

Governance, Risk and Best Value Committee

10.00am, Tuesday, 29 October 2019

Annual Assurance Schedule – Resources Directorate

Item number

Executive/routine

Executive

Wards

All

Council Commitments

Executive Summary

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

Stephen S. Moir

Executive Director of Resources

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Annual Assurance Schedule – Resources Directorate

1. Recommendations

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

2. Background

- 2.1 Each year the City of Edinburgh Council requires that the Executive Directors complete Certificates of Assurance that represent their view of the effectiveness and appropriateness of controls in their areas of responsibility. These Certificates support the writing of the Annual Governance Statement which is a component part of the authority's Statement of Accounts.
- 2.2 An Assurance Schedule, to help prompt Executive Directors and relevant Heads of Service to consider various aspects of their control environment, is circulated in advance of Certificates.
- 2.3 A review of the process was undertaken by Strategy and Communications in response to feedback received in relation to last year's exercise resulting in the implementation of a 'comply or explain' model. The format and design of documentation was also updated to reduce manual administration and implement auto-population of improvement actions. This is designed to help officers to use improvement actions to inform the corporate governance framework self-assessment exercise. The process will continue to be reviewed in line with feedback.
- 2.4 On 13 August 2019 the Chief Internal Auditor, in her annual opinion, reported significant weaknesses in regard to the Council's internal controls for the year ended 31 March 2019. The Governance, Risk and Best Value Committee asked for an action plan from each directorate on how they are going to improve internal controls.

3. Main report

- 3.1 The Resources Assurance schedule (appendix 1) was completed and returned to the Democracy, Governance and Resilience Team, after which a Certificate of Assurance was issued. This informed the drafting of the Annual Governance

Statement, submitted to Council as part of the Unaudited Annual Accounts for 2018/19.

- 3.2 The Certificates of Assurance require Heads of Service and their Executive Directors to confirm that:
 - 3.2.1 They have considered the effectiveness of controls in their service area/directorate, including controls in place to mitigate major risks to their division/directorate's objectives.
 - 3.2.2 To the best of their knowledge, appropriate controls are in operation upon which they can place reasonable assurance and that there are no significant matters arising that should be raised specifically in the Annual Governance Statement (or otherwise); and
 - 3.2.3 They have identified actions, where appropriate that will be taken to continue improvement.
- 3.3 The schedule is completed by the relevant Executive Director.
- 3.4 Before signing their Certificate of Assurance, the Executive Director should ensure that the schedule has been completed accurately.
- 3.5 An overview of the Resources Directorate is attached at appendix two. This ensures that the assurance statement can be considered relative to the overall responsibilities, functions, budgets and staffing levels for the Directorate.

4. Measures of success

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

5. Financial impact

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

6. Risk, policy, compliance and governance impact

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

7. Equalities impact

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

8. Sustainability impact

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

9. Consultation and engagement

9.1 The annual assurance schedule exercise is a corporate activity concerned with internal controls and does not require consultation or external engagement.

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

10. Background reading/external references

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

11. Appendices

Appendix 1 – Resources Directorate Annual Assurance Schedule

Appendix 2 – Resources Directorate Overview

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

For the year ending 31 March 2019

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

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

Introduction

The Statement of Accounts 2018/2019 includes the Annual Governance Statement signed by the Council Leader, the Chief Executive and the Head of Finance. The Annual Governance Statement is supported by Certificates of Assurance from each of the Executive Directors.

Before signing the Certificate of Assurance Executive Directors should ensure that this schedule has been completed accurately. The Certificates of Assurance require Executive Directors to confirm that:

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

Completing this schedule helps prompt Executive Directors to consider various aspects of their control environment before signing their Certificate of Assurance. Executive Directors should seek assurance through issue of a similar schedule to their Heads of Service to satisfy themselves that effective controls are in place across all service areas (suggested managers to provide information and/or responses are highlighted below).

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

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

Guidance on completing the Schedule

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

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

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

Please return your completed schedule to governance@edinburgh.gov.uk no later than 19 April 2019.

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

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

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

For further information or assistance please contact:

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Democracy, Governance and Resilience Senior Manager	Governance Manager
Strategy & Communications	Strategy & Communications
529 4239 or gavin.king@edinburgh.gov.uk	529 3655 or laura.callender@edinburgh.gov.uk

Internal Control Environment

1	Explanation
1.1	Please explain why your directorate is not fully compliant.
Corporate Governance Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis. 6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
1.2	Please explain why your directorate is not fully compliant.
Corporate Governance Framework	7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement
1.3	1. Please explain why reviews are not undertaken or were not effective and what needs to be done to rectify this. 2. Please describe any weaknesses that were identified that could have an impact on the Annual Accounts.
Corporate Governance Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis. 6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. 6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body; provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon.
1.4	Please detail any problems that have been identified and could have an impact on the Annual or Group Accounts.

Corporate Governance Framework	<p>4.2.1 Establishing and implementing robust planning and control cycles that take into account stakeholder input, risks and are adaptable to changing circumstance.</p> <p>4.2.2 Establishing effective KPIs and capacity to generate performance information that allows for the quality of services and projects to be assessed/measured regularly.</p> <p>6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation.</p> <p>6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.</p> <p>6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</p> <p>6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body; provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon.</p>
Risk and Resilience	
2	Explanation
2.1	<p>Please explain why your risk management arrangements do not identify all of the key risks to your directorate (and the Council) including those arising from or that could impact on:</p> <ol style="list-style-type: none"> 1. Change (e.g. structural, service delivery, demographic and/or management); 2. Partnerships (external and internal); 3. Projects; 4. Legal or regulatory action(s); 5. Reputational damage; and 6. Bribery (e.g. the identification, recording and minimising of bribery risks).
Corporate Governance Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.
2.2	Please explain why current controls and procedures do not effectively record and manage the risks identified to a tolerable level and explain why suitable actions are not in place to mitigate the risk.
Corporate Governance Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.
2.3	<ol style="list-style-type: none"> 1. Please explain why regular reviews are not undertaken and what needs to be done to rectify this. 2. Please describe and evidence any weakness that were identified and the impact they could have on the Annual Accounts.
Corporate Governance Framework	<p>6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.</p> <p>6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</p>
2.4	Please explain why the process(es) for escalation/communication to the relevant Risk Committees are inadequate.
Corporate Governance Framework	<p>6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</p> <p>6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body; provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon.</p>
2.5	Please explain where your arrangements were inadequate and the instances when they failed to support and promote the relevant policies or procedures to your staff.

Corporate Governance Framework	1.3.1 Demonstrating commitment to adherence to the rule of the law and regulations while ensuring individuals fulfil their responsibilities and optimise available powers to the benefit of all. 1.3.2 Dealing with breaches, corruption and misuse of power effectively.
2.6	Your resilience and business continuity arrangements should include: 1. A Service Area Resilience Group and Workplan 2. A Resilience Coordinator and deputies for each essential activity area 3. A Counterterrorism Coordinator and deputy 4. A Building Incident Manager for each staffed Council premise; and 5. All who should have received the appropriate training. Please explain why you do not have these arrangements in place.
Corporate Governance Framework	6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation. 6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis. 6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
Workforce Controls	
3	Explanation
3.1	Please explain why the arrangements your directorate had in place did not ensure your directorate's workforce resources were managed properly.
Corporate Governance Framework	6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.
3.2	Please explain why your directorate's controls failed to effectively manage off-payroll workers/contractors.
Corporate Governance Framework	6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.
3.3	Please explain why your directorate's recruitment arrangements failed to meet requirements.
Corporate Governance Framework	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.4	Please explain why your directorate's controls failed to effectively manage new starts, movers and leavers.
Corporate Governance Framework	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.5	Please explain why your directorate's controls failed to ensure that statutory workforce requirements were met e.g. PVG/disclosure checks, statutory registration/qualification, European Working Time Directive, right to work in the UK.
Corporate Governance Framework	1.3.1 Demonstrating commitment to adherence to the rule of the law and regulations while ensuring individuals fulfil their responsibilities and optimise available powers to the benefit of all. 5.2.1 Ensuring clarity on roles, responsibilities and expectations for members and officers in terms of relationships and decision making.
3.6	Please explain why your directorate's arrangements have failed to effectively manage staff health and wellbeing.
Corporate Governance Framework	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
3.7	Please explain why the arrangements your directorate had in place failed to ensure the effective delivery of staff training and development.

Corporate Governance Framework	5.2.2 Developing the capability of members and officers through the encouragement and provision of appropriate training and continued professional development tailored to their respective roles.
3.8	Please explain why your directorate's arrangements failed to support and manage staff performance.
Corporate Governance Framework	5.2.3 Ensuring arrangements are in place to consider leadership effectiveness and staff performance.
3.9	Please explain why your directorate's arrangements failed to ensure compliance with the Council's HR Policies and procedures including: 1. Employee Code of Conduct; 2. Disciplinary; 3. Grievance; 4. Bullying and Harassment; 5. Maintaining a register of gifts and hospitality; 6. Recording conflicts of interest; and 7. Recording and approving secondary employment where required.
Corporate Governance Framework	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.
3.10	Please explain why your directorate failed to consult and engage with recognised trade unions on a regular basis.
Corporate Governance Framework	2.2.1 Ensuring effective engagement with clarity of purpose, objectives and intended outcomes.
Council Companies	
4	Explanation
4.1	Please explain why your directorate's arrangements failed to effectively provide oversight and monitoring of Council companies.
Corporate Governance Framework	4.2.2 Establishing effective KPIs and capacity to generate performance information that allows for the quality of services and projects to be assessed/measured regularly. 7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual
4.2	Please explain why appropriate agreements were not in place with the ALEOs you are responsible for.
Corporate Governance Framework	7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement.
Policy	
5	Explanation
5.1	Please explain why your directorate's arrangements do not ensure staff awareness and understanding.
Corporate Governance Framework	1.1.3 Ensuring the organisation's ethical standards permeate all aspects of the organisation's culture and operation and are reflected in its policies and procedures
5.2	Please explain why your directorate's arrangements failed to ensure the annual review of the policies owned by your directorate.
Corporate Governance Framework	1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance.

Governance and Compliance	
6	Explanation
6.1	Please explain why your directorate's arrangements are not sufficient to ensure compliance with the framework, e.g. 1. Committee Terms of Reference and Delegated Functions; 2. Scheme of Delegation; 3. Contract Standing Orders; and 4. Financial Regulations.
Corporate Governance Framework	5.2.1 Ensuring clarity on roles, responsibilities and expectations for members and officers in terms of relationships and decision making 6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. 7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.
6.2	Please explain why your directorate was not fully compliant with the relevant Scottish, UK and EU legislation and regulations and any mitigating circumstances/reasons.
Corporate Governance Framework	1.3.1 Demonstrating commitment to adherence to the rule of the law and regulations while ensuring individuals fulfil their responsibilities and optimise available powers to the benefit of all. 1.3.2 Dealing with breaches, corruption and misuse of power effectively. 6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. 7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.
Information Governance	
7	Explanation
7.1	Please explain why your staff were not fully aware of their responsibilities and how this has impacted on compliance.
Corporate Governance Framework	6.3.1 Ensuring that data is properly managed, accurate and of a good quality.
7.2	Please explain why your directorate is not fully compliant.
Corporate Governance Framework	6.3.1 Ensuring that data is properly managed, accurate and of a good quality. 7.3.1 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.
Health & Safety	
8	Explanation
8.1	Please explain why your directorate's arrangements failed to ensure your staff were (1) fully aware of their H&S responsibilities and (2) trained appropriately.
Corporate Governance Framework	1.1.1 Developing a leadership culture based on values, integrity and public interest that is communicated and understood by all and forms the basis of a framework for decision making and action. 1.1.2 Ensuring this is reflected in policies and processes that are regularly reviewed and monitored for compliance. 1.1.3 Ensuring the organisation's ethical standards permeate all aspects of the organisation's culture and operation and are reflected in its policies and procedures. 5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
8.2	Please explain how your directorate failed to have the necessary H&S controls and procedures in place.
Corporate Governance Framework	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
8.3	Please explain how your arrangements failed to ensure all applicable H&S laws and regulations were complied with.
Corporate Governance Framework	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.

8.4	Please explain the weaknesses you have identified in the governance and reporting structure for H&S in your directorate.
Corporate Governance Framework	5.2.4 Ensuring arrangements are in place to support and maintain the health and wellbeing of the workforce.
Performance	
9	Explanation
9.1	Please explain why the required arrangements were not in place.
Corporate Governance Framework	<p>1.1.3 Ensuring the organisation's ethical standards permeate all aspects of the organisation's culture and operation and are reflected in its policies and procedures.</p> <p>4.1.1 Supporting decision makers to take decisions based on objective information and rigorous analysis, whilst considering best value, risk, stakeholder views and future impacts.</p> <p>4.2.2 Establishing effective KPIs and capacity to generate performance information that allows for the quality of services and projects to be assessed/measured regularly.</p> <p>4.2.3 Ensuring that budgeting and resource planning is informed by realistic revenue and capital estimates and aims to deliver objectives, strategies and plans in a sustainable manner.</p> <p>5.1.1 Regularly reviewing and improving effectiveness through performance monitoring, benchmarking and other methods to achieve defined outcomes. 5.1.2</p> <p>Developing strategies and plans for the most appropriate model of delivery and allocation of resources to achieve the best possible outcomes.</p> <p>6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.</p> <p>6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.</p> <p>7.2.1 Elected member and senior management owned annual reporting on performance, best value and resource stewardship.</p>
9.2	Please explain why the required arrangements were not in place.
Corporate Governance Framework	2.3.2 Developing effective communication methods that encourage, collect and evaluate views and experiences while ensuring inclusivity.
Commercial and Contract Management	
10	Explanation
10.1	Please explain where your directorate's procurement activities failed to comply with the Council's Contract Standing Orders.
Corporate Governance Framework	<p>1.2.1 Ensuring the organisation's ethical standards are understood and upheld by external providers of services.</p> <p>1.3.1 Demonstrating commitment to adherence to the rule of the law and regulations while ensuring individuals fulfil their responsibilities and optimise available powers to the benefit of all.</p> <p>2.1.1 Demonstrating an open culture through decisions that have been subject to consultation and/or engagement, are public, evidenced, impact assessed and, where necessary, justification for confidentiality explained.</p>
Change and Projects	
11	Explanation
11.1	Please explain where your directorate failed to have the appropriate arrangements in place for any of its projects or programmes, including: 1. Clear business justifications; 2. Clear operational governance (i.e. authority to take decisions); 3. Effective controls to track delivery and take corrective action if required; and 4. A formal closure process.
Corporate Governance Framework	<p>4.1.1 Supporting decision makers to take decisions based on objective information and rigorous analysis, whilst considering best value, risk, stakeholder views and future impacts.</p> <p>4.2.1 Establishing and implementing robust planning and control cycles that take into account stakeholder input, risks and are adaptable to changing circumstance.</p> <p>4.2.2 Establishing effective KPIs and capacity to generate performance information that allows for the quality of services and projects to be assessed/measured regularly.</p>
Financial Control	
12	Explanation
12.1	Please explain where your directorate's financial controls failed to ensure compliance.

Corporate Governance Framework	6.3.1 Ensuring that data is properly managed, accurate and of a good quality. 6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.
12.2	Please explain (1) why your directorate's monitoring arrangements could not be relied upon to identify any problems or variances and, (2) if any, what these were.
Corporate Governance	4.2.3 Ensuring that budgeting and resource planning is informed by realistic revenue and capital estimates and aims to deliver objectives, strategies and plans in a sustainable manner.
12.3	Please explain (1) why your directorate did not have the required arrangements in place, and (2) the details of any material commitments or contingent liabilities that should have been notified to the CFO.
Corporate Governance Framework	4.3.1 Ensuring that the budgeting process and financial strategy are sustainable whilst considering objectives, service priorities, affordability and medium/long-term plans.
12.4	Please explain why your directorate did not have the required arrangements in place.
Corporate Governance Framework	6.1.1 Ensuring that risk management is embedded and clearly allocated in decision making throughout the organisation. 6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.
12.5	Please explain why your directorate did not have the required arrangements in place.
Corporate Governance Framework	6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
12.6	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Annual Accounts.
Corporate Governance Framework	6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
Group Accounts (Resources only)	
13	Explanation
13.1	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Group Accounts.
Corporate Governance Framework	6.4.1 Ensuring that financial management is integrated at all levels of planning and control, and supports the achievement of outcomes and short-term financial and operational performance.
13.2	Please explain why (1) your directorate did not have the required arrangements in place, and (2) if there were any issues that could have affected the Group Accounts.
Corporate Governance Framework	6.2.1 Ensuring that risk management and internal control strategies, policies and arrangements are aligned with achieving objectives and evaluated on a regular basis.
National Agency Inspection Reports	
14	Explanation
14.1	Please explain why your directorate did not have the required arrangements in place and provide detail on any issues that could have an impact on the signing of the Annual Governance Statement, including how these have been reported.
Corporate Governance Framework	6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body; provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.

14.2	Please explain why your directorate did not have the required arrangements in place.
Corporate Governance Framework	6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.
Internal Audit, External Audit & Review Reports	
15	Explanation
15.1	Please explain why your directorate did not have the required arrangements in place.
Corporate Governance Framework	6.2.2 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. 6.2.3 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon. 7.3.2 Ensuring that internal and external audit arrangements provide assurance on governance arrangements and risks from 3rd party service delivery and that this is reflected in the annual governance statement. 7.3.3 Ensuring that recommendations from Internal Audit, External Audit, peer challenge, reviews and inspections are welcomed and acted upon.
Progress	
16	Explanation
16.1	Please describe and detail any outstanding issues or recommendations.
Corporate Governance Framework	Not Applicable

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

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

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

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

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

3 Workforce				
3.1	I have arrangements in place to ensure workforce resources are managed properly, including compliance with payroll policies, overtime controls, absence management and performance e.g. home/remote working.			
		0		
3.2	I have robust controls in place to manage off-payroll workers/contractors, including agency workers and consultants, ensuring approved framework contracts have been used and that those engaged are wholly compliant with the provisions of IR35 Council guidance and procedures.			
		0		
3.3	I ensure that recruitment and selection is only undertaken by appropriately trained individuals and is fully compliant with Council policies and procedures, including vacancy approvals and controls.			
		0		
3.4	I have robust controls in place to manage new starts, movers and leavers, including induction and mandatory training, IT systems security (access and removal) and access to buildings and service users' homes.			
		0		
3.5	I have robust controls in place to ensure that statutory workforce requirements are met			
		0		
3.6	I have arrangements in place to manage staff health and wellbeing; ensuring that sickness absence, referral to occupational health and stress risk assessments is managed in compliance with the Council's HR policies.			
		0		
3.7	I ensure compliance with essential training requirements and support learning and development appropriately, including professional CPD requirements.			
		0		
3.8	I have arrangements in place to support and manage staff performance e.g. regular 1:1/supervision meetings, performance/spotlight conversations.			
		0		
3.9	I ensure compliance with the Council's HR policies and procedures across all of my service areas.			
		0		
3.10	I regularly consult and engage with recognised trade unions.			
		0		
4 Council Companies				
4.1	I have arrangements in place for the oversight and monitoring of the Council companies I am responsible for, that give me adequate assurance over their operation and delivery for the Council.			
		0		

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

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

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

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

Resources Directorate Overview

29 October 2019



Executive Director of Resources

Stephen S. Moir

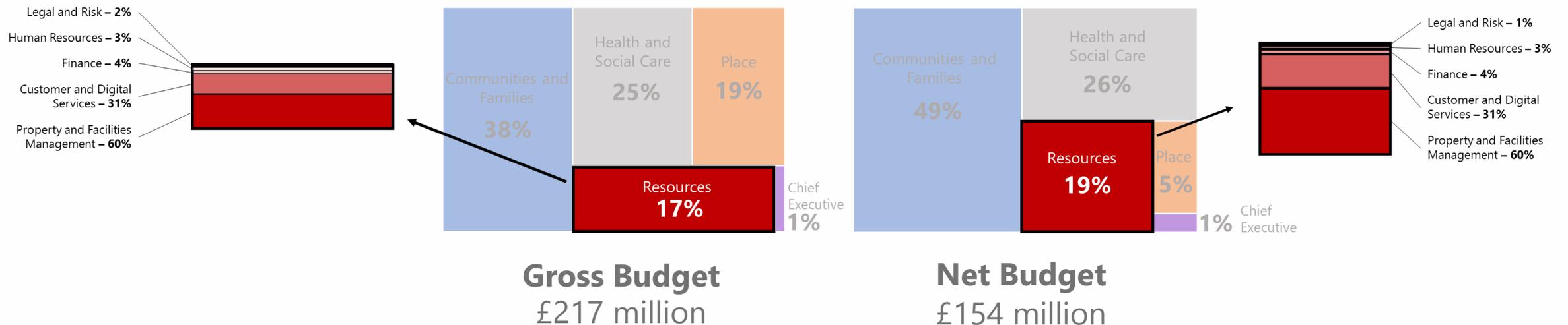
BSc (Hons.), MSc, PhD, Chartered FCIPD, FCMI, FRSA

Resources Directorate

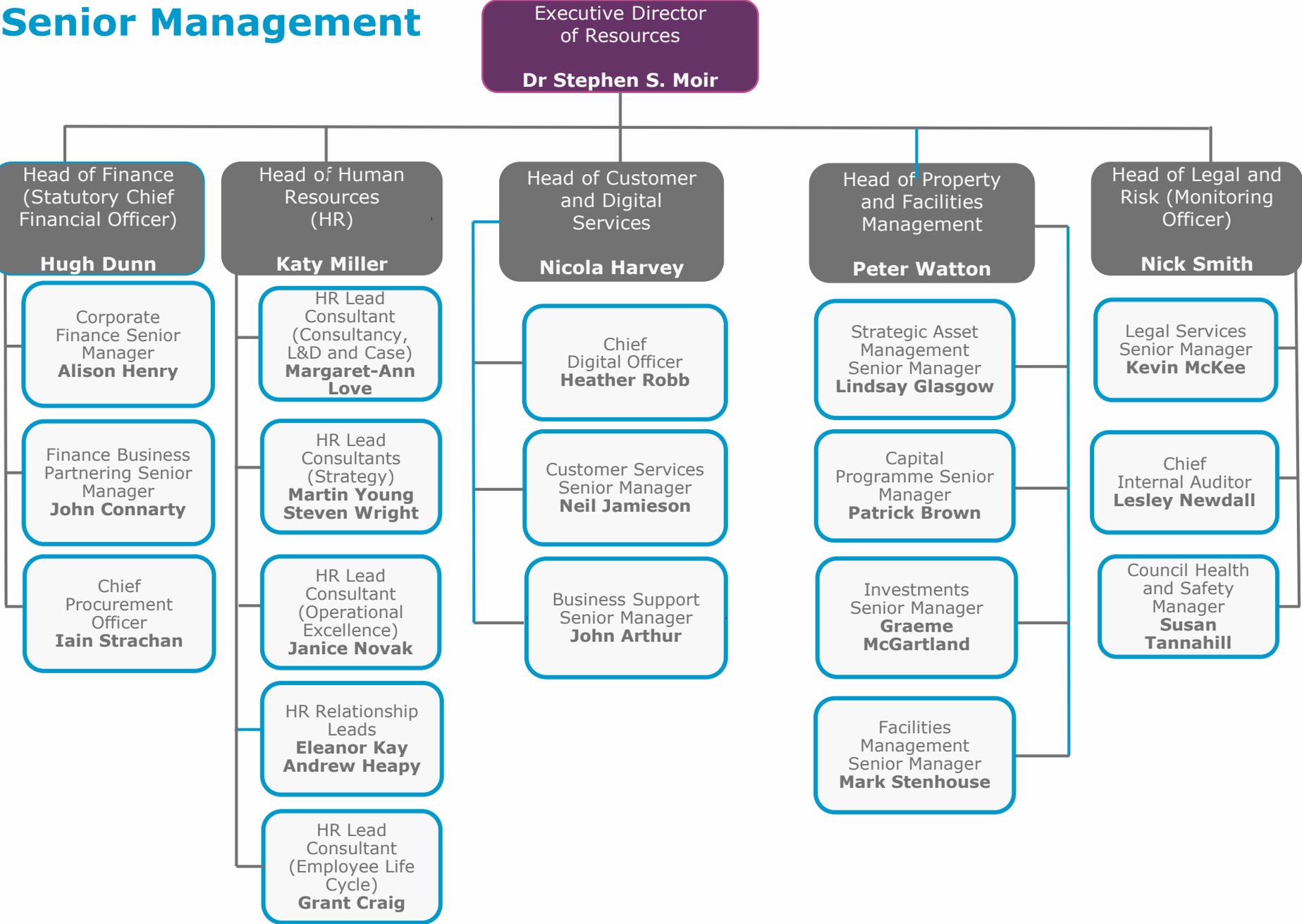
We provide a range of **enabling customer and corporate services** through our 2800 colleagues who work **across the whole of the Council's operations**. The directorate frequently acts as **the first point of contact between the Council and citizens or service users** for a range of activities through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

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

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



Directorate Senior Management





Head of Finance Hugh Dunn

(Statutory Section 95 Chief Financial Officer)

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

Finance

Resources Directorate

£6.8m
(net budget)

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

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

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



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

142 Staff (137 FTE)

External Audit Fee, Explanation

£7.3m

600k

Excel Scotland Membership, Explanation

£300k

What We Spend

£8.3 million

Funding and Income **£1.5million**

Shared Insurance, money re-charged to Scottish Borders

£200k

Services provided to Council Companies

£1.3 m

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

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

3.9 FTE

CEC

6.3FTE per £100m gross revenue turnover

Peers

Head of Customer and Digital Services Nicola Harvey



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

Customer and Digital Services

Resources Directorate

£47.4m
(net budget)

£154.5m

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

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

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

Council Tax and Non-Domestic Rates

Scottish Government Grant

1,135 Staff (1,033 FTE)

£30.4m

ICT, Contract payments and support

£27.4m

Third Party Payments

Administration and Payments made

£8m

Print and Mail, Council wide **£900k**

What We Spend

£68.4 million

Funding and Income

£21 million

Re-charging for Customer

Contact Services, Council wide

£1.6 m

Funds for Payments, Benefits and

Grants, Grant funding for payments

£8 m

Re-charging for Tax Collection and

ICT Contracts, Grant funding for payments

£9 m



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

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

10 Minutes

3 Minutes

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



Head of Human Resources Katy Miller

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

Human Resources

Resources Directorate

£4.7m
(net budget)

£154.5m
(net budget)

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

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

Our staffing and Pay Structure



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

Employee Life Cycle

Leadership, Learning & Development

109 team members

£5.2m

£180k

£700k

What We Spend

£6.2 million

Funding and Income

£1.5 million

Employee Life Cycle

£750k

Salary Sacrifice Schemes

£486k

Money saved from lower Tax and NI liabilities

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

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





Head of Legal and Risk Nick Smith

(Statutory Monitoring Officer)

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

Legal and Risk

Resources Directorate

£1.4m
(net budget)

£154.5m
(net budget)

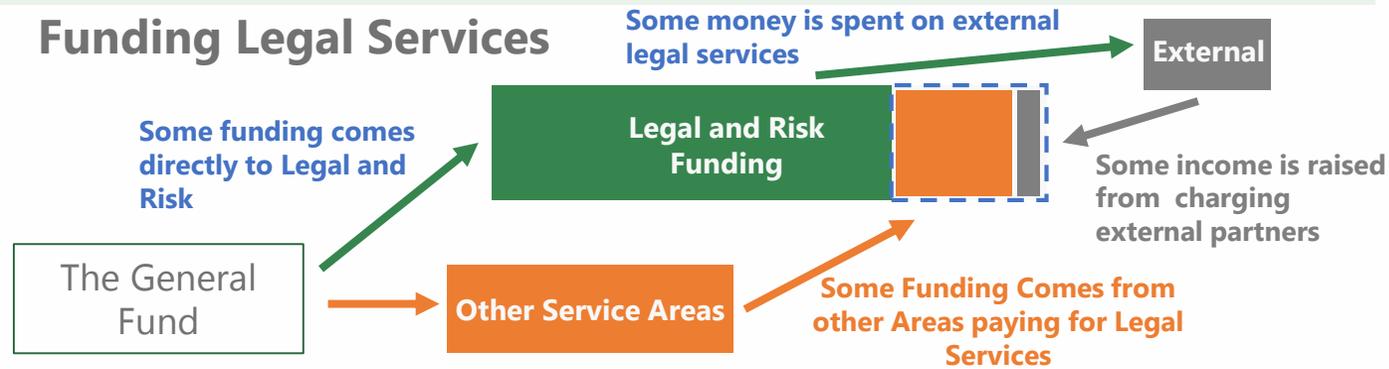
We provide a wide range of specialist **Legal advice and guidance across both the Council and the EIJB** in areas such as **commercial, property and planning, licensing and employment law.**

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

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

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

Funding Legal Services



64 Staff (60 FTE)

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

External Legal Services,

£3.9m

£100k

£250k

What We Spend

£4.2 million

Funding and Income

£2.8 million

Recharging directorates, Charges for legal services

£2.4 m

Commercial Practice, Income from charging external customers

£400k



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

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

External



Internal



Head of Property and Facilities Management

Peter Watton

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

Property and Facilities Management

Resources Directorate

£98.9m
(net budget)

£154.5m
(net budget)

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

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

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

1,730 Staff (1,015 FTE)

£26m

PPP Contract costs, operation of towards PPP schools

£42m

Running Costs, utilities, repairs and maintenance, business rates

£47m

What We Spend

£129.8 million

Funding and Income

£34.8 million

Capital Programme Management

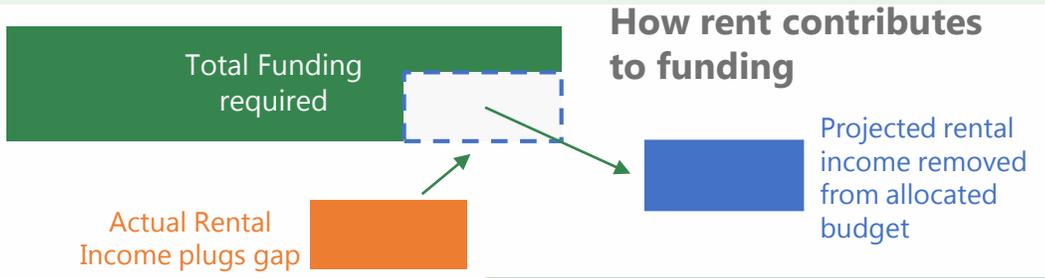
£5 m

Re-charging of services, Repairs and maintenance, janitorial

£11 m

Commercial Property Income

£15m



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

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

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

