

Governance, Risk and Best Value Committee

10am, Thursday, 5 March 2015

Present

Councillors Balfour (Convener), Blacklock, Gardner, Howat, Keil, Lunn, Main, Mowat, Munro, Orr, Robson (substituting for Councillor Child), Shields and Tymkewycz.

Also Present

Councillors McVey (in respect of item 2 below), and Rose (in respect of item 1 below).

1. Cameron House Community Centre: Review of Project Delivery

(a) Deputation – by the Cameron House Management Committee

The Committee agreed to hear a deputation from Moira O'Neill from the Cameron House Management Committee.

The deputation explained that a number of structural defects had been identified at the centre's old building in 1996. Following campaigning by the management committee and the wider community, the new building was completed ten years later. During the new build process, the management committee was initially involved in steering groups and design forums, but this petered out as the process continued, and it became apparent that important decisions were being taken without the involvement of either the committee or the assigned Community Learning and Development (CLD) worker, a situation which continued to the present.

The deputation made a number of points in response to the report:-

- Neither the Cameron House Management Committee nor the CLD worker had received a copy of the independent review conducted by Turner and Townsend.
- The management committee was not interviewed during the review, despite the CLD officer informing Turner and Townsend that the committee was in possession of extensive documentation which may have been important to the process.
- The report made reference to staff changes which hampered the review process. The management committee was aware that many of the senior

officials involved were still employed by City of Edinburgh Council and stated that they should be held accountable for their part in the events.

- Missing documentation was a problem for Turner and Townsend's review of the project, and a number of files from the tender period were missing. Other documentation, which was still legally required to be available, had also been lost.
- The management committee was excluded from the selection process to appoint a contractor. Following the receipt of doctored emails on the issue, the management committee wrote to the Council Leader and a subsequent investigation proved that the CLD worker had been left off the mailing list and had not failed to pass on information, as had been originally claimed. No apology was offered to the committee or CLD worker and no satisfactory explanation was given.
- In terms of the review of flooding carried out by the surveyor, both the CLD and senior CLD worker were present when the flooding occurred, and were informed of errors in the report which required to be rectified. It took councillor intervention on behalf of the management committee to be provided with a copy of the report.
- The response of senior officials to information from the CLD and senior CLD workers that water could be gathering under the sports hall floor was inadequate. The floor continued to deteriorate over the next six months.
- Eventual investigation revealed that there had been extensive flooding which had damaged wood of the floor and pipes for the heating system. This resulted in both the floor and underground heating requiring to be replaced.
- A schedule of works was drawn up and the management committee planned alternative activities for the duration of these. However, whilst the contractor was on-site carrying out other jobs, he explained that the works would not be completed by the date specified in the schedule, owing to the Council having failed to confirm the start date.
- The CLD worker had told the committee that an email had been received which stated that an independent survey of the hall had concluded that the floor replacement would not now be required. Requests for documentary evidence in the form of the report were not satisfied, and the property log for Cameron House which should have revealed the details of a surveyor's visit contained no such information. It emerged that the visitor at the date and time given had claimed to be a member of the public who had asked to look round Cameron House, and he could not

enter the sports hall as there were children in there at the time. At the next meeting of the management committee, a Council official confirmed that the surveyor had been employed by the Council. A subsequent survey stated that the floors needed to be replaced.

- The Council's failure to respond to warnings on the deteriorating state of the floor put all users at risk. Senior officials had been informed repeatedly by the CLD worker and management committee that the floors of both the sports and dance halls posed a health and safety risk and had taken no action.
- When the floor was lifted it was apparent that it had not been laid properly. The management committee had raised concerns that this contractor was to be used again and queried the procurement process.
- A need for an independent review had been requested by the management committee due to possible conflicts of interest.

The deputation also highlighted the following areas of concern:-

- The issuing of a completion certificate when the roof was found to be incomplete.
- The lack of support for the management committee and centre staff in dealing with building defects.
- That Cameron House experienced so many difficulties when other community centres built at the same time experienced no issues.

The deputation concluded by stating that it did not appear that the citizens of Edinburgh were getting best value in the management of the build of the new centre, chiefly due to the Council's failure to act when advised of poor workmanship. The management committee felt that senior officials should be held to account.

The Convener thanked the deputation for her presentation and invited her to remain for the Committee's consideration of the related report.

(b) Referral report from the Education, Children and Families Committee

The Education, Children and Families Committee of 9 December 2014 had considered a report on the Cameron House Community Centre: Review of Project Delivery, which was referred to the Governance, Risk and Best Value Committee for scrutiny.

Local councillor, Cameron Rose, expressed his concern about the repeated exclusion of the management committee and subsequent apparently doctored emails, the secrecy surrounding the 'independent' surveyor's report, and the inaccurate and misleading communications from officers.

In response to questions from members, Peter Watton, Acting Head of Corporate Property, explained that Turner and Townsend had written their review from a technical standpoint.

In regard to concerns about ongoing damp and gutter issues, it was explained there was no evidence of damp in the centre, and that guttering would be looked at within the context of council budgeting priorities.

It was acknowledged that the building certificate did seem to have been issued pre-emptively and that it had taken 2 years to rectify snagging issues, which was not acceptable.

Councillors raised concerns about whether due consideration had been given to quality in addition to cost during the tendering process, as well as the competence of the procurement process itself, referring to payments awarded outwith contract.

The Director of Corporate Governance explained that the procurement process had been extensively improved in the last 3 years. This had been externally verified and work was ongoing to improve it further.

Decision

- 1) To note the report.
- 2) To request a report to the Education, Children and Families Committee in 3 cycles providing an update on how ongoing issues with the building were being resolved.
- 3) To request a report within two cycles to the Education, Children and Families Committee prior to coming to Governance, Risk and Best Value Committee on governance arrangements (including the escalation of issues, service management and the interaction with Neighbourhood Partnerships) and Council support to community centre management committees.
- 4) To request that the Monitoring Officer investigate specific allegations in relation to potential doctoring of emails and other alleged inappropriate behaviour by Council officers involved in the project.

(References – Education, Children and Families Committee of 9 December 2014 (item 19); referral report from the Education, Children and Families Committee, submitted.)

2. Review of Maintenance of Duncan Place

(a) Deputation – by the Leith Primary Parent Council

The Committee agreed to hear a deputation from Kirsty Chatwood from Leith Primary Parent Council (LPPC).

The deputation stated that the LPPC were pleased that the concerns about 'D' listed buildings (according to the Council's general condition criteria, scaled A – D, A being good) which they had voiced during a previous deputation had been acted on and were to be considered in the context of the wider Council estate. They would like a guarantee that 'D' listed buildings would be surveyed as early as possible so that any safety concerns could be identified.

In terms of Duncan Place, problems with the roof had posed a risk to children and users. The condition of the roof had been referred to in the 1990s and the deputation stated that while various small-scale patching of the roof had taken place over the intervening period, returning a roof to a wind and water-tight condition should not be categorised as planned maintenance.

The deputation expressed concerns about missing information and asked whether the Duncan Place Management Committee had been approached for relevant documents or information in its possession.

Money had been ring-fenced to install a lift at Duncan Place, which seemed a pointless exercise until the roof had been fixed, for which no funds had been identified.

The deputation asked why more feasibility studies had not been carried out into the possibility of creating more classrooms on the top floor of Leith Primary, which was currently locked-off.

Whilst acknowledging that the vote on the demolition of Duncan Place had already been taken, Ms Chatwood queried whether the building would pass the Scottish Historic Environment Policy (SHEP) test, which had not yet been completed by Historic Scotland. The policy operated with a presumption against demolition or other works that adversely affected the special interest of a listed building or its setting. In the event that Historic Scotland decided the building should not be demolished, had options been considered by the Council.

Ms Chatwood explained that there was a concern that children were not currently receiving the statutory minimum of 2 hours per week Physical Education.

The deputation reported that the LPPC was pleased with temporary bollards installed by the Council which had increased space in the playground. That the

new nursery was located on site was welcomed, and Ms Chatwood had received positive views from parents about the building.

Meetings with the Children and Families Department had started in January but information such as lists of existing users of the centre and options for where they would go in future had not yet been fully considered which concerned the LPPC.

The Convener thanked the deputation for her presentation and invited her to remain for the Committee's consideration of the motion and related report.

(b) Referral report from the Education, Children and Families Committee

The Education, Children and Families Committee of 9 December 2014 had considered a report on the Cameron House Community Centre, which it had then referred to the Governance, Risk and Best Value Committee for scrutiny.

Local councillor, Adam McVey was heard regarding his concerns about finding a long term solution for the future of groups which used Duncan Place, and stressed the importance of finding them alternative accommodation.

In response to questions from members, Lindsay Glasgow, Asset Strategy Manager, explained that ratings guidance for roofs was much more prescriptive now than it was in 2003 when it was first introduced. The Council now used steplejack firms to examine roofs.

With respect to the Listed Building assessment carried out by Historic Scotland, Peter Watton explained that should Historic Scotland's opinion be that the building should not be demolished, the matter would be referred to Scottish Ministers.

Decision

- 1) To note the report.
- 2) To note that the Director of Children and Families would investigate whether pupils at Leith Primary were getting at least the statutory minimum time in P.E lessons.

(References – Education, Children and Families Committee of 9 December 2014 (item 4); referral report from the Education, Children and Families Committee, submitted.)

Declaration of Interest

Councillor Stefan Tymkewycz declared a non-financial interest in the above item as a member of the management committee of an organisation which had previously used Duncan Place.

3. Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 29 January 2015 as a correct record.

4. Outstanding Actions

Details were provided of the outstanding actions arising from decisions taken by the Committee.

Decision

- 1) To agree to close actions 1, 6, 9, 11, 21, 22, 29 and 30.
- 2) In respect of item 18, to ask that further detail on the training delivered be provided to members.

(Reference – Outstanding Actions March 2015, submitted.)

5. Internal Audit Quarterly Update Report 1 October to 31 December 2014

Details were provided of Internal Audit activity between 1 October and 31 December 2014.

Decision

To note the progress of Internal Audit in respect of the 2014/15 internal audit plans and the areas of higher priority findings.

(Reference – report by the Chief Internal Audit and Risk Officer, submitted.)

6. Internal Audit Follow-Up Arrangements: Status Report from 1 October to 31 December 2014

Committee was provided with an overview of changes to the approach adopted by Internal Audit for following up the status of audit recommendations, as well as details of recommendations past their initial estimated closure date at 31 December 2014.

Decision

- 1) To approve the revision in the audit follow-up process.

- 2) To note the status of follow-up actions.
- 3) To note that mandatory information security training for all staff would be rolled out as part of the ongoing Performance Review and Development process and that once this had been completed for staff in Children and Families it would be reported as part of the Internal Audit Quarterly Review report.

(Reference – report by the Chief Internal Audit and Risk Officer, submitted.)

7. Corporate Management Team (CMT) Risk Update

Details were given of the Corporate Management Team's (CMT) risk register as at February 2015, fully updated to reflect the current highest priority risks of the Council, the compensating controls and related action plans to mitigate risks to a tolerable level.

Decision

- 1) To note the report.
- 2) To ask that future reports show the direction of travel of residual risks, and highlight newly identified risks.

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

8. Best Value (2) Audit Report 2014

The Council had presented its Best Value Audits to the Accounts Commission in February 2007 and May 2013 with a progress update presented to the Accounts Commission in December 2014.

On 5 February 2015, the City of Edinburgh Council considered a report which detailed the findings and recommendations for action from the Best Value follow up audit report. The report was referred to the Governance, Risk and Best Value Committee for further scrutiny and information.

Decision

- 1) To note the report.
- 2) To request an update report on the transformational change programme to the October meeting of Governance, Risk and Best Value Committee.

(References – Act of Council of 5 February 2015 (item 10); referral report from the City of Edinburgh Council, submitted.)

9. Motion by Councillor Burns – Parliament Hall – Common Good

The Corporate Policy and Strategy Committee on 24 February 2015 considered an urgent motion by Councillor Burns on the registration of the title to the court complex between Parliament Square and the Cowgate and Common Good property owned by the Council. The motion was referred to the Governance, Risk and Best Value Committee for further scrutiny of the issues raised.

Decision

- 1) To request a report in June 2015 detailing how the situation regarding Parliament Hall arose, including the chronology and any progress on discussions with the Scottish Government.
- 2) To request a report to Corporate Policy and Strategy Committee, prior to consideration by the Governance, Risk and Best Value Committee, on the costs and timescales involved in fully updating the register of Common Good Assets, including a definition of Common Good and the Council's responsibilities concerning such assets. In preparing the report, officers should consider the resources and skill sets required to carry out the review of the register.

(References – Corporate Policy and Strategy Committee of 24 February 2015 (item 12); referral report from the Corporate Policy and Strategy Committee, submitted.)

10. Lothian Buses – Update on Governance and Responsibility Review relating to the events and Council involvement into management difficulties at Lothian Buses

The Council on 5 February 2015 agreed to 'call for an independent external report to Governance, Risk and Best Value Committee in three cycles detailing events and Council involvement in relation to Lothian Buses' management difficulties, to include reference to all meetings and decisions taken, accepting that some information may be sensitive or confidential'. Information was provided on progress made in appointing an independent party and agreeing terms of reference for the review.

Decision

To note the progress that had been made.

(References – Act of Council 5 February 2015 (item 2); referral report by the City of Edinburgh Council, submitted.)

11. Whistleblowing Update

A high level overview of the operation of the Council's whistleblowing hotline for the period 1 August 2014 to 16 February 2015 was provided.

Decision

- 1) To note the report.
- 2) To note that the Committee was supportive of Whistleblowing procedures in principle, and that the pilot should continue for one year as planned before being fully reviewed.

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

12. Internal Audit Plan 2015/16

Approval was sought for the Internal Audit Plan for the period 1 April 2015 to 31 March 2016. The plan had been developed to ensure adequate coverage of the Council's key risks.

Decision

To note the progress of Internal Audit in respect of the 2014/15 internal audit plan and to approve the Internal Audit Plan for the period 1 April 2015 to 31 March 2016.

(Reference – report by the Chief Internal Audit and Risk Officer, submitted.)

13. Internal Audit and Risk Service Delivery Update

Committee considered a report which set out progress on the co-source arrangement with PwC since the last update, provided to the Governance Risk and Best Value Committee in May 2014.

Decision

To note the significant progress made by the co-sourced internal audit and risk management service in the period from May 2014 to date.

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

14. Annual Treasury Strategy 2015/16

The Corporate Policy and Strategy Committee on 24 February 2015 considered the Treasury Management Strategy for the Council for 2015/16, and referred it to the Governance, Risk and Best Value Committee for scrutiny.

Decision

To note the Annual Treasury Strategy 2015/16.

(References – Corporate Policy and Strategy Committee of 24 February 2015 (item 6); referral report by the Corporate Policy and Strategy Committee, submitted.)

15. Motion by Councillor Blacklock – Third Party Grant Challenge Funds Award

The following motion was submitted by Councillor Blacklock in terms of Standing Order 16:

‘Due to concerns raised at the Economy Committee on 13 February 2015 regarding Item 7.8 Third Party Grant: Challenge Fund Awards, Committee agrees to scrutinise this report and the processes that led to it in the presence of the appropriate Council officers.’

Decision

To approve the motion by Councillor Blacklock.

16. Resolution to consider in private

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for consideration of item 17 below on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 1, 3, 4 of Schedule 7(A) of the Act and item 18 below on the grounds that it involved the disclosure of exempt information as defined in Paragraph 14 of Schedule 7(A) of the Act.

17. Whistleblowing – Monitoring Report

Committee considered a report on Whistleblowing arrangements which provided an overview of allegations and investigation outcomes during the six month period 1 August 2014 to 16 February 2015.

Decision

- 1) To continue consideration of the report to the next meeting, with the addition of an appendix providing a summary of each item with an indication of importance, actions taken to resolve the problem and whether the outcome was satisfactory.
- 2) To ask the Directors of Corporate Governance and Children and Families to ensure there were sufficient communications and processes in place surrounding policies that applied to schools.

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

18. Internal Audit Quarterly Summary of Critical/High Risk Findings and Management Actions 1 October to 31 December 2014

Committee considered high risk findings and management actions in connection with the Internal Audit Quarterly Update, covering the period from 1 October to 31 December 2014.

Decision

Detailed in the confidential schedule, signed by the Convener, as referenced in this minute.

(Reference – report by the Chief Internal Audit and Risk Officer, submitted.)