

## Governance, Risk and Best Value Committee

10.00am, Tuesday 14 March 2023

### Present

Councillors Campbell (Convener), Bandel, Biagi, Faccenda, Jenkinson, McVey, Miller, Mowat, Rust, Thornley and Younie.

### 1. Minutes

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#### Decision

To approve the minute of the Governance, Risk and Best Value Committee of 24 January 2023 as a correct record.

### 2. Outstanding Actions

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

#### Decision

- 1) To agree to close the following actions:
  - Action 3 – Community Centres (update)
  - Action 5 (2) – Business Bulletin
  - Action 10 – Revenue Budget 2022/27 Framework: progress update
  - Action 12 (1) – Internal Audit: The Chartered Institute of Internal Auditors - External Quality Assessment
  - Action 13 (3) – Internal Audit Update Report: 1 May to 31 August 2022
  - Action 15 (1&2) – Outstanding Actions
  - Action 16 (1&2) - Internal Audit: Open and Overdue Internal Audit Actions – Performance Dashboard as at 5 December 2022
  - Action 17 (2&3) – Internal Audit Update Report: 1 September to 5 December 2022
- 2) To request an update and revised expected completion date for action 8 (Annual Assurance Schedule – Edinburgh Health and Social Care Partnership) by Committee in May.
- 3) To otherwise note the remaining outstanding actions.

(Reference – Outstanding Actions March 2023, submitted.)

### 3. Work Programme

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The Work Programme was presented.

#### **Decision**

To note the Work Programme.

(Reference – Work Programme March 2023, submitted.)

### 4. Business Bulletin

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The Committee Business Bulletin was presented.

#### **Decision**

To note the Business Bulletin.

(Reference – Business Bulletin March 2023, submitted.)

### 5. Internal Audit: 2023/24 Internal Audit Annual Plan

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The Internal Audit: 2023/24 Internal Audit (IA) Annual Plan was presented for approval. The plan set out how IA assurance would be delivered and developed in accordance with the Internal Audit Charter for the period 1 April 2023. The proposed 2023/24 plan included a total of 42 audits. The proposed plan was risk-based, proportionate and flexible to recognise the changing risk profile of the Council and was aligned to the Council's 2023-27 Business Plan outcomes, business critical risks and emerging issues.

#### **Decision**

- 1) To note the budget process for 2023/24 was particularly challenging for the Council.
- 2) To note complaints from residents, councillors and stakeholders which included concerns over a lack of information, and information being provided very late in the process.
- 3) To note that, unlike in previous years, there was no residents' consultation and the full suite of budget proposals was not published anywhere ahead of the papers being published for the Finance and Resources Committee meeting held on the 7<sup>th</sup> February 2023.
- 4) To agree that this was not a good model for budget setting, transparency or the reputation of the Council.
- 5) To agree that there would be an internal audit undertaken to review the budget process and make best practice recommendations for future years.
- 6) To agree that this audit should be prioritised to be carried out in the first half of the year so that management actions could be completed ahead of next year's budget process.
- 7) To approve the 2023/24 Internal Audit Annual Plan with the addition of CLT undertaking a lessons learnt exercise in relation to the budget process and internal audit adding an audit of that exercise to the priority audits plan.

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

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

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Details were presented on the revised Internal Audit (IA) Charter for 2023/24 for approval. The revised IA Charter included a refreshed IA Journey Map and Key Performance Indicators (KPIs). It was proposed that the IA Charter included the standard CIPFA definitions which would apply for IA reports from 2023/24 onwards.

### **Decision**

To approve the refreshed 2023/24 Internal Audit (IA) Charter, including revisions to the Internal Audit Journey Map and Key Performance Indicators (KPIs) and proposals to adopt the CIPFA standard definitions for audit report overall opinions from 2023/24 onwards.

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

## **7. Change Portfolio**

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Details were presented on an overview of strategic delivery and the associated risks and issues managed by Change Board. The projects reviewed through this process would be updated to take account of the Council's revised Business Plan.

### **Decision**

- 1) To note the status of the Council's Change Portfolio.
- 2) To note that detailed reporting on expenditure within capital and revenue projects were included within the Revenue and Capital Monitoring Reports submitted to Finance and Resources Committee.
- 3) To request a workshop on risks being presented.
- 4) To request a further column in the appendix in future reports, noting the actions taken for each risk.

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

## **8. Annual Assurance Schedule – Corporate Services**

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Committee was presented with the annual assurance schedule covering 2021/22.

### **Decision**

- 1) To note the report.
- 2) To request that a schedule of HR policies, indicating which had been reviewed, were to be reviewed and those which were out of date, be circulated to members.
- 3) To request a Business Bulletin update on this to Committee in May.

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

## **9. Annual Assurance Schedule – Place Directorate**

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Committee was presented with the annual assurance schedule covering 2021/22.

## **Decision**

To note the report.

(References – report by the Executive Directorate of Place, submitted.)

### **10. Gas Service Improvement Plan Closure Report**

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Details were provided that all the actions in the Gas Service Improvement Plan (GSIP) had been completed.

## **Decision**

- 1) To note the progress made with the Gas Service Improvement Plan (GSIP).
- 2) To note the outcome of the CORGI and Gas Safe audits.
- 3) To agree to accept the closure report.

(Reference – report by the Executive Directorate of Place, submitted.)

### **11. Procurement of Edinburgh's Christmas – referral from the Finance and Resources Committee**

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Committee considered a report on the procurement approach and options currently under consideration for the future delivery of Edinburgh's Christmas, which had been referred by the Finance and Resources Committee for information.

## **Decision**

To note the report by the Executive Director of Place.

(References – Finance and Resources Committee of 26 January 2023 (item 14); referral from the Finance and Resources Committee, submitted.)

### **12. Revenue Monitoring 2022/23 – month eight position – referral from the Finance and Resources Committee**

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Committee considered a report on Revenue Monitoring 2022/23 – month eight position, setting out the projected Council-wide revenue budget position for 2022/23, based on analysis of the first eight months' financial data and projections of income and expenditure for the remainder of the year, which had been referred from the Finance and Resources Committee for scrutiny.

## **Decision**

- 1) To note the report by the Interim Executive Director of Corporate Services.
- 2) To request a briefing note providing more details on the reduction in the assumed Housing Benefit recovery rate for those accommodated in dispersed flats, as referenced in paragraph 4.20 (v) of the report by the Executive Director of Corporate Services.

(References – Finance and Resources Committee of 26 January 2023 (item 4); referral from the Finance and Resources Committee, submitted.)

### **13. Capital Monitoring 2022/23 – month eight position – referral from the Finance and Resources Committee**

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The Finance and Resources Committee had referred a report on 26 January 2023 on the Capital Monitoring 2022/23 – month eight position, which set out the capital expenditure and funding position as at month eight and full-year outturn projections for the 2022/23 financial year, providing explanations for key variances.

#### **Decision**

- 1) To note the report by the Interim Executive Director of Corporate Services.
- 2) To request further details on how capital budgeting for the Edinburgh Health and Social Care Partnership works, with particular reference to Appendix 1 (approved budget, adjustments, revised budgets, etc.)

(References – Finance and Resources Committee of 26 January 2023 (item 6); referral from the Finance and Resources Committee, submitted.)

### **14. Sustainable Capital Budget Strategy 2023-2033 – referral from the Finance and Resources Committee**

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The Finance and Resources Committee had referred a report on 7 February 2023 on the Sustainable Capital Budget Strategy 2023-2033, which set out priorities for £1.47bn of Council capital investment, in alignment with the Council Business Plan, over the medium to long-term.

#### **Decision**

To note the report by the Interim Executive Director of Corporate Services.

(References – Finance and Resources Committee of 7 February 2023 (item 3); referral from the Finance and Resources Committee, submitted.)

### **15. Accounts Commission: Local Government in Scotland – Financial Bulletin 2021/22 – referral from the Finance and Resources Committee**

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Committee considered a report that had been referred by the Finance and Resources Committee on 7 February 2023 on the Accounts Commission: Local Government in Scotland – Financial Bulletin 2021/22, which provided a summary of the main issues and themes identified within the Accounts Commission's recently published Financial Bulletin 2021/22 and how these related to the local context within Edinburgh.

#### **Decision**

- 1) To note the report by the Interim Executive Director of Corporate Services.
- 2) To request a briefing note on the impact of the Deposit Return Scheme to the budget.

(References – Finance and Resources Committee of 7 February 2023 (item 4); referral from the Finance and Resources Committee, submitted.)

## **16. Treasury Management: Mid-Year Report 2022/23 - referral from the City of Edinburgh Council**

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On 9 February 2023, the City of Edinburgh Council considered a report on the Treasury Management: Mid-Year Report 2022/23, which provided an update on Treasury Management activity undertaken in the first half of 2022/23. This was referred to the Governance, Risk and Best Value Committee for scrutiny.

### **Decision**

- 1) To note the report by the Interim Executive Director of Corporate Services.
- 2) To note as part of the skills assessment of GRBV that elected member training would be reviewed on specific areas such as Treasury Management.

(References – Act of Council No. 20, 9 February 2023; referral from the City of Edinburgh Council, submitted.)

## **17. Capital Theatres Company Performance Report 2021/22 – referral from the Culture and Communities Committee**

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On 7 March 2023, the Culture and Communities Committee considered the performance report covered the period from September 2021 to September 2022 which included the reopening of the Festival and King's Theatres in a challenging post-Covid environment for the performing arts. This was referred to the Governance, Risk and Best Value Committee for noting and scrutiny of the financial performance of the organisations and any risks impacting the Council and/or Capital Theatres.

### **Decision**

To note the report by the Executive Director of Place.

(References – Culture and Communities Committee of 7 March 2023; referral from the Culture and Communities Committee, submitted.)

## **18. Update on Council Transport Arms Length Companies – referral from the Transport and Environment Committee**

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On 2 February 2023, the Transport and Environment Committee considered a report on the Update on Council Transport Arms Length Companies, which summarised the performance of Transport for Edinburgh, Edinburgh Trams, and Lothian Buses. This was referred to the Governance, Risk and Best Value Committee for noting and scrutiny.

### **Decision**

To note the report by the Executive Director of Place.

(References – Transport and Environment Committee of 2 February 2023 (item 5); referral from the Transport and Environment Committee, submitted.)

## 19. Drumbrae Care Home – status report

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Details were provided on the actions taken leading up to the closure of Drumbrae as a care home and the actions that had taken place post closure in response to the motions from the Full Council meetings held on 15 December 2022 and 9 February 2023.

### Motion

To note the briefing note on the status of Drumbrae Care Home, the steps taken leading up to the closure of the facility as a care home and the actions that have been taken post closure.

- moved by Councillor Campbell, seconded by Councillor Biagi

### Amendment

- 1) To note the briefing note on the status of Drumbrae Care Home, the steps taken leading up to the closure of the facility as a care home and the actions that have been taken post closure.
- 2) To note that the terms of the motion agreed at the meeting of Full Council on 15 December 2022 had not been fulfilled by this report (fulfilled clauses noted below for ease of reference) and to call for a complete report to the next meeting of this committee.

*Full council decision 15 December 2022:*

*To call for a report to the Governance, Risk and Best Value Committee into the Council's actions leading up to the closure and post closure, in particular actions to move forward with the lease to NHS Lothian or identify and resolve any problems, **in order to identify any potential lessons learned.***

- 3) To note that, as stated in the report, NHS Lothian advised in October 2022 it was unable to deliver the direction set by the Board, but the report was silent on who was advised and that this communication did not result in either the Board or the Finance and Resources Committee being informed or asked to update their direction or decisions, and to request that this too is analysed in the report to the Governance, Risk and Best Value Committee.

- moved by Councillor Miller, seconded by Councillor Bandel

In accordance with Standing Order 22(12), the addendum (as adjusted) was accepted as an amendment to the motion.

### Decision

To approve the following adjusted motion by Councillor Campbell:

- 1) To note the briefing note on the status of Drumbrae Care Home, the steps taken leading up to the closure of the facility as a care home and the actions that have been taken post closure.
- 2) To note that the terms of the motion agreed at the meeting of Full Council on 15 December 2022 had not been fulfilled by this report (fulfilled clauses noted below

for ease of reference) and to call for a complete report to the next meeting of this committee.

*Full council decision 15 December 2022:*

*To call for a report to the Governance, Risk and Best Value Committee into the Council's actions leading up to the closure and post closure, in particular actions to move forward with the lease to NHS Lothian or identify and resolve any problems, **in order to identify any potential lessons learned.***

- 3) To agree that the report would set out the dependencies between Drumbrae, Ferryfield and Liberton Hospital in relation to the bed based review, including information about the type and number of beds in each facility; provide a best value analysis of the extension of provision at Liberton, completion of works at Drumbrae and the decision on extension of the Ferryfield PFI contract, including options to reopen Drumbrae as a 60 bed care home; and also set out the decision making process, specifically in relation to directives which are not completed, where decisions will be reported and the timelines that can be expected.
- 4) To note that, as stated in the report, NHS Lothian advised in October 2022 it was unable to deliver the direction set by the Board, but the report was silent on who was advised and that this communication did not result in either the Board or the Finance and Resources Committee being informed or asked to update their direction or decisions, and to request that this too is analysed in the report to the Governance, Risk and Best Value Committee.

(References – Act of Council No. 20 of 15 December 2022; report by the Chief Officer, Edinburgh Integration Joint Board, submitted.)

## **20. Whistleblowing Update**

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A high-level overview of the operation of the Council's whistleblowing service for the quarter 1 October – 31 December 2022 was provided.

### **Decision**

To note the report.

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

## **21. Whistleblowing Annual Report 2022**

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A high-level overview of the operation of the Council's whistleblowing service for the period of 1 January – 31 December 2022 was provided.

### **Decision**

- 1) To note the report.
- 2) To request an update on the progress on timetabling dates for the Whistleblowing Sub-Committee be circulated to members.

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

## **22. Whistleblowing Monitoring Report**

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

An overview of the disclosures received and investigation outcome reports completed during the quarter 1 October – 31 December 2022 was presented.

### **Decision**

To note the report.

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

## **23. MCEC-30-21 - Whistleblowing Major Investigation Outcome Report - Review of processes relating to Woodlands Special School**

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

### **Decision**

To agree to continue to Committee in May 2023, or to the Whistleblowing Sub Committee, whichever comes first, to allow appropriate officers to attend.

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

## **24. CEC-32-22 - Major Investigation Outcome Report - Pupil Abuse at a Primary School**

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

### **Decision**

To agree to continue to Committee in May, or to the Whistleblowing Sub Committee, whichever comes first, to allow appropriate officers to attend.

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