accessible from the accommodation, taking account of the distance of the travel, by public transport or transport provided by the local authority
- is not in the locality of the place of employment of a member of the household, taking into account the distance of travel by public transport or transport provided by a local authority

The purpose of this is to allow households to access the same types of services that they have used in the past or can be expected to use in the near future. Local authorities should ensure that the facilities that are being counted as being accessible must be genuinely accessible to the household. It is no good ensuring that a household is near a GP if that particular GP will not allow the household onto their list.

3. Physical standards (subject to exceptions):

- lacks adequate bedrooms, toilet and personal washing facilities for the exclusive use of the household. These must all be accessible to the needs of the household
- does not have use of adequate and accessible cooking facilities and a living room These do not have to be for the exclusive use of the family
- is not usable by the household 24 hours a day
- is not suitable for visitation by a child who is not a member of the household and in respect of whom a member of the household has parental rights.

4. Exceptions to the standard (basic still to be met):

- the applicant is homeless or threatened with homelessness as the result of an emergency such as fire or flood
- the local authority makes suitable accommodation available but the applicant wishes to stay in unsuitable accommodation
- the accommodation is a domestic abuse refuge
- the accommodation provides support services for health, childcare or welfare - for example, supported accommodation or addiction services

5. Exceptions (but only for up to 7 days, basic still to be met):

- the applicant made the application outside office hours, or
- the local authority did not have suitable accommodation available

The maximum amount of time a household can stay in unsuitable accommodation is 7 days.

The 'basic standards' must always be met, and there is no 7 day exemption to those.

6. Other exceptions

The Unsuitable Accommodation Order now makes provisions for specific types of accommodation to be 'unsuitable'.

Community hosting, rapid access accommodation and shared tenancy accommodation will not be in breach of the order even where they have shared toilet and washing facilities. Community hosting will be suitable even where it is not usable by a household 24 hours a day. Community hosting, rapid access accommodation and shared tenancy accommodation are always unsuitable for pregnant women, children and people with parental rights of a child. The only exception to this would be where a household including one or more of those persons has agreed to be placed in these accommodation types.

Appendix B: Performance scrutiny at committees

Performance reports and Service Improvement plans are scrutinized at various Executive committees throughout the year on a regular basis. You can find details and links to recent and pending reports containing performance information submitted to committees below:

Adult Social Care

Adult Social Care performance was considered at the following committees:

- The [Interim Chief Officer update](#) was considered at Policy and Sustainability Committee, 22 August 2023
- The [IJB Annual Performance Report 2022/23](#) was considered at Edinburgh Integration Joint Board, 8 August 2023

Education

Performance across our schools was considered at the following committees:

- the [Education Improvement Plan](#) was considered at the Education, Children and Families Committee, 5 September 2023.
- [Attainment in the Senior Phase 2022-23](#) was considered at the Education, Children and Families Committee, 7 November 2023
- [Attainment in Broad General Education in Primary and Secondary schools 2021-22](#) was considered at the Education, Children and Families Committee, 15 November 2022

Children's Services

Performance across Children's services was considered at the following committees:

- The [Children's Services Improvement Plan](#) was considered at the Education, Children and Families Committee, 7 November 2023.
- The [Edinburgh Secure Services and Residential Estate update](#) was considered at the Education, Children and Families Committee, 5 September 2023.

Climate Change

Performance on Council emissions is reported to Policy and Sustainability Committee on an annual basis:

- The latest [Council Emissions Reduction Plan report](#) was considered at the Policy and Sustainability Committee on 24 October 2023.

Environmental Services

Performance across our Environmental Services was considered at the following committees :

- [the Communal Bin Review](#) was considered at the Transport and Environment Committee, 16 November 2023.
- [Roads and Transport Infrastructure Investment Report](#) was considered at the Transport and Environment Committee, 24 September 2023.
- The [Street Cleansing Performance Report](#) was considered at the Transport and Environment Committee, 16 November 2023.

Corporate Services

Performance across our Corporate Services was considered at the following committees:

- the [Workforce dashboard](#) was considered at the Finance and Resources Committee, 21 September 2023.
- The annual update on [the Gender Pay Gap](#) was considered at the Finance and Resources Committee, 24 October 2023.
- Various finance and budgeting reports are considered at the Finance and Resources Committee, on a regular. Both the [Revenue Monitoring 2023/24 – month five report update](#) and the [Capital Monitoring 2023-24 - month five update](#) were considered at the Finance and Resources Committee on the 21 November 2023.
- The [Sustainable Procurement Strategy](#) was considered at Finance and Resources Committee on the 21 September and future reports will be considered on an annual basis.
- The [Quarterly Status Update – Digital Services Report](#) was considered at Governance, Risk and Best Value Committee on 31 October.

Housing

Performance across our Housing Services was considered at the following committees:

- the [Rapid Rehousing Transition Plan](#) was considered at the Housing, Homelessness and Fair Work Committee, 8 August 2023.
- The [Strategic Housing Investment Plan](#) was considered at the Housing, Homelessness and Fair Work Committee, 5 December 2023.
- The [Housing Service Improvement Plan](#) was considered at the Housing, Homelessness and Fair Work Committee, 3 October 2023.
- The [Homelessness Services Performance Dashboard](#) was also considered at the Housing, Homelessness and Fair Work Committee, 3 October 2023.
- An update on actions to address [Dampness, Mould and Condensation in Council homes was](#) reported to Housing, Homelessness and Fair Work Committee, 3 October 2023. The next update is due in six months.
- The latest planning and building warrant performance information is included in the [Business Bulletin](#) that was considered at the Planning Committee, 15 November 2023.

This page is intentionally left blank

Governance, Risk and Best Value Committee

10:00am, Tuesday, 16 January 2024

Analysis of the top five areas of risk associated with issues raised in audits

Executive/routine
Wards

1. Recommendations

- 1.1 Committee are asked to note the report, in response to the action 4.2 raised at GRBV Committee on 19 September 2023.

Dr Deborah Smart

Executive Director, Corporate Services

Contact: Chris Lawson, Head of Health, Safety and Risk

Legal and Assurance Division, Corporate Services Directorate

E-mail: chris.lawson@edinburgh.gov.uk

Analysis of the top five areas of risk associated with issues raised in audits

2. Executive Summary

- 2.1 This report responds to the request from Governance, Risk and Best Value Committee to report back on an analysis of the top five areas of risk associated with issues raised in audits in Place, Corporate Services and Children, Education and Justice Services. The report also sets out an understanding of where there may be underlying and thematic weaknesses and what steps directorates are taking to manage risks in these areas at a Directorate and Council level where appropriate.

3. Background

- 3.1 Directors of Place, Corporate Services and Children, Education and Justice Services were asked to bring a report to GRBV Committee in three cycles which analyses the top five areas of risk, associated with issues raised in audits. The report should set out an understanding of where there may be underlying and thematic weaknesses and what steps directorates are taking to manage risks in these areas.
- 3.2 The report highlights the five thematical areas of risk identified and details the response in relation to these at a Directorate and Council level as appropriate.

4. Main report

- 4.1 While the action placed a requirement on individual Directorates to bring back a report, it is evident having carried out this analysis that, for a number of the thematical weaknesses identified, a Council wide rather than Directorate only response is required. This has not precluded Directorates from responding to the action highlighted in audits or from applying wider Directorate learning. However, in order to ensure more consistent approaches to managing key risks it is appropriate some of these are responded to more broadly, Council wide.
- 4.2 The current approach following audits is to have the Internal Audit team present at Directorate Risk Committees to share the audit findings and wider learning which can come from audit findings within individual Directorates. This in turn can result in

new or amended risk descriptions and actions being captured within Directorate Risk Registers.

- 4.3 The knowledge sharing does not stop at Directorates however, as the key findings of audits are also raised at the Risk and Assurance Forum with Operations Manager' representation from all Directorates to support wider organisation learning and to support the principle of continual improvement.
- 4.4 This learning process is being set out more explicitly in the new risk management framework document being prepared to provide greater clarity on the use of intelligence to drive risk management strategies.
- 4.5 The top five thematic areas of risk, associated with issues raised in audits were:
 - Regulatory and legislative compliance
 - Workforce
 - Resilience
 - Financial and budget management
 - Governance and decision making
- 4.6 The risk strategies for responding to these are set out in appendix 1.
- 4.7 In addition, Services have improvement plans which are reported to committees with update reports setting out progress, examples of this include Children's Services Improvement Plan with Improvement board and the Education Improvement Plan, further details of which are provided at section 10.

5. Next Steps

- 5.1 The new risk framework will be concluded with the support of the newly appointed Risk Management professionals and rolled out across the Council.
- 5.2 The learning opportunity from audits will continue to be taken using the forums for sharing this information, with Risk Management colleagues confirming with Services/Directorates these have been captured and detailed response within relevant risk registers.

6. Financial impact

- 6.1 There is no direct financial impact associated with this report as the report is for noting. Actions being taken to respond to thematical risks will require resource to respond and manage these. Any additional resource requirement will be set out in separate reports where necessary.

7. Equality and Poverty Impact

- 7.1 This report does not have a direct impact on equality or poverty.

8. Climate and Nature Emergency Implications

- 8.1 This report does not impact directly in the climate and nature emergency.

9. Risk, policy, compliance, governance and community impact

- 9.1 This report highlights thematical risks identified through the audit process and the response at a Directorate and Council level as appropriate. The report also directs towards the broader risk management principles of organisational learning and continual improvement which are underpinned through the Council's Risk Management Framework.

10. Background reading/external references

- 10.1 [7.3 - Standards Quality Report and Education Improvement Plan.pdf \(edinburgh.gov.uk\)](#)
- 10.2 [7.6 - Childrens Services Improvement Plan Update Full Committee.pdf \(edinburgh.gov.uk\)](#)

11. Appendices

- 11.1 Appendix 1- Key themes raised across completed audits

Appendix 1 – Key themes raised across completed audits

The table below provides a summary of the key themes raised across the completed audits; it should be noted that more than one key theme may be raised from an audit recommendation. A Risk Management update is included in terms of Risk Strategy, examples of actions.

Key theme	Risk Appetite	Summary	Risk Management Update
Policies and procedures	Governance and Decision Making	Non-compliance and/or lack of comprehensive policies and procedures was noted as a key theme across all 5 audits. Issues included: missing procedures (where expected); lack of appropriate approvals; incomplete documents; deviation from existing procedures and lack of review processes / version control to ensure policies and procedures remain up to date.	<p>All Operational Services instigated work to look at Council policies in terms of updates and ownership.</p> <p>The co-ordination of this was undertaken Council wide and a tracker was developed.</p> <p>Children and Justice Services use a policy and procedures tracker with fortnightly meetings in place to track progress.</p> <p>Further supportive work is needed to progress this area of work, and this is planned.</p>
Risk Management	Governance and Decision Making	Inadequate risk management considerations were noted across four audits. Issues included: incomplete risk assessments; limited processes for identifying, recording, and monitoring operational risks in some teams and a number of specific health and safety risks.	<p>The Council has allocated resource to recruit a Chief Risk Officer (now in post) and team of two Senior Risk Advisors to embed and develop the Council Risk Framework through developed systems and the application of risk methodologies through for example Risk Management training and workshops.</p> <p>The Risk Management team plan will further educate Council colleagues in services about the value of Risk Management in</p>

Key theme	Risk Appetite	Summary	Risk Management Update
			terms of how this supports and enhances the management of risk within their teams and responsibilities.
Records and data management	Regulatory and Legislative Compliance	Inadequate records and data management issues were noted across three audits. Issues included: incomplete documents, missing records, issues with locating records and storage of records; version control/archiving issues; limited use of management information and inadequate record keeping to evidence decision making.	<p>The Information Governance Team deliver the Council framework through policies, procedures, underpinned by training and regular organisation wide communications. Colleagues are supported if and when matters arise. Data breach reporting is well established and used to show the risk context and allow the team to respond and support accordingly.</p> <p>Forthcoming advancements in the Councils technology options are welcomed to support this area of work further.</p>
Roles and responsibilities	Governance and Decision Making	Linking to policies and procedures, specific issues were noted across two audits where roles and responsibilities were not clearly documented, communicated and understood.	<p>As noted above:</p> <p>Strategic Change and Delivery instigated work to look at Council policies in terms of updates and ownership.</p> <p>The co-ordination of this was undertaken Council wide and a tracker was developed.</p> <p>Specific work has been undertaken to put in place documents clarifying limits of authority for key Place directorate services where there is a quasi-judicial element to their work.</p>

Key theme	Risk Appetite	Summary	Risk Management Update
			<p>Children and Justice Services use a policy and procedures tracker with fortnightly meetings in place to track progress.</p>
Value for money	Financial and Budget Management	<p>Contract management / procurement issues which could lead to issues in demonstrating achievement of value for money were noted in two audits.</p>	<p>The Contract Management manual and toolkit has been developed to support managers in contract management.</p> <p>The framework includes key performance indicator guidance as well as contract review meeting guidance.</p> <p>An example of creating capacity within services is where Children Education and Justice Services have created a Commissioning Team to support in terms of the work required in this area.</p>
Quality Assurance	Governance and Decision Making	<p>Lack of systems and processes to check and confirm quality of works completed, services provided, or accuracy of internal transactions were highlighted across all five audits. Lack of effective quality assurance limits opportunities to support learning and development, improve service performance and to realise efficiencies.</p>	<p>An example of system development is the use of CAFM (Asset Management system) used within Corporate Property Facilities Management (Place). The system is used to manage statutory building requirements as well as building issued which arise.</p> <p>The use of this system is Council wide across all operational establishments.</p> <p>In terms of good practice, the service recently provided an overview to Business Manager colleagues in schools to update and advise in</p>

Key theme	Risk Appetite	Summary	Risk Management Update
			<p>terms of how the system works/supports/provides governance in terms of managing property related issues.</p> <p>Children and Justice Services have strengthened the Quality, Governance and Regulation audit team and a rolling audit programme is in place.</p> <p>The recent Oracle upgrade within the Procurement platform is in place and an update to the Councils HR system is planned for next Spring which will provide a link to Finance systems creating an integrated technology platform.</p>
Workforce	Service Delivery	<p>Key person dependencies and inadequate contingency arrangements were noted across three audits, resulting in failure for some tasks to be completed due to absence. One audit also noted the requirement to consider the workforce resources required to deliver services to required standards.</p>	<p>The response to the critical motion of 31 August 2023 describes a series of risks in relation to the development of the Council's Workforce Plan. Examples of services undertaking actions to manage workforce supply risk are:</p> <p>Early Years – “Grow Your Own” an initiative that has been in place for some time and includes trainees gaining a child-care qualification.</p> <p>Facilities Management – drop-in locality sessions for janitorial/cleaning staff.</p> <p>Children and Justice Services run Social Worker recruitment events. Work is underway to strengthen links with Universities. Assistance is in place for colleagues to undertake Social Work qualifications.</p>

Key theme	Risk Appetite	Summary	Risk Management Update
			Grow Your Own also rolled out to areas of Digital Services where posts may be difficult to recruit. This includes Customer. Colleagues in terms of good practice.
Business continuity/resilience	Service Delivery	Links to workforce theme. Key person dependencies and lack of formalised contingency arrangements for specialist roles were highlighted in one audit.	<p>An example of managing roles responsibilities and key person dependencies is the current cross Council update of Business Impact Assessment which includes details of key people, resources needed and outage times in terms of agreed tolerances.</p> <p>There is a move to have all Council Business Impact Assessments on the Council's Continuity 2 Platform.</p>
Role specific learning/training	Regulatory and Legislative Compliance	The need to ensure that role specific learning is completed, recorded and monitored was highlighted in one audit. In addition, ensuring that enhanced learning is provided to colleagues to support them fulfilling their role was highlighted, for example health and safety. In addition, ensuring that supervisors hold adequate training and understanding of areas to support and manage colleagues was noted.	<p>A Board meets quarterly to discuss and agree whole Council essential/induction learning. Role specific learning is managed within services.</p> <p>There is a current emphasis on moving all essential learning content to MyLearningHub to support in terms of governance and employee accessibility to learning.</p> <p>Cyber Security is managed via Meta Compliance which prompts and reminds employees and managers of requirements. Completion of this training is actively monitored. There are structured communications around this to ensure ICT issues are aware when a new module is required to be completed.</p>

Key theme	Risk Appetite	Summary	Risk Management Update
Organisational Culture	Regulatory and Legislative Compliance	The need to improve the culture of responsibility for health and safety organisational wide for both individual colleagues and managers was highlighted.	<p>The revised Council Health and Safety strategy was agreed in January 2023. This seeks to build on wide ranging Health and Safety guidance through a prescriptive approach. There is for example an emphasis on the importance of Health and Safety as a standing agenda item at meeting. The use of key performance indicators and dashboards to quantify and support the management of Health and Safety risk is also part of the strategy.</p> <p>Recently headteachers were asked to use a standing item agenda for school Health and Safety Committees. This was developed and agreed jointly with EIS and has been welcomed by school colleagues.</p>

Governance, Risk and Best Value Committee

10.00am, Tuesday, 16 January 2024

Treasury Management: Mid-Term Report 2023/24 – referral from the City of Edinburgh Council

Executive/routine
Wards
Council Commitments

1. For Decision/Action

- 1.1 The City of Edinburgh Council has referred the Treasury Management: Mid-Term Report 2023/24 to the Governance, Risk and Best Value Committee for scrutiny.

Dr Deborah Smart
Executive Director of Corporate Services

Contact: Louise Williamson, Assistant Committee Officer
Legal and Assurance Division, Corporate Services Directorate
E-mail: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4264

Referral Report

Treasury Management: Mid-Term Report 2023/24 – referral from the City of Edinburgh Council

2. Terms of Referral

- 2.1 The City of Edinburgh Council on 14 December 2023 considered a report which provided an update on Treasury Management activity undertaken in the first half of 2023/24.
- 2.2 The City of Edinburgh Council agreed:
 - 2.2.1 To note the mid-year report on Treasury Management for 2023/24.
 - 2.2.2 To refer the report by the Executive Director of Corporate Services to the Governance Risk and Best Value Committee for scrutiny.

3. Background Reading/ External References

- 3.1 The City of Edinburgh Council – 14 December 2023 - [Webcast](#)
- 3.2 Minute of the City of Edinburgh Council – 14 December
- 3.3 Finance and Resources Committee – 21 November 2023 - [Webcast](#)
- 3.4 Minute of the Finance and Resources Committee – 21 November 2023

4. Appendices

Appendix 1 – Report by the Executive Director of Corporate Services

Finance and Resources Committee

10:00am, Tuesday, 21st November 2023

Treasury Management: Mid-Term Report 2023/24

Executive/routine
Wards

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1 notes the mid-year report on Treasury Management for 2023/24; and
 - 1.1.2 refers the report to City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

Richard Lloyd-Bithell

Service Director – Finance and Procurement

Contact: Innes Edwards, Principal Treasury and Banking
Manager

E-mail: innes.edwards@edinburgh.gov.uk | Tel: 0131 469
6291

Treasury Management: Mid-Year Report 2023/24

Treasury Management: Mid-Year Report 2023/24

2. Executive Summary

- 2.1 The purpose of this report is to give an update on Treasury Management activity undertaken in the first half of 2023/24.
- 2.2 In accordance with the Strategy set in March 2023 the Council has completed no borrowing so far this financial year.
- 2.3 The investment return for 2023/24 is outperforming the Fund's benchmark, during a period of increasing interest rates while maintaining the security of the investments as a priority.

3 Background

- 3.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the mid-year report has been prepared setting out activity undertaken.

4 Main report

4.1 UK Interest Rates

- 4.1.1 During the last six months the major issue to the economy continued to be the elevated level of inflation. However the lower than expected inflation rate at the end of the quarter prompted the Bank of England to keep UK Bank Rate on hold at 5.25% in September after 14 consecutive hikes. Appendix 1 gives a summary of the first six months from the Council's Treasury Advisors

4.2 Debt Management

- 4.2.1 The Council continued to fund its borrowing requirement by reducing its investments with no borrowing undertaken in the first half of the year. Appendix 2 outlines the debt management activity during the period.
- 4.2.2 During the first half of the financial year a total of £8.5m in loans was advanced to Edinburgh Living to allow the purchase of affordable homes built by the Council.

4.3 Investment Out-turn

- 4.3.1 The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Treasury Management Policy Statement. Appendix 3 provides detail on the Council's investments.
- 4.3.2 As can also be seen in Appendix 3 Treasury Cash Fund performance has outperformed its benchmark with absolute investment returns increasing due to the increases in UK interest rates.

5 Next Steps

- 5.1 The Treasury Team will continue to operate its Treasury Cash Fund with the aim of out-performing its benchmark and manage the Council's debt portfolio to minimise the cost to the Council while mitigating risk.
- 5.2 The Treasury Team will also continue to review the Council's borrowing requirements, taking into account the significant planned capital investment set out in the ten-year capital plan, and any opportunities that the market presents.

6 Financial impact

- 6.1 The Treasury Cash Fund has generated significant additional income for the Council.
- 6.2 Loan charges associated with the borrowing will be managed within the approved budget.

7 Equality and Poverty Impact

- 7.1 n/a

8 Climate and Nature Emergency Implications

- 8.1 The Council's Treasury Management Policy Statements specify a list of approved investment types, and this list does not include investment in equities (other than in Council companies) or Corporate Bonds (other than issued by financial institutions). As such the Council has no direct or indirect investments in fossil fuel companies.
- 8.2 However, the most recent version of the Treasury Management Code has placed a greater emphasis on ESG issues, suggesting in the Treasury Management Practices that:
- "The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level."*

- 8.3 As the code notes, ESG within Treasury portfolios is a developing area, and further work on this will be carried out in conjunction with the Council's treasury advisors with the intention of including narrative on responsible investment in the 2024/25 Policy Statement.

9 Risk, policy, compliance, governance and community impact

- 9.1 To support Elected Members in discharging their duties in relation to the Council's Treasury Management activities, it is intended to make some structured training available in advance of the 2024/25 Strategy report.

10 Background reading/external references

- 10.1 n/a

11 Appendices

Appendix 1: Economic Background

Appendix 2: Debt Management Activity

Appendix 3: Investment Out-turn

Appendix 4: Debt outstanding 30th September 2023

Appendix 1

Economic Background

Our Treasury Advisors, Arlingclose, summarised the financial markets and gilt yields over the first six months of the financial year as follows:

UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.

Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.2%. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary, or at the very least, stagnating economic conditions.

July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.

The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.

Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.

Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued

to improve over the period, the GfK measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.

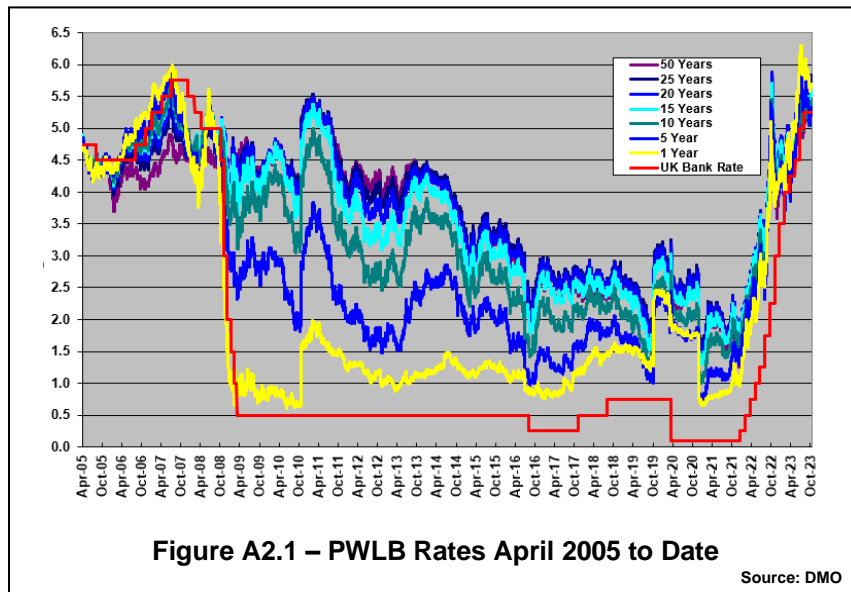
Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.

Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

Appendix 2

Debt Management Activity

Figure A2.1 below shows the PWLB borrowing rates since April 2005.



Borrowing rates have continued to rise as concerns over sustained inflation persisted. The Debt Management Strategy for 2023/24 as outlined in the Strategy Report was to:

- continue to reduce investment balances to temporarily fund capital expenditure; and
- continue to lock out the risk on projects when the timing of capital expenditure becomes certain and if there are any short-term dips in interest rates.

No significant short-term dips were forthcoming in the first half of the financial year. The Council has therefore continued to reduce its investment balances to temporarily fund capital expenditure. While Chart A3.1 shows that the Council still had a significant cash balance at the end of September, it is anticipated that this balance will reduce substantially over the course of the second half of the financial year. While the current strategy can continue for the time being, it is not sustainable beyond this financial year.

During September and October a bank gave notification of an increase to the interest rate payable on two £10m Lender Option Borrower Option (LOBO) Market Loans. The Council exercised its option to repay the loans without penalty.

During the first six months of the financial year, there were three Edinburgh Living settlements. A total of £8.5m in loans was advanced to Edinburgh Living to allow the purchase of affordable homes built by the Council. All of the loans were funded from PWLB Borrowing which had been taken out in March 2022 to mitigate interest rate risk for Edinburgh Living.

Appendix 3

Investment Out-turn

The Council's cash balances are pooled with the sterling cash of Lothian Pension Fund and invested via the Treasury Cash Fund subject to the limits set out in the Cash Fund Treasury Management Policy Statement. Figure A3.1 below shows the daily investment in the Cash Fund since April 2009. The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks.

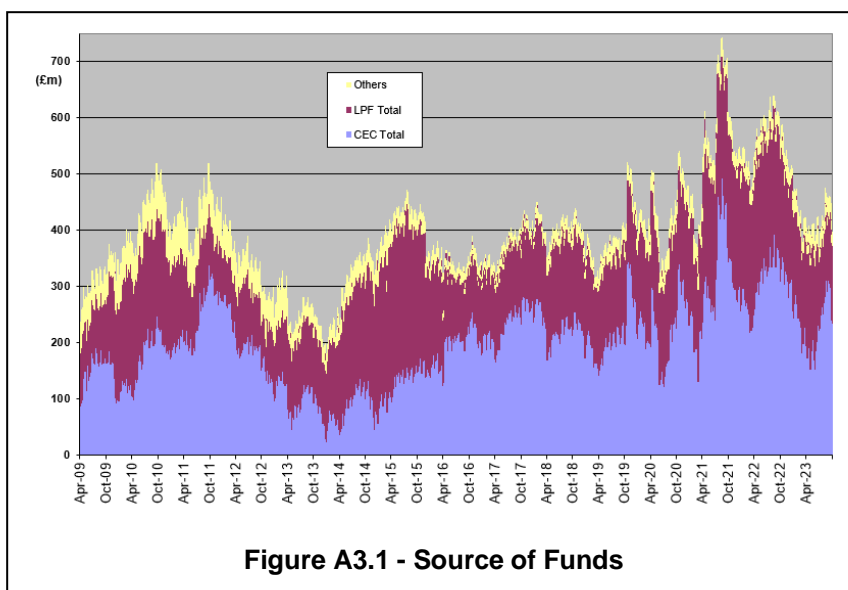
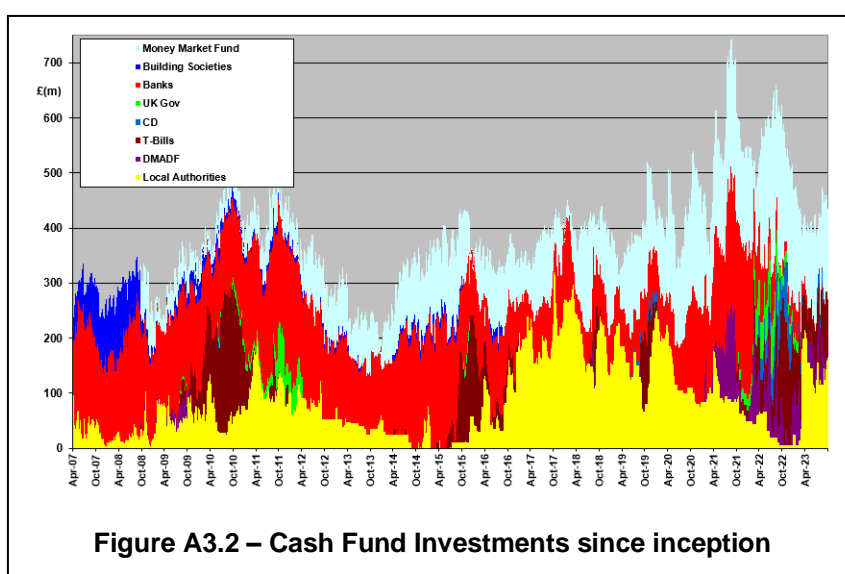
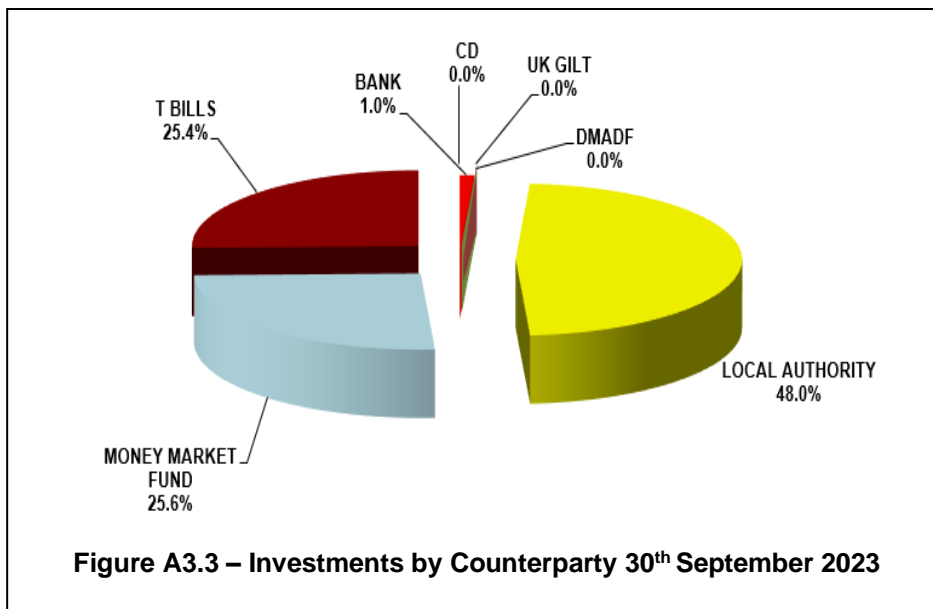


Figure A3.2 shows in detail the distribution on Cash Fund investments since inception in 2007.



This shows that a larger proportion of the Cash Fund was represented by loans to other local authorities than in the previous financial year. This was predominately due to English authorities holding cash relating to COVID support in 2022/23 which had not yet been repaid to the Government. Figure A3.3 shows the Cash Fund investment distribution at the end of September.



At the end of September nearly half of the Cash Fund’s assets were invested in fixed term and notice loans to other local authorities. The interest rate on the notice loans (which had a notice period of between 14 and 35 days) change the day after any decision by the Bank of England’s Monetary Policy Committee’s (MPC) on UK Bank Rate. This has given the Cash Fund a level of protection against the increases in UK Bank Rate.

Figure A3.4 below summarises the investment maturity by sector including distinguishing between Local Authority fixed and notice deposits as well as between Scottish and English Authorities.

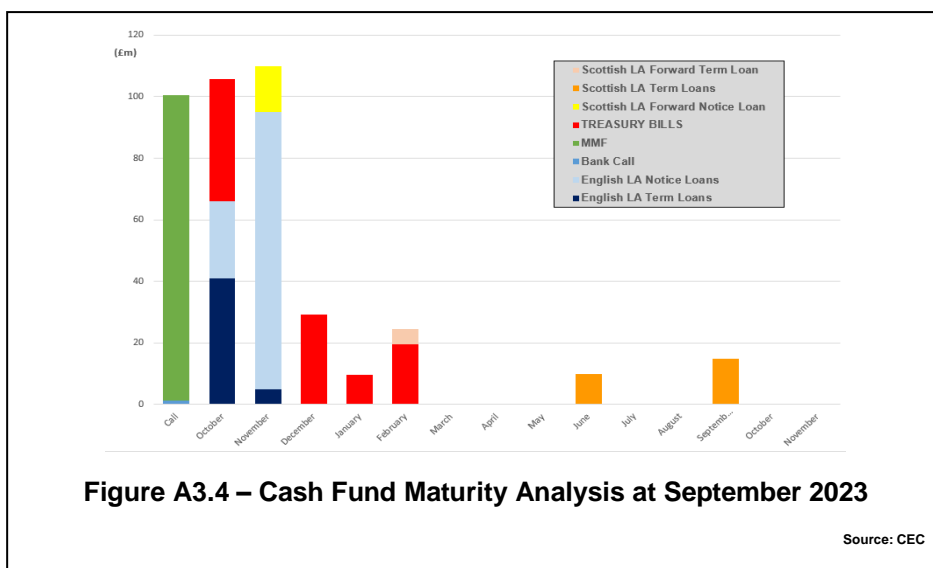


Figure A3.4 – Cash Fund Maturity Analysis at September 2023

Source: CEC

Local Authority Creditworthiness

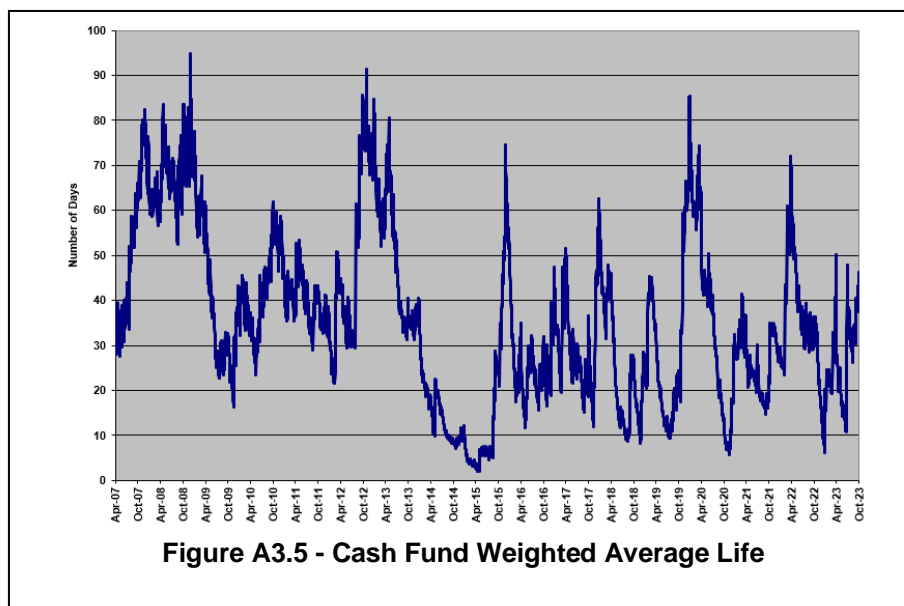
Given that half of the Cash Fund is held with other local authorities and there has been significant press comment around a small number of authorities “effectively going bankrupt”, it is appropriate to review the Council’s view on local authority creditworthiness.

The Council has generally taken the view that investment with another local authority represents pseudo-sovereign investment risk, and in any case the loans are secured against all the revenues of the borrowing authority. Within the investment limits set by Elected Members in the Treasury Management Policy Statements, the actual investments undertaken are further restricted by the Treasury Management Strategy Panel consisting of senior officers in Finance. This has included not lending to local authorities which had significant exposure to commercial investments, particularly commercial properties and other investments outwith their own geographical area purchased to generate an income but funded by borrowing.

Scottish authorities have not made the type of commercial investments which some Councils south of the border have made. That is not to say that Scottish local authorities are not facing significant challenges and funding gaps themselves, but they aren’t caught up in the particular issues relating to commercial investments.

We continue to believe that it is extremely unlikely that a local authority would be allowed to fail or that the Council would lose money lending to any local authority. However, we consider it prudent to be wary of lending to Councils with substantial commercial investments at present.

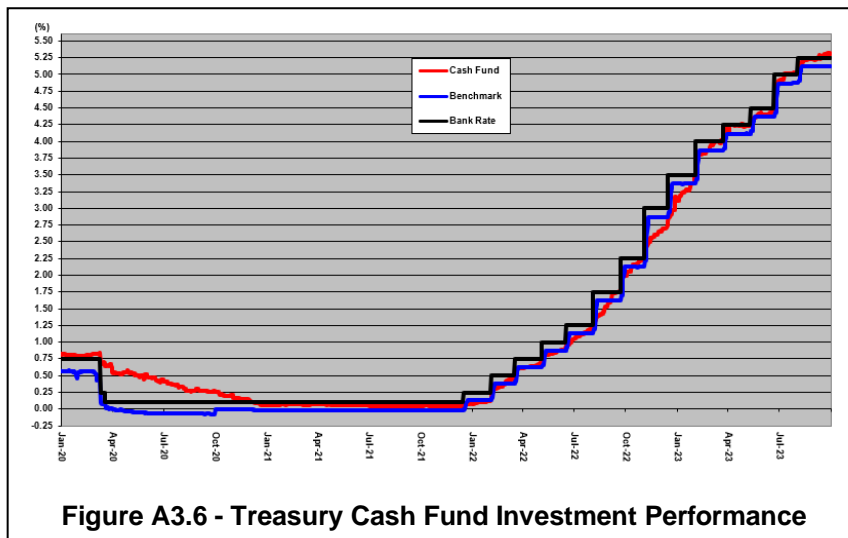
Figure A3.5 shows the weighted average life of the Cash Fund which was 45 days at the end of September.



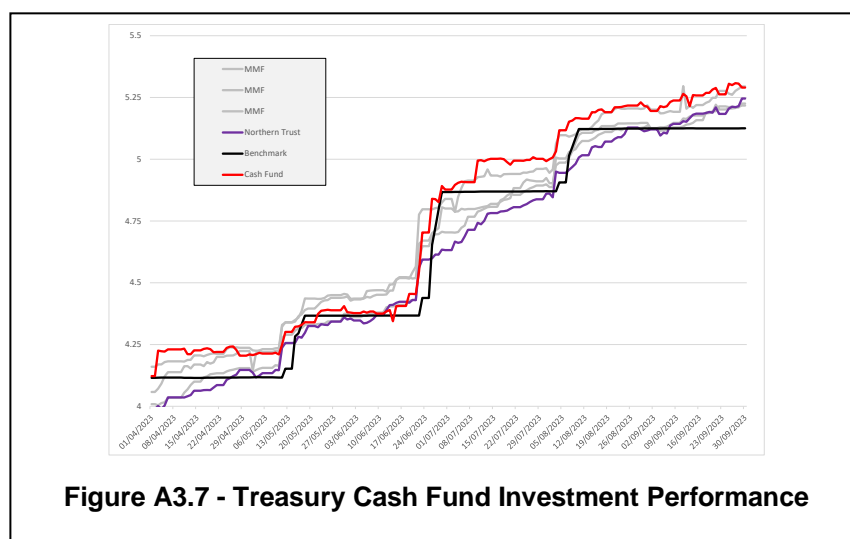
As shown in Figure A3.4 above, the duration added to the portfolio has been taken using UK Government Treasury Bills and loans to other Scottish Local Authorities.

Cash Fund Performance

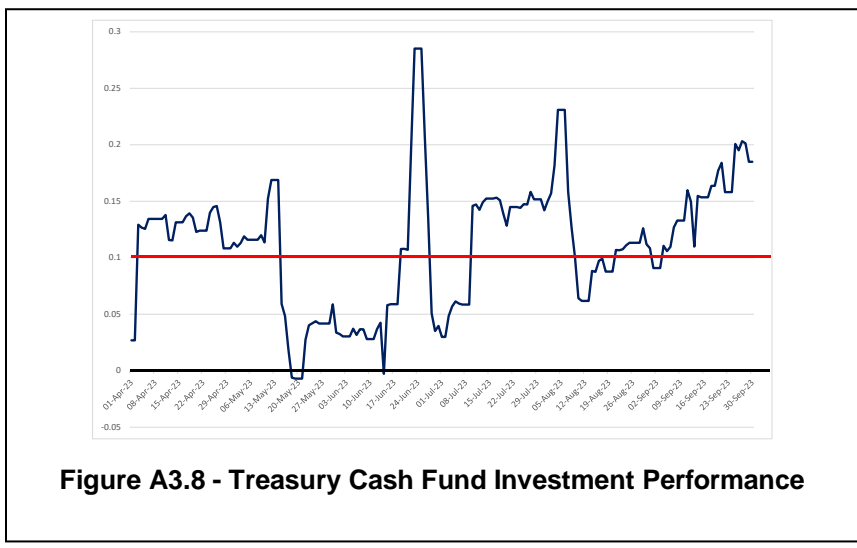
The benchmark set for the Cash Fund is 7-Day Compounded SONIA less 6.25bps. The annualised rate of return for the Cash Fund for the six months to September 2023 was 4.78% against a benchmark return of 4.67%. Figure A3.6 below shows the daily investment performance of the Cash Fund against its benchmark since April 2011. This shows the effect of the 14 consecutive increases of between 0.25% and 0.75% in UK Bank Rate.



To show the performance in the first half of the financial year more clearly, Figure A3.7 below shows the Cash Fund daily return (net of fees) against the three private sector Money Market Funds which the Cash Fund uses for liquidity and the Short-Term Investment Fund from Northern Trust which is the Global Custodian for Lothian Pension Fund.

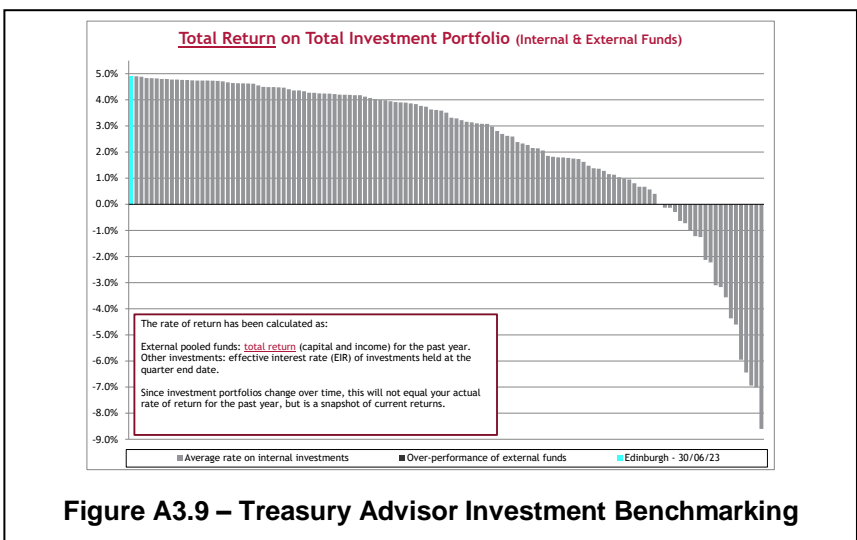


Over the quarter as a whole, this shows very good performance against private sector funds with a similar liquidity requirement. In the Lothian Pension Fund mandate, LPF have set a 10bp outperformance target relative to the benchmark. Figure A3.8 below shows the Cash Fund relative performance against the benchmark with the LPF target highlighted in red.



Bar a couple of days in May and June, the Cash Fund has been above benchmark for the whole six months, in spite of three increases in UK Bank Rate, and has been above the LPF performance hurdle for most of the period.

The Council supplies data on its Cash Fund investment to the Council's Treasury Advisors to allow their analysis of the Council's portfolio and performance. The advisors provide a credit analysis at the end of each quarter and Figure A3.9 below shows the investment return at the end of June for their client universe. While it is only a snapshot at the end of the quarter, it does show that the combination of the local authority notice accounts and fixed term duration decisions have been effective.



Appendix 4

Debt outstanding 30th September 2023

Market Debt (non LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	08/10/2020	08/10/2045	55,596,558.81	2.613	1,464,544.90
M	30/06/2005	30/06/2065	5,000,000.00	4.4	220,000.00
M	07/07/2005	07/07/2065	5,000,000.00	4.4	220,000.00
M	21/12/2005	21/12/2065	5,000,000.00	4.99	249,500.00
M	28/12/2005	24/12/2065	12,500,000.00	4.99	623,750.00
M	14/03/2006	15/03/2066	15,000,000.00	5	750,000.00
M	18/08/2006	18/08/2066	10,000,000.00	5.25	525,000.00
M	01/02/2008	01/02/2078	10,000,000.00	3.95	395,000.00
			118,096,558.81		

Market Debt (LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	12/11/1998	13/11/2028	3,000,000.00	4.75	142,500.00
M	15/12/2003	15/12/2053	10,000,000.00	5.25	525,000.00
M	18/02/2004	18/02/2054	10,000,000.00	4.54	454,000.00
M	28/04/2005	28/04/2055	12,900,000.00	4.75	612,750.00
M	01/07/2005	01/07/2065	10,000,000.00	3.86	386,000.00
M	24/08/2005	24/08/2065	5,000,000.00	4.4	220,000.00
M	13/09/2005	14/09/2065	5,000,000.00	3.95	197,500.00
M	03/10/2005	05/10/2065	5,000,000.00	4.375	218,750.00
M	23/12/2005	23/12/2065	10,000,000.00	4.75	475,000.00
M	06/03/2006	04/03/2066	5,000,000.00	4.625	231,250.00
M	17/03/2006	17/03/2066	10,000,000.00	5.25	525,000.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	07/04/2006	07/04/2066	10,000,000.00	4.75	475,000.00
M	05/06/2006	07/06/2066	20,000,000.00	5.25	1,050,000.00
M	05/06/2006	07/06/2066	16,500,000.00	5.25	866,250.00
			162,400,000.00		

PWLB Loans

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	13/10/2009	13/10/2023	5,000,000.00	3.87	193,500.00
M	05/12/1995	15/11/2023	10,000,000.00	8	800,000.00
M	10/05/2010	10/05/2024	10,000,000.00	4.32	432,000.00
M	28/09/1995	28/09/2024	2,895,506.10	8.25	238,879.25
M	14/05/2012	14/11/2024	10,000,000.00	3.36	336,000.00
A	14/12/2009	14/12/2024	1,261,924.56	3.66	46,186.44
M	17/10/1996	25/03/2025	10,000,000.00	7.875	787,500.00
M	10/05/2010	10/05/2025	5,000,000.00	4.37	218,500.00
M	16/11/2012	16/05/2025	20,000,000.00	2.88	576,000.00
M	13/02/1997	18/05/2025	10,000,000.00	7.375	737,500.00
M	20/02/1997	15/11/2025	20,000,000.00	7.375	1,475,000.00
A	01/12/2009	01/12/2025	2,949,808.77	3.64	137,696.63
M	21/12/1995	21/12/2025	2,397,960.97	7.875	188,839.43
M	21/05/1997	15/05/2026	10,000,000.00	7.125	712,500.00
M	28/05/1997	15/05/2026	10,000,000.00	7.25	725,000.00
M	29/08/1997	15/11/2026	5,000,000.00	7	350,000.00
M	24/06/1997	15/11/2026	5,328,077.00	7.125	379,625.49
M	07/08/1997	15/11/2026	15,000,000.00	6.875	1,031,250.00
M	13/10/1997	25/03/2027	10,000,000.00	6.375	637,500.00
M	22/10/1997	25/03/2027	5,000,000.00	6.5	325,000.00
M	13/11/1997	15/05/2027	3,649,966.00	6.5	237,247.79
M	17/11/1997	15/05/2027	5,000,000.00	6.5	325,000.00
M	13/12/2012	13/06/2027	20,000,000.00	3.18	636,000.00
M	12/03/1998	15/11/2027	8,677,693.00	5.875	509,814.46
M	06/09/2010	06/09/2028	10,000,000.00	3.85	385,000.00
M	14/07/2011	14/07/2029	10,000,000.00	4.9	490,000.00
E	14/07/1950	03/03/2030	1,642.80	3	54.97
M	14/07/2011	14/07/2030	10,000,000.00	4.93	493,000.00
E	15/06/1951	15/05/2031	1,874.74	3	61.52
M	06/09/2010	06/09/2031	20,000,000.00	3.95	790,000.00
M	15/12/2011	15/06/2032	10,000,000.00	3.98	398,000.00
M	15/09/2011	15/09/2036	10,000,000.00	4.47	447,000.00
M	22/09/2011	22/09/2036	10,000,000.00	4.49	449,000.00
M	10/12/2007	10/12/2037	10,000,000.00	4.49	449,000.00
M	08/09/2011	08/09/2038	10,000,000.00	4.67	467,000.00
M	15/09/2011	15/09/2039	10,000,000.00	4.52	452,000.00
M	06/10/2011	06/10/2043	20,000,000.00	4.35	870,000.00
M	09/08/2011	09/02/2046	20,000,000.00	4.8	960,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	19/05/2006	19/11/2046	10,000,000.00	4.25	425,000.00
M	07/01/2008	07/01/2048	5,000,000.00	4.4	220,000.00
A	24/03/2020	24/03/2050	13,604,358.63	1.64	228,123.52
A	26/03/2020	26/03/2050	4,524,708.68	1.49	68,965.87

A	26/03/2021	26/03/2051	9,675,888.09	1.75	167,106.12
A	12/07/2021	12/07/2051	37,943,439.35	1.78	689,262.84
M	27/01/2006	27/07/2051	1,250,000.00	3.7	46,250.00
M	16/01/2007	16/07/2052	40,000,000.00	4.25	1,700,000.00
M	30/01/2007	30/07/2052	10,000,000.00	4.35	435,000.00
M	13/02/2007	13/08/2052	20,000,000.00	4.35	870,000.00
M	20/02/2007	20/08/2052	70,000,000.00	4.35	3,045,000.00
M	22/02/2007	22/08/2052	50,000,000.00	4.35	2,175,000.00
M	08/03/2007	08/09/2052	5,000,000.00	4.25	212,500.00
M	30/05/2007	30/11/2052	10,000,000.00	4.6	460,000.00
M	11/06/2007	11/12/2052	15,000,000.00	4.7	705,000.00
M	12/06/2007	12/12/2052	25,000,000.00	4.75	1,187,500.00
M	05/07/2007	05/01/2053	12,000,000.00	4.8	576,000.00
M	25/07/2007	25/01/2053	5,000,000.00	4.65	232,500.00
M	10/08/2007	10/02/2053	5,000,000.00	4.55	227,500.00
M	24/08/2007	24/02/2053	7,500,000.00	4.5	337,500.00
M	13/09/2007	13/03/2053	5,000,000.00	4.5	225,000.00
A	14/10/2019	10/04/2053	102,550,960.14	2.69	2,803,101.59
M	12/10/2007	12/04/2053	5,000,000.00	4.6	230,000.00
A	01/07/2021	01/07/2053	47,712,519.27	1.98	961,887.90
M	05/11/2007	05/05/2057	5,000,000.00	4.6	230,000.00
M	15/08/2008	15/02/2058	5,000,000.00	4.39	219,500.00
A	25/01/2019	25/01/2059	2,550,222.71	2.65	68,434.54
A	11/06/2019	11/06/2059	1,200,888.16	2.23	27,140.99
A	01/10/2019	01/10/2059	1,259,541.15	1.74	22,023.17
A	02/10/2019	02/10/2059	37,529,106.03	1.8	678,786.79
A	05/11/2019	05/11/2059	6,797,754.14	2.96	203,491.86
A	28/11/2019	28/11/2059	1,244,120.01	3.03	38,117.28
A	02/12/2019	02/12/2059	2,678,395.70	3.03	82,060.54
A	20/01/2020	20/01/2060	1,875,696.90	1.77	33,682.44
A	20/01/2020	20/01/2060	436,195.29	2.97	13,101.37
M	04/10/2019	04/04/2060	40,000,000.00	1.69	676,000.00
A	07/12/2021	07/12/2060	18,585,183.33	1.8	339,191.01
M	02/12/2011	02/12/2061	5,000,000.00	3.98	199,000.00
A	07/12/2021	07/12/2061	4,055,939.33	1.79	73,578.23
A	19/05/2022	19/05/2062	3,053,880.63	2.86	88,248.03
A	02/11/2022	02/11/2062	7,964,475.81	4.61	367,981.17
A	24/03/2022	24/03/2063	17,626,817.73	2.65	472,098.73
M	26/03/2020	26/03/2070	10,000,000.00	1.29	129,000.00
M	12/07/2021	12/07/2071	50,000,000.00	1.74	870,000.00
M	23/12/2021	23/12/2071	25,000,000.00	1.45	362,500.00
			1,140,784,545.02		

SALIX INTEREST FREE

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
Z	22/09/2015	01/10/2023	21,979.97	0.00	0.00
Z	29/03/2019	01/04/2029	83,987.16	0.00	0.00
			105,967.13		

This page is intentionally left blank

Governance, Risk and Best Value Committee

10.00am, Tuesday 16 January 2024

The EDI Group – annual update for the year ending 31 December 2022 – referral from the Housing, Homelessness and Fair Work Committee

Executive/routine

Routine

Wards

1. For Decision/Action

- 1.1 The Housing, Homelessness and Fair Work Committee has referred an annual update report on the EDI Group for year ending December 2022 to the Governance, Risk and Best Value Committee for noting.

Dr Deborah Smart

Executive Director of Corporate Services

Contact: Jamie Macrae, Committee Officer

Legal and Assurance Division, Corporate Services Directorate

Email: jamie.macrae@edinburgh.gov.uk | Tel: 0131 529 4264

Referral Report

The EDI Group – annual update for the year ending 31 December 2022 – referral from the Housing, Homelessness and Fair Work Committee

Terms of Referral

2.1 On 5 December 2023, the Housing, Homelessness and Fair Work Committee considered a report on the progress of the transition strategy for The EDI Group Limited, which aimed to close it and its subsidiary companies.

2.2 The Housing, Homelessness and Fair Work Committee agreed:

Decision

- 1) To note the report by the Executive Director of Place.
- 2) To refer the report to the Governance, Risk and Best Value Committee.

2. Background Reading/ External References

2.1 [Webcast of the Housing, Homelessness and Fair Work Committee of 5 December 2023](#)

3. Appendices

3.1 Appendix 1 – report by the Executive Director of Place

Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

The EDI Group – annual update for the year ending 31 December 2022

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Notes the report; and
 - 1.1.2 Refers the report to the Governance, Risk and Best Value Committee.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

The EDI Group – annual update for the year ending 31 December 2022

2. Executive Summary

- 2.1 This report updates members on the progress of the transition strategy for The EDI Group Limited, which aims to close it and its subsidiary companies.

3. Background

- 3.1 The EDI Group Limited (EDI) is an arm's length company of the Council.
- 3.2 On [7 February 2017](#) and [23 February 2017](#), the Economy Committee and the Finance and Resources Committee respectively agreed to close EDI and its subsidiaries and bring certain activities and assets in-house. On [2 November 2017](#), the Housing and Economy Committee agreed a transition strategy for the closure.

4. Main report

- 4.1 The transition strategy continues to be implemented. All ongoing projects are now delivered by Council officers and the majority of EDI assets have transferred to the Council or otherwise disposed of. Most group companies are now in liquidation.
- 4.2 The EDI Board, comprising two elected members, continues to meet quarterly. A scheme of delegation has been agreed which enables minor and routine decisions to be taken by Council officers.
- 4.3 Appendix 1 provides an update on each remaining project and Appendix 2 sets out the residual property assets held by the EDI group.
- 4.4 The audited consolidated financial statements for The EDI Group Limited, for the year ending 31 December 2022, were approved by the EDI Board on 17 August 2023. The overall financial performance was a net loss of £0.655m (compared to a restated net profit of £0.818m in the year ending 31 December 2021) and retained earnings of negative £2.348m (compared to negative £1.693m in the year ending 31 December 2021). The cash balance was £4.317m as of 31 December 2022 (compared to £3.235m in the year ending 31 December 2021).

- 4.5 The independent auditor opined that the statements gave a true view of the state of the company and were properly prepared in line with International Financial Reporting Standards and the requirements of the Companies Act 2006. The directors' report and consolidated financial statements (including the independent auditor's report) are attached as Appendix 3.

5. Next Steps

- 5.1 The company activities will continue through to full corporate closure and annual update reports will continue to be provided to Committee.

6. Financial impact

- 6.1 The projected special dividend to the Council from closing EDI is currently forecast to be no less than £8.0m. This is a reduction on the original forecast figure of £8.5m, reflecting the loss sustained by EDI on the Market Street hotel development, write-downs on property valuations associated with COVID-19, and higher than anticipated tax liabilities on the sale of land at Brunstane East.

7. Equality and Poverty Impact

- 7.1 N/A.

8. Climate and Nature Emergency Implications

- 8.1 N/A.

9. Risk, policy, compliance, governance and community impact

- 9.1 N/A.

10. Background reading/external references

- 10.1 N/A

11. Appendices

- 11.1 Appendix 1 – Project updates.
- 11.2 Appendix 2 – Residual property assets held by EDI.
- 11.3 Appendix 3 – The EDI Group Limited: Directors' report and consolidated financial statements for the year ended 31 December 2022.

Appendix 1 – Project updates

Market Street (EDI Market Street Limited)	
Description Subsidiary company of EDI set up to take forward a hotel development on Market Street.	
Position as of Q4 2023 The Market Street hotel achieved practical completion in November 2018. Council officers acting on behalf of EDI have settled financial claims with the purchaser and the contractor. All transactions have been completed and this company is no longer needed. This company is now in liquidation.	
RAG status	Green
Granton Waterfront (Waterfront Edinburgh Limited; Waterfront Edinburgh (Management) Limited; Caledonia Waterfront (Harbour Road) Limited)	
Description (Formerly) land and buildings at Granton Waterfront	
Position as of Q4 2023 The land and buildings wholly owned by Waterfront Edinburgh have been transferred to the Council and now form part of the wider Granton Waterfront regeneration project led by the Housing and Regeneration service. Waterfront Edinburgh (Management) Limited has now been dissolved while Waterfront Edinburgh Limited is in liquidation. A residual land interest has been identified which is in the process of being resolved. Caledonia Waterfront (Harbour Road) Limited is a joint venture in which The EDI Group Limited owns a 42.5% stake. The company cannot be wound-up until an agreement has been reached with the joint venture partner. It has been agreed in principle that, if an agreement cannot be reached timeously, EDI will seek to transfer its interest in the joint venture to C. E. C. Holdings Limited to allow EDI to be wound-up. Tax advice has been taken on the optimal approach to executing this transfer.	
RAG status	Amber
Craigmillar (PARC Craigmillar Limited; PARC Craigmillar Developments Limited)	
Description Land and buildings at Craigmillar.	
Position as of Q4 2023 PARC Craigmillar holds two residual assets: the White House and the South Park at Greendykes. Legal agreements to which PARC Craigmillar was a party have been novated to the Council. It is now anticipated that the remaining assets will transfer to the Council in early-2024, following which the Board will be requested to approve the closure of PARC Craigmillar Limited. PARC Craigmillar Developments Limited is now in liquidation.	
RAG status	Green
Brunstane (The EDI Group Limited)	
Description A housing development site with planning permission in place on land owned by EDI and option agreement in place with adjoining landowner. The Council also has an entitlement for profit share in relation to access rights.	
Position as of Q4 2023 The sale of the west field at New Brunstane concluded missives in mid-2021. The east field at New Brunstane is currently being sold. Following the sale of the east field, the closure of EDI can begin.	
RAG status	Green

Fountainbridge (EDI Fountainbridge Limited)	
Description EDI Fountainbridge formerly took forward the development of a site at Fountainbridge.	
Position as of Q4 2023 The Council has now appointed Cruden Homes as the pre-development partner for the redevelopment of the site. The work in progress held by EDI Fountainbridge was not of value to the Council and was written off. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
RAG status	Green
Castle Terrace car park (EDI Central Limited)	
Description EDI Central was formerly entitled to payments in connection with a lease arrangement at the Castle Terrace car park.	
Position as of Q4 2023 All payments due to EDI Central have been received and paid up to The EDI Group. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
RAG status	Green
Shawfair (Shawfair Land Limited)	
Description Shawfair Land formerly held a security over land at the South East Wedge.	
Position as of Q4 2023 Shawfair Land has released the security in return for a cash payment which has been paid up to The EDI Group. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
RAG status	Green
Joint ventures (Buredi Limited, New Laurieston (Glasgow) Limited)	
Description Inactive joint venture companies.	
Position as of Q4 2023 Agreement has been reached with joint venture partners to close the two companies. Buredi Limited has been struck-off. The striking-off of New Laurieston (Glasgow) Limited, which is being taken forward by The Miller Group, is ongoing.	
RAG status	Green
Dormant subsidiaries (EDI (Industrial) Limited, Edinburgh Retail Investments Limited))	
Description Dormant subsidiary companies.	
Position as of Q4 2023 Both companies were struck-off in 2019.	
RAG status	Green
The EDI Group Limited (remainder of company)	
Description The parent company of all subsidiaries.	
Position as of Q4 2023 Other than New Brunstane and shares in the joint venture company Caledonia Waterfront (Harbour Road) Limited, no projects sit directly within the parent company. The projected company closure date is now expected to be 2024 as some transactions will now complete during 2023.	
RAG status	Amber

Appendix 2 – Residual property assets held by EDI

Asset	Owner	Status
South Park, Greendykes (MID168446)	PARC Craigmillar Limited	Land at Greendykes, Craigmillar on which the South Park (a new park with SUDS infrastructure beneath it) has been developed. The land is planned to be sold to the Council in 2024 once long-term maintenance arrangements have been agreed. It is assumed to have nil value.
White House, 70 Niddrie Mains Road (MID2609)	PARC Craigmillar Limited	A historic former roadhouse in Craigmillar, currently leased to Community Alliance Trading Enterprises Limited which operates as a restaurant and function space. On 27 April 2022, the Board approved in principle the transfer of the asset to the Council. Council officers are now negotiating a new lease with the sale to the Council expected to be executed in early-2024.
Land at New Brunstane (MID92904)	The EDI Group Limited	Greenfield development land at Brunstane owned by The EDI Group Limited. The West Field (25 hectares) has been sold to Dandara East Scotland Limited for a housing development of 641 to 676 units. The sale of the East Field (14 hectares of developable land, with an estimated capacity of 464+ units), is underway, with a preferred bidder selected.
West Harbour Road, plots D & E (MID120543)	The EDI Group Limited	Brownfield development land at West Harbour Road in Granton Waterfront owned by the joint venture company Caledonia Waterfront (Harbour Road) Limited in which The EDI Group Limited (WEL) owns a 42.5% interest with the remainder being owned by Caledonian Regeneration Investments Limited (CRIL).
Land at West Shore Road (MID108695)	Waterfront Edinburgh Limited	A small plot of land south of West Shore Road, ultimately subleased to SP Energy Networks for a substation.

Appendix 3

Financial Statements

31 December 2022



EDIGROUP

THE EDI GROUP LIMITED
Consolidated financial statements
For the year ended 31 December 2022

Contents	Page
Company Information	1
Strategic Report	2
Directors' Report	3 - 4
Independent Auditor's Report	5 – 8
Consolidated and Parent Company Statement of Profit or Loss	9
Consolidated Statement of Financial Position	10
Parent Company Statement of Financial Position	11
Consolidated and Parent Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14-31

THE EDI GROUP LIMITED

Company Information

For the year ended 31 December 2022

Board of Directors	I Whyte J Meagher
Company secretary	MacRoberts LLP
Company registration	<i>Registered office:</i> Waverley Court 4 East Market Street Edinburgh EH8 8BG
	<i>Registered number:</i> SC110956
Bankers	The Royal Bank of Scotland plc Bank of Scotland plc
Auditor	Azets Audit Services Statutory Auditor Exchange Place 3 Semple Street Edinburgh EH3 8BL

THE EDI GROUP LIMITED

Strategic Report

For the year ended 31 December 2022

The Directors present their strategic report and audited financial statements for the 2022 financial year.

Principal activities, business review and future developments

The EDI Group Limited (EDI) is a company limited by shares which is incorporated and domiciled in Scotland. It is a wholly owned subsidiary of the City of Edinburgh Council and run as an arm's length operation with the role of investing in the development of land and buildings which are surplus to the Council's operational requirements and leading on the property aspects of regeneration in specific areas of the City.

In February 2017 the Council conducted a review of its approach to the use of surplus land and its interactions with the property market. The Council concluded that the group will have no future pipeline of projects and therefore took the decision that the group and this company should begin a process of managed closure. The Council as shareholder has instructed the Directors to begin this process.

The company has now ceased development activities with the majority of the land and buildings transferred to the Council in May 2018 and the remaining land at Greendykes and Brunstane subject to sale negotiations. There has been, and will continue to be, a minimal level of development and property related activity for the remainder of the company's lifespan. Non-property assets will be realised in accordance with their contractual terms and external liabilities and obligations will be settled in full. Financial projections for the closure process show that the group will have sufficient funds to meet all external liabilities and obligations and to repay share capital in full. The intention is that each company will become dormant with a timespan covering 2 to 7 years.

Current development activity

The sale of land at Brunstane West is expected to complete in 2023, while land at Brunstane East is currently being marketed.

Our performance

The financial performance of the group in 2022 was a net loss of £655k compared to a profit of £818k in 2021. Retained earnings decreased from negative £1.7m to negative £2.3m. The major factor influencing the year's results has been administrative expenses with no sales.

The group had a cash balance of £4.3m (2021: £3.3m). The sales expected in 2023 will be profitable and will bring retained earnings into a positive position which would enable a dividend to be declared subject to Board approval, in line with the transition strategy.

Risks and environment

Although the scope of our activity has reduced significantly, the risk factors influencing the remaining assets are a combination of the general economy of Edinburgh and the national housing market. The Shareholder and the Directors recognise that the process of managing the completion of our current activities and transition of the remaining projects to Council control and management has brought specific financial, legal, administration and people risks, and these have been managed.

This report was approved by the board on 15 August 2023 and signed on its behalf by:

J Meagher
Director
4 East Market Street
Edinburgh
EH8 8BG

THE EDI GROUP LIMITED

Directors' Report

For the year ended 31 December 2022

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Principal activities and business review

Details of principal activities, market circumstances and risk and performance indicator are included in the Strategic Report. The results for the year are set out on page 9.

There were no dividends paid during the financial year (2021: nil).

Directors

The Directors who held office during the year, and subsequently, were as follow:

K Campbell	(resigned 30 June 2022)
L Cameron	(resigned 30 June 2022)
I Whyte	
J Meagher	(appointed 30 June 2022)

Political and charitable contributions

The company made no political or charitable contributions during the year.

Going concern

As described in the Strategic Report, the group's ultimate shareholder, The City of Edinburgh Council, has concluded that the group should begin a process of closure. The Group has now ceased development activities other than the sale of remaining land at Greendykes and Brunstane.

The opinion of the Directors is that the decision of the shareholder and the active implementation of the decision will lead to the company ceasing to trade in the future and it is therefore not appropriate to prepare the accounts on a going concern basis.

The closure strategy approved by both the shareholder and the Directors is that all land and buildings which are not actively in development will transfer to the Council at book value and all liabilities due to the Council will be settled at book value. Much of this activity has now concluded or is in the process of concluding. Third party financial assets will be realised and third party liabilities will be settled according to their contractual terms.

In these accounts each asset and liability will be valued to reflect the closure strategy intention for that asset or liability. The details are described in the notes.

The Company, and the Group, as part of a regular evaluation of liquidity risk, has modelled the principal risks and uncertainties in its cash flow projections for the envisaged closure strategy. After discussions with the shareholder and after assessing the availability of cash balances under a range of scenarios, the Directors have formed the opinion that the Company has sufficient resources to meet all external liabilities and obligations and to repay its share capital in full.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and parent company financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006.

THE EDI GROUP LIMITED

Directors' Report (continued)

For the year ended 31 December 2022

Directors' responsibilities statement (continued)

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

We, the Directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Azets Audit Services are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 15 August 2023 and signed on its behalf by:

J Meagher
Director
4 East Market Street
Edinburgh
EH8 8BG

THE EDI GROUP LIMITED

Independent Auditor's Report to the Members of The EDI Group Limited

For the year ended 31 December 2022

Opinion

We have audited the financial statements of The EDI Group Limited for the year ended 31 December 2022 which comprise Consolidated and Parent Company Statement of Profit or Loss, Consolidated and Parent Company Statement of Financial Position, Consolidated and Parent Company Statement of Changes in Equity, Consolidated and Parent Company Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group and parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – Basis of preparation

We draw attention to note 2b in the financial statements, which describe the basis of preparation. The Directors have prepared the financial statements on a basis other than going concern as the group has begun a process of closure and ceased all development activities other than the sale of remaining land.

THE EDI GROUP LIMITED

Independent Auditor's Report to the Members of The EDI Group Limited (continued)

For the year ended 31 December 2022

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on pages 3 and 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

THE EDI GROUP LIMITED

Independent Auditor's Report to the Members of The EDI Group Limited (continued)

For the year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE EDI GROUP LIMITED

**Independent Auditor's Report to the Members of The EDI Group Limited
(continued)**

For the year ended 31 December 2022

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Nick Bennett, Senior Statutory Auditor
For and on behalf of Azets Audit Services
Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL**

Date:

THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Profit or Loss
For the year ended 31 December 2022

	Note	Consolidated Group		Parent Entity	
		2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Continuing Operations					
Revenue	3	-	2,660	-	-
Cost of sales		74	-	-	-
Gross profit		74	2,660	-	-
Administrative expenses		(692)	(280)	(196)	(3,259)
Work in progress written off		-	(1,194)	-	-
Profit/(loss) from operations	4	(618)	1,186	(196)	(3,259)
Finance income	6	36	4	1	1
Finance costs	7	(81)	(101)	(81)	(101)
Other income	5	8	5	460	-
Profit/(loss) before income tax expense		(655)	1,094	184	(3,359)
Income tax (charge)/credit	8	-	(276)	-	-
Profit/ (loss) for the year from continuing operations		(655)	818	184	(3,359)
Net profit/(loss) for the year		(655)	818	184	(3,359)
Attributable to:					
Equity holders of the parent		(655)	818	184	(3,359)

There are no other items of comprehensive income or expense in the current year or prior year and therefore no Statement of Comprehensive Income is shown.

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED
Consolidated Statement of Financial Position
As at 31 December 2022

		Consolidated Group	
	Note	2022	Restated
		£'000	2021
			£'000
Non-current assets			
Investment property	9	248	248
Investments in joint ventures and associates	10	268	268
Total non-current assets		516	516
Current assets			
Cash and cash equivalents	16	4,317	3,254
Trade and other receivables	12	183	2,776
Inventories	11	4,267	5,262
Total current assets		8,767	11,292
TOTAL ASSETS		9,283	11,808
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Contributed equity	17	8,500	8,500
Retained earnings	18	(2,348)	(1,693)
Total equity		6,152	6,807
Liabilities			
Current liabilities			
Trade and other payables	13	511	1,653
Other financial liabilities	14	2,240	2,240
Provisions	15	380	1,108
Total current liabilities		3,131	5,001
Total liabilities		3,131	5,001
TOTAL EQUITY AND LIABILITIES		9,283	11,808

The financial statements were approved by the board of Directors and authorised for issue on 15 August 2023 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

Company number: SC110956

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Company Statement of Financial Position

As at 31 December 2022

	Note	Parent Entity	
		2022 £'000	2021 £'000
Non-current assets			
Investments in subsidiaries, joint ventures and associates	10	7,653	7,415
Total non-current assets		<u>7,653</u>	<u>7,415</u>
Current assets			
Cash and cash equivalents	16	71	267
Trade and other receivables	12	271	142
Inventories	11	4,267	4,240
Total current assets		<u>4,609</u>	<u>4,649</u>
TOTAL ASSETS		<u><u>12,262</u></u>	<u><u>12,064</u></u>
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Contributed equity	17	8,500	8,500
Retained earnings	18	(2,595)	(2,809)
Capital contribution reserve		-	30
Total equity		<u>5,905</u>	<u>5,721</u>
Liabilities			
Current liabilities			
Trade and other payables	13	4,117	4,103
Other financial liabilities	14	2,240	2,240
Total current liabilities		<u>6,357</u>	<u>6,343</u>
Total liabilities		<u>6,357</u>	<u>6,343</u>
TOTAL EQUITY AND LIABILITIES		<u><u>12,262</u></u>	<u><u>12,064</u></u>

The financial statements were approved by the board of Directors and authorised for issue on 15 August 2023 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

Company number: SC110956

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Changes in Equity

As at 31 December 2022

Group	Capital contribution reserve £'000	Contributed equity £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021	-	8,500	(2,511)	5,989
Profit from continuing operations - restated	-	-	818	818
Balance at 31 December 2021 - restated	<u>-</u>	<u>8,500</u>	<u>(1,693)</u>	<u>6,807</u>
Balance at 1 January 2022 - restated	-	8,500	(1,693)	6,807
Loss from continuing operations	-	-	(655)	(655)
Balance at 31 December 2022	<u>-</u>	<u>8,500</u>	<u>(2,348)</u>	<u>6,152</u>
Company	Capital contribution reserve £'000	Contributed equity £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021	30	8,500	550	9,080
Loss from continuing operations	-	-	(3,359)	(3,359)
Balance at 31 December 2021	<u>30</u>	<u>8,500</u>	<u>(2,809)</u>	<u>5,721</u>
Balance at 1 January 2022	30	8,500	(2,809)	5,721
Profit from continuing operations	-	-	184	184
Transfer from capital contribution reserve	(30)	-	30	-
Balance at 31 December 2022	<u>-</u>	<u>8,500</u>	<u>(2,595)</u>	<u>5,905</u>

The capital contribution reserve represents the excess of fair value over the amount paid for the shareholdings either gifted or sold to the group. Following the liquidation of the relevant shareholdings during the year, a transfer has been made from the capital contribution reserve to retained earnings.

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Cash Flows

For the year ended 31 December 2022

	Note	Consolidated Group		Parent Entity	
		2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Cash flow from operating activities					
Total comprehensive profit/(loss) for year		(655)	818	184	(3,359)
<i>Adjustments for:</i>					
Taxation charge/(credit)		-	(2)		
Interest received		(36)	(4)	(1)	(1)
Interest paid		81	101	81	101
(Increase)/decrease in inventories		995	4,059	(27)	(27)
(Increase)/decrease in receivables		2,593	61	(129)	2,925
Increase/(decrease) in payables		(1,870)	(5,177)	14	165
Disposal of investments in subsidiaries, joint ventures and associates		-	-	(238)	-
Taxation paid		-	2	-	
Net cash flows from operating activities		<u>1,108</u>	<u>(142)</u>	<u>(116)</u>	<u>(196)</u>
Cash flow from investing activities					
Interest received		<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>
Net cash flows from investing activities		<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>
Cash flow from financing activities					
Increase/(decrease) in loan stock borrowings		-	(2,559)		
Interest paid		(81)	(101)	(81)	(101)
Net cash flows used in financing activities		<u>(81)</u>	<u>(2,660)</u>	<u>(81)</u>	<u>(101)</u>
Net increase/(decrease) in cash and cash equivalents		1,063	(2,798)	(196)	(296)
Cash and cash equivalents at beginning of year		3,254	6,052	267	563
Cash and cash equivalents at end of year	16	<u><u>4,317</u></u>	<u><u>3,254</u></u>	<u><u>71</u></u>	<u><u>267</u></u>

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Notes to the Financial Statements

For the year ended 31 December 2022

1. Presentation of financial statements

The company's financial statements have been prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006.

New accounting standards adopted during the year

Adoption of new and revised standards

The Group has adopted, where applicable, the following new and amended IFRSs as of 1 January 2022:

- Annual Improvements to IFRS: 2018 – 2020 Cycle
- IFRS 3; Business Combinations (Amendment – Conceptual Framework)
- IAS 37; Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
- IAS 16; Property, Plant and Equipment (Amendment – Proceeds before Intended Use)

Other new standards, amendments to standards and interpretations that are mandatory for the first time in 2022 are considered to have no significant or material effect on the Group's financial statements.

Guidance in issue but not in force

IAS 8 requires disclosure of guidance in issue but not in force. The minimum disclosure relates to guidance issued by 31 December 2022, and with potential effect.

Effective for periods beginning on or after	Effective for periods beginning on or after
IFRS 17; Insurance Contracts (including amendments issued on 25 June 2020)	1 January 2023
IAS 1; Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, including deferral or effective date)	1 January 2023
IAS 1; Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies) (issued on 12 February 2021)	1 January 2023
IAS 8; Accounting Policies (Amendment – Changes in Accounting Estimates and Errors; Definition of Accounting Estimates) (issued on 12 February 2021)	1 January 2023
IAS 12; Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a single transaction) (issued on 7 May 2021)	1 January 2023
Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	1 January 2024

The Directors have reviewed the requirements of the new standards and interpretations listed above and they are either not applicable or not expected to have a material impact on the Group's financial statements in the period of initial application.

2. Statement of significant accounting policies

The consolidated financial statements of The EDI Group Limited have been prepared in accordance with UK adopted International Accounting Standards in accordance with the provisions of the Companies Act 2006.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a. Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the Parent Company) and its controlled entities as defined in accounting standard IAS 27 "Consolidated and Separate Financial Statements". A list of controlled entities appears in note 10 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has left the economic entity during the year its operating results have been included until the date control ceased.

b. Going concern

The opinion of the Directors is that the decision of the shareholder to cease development activities and the active implementation of that decision will lead to the company ceasing to trade in the future and it is therefore not appropriate to prepare the accounts on a going concern basis.

The closure strategy approved by both the shareholder and the Directors is that all land and buildings which are not actively in development will transfer to the Council at book value and all liabilities due to the Council will be settled at book value. Third party financial assets will be realised and third party liabilities will be settled according to their contractual terms

In these accounts each asset and liability will be valued to reflect the closure strategy intention for that asset or liability. The details are described in the notes.

The Company, and the Group, as part of a regular evaluation of liquidity risk, has modelled the principal risks and uncertainties in its cash flow projections for the envisaged closure strategy. After discussions with the shareholder and after assessing the availability of cash balances under a range of scenarios, the Directors have formed the opinion that the Company has sufficient resources to meet all external liabilities and obligations and to repay its share capital in full.

2. Statement of significant accounting policies (cont'd)

c. Investments in associates and joint ventures

The group's share of its associates' / joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate / joint venture equals or exceeds its interest in the associate / joint venture, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate / joint venture.

Unrealised gains on transactions between the group and its associates / joint ventures are eliminated to the extent of the group's interest in the associates / joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

In the case of New Laurieston (Glasgow) Limited, The EDI Group's share of losses exceed the value of its interest in the company, therefore no further losses have been recognised.

In the case of Caledonia Waterfront (Harbour Road) Limited, the investment is exempt from being consolidated using the equity accounting method as permitted by paragraph 17 of IAS 28 "Investments in Associates and Joint Ventures". Instead, the investment is accounted for at cost less provision for permanent impairment in the financial statements.

d. Income tax

The charge for income tax expense for the year is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

2. Statement of significant accounting policies (cont'd)

d. Income tax (cont'd)

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

e. Inventories

Inventory is stated at the lower of cost and net realisable value. Cost relates to purchase costs and direct labour costs incurred in bringing the inventories up to a saleable state.

f. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

g. Impairment

The carrying value of all assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of all assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of the asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

2. Statement of significant accounting policies (cont'd)

h. Financial instruments

Financial instruments are measured initially at cost, which is the fair value of what was paid or received to acquire or incur them.

After initial recognition, financial assets and liabilities may be classified into the following categories: financial assets or liabilities at fair value through profit or loss; held to maturity investments; available for sale financial assets; loans and receivables and other financial liabilities at amortised cost.

The company has the following categories of financial assets and liabilities:

Trade and other receivables

Trade and other receivables are initially measured at fair value, which is the original invoice amount, and subsequently measured at amortised cost, using the effective interest method. A provision for impairment is accounted for when management deems that specific receivable balances will not be collected. The amount of the impairment loss is recognised in the income statement. Bad debts are written off when they are identified as being irrecoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Trade and other payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect would not be material.

i. Investment property

Investment property is property held to generate rental income and/or for capital appreciation.

The value at the balance sheet date reflects the net realisable of this property.

j. Investments

Investments in subsidiary and associated undertakings are stated at cost less provision for permanent impairment.

k. Revenue

Revenue is measured at the fair value of consideration received from income from the group's ordinary activities. Revenue is stated received net of discounts, sales and other taxes. Revenue from sales is recognised when persuasive evidence of an arrangement exists, the significant risks and rewards of ownership have been transferred to the buyer, the price is fixed and determinable and collectively probable.

Rentals receivable under operating leases are recognised in the income statement over the term of the lease on a straight line basis.

Revenue from dividend income is recognised when the rights of the shareholder to receive the payment are determined.

2. Statement of significant accounting policies (cont'd)

I. Critical accounting estimates and judgements

In applying the accounting policies, the Directors may at times, be required to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the Directors consider are relevant.

Key estimates:

- i. *Investment property valuation* – the Directors assess the valuation of the investment property at each reporting date by evaluating conditions specific to the Group that may lead to a revaluation of the asset.
- ii. *Provisions* – provisions are based on estimated costs provided by external professionals. The Directors review provisions regularly to assess how reasonable and accurate they are.

m. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Further details of the provisions recognised in the year can be found at Note 15.

n. Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

- i. Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables, which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3. Revenue

An analysis of revenue is as follows:

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Property sales	-	2,660	-	-
	<u>-</u>	<u>2,660</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>2,660</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

4. Profit from operations

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
After charging				
Auditor's remuneration:				
Audit	26	37	18	13
Non-Audit	3	6	2	2
	<u>3</u>	<u>6</u>	<u>2</u>	<u>2</u>
	<u><u>3</u></u>	<u><u>6</u></u>	<u><u>2</u></u>	<u><u>2</u></u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

5. Other income

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rental income	5	5	-	-
Distributions received	-	-	460	-
Other income	3	-	-	-
	<u>8</u>	<u>5</u>	<u>460</u>	<u>-</u>

Rental income is from investment properties in relation to property development in Parc Craigmillar Limited.

Distributions received relate to the available funds from subsidiaries liquidated during the year (see Note 10).

6. Finance income

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Other interest received	36	4	1	1
	<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>

7. Finance costs

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
On secured loan stock held by the City of Edinburgh Council	81	101	81	101
	<u>81</u>	<u>101</u>	<u>81</u>	<u>101</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8. Income tax expense

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Current tax:				
- Domestic	-	-	-	-
- Tax adjustments, reliefs and transfers	-	276	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>

The tax charge is allocated in the financial statements as follows:

Statement of Profit and Loss	-	276	-	-
Statement of Changes in Equity	-	-	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>

The effective tax rate for the year ended 31 December 2022 is calculated at 19% (2021: 19%) of the estimated assessable (loss)/profit for the year.

The group and company have trade losses carried forward of £1,355,588 and £1,072,005 (2021: £738,845 and £738,845) respectively which has prudently not been recognised in the accounts.

The charge/(credit) for the year can be reconciled to the (loss)/profit per the income statement as follows:

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Profit /(Loss) on ordinary activities before tax	(655)	818	184	(3,359)
Tax on (loss)/profit at the effective rate of corporation tax of 19% (2021: 19%)	(124)	208	35	(638)
Effects of:				
Expenses not deductible for tax purposes	11	4	18	578
Income not taxable for tax purposes	(3)	-	(115)	-
Movement in deferred tax not recognised	116	(533)	62	107
Losses which cannot be utilised	-	3	-	-
Adjustments in respect of prior periods	-	(444)	-	-
Remeasurement of deferred tax for changes in tax rate	-	807	-	(47)
Adjust deferred tax to average rate	-	(47)	-	-
Group relief surrendered	-	-	-	-
Group relief claimed	-	278	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>
Current tax (credit)/charge for year attributable to the company and its subsidiaries	-	276	-	-

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

9. Investment property

	Investment property £'000
Group	
<i>Valuation</i>	
At 1 January 2022	248
Increase/(decrease) in fair value	-
	<hr/>
At 31 December 2022	248
	<hr/>
Net book value	
At 31 December 2022	248
	<hr/>
At 31 December 2021	248
	<hr/> <hr/>

An investment property owned by the company was valued at £247,934 at 31 December 2021 by an internal Chartered Surveyor on the basis of open market value for existing use. The valuation was carried out in accordance with the Practice Statement in RICS Appraisal and Valuation Manual.

The value at the balance sheet date reflects the net realisable of this property.

The related rental income recognised in the Statement of Profit or Loss and Other Comprehensive Income was £nil (2021: £nil) along with direct operating expenses of £nil (2021: £nil).

The Scottish Ministers hold a standard security on a development property in respect of any amounts due to them by the company. The carrying value of this at the year-end is £nil (2021: £nil).

Under the fair value hierarchy in IFRS 13 – Fair Value Measurement, investment property is deemed to be level 2. Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

10. Fixed asset investments

Group

	Joint Ventures & Associated Undertakings 2022 £'000	Joint Ventures & Associated Undertakings 2021 £'000
<i>Post-acquisition reserves</i>		
At 1 January and 31 December	268	268
<i>Net book value</i>		
Loans to and share of net assets in joint ventures and associated undertakings	268	268

Company

	Joint Ventures & Associated Undertakings £'000	Subsidiary undertakings £'000	Total £'000
<i>Cost</i>			
At 1 January 2022	-	7,415	7,415
Acquisition	268	-	268
Disposals	-	(30)	(30)
At 31 December 2022	268	7,385	7,653
<i>Net book value</i>			
At 31 December 2022	268	7,385	7,653
At 31 December 2021	-	7,415	7,415

The Directors assessed the recoverability of the investments in subsidiary undertakings and considered an impairment charge of £nil (2021: £nil) was appropriate to write down the value of the investments in subsidiary undertakings.

The principal companies in which the company's interest is more than 10% are as follows:

	Principal Activity	Country of Registration	Percentage of Ordinary Share Capital Held
Parc Craigmillar Limited	Regeneration	Waverley Court, 4 East Market Street, Edinburgh, Scotland, EH8 8BG	100%
Caledonia Waterfront (Harbour Road) Limited	Property development and letting of properties	Caledonia House, Lawmoor Street, Glasgow, Scotland, G5 0US	42.5%
New Laurieston (Glasgow) Limited	Property development	Miller House, 2 Lochside View, Edinburgh, Scotland, EH12 9DH	45%

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

10. Fixed asset investments (continued)

As EDI Group has greater than 50% of the share capital in Parc Craigmillar Limited, it has been consolidated. Parc Craigmillar Limited made a loss of £483k (2021: profit of £1m) for the period ended 31 December 2022 and its aggregate capital and reserves at 31 December 2022 amounted to £7.6m (2021: £8m).

Where 50% or less of the share capital is held, the companies have been consolidated using the equity accounting method.

In the case of New Laurieston (Glasgow) Limited, The EDI Group's share of losses exceed the value of its interest in the company, therefore no further losses have been recognised.

In the case of Caledonia Waterfront (Harbour Road) Limited, the investment is exempt from being consolidated using the equity accounting method as permitted by paragraph 17 of IAS 28 "Investments in Associates and Joint Ventures". Instead, the investment is accounted for at cost less provision for permanent impairment in the financial statements. Caledonia Waterfront (Harbour Road) Limited was transferred from Waterfront Edinburgh Limited to The EDI Group Limited before the year-end.

During the year, the following investments were liquidated of which the company owed 100% of the share capital:

	Principal Activity	Country of Registration	Percentage of Ordinary Share Capital Held
EDI Central Limited	Property development	Scotland	100%
Shawfair Land Limited	Property development	Scotland	100%
Parc Craigmillar Developments Limited	Property development	Scotland	100%
Waterfront Edinburgh Limited	Property development	Scotland	100%
EDI Market Street Limited	Property development	Scotland	100%
EDI Fountainbridge Limited	Property development	Scotland	100%

11. Inventories

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Development properties and associated costs	<u>4,267</u>	<u>5,262</u>	<u>4,267</u>	<u>4,240</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

12. Trade and other receivables

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade receivables	88	80	-	-
Amounts owed by group & associated undertakings	27	37	5	44
Other debtors	-	2,591	200	30
Prepayments and accrued income	68	68	66	68
	<u>183</u>	<u>2,776</u>	<u>271</u>	<u>142</u>

All trade and other receivable balances are considered to be recoverable within one year.

13. Trade and other payables

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Trade and other payables	39	-	25	-
Amounts due to group & associated undertakings	248	1,128	3,881	3,880
Accruals and deferred income	224	247	211	223
Corporation tax		278		
	<u>511</u>	<u>1,653</u>	<u>4,117</u>	<u>4,103</u>

14. Other financial liabilities

The convertible unsecured loan stock is held by The City of Edinburgh Council, the company's ultimate parent undertaking. It bears interest at a variable rate. The Council has agreed to the repayment being delayed and settled as part of the closure process against the transfer of land and buildings to the Council or in cash as assets are realised.

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Unsecured convertible loan stock	2,240	2,240	2,240	2,240
	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

15. Provisions

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<i>Remedial works</i>				
Balance brought forward	-	-	-	-
Provision recognised in year	380	-	-	-
Provision released in year	-	-	-	-
Balance carried forward	380	-	-	-
<i>Infrastructure expenditure</i>				
Balance brought forward	1,108	1,108	-	-
Provision recognised in year	-	-	-	-
Provision released in year	(1,108)	-	-	-
Balance carried forward	-	1,108	-	-
<i>Work in progress</i>				
Balance brought forward	-	2,898	-	-
Provision recognised in year	-	-	-	-
Provision released in year	-	(2,898)	-	-
Balance carried forward	-	-	-	-
Balance carried forward	380	1,108	-	-

Infrastructure expenditure

Provisions for infrastructure expenditure required for completed projects in Parc Craigmillar Limited have been released in the year.

Work in progress

Provisions for work in progress relates to the potential write off to work in progress as the value is unlikely to be recoverable. The provision was utilised during the prior year.

Remedial works

In the year it was agreed between the City of Edinburgh Council and Parc Craigmillar Limited, that Parc Craigmillar Limited would make a contribution of £380,000 to allow for remedial works to be carried out on roads within its historical scope. A provision has therefore been recognised during the year.

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

16. Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank and in hand	4,317	3,254	71	267

17. Contributed equity

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<i>Allotted, called up and fully paid</i> Ordinary shares of £1 each	8,500	8,500	8,500	8,500

The ordinary shares of £1 each carry one vote per share and participate in profits available for dividend pro rata.

18. Retained earnings

	Consolidated Group £'000	Parent Entity £'000
At 31 December 2020	(2,511)	550
Profit(loss) for the year - restated	818	(3,359)
At 31 December 2021	(1,693)	(2,809)
(Loss)/profit for the year	(655)	184
Transfer from capital contribution reserve	-	30
At 31 December 2022	(2,348)	(2,595)

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

19. Related party transactions

The key management personnel of the company are considered to be the Directors. No Director receives remuneration (2021: nil). During the year group companies carried out the following transactions with related parties:

Related Party	Relationship	Group Company	Nature of Transaction	Value of transactions during year £	Amount owed from/(to) at year end £
City of Edinburgh Council	Ultimate holding organization	The EDI Group Ltd	Loan stock	-	(2,240,000)
			Interest on loan	(80,698)	(94,781)
			Staff recharge	(99,898)	(87,398)
City of Edinburgh Council	Ultimate holding organisation	Parc Craigmillar Ltd	Loan for infrastructure works	870,729	(247,934)

20. Ultimate parent undertaking

The parent company is CEC Holdings Limited, a company registered in Scotland. The financial statements of the parent undertaking are available at their registered offices. The ultimate holding organisation is The City of Edinburgh Council.

21. Financial risk management

The group has the following categories of financial instruments at the balance sheet date:

	Consolidated group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<u>Financial assets</u>				
Financial assets measured at amortised cost	4,405	5,993	271	365
<u>Financial liabilities</u>				
Financial liabilities measured at amortised cost	2,503	3,595	236	2,463

Financial assets measured at amortised cost comprise cash at bank and in hand, trade receivables, accrued income, and other receivables (excluding VAT receivable balances, tax receivables and prepayments).

Financial liabilities measured at amortised cost comprise trade payables, accruals, provisions, other payables (excluding VAT payable balances, tax payables and deferred income).

21. Financial risk management (continued)

Capital risk management

The company aims to manage its overall capital structure to ensure it continues to operate on an ongoing basis within the broad timescales set out in the transition strategy. The company's capital structure represents the equity attributable to the shareholders of the company together with cash equivalents. The Directors are closely involved in the running of the company and are therefore fully aware of the capital position of the company at any point in time and any changes that circumstances bring. As a result they are in a position to address any issues that may arise on a timely basis.

Risk management objectives

The Board is charged with the overall responsibility of establishing and monitoring the group's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by group. The group does not enter into or trade financial instruments for speculative purposes.

The main risks that the group is exposed to through its financial instruments are market risk, credit risk and liquidity risk. These are managed as follows:

Market risk

Market risk is the risk that the value of the company's properties and sites under development may fall resulting in further write-offs to the income statement. The company manages this risk by carrying out sensitivity analysis for fluctuations in the property market. Included in market risk is interest rate risk, which is the risk that the expected receipts from deposits may fluctuate due to market conditions. The company monitors this risk but it is very unlikely to affect the company's overall liquidity.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group. It arises from exposure to customers and for the parent company, also from amounts owed by group undertakings.

The maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is reviewed regularly by the Board of Directors and monitored by actively assessing the rating quality and liquidity of counterparties as follows:

- Only banks and institutions with an acceptable credit rating are utilised;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing;
- Customers that do not meet the groups credit policies may only purchase in cash or using recognised credit cards.

Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages that risk as follows:

- Preparing forward looking cash flow analysis; and
- Ensuring that adequate unutilised borrowing facilities are maintained.=

21. Financial risk management (continued)

Fair values

In these accounts each asset and liability is valued to reflect its net recoverable value in line with the closure strategy in Note 2b.

22. Prior year restatement

The prior year consolidated figures reflected the elimination of group tax relief. However, the group tax relief was subsequently claimed out with the group.

A prior year restatement has therefore been processed to increase the income tax charge in the Consolidated Statement of Profit and Loss by £278k, resulting in a net tax charge of £276k. A corporation tax creditor of £278k has been recognised in the Consolidated Statement of Financial Position, reducing net assets by £278k.

23. Post balance sheet events

The sale of land at Brunstane West is expected to complete in 2023, while land at Brunstane East is currently being marketed.

This page is intentionally left blank