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Council Building  
2 High Street  
Perth  
PH1 5PH

05/06/2024

A hybrid meeting of the **Scrutiny and Performance Committee** will be held in the **Council Chamber** on **Wednesday, 12 June 2024** at **09:30**.

If you have any queries please contact Committee Services on (01738) 475000 or email [Committee@pkc.gov.uk](mailto:Committee@pkc.gov.uk).

**THOMAS GLEN**  
Chief Executive

***Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.***

***Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.***

**Members:**

Councillor Colin Stewart (Convener)  
Bailie Alasdair Bailey (Vice-Convener)  
Councillor Keith Allan  
Councillor Steven Carr  
Councillor Angus Forbes  
Councillor Michelle Frampton  
Councillor Ian Massie  
Councillor Willie Robertson  
Councillor Caroline Shiers  
Councillor Frank Smith  
Councillor Jack Welch



## Scrutiny and Performance Committee

Wednesday, 12 June 2024

### AGENDA

***MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.***

- 1 WELCOME AND APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF SCRUTINY AND PERFORMANCE COMMITTEE OF 24 APRIL 2024 FOR APPROVAL** **5 - 14**  
(copy herewith)
- 4 OUTSTANDING BUSINESS STATEMENT (OBS)** **15 - 16**  
(copy herewith 24/174)
- 5 UPDATE BY ARM'S LENGTH EXTERNAL ORGANISATIONS**
  - (i) CULTURE P&K**
  - (ii) LIVE ACTIVE LEISURE**
  - (iii) PERTH THEATRE AND CONCERT HALL**
- 6 EXTREME WEATHER EVENTS REVIEW - OVERVIEW OF ACTIVITY**  
Report by Strategic Lead - Environment and Infrastructure (copy to follow)
- 7 ANNUAL GOVERNANCE STATEMENT 2023/24** **17 - 32**  
Report by Strategic Lead - Legal and Governance (copy herewith 24/176)
- 8 PERTH AND KINROSS HEALTH & SOCIAL CARE PARTNERSHIP (HSCP) CLINICAL AND CARE GOVERNANCE ASSURANCE REPORT** **33 - 34**  
Report by Chief Officer, Perth and Kinross HSCP (copy herewith 24/177)

**IT IS RECOMMENDED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM(S) IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

**P1 ANNUAL REVIEW OF CYBER SECURITY**

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## SCRUTINY AND PERFORMANCE COMMITTEE

Minute of hybrid meeting of the Scrutiny and Performance Committee held in the Council Chambers, 2 High Street, Perth, on Wednesday 24 April 2024 at 09.30am.

Present: Councillor C Stewart, Bailie A Bailey, K Allan, A Forbes, K Harvey (substituting for Councillor S Carr), M Frampton, I Massie, W Robertson, C Shiers, F Smith, and J Welch.

In Attendance: C Mailer (Director – Strategy, People and Resources); A Williams (Director – Economy, Place and Learning), S Devlin, F Crofts, E Ritchie, A Singh, D Littlejohn, S Skene, S D’All, G Doogan, B Martin-Scott, J Chiles, D Macluskey, F Robertson, K Johnston and H Hope (Economy, Place and Learning); K Ogilvy and M Dickson (HSCP), L Simpson, G Boland, K Molley, A Brown, and M Pasternak (Strategy, People and Resources).

Also in attendance: K McNamara, D McKay, D Kidd and I Strachan (all Tayside Contracts) (up to and including Item 6) and G Dhillon (HM Inspectorate of Education) (for Item 7)

Apology: Councillor S Carr

Councillor C Stewart, Convener, Presiding.

The Convener led discussion on Items 1-6 & 9 and the Vice-Convener led discussion on item 7 & 8.

### 1. WELCOME AND APOLOGIES

The Convener welcomed all those present to the meeting and an apology was noted as above.

### 2. DECLARATIONS OF INTEREST

No declarations of interest were made in terms of the Councillors’ Code of Conduct.

### 3. MINUTE OF MEETING OF THE SCRUTINY AND PERFORMANCE COMMITTEE OF 31 JANUARY 2024

The minute of meeting of the Scrutiny and Performance Committee of 31 January 2024 was submitted and approved as a correct record.

### 4. OUTSTANDING BUSINESS STATEMENT

#### **Resolved:**

The status of actions in the Outstanding Business Statement, be noted and completed actions removed accordingly.

## 5. WEATHER EVENTS- IMPROVEMENT PLAN

There was a report submitted by Strategic Lead – Environment and Infrastructure (24/123) providing a brief update on the actions outlined in the Weather Events Improvement Plan.

In response to a question from Councillor A Forbes regarding the actions required to be implemented to reduce the call volume being made to Aberdeen Council, F Crofts advised that there had not been an issue with the way the responses were handled throughout the weather events in October 2023 but for future events, the team are looking to remove as many of the non-emergency calls through the call handling system to allow the focus to be concentrated on emergency calls as they come through.

In response to a question from Councillor K Allan regarding communication with the effected residents, E Ritchie advised that reassurance visits were carried out in hotspot areas, particularly in Invergowrie and Perth City. E Ritchie added that a letter drop had also been undertaken which had led to further contact with residents. E Ritchie confirmed that information continues to be shared with residents and a flooding bulletin would be issued shortly.

In response to a question from Councillor W Robertson regarding reassurance that a change in sudden tide levels would now be tackled differently compared to previous weather events, S D'All reassured members that tide levels would be tackled differently for future weather events. S D'All advised that a standby team are available and referred to the improved communications with SEPA. S D'All added that a few weeks ago there had been high tides and provision had been enhanced to cover, but confirmed there are no weather warnings for the immediate future.

Councillor A Forbes referred to the action on developing a protocol to share vulnerable people lists during emergencies and suggested creating a registration service where vulnerable residents could be sent automatic alerts about weather changes or updates around flood gates, H Hope advised that work had been underway with partners to develop a data sharing arrangement but confirmed that a registration service could be looked at further.

In response to a question from Councillor C Shiers regarding progress made with mobile phone operating companies and resilience for rural communities in weather events, H Hope advised that officers are still waiting to hear back from phone companies but confirmed that a reminder would be issued.

Councillor K Allan requested for an interim report be brought to committee on the findings, actions taken, and the lessons learnt from the weather events in 2023.

The Convener thanked F Crofts and his teams for their ongoing work regarding the actions outlined in the Improvement Plan.

### **Resolved:**

The contents of Report 24/123, be noted.

## **6. TAYSIDE CONTRACTS**

### **6(i) Tayside Contracts Annual Performance Report 2022/23**

### **6(ii) Supported Self-Assessment of Tayside Contracts – Outcome**

K McNamara and colleagues at Tayside Contracts provided a slide-based presentation on Tayside Contracts Annual Performance Report 2022/23 and the Supported Self-Assessment.

In response to a question from Councillor A Forbes regarding the term shared service, K McNamara confirmed that at a high level shared service had been identified by various organisations such as the Scottish Government and the Chartered Institute for Public Finance and Accountancy as a way by which Councils in a shrinking budget climate can maximise service delivery by having combined services. K McNamara confirmed that the benefits of a shared service include the deployment of staff and if there are temporary or long-term shortages within an area due to sickness absences or recruitment issues then having the bigger workforce would make it easier to deploy staff than it could be for a single Council. K McNamara referred to the Tay Cuisine as a positive example of shared service.

In response to a question from Councillor K Allan regarding ongoing challenges of recruitment and high sickness levels, K McNamara advised that the increasing levels of sickness absences had been a national issue across the UK. K McNamara advised that in terms of their Annual Performance Report, the percentage of working days lost had been higher than the target figure, however the percentage had since started to decrease and would continue to be monitored. K McNamara added that sickness absences are managed through the Sickness Absence Policy. K McNamara confirmed that the statistics showed that the main cause of sickness absences had been stress related. Tayside Contracts have established a Wellbeing Strategy and Action Plan which involved training for managers and have rolled out Head Start Awareness Training for all employees. K McNamara added that services such as counselling, occupational health services and physiotherapy could be offered through their occupational health provider. K McNamara confirmed that sickness absence levels are reported to the Joint Committee on an annual basis.

In response to a question from Councillor C Shiers regarding staff recruitment and retention, K McNamara confirmed that several measures had been put in place to increase recruitment and retention such as work with the Employability Teams within the Council areas, work with Job Centre Plus and organisations such as Remploy to support their clients into employment. Employees have also been recruited through Employment Agencies. K McNamara referred to other ongoing work to attract young people into the organisation such as close links with Developing the Young Workforce, the Modern Apprenticeship Scheme, Career Events, and work with High Schools across all three areas.

In response to a question from the Vice-Convener regarding the funding for vacancies of school crossing patrollers, K McNamara confirmed that currently there are three vacant positions for school crossing patrollers within Perth and Kinross. K McNamara added that where a vacancy arises there would not be a rebate given to the Council but would look for another employee to temporarily fulfil that role. I Strachan added that in the event of a long-term absence of a school crossing patroller, there would still be a cost to Tayside Contracts. In response to a supplementary question from the Vice-Convener regarding the advertisement of the three posts, K McNamara confirmed that the posts should be advertised and would be picked up by officers.

In response to a question from Councillor A Forbes, I Strachan advised that Tayside Contracts must comply with the Scottish Government School Meal Legislation which can make it very challenging to create menus that are appealing to young people but also meet the nutritional guidelines. I Strachan added that Councils must promote the availability of school lunches and encourage pupils to attend school meals. In response to a supplementary question from Councillor A Forbes regarding the level of complaints of school meals, I Strachan advised that in the last three years there have been 29 complaints in Perth and Kinross relating to school meals.

Councillor I Massie queried if the amount of food wastage in schools are recorded. I Strachan advised that a pilot had been introduced in a couple of schools within Perth and Kinross which involved weighing the plate waste at the end of service. I Strachan confirmed that Tayside Contracts would work with school staff to raise awareness and the environmental impact of food wastage to young people and then reweigh the plate waste to see if there had been an improvement. If successful, I Strachan confirmed that the plan would be to roll out the scheme across all schools.

In response to a question from Councillor F Smith regarding the issue with potholes, D McKay advised that a policy and procedure had been created for how potholes are to be addressed and repaired within Perth and Kinross. D McKay confirmed that over recent years the focus had been to make potholes first time permanent, so they are sealed properly and reduce the number of potholes that need to be revisited. D McKay confirmed that Tayside Contracts are on track of meeting their target of repairing potholes. D McKay added that the main cause of potholes are to do with drainage and the Roads Maintenance Partnership have several measures in place to tackle the issue.

Councillor C Stewart queried if the number of pothole repairs that had been previously dealt with in the last year are recorded. D McKay advised that reporting would be undertaken through an Asset Management System, but previous pothole repairs are currently not picked up through the Roads Maintenance Partnership Board. D McKay confirmed that he would see if the details could be provided.

In response to another question from the Convener, D McKay confirmed that Tayside Contracts are still accredited to the ISO 9001 Quality Management System.



In response to a question from the Vice-Convener regarding the Supported Self-Assessment and the opportunities for further standardisation of service delivery, K McNamara referred to the standardisation of the school meals service through the central production unit in Tayside. K McNamara also mentioned the example of the integration of facilities management services when colleagues transferred from Councils to Tayside Contracts. K McNamara added that the next phase of achieving standardisation and consistency would be in relation to hard facilities management such as minor repairs. K McNamara added that in construction, colleagues are looking at the standardisation of specifications of road construction works, cross border winter maintenance arrangements and the standardisation of salt.

In response to a question from Councillor J Welch regarding the opportunity for Elected Members to experience school meals, K McNamara said that all elected members are welcome to sample a school meal. In response to a supplementary question from Councillor J Welch regarding feedback from young people over school meals, I Strachan advised that Tayside Contracts invite all schools across Perth and Kinross to take part in the menu consultation ahead of the menu every year to allow young people to provide feedback.

In response to a question from Councillor A Forbes regarding what the implications would be of Perth and Kinross's departure from Tayside Contracts on Perth and Kinross, K McNamara advised that it states in the Minute of Agreement that governs the partnership that a Council would have to give 9 months' notice and employees would then transfer back to their withdrawing Council. K McNamara added that in the case of employees not returning to their withdrawing Council it could result in redundancies and the withdrawing Council would have to fund the costs associated with the redundancy. K McNamara advised that there would also be practical issues involved in the service of meal delivery if not accessing the Tay Cuisine model which made revenue savings annually. There would also be a significant capital cost to upgrade kitchens back to the traditional model. K McNamara added the Council's access to the Quarry would be impacted and the availability of staff in a weather emergency would be reduced. K McNamara confirmed that the benefits of the Road Maintenance Partnership involve Tayside Contracts and Council staff working together and if a Council left Tayside Contracts, the withdrawing Council would require a client contractor split which could create an additional cost.

In response to a question from the Convener regarding the framework for improvement plans and business expansion, K McNamara confirmed that Tayside Contracts developed a Change Plan where they undertook an exercise to see what would happen if they were forced into savings and efficiencies and to look at what could be done in terms of service reductions, efficiencies within the organisation and income generation. K McNamara added that in terms of expanding the commercial portfolio, Tayside contracts developed a Commercial and Collaboration Matrix which include a list of prioritised areas to explore or take forward both in terms of external business and collaboration of opportunities within the Councils.

Members thanked K McNamara as his colleagues for their informative presentation and for their attendance at Committee.

**Resolved:**

The contents of Reports 24/124 and 24/125, be noted.

THERE FOLLOWED A SHORT RECESS AND THE MEETING RECONVENED AT 11.35AM.

**7. SUMMARY REPORT ON CARE INSPECTORATE AND EDUCATION SCOTLAND INSPECTIONS**

There was submitted a report by Strategic Lead – Education and Learning (24/126) (1) providing an overview of the performance of Education and Children’s services inspected and reported over the past year by the Care Inspectorate and Education Scotland, since the previous report of this type in 2023, and (2) setting out the Service’s approach to implementing improvement actions arising out of inspection.

G Dhillon delivered a slide-based presentation on the summary report on the approaches to secondary inspections.

In response to a question from Councillor A Forbes regarding the pre-inspection survey, G Dhillon confirmed that Education Scotland publish the survey results of the four Perth secondary schools on their website and the information would be shared with headteachers so they can identify any common trends. G Dhillon added that there tends to be a higher response rate from young people and teaching staff as young people are encouraged to complete the pre-inspection questionnaires in school. The response rate from parents can be varied across different schools.

In response to a question from Councillor C Shiers regarding the regulatory and frequency of inspections and a timeline for next inspections, G Dhillon confirmed that Education Scotland are prioritising schools that haven’t been inspected in over 10 years. In response to a supplementary question from Councillor C Shiers regarding how we compare to other countries within the UK and elsewhere, G Dhillon confirmed that the UK operate a model of a five-day inspection, whereas other inspectorates across the European Union have much shorter but more frequent inspections. G Dhillon added that due to a change to the qualifications it could be likely that our inspection framework would be relooked at.

In response to a question from Councillor K Allan regarding how schools are chosen to be inspected, G Dhillon advised that a range of factors are considered to generate the Education Scotland’s inspection sample which look at rural schools, urban schools, high levels of affluency, high levels of poverty, levels of ethnicity and denominational and non-denominational schools. As a supplementary question, Councillor K Allan queried how we close the attainment gap if schools aren’t regularly inspected, G Dhillon confirmed that school improvement rests with the Local Authority. S Devlin added that the collective responsibility to provide efficient and adequate education lie with a range of staff from class teachers up to head teachers and Council Officers.

The Convener queried if exams results are included as quantitative data in the methodology of inspections. G Dhillon confirmed that the attainment data would be published on the national system Insight and look at the literacy and numeracy qualifications of young people, tariff scores young people achieve, destination of young people after school and attainment versus deprivation across different schools and compare against the national average.

In response to a question from Councillor I Massie regarding the Care Inspectorate Framework for Early Learning and Childcare, B Martin-Scott advised that the frameworks for primary and secondary schools have a similar process of measuring gradings against quality improvement indicators, but the Care Inspectorate Framework look at the developmental milestone data of children in the classroom setting and through their own experiences.

In response to a question from Councillor J Welch regarding the recruitment and retention of Headteachers and Depute Headteachers across Perth and Kinross, S Devlin confirmed that in the secondary sector, Perth and Kinross Council tend to receive significant applications for Depute Headteacher roles however the statistics of applications received for Headteacher roles are less due to several factors. S Devlin added that recruitment issues tended to be higher in the Primary Sector and often closing date deadlines are extended due to limited number of applications. S Devlin advised that measures such as videos, testimonials from young people and word of mouth through professionals are used to encourage people to work in Perth and Kinross.

In response to a question from Councillor K Allan, S Devlin advised that ongoing contact occur between a Local Authority and colleagues in HMI and Education Scotland. S Devlin confirmed that each Local Authority in Scotland have their own Link Inspector to share relevant information, successes, challenges, and concerns across all sectors. S Devlin confirmed that due to internal restructuring at Education Scotland, G Dhillon had been appointed as Perth and Kinross Council's Link Inspector. In addition, S Devlin advised as well as the core inspections, schools have put themselves forward for recovery inspections and schools have also participated annually in National Thematic Inspections.

In response to a question from the Convener regarding an example of a successfully completed action from the Improvement Plan and when it would be reported to members, S Devlin advised the Raising Attainment Strategy had been submitted to the Learning and Families Committee and regular updates would be provided. S Devlin added that the Education Services Plan and PEF Plan would be submitted to the Learning and Families Committee in November. D Macluskey shared the positive case study of the inspection at Perth Grammar School in 2020 from the secondary sector and G Doogan shared the recent example of a return inspection at St Ninian's Primary School.

In response to a question from the Vice-Convener regarding inspections in Perth and Kinross that have included the assessment of school meals or the nutritional aspect, S Devlin confirmed that nutrition inspectors were involved in Pitlochry and Crieff Primary schools, and nothing came back from either inspections that related to the provision of school meals. In response to a supplementary question from the Vice-Convener, S Devlin confirmed that a list of dates when Perth and Kinross schools were last inspected would be shared with members following Committee.

The Vice-Convener thanked G Dhillon for his informative presentation and for his attendance at Committee.

**Resolved:**

The contents of the Report 24/126, be scrutinised.

**8. ARMS LENGTH EXTERNAL ORGANISATIONS: UPDATE ON FINANCIAL PERFORMANCE AND BUSINESS TRANSFORMATION**

There was submitted a report by Head of Culture and Community Services (24/127) summarising (1) current live issues and risks for our three arms-length external organisations including an update on their current/projected year end 2023/24 financial positions, and also (2) work underway/planned by the ALEOs and the Council to manage these issues/risks, and future areas of focus for Scrutiny and Performance Committee in 2024/25.

In response to a question from Councillor A Forbes regarding the improvement of the financial position of LAL, F Robertson confirmed that several factors had contributed to the improvement such as the closure of Olympia Pool in Dundee, changes to LAL's marketing and new membership products had been introduced.

In response to a question from Councillor K Allan regarding end of year deficits, F Roberston confirmed that the expectation would be for the three ALEOs to meet their deficits from their general reserves and they are undergoing a review process to see how the deficits had arisen and to try and reduce further overspend in the year to come.

In response to a question from Councillor W Robertson regarding the impact of the closure of Bells Sport Centre, F Robertson confirmed the most significant income stream for Bells would be the gym which currently operates at a reduced level and LAL are currently looking at relocating the gym and group fitness services to the Dewars Centre.

The Convener queried the progress of the Business and Transition Plans of the ALEOs and how the plans would be monitored. F Robertson confirmed that all three ALEOs Transition Plans are underway at different stages. F Robertson added there are four key outcomes from the Transformation Programme for the ALEOs which include corporate savings and efficiencies, the flexible and adaptable staff resource for service delivery, property rationalisation and governance arrangements. F Robertson confirmed that the delivery of improvement actions would be through the quarterly contract monitoring process.

The Convener and Vice-Convener referred to F Robertson's last meeting of the Scrutiny and Performance Committee. They thanked her for all her work in supporting the Committee over the years and wished her well for the future.

**Resolved:**

- (i) The summary of key issues/risks for each ALEO and the mitigating actions to manage these which are planned/underway, be noted.
- (ii) The current financial position for each ALEO based on latest management accounts, be noted.

## 9. PERTH AND KINROSS HEALTH & SOCIAL CARE PARTNERSHIP (HSCP) CLINICAL AND CARE GOVERNANCE ASSURANCE REPORT

There was submitted a report by Chief Social Work Officer (24/128) providing assurance to Perth & Kinross Council's Scrutiny and Performance Committee on the Clinical Care and Professional Governance of the Perth and Kinross HSCP.

In response to a question from Bailie A Bailey regarding concerns over GP retention within Carse Medical Practice, K Ogilvy confirmed that in terms of the temporary arrangements work had been underway to harmonise and extend the lease to allow time to identify a longer term solution which currently sit with the Primary Care Premises Strategy Group who are working in conjunction with Angus IJB.

As a supplementary question, Councillor A Forbes queried what could be done as a public body to ensure there continues to be a medical practice in the Carse of Gowrie. K Ogilvy confirmed that as part of the Workforce Plan officers are looking to promote the benefits of working in Perth and Kinross to increase GP recruitment. K Ogilvy added that several GP practices had to close their lists due to a shortage of GP's, but the issue had been resolved and lists have reopened. K Ogilvy advised that an update on timescales from the Primary Care Premises Strategy Group would be shared with members following the meeting. The Convener asked as part of the response for detail on the timetable for the Health Needs Assessment to be circulated.

In response to a question from Councillor C Shiers regarding support available for mental health waiting times within the prison healthcare service, K Ogilvy confirmed that HMP Perth are now fully staffed in the mental health team and the waiting times had reduced significantly. K Ogilvy added that staff are looking at ways to increase efficiency to free up nurses' time for individual and group work within the prison.

### **Resolved:**

- (i) The contents of Report 24/128, be scrutinised.
- (ii) The Committee agreed to the level of Reasonable Assurance provided.

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## SCRUTINY AND PERFORMANCE COMMITTEE

### OUTSTANDING BUSINESS STATEMENT (OBS)

(Report No. 24/174)

Please note that this statement sets out outstanding decisions of this committee along with an update and estimated completion date. Actions which are overdue are shaded for ease of reference. Where an update reflects that an action is complete then the Committee's agreement will be sought to its removal from the OBS.

| No  | Minute Reference        | Subject Title                                                                                             | Outstanding Action                                                                                                                                            | Update                                                                                             | Lead Officer /Service | Action due   | Action Expected |
|-----|-------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------|--------------|-----------------|
| 36. | 24 April 2024<br>Item 5 | Weather Events – Improvement Plan                                                                         | An interim report summarising the findings, actions taken, and lessons learnt be submitted to Committee.                                                      | An interim report be brought to Committee in June.<br><br><b>COMPLETED</b>                         | Fraser Crofts         | 12 June 2024 | 12 June 2024    |
| 37. | 24 April 2024<br>Item 7 | Summary Report on Care Inspectorate and Education Scotland Inspections                                    | A list of dates of when schools in Perth and Kinross were last inspected to be shared with members.                                                           | An email response was issued to members.<br><br><b>COMPLETED</b>                                   | Sheena Devlin         | 12 June 2024 | 12 June 2024    |
| 38. | 24 April 2024<br>Item 9 | Perth and Kinross Health and Social Care Partnership (HSCP) Clinical and Care Governance Assurance Report | An update from the Primary Care Premises Strategy Group on the timescales of the temporary arrangements of the Carse Medical Practice be shared with members. | A meeting has been arranged with ward members.<br><br>A briefing note to be circulated to members. | Kenny Ogilvy          | 12 June 2024 | 12 June 2024    |





**Scrutiny and Performance Committee**

**12 June 2024**

**ANNUAL GOVERNANCE STATEMENT 2023/24**

**Report by Strategic Lead - Legal and Governance**  
(Report No. 24/176)

**1. PURPOSE OF REPORT**

1.1 The purpose of the report is to present for scrutiny and review, the draft Annual Governance Statement (AGS) for the financial year 2023/24 which provides assurance as to the effectiveness of the Council’s governance framework and in particular the system of internal control.

**2. RECOMMENDATIONS**

- 2.1 The Committee is asked to:-
- Scrutinise and comment on the draft Annual Governance Statement for the financial year 2023/24
  - Note the assurance provided as to the adequacy and effectiveness of the Council’s governance arrangements including the system of internal control.

**3. STRUCTURE OF REPORT INTRODUCTION**

- Section 4 - Background /context
- Section 5 - Assurance process
- Section 6 - Assessment of effectiveness
- Appendix - Draft Annual Governance Statement

**4. BACKGROUND/CONTEXT**

- 4.1 The purpose of the Annual Governance Statement (AGS) is to provide assurance that our governance arrangements and in particular, our system of internal control, are adequate, appropriate and effective.
- 4.2 The Annual Governance Statement (AGS) for 2023/24 is attached as Appendix 1 to this report. It has been prepared in accordance with the principles set out in the Chartered Institute of Public Finance & Accountancy (CIPFA) Framework: Delivering Good Governance in Local Government and is required to be published as part of the Council’s Annual Accounts. It is presented here to allow appropriate review and scrutiny by the Committee.

## **5. GOVERNANCE ASSURANCE PROCESS**

- 5.1 The assurance process to inform the AGS has been developed and refined to take into account the CIPFA Framework and associated guidance. It is designed to test the continuing effectiveness of our governance arrangements and to identify current, emerging and potential future risks to enable the organisation to adjust and improve their internal controls to mitigate and manage these effectively.
- 5.2 Evidence has been gathered by way of self-assessment from each of the Service Management Teams which was then scrutinised and reviewed. Strategic Leads have provided Certificates of Assurance in respect of the adequacy and effectiveness of the controls within their area, based on these self-assessments.
- 5.3 Certificates of Assurance have also been provided by the following officers in respect of their assessment of key corporate controls:
- Strategic Lead Finance and Business Resources as S95 Officer
  - Strategic Lead – Legal & Governance Services /Monitoring Officer
  - Strategic Lead- Legal & Governance for Procurement
  - Chief Internal Auditor
  - Data Protection Officer
  - Records & Information Security Manager
  - Corporate HR Manager
- 5.4 Assurance is provided by our Arm's Length External bodies (Horsecross Arts Ltd, Live Active Leisure and Culture Perth & Kinross) in the form of self assessments of the adequacy of their governance arrangements.
- 5.5 The Perth & Kinross Integrated Joint Board are obliged to produce their own Annual Governance Statement as are the Tayside Valuation Joint Board and Tayside Contracts. We place reliance on their assurance statements which are shared with the Council.

## **6. EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS**

- 6.1 In the main, the system of internal control has proved effective during the year 2023/24 with many of the processes, systems and control mechanisms remaining the same.
- 6.2 The assurance process demonstrates that the Council has had and continues to have adequate internal controls in place that are considered fit for purpose in accordance with the governance framework.

**Author(s)**

| <b>Name</b>  | <b>Designation</b>                           | <b>Contact Details</b>                                                 |
|--------------|----------------------------------------------|------------------------------------------------------------------------|
| Lisa Simpson | Strategic Lead - Legal & Governance Services | <a href="mailto:legalservices@pkc.gov.uk">legalservices@pkc.gov.uk</a> |

**Approved**

| <b>Name</b>  | <b>Designation</b>                      | <b>Date</b> |
|--------------|-----------------------------------------|-------------|
| Clare Mailer | Director – Strategy, People & Resources | June 2024   |

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

|                                                     |             |
|-----------------------------------------------------|-------------|
| <b>Strategic Implications</b>                       |             |
| Community Plan / Single Outcome Agreement           | <b>None</b> |
| Corporate Plan                                      | <b>None</b> |
| <b>Resource Implications</b>                        |             |
| Financial                                           | <b>None</b> |
| Workforce                                           | <b>None</b> |
| Asset Management (land, property, IST)              | <b>None</b> |
| <b>Assessments</b>                                  |             |
| Equality Impact Assessment                          | <b>None</b> |
| Strategic Environmental Assessment                  | <b>None</b> |
| Sustainability (community, economic, environmental) | <b>None</b> |
| Legal and Governance                                | <b>Yes</b>  |
| Risk                                                | <b>None</b> |
| <b>Consultation</b>                                 |             |
| Internal                                            | <b>Yes</b>  |
| External                                            | <b>Yes</b>  |
| <b>Communication</b>                                |             |
| Communications Plan                                 | <b>None</b> |
|                                                     |             |

1. **Strategic Implications N/A**

2. **Resource Implications N/A**

3. **Assessments N/A**

4. **Consultation**

### Internal

- Service Management Teams
- Executive Officer Team
- Corporate Management Group
- Policy & Governance Group
- Chief Internal Auditor
- Corporate Procurement Manager
- Information compliance Officer
- Health, Safety & Wellbeing Manager

## External

Staff from the following external organisations have been consulted during the preparation of the Annual Governance Statement including:

- Tayside Contracts
- Perth & Kinross Integrated Joint Board
- Live Active Leisure Limited
- Culture Perth & Kinross Limited
- Horsecross Arts Limited
- Tayside Valuation joint Board

## **5. Communication**

- 5.1 The Annual Governance Statement will be published with the Council's Final Accounts for 2022/23

## **2. BACKGROUND PAPERS**

None

## **3. APPENDICES**

Annual Governance Statement 2022/23



## **ANNUAL GOVERNANCE STATEMENT 2023/24**

### **1 Purpose**

- 1.1 The purpose of the Annual Governance Statement is to give assurance to the people of Perth and Kinross, our elected members, staff, partner agencies and other stakeholders that our governance arrangements are adequate and effective and that our system of internal control is robust.

### **2 Scope of Responsibility**

- 2.1 As well as providing assurance as to the effectiveness of the governance arrangements in place for the Council, this Annual Governance Statement also covers the six organisations that are included in the Council's Group Accounts.

- Live Active Leisure Limited (subsidiary)
- Perth Theatre & Concert Hall Limited (subsidiary)
- Culture Perth & Kinross Limited (subsidiary)
- Tayside Valuation Joint Board (associate)
- Tayside Contracts (associate)
- Perth & Kinross Integration Joint Board (joint venture)

### **3 Our Governance Framework**

- 3.1 Our governance framework comprises our culture, values, rules, resources, systems, tools and processes which we have in place to help us achieve our strategic objectives. We recognise that the following are fundamental elements of good governance within public sector organisations: -

- Leadership, Culture & Values
- Vision, Direction & Purpose
- Stakeholder Engagement
- Organisational Development
- Effective Decision Making
- Internal Controls
- Scrutiny & Accountability

- 3.2 These fundamental elements of our governance framework reflect and seek to embed the principles of good governance within the 2016 CIPFA Framework for Delivering Good Governance in Local Government, namely:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Defining outcomes in terms of sustainable economic, social and environmental benefits

- Ensuring openness and comprehensive stakeholder engagement
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Managing risks and performance through robust internal control and strong public financial management
  - Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- 3.3 A crucial part of the framework is the system of internal control which is designed to manage and mitigate risk in relation to the achievement of our intended outcomes.
- 3.4 The Council manages risk through a continuous process of identification, assessment, evaluation, prioritisation and mitigation. We evaluate risk based on likelihood and impact in both financial and non-financial terms. We do however need to mitigate and manage risk proportionately; recognising that risk can never be eliminated completely and that only reasonable assurance can ever be given.

#### **4 Our Governance Arrangements**

- 4.1 Our culture and values are reflected in our behaviour and our decision-making. Our policies, processes and procedures including Elected Member and Employee Codes of Conduct, Whistleblowing and Anti-fraud and Corruption policies, Elected Member Register of Interests and Gifts & Hospitality Policy ensure that, as a Council, we respect the rule of law, behave with integrity, promote a culture of good governance and demonstrate a strong commitment to ethical values.
- 4.2 There are appropriate and effective arrangements in place for the discharge of the following statutory functions:
- Head of Paid Service
  - Monitoring Officer
  - Chief Finance Officer
  - Chief Social Work Officer
  - Data Protection Officer
- 4.3 In 2022/23, officers and elected members engaged with our communities and worked together in partnership to develop a new Corporate Plan which reflects the strategic priorities of the Council. The more detailed delivery plan has been developed within 2023/24 to ensure that we deliver on those objectives and continue to provide high quality operational services.



- 4.4 Strategic, operational and political leadership is an integral element of effective governance. Following the extensive induction/refresher programme of training was that put in place for elected members following the Election, a long-term programme of personal development is being implemented. Similarly, an extensive leadership development programme is in place for officers, with a new leadership competency framework being implemented to enhance capacity and effectiveness, not only in senior leadership roles but across all levels of the organisation.
- 4.5 A review of the operational leadership structure, at the most senior level, concluded within the year, to ensure that it is fit for purpose and better aligned to deliver on the strategic objectives and key priorities of the Council. Transition arrangements were established to the new strategic leadership model. Whilst the structure has been designed to support a new way of working, an unavoidable consequence has been the loss of skilled and experienced officers at a senior level, the resultant risk requiring to be managed as part of that process. At the same time a number of key and experienced officers at service manager and team leader level have also left the organisation either through retirement or to take up other opportunities elsewhere, which exacerbates that risk. This will be managed through the ongoing programme of leadership redesign and development.
- 4.6 Leadership within the organisation is effective with good communication between elected members and senior management through Leaders meetings, Convenors meetings, Member Officer Working Groups and all-member briefings, where appropriate. There are also regular pre-agenda discussions in respect of each scheduled Council and Committee meeting.
- 4.7 Our [Local Outcomes Improvement Plan](#) and [Corporate Plan](#) set out our vision and purpose and have been subject to consultation and approval. The Financial Strategy and approved Medium Term Financial Plan and Revenue and Capital budgets prioritise how our financial resources are to be deployed. The Transformation & Change Strategy highlights our ambition to better support the delivery of services to the people of Perth and Kinross, particularly those in the greatest need. Key strategic documents such as the Capital Investment Blueprint and Corporate Asset Management Strategy, Housing Investment Programme, Anti-Poverty Strategy, Economic Wellbeing Plan and Climate Change Strategy provide the necessary direction to the organisation to enable it to deliver on its vision and priorities and to achieve its purpose. Furthermore, a new Sustainable Procurement Strategy has been developed and will be considered by Council in June 2024.

- 4.8 We recognise the importance of good stakeholder engagement and will continue to engage and work in partnership with our communities, partners, and other stakeholders to ensure that we design and deliver the public services that our communities need and value. Our approach to consultations is based on the [National Standards for Community Engagement](#) and we have established a wide range of [consultation processes and procedures](#). The Community Empowerment (Scotland) Act 2015 provides a framework for improving the quality of engagement and participation which is reflected in the [Local Outcome Improvement Plan](#) and our own Corporate Plan.
- 4.9 We are operating in an increasingly complex and financially challenging public sector landscape and must be able to adapt and evolve our services and workforce to continue delivering cost-efficient, high-quality services. Our people remain our most valuable assets and as an organisation we will secure the best outcomes for our communities by investing in the development of our workforce and of our leaders to ensure that they have the right skills and have sufficient capacity to deliver. Our approach is outlined in our [Corporate Workforce Plan – Resourcing PKC Everyone Has Something To Offer](#). This approach has been reviewed in 2023/24 and a new refreshed People and Culture Strategy is being developed for approval in 2024/25.
- 4.10 The Council’s Scheme of Administration sets out the Council’s decision-making structure in terms of roles, remits and responsibilities to ensure transparency and accountability. This has been revised to reflect the priorities and objectives of the Council and the changes in the senior officer leadership structure.
- 4.11 We have a robust suite of policies, procedures and management processes to ensure that there are appropriate **internal controls** in place in respect of: -
- Workforce Planning & Management
  - Financial Planning & Management
  - Risk & Performance Management
  - Transformation & Change Management
  - Procurement & Commissioning
  - Major Investment Project Management
  - Health & Safety
  - Information Management & Security
  - Civil Contingencies & Business Continuity
  - Anti- Fraud & Corruption
  - Conflicts of Interests
  - Gifts & Hospitality
  - Whistleblowing and Reporting Concerns
  - Complaints Handling
  - Officer and Elected Member Conduct

- 4.12 As a public body we must be open, transparent and accountable for our decisions, actions, and performance. Our management and democratic structures and processes are designed to facilitate effective decision making and the proper scrutiny of those decisions and their impact in terms of performance and the achievement of our intended outcomes.
- 4.13 The Council set a final revenue budget for the year 2024/25 in February 2024, along with provisional budgets for 2025/26 and 2026/27. These revenue budgets demonstrate clear linkages with the Transformation & Change strategy. Each budget is allocated to a named budget holder. Budgets are monitored regularly by Service Management Teams and overall financial performance is monitored regularly by the Executive Leadership Team. Council, through the Finance & Resources Committee, receives regular financial monitoring information as part of the budgetary control framework and provides the required political scrutiny of our financial management and performance.
- 4.14 Capital spend is monitored by Service Management Teams and the Executive Leadership Team and reported regularly to the Finance & Resources Committee as part of the budgetary control framework.
- 4.15 The Council publishes an Annual Performance Report on its performance against the objectives set out within the Corporate Plan and Local Outcomes Improvement Plan. In order to improve transparency and clarity of these links, a Corporate Delivery and Improvement Plan has been developed.
- 4.16 The Corporate Delivery & Improvement Plan, which was approved by Council in May 2024, strengthens the alignment between the Corporate Plan priorities, improvement activity and budget and resource allocations, was developed and subject to consultation in year. It sets out detailed actions and outcomes for each priority and includes appropriate performance indicators. Performance is reported to the Executive Leadership Team and publicly through the Council's Scrutiny & Performance Committee and relevant themed committees. Financial performance is publicly reported through the Finance & Resources Committee and relevant service committees.
- 4.17 The Council has a published process for dealing with the following and annually reports on performance in this respect of these areas: -
- Complaints from members of the public
  - Requests for accessing information under the Freedom of Information legislation
  - Accessing information under the Data Protection legislation

## **5 Governance Assurance Process**

- 5.1 The Council utilises a robust process of gathering assurance information from Service Management Teams, which concludes with Certificates of Assurance being signed by the Directors for Strategy, People & Resources and Economy, Place & Learning.
- 5.2 Corporate assurance has also been provided as regards the adequacy of the internal controls from the following Officers:
- Chief Finance Officer (S 95 Officer)
  - Strategic Lead for Legal & Governance Services /Monitoring Officer
  - Chief Internal Auditor
  - Data Protection Officer
  - Records and Information Security Manager
  - Corporate Procurement
  - Corporate HR Manager
- 5.3 For Arm's Length External Organisations, reliance has been placed upon:
- Unaudited financial statements of the companies (audited accounts will be scrutinised when available)
  - Assurance self-assessment evaluations
  - Terms and conditions of Service Level Agreements
  - Contract monitoring meetings with Services
  - Performance information and financial monitoring reports to Services
  - Presentations and reports to the Scrutiny & Performance Committee
- 5.4 For Tayside Contracts Joint Committee, Tayside Valuation Joint Board and Perth & Kinross Integration Joint Board, reliance is placed upon each organisation's own Annual Governance Statement.
- 5.5 The draft Annual Governance Statement is considered by the Strategic Leadership Team and the Council's Scrutiny & Performance Committee prior to inclusion within the final unaudited 2023/24 Annual Accounts.
- 5.6 The Annual Governance Statement is considered by the Audit & Risk Committee as part of the unaudited 2023/24 Annual Accounts.

## **6 Effectiveness of Governance Arrangements for 2023/24**

- 6.1 Based on the assurance process outlined above, in terms of effectiveness, the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework, subject to the areas identified for review or improvement set out in section 8 below.
- 6.2 Our financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015).

- 6.3 Our assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).
- 6.4 The Council has designated the Strategic Lead for Legal & Governance as the Senior Information Risk Owner, with the Strategic Lead for Customer & Digital Services as Depute. Our information security measures have been reviewed in 2023/24 to ensure continuing compliance with the Public Service Network (PSN) and other cyber security requirements.
- 6.5 Our counter-fraud and anti-corruption arrangements conform with CIPFA's Code of Practice on Managing the Risks of Fraud and Corruption.
- 6.6 The Chief Internal Auditor is the Council's nominated Money Laundering Reporting Officer. There has been no relevant activity in respect of Council and its group during the year.
- 6.7 The Council's Audit & Risk Committee operates in line with CIPFA's Audit Committees: Practical Guidance for Local Authorities.
- 6.8 We have structures in place which support constructive challenge and effective scrutiny to our system of internal control and our broader governance arrangements. In particular: -
- Audit & Risk Committee
  - Scrutiny & Performance Committee
  - Finance & Resources Committee
  - Themed Committees
  - Executive Leadership Team / Strategic Leadership Team
  - Policy & Governance Group
  - Transformation Board
  - Internal Audit
  - External Audit (currently Audit Scotland)

## 7 Opinion of the Chief Internal Auditor

- 7.1 Audit activity and performance is detailed in the Annual Report by the Chief Internal Auditor for the year 2023/24, which will be presented to the Council's Audit & Risk Committee in June 2024. The report contains the Chief Internal Auditor's opinion in respect of the effectiveness of the governance arrangements in place, as follows: -

***“In the Chief Internal Auditor's opinion, reasonable reliance can be placed on the Council's risk management and governance arrangements, and systems of internal control for 2023/24, subject to management implementation of the agreed actions detailed in Internal Audit reports.”***

## **8 Areas for Review/Continued Improvement Action**

- 8.1 The last three years have demonstrated our reliance on technology and the way in which technology can shape and influence how we deliver services and work as an organisation in the future. We continue to review our cyber resilience and information governance arrangements to ensure that they are fit for purpose and robust and continue to support new and innovative ways of working.
- 8.2 The Council's financial management, governance and reporting arrangements have been assessed against the financial management standards set out within the CIPFA Financial Management Code (2019). The Code is based upon the standards set out elsewhere within the Annual Governance Statement and the Council is considered to be compliant with the Code. Improvement actions arising from the review include consideration of how the Council can build upon existing practice in its budget consultation with stakeholders and strengthening existing reporting arrangements.
- 8.3 In addition to these areas, there are some specific areas which will be held under review pending the outcome of current transformation and change activity:
- Leadership culture and capacity
  - Capacity and resources to lead, develop and deliver ongoing and future programme of transformation and change
  - Strategic Procurement
  - Workforce planning and organisational development
  - Use of the Financial Strategy to address financial pressures
  - Our approach to community engagement and empowerment

## **STATEMENT**

The Council is legally required to review the effectiveness of its governance arrangements and to publish an Annual Governance Statement, with its Annual Accounts. The governance framework and, in particular, the system of internal control, has been assessed in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA).

The review of the effectiveness of the Council's system of internal control and overall governance framework has been informed by different sources assessing risk and providing assurance: -

- Executive Leadership Team/ Service Management Teams
- Chief Finance Officer
- Strategic Lead for Legal & Governance Services /Monitoring Officer
- Chief Internal Auditor/ Internal Audit
- Data Protection Officer
- Policy & Governance Group
- External Audit
- External agencies and inspectorates.

**The Council's Governance Framework is considered robust and effective.**

Given the changes in the leadership structure from 1 April 2020, certificates of assurance have been obtained from Strategic Leads, who are responsible for maintaining the system of internal control within their service area. Strategic Leads have reviewed the current governance arrangements and internal controls within their service area and provided assurance that these are effective.

The Chief Finance Officer has provided assurance that the financial arrangements in place conform to the relevant CIPFA requirements and that our expenditure is lawful. The Monitoring Officer has provided assurance that our governance arrangements ensure compliance with relevant laws, regulations, internal policies, and procedures.

The Chief Internal Auditor has provided assurance for the year 2023/24 and an Internal Audit plan will be developed for 2024/25 that will focus on areas which have been identified as corporate or service specific risks in relation to core business and the delivery of the Council's agreed strategic priorities.

We are satisfied that our governance arrangements and, in particular, our system of internal control, continue to be regarded as fit for purpose. Any identified improvement actions will continue to be delivered and monitored through service improvement plans, audit plans and change programmes to avoid duplication of effort.

Our governance framework will continue to be reviewed and adapted where necessary to ensure that it remains robust and effective.

Signed:

Signed:

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Thomas Glen  
Chief Executive  
Date

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Councillor Grant Laing  
Leader of the Council  
Date



**Perth and Kinross Council**

**Scrutiny and Performance Committee**

**12 June 2024**

**PERTH AND KINROSS HEALTH & SOCIAL CARE PARTNERSHIP (HSCP)  
CLINICAL AND CARE GOVERNANCE EXCEPTION REPORT**

**Chief Officer, Perth and Kinross HSCP**  
(Report No. 24/177)

**1. PURPOSE OF REPORT**

- 1.1 This purpose of this report is to provide assurance to Perth & Kinross Council's Scrutiny and Performance Committee on the Clinical Care and Professional Governance of the Perth and Kinross HSCP.

**2. PURPOSE**

This is presented to the Committee for:

- Awareness

This report relates to:

- Emerging issues

**3. REPORT SUMMARY**

**3.1 Situation**

There is a risk with regards to Occupational Therapy staffing across both the PRI site and the localities of P&K HSCP.

**3.2 Background**

A risk had previously existed on DATIX regarding OT staffing challenges across the PRI site, and this risk had been archived due to positive progress being made and the situation going through a period of stability. This risk has been reinstated, and is currently graded as red. There is also an ongoing red risk within Adult Social Work and Social Care for OT capacity as a result of increased demand and staff vacancies.

**3.3 Assessment**

The OT service at PRI has been struggling to cope with increased demand due to increased throughput and increasing complexity of people being admitted. This has been exacerbated by a number of vacancies within the service. Some of these vacant posts are out for recruitment, and some are being held to support staff redeployed.

This is impacting on service resilience and staff morale as well as on patient access to the service for those who have not been identified as a priority. Controls are in place to manage the risk, and the service uses the daily PRI site huddle to prioritise work and communicate with the wards.

There is also a lack of Adult Social Work & Social Care OT capacity for assessment for aids and adaptations which has impacted on waiting times (currently >400 people) and the service not being able to meet response times for non urgent cases.

More recently, additional risks have emerged in the community setting, with several of the P&K localities experiencing OT staffing difficulties due to resignations. This additional risk is to be added to DATIX as a new risk.

Discussions are ongoing to identify further short to medium term mitigating actions.

An AHP Workforce Review has recently taken place and a transformational approach regarding a redesign of AHP provision across Perth & Kinross will be instigated to help improve the longer term effectiveness and efficiency of current AHP provision, which includes Occupational Therapy.

#### **4. RECOMMENDATION**

The Committee is asked to note the evolving nature of this risk, that it has now expanded to OT provision within PRI and in the community.

#### **5. LIST OF APPENDICES**

- 5.1 The following appendices are included with this report:
- None