

## Governance, Risk and Best Value Committee

10am, Thursday, 21 May 2015

### Present

Councillors Balfour (Convener), Blacklock, Child, Gardner, Keil, Lunn, Main, Mowat, Munro, Orr and Tymkewycz.

### Also Present

Councillor Burns (in respect of Item 1 below) and Councillor Hinds and McVey (in respect of Items 1 and 2 below).

## 1. Lothian Buses – Governance and Responsibility Review relating to the events and Council involvement into management difficulties at Lothian Buses

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### (a) Deputation – by the Lothian Buses Joint Trade Union Committee

The Committee agreed to hear a deputation from Rab Fraser and Duncan McBride from the Lothian Buses Joint Trade Union Committee.

The deputation noted that the independent report provided the facts in relation to the circumstances which arose at Lothian Buses and accepted that clarification had been provided in regard to the resignation of the former Chairperson.

The deputation expressed concern as to how decisions were made and would welcome the release of the mediation meeting report. They felt that the Council had not made the right decision in regard to the retaining the Chief Executive but that it was time for Lothian Buses to move forward from the current situation. They noted that a new Board was in the process of being appointed and asked for Councillor Hinds to be removed from the role of Convener of the Transport and Environment Committee.

In the course of questions from Members to the deputation the Committee agreed to exclude the public from the meeting in terms of Section 50 (A)(4) of the Local Government (Scotland) Act 1973 on the grounds that it involved the disclosure of exempt information as defined in Paragraph of 12 of Schedule 7A of the Act.

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

**(b) Report - Lothian Buses – 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’.

Committee were provided with the outcome of the independent report by professional services firm KPMG which detailed the events and Council involvement in relation to management difficulties at Lothian Buses.

Councillors Burns, Hinds and McVey spoke in regard to this item.

**Decision**

To note the independent external report prepared by international professional services firm KPMG into events and Council involvement in relation to recent management events at Lothian Buses Limited.

(References – Act of Council of 5 February 2015 (Item 2); Governance, Risk and Best Value Committee of 5 March 2015 (Item 10); report by the Chief Executive, submitted).

**Declarations of Interest**

Councillor Munro declared a non-financial interest in the above item as a member of Unite.

Councillor Mowat declared a non-financial interest in the item as a Director of Transport for Edinburgh.

## **2. Lothian Buses Shareholder Agreement**

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Committee considered a report on the Council’s shareholder agreement with Lothian Buses Limited and its dividend policy.

Councillors Hinds and McVey spoke in regard to this item.

**Decision**

- 1) To note the report.
- 2) To discharge the action to report to Committee regarding the Lothian Buses Limited shareholder agreement and the company’s dividend policy.

- 3) To note that Councillor Hinds undertook to ask the relevant company boards for permission to make the shareholder agreement between Lothian Buses and The City of Edinburgh Council public.

(References – report by the Acting Director of Services for Communities, submitted).

#### **Declaration of Interest**

Councillor Mowat declared a non-financial interest in the above item as a Director of Transport for Edinburgh.

### **3. Minute**

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#### **Decision**

To approve the minute of the Governance, Risk and Best Value Committee of 23 April 2015 as a correct record.

### **4. Outstanding Actions**

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

#### **Decision**

- 1) To agree to close actions 5, 12, 13, 21 and 30.
- 2) To note that the action owner for action 23 should be the Director of Children and Families.

(Reference – Outstanding Actions - May 2015, submitted).

### **5. Work Programme**

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#### **Decision**

- 1) To approve the Work Programme - May 2015.
- 2) To add an update report on the Internal Audit co-source arrangements to the work programme for June 2015.

(Reference – Governance, Risk and Best Value Work Programme – May 2015, submitted).

## 6. Audit Scotland – Housing Benefit Performance Audit – Action Plan

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Audit Scotland had carried out a risk assessment on the Council's Housing Benefit service, which indicated that the service had delivered continuous improvement across most operational areas since 2012. The service's improvement plan in response to the Audit Scotland recommendations was also provided.

A representative from Audit Scotland was present for this item.

### **Decision**

To note the report and improvement plan.

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

## 7. Procurement – Update on Arm's Length External Organisations

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Committee were provided with an update on potential procurement synergies between the Council and its arm's length external organisations.

### **Decision**

To note the content of the report.

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

Councillor Balfour declared a non-financial interest in the above item as a Director of Edinburgh Leisure.

Councillor Main declared a non-financial interest as a Director of Edinburgh Festival Theatres Trust.

Councillor Mowat declared a non-financial interest as a Director of Transport for Edinburgh, and Edinburgh International Festival Council.

## 8. Governance of Major Projects: Progress Report

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Committee were provided with an update of the major projects portfolio, made up of projects with a value of over £5 million or particularly sensitive to the Council's reputation. The upcoming assurance review schedule was also provided.

### **Decision**

- 1) To note the current synopsis of the dashboard reports for the major projects Portfolio.

- 2) To note the current assurance review schedule for the first two quarters of 2015/16.
- 3) To include details in future progress reports on the overall capital funding in regard to the Early Years Projects.
- 4) To provide a briefing note to Committee on the impact of the Fleet Review project on service delivery.

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

## **9. Report by the Accounts Commission - An overview of local government in Scotland 2015**

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The Finance and Resources Committee on 13 May 2015 considered a report that had been prepared by Audit Scotland, on behalf of the Accounts Commission, on the financial challenges being faced by Scottish local authorities. The report was referred to the Governance, Risk and Best Value Committee for scrutiny.

### **Decision**

- 1) To note the report by the Accounts Commission.
- 2) To note that clarity would be provided regarding the audit arrangements for the new Health and Social Care Integrated Joint Board.
- 3) To note that the Head of Finance would explore the Audit Scotland report 'Scotland's Public Finances: A follow up Audit: Progress in Meeting the Challenges' to ascertain if any best practice could be adopted.
- 4) To provide a briefing note to the Committee on the Non Profit Distributing (NPD) programme.

(Reference – referral report by the Finances and Resources Committee, submitted.)