

Notice of meeting and agenda

The City of Edinburgh Council

10.00 am, Thursday, 5 February 2015

Council Chamber, City Chambers, High Street, Edinburgh

This is a public meeting and members of the public are welcome to attend

Contact

E-mail: allan.mccartney@edinburgh.gov.uk

Tel: 0131 529 4246

1. Order of business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 Lothian Buses J.T.U.C. – in regard to item 9.3 on the agenda (Motion by Councillor Rust – Lothian Buses)

4. Minutes

- 4.1 The City of Edinburgh Council of 11 December 2014 – submitted for approval as a correct record

5. Questions

- 5.1 By Councillor Balfour – Acting Up and Secondments – for answer by the Convener of the Finance and Resources Committee (circulated)

6. Leader's Report

- 6.1 Leader's report

7. Appointments

- 7.1 Appointment to the Local Authority Pension Fund Forum (LAPFF) – report by the Director of Corporate Governance (circulated)
- 7.2 Appointment to the Board of Hutchison Vale Community Sports Club – report by the Director of Corporate Governance (circulated)

8. Reports

- 8.1 Mortonhall:-
 - (a) Settlement of Claims – report by the Chief Executive (circulated)
 - (b) Action Plan Update – report by the Chief Executive (circulated)

- 8.2 Operational Governance - Review of Contract Standing Orders and Guidance on the Appointment of Consultants:-
- (a) referral from the Finance and Resources Committee (circulated)
 - (b) report by the Director of Corporate Governance (circulated)
- 8.3 Edinburgh Tram Inquiry - Waiver of Confidentiality – report by the Director of Corporate Governance (circulated)
- 8.4 Best Value (2) Audit Report 2014 – report by the Director of Corporate Governance (circulated)
- 8.5 Council Diary 2015/16 – report by the Director of Corporate Governance (circulated)
- 8.6 New Scheme Update (Governance) – referral from the Pensions Committee (circulated)

9. Motions

9.1 By Councillor Hinds – East Coast Rail Service

“Council welcomes investment in the East Coast rail service which achieves higher environmental standards across the fleet.

However, Council is concerned that some proposals for the East Coast rail franchise, with the introduction of the new InterCity Express Programme (IEP) trains, could see significant staffing and service cuts on East Coast services.

Council therefore agrees to write to the UK Government and the new East Coast operator to urge them to protect the interests of passengers and the communities who rely on these rail services by ensuring all contracts are set up to deliver properly funded, properly staffed and affordable railways.”

9.2 By Councillor Hinds – Drylaw Rainbow Club Day Centre

“Council notes that Drylaw Rainbow Club Day Centre celebrates its 30th anniversary in June. Council commends the work of the Centre which provides a high standard of care for frail older people and dementia sufferers aged over 65.

The Centre provides accessible transport, breakfast and lunch and personal care for its 75 users and recently received a Care Inspectorate Report which shows that the highest standards of care are being delivered.

Council asks the Lord Provost to celebrate this achievement in an appropriate manner.”

9.3 By Councillor Rust – Lothian Buses

“Council

- 1) Welcomes the public ownership of the award-winning Lothian Buses (“the company”) which operates over 70 services and has a fleet of over 700 vehicles.
- 2) Notes with concern as the major shareholder in the company:-
 - (a) the lack of clarity around the departure of the experienced former Chairman of the company, Ann Faulds, in November 2014;
 - (b) the long-running management difficulties and questions of governance at the company and their impact on staff morale and confidence in the company;
 - (c) the briefings to the press by an unnamed “senior council source”;
 - (d) the appointment of the Transport Convener as an Observer on the company board; and
 - (e) the recently announced dismissal of four Executive directors by 2017.
- 3) Recognises that the Joint Trade Union Committee issued a statement unanimously calling on the Convener of Transport to have no role, advisory or otherwise with Lothian Buses.
- 4) In the interests of transparency and *recognising the Council’s shareholder responsibility*, calls for a report in one cycle *detailed* events and Council involvement since January 2014 in relation to points 2 (a) to (e) of this motion, *to include reference* to all meetings and decisions taken, accepting that some information may be sensitive or confidential.”

9.4 By the Lord Provost – New Years Honours

“Council congratulates all 18 Edinburgh residents, including Head Teacher Ellen Muir, who have received honours in the New Year’s Honours list, recognising the major contribution that each person has made to the civic life of the city.

Council also congratulates Sue Bruce, Chief Executive, who has been made a Dame Commander of the Order of the British Empire, in recognition of her long and distinguished career in local government.

Council agrees to mark these achievements in an appropriate manner.”

9.5 By Councillor Booth – Fracking and Unconventional Gas

“This Council:

- 1) Notes concerns over the health and environmental impacts of unconventional gas, fracking and coal gasification;
- 2) Notes that, France, Ireland, the Netherlands, New York State and many other countries and states have implemented moratoria or bans on fracking;
- 3) Believes that allowing unconventional gas, fracking and coal gasification in Edinburgh would be inconsistent with the council's climate change targets and would pose unacceptable risks to people's health and the local environment;
- 4) Calls for a report within three cycles to review the minerals policies in the Local Development Plan in light of new health concerns over unconventional gas, fracking and coal gasification, and to ensure the LDP is consistent with the Council's sustainability policies and climate change targets;
- 5) Agrees that this report should also set out options for the council to implement an immediate ban on unconventional gas, fracking and coal gasification.”

Carol Campbell

Head of Legal, Risk and Compliance

Information about the City of Edinburgh Council meeting

The City of Edinburgh Council consists of 58 Councillors and is elected under proportional representation. The City of Edinburgh Council usually meets once a month and the Lord Provost is the Convener when it meets.

The City of Edinburgh Council usually meets in the Council Chamber in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the Council meeting is open to all members of the public.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Allan McCartney, Committee Services, City of Edinburgh Council, Business

Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4246, e-mail allan.mccartney@edinburgh.gov.uk.

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to www.edinburgh.gov.uk/cpol.

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The City of Edinburgh Council

Edinburgh, Thursday 11 December 2014

Present:-

LORD PROVOST

The Right Honourable Donald Wilson

COUNCILLORS

Elaine Aitken
Robert C Aldridge
Norma Austin Hart
Nigel Bagshaw
Jeremy R Balfour
Gavin Barrie
Angela Blacklock
Chas Booth
Mike Bridgman
Deidre Brock
Steve Burgess
Andrew Burns
Ronald Cairns
Steve Cardownie
Maggie Chapman
Maureen M Child
Bill Cook
Nick Cook
Gavin Corbett
Cammy Day
Denis C Dixon
Karen Doran
Paul G Edie
Catherine Fullerton
Nick Gardner
Paul Godzik
Joan Griffiths
Bill Henderson
Ricky Henderson

Dominic R C Heslop
Lesley Hinds
Sandy Howat
Allan G Jackson
Karen Keil
David Key
Richard Lewis
Alex Lunn
Melanie Main
Mark McInnes
Adam McVey
Eric Milligan
Joanna Mowat
Gordon J Munro
Jim Orr
Lindsay Paterson
Ian Perry
Alasdair Rankin
Vicki Redpath
Keith Robson
Cameron Rose
Frank Ross
Jason G Rust
Alastair Shields
Stefan Tymkewycz
David Walker
Iain Whyte
Norman Work

1. Minutes

Decision

To approve the minute of the Council of 20 November 2014 as a correct record.

2. Questions

The question put by a member to this meeting and written answer are contained in Appendix 1 to this minute.

3 Leader's Report

The Leader presented his report to the Council. The Leader commented on:

- Organise to Deliver – Thanks to the Chief Executive and staff involved
- Citizen's Advice Bureau 75th Anniversary – January 2015
- Winter weather preparations by the Council
- Tram Investigation
- Ongoing budget consultation
- Update on Sir Walter Scott novel "The Bride of Lammermuir"

The following questions/comments were made:

- | | |
|----------------------|---|
| Lord Provost | - Best wishes to the Chief Executive for a speedy recovery |
| Councillor Fullerton | - Scottish Government funding in full for free school meals for P1-3
- Scottish Government funding in full for new halls to be built at Towerbank, East Craigs, Cramond and Sciennes Primary Schools |
| Councillor Rose | - Best wishes to the Chief Executive
- Congratulations to the Leader for reaching Page 12 of the Bride of Lammermuir
- Organise to Deliver – staffing levels – aims and objectives |
| Councillor Balfour | - Revised Member-Officer Protocol – Thanks to staff and Governance, Risk and Best Value Committee
- Edinburgh Twins and Multiples Club Christmas Party – Santa Claus |

Councillor Burgess	-	Edinburgh Marine Energy Company – Wind Turbine Manufacturing Plant – Representations to the Scottish Government
Councillor Aldridge	-	Childline Concert – Congratulations Instrumental Music Staff and musicians
	-	Potential bed blocking pressures
Councillor Edie	-	Council’s funding relationship with the North Edinburgh News - Investigation
Councillor Child	-	Community Planning Partnership – 10 year anniversary
Councillor Redpath	-	North Edinburgh Arts – Creative Arts Award
Councillor Cardownie	-	Organise to Deliver – no restrictions on Council to be tied to any particular model
Councillor Day	-	Housing and Regeneration Team – Award - Gracemount
Councillor Lunn	-	Congratulations to Duddingston Primary School – First Co-operative School in Edinburgh

4. Organise to Deliver – Next Steps

The Council had agreed to a further report outlining the phased implementation and overall approach for change in relation to the Council’s delivery model, to include indicative timescales and arrangements for consultation with elected members, officers and trade unions.

Details were provided on the proposed new delivery model for the organisation together with the Chief Officer posts contained therein.

Motion

- 1) To thank the Chief Executive for her report.
- 2) To agree the rationale and the key principles for the Council’s proposed revised delivery model.
- 3) To agree the case for delivery of front line services through the proposed locality model.

- 4) To agree the case for change to a proposed Business and Customer Services model that would drive efficiency, create a strong spine for the organisation and drive service delivery.
- 5) To agree the alignment of the proposed delivery model with the BOLD portfolio of change.
- 6) To agree the proposed delivery model illustrated in Appendix 1b to the report by the Chief Executive.
- 7) To agree the proposed directorate portfolios, illustrated in Appendix 1b to the report, and the proposed process for appointments to the Chief Officer posts in the proposed revised arrangements.
- 8) To note that consultation would begin with employees, Trades Unions and relevant partners on the proposed new structure.
- 9) To note that the consultation with employees and Trades Unions on the proposed new structure would include discussions on an enhanced voluntary redundancy scheme.
- 10) To note that the business cases for the BOLD transformation projects would be reported to the Finance and Resources Committee on 15 January 2015.
- 11) To note that all of these proposals were subject to Trades Unions and employee consultation which might point to the need for refining and reconsidering some of the proposals set out. Council would have the opportunity to approve the final position on these matters following such consultation.
- 12) To note that there would now therefore be formal consultation and a further report to the Corporate Policy and Strategy Committee, in the first quarter of next year on the next stage of implementation of the proposals, which would reflect on feedback from that consultation and would inform future recommendations.
- 13) To finally agree, given the wide scope of the proposed revised delivery model, to establish a 'CheckPoint Group' of key stakeholders which would oversee the process of implementation. This Group to include:
 - Council Leader (as Chair) + 2 other Labour Group Elected Members
 - Council Deputy-Leader + 2 other SNP Group Elected Members
 - 3 further Elected Members, 1 Councillor from each of the Opposition Groups

- Trade Union representatives X 2
- Voluntary Sector representatives X 2
- Business Sector representatives X 2
- Other sector/partner representatives, as required

The 'CheckPoint Group' would be Chaired by the Council Leader, and would attempt to meet once prior to the Christmas-recess, and at least monthly thereafter.

The Group to receive further, substantive detail on the proposed revised delivery model; all as part of ongoing dialogue and consultation.

The Group's deliberations would be advisory, and would form part of any update reports that go to Council, Committee and Elected Members as the process of implementation was taken forward.

- 14) To agree to a further report looking into the role Neighbourhood Partnerships would play within the new structure.

- moved by Councillor Burns, seconded by Councillor Cardownie

Amendment 1

To note the contents of the Report Organise to Deliver: Next Steps and agree to defer consideration of this report until the business cases as detailed in paragraph 3.5 of the report had been delivered and to consider this report in conjunction with the business cases; and that both reports should be considered together at a future meeting of the City of Edinburgh Council after scrutiny at the Finance and Resources Committee on 15th January 2015.

- moved by Councillor Mowat, seconded by Councillor Rose

Amendment 2

- 1) To recognise the increasing demands on the Council budget at a time of restricted finances and the threat to front-line services from year-on-year budget cuts.
- 2) To agree that the purpose of the organisational structure should be to improve service delivery by facilitating more responsive and holistic decision-making on behalf of service-users and improving staff job-satisfaction, while reducing costs; at the same time opening up new opportunities for innovative partnerships with community groups, third sector organisations and social enterprises.
- 3) To note that the report by the Chief Executive and recommendations proposed a very significant re-organisation of the Council based on limited

evidence that the proposed model would improve services and reduce costs and further note that there would be little possibility to reconsider this course once there was agreement to go ahead.

- 4) To therefore agree to receive a further report to the next meeting of the Council on the proposed re-organisation including:
 - Evidence that the proposed delivery model had worked in practice in other organisations;
 - A risk analysis of the proposed delivery model versus business-as-usual;
 - How the quality of front-line services would be protected and improved from the service-user perspective;
 - An estimate of cost implications in moving to the proposed delivery model;
 - A schedule for implementation of the proposed re-organisation;
 - Comparison of the benefits of the delivery model options 1a, 1b and 1c;
 - The proposed mechanism for setting budgets for the proposed four localities given their different demographic make-up;
 - Details of the proposed enhanced redundancy policy.
- 5) To agree in the meantime to begin consultation with employees and the Trades Unions on the proposed outline new structure.

- moved by Councillor Burgess, seconded by Councillor Chapman

Voting

The voting was as follows:

For the Motion	-	39 votes
For Amendment 1	-	11 votes
For Amendment 2	-	6 votes

Decision

- 1) To approve the motion by Councillor Burns.
- 2) To appoint Councillors Burns, Burgess, Cardownie, Child, Edie, Godzik, Rankin, Rose and Ross to the Checkpoint Group

(References - Act of Council No 7 of 23 October 2014; report by the Chief Executive, submitted)

5. Review of Political Management Arrangements

The Council had reviewed its political management arrangements and agreed to a further report on a review of the petitions process and the frequency of all Committee meetings.

Details were provided on the outcome of consultation on the petitions process, working groups and the frequency of meetings together with proposals on the political management arrangements.

Motion

- 1) To note the consultation undertaken with members of the public, elected members and senior officials.
- 2) To note that comprehensive guidance on working groups had been published on the Orb and best practice training would be provided to elected members in early 2015.
- 3) To agree to further strengthen governance around working groups as set out in paragraph 3.2.5 of the report by the Director of Corporate Governance.
- 4) To agree to retain the Petitions Committee with the change to criteria outlined in paragraphs 3.1.6.3 – 3.1.6.5 and 3.1.8 and the change in approach in paragraph 3.1.11 of the Director's report.
- 5) To agree Option 2 in relation to frequency of meetings of the Corporate Policy and Strategy Committee, ie to retain the Committee on a four week cycle.
- 6) To agree Option 2 in relation to frequency of meetings of the Governance, Risk and Best Value Committee, ie to retain the Committee on a four week cycle.
- 7) To agree the improvements to committee business processes set out in paragraphs 3.4.3 – 3.4.5 of the Director's report.

- moved by Councillor Burns, seconded by Councillor Cardownie

Amendment 1

- 1) To note the consultation undertaken with members of the public, elected members and senior officials.
- 2) To note that comprehensive guidance on working groups had been published on the Orb and best practice training would be provided to elected members in early 2015.

- 3) To agree to further strengthen governance around working groups as set out in paragraph 3.2.5 of the report by the Director of Corporate Governance.
- 4) To accept option three as detailed at paragraph 3.1.12.3 of the report but exclude paragraph 3.1.6.3 from the recommendation.
- 5) To accept the recommendation in paragraph 3.3.7.2 of the report to retain the Corporate Policy and Strategy Committee on a four week cycle.
- 6) To accept the recommendation in paragraph 3.3.8.2 of the report to retain the Governance, Risk and Best Value Committee on a four week cycle.
- 7) To reject the recommendations at paragraphs 3.4.3 and 3.4.4 of the report and accept the principle of paragraph 3.4.5 that complex issues which were considered by multiple Committees were determined and scrutinised by one Committee which undertook the scrutiny and monitoring for the Council. The exception to this was if Council, Corporate Policy and Strategy Committee and Governance Risk and Best Value Committee considered elements of the issue should be scrutinised by their Committee; in line with paragraphs 3.4.3 and 3.4.4 of the report other Committees might receive copies of reports for information.

- moved by Councillor Balfour, seconded by Councillor Mowat

Amendment 2

- 1) To note the consultation undertaken with members of the public, elected members and senior officials.
- 2) To agree at paragraph 3.1.12.2 of the report by the Director of Corporate Governance, Option two: Retain the Petitions Committee with the change to criteria outlined in paragraphs 3.1.6.3 - 3.1.6.5 and 3.1.8 of the report and change in approach in paragraph 3.1.11, **except that as well as extending petitions to 16-17 year olds agrees in principle to an extension to secondary school pupils within a year, subject to development of practical arrangements with Children & Families.**
- 3) To note that comprehensive guidance on working groups had been published on the Orb and best practice training would be provided to elected members in early 2015.
- 4) To agree to further strengthen governance around working groups as set out in paragraph 3.2.5 of the Director's report.

- 5) To agree at paragraph 3.3.7.1 of the report, **Option 2**: Retain the frequency of meetings for the Corporate Policy and Strategy Committee on a four week cycle.
- 6) To agree at paragraph 3.3.8.2 of the report , **Option 2**: Retain the Governance, Risk and Best Value Committee on a four week cycle to ensure the monthly opportunity for scrutiny of Council decisions.
- 7) To **not** agree the changes to the committee business processes as set out in paragraphs 3.4.3 – 3.4.5 of the report but retains the current separation of 'Reports' and 'Routine Decisions' to be included on the Committee agenda.

- moved by Councillor Burgess, seconded by Councillor Chapman

Amendment 3

- 1) To note the review of political management arrangements.
- 2) To note the consultation undertaken with members of the public, elected members and senior officials.
- 3) To consider the options for the Petitions Committee and petitions process as set out in paragraph 3.1.12 of the report by the Director of Corporate Governance.
- 4) To note that comprehensive guidance on working groups had been published on the Orb and best practice training would be provided to elected members in early 2015.
- 5) To agree to further strengthen governance around working groups as set out in paragraph 3.2.5 of the report.
- 6) To further agree to a four week frequency of the Corporate Policy and Strategy and Governance, Risk and Best Value Committees.
- 7) To further agree to retain the petitions function but reporting directly to the relevant Executive Committees and to dissolve the Petitions Committee as laid out in option 3 in the report.

- moved by Councillor Edie, seconded by Councillor Aldridge

Voting

The voting was as follows:

For the Motion	-	35 votes
For Amendment 1	-	11 votes
For Amendment 2	-	6 votes
For Amendment 3	-	3 votes

Decision

To approve the motion by Councillor Burns.

(References – Act of Council No 9 of 23 October 2014; report by the Director of Corporate Governance, submitted.)

6. Review of Scheme of Delegation to Officers

Details were provided on the outcome of the latest review of the Scheme of Delegation to Officers together with proposed amendments.

Decision

- 1) To repeal the existing Scheme of Delegation to Officers and approve in its place the draft Scheme set out in the Appendix to the report by the Director of Corporate Governance, such repeal and approval to take effect from today's date.
- 2) To delegate authority to the Director of Corporate Governance to take such actions and make such minor adjustments to the draft Scheme set out in the Appendix to the report as might be necessary in order to implement the decision of Council in relation to the report.

(References – Act of Council No 7 of 29 May 2014; report by the Director of Corporate Governance, submitted.)

7. Audit Scotland – Annual Report on the 2013/14 Audit

Details were provided on the principal findings arising from the Council's 2013/14 external audit.

Decision

- 1) To note the report by the Director of Corporate Governance and in particular the action plan included as Appendix IV to the report, updates on which would

be provided to the Governance, Risk and Best Value Committee during the year.

- 2) To refer the report to the Governance, Risk and Best Value Committee for more detailed scrutiny as part of its workplan.

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

8. Lothian Pension Fund Resourcing Arrangement with Falkirk Council

Details were provided on discussions which had taken place with Falkirk Council to agree an arrangement whereby the Council would second certain staff to Falkirk to assist it with discrete aspects of the administration of the Falkirk Pension Fund.

Decision

- 1) To approve the part time secondment of certain staff to Falkirk Council to assist it with discrete aspects of the administration of the Falkirk Pension Fund in line with the agreed 2014/15 service plan for the Lothian Pension Fund.
- 2) To note that the Pensions Committee would continue to oversee all material matters arising from its implementation.

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

9 Health and Social Care Integration Scheme: Update on Draft Integration Scheme

An update was provided on the Draft Integration Scheme as required by the Public Bodies (Joint Working) (Scotland) Act, which put in place the framework for integrating health and social care in Scotland.

Decision

- 1) To note the current position with the preparation of the Draft Integration Scheme.
- 2) To note the lack of clarity with respect to the most recent Scottish Government guidance.
- 3) To note the matters which could not be progressed without further clarification.

- 4) To delegate authority for the Draft Integration Scheme to be approved for consultation by the Corporate Policy and Strategy Committee at its meeting on 20 January 2015.
- 5) To note that NHS Lothian would consider the Draft Scheme for Integration on 14 January 2015.

(References – Act of Council No 5 of 20 November 2014; report by the Chief Executive, submitted)

Declaration of Interests

Councillor Ricky Henderson declared a financial interest in the above item as a Non-Executive Director of NHS Lothian.

Councillor Edie declared a financial interest in the above item as Chair of the Care Inspectorate and left the meeting during the Council's consideration.

10. North West Edinburgh Partnership Centre

Details were provided on the NHS Lothian led development of the new £12m North West Edinburgh Partnership Centre where it was proposed to co-locate NHS and Council services. Costs associated with the project were outlined.

Decision

- 1) To approve the Council's contribution to a shared partnership building in North West Edinburgh, to be used by the Council and NHS Lothian.
- 2) To approve prudential borrowing supported by Children and Families, totalling £1.575m towards the capital costs (resulting in loan charge costs of £0.112m per annum) related to collaborative delivery of the North West Edinburgh Partnership Centre.
- 3) To agree to enter into an occupancy agreement with NHS Lothian for floorspace within the North West Edinburgh Partnership Centre to accommodate Children and Families staff based on a charge of £0.106m (subject to annual increases linked to RPI).
- 4) To delegate authority to the Acting Director of Services for Communities to finalise the terms of the occupancy arrangement and enter into the same.

(Reference – report by the Director of Health and Social Care, submitted)

11. Proposals for the Location of St John's RC Primary School: Outcomes Arising from the Consultation

Details were provided on the consultation which had taken place on three options for the future location of St John's RC Primary School which would involve it being built on different parts of the existing combined school site.

Decision

- 1) To agree that the new St John's RC Primary School should be built on the adjacent site of the existing Portobello High School.
- 2) To approve a provisional budget for the delivery of a new St John's RC Primary School of £11.132m and note that a further report would be brought to Council at an appropriate future point which would provide a project update and seek authority for any required revisions to the funding of the project taking into consideration the prevailing inflation position at that time.
- 3) To approve the proposed next steps set out in the report by the Director of Children and Families to determine the appropriate procurement route for the project.
- 4) To agree that, should a traditional procurement approach be followed and an OJEU process progressed to appoint a multi-disciplinary design team, at the conclusion of that process the decision regarding the appointment of the design team be delegated to the Director of Children and Families. An update on the contract award would then be provided to the next available meeting of the Finance and Resources Committee.

(Reference – report by the Director of Children and Families, submitted)

12. Future Investment in Public Transport – Potential Tram Extension

Details were provided on the context for possible future investment in trams taking account of integration with other major projects including the St James Quarter redevelopment and the Leith Programme.

Motion

- 1) To note that investment in public transport and active travel was a key enabler in supporting and sustaining the anticipated growth in the capital city, and was a catalyst in driving economic development and employment opportunities in Edinburgh.

- 2) To note against this background and context that it might be appropriate at this time to consider the implications of extensions to the current Edinburgh Tram network and further integration opportunities with other public transport companies, including bus and rail operators.
- 3) To note the expiry dates associated with certain powers as set out in the Edinburgh Tram (Line One) and (Line Two) Acts (2006).
- 4) To acknowledge the requirement for further design work and ground investigation survey work to integrate any future extensions to the tram network with the St James Quarter redevelopment and the Leith Programme projects.
- 5) To authorise officers to prepare a detailed assessment into the financial, business case, procurement and programme implications of extending the tram network and to report back to the Council on these matters in late spring 2015.
- 6) To approve the establishment of an officer-led Project Board, chaired by the Chief Executive, to monitor the assessment process and take into account the lessons learned from the former tram project.
- 7) To delegate authority to the Acting Director of Services for Communities, in consultation with the Future Transport Working Group in its scrutiny role and with the Convener of the Finance and Resources Committee and Convener of the Transport and Environment Committee, to procure consultants as necessary to assist in the preparation of the business plan and design work which would inform the future report to Council.
- 8) To note that the construction costs (including utilities) needed to be updated to a high degree of confidence, and the patronage and revenue estimates updated on the basis that circumstances might have changed since the last major modelling assessment was completed in 2010. This would allow a refreshed transport economic appraisal to be completed, which together with the financing options should give the Council the tools to make informed decisions in late Spring next year.
- 9) To note that the budget allowance was based on the ceiling costs of work required and that these costs would be kept to an absolute minimum.
- 10) To undertake to ensure that any tram extension was funded in such a way that capital costs are justified by future revenue streams, developer contributions and other sources of income based on a sound business case.
- 11) To instruct officers to include in the report information on how:

- (i) any future contracts entered into would protect the Council as fully as possible against risk;
- (ii) tram construction and utility works would be properly coordinated so as to minimise disruption;
- (iii) consistent and regular communication would be maintained with local businesses and residents; and
- (iv) the needs of other sustainable modes of transport would be incorporated fully into future designs.

- moved by Councillor Hinds, seconded by Councillor McVey

Amendment

That no action be taken on the matter.

- moved by Councillor Mowat, seconded by Councillor Rose

Voting

The voting was as follows:

For the motion	-	44 votes
For the amendment	-	11 votes

Decision

To approve the motion by Councillor Hinds.

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

13. Revised Member-Officer Protocol – referral from the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee had referred a report on proposed revisions to the Member-Officer Protocol. The revisions clarified the rights of elected members to access information and documentation and outlined the required principles on how officers should carry out their roles. The Council were asked to approve the revised protocol.

Decision

To approve the revised Member-Officer Protocol as detailed in the report by the Director of Corporate Governance..

(Reference – Governance, Risk and Best Value Committee 13 November 21014 (item 9); referral report from the Governance, Risk and Best Value Committee, submitted)

14. Treasury Management – Mid term report 2014/15 – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report which provided an update on Treasury Management activity in 2014/15. Approval was sought for the continued use of the Council's Investment balances to fund capital expenditure. .

Decision

- 1) To approve the continued use of the Council's Investment balances to fund capital expenditure.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.

(References – Finance and Resources Committee 27 November 2014 (item 10); referral report from the Finance and Resources Committee, submitted)

15. Adult Social Care Budget Pressures - 2014/15 – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report on significant pressures within the Health and Social Care budget. Details were provided of joint strategic planning with NHS Lothian which had identified an opportunity to reduce the numbers of people waiting in hospital for a care home place. The Council were asked to approve £400,000 of funding from the priorities fund to pay for the lease of the former Pentland Hill Care Home as an interim care facility.

Decision

- 1) To approve funding of £400,000 from the priorities fund to establish a joint interim care facility with NHS Lothian (Gylemuir house).
- 2) In the spirit of future Health & Social Care integration, to arrange for a senior representative from NHS Lothian to attend the relevant January meeting of the Finance & Resources committee to answer questions concerning the unexpected withdrawal of £1m funding and any implications for future co-funding agreements.
- 3) To receive a further report to the appropriate committee on the impact on service users of the budget control actions identified in paragraph 2.11 of the

report by the Director of Health and Social Care – especially the review of high cost packages and the funding of transport to disability day centres.

(References – Finance and Resources Committee 27 November 2014 (item 6); referral report from the Finance and Resources Committee, submitted)

Declaration of Interests

Councillor Ricky Henderson declared a financial interest in the above item as a Non-Executive Director of NHS Lothian.

Councillor Edie declared a financial interest in the above item as Chair of the Care Inspectorate and left the meeting during the Council's consideration.

16. Shared Repairs Services – Development of a New Service – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report on the establishment of a new shared repairs service. A detailed service blueprint, costed business plan and an implementation plan were provided. The Council were asked to consider the report.

Motion

- 1) To approve the implementation expenditure of up to £500,000 in the current financial year.
- 2) To note the ongoing funding requirement for this service and agree that this be remitted to Council for decision on 12 February 2015 as part of the budget setting process.
- 3) To approve the full implementation of this new service on the basis of the financial information provided in the costed business plan, subject to the budget decision on 12 February 2015.
- 4) To approve the instigation of a formal organisational review for existing Shared Repairs staff and delegate the completion of this review to the Director of Corporate Governance.
- 5) To note that the service would begin to operate in the second quarter of financial year 2015/16.
- 6) To note the risks of this service as outlined in Appendix 1 to the report by the Director of Corporate Governance.

- 7) To note the proposal for continued use of the City of Edinburgh District Council Order Confirmation Act 1991 as the best means of recovery of some cost from owners for work undertaken but that this was not the best legislative solution to drive the required culture change necessary to encourage owners to take responsibility for their own shared repairs.
- 8) To call for a further report investigating new methods of providing information and advice to owners on legal and other mechanisms:-
 - a) to achieve property repairs;
 - b) safeguarding their rights and responsibilities using third sector partners and surveying and building advice professional services

- moved by Councillor Rankin, seconded by Councillor Bill Cook

Amendment

- 1) To note the report by the Director of Corporate Governance.
- 2) To note with concern the risks highlighted in the report relating to delivery and financial matters and that these mirrored the areas identified as failings of the former shared repairs service.
- 3) To note that the service was unfunded and that the proposal would place a financial cost on the general taxpayer that was solely of benefit to individual private property owners.
- 4) To note the proposal for continued use of the City of Edinburgh District Council Order Confirmation Act 1991 as the best means of recovery of some cost from owners for work undertaken but that this was not the best legislative solution to drive the required culture change necessary to encourage owners to take responsibility for their own shared repairs.
- 5) To agree:
 - i) to take no action on the implementation of a new shared repairs service;
 - ii) to continue only with the emergency repairs service currently in place;
 - iii) to call for a further report investigating new methods of providing information and advice to owners on legal and other mechanisms:-
 - a) to achieve property repairs;

- b) safeguarding their rights and responsibilities using third sector partners and surveying and building advice professional to achieve property repairs,

- moved by Councillor Whyte, seconded by Councillor Balfour

Voting

The voting was as follows:

For the motion	-	44 votes
For the amendment	-	11 votes

Decision

To approve the motion by Councillor Rankin.

(Reference – Finance and Resources Committee 27 November 2014 (item 35); referral report from the Finance and Resources Committee, submitted)

17. Tax Dodging – Motion by Councillor Burgess

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

“This Council:

- Recognises the national campaign by Action Aid to end corporate tax dodging which highlights that:
 - The UK Treasury loses as much as £12 billion to tax dodging by multinational companies every year;
 - Developing countries lose three times more to tax dodging than they receive in aid each year – enough to give a basic education to the 57 million children currently missing out;
 - That the UK has a particular responsibility to end tax dodging, as it is responsible for 1 in 5 of the world’s tax havens in the British Overseas Territories and Crown Dependencies;
 - The use of tax havens by UK companies is rife, with 98 of the FTSE 100 companies routinely using tax havens; Large multinational companies pay as little as 5% in corporate taxes globally, while smaller businesses pay up to 30%;

- Recognises that increased revenue from reducing corporate tax dodging would contribute towards government finances including funding for local authorities specifically and public services generally;
- Agrees that the UK should take a lead role in creating a fairer tax system and combating corporate tax dodging, and urges the UK government to end the injustice of tax dodging particularly by large multinational companies, in developing countries and the UK; and that the Council Leader should write to the UK Government in these terms.”

Motion

To approve the motion

- moved by Councillor Burgess, seconded by Councillor Corbett

Amendment

To take no action on the motion by Councillor Burgess.

- moved by Councillor Whyte, seconded by Councillor Balfour

Voting

The voting was as follows:

For the motion	-	44 votes
For the amendment	-	11 votes

Decision

To approve the motion by Councillor Burgess.

Appendix 1

(As referred to in Act of Council No 2 of 11 December 2014)

QUESTION NO 1

By Councillor Heslop for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 11 December 2014

Question

Requests the Convener lists collisions involving trams since operations began with an indication of the causes and impacts, especially in relation to delays and damage, of each collision?

Answer

A description of the collisions has been compiled using information provided by Edinburgh Trams and is attached.

In summary, there have been 14 incidents involving trams in the period since they started running on 31 May 2014, twelve of which resulted in no injuries.

One collision involved a pedestrian and one involved a cyclist. Nine incidents involved other vehicles and all efforts were made to ensure that delays to trams were kept to a minimum. Through experience gained, we are striving to limit the impact of any incidents on the service.

The collision type is consistent with the definitions used by Police Scotland and the Department for Transport. Damage only has been used if there was no personal injury and slight where the casualty required minor treatment. More detailed explanation can be found at the following link https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/230596/stats20-2011.pdf.

Date	Location	Description of Incident	Service Restrictions	Service Resumed After Delay of	Injuries	Collision Type
04/06/14 16:21	South St Andrew Street at Princes Street junction	Tram heading southwards on South St Andrew Street approaching Princes Street junction when a collision occurred with a pedestrian.	No restrictions	14 Minutes	Pedestrian Declined Medical Attention at scene	Slight
13/07/14 08:41	Coates Place at Manor Place junction	Tram proceeding east towards City Centre in offside lane. Coach also travelling east in the inside lane and collision occurred.	Short Running from Edinburgh Airport to Murrayfield	95 Minutes	None	Damage only
29/07/14 12:50	West Maitland Street at Palmerston Place junction	Tram heading east on West Maitland Street through Palmerston Place junction when a collision occurred with a vehicle turning right into Torphichen Place.	No restrictions	16 Minutes	None	Damage only

Date	Location	Description of Incident	Service Restrictions	Service Resumed After Delay of	Injuries	Collision Type
07/08/14 11:13	Coates Place, between Manor Place and Palmerston Place junctions	Tram proceeding westwards in offside lane. Bus also travelling westbound when a collision occurred.	No restrictions	0 Minutes	None	Damage only
27/08/14 18:12	Gogar Castle Road at tram rail crossing	Tram proceeding airport bound when a collision occurred with a vehicle heading southwards over Gogar Castle Road rail crossing.	No restrictions	20 Minutes	None	Damage only
29/08/14 07:38	Coates Place, between Manor Place and Palmerston Place junctions	Tram proceeding east towards City Centre in offside lane. Coach also travelling east on the inside lane and collision occurred.	Short Running from Edinburgh Airport to Murrayfield	180 Minutes	None	Damage only
31/08/14 07:55	Edinburgh Airport Tram Stop	Tram entering Airport Tram Stop when a collision occurred with the vehicles arrestor.	No restrictions	0 Minutes	None	Damage only
02/09/14 10:57	Edinburgh Airport Tram Stop	Tram entering Airport Tram Stop when a collision occurred with the vehicles arrestor.	No restrictions	0 Minutes	None	Damage only

Date	Location	Description of Incident	Service Restrictions	Service Resumed After Delay of	Injuries	Collision Type
06/09/14 00:06	Off-street Tramway between Bankhead and Edinburgh Park Station Tram Stops	Tram heading westwards on off-street section of the route between Bankhead and Edinburgh Park Station Tram Stops when it collided with an object which was lying across the rails.	Temporary Speed Restriction implemented through this location	0 Minutes	None	Damage only
07/09/14 20:17	West Maitland Street at Palmerston Place junction	Tram heading east on West Maitland Street through Palmerston Place junction when a collision occurred with a vehicle turning right into Torphichen Place.	Short Running from Edinburgh Airport to Murrayfield	49 Minutes	None	Damage only
22/10/14 14:35	Coates Place, between Manor Place and Palmerston Place junctions	Tram proceeding east towards City Centre in offside lane. Coach also travelling east in the inside lane and a collision occurred.	No restrictions	16 Minutes	None	Damage only
24/10/14 16:17	Coates Place at Manor Place junction	Tram proceeding westwards in offside lane. Taxi also travelling west in the inside lane and a collision occurred.	No restrictions	14 Minutes	None	Damage only

Date	Location	Description of Incident	Service Restrictions	Service Resumed After Delay of	Injuries	Collision Type
27/11/14 17:30	Edinburgh Park rail crossing near Lochside Place	Tram heading Airport bound through Edinburgh Park Business Centre when a collision occurred with a cyclist on a rail crossing.	Short Running between York Place and Edinburgh Park and Airport to Gyle	80 Minutes	Cyclist Injured	Slight
28/11/14 09:58	Coates Place, between Manor Place and Palmerston Place junctions	Tram proceeding east towards City Centre in offside lane. Coach also travelling east in the inside lane and collision occurred.	Trams temporarily held at tramstops	51 Minutes	None	Damage only

Item no 5.1

QUESTION NO 1

By Councillor Balfour for answer by the Convener of the Finance and Resources Committee at a meeting of the Council on 5 February 2015

Question

- (1) Requests the Convener lists the numbers of individuals by Department, who are currently in Acting Up / Secondment positions at Grade 8 and above who have been in post for 3 months or more?
- (2) To provide the length of time each of these individuals have been in post?
- (3) To detail the cost to the Council of these arrangements?
- (4) To confirm the strategy for dealing with filling these positions on a full-time basis?



February 2015

Mortonhall

Good progress continues to be made by the multi-agency working group in actioning the recommendations contained in Dame Elish Angiolini's report into [Mortonhall Crematorium](#).

We have been looking at an appropriate and fitting permanent memorial and, in line with parents' wishes, two are now being proposed: one at Mortonhall and another at a location still to be identified for those who don't want to return to the crematorium. Potential designs are now up on our website for parents to view.

Separately, we are proposing a settlement scheme for affected families, developed in discussion with their solicitors. I fully understand that it's very difficult to put a financial figure on the distress and upset many parents have experienced due to the former practices at the crematorium.

We will, of course, continue our work on the group to ensure that nothing like this can happen again and that the highest possible standards are adhered to at Mortonhall.

Twenty is the new 30

The Edinburgh People's Survey has demonstrated widespread support for lowering the speed limit and, after a very successful pilot project in South Edinburgh, we made it one of our pledges to consult on rolling out 20mph limits across the city.

Slower speeds bring numerous benefits to local communities. As well as reducing the risk and severity of collisions, they make people more likely to spend time in an area and encourage active travel like walking and cycling.

[New 20mph streets](#) have been carefully selected according to key criteria in residential and shopping areas, including the city centre, with a citywide network of 30mph and 40mph limits maintained on arterial routes to keep traffic flowing across the city.

I'm delighted that we're now moving ever closer to becoming [Scotland's first 20mph city](#).

Balancing the books

I've previously said in this report how pleased I was with the response to our budget consultation exercise, which we undertook towards the end of last year. [Over 3,500 people took the opportunity to have their say](#), more than five times the response we had last year.

The comments and results of our 'budget planner' are now being carefully considered along with all other feedback we received. This will help us to make the right decisions for our residents now and in the future when setting our budget.

We will publish our draft budget motion on the council website on 6 February, before setting it six days later at our budget meeting. I would encourage you to [tune into the debate](#) via our website, or catch up afterwards on the webcast archive.

Meadowbank Stadium

The future of Meadowbank Stadium will undoubtedly feature in our budget discussions on 12 February.

Ever since 1970, when it played host to Scotland's first Commonwealth Games, the iconic venue has served residents and professional athletes well. And while it is still a much loved facility, with over half a million users every year, it is now close to 50 years old and its facilities are tired.

Architect plans for a brand new facility would see the existing site transformed into a brand new sports complex that would serve sporting needs locally and nationally. Should we agree to proceed and, crucially, if funding can be secured, the new Meadowbank could be ready by 2018.

My colleague, Cllr Richard Lewis, Culture & Sport Convener, has written an excellent [piece for the Scotsman](#) on the future of the venue.

New Year honours

I would like to pass on my congratulations to all those Edinburgh residents named in the Queen's New Year Honours list 2015 – but particularly to those colleagues from here at the Council.

Our Chief Executive, Sue Bruce, was made a Dame in recognition of her 39 years of public service. From her first job as a Youth & Community Worker for Strathclyde Regional Council back in 1976, Sue has been hugely proud to dedicate herself to local government and this honour is richly deserved.

She has worked tirelessly during her time as Chief Executive, way beyond her role and the normal expectations of the role, particularly in relation to her charity work and improving the job prospects of young people across Edinburgh.

Congratulations also to Ellen Muir, Head Teacher at Pilrig Park School, who was honoured with an MBE. Ellen is an inspiration to both staff and pupils and it is fantastic to see her commitment and leadership being recognised so publicly.

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10.00a.m, Thursday, 5 February 2015

Appointment to the Local Authority Pension Fund Forum (LAPFF)

Item number	7.1
Report number	
Executive/routine	
Wards	All

Executive summary

The Lothian Pension Fund is a member of the LAPFF. Councillor Cameron Rose has served on the LAPFF Executive since 2007 and has held one of the two Vice Chair positions for the past six years. Councillor Rose has been re-elected as Vice Chair for 2015 and Council is asked to approve the appointment.

Links

Coalition pledges

Council outcomes [CO26](#)

Single Outcome Agreement

Appointment to the Local Authority Pension Fund Forum (LAPFF)

Recommendations

- 1.1 Council is requested to approve the appointment of Councillor Rose as Vice Chair of the Executive Committee of the LAPFF.

Background

- 2.1 LAPFF provides an opportunity for local authority pension funds across the UK to come together for focused discussion and the sharing of ideas and working practices in relation to investment issues and shareholder engagement.
- 2.2 Whilst a member of the LAPFF, Councillor Rose has contributed positively to key issues affecting local government pension schemes, with specific focus on environmental, social and governance (ESG) matters. Such considerations can affect the financial performance of companies in which the local government pension funds invest. The fiduciary interest of the City of Edinburgh Council, as administering authority of Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund is served by Councillor Rose's membership of the LAPFF Executive Committee.

Main report

- 3.1 The Pensions Committee of 17 December 2014 endorsed the nomination of Councillor Rose to the LAPFF Executive Committee. At its meeting on 21 January 2015, the LAPFF re-appointed Councillor Rose to its Executive Committee, as one of two Vice Chairs. This report seeks ratification of this appointment by the City of Edinburgh Council.
- 3.2 The role of Vice Chair involves travel to meetings with companies and other entities such as regulatory bodies, primarily within the UK and occasionally overseas. The Pension Funds meet associated costs from within their budget.

Measures of success

- 4.1 The interests of Lothian Pension Fund are served by the constructive engagement on key issues affecting local government pension schemes.

Financial impact

- 5.1 There are no direct financial implications arising from this report. The costs of Councillor Rose's participation in LAPFF are included in the pension funds' budget.

Risk, policy, compliance and governance impact

- 6.1 The Environmental Social and Governance (ESG) activity of the Fund, that is being responsible informed and involved investors, is expected to reduce risk.

Equalities impact

- 7.1 There are no adverse equalities impacts arising from this report.

Sustainability impact

- 8.1 ESG activity is expected to contribute to the sustainability of the Funds' investments.

Consultation and engagement

- 9.1 Approval by the City of Edinburgh Council will ensure the Lothian Pension Fund continues to engage and consult with partners and stakeholders.

Background reading / external references

Not applicable.

Alastair Maclean

Director of Corporate Governance

Contact: Marlyn McConaghie, Investment Analyst

E-mail: marlyn.mcconaghie@edinburgh.gov.uk | Tel: 0131 469 3518

Links

Lothian Pension Fund:

Responsible Investment http://www.lpf.org.uk/info/68/responsible_investment

Local Authority Pension Fund Forum <http://www.lapfforum.org/>

Coalition pledges

Council outcomes CO26 - The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

Single Outcome Agreement

Appendices

10.00am, Thursday 5 February 2015

Appointment to the Board of Hutchison Vale Community Sports Club

Item number	7.2
Report number	
Executive	
Wards	All

Executive summary

The purpose of this report is to ask Council to appoint a representative for the first time to the Board of Hutchison Vale Community Sports Club, which has the aim of increasing community engagement and participation in sport.

Links

Coalition pledges	P43
Council outcomes	CO4, CO10, CO20, CO23
Single Outcome Agreement	SO2, SO3

Appointment to the Board of Hutchison Vale Community Sports Club

Recommendations

- 1.1 It is recommended that the Council appoint one elected member for the first time to the Board of Hutchison Vale Community Sports Club, subject to the usual due diligence checks.

Background

- 2.1 The Hutchison Vale Community Sports Club (HVCSC) is the charitable wing of Hutchison Vale Football Club. The HVCSC is forming a Board of Trustees and has invited the Council to appoint an elected member to the Board.

Main report

- 3.1 Hutchison Vale Community Sports Club works to increase community engagement and participation in sport.
- 3.2 Its aims are to:
 - 3.2.1 provide new opportunities for more people to participate in sport and recreational activities;
 - 3.2.2 provide learning and development opportunities;
 - 3.2.3 have a positive impact on social targets such as health improvement, increased employment opportunities and crime reduction; and
 - 3.2.4 help strengthen community cohesion by becoming a focal point for a range of community-based activities and programmes.
- 3.3 The Hutchison Vale Community Sports Club works in partnership with various local organisations and runs community training programmes.

Measures of success

- 4.1 Appointment of an elected member to the Board of Hutchison Vale Community Sports Club.

Financial impact

- 5.1 Not applicable.

Risk, policy, compliance and governance impact

6.1 The Culture and Sport Service will undertake due diligence checks.

Equalities impact

7.1 Not applicable.

Sustainability impact

8.1 Not applicable.

Consultation and engagement

9.1 Not applicable.

Background reading/external references

None.

Alastair D Maclean

Director of Corporate Governance

Contact: Stephanie-Anne Harris, Strategic Development Manager, Culture and Sport

E-mail: stephanie-anne.harris@edinburgh.gov.uk | Tel: 0131 529 7911

Links

Coalition pledges	P43 Invest in healthy living and fitness advice for those most in need
Council outcomes	CO4 Our children and young people are physically and emotionally healthy CO10 Improved health and reduced inequalities CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens. CO23 Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community
Single Outcome Agreement	S02 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health. S03 Edinburgh’s children and young people enjoy their childhood and fulfil their potential
Appendices	None.

10.00am, Thursday, 5 February 2015

Mortonhall Crematorium - settlement of claims

Item number	8.1(a)
Report number	
Executive/routine	
Wards	

Executive summary

This Report sets out the basis of a proposed scheme to settle 129 claims from parents affected by previous practices at Mortonhall Crematorium.

It is proposed to offer these claimants, represented by Thompsons, solicitors, a means of settling their claims without litigation. The main terms of the proposed settlement scheme are set out in this Report.

Links

Coalition pledges	
Council outcomes	CO26
Single Outcome Agreement	

Mortonhall Crematorium - settlement of claims

Recommendations

- 1.1 To consider and approve the terms of the settlement scheme (“Scheme”), the main details of which are outlined in this Report;
- 1.2 To approve payment of the costs of the Scheme in the amount necessary to settle the 129 claims in accordance with the terms of the Scheme; and
- 1.3 To delegate authority to the Chief Executive or the Director of Corporate Governance to finalise the details of the Scheme with such supplementary terms as the Chief Executive or the Director of Corporate Governance shall consider appropriate and to enter into the Scheme on behalf of the Council and make payments to claimants in accordance with its terms.

Background

- 2.1 The circumstances surrounding past practices at Mortonhall Crematorium were the subject of an independent report by Dame Elish Angiolini DBE QC commissioned by the Council which was received in April 2014. The report made recommendations to the Council for the future management and delivery of cremation services. Those recommendations are being progressed and an update on the actions taken is the subject of a separate report to Council.
- 2.2 The Council has received claims from parents of infants cremated at Mortonhall Crematorium. Thompsons, solicitors are representing the vast majority (129) of the claimants.
- 2.3 Given the large number of claims and the potential costs of lengthy, protracted and uncertain litigation to all parties, a scheme for settling claims from those 129 parents has been negotiated by the Council’s external legal advisors with the lawyers of those parents.

Main report

- 3.1 It is difficult to place a financial value on claims in these circumstances. Given that the vast majority of those parents who have pursued a financial claim are represented by the same firm of solicitors, the opportunity exists to seek to achieve an appropriate resolution of the existing claims on an *ex gratia* basis. The payments proposed are at a level negotiated between the lawyers for the

129 parents and our external legal advisors. All parties are in agreement that the scheme should be recommended to all concerned.

3.2 The main terms of the Scheme are summarised as follows:

- a. The Scheme will apply to those 129 existing claimants, who intimated their claim prior to 31 December 2014, and will be available to any of those claimants who wish to settle their claim in accordance with its terms.
- b. The Scheme will apply in respect of infants who were cremated at Mortonhall.
- c. Claimants will fall into two categories as follows:
 - i. Category 1 – those with no psychiatric injury.
 - ii. Category 2 – those with psychiatric injury.
- d. Each claimant in category 1 will receive a payment of £1,000.
- e. Any claimant who can show they fall within category 2 will receive a payment of £4,000, subject to appropriate evidence being provided.
- f. Payment is made on an *ex gratia* basis, without admission of legal liability and claimants who accept will sign a discharge agreeing to accept the payment in full and final settlement of their claim.
- g. An agreed sum, together with VAT and reasonably incurred outlays will be paid to the claimants' solicitors in full and final settlement of claimants' legal expenses in connection with their claims and the Scheme.

Measures of success

4.1 The resolution of those 129 claims against the Council.

Financial impact

- 5.1 The Scheme will give rise to a cost which has not been budgeted for. The Council's Head of Finance has advised that it will be possible to identify funding for the cost of the proposed Scheme subject to Council approval.
- 5.2 The cost of the Scheme will depend upon the respective numbers of category 1 or 2 claimants among the 129 claimants.

Risk, policy, compliance and governance impact

6.1 The proposed scheme is designed to resolve 129 claims brought against the Council.

Equalities impact

7.1 None.

Sustainability impact

8.1 None.

Consultation and engagement

9.1 There has been consultation with Group Leaders, the Convener and Vice-Convener of the Transport and Environment Committee, the Council's external legal advisors and the legal advisors who represent the 129 claimants.

Background reading/external references

Report of Mortonhall Investigation undertaken by Dame Elish Angiolini DBE QC

Sue Bruce

Chief Executive

Contact: Carol Campbell, Head of Legal, Risk and Compliance

E-mail: carol.campbell@edinburgh.gov.uk | Tel: 0131 529 4822

Links

Coalition pledges

Council outcomes CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

Single Outcome Agreement

Appendices None

10.00am, Thursday 5 February 2015

Mortonhall Action Plan: Update

Item number	8.1(b)
Report number	
Executive/routine	
Wards	City Wide

Executive summary

This report provides the Council with an update on progress made on actions from the Report from Mortonhall Investigation undertaken by Dame Elish Angiolini DBE QC, as previously reported to Corporate Policy and Strategy Committee on 4 November 2014, and driven by the Chief Executive's Multi-Agency Working Group which has met on six occasions to make sure good progress is being made.

Links

Coalition pledges	P27
Council outcomes	CO24 ; CO26 ; CO27
Single Outcome Agreement	

Mortonhall Action Plan: Update

Recommendations

The Council is asked to:

1. note the update on actions from the Report from Mortonhall Investigation undertaken by Dame Elish Angiolini DBE QC and Action Plan by Multi-Agency Working Group;
2. approve the Policy Document on Cremation Services;
3. note and accept the recommendation from the Chief Executive's Working Group on an interim basis to approve the revised Supplementary Guidance presented to Committee, pending the introduction of a new version of statutory Form A, which will be introduced through the Burials and Cremations Bill in 2016;
4. note thanks to Scottish Rugby Union, Murrayfield for support in facilitating space for meeting with affected parents in November 2014;
5. note thanks to independent garden landscape designers for waiving initial consultation fees in support of developing a memorial to affected babies, and note that initial design options have been available to parents from 29 January 2015; and
6. note that a further update report will be presented to the City of Edinburgh Council in June 2015, one year after original approval of the recommendations and action plan.

Background

- 2.1 Following the previous report to the Corporate Policy and Strategy Committee in November 2014, significant and positive progress has continued on a number of workstreams.
- 2.2 The Multi-Agency Working Group chaired by the Chief Executive and comprising representatives from Scottish Government, NHS Lothian, Funeral Directors, Edinburgh Crematorium Ltd, SANDS Lothians, SiMBA, Mortonhall Ashes Action Committee and Council officials continues to scrutinise and oversee programme delivery.
- 2.3 The current version of the ongoing Action Plan is included as Appendix 1.

- 2.4 The City of Edinburgh Council continues to be represented on the National Committee on Infant Cremation established by the Scottish Government to deliver the 64 recommendations from Lord Bonomy's Infant Cremation Commission. A fuller update on the work of this Committee is included in Section 3.56.
- 2.5 A letter dated 17 June 2014 from Michael Matheson MSP, then Minister for Public Health, has urged all Cremation Authorities in Scotland to give immediate consideration to the recommendations in Lord Bonomy's report and take steps to respond where it is possible to do so. In particular, Authorities were encouraged to give immediate consideration to the following recommendations:
- Recommendation 1- in terms of overarching principles for cremation;
 - Recommendations 3 and 4 - relating to the definition of ashes;
 - Recommendation 6 - relating to the recovery of ashes;
 - Recommendation 7 - relating to the use of cremation trays for baby cremation;
 - Recommendation 11 - relating to Cremation Authority policy statements;
 - Recommendation 34 - relating to shared cremations; and
 - Recommendation 39 - relating to retention of records and documents
- 2.6 The Council is now able to demonstrate a clear positive response to these recommendations. The production of a Policy Statement outlining the range and quality of services users can expect sets out the Council's commitment to providing a customer focused, quality service with the needs of the bereaved central to its ethos. This has been produced taking account of the national model Policy Statement and following positive engagement with staff.
- 2.7 The Corporate Policy and Strategy Committee agreed the definition of ashes as outlined in the previous update on 4 November, and this has now been incorporated into the Policy Statement and other documentation. The use of cremation trays to maximise recovery of ashes from infant cremations has been practiced at Mortonhall since 2011.
- 2.8 Recommendations 34 and 39 continue to be addressed by the National Committee and its relevant subgroups, and it is envisaged that the Council, as participants on the National Committee and subgroups, will be required to agree the adoption of approaches arising from these workstreams.

Project progress

- 3.1 Progress on implementation of actions is reported to the Chief Executive's Multi-Agency Working Group on a regular basis, allowing the opportunity for high-level scrutiny, multi-agency discussion and feedback on actions undertaken, and to inform and develop the way forward. In the last quarter, three meetings of this Group have been held, where a review of progress has been carried out and relevant managers held to account for delivery.
- 3.2 The implementation team, led by a Senior Manager in Services for Communities and including officers seconded to support the delivery of the action plan, staff at Mortonhall, Business Improvement (People Planning and Development), Business Intelligence, Asset Management, Procurement and the Health and Safety Team, continue to work jointly in implementing culture change at Mortonhall Crematorium.
- 3.3 Work has also been progressing to incorporate specific actions arising out of observations from the external scrutiny report carried out in June 2014 by the Federation of Burial and Cremation Authorities (FBCA) to create a comprehensive service improvement programme.

Policy Document

- 3.4 Following the Corporate Policy and Strategy Committee's approval in November 2014 of the definition of ashes, as recommended by Lord Bonomy, this has been shared with key partners and staff, included in the Supplementary Guidance for Form A (Application for Cremation) and incorporated into a wider Cremation Services Policy Document which is submitted to the Council for approval.

The Policy Document will

- a) ensure the Council complies with legislation, Council and Committee decisions, and applicable industry and national standards;
 - b) ensure a consistent approach to management of staff, and sensitive treatment of citizens and customers;
 - c) promote operational efficiencies, internal controls and minimise risk; and
 - d) state the guiding principles of the management and operation of the service.
- 3.5 The development of a Policy Document is a key recommendation of Lord Bonomy's Report on the Infant Cremation Commission. This is to include a clear definition of ashes in line with Lord Bonomy's recommendations, and a clearly articulated commitment to the sensitive treatment of the baby and family throughout the process. The document also clearly outlines operational practices which will be implemented to ensure that ashes are recovered wherever possible from baby and infant cremations, and an undertaking that there will be a clear recording procedure for the location of ashes if buried in the crematorium grounds.

- 3.6 This Policy Document has been developed with the active participation of the Mortonhall staff team, and takes into account good practice guidance and recommended policy approaches produced by the Institute of Crematorium and Cemetery Management (ICCM) and the Federation of Burial and Cremation Authorities (FBCA), and is based on the model Policy Statement agreed by the National Committee on Infant Cremation in January 2015. It is accepted by the Scottish Government that this model Policy Statement will form a base level document articulating minimum expected standards of practice and cremation authorities may wish to add supplementary supporting information or go further than the model statement.
- 3.7 This formal document will be made available to members of the public, industry and healthcare professionals. It is envisaged that key elements of this document will be incorporated into wider service information currently under development.
- The Policy Document is included as Appendix 2.

Legislative documentation

- 3.8 An update was provided to the Corporate Policy and Strategy Committee in November 2014, noting the intention to present a final draft of a revised Form A – Application for Cremation to the next Committee. The Chief Executive’s Multi-Agency Working Group considered the latest draft on 16 January 2015, and considered that, as positive progress in this area was clearly being made by the National Committee subgroups, it would be advisable to await the outcome of any statutory processes. The Working Group acknowledged the need to improve clarity and support for those completing this form, and therefore has requested that the existing statutory form be supplemented with refreshed explanatory guidance. This supplementary guidance is appended for approval.
- 3.9 As recommended by Dame Elish in her report, the supplementary guidance aims to clarify the process for those completing the form, and has been written in plain and sensitive language which clearly supports the applicants’ understanding of permissions asked of them, and actions which will be discharged by service providers on their behalf as a result of this permission. The supplementary guidance will support the next of kin of the deceased to understand their choices regarding disposal of ashes. This guidance takes account of examples nationwide, incorporating feedback from Mortonhall team members and members of the Chief Executive’s Working Group, and taking account of legal review.

The supplementary guidance is included as Appendix 3.

- 3.10 The Scottish Government will consult on the design and content of statutory Form A as part of its legislative process. The National Committee and the Chief Executive's Working Group will continue to contribute to this national process, in line with legal and industry advice, and it is envisaged that the Council will be required to adopt this and any other statutory paperwork in due course. This will be subject to reporting through Committee.

Management of Mortonhall Crematorium

- 3.11 The Mortonhall Action Team and local on site staff team have continued to work closely and positively together to ensure continued delivery of required improvement actions.
- 3.12 A Mortonhall Team discussion was held in November 2014 to enable the local staff group to focus specifically on the changes required. This was attended by the Chief Executive, Head of Service, Senior Manager and members of the Mortonhall Action Team.
- 3.13 The team worked in two groups to address two specific pieces of work required by the Dame Elish and Lord Bonomy recommendations.
- These were:
- a. The development of a clearly defined process map for handling of all remains, including consideration of improved documentation and record keeping; and
 - b. the development of a Policy Document.
- 3.14 The discussion event with local staff enabled them to be involved with the changes and local site meetings have allowed for further discussion and development of these workstreams. Follow on work is scheduled for February 2015.
- 3.15 In line with Lord Bonomy's recommendations, that Crematorium managers and staff are supported to undertake relevant industry qualifications, the Bereavement Services Manager will be supported to obtain the Diploma in Cemetery & Crematorium Management. This is the only specialised qualification currently available to those employed within the Burial and Cremation Service in the UK and recognises an individual's character and commitment to developing his or her own management competencies in what is a very specialised and sensitive field of work.
- 3.16 To support the Bereavement Services Manager to undertake this qualification while continuing to manage and deliver an operationally complex range of services, it is intended to recruit an additional experienced and qualified crematorium manager for a fixed term period, in an advisory and developmental capacity. The new post holder will work alongside the existing Bereavement Services Manager and in tandem with the Mortonhall Action Team, reporting to the existing Senior Manager in progressing service change, while ensuring that day-to-day operations continue to be effectively delivered.

- 3.17 An Organisational Review of Bereavement Services has been drafted. This will include an appraisal of service functions and delivery, organisational structures and staffing levels in order to ensure enhanced service management, incorporating a culture of continuous improvement and customer focus, within agreed timescales. This will be initiated in January 2015, now taking account of the Organise to Deliver Report.
- 3.18 A British Standards Institute (BSI) review session hosted on 12 September 2014 resulted in a compliant report, and a further visit was carried out in January 2015 to undertake a management review. This also resulted in a fully compliant report.
- 3.19 Positive progress has continued on the actions arising from the 5 day onsite external review of operations at Mortonhall, commissioned by the Council, and carried out in June 2014 by Rick Powell of the FBCA. Priority actions are now complete and the team are being supported to deliver the remaining actions through a collective approach.

Recent examples of progress include:

- Staff training on ongoing maintenance and technical awareness of cremator operation has been arranged with manufacturers;
- work is scheduled to commence in January 2015 to upgrade mercury abatement equipment; and
- the electronic Burial and Cremation Administration System (BACAS) has been upgraded to enable accurate recording of specific location of ashes once interred in the Garden of Rest.

Customer focus

- 3.20 With the support of the Council's Business Improvement Team and the active participation of staff teams, an improved customer focused culture is being developed at Mortonhall, using the guiding principles of the Customer Service Excellence (CSE) framework as a model. It is envisaged that the Crematorium will work towards CSE compliance standard by November 2015, to coincide with the next scheduled CSE assessor's visit, and prior to this will carry out an internal self-assessment in June 2015.
- 3.21 Additionally, the crematorium team is being supported to adopt elements of the existing Gold Standard model currently in use across Edinburgh Libraries. This combines a self-assessment approach undertaken by staff teams, followed by an external assessment by a third party, to assess the appearance, range and quality of the service on offer from a customer's perspective. Already well embedded in libraries citywide, this approach has helped to identify existing good practice in addition to key areas for improvement, and is particularly effective in the way it empowers local teams to take ownership of their own workplace and drive an enhanced quality of service.
- 3.22 Mortonhall Crematorium historically held a number of open days throughout the year which focused on informing the public of the services it offers and those

offered by the wider funeral profession. In the light of recent sensitivities these have been temporarily discontinued, however it is hoped to reinstate these in 2015 as a regular feature of the Service's public engagement approach. Additionally, the Crematorium holds an annual Christmas memorial service, allowing those who have lost a loved one to attend, reflect and pay their respects. This service was attended by around 70 people in 2014. These events help strengthen relationships with stakeholders and show the public that Bereavement Services continue to support them even after the service or interment has taken place.

Enhancing Performance

- 3.23 Extensive desktop research and benchmarking comparison with published policy and performance documents of other cremation authorities, and with suggested approaches published by ICCM and FBCA, has helped identify potential key performance criteria which could be adopted in the context of Mortonhall Crematorium. Relevant examples have been considered for adoption by the Council to demonstrate a robust and responsive approach to performance measurement, to establish parity of approach with other service areas within the Council, and to enable early identification and resolution of emerging issues.
- 3.24 Establishment of a performance measurement framework will also articulate clear links between strategic Council priorities and those of crematorium services.
- 3.25 Any proposed framework will incorporate staff, customer and stakeholder analysis.
- 3.26 This, together with the City of Edinburgh Council Cremation Services Policy Document and current legislation, will provide key reference framework to ensure robust, compliant and customer focused service.
- 3.27 Ongoing support from the Council Business Improvement Team has ensured that Crematorium Services has successfully achieved ISO9000 compliance, and will work to achieve compliance with CSE Standards by the time of the next scheduled assessment in November 2015.

- 3.28 Consultation or feedback methods specific to cremation services, will take into account the sensitivities surrounding this service area. Model surveys devised by the ICCM have been used as the basis for developing a bespoke survey for Mortonhall users.
- 3.29 Ongoing discussions with multi-faith communities and other equalities groups across the city, both at service planning stage and as part of continuous feedback, will ensure the service continues to be relevant and responsive to all beliefs and cultures and fully supports the Council in its equality and diversity work.

Benchmarking and good practice sharing

- 3.30 A programme of visits to other crematorium establishments involving staff and managers is ongoing. These have included site visits to Livingston, Inverclyde and Kettering Crematoria to inform the service improvements and the procurement process for new equipment. Two further crematoria have been contacted to develop local best practice.
- 3.31 A further visit has taken place to Seafeld Crematorium in December 2014 to compare use of the BACAS registration software.

Communications

- 3.32 The Action Team has developed a Communications Plan with support from the Communications Service. This Plan includes a commitment to ensuring that information on progress against the key actions is widely and publicly available in a range of platforms.
- 3.33 The Communications Plan acknowledges the need to provide clear and open information on progress in easily understandable language. The Communications Plan encompasses all key stakeholders, staff and partners, and also recognises the need to ensure that the wider public, not directly affected by historical practices, are aware of positive progress.
- 3.34 The plan also ensures that continuous engagement with the staff team is maintained.
- 3.35 The communications plan recognises the need to ensure that key partners, such as NHS Lothian, Funeral Directors and support organisations, are kept fully informed on any changes to operational practice at Mortonhall that would impact on the range of services to customers, and are in a position to share this information confidently and accurately with members of the public. The importance of this dialogue is also recognised at National Committee level.
- 3.36 The Council [web page](#) on the Mortonhall Investigation has been revised to incorporate updated information on progress to date.

Record keeping

- 3.37 In response to recommendations from both the Dame Elish and the onsite FBCA report, a clearly defined process map for handling of all remains has been developed with the active involvement of the Mortonhall team. This will be incorporated in records required for the ongoing BSI assessment, and will ensure clarity and consistency of processes for local staff around this sensitive work. This will also enable the cremation service to provide clear information to partners, such as Funeral Directors and NHS Lothian, on the sensitive handling of remains which can in turn be communicated to the bereaved.
- 3.38 A meeting has been held with the Council Information Governance Team, to discuss appropriate storage, archiving and retention policy of crematorium records.
- 3.39 A feasibility review carried out with the involvement of the Mortonhall team has provided a specific set of recommendations. These include suggested retention times for the following information:
- Register of Cremations and Burials;
 - applications (for a cremation, interment or monument erection);
 - exhumation orders (documentation regarding the process of regulation of exhumation);
 - records documenting the organisation of a burial or cremation of a deceased person, where the Council has a statutory duty to do so;
 - permits (for headstones, cemeteries and crematoria); and
 - financial, operational, health and safety and human resources records, in accordance with City of Edinburgh Council standard policy.
- 3.40 It is intended that these improvements will make it easier for relatives to find out about the last resting place of their loved ones, while ensuring compliance with all appropriate legislation and Council document retention policies. Recommended retention times can also be adapted in future to allow the adoption of nationally agreed legislative changes arising from the work of the National Committee.

Cremation Industry Policy, training and guidance

- 3.41 The Council is aware that the FBCA has produced revised training materials in October 2014, and this is being taken into account in the development programme for Council staff. It is anticipated that further guidance will be prepared and distributed from the National Committee working groups in the near future. These guidelines will inform the Council training programme.

- 3.42 The FBCA has agreed to adopt recommendations of the Lord Bonomy Report and has developed updated training and guidance. The Training and Examination Scheme for Crematorium Technicians (TEST) now incorporates specific elements dealing with baby, infant and foetus cremations. Relevant Council staff will be required to undertake refresher training on this module as part of the service review process. The FBCA is currently prioritising new candidates for this training, which involves monitored assessments carried out in the course of site visits to other crematoria in Scotland. The Council has made application to progress this training to the FBCA for one recently recruited member of staff, and is currently awaiting confirmation from the FBCA of scheduled training dates for this and for the upgrade of training certification for existing staff members.
- 3.43 The ICCM has also updated its training materials, available from December 2014, to incorporate updated modules on baby and infant cremations. Staff already holding the Diploma in Crematorium Management qualification have submitted an application to undertake this unit review module.
- 3.44 As part of an internal training review taking place in NHS Lothian, the City of Edinburgh Council has supplied training needs data to support this process. Key contacts have been established and it is envisaged that Council representatives will be invited to the next stakeholder session.

Memorial

- 3.45 The Council has continued to work collaboratively with SANDS Lothians and SiMBA in discussions with parents in regards to improving the landscaping around Mortonhall, and the design and location of a fitting memorial to babies affected by historical practices.
- 3.46 Following an initial meeting with parent representatives and affected parents in August 2014, at the suggestion of parents attending, a questionnaire designed to obtain suggestions on a range of potential memorial options was sent to affected parents on 13 September 2014.
- 3.47 Following receipt and analysis of survey responses by the Mortonhall Action Team, affected parents were invited to attend a further meeting at Murrayfield Stadium on 26th November 2014 hosted by SiMBA and supported by a Senior Manager from Services for Communities, with apologies from SANDS Lothians. Feedback on the survey had been received from 80 parents and reflected a wide range of views around the potential location, style and design of any memorial options. A summary version of the responses was provided to parents prior to the meeting. A copy of this summary and the invitation letter to this meeting are included as Appendix 4.

- 3.48 The agenda prompted in-depth discussion of the survey responses among the 40 parents attending. Following consideration of the responses it was agreed by those parents attending by a show of hands that a memorial should be developed at Mortonhall, in recognition of the significant feedback received in support of this. It was also agreed that, in acknowledgement of feedback received from parents who would find it difficult to return to Mortonhall, that an additional memorial be developed in an alternative location.
- 3.49 A statement of actions agreed at the meeting has been provided by the Council to SANDS Lothians and SiMBA, as formal hosts of the meeting. A copy of this statement is included as Appendix 5.
- 3.50 The Mortonhall Action Team has been working closely with independent garden landscape designers to develop a range of initial garden design options which were presented to the Chief Executive Multi-Agency Working Group on 16 January 2015. These were well received by this group, however it was recognised that the decision around options for creating fitting memorial must lie with affected parents.
- 3.51 Feedback from affected parents will inform subsequent work from designers in order to reach an agreed design of garden tailored to both the expectations of parents and to the specific locations. Initial designs are available to parents via an online survey (<https://www.surveymonkey.com/s/mortonhall>) and on paper by request. A series of consultation events has been jointly designed and hosted by SANDS Lothian, SiMBA and the Council. Details of these engagement opportunities are set out in Appendix 6.
- 3.52 Garden landscape designers have given their time and expertise, and have waived their initial consultation fees in support of this work.
- 3.53 A memorial bench has now been installed at SANDS Lothians offices at Craiglockhart, with preparatory infrastructure and support work being carried out by the Council's Parks and Green Spaces team. A date for the dedication of this bench is currently being agreed with SANDS Lothians.
- 3.54 As previously reported to the Corporate Policy and Strategy Committee, an offer of dedication has been received from the Church of Scotland Social and Community Interests Committee offering to rededicate land, should this be desired, when memorial options are agreed with affected parents and implemented on the chosen site. An initial meeting has been held with the Convener of the Church of Scotland Social and Community Interests Committee on 9 December 2014 to discuss the best approaches to this. In addition, this discussion identified further potentially important opportunities for dialogue with multi-faith communities across the City, to ensure that any actions currently being progressed are inclusive of all cultures and beliefs. This has also been incorporated into an updated Equalities and Rights Impact Assessment.

3.55 The Mortonhall Action Team, supported by colleagues in Parks and Greenspace Team, is currently exploring potential locations for the other memorial, and plans to work closely with SANDS Lothian, SiMBA and affected parents in identifying the best location and design of this. Ongoing dialogue with the Council Parks and Green Space Team will ensure that, in taking forward the development of any memorial, the Council will take into account factors such as access, site geography and patterns of use. It is also important to consider other existing activities on any proposed site, such as sports and games, to ensure that we are able to deliver the quiet and tranquil atmosphere that many parents asked for. Options will be presented to a further meeting of affected parents in February 2015.

Partner Contributions

3.56 *Scottish Government*

The Scottish Government is fully involved with the Mortonhall Working Group, and is supporting the delivery of recommendations from the Mortonhall Investigation. In particular the Minister for Public Health has confirmed in writing that the Government accepts responsibility for certain specific recommendations - largely those relating the legislation and national guidance.

The Scottish Government has established a National Committee on Infant Cremation to deliver the 64 recommendations from the Infant Cremation Commission (which will also address the specific points from the Mortonhall Investigation accepted by the Government). That Committee met for the first time on 9 October 2014, and was attended by the Minister for Public Health. Managers in Services for Communities represent the City of Edinburgh Council on this Committee. This Committee has established a series of sub-groups to deal with specific strands of working, including:

- a policy and code of practice subgroup which will develop an overarching code of practice for infant cremation (the City of Edinburgh Council is represented on this group)
- a cremation working practices subgroup, which will deal with recommendations on the process within crematoria (the Council is represented on this group)
- a shared cremation subgroup, which will deal with policy and practice in relation to shared cremations (for pregnancy loss or terminations), normally arranged by the NHS;
- a training and communications subgroup, which will deal with training and professional development across the NHS, cremation authorities and funeral director companies; and
- a records and forms subgroup, which will deal with the various recommendations to statutory forms and record-keeping (the Council is represented on this group)

These groups have all held at least one meeting (the cremation working practices group has met three times and have completed work) and will be expected to make substantial and swift progress on recommendations. The National Committee met again on 26th January 2015 to assess progress. The National Committee is required to produce a report to the Minister one year after its first meeting, and the expectation of the Government is that most of the recommendations from the Infant Cremation Commission should be completed or well progressed by that point.

Separate to the work of the National Committee the Scottish Government has also now commenced recruitment of an Inspector of Crematoria, with adverts placed in national press in early October 2014 and interviews of short-listed candidates on 22 January. It is expected that the Inspector will be in post from early 2015.

Updates on all of this work is available at the link below:

<http://www.scotland.gov.uk/Topics/Health/Policy/BurialsCremation/NCIC>

3.57 *Infant Cremation: National Investigation*

The National Investigation is currently investigating a total of 19 cases from parents who believe their child was cremated at Mortonhall. The Council is working closely with the National Cremation Investigation team on these cases, which range in date from 1978 to 2009, and therefore prior to initial concerns being raised.

Measures of success

- 4.1 In June 2015 the action plan will be revisited and reviewed as necessary, and reported to full Council as agreed. If the measures taken are successful, no bereaved parent in future will suffer the same experience as the parents involved in the investigation.
- 4.2 Affected parents feel reassured that actions are in place to carry out the recommendations highlighted in Dame Elish Angiolini's report, and that they have had an opportunity to influence the outcomes on behalf of the baby lost to them and their families.
- 4.3 A Policy Document will clearly outline the framework and standard to which cremation services will be delivered.
- 4.4. The Mortonhall team will have met the required standard on an internal self-assessment against CSE criteria, including the adoption of required culture change.
- 4.5 Robust performance measurement against identified performance criteria will provide management information on ongoing performance.
- 4.6 Delivery of a suitable and sensitively designed memorial.

Financial impact

- 5.1 The costs of this project will be established following consultation and once details have been agreed. The project costs should complement other capital investment, in Bereavement Services to deliver against the above actions, and ensure infrastructure at Mortonhall continues to be fit for purpose, in line with legislative requirements.

Risk, policy, compliance and governance impact

- 6.1 Risks and issues of non compliance were identified by Dame Elish Angiolini, DBE, QC during her original investigation and have been addressed in her recommendations and subsequent Chief Executive's Multi-Agency Working Group action plan. The suite of improvement actions will be delivered with clear oversight from the Council's Chief Executive, and within a strong governance framework and action plan incorporating clearly delineated milestones and responsible parties identified.

Equalities impact

- 7.1 The activities listed in this report will contribute to a significant enhancement of rights, particularly in relation to Health, Individual, Family and Social Life, Participation, Influence and Voice, and Productive and Valued Activities.

Sustainability impact

- 8.1 Any change to process and equipment at Mortonhall will be fully discussed and agreed with the Scottish Environmental Protection Agency, to ensure compliance with all relevant environmental legislation.

Consultation and engagement

- 9.1 Ongoing consultation and engagement has continued through the Chief Executive's Working Group with a wide range of affected stakeholders, including affected parents, parent representative bodies SANDS Lothians and SiMBA, NHS Lothian, Scottish Government, Funeral Directors and Edinburgh Crematorium Ltd (Seafield and Warriston crematoria); Mortonhall staff team, industry professional bodies FBCA and ICCM.

Sue Bruce

Chief Executive

Contacts: Natalie McKail
Environmental Health, Scientific Services and Local Community

Planning Manager
Email: natalie.mckail@edinburgh.gov.uk Tel: 0131 529 7300

Ewan McCormick
Mortonhall Action Team Programme Manager
Email: ewan.mccormick@edinburgh.gov.uk Tel 0131 529 7300

Links

[Report from Mortonhall Investigation and Action Plan, City of Edinburgh Council 26 June 2014](#)




[Report of Infant Cremation Commission June 2014](#)





[Scottish Government National Committee on Infant Cremation](#)






[Infant Cremations: National Investigation](#)




[Online Survey on Memorial Designs](#)



Coalition pledges	P27 - Seek to work in full partnership with Council staff and their representatives
Council outcomes	CO24 - The Council communicates effectively and internally and externally and has an excellent reputation for customer care CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives. CO27 - The Council supports, invests in and develops our people
Single Outcome Agreement	
Appendices	Appendix 1 – Mortonhall Action Plan update Appendix 2 – Policy Statement Appendix 3 – Supplementary Guidance for Form A Appendix 4 – Invitation letter to parents and summary of survey responses Appendix 5 – Update provided to parents after Meeting on 26 November 2014 Appendix 6 – Letter to affected parents for memorial options


	Summary of Recommendation	Decision(s)/Discussion	Action By	Actions	Supplementary Action	Update(s)	Open / Closed
1	The Council should review how Mortonhall Crematorium is managed.	City of Edinburgh Council Officers to expand upon recommendation 1 and assign timescales as to when the review of how the crematorium is managed will be completed.	City of Edinburgh Council - Natalie McKail	05.06.2014 To develop and roll out a management and leadership programme (LM1 & LM2) and tailored Personal development Programme.		<p>03.09.2014 Managers have been encouraged to engage with the Council's Leadership Matters development programme, and to play a key role in local implementation of changes to working practices arising from the investigation and actions.</p> <ul style="list-style-type: none"> • A detailed training needs analysis has been developed for staff and managers. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report</p> <p>14.11. 14 A formal request has been logged with ICCM for frontline operative staff to undertake refresher training in revised modules on infant cremation, and are awaiting confirmation of available dates. CEC likely to be first local authority to undertake this training. Bereavement Services Manager to undertake appropriate certified training. Continued dialogue with staff team about embedding culture of continuous improvement and customer focus.</p> <p>Team discussions held 12.11.14 to develop and enhance team involvement in ongoing action planning, including positive input into Policy Statement and Journey of ashes</p> <p>16.01.15 British Standards Institute review carried out 15 January 2015, and a compliant report achieved.</p>	Open   






				<p>05.06.2014 To establish an Implementation Team, to include officers from Mortonhall, Business Improvement, Asset Management and the Health and Safety Team.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> An Implementation Team, to include officers from Mortonhall, Business Improvement (People Planning and Development), Asset Management and the Health and Safety Team, will be working jointly in implementing a culture change incorporating the PROSCI Change Management approach. The Mortonhall Action Team has carried out an extensive mapping exercise identifying cross-linkages between the CEC, Dame Elish and Lord Bonomy recommendations and subsequent action plans. Work is also underway to incorporate specific actions arising out of observations from the external scrutiny report to create a comprehensive service improvement programme. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Continued active participation from Mortonhall Action Team and other service teams within CEC to ensure good and continual progress is being made on delivery of actions. Weekly updates shared between teams, joint discussions with Learning and Development around delivery of staff away day sessions, site visits to other locations. Team also taking ownership and responsibility to improve and enhance customer experience, legislative compliance and best practice e.g. storage of ashes and document retention.</p>	<p>Complete</p> <p></p> <p></p> <p></p>
				<p>05.06.2014 To establish a rolling programme of staff engagement.</p>		<p>03.09.2014 Regular team meetings have been held to develop local staff engagement and awareness of service standards.</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 staff workshop held on 12.11.14 focusing on achievements to date and concentrating on specific workstreams for moving forward. These include team input to wording of a draft Service Policy Statement, and agreeing best approach to ensure optimum methodology for identifying and recording location of ashes. These actions will be taken forward as part of an ongoing programme of staff away days and Tuesday morning discussion</p>	<p>Open</p> <p></p>






					<p>sessions.</p> <p>16.01.15 Follow up meeting arranged for 16 Feb 15.</p> <p>Fortnightly manager/Action Team meeting schedule in place to enable information sharing and prioritisation of actions</p> <p>Active staff input and consultation into discussions around Policy Document, journey of ashes process, Document Retention and memorial</p>	 
			<p>05.06.2014 To develop and implement a system for capturing customer service feedback.</p>		<p>03.09.2014 A draft multi-agency questionnaire has been developed for discussion with partners.</p> <p>A customer feedback comments card has been produced and is now available in the Mortonhall office, Chapel of Remembrance and Waiting Room. This was launched in August 2014 and staff briefings on "closing the loop" are being led by the Bereavement Services Manager.</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Tailored, customer-focus themed self-assessment with staff group to be carried out supported by Business Improvement Team during late November/early December. These aim to work towards creating a customer focused culture which includes regular review of customer feedback by staff team and managers and making appropriate service changes in response.</p> <p>16.01.15 Following the self-assessment, Crematorium Team will work towards fully reintegrating Bereavement Services into the SFC CSE assessment by nominating an appropriate representative to join the SFC-wide CSE project team and citywide Quality Action Group.</p>	<p>Open</p>   



				<p>05.06.2014 To establish a 5 day review external scrutiny workplan, to identify best practise and inform revised practices.</p>	<p>06.06.2014 To share the outcomes of the 5 day review external scrutiny work plan with relevant stakeholders.</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • 5 day on-site external review of operations at Mortonhall was carried out in June 2014. • A report was subsequently submitted to the City of Edinburgh Council on 21 July 2014. As part of the staff engagement programme, this has been Issued to MH managers and staff and they are being supported to develop and deliver an action plan in response. • To date 2 priority actions have been implemented; a deep clean of the cremulator room and enhanced data recording on BACAS administration software. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Good progress is underway to address actions identified as part of the inspection report. Work underway to deliver commissioning of small scale cremator and procurement of 2 replacement cremators. Review of Safe Working Practice and Health and Safety documentation is substantially complete</p> <p>16.01.15 Update provided (attached)</p>	<p>Open</p> <p></p> <p></p>
				<p>05.06.2014 To review staffing in Bereavement Services, to include capacity appropriate levels of technical and administrative resources. The review to include discussions with staff and Trade Unions.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> • An Organisational Review of Bereavement Services is being initiated. This will include an appraisal of of service functions and delivery, organisational structures and staffing levels in order to ensure enhanced service management, incorporating a culture of continuous improvement customer focus, within agreed timescales. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Draft remit prepared for discussion with staff team and</p>	<p>Open</p> <p></p>






					<p>Trade Unions, initial analysis of job descriptions underway. Initial staff engagement sessions to be delivered December 2014.</p> <p>16.01.15 Postponed to January 2015 pending publication of Council's 'Organise to Deliver' report.</p>	
			<p>05.06.2014 To develop and implement a bimonthly benchmarking and best practise comparison visit schedule.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> • Senior Manager visit to Seafeld and Warriston Crematoria in July 2014 followed by visit to H & W Harkess, Funeral Directors and a programme of visits to other establishments involving staff and managers is ongoing. • The Service Manager is in process of arranging further visits to Livingston and Inverclyde. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Visits completed to Livingston, Kettering and Inverclyde to obtain wider industry feedback on different models and use of cremators; future visits to involve wider staff team and to examine other areas of good practice. Other local authorities have been keen to demonstrate support for these visits.</p> <p>Mortonhall Action Team members visited Maggie's Centre in Dundee to see example of good customer practice of creating a welcoming environment in a sensitive setting.</p> <p>Learning from these visits will feed into development process for Mortonhall., and for memorial discussions.</p> <p>Bereavement Services Manager to maximise networking with Benchmarking Group to enhance opportunities for shared good practice</p> <p>16.01.15 Visit to Seafeld Crematorium to compare effective use of BACAS software</p>	<p>Open</p> <p></p> <p></p>





				<p>05.06.2014 To explore, develop and establish a model of customer input to inspect and support the service, for example, Lay Advisers and customer led inspections.</p>	<p>11.06.2014 NMc to meet with Police Scotland during the week beginning 16.06.2014</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • Senior Manager met with Tom Galbraith, Police Scotland and received positive feedback on benefits of lay advice and ways in which this can be used to improve service delivery. • Meeting held with CEC lead and Convenor of Lay Advisors in Edinburgh to discuss whether a model could be developed for the use of lay advice internally within the Council, with the potential for Bereavement Services to be a pilot. • Senior Manager have also had discussions with Willie Reed from Mortonhall Ashes Action Commiteee in relation to his suggestion that this approach could be used at a national level. • Meeting also held with CEC Tenant-led inspection programme manager to discuss use of this type of approach within a Bereavement Services context. Also have taken expert on application of libraries Gold Standard model to Bereavement Services context. • Closer work with Parks and Greenspace on landscape quality standards and quality assessments planned for the Autumn. <p>07.10.2014 To note the Scottish Government intend to have a Inspector of Crematoria appointed by December 2014.</p> <p>14.11.14 Work ongoing to develop framework for lay advisor model for Mortonhall to be piloted from Spring 2015.</p> <p>16.01.15 A member of staff with previous experience of lay advisor work in a previous role has indicated a willingness to support this workstream, and it is intended that this will be progressed over the next few months.</p>	<p>Open</p> 
				<p>05.06.2014 To develop a communications plan to demonstrate change and to improve the reputation of Bereavement Services.</p>		<p>03.09.2014 October date planned to include identification of clear descriptions of improvements required</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11. 14 Work ongoing to audit current information resources to develop comprehensive communications strategy for the improvement programme, reflecting range of customer contact ranging from day to day customer engagement to wider, strategic-</p>	<p>Open</p>



					<p>level communications</p> <p>11.12.14 Draft comms strategy produced in co-operation with Corp Comms,</p> <p>16.01.15 Web content updated to outline progress to date (attached)</p> <p>Sourced plasma screen for Mortonhall to improve customer journey based on staff suggestions at away day</p>	
			<p>05.06.2014 To establish a quarterly industry forum with practitioners, industry leaders and technical experts.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> • National working groups to be expanded <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 National Committee and sub groups established and underway. Sub-group meetings scheduled for January 15.</p>	<p>Complete</p> 
			<p>05.06.2014 To encourage regular cross team discussions through team meetings and a Quality and Action Group (QAG)</p>		<p>03.09.2014 Regular team discussions and engagement taking place in tandem with identified action plans around service quality and customer focus. External scrutiny report actions agreed with managers and staff.</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Staff away day held 12.11.14 including cremation technicians and office based staff; ongoing work with Learning and Development to enhance team input into wider service standard discussions. Cross Service away day also planned for early 2015.</p> <p>16.01.15 Initial meeting with Crematorium Team and Business Improvement Team around support needed to ensure CSE compliance by November 2015, with plan to carry out internal self-assessment Summer 2015. Crematorium Team Leader identified to attend city-wide Quality Action Group to learn from good practice and support implementation of approach at Mortonhall which is in line with citywide standard...</p> <p>Further discussions around implementing version of Libraries Gold Standard Model in early 2015.</p>	<p>Open</p>   






				<p>05.06.2014 To encourage staff to visit and establish networks at other premises.</p>		<p>03.09.2014 • See above 7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 See above</p>	<p>Open</p> 
2	<p>The Council should put in place systems of audit and inspection to ensure safe working practices that provide high quality services to next of kin</p>	<p>The City of Edinburgh Council to make representations to the Scottish Government that 'There should also be robust systems of audit and inspection to ensure safe working practices that achieve best practice in providing quality of service to next of kin. Such audits should be part of a system for ensuring greater accountability and transparency in determining whether the Crematorium is fulfilling its statutory obligations.'</p>	<ul style="list-style-type: none"> • City of Edinburgh Council • Scottish Government 	<p>05.06.2014 The focus of the ongoing review of audit and inspection practises to include.</p> <ul style="list-style-type: none"> • Business Continuity Plans. • Current Safe Working Practises (SWP). • Risk Assessment process (RAs). • Health and Safety inspections • Management of actions. <p>Actions associated with Recommendation 1 will also be considered against Recommendation 2</p>	<p>11.06.2014 Officers to update SEPA on the work and resulting actions of the Multi-Agency Working Group.</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • Bereavement Services Contingency Plan and Risk Register revised and to be approved by SFC SMT - piloting a new model of management response across an integrated range of services. • Targeted Staff workshops planned on Risk Assessments and current safe working practices in October 14. • Community Safety Divisional Health and Safety Improvement Plan being actively managed and up to date. • A BSI auditor meeting was held on 1st September to discuss future review and audit, with a review scheduled for 12th September. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Positive BSI Assessment carried out September 2014 with no new non-conformities identified.</p> <p>Model to develop lay advisor input into service delivery currently being scoped with plan to deliver pilot in Spring 2015.</p> <p>16.01.15 BSI Assessment follow-up visit due Jan 15</p> <p>Policy on Ashes agreed by Corporate Policy and Strategy Committee 4 Nov 14</p> <p>Policy Statement drafted to submit to C Ex WG in Jan 15 and to Corp P&S on 24 Feb 15.</p>	<p>Open</p>    





3	The Council should lead and support a change of culture and attitude at the Crematorium towards providing services to next of kin.	<p>City of Edinburgh Council Officers to identify action and delivery timescales re a change of working culture within crematorium. Action to include:</p> <ul style="list-style-type: none"> Revision to the system, structure, training and governance arrangements. Staff to be better supported. Staff to be made aware of means of raising concerns regarding working practises, e.g. Whistleblowing Policy, Pride in Our People Staff to be encouraged to have regular meetings. 	<p>City of Edinburgh Council - Natalie McKail</p>	<p>05.06.2014 Actions associated with Recommendation 1 will also be considered against Recommendation 3</p>		<p>03.09.2014</p> <p>This workstream will include an audit and review of current information provided to parents at Mortonhall and within the Bereavement Services team, in addition to targeted work with the Mortonhall team on Customer Care quality standards.</p> <p>A mapping exercise is currently underway by the Mortonhall Action Team and will involve input from the communications team to improve resources. This culture change will also be embedded through the service review process.</p> <p>A policy refresh is underway, all staff have read relevant CEC policies and procedures and are aware of the whistle blowing policy.</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 as above</p> <p>16.01.15 Policy Statement drafted with active team input; including ERIA</p> <p>Specific Location of ashes once interred to be recorded from Jan 15</p>	<p>Open</p> <p></p> <p></p>





					on BACAS Form A redrafted in line with legislative and industry guidance	
4	The Scottish Government should commission research to ascertain the most effective, practical and safe practices for the future to provide reassurance to next of kin that their ashes of their child will be recovered.	The City of Edinburgh Council to ask the Scottish Government to instruct comprehensive national research to ascertain the most effective, practical and safest practises for the future that will provide greater assurance to next of kin that the ashes of their child will be recovered.	City of Edinburgh Council - Sue Bruce	03.06.2014 Letter of representation sent to the Scottish Government. 05.06.2014 Scottish Government response received and is under consideration.	7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 Baby trays have been used as standard practice from Dec 2012, this has been formally described to SEPA May 14 and will sit as part of National Committee to ensure take account of best practice elsewhere 16.01.15 Policy Document makes clear and unambiguous statement to this effect, to be shared with partners and professionals to support their dialogue with affected parents, and included in any information and communications provided Clear process map in progress with team input outlining journey of ashes to ensure consistency of practice and clear recording mechanisms to enable relatives to be confident of the location and treatment of their loved ones Specific Location of ashes to be recorded on BACAS from Jan 15 if buried in Garden of Remembrance Supplementary Guidance for Form A drafted to clarify choices and outcomes for affected relatives Draft industry policy statements under review at National Committee	Open    






						level Response supplied as requested to Scottish Government confirming that City of Edinburgh Council is maximising likelihood of recovery of ashes by: <ul style="list-style-type: none"> • Clear definition of ashes in place • Use of baby trays • Expectation that ashes will be recovered from infant cremations in majority of cases 	
5	The cremation of non viable fetuses (pre 24 week gestation period) should be regulated by legislation	The cremation of non-viable fetuses to be regulated by legislation and any new financial obligations of crematoria recognised in the financial memorandum to the legislation.	City of Edinburgh Council - Sue Bruce	03.06.2014 Letter of representation sent to the Scottish Government. 05.06.2014 Scottish Government response received and is under consideration.		7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 To be progressed by National Committee	Open 
6	The Council should amend the Application for Cremation form (Form A)	City of Edinburgh Council to make representations to the Scottish Government highlighting the statutory element to the recommendation 'that the City of Edinburgh Council take urgent steps to revise the Application form for cremation to make it absolutely clear to all what the consequences of an application by another for their baby's cremation may imply'	<ul style="list-style-type: none"> • Scottish Government • City of Edinburgh Council 	02.06.2014 The statutory part of Form A to be revised and implemented by 31 March 2015 (SG)		03.09.2014 <ul style="list-style-type: none"> • Updated version of Form A drafted incorporating recognition of customer journey, plain and sensitive language which clearly support parents understanding of permissions asked of them and actions which will be discharged by service providers on their behalf as a result of this permission. • Initial discussions held involving staff team input to encourage ownership. • Circulated at Chief Executive Working Group for feedback and comment before finalising. 07.10.2014 Revised Form A to be submitted to the next meeting of the Working Group (14 November 2014) for comment. 7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy	Open  



					and Strategy Committee Report.	
					<p>14.11.14 Version 6c updated taking account of legal and industry input</p> <p>16.01.15 Version 6D of Form A incorporating further legal input, FBCA and service managers feedback, presented to Chief Executives Multi Agency Working Group on 16th January 2015. Decision taken to await outcome from National Committee Sub Groups and for supplementary guidance only to be revised. Supplementary guidance presented to Committee for approval.</p> <p>To ensure alignment with Nationally agreed form once adopted</p>	 
				<p>02.06.2014 To draft and implement a revised, non-statutory, Form A (CEC)</p>	<p>11.06.2014 Officers to explore possibility of establishing a service whereby bereaved parents are asked to confirm, with the support of a specialist, the arrangements for the cremation of their infant.</p>	Open





7	<p>All partners should develop training and guidance for those taking parents through the process of arranging their baby's funeral</p>	<p>Pre-service and refresher training to be rolled out to those taking parents through the process.</p>	<ul style="list-style-type: none"> • City of Edinburgh Council • NHS • Funeral Directors 	<p>05.06.2014 Multi-agency working group, including parents and the private sector, to be established to initiate the revision of training and guidance material for those taking parents through the process.</p>	<p>11.06.2014 To ensure that refresher training is available for those taking parents through the process.</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • CEC have initiated internal training needs analysis, a draft of which has been provided to the Chief Executive's Working Group. • Discussion held with NHS Lothian to discuss multi partner approach with a view to establishing forum in September/October 2014. • The Institute of Cemetery and Crematorium Management have recently drafted an initial guidance note in an attempt to bring some consistency to the cremation technique, and to enable informed and reliable guidance to be offered to parents. • CEC are aware that FBCA are revising training materials and this will be taken into account in the development programme for CEC staff. • It is anticipated that further guidance will be prepared and distributed from the Scottish Government working group in the near future. These guidelines will inform internal CEC training programme. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Ongoing dialogue with NHS Lothian in relation to developing this programme.</p> <p>16.01.15 Policy Document makes clear and unambiguous statement to this effect, to be shared with partners and professionals to support their dialogue with affected parents, and included in any information and communications provided</p>	<p>Open</p>     
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8	The Scottish Government should review Cremation Regulations including clarifying the legislative position of stillborn babies within the Regulations.	The City of Edinburgh Council to make representations to the Scottish Government to review and clarify the Regulations to ensure that parents cannot be deprived of their legal rights through the obscurity of the drafting of the Regulations and/or a lack of understanding by the professionals.	City of Edinburgh Council - Sue Bruce	03.06.2014 Letter of representation sent to the Scottish Government. 05.06.2014 Scottish Government response received and is under consideration.		7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 To be progressed by National Committee	Open 
9	The Scottish Government should make statutory the section of the Form A dealing with instructions for disposal of any ashes.	The City of Edinburgh Council to make representations to the Scottish Government to consider making the section of the Form A which relates to the instructions for the disposal of ashes a statutory part of the Form.	City of Edinburgh Council - Sue Bruce	03.06.2014 Letter of representation sent to the Scottish Government. 05.06.2014 Scottish Government response received and is under consideration.		7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 To be progressed by the National Committee. This element has been incorporated in redrafted supplementary guidance on Form A.	Open 
10	The Council should address the condition of land adjacent to the Garden of Rest at Mortonhall.	Map of Mortonhall to be circulated in advance of the next meeting. Other parties to be involved in the preparation of proposals for the redevelopment of the land adjacent to the garden of rest.	City of Edinburgh Council - Natalie McKail	05.06.2014 Consideration to be given to the location of the compound yard. Actions associated with Recommendation 10 will also be considered against Recommendation 22.		7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 Phase 1 of works completed. On-site meeting and follow up letter to local residents to inform completion of Phase 2 of works early 2015, to include installation of new fencing around compound yard. 16.01.15 Installation of fencing commenced December 2014	Open 
11	The Scottish Government should provide a legal definition of ashes	The Chief Executive to make representations to the Scottish Government with regards to the definition of ashes.	City of Edinburgh Council - Sue Bruce	03.06.2014 Letter of representation sent to the Scottish Government. 05.06.2014 Scottish Government response received and is under consideration.		03.09.2014 • CEC has accepted and adopted recommendations from Lord Bonomy's report on the definition of ashes, and this will be presented for formal approval by Committee in November, and included as part of a policy statement developed in September/October. 7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. 14.11.14 To be progressed by National Committee	Open 






12	The Scottish Government should ensure proper, accountable and transparent regulation of the cremation of pre 24 week fetuses	The Chief Executive to make representations to the Scottish Government re position of pre 24 week fetuses. The City of Edinburgh Council to then ensure that working practises reflect Scottish Government Regulation.	City of Edinburgh Council - Sue Bruce	<p>03.06.2014 Letter of representation sent to the Scottish Government.</p> <p>05.06.2014 Scottish Government response received and is under consideration.</p>		<p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 To be progressed by National Committee</p>	Open 
13	The Council should discuss overnight cremation with the Scottish Environmental Protection Agency (SEPA) to ensure compliance with the permit	Record of ongoing engagement with SEPA to be included in the Matrix.	City of Edinburgh Council - Natalie McKail	<p>05.06.2014 To continue dialogue with SEPA regarding existing permit, current and developing working practises and the introduction of an infant cremator.</p> <p>To request SEPA offer further detailed information on the capacity and functionality of the infant cremator.</p> <p>To await potential instruction on the use and practicalities of using the infant cremator from Lord Bonomy.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> The practice of overnight cremation of infants at Mortonhall formally ceased by CEC in May 2014. Notification of this change was formally provided as requested to SEPA in May 2014. This change of working practice is articulated through a submission to SEPA, revised Safe Working Practices and Risk Assessment, and a staff workshop has been held to ensure full understanding of the process and implications. A clear description of current practice, to be provided to Funeral Directors and NHS Lothian, is currently being drafted, to be available in September/October 2014. This can also be made available to bereaved families if requested. A formal approach was made to SEPA on 20 August requesting an update on the draft application for Variation of Permit in relation to the Small Scale Cremator. They have stated that this process involves a period of around 3-4 months consideration, after which a statement will be made to City of Edinburgh Council. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>16.01.15 The Policy Document will be made available to members of the public, together with a summary statement to be drafted including plain and sensitive language.</p> <p>19.01.15 An update was requested from SEPA who have indicated the revised crematoria permit template is still at draft status.</p>	Open   





					<ul style="list-style-type: none"> • Appropriate training and safe working practices and Risk Assessments will be in place prior to commissioning of Small Scale Cremator. On site visits from Asset Management, Building Standards and Fire Service to agree joint specification for required works to enable commissioning of Small Scale Cremator. • Further building work will be required to ensure a high quality and sensitive level of service for this new process. <p>07.10.2014</p> <ul style="list-style-type: none"> • Officers are continuing to work with SEPA in regards to the variation of the cremation permit to allow the use of the small scale cremator at Mortonhall. We are awaiting an update from SEPA in this regard. <p>Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Bereavement Services Manager and Environmental Health/Scientific Services and Local Community Planning Manager developing commissioning plan in dialogue with key partners including SEPA</p> <p>11.12.14 Response provided to National Committee on above practices</p>	   
14	The Council should urge the Federation of Burial and Cremation Authorities (FBCA) and the Institute of Cemetery and Crematorium Management (ICCM) to review their policy and guidance documents	The Chief Executive to make representations to FBCA and ICCM seeking assurances that policy and guidance flowing from Lord Bonomy's Commission will be implemented.	City of Edinburgh Council - Sue Bruce	<p>05.06.2014 Representations to FBCA and ICCM seeking assurances that policy and guidance flowing from Lord Bonomy's Commission will be implemented to be made 06.06.2014</p> <p>09.06.2014 ICCM response received and is under consideration.</p> <p>09.06.2014 FBCA response received and is under consideration.</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • See Recommendation 7. • Communications ongoing with ICCM w/c 18th August and meeting with FBCA scheduled for 2nd September. • Meeting with representatives of the Institute to be set up in October 14. CEC response to Scottish Government regarding representation on National Committee on Infant Cremation being sent to confirm participation. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Updated guidance documents now available on respective websites to be shared with staff teams. To be further progressed by</p>	<p>Closed</p> 





						National Committee.	
15	The Council should ensure adequate training for its staff	<p>To continue the review of work practise, process and training.</p> <p>Importance of multi agency training within the local area to be highlighted and promoted.</p> <p>The use of DVDs as a training tools to be further investigated.</p>	<p>City of Edinburgh Council - Natalie McKail</p>	<p>05.06.2014 In conjunction with multi agency partners, including The NHS and Private Sector, the Council is to ensure adequate training for staff.</p> <p>Actions associated with Recommendation 1 will also be considered against Recommendation 15</p>	<p>11.06.2014 City of Edinburgh Council Officers and NHS Lothian Officers to meet in July to discuss synergies in regards to work practises, processes and training.</p>	<p>03.09.2014</p> <ul style="list-style-type: none"> • See Recommendation 7. • Conference call held with NHS Lothian on 1st July 2014 (Fiona Mitchell) <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 See above</p>	<p>Open</p> <p></p>
16	The Scottish Government should make changes to its guidance on the subject of ashes informed by scientific or medical evidence and research.	<p>The City of Edinburgh Council to make strong representations to the Scottish Government to have the term "ashes" defined in legislation to remove any continuing confusion and that the broader interpretation should be preferred in the meantime.</p>	<p>City of Edinburgh Council - Sue Bruce</p>	<p>03.06.2014 Letter of representation sent to the Scottish Government.</p> <p>05.06.2014 Scottish Government response received and is under consideration.</p>		<p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 To be progressed by National Committee</p>	<p>Open</p> <p></p>

17	NHS Lothian should further train its staff in working with bereaved families and develop clear and simplified policy and guidance	User friendly Policy and Guidance that can be delivered in various formats to be developed.	NHS	05.06.2014 NHS Lothian has established a Working Group. This Working Group will report through the NHS Board to the Multi-Agency Working Group.		<p>03.09.2014</p> <ul style="list-style-type: none"> • CEC Policy statement developed in September/October, plus all revised information letters, leaflets and resources for the bereaved to be shared with NHS Lothian to inform support they provide to bereaved families. • Further, this information will be shared with all key stakeholders such as SANDS Lothian, SiMBA and Funeral Directors. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 To be progressed by NHS Working Group and National Committee. CEC Policy Statement to be provided to NHS in November 2014.</p> <p>11.12.14 Draft policy documents and form A shared with NHS to inform team discussions around progressing agreed approach to supporting bereaved parents</p>	Open  
18	The FBCA and the ICCM should develop training specifically for the cremation of fetuses and young children	The Chief Executive to make representation to FBCA and ICCM encouraging participation in the review process. The letter of representation to be forwarded to responsible Officer (Gareth Brown) within the Scottish Government – for information.	City of Edinburgh Council - Sue Bruce	05.06.2014 Representations to FBCA and ICCM encouraging participation in the review process made on 06.06.2014		<p>03.09.2014</p> <ul style="list-style-type: none"> • See Recommendation 7. • A Formal letter has been sent to FBCA requesting an update. <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 See above.</p>	Closed 
19	Communication between all agencies should be carried out on a more formal basis.	To be reviewed as part of training/comms actions. Language and terminology to be used that can be commonly understood.	<ul style="list-style-type: none"> • City of Edinburgh Council • Funeral Directors • NHS 	05.06.2014 To improve upon existing partnerships, forum etc to establish formal communication networks. Also, to refer to child protection protocol regarding the sharing information.		<p>03.09.2014</p> <p>Informal internal dialogue has taken place with colleagues from Health & Social Care and Children & Families. Awaiting the establishment of the National Committee followed by developed understanding of the landscape and assess what additional aspects might be needed.</p> <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p>	Open 

						<p>14.11.14 To be progressed by National Committee.</p> <p>11.12.14 See Comms Plan</p>	
20	<p>The Council should ensure that parents understand the importance of Form A and see and sign it in all cases</p>	<p>To be reviewed as part of training/comms actions.</p>	<ul style="list-style-type: none"> • City of Edinburgh Council • Scottish Government • NHS 	<p>05.06.2014 All staff to be trained to stress the importance of Form A.</p> <p>Actions associated with Recommendation 1, particularly those referring to training, will also be considered against Recommendation 20.</p>		<p>03.09.2014</p> <ul style="list-style-type: none"> • Engagement session held with key staff around current and revised Form A, including active team input into redesign of Form. • Further engagement/training to ensure staff understanding of policy statement and guidelines. • Need formal communications with NHS and Funeral Directors once agreed, plus agreed approach to training on use. <p>07.10.2014</p> <p>Work is continuing to revise Form A. A finalised Form A will be submitted to the next meeting of the Working Group (14 November 2014) for sign off.</p> <p>Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 See above.</p> <p>16.01.15 Ensure partner training and familiarisation with new policy statement including key messages to share with the bereaved</p> <p>Version 6D of Form A incorporating further legal input, FBCA and service managers feedback, presented to Chief Executives Multi Agency Working Group on 16th January 2015. As good progress being made at National level, decision taken to await outcome from National Committee Sub Groups and for supplementary guidance only to be revised. Supplementary guidance presented to Committee for approval.</p>	<p>Open</p>  

21	The Council should ensure that the location of interment of remains is recorded in future	Record management system to be reviewed and improved.	<ul style="list-style-type: none"> • City of Edinburgh Council • Scottish Government 	02.06.2014 Lord Bonomy's Commission will likely address this aspect	11.06.2014 Officers to clarify what the local/national record retention policy is and how these records are stored. Furthermore, Officers to investigate possibility of digitising all records.	<p>03.09.2014</p> <ul style="list-style-type: none"> • Audit trail for handling of remains being developed, including follow through of recommendations from Rick Powell's report. • Meeting held with Kevin Wilbraham, CEC Information Governance Manager, to discuss appropriate storage, archiving and retention policy of crematorium records. A feasibility exercise will be carried out commencing in October to provide recommendations to the service team in relation to all appropriate legislation and CEC policies. This will take account of the recommendations from the Lord Bonomy report and will incorporate the feasibility of retrospective and ongoing digestion of records. • Initial improvements introduced on the recording procedure at Mortonhall. <p>07.10.2014</p> <ul style="list-style-type: none"> •The BaCAs system is currently undergoing further refinement Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report. <p>14.11.14 key workshop action at Team Away Day on 12.11.14 will be to develop and establish agreed process to record journey of ashes. Further information audit carried out by Information Governance Team in October 2014 with set of recommended actions outlined in line with legislative and operational good practice. Team progressing initial packaging and storage of records.</p> <p>16.01.15 Agreed new process for specifically recording location of interred ashes started in Jan 15 will be linked to recording on BACAS</p>	Open     
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22	<p>The Council should discuss options for memorials with parents taking into account the range of views expressed in particular about its location.</p>	<p>Going forward City of Edinburgh Council Officers to explore and observe best practise at Seafield and Warriston in regards to how ashes and mementos are presented to parents.</p> <p>City of Edinburgh Council Officers to engage with parents as to what they would like to see as a fitting memorial to their children.</p>	<p>City of Edinburgh Council - Natalie McKail</p>	<p>05.06.2014 To discuss with SANDS & SIMBA as to when the time is right to open discussions with parents in regards to improving the landscaping and the design of a fitting memorial to their child.</p> <p>Actions associated with Recommendation 22 will also be considered against Recommendation 10.</p>	<p>06.06.2014</p> <ul style="list-style-type: none"> To identify a date in August 2014 to open discussions in regards to a proposed memorial with SIMBA & SANDs. (NMc) SIMBA & SANDs to be intimately involved in the location and design of any memorial. (NMc) Suggestions for the design and location of the memorial to developed in advance of discussions with SIMBA & SANDs. (NMc) Consideration to be given to The Meadows as a location for the memorial. (NMc) To work with Planning Officers to introduce Private Bill to allow for a 	<p>03.09.2014</p> <ul style="list-style-type: none"> City of Edinburgh Council have supported SANDS Lothian and SiMBA to host a meeting with parent representatives and affected parents on 14 August 2014. The invite letter for this meeting noted that written representations could be made and these would be read out in full at the meeting. It was noted by the chair at the start of the meeting that a verbatim minute would not be taken, however informal notes would be scribed which could be made available to those who were unavailable to participate. Notes of this meeting are appended. A number of key actions were agreed including the development of a questionnaire to be sent to all parents within 2-3 weeks in consultation with SANDS/SiMBA. A draft version of this questionnaire was sent to SANDS/SiMBA in w/c 25th August. Feedback has been received for this and it is intended this will be circulated to affected parents w/c 8th September. An Survey Monkey version is available for those who wish to complete online. Notes of the meeting show that two favoured options were identified by parents in attendance, these being a memorial at Mortonhall and a memorial to be placed within the Royal Botanic Garden Edinburgh. An initial approach was made to the Regis Keeper of the RBGE on 18th August 14. A meeting was held on 2nd September with residents who stay in properties at the boundary of the Mortonhall site overlooking "the land adjacent to the skips." to brief them on the views of affected parents, to hear their views, and to agree the scope of landscaping improvements. <p>07.10.2014</p> <ul style="list-style-type: none"> An engagement exercise in partnership with SiMBA and SANDs Lothian to canvass views on the shape and location of a memorial was completed on 13 October. The responses received are under consideration. City of Edinburgh Officers to meet with bereaved parents in mid November to discuss the proposed design of the memorial <p>7.10.14 Comprehensive update on actions presented to Chief Executive Working Group reported through draft Corporate Policy and Strategy Committee Report.</p> <p>14.11.14 Survey now completed and key responses analysed. Further meeting to be held with parents 26 November 2014 at Murrayfield to discuss responses and agree options for moving</p>	<p>Open</p> <p></p> <p></p> <p></p> <p></p>
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				<p>permanent memorial in the Meadows, Bruntsfield Links and/or Princes Street Gardens.</p> <p>(AMc)</p> <ul style="list-style-type: none">• Forget Me Not contact details to be forwarded to SIMBA & SANDs. (CS)• To include thanks to organisations in the report to the City of Edinburgh Council on 26 June 2014. <p>(SB)</p> <p>11.06.2014</p> <ul style="list-style-type: none">• Any proposed memorial at Mortonhall to involve discussions with local residents.• Officers to establish a Focus Group to develop several preliminary options for a suitable memorial in	<p>forward. Invite letter and summary of responses sent to affected parents.</p> <p>Memorial bench installed in agreement with SANDS at SANDS offices in Craiglockhart with support from CEC in Dec 14.</p> <p>Initial discussions held with range of stakeholders around progressing potential design options</p> <p>16.01.15 Meeting with parents on 26 November agreed that 2 locations, including one at Mortonhall, should be progressed as potential for memorial; Parents to be provided with online access to images or first stage design options by 31 Jan 15;</p> <p>Initial discussions held with garden designers around best methodology for progressing designs and parent consultation</p> <p>Formal statement of meeting provided by City of Edinburgh Council to SANDS/SiMBA to share with parents</p> <p>The Mortonhall Action Team has been working closely with independent garden landscape designers to develop a range of initial garden design options which were presented to the Chief Executive Multi-Agency Working Group on 16th January 2015. These were well received by this group, however it was recognised that the decision around options for memorial must lie with affected parents. These initial design options are available online for comment, as requested by parents who attended the meeting.</p> <p>Feedback from these preliminary design images will inform subsequent work which designers will progress with representative individual and groups of parents, in order to reach an agreed style and design of garden tailored to both their expectations and to the specific locations. A series of consultation events has also been co-designed and jointly hosted by SANDS Lothian, SiMBA and the City of Edinburgh Council. A follow-up meeting with affected parents is scheduled in February 2015.</p>	   
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					advance of wider consultation and engagement.		
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Action Points						
C E C 1	06.06.2014 Scottish Government and City of Edinburgh Council (GB & CS) to examine and map linkage(s) between actions being taken forward by the City of Edinburgh Council and the recommendations contained within Lord Bonomy's report.	<ul style="list-style-type: none"> • City of Edinburgh Council • Scottish Government 		Mapping exercise completed September 2014		
C E C 2	11.06.2014 Customer surveys to be carried out with bereaved families, funeral directors and NHS Lothian to assess the impact of the changes made to the services provided.	<ul style="list-style-type: none"> • City of Edinburgh Council 				
C E C 3	11.06.2014 Multi-Agency Working Group to continue to meet to ensure that the Action Plan is fully discharged and to review the success of the Action Plan in 12 months.	<ul style="list-style-type: none"> • City of Edinburgh Council 				
C E C 4	11.06.2014 To explore the cost of producing Mortonhall Investigation Report commissioned by the Chief Executive from Dame Elish Angiolini DBE QC.	<ul style="list-style-type: none"> • City of Edinburgh Council 				Closed

Mortonhall Crematorium Policy

Implementation date:

Control schedule

Approved by	Natalie McKail
Approval date	9 January 2015
Senior Responsible Officer	Natalie McKail
Author	Ewan McCormick
Scheduled for review	11 January 2016

Version control

Version	Date	Author	Comment
1.1	10/11/14	Ewan McCormick	
1.2	19/11/14	Ewan McCormick	Following team input
1.3	23/11/14	Ewan McCormick	
1.4	24/11/14	Ewan McCormick	Incorporating amendments from partners
1.5	25/11/14	Ewan McCormick	
1.6	10/12/14	Ewan McCormick	Incorporating amendments from Natalie McKail
1.7	18/12/14	Ewan McCormick	Kevin Wilbraham
1.8	20/1/15	Ewan McCormick	Natalie McKail – taking account of Scottish Government draft model policy statement provided on 19/1/15
1.9	22/1/15 & 23/1/15	Natalie McKail/Ewan McCormick	Comments from Chief Executive Working Group members

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
5/2/15	City of Edinburgh Council	Mortonhall Update reports	

Mortonhall Crematorium Policy Statement

Policy statement

- 1.1 This Policy Statement sets out the range and quality of service that the bereaved can expect from services delivered at Mortonhall Crematorium, and outlines a commitment from the City of Edinburgh Council to deliver cremation services to the specified standards.
- 1.2 This Policy Statement takes into account good practice guidance produced by the Institute of Crematorium and Cemetery Management (ICCM) and the Federation of Burial and Cremation Authorities (FBCA).
- 1.3 This Policy Statement sets out key principles to achieve these aims, and details the Council's corporate and employee responsibilities required to ensure compliance.
- 1.4 This Policy Statement will be regularly revised to reflect legislative changes.

Scope

- 2.1 This Policy applies to Cremation Services currently delivered at Mortonhall Crematorium.
- 2.2 This Policy will be implemented by staff at Mortonhall Crematorium, supported by managers and industry partners, within an ongoing performance monitoring framework.
- 2.3 In working with third parties, we will promote the adoption of practices and arrangements consistent with the principles set out in this policy.

Definitions

- 3.1 **Cremation records** include all legislative documentation supplied to the crematorium, mainly but not solely by Funeral Directors, which ensure that the cremation can legally take place. These also include electronic and hard copy records maintained by crematorium staff of each cremation.
- 3.2 The **Cremation Authority** means the local authority with responsibility for the maintenance, operation and upkeep of Council-run crematoria in that area, in this case the City of Edinburgh Council. This excludes privately operated crematoria.
- 3.3 **Ashes** mean “**all remains that are left in the cremator at the end of each cremation process and following the removal of any metal**”. **Recovered ashes from any cremation may include remains of the coffin and other materials from within the coffin.** There might be a small number of cases where there are no ashes remaining at the end of the cremation process. If this is the case our staff will contact the Applicant for Cremation and advise them of this.
- 3.4 The **Cremation (Scotland) Regulations 1935**, and subsequent amendments, provide the legislative framework for the cremation process in Scotland.

As of October 2014, the legislative framework in Scotland is under review by the Scottish Government as part of the suite of recommendations arising from Lord Bonyon's Report of the Infant Cremation Commission (June 2014). This work is being progressed by the National Committee on Infant Cremation and its various subgroups. The subgroups were agreed as: Policy and Code of Practice; Cremation Practice; Shared Cremations; Records and Forms and Training and Communications. The National Committee recognises the distressing impact historical cremation practice has had on many families in Scotland, and that a key Committee objective is to ensure that future policy, practice and law prevents any re-occurrence of such distress.

Recommendations which are legislative will be subject to consultation and Bill timescales.

- 3.5 The **Federation of Burial and Cremation Authorities (FBCA)** represents approximately 90% of all cremation authorities in the United Kingdom. Membership of the Federation is open to all burial and cremation authorities and is the sole organisation dedicated to representing and furthering the interests of burial and cremation authorities.

- 3.6 The **Institute of Cemeteries and Crematorium Managers (ICCM)** has represented professionals working in burial and cremation authorities and companies throughout the UK since 1913. Their aim is to improve standards of services to the bereaved by providing professionals, authorities and companies with Policy and Best Practice Guidance and Educational and Training programmes.
- 3.7 The **Garden of Remembrance** is a tranquil, grassed area within the Crematorium grounds.
- 3.8 The national **Code of Cremation Practice** was first produced in 1945 and periodically updated and revised, is essential in the maintenance of standards at crematoria and the observance of the Code is an obligation of membership of the Federation.

Policy content

4.1 Service Commitment statement

- 4.1.1 The City of Edinburgh Council recognises that the cremation of a human body is a highly emotional occasion. Our team will provide a professional and dignified cremation service supported by competent, caring staff, to meet all religious, secular, ethnic and cultural needs.
- 4.1.2 Our staff will support members of the public in a sympathetic, courteous and helpful manner, in line with professional industry guidelines, national and local Codes of Practice and the City of Edinburgh Council's policies.
- 4.1.3 Our staff recognise that this is the final service that the City of Edinburgh Council will provide for the deceased, and we will carry this out in such a way as to demonstrate our respect for the wishes of the deceased and their family.
- 4.1.4 The City of Edinburgh Council will ensure that complete and accurate records are maintained for all cremations carried out at Mortonhall Crematorium within legislative requirements, including the recording of final location of ashes when these have been buried in the Crematorium grounds.
- 4.1.5 The City of Edinburgh Council will ensure accurate and current information on the services we provide are available to members of the public, Funeral Directors, NHS and other partners, and on the City of Edinburgh Council website. This can also be provided in a variety of languages if requested.

- 4.1.6 Our staff will work closely with members of the public and all relevant health services, Funeral Directors and support groups in order to create a culture of continuous improvement in the services we offer and an understanding of the experience of the bereaved.
- 4.1.7 In line with the City of Edinburgh Council's policies, we will provide a clear complaints and suggestions procedure to enable us to improve our service based on feedback received from users.
- 4.1.8 We will measure customer feedback and our performance against agreed targets to ensure we continue to deliver a high quality, responsive service
- 4.1.9 We will ensure that in developing and delivering cremation services we will take the needs of ethnic and other minority groups into consideration.
- 4.1.10 We will regularly compare our quality of service with that of other crematoria to ensure that we deliver the best possible quality of service.

4.2 Cremations

- 4.2.1 All cremations **shall** be carried out according to the provisions of the Cremation (Scotland) Regulations 1935, and any amendments thereof. No cremation can take place without receipt of required legislative documentation and the written authority of designated Senior Cremation Authority staff and the Medical Referee.
- 4.2.2 **No** cremation shall take place unless clear, signed, instructions regarding the disposal of ashes has been received from the next of kin of the deceased.
- 4.2.3 All cremations in Mortonhall are carried out in accordance with all relevant Codes of Practice (including those produced by the Scottish Government and FBCA) and guidelines produced by the FBCA and ICCM as nationally recommended standards of best practice. A copy of relevant Codes of Practice will be publicly displayed in the Crematorium.
- 4.2.4 Each coffin given to the care of the Cremation Authority shall be cremated separately.
- 4.2.5 Families can witness the committal of their loved one to the cremator, by prior arrangement, if they desire to do so.

4.3 Policy Statement on Ashes

4.3.1 Whilst our employees might use the terms 'ashes' and 'cremated remains' we deem these to be one and the same and defined as '*all that is left in the cremator at the end of the cremation process and following the removal of any metal*'. There might be a small number of cases where there are no ashes remaining at the end of the cremation process. If this is the case our staff will contact the Applicant for Cremation and advise them of this.

4.3.2 We will offer relatives of the deceased a choice on what they would like to happen to the ashes of their loved ones. These are:

(a) to be taken away in a Casket within 28 days by designated representatives of the family

(b) buried in the Garden of Remembrance at Crematorium; or

(c) retained to await instruction (Period 28 days).

If, at the end of 28 days, no instructions have been received as to the disposal of these ashes, we will write to relatives giving them a further 14 days notice. If no clear instructions have been received after this time, the ashes will be respectfully buried in the Garden of Remembrance. The Garden of Remembrance is a tranquil, grassed area within the Crematorium grounds.

4.3.3 If ashes are scattered or buried within the grounds of the crematorium the final resting place will be registered along with any details of any person authorised by the applicant to remove/collect the ashes.

4.3.4 If applicants have indicated they wish to collect ashes the details of any person authorised by the applicant to remove/collect the ashes will likewise be recorded.

4.3.5 The policy of this Cremation Authority is designed to provide an audit trail from the receipt of initial funeral instructions to the final disposal of ashes, either by collection from the crematorium or by burying within the Gardens of Remembrance at Mortonhall.

4.4 Babies and infants

- 4.4.1 In distressing situations where a baby has died, our staff will do everything possible to assist bereaved parents and families to support them in the decisions they have made.
- 4.4.2 As with adult cremations, the City of Edinburgh Council will ensure that our staff approach the cremation of a baby with sensitivity, and will take account of, and respect the wishes and needs of parents and families at this very difficult time.
- 4.4.3 The City of Edinburgh Council, in conjunction with industry representatives, has developed an approach to the cremation of babies and infants that is designed to maximise the recovery of ashes. This includes the use of a cremation tray designed to retain ashes, and the maintenance of operational conditions that will maximise the recovery of any ashes during the process of cremation.
- 4.4.4 Our staff will be vigilant during the cremation process and adjust operational conditions when necessary in order to protect the ashes of babies and infants and maximise the recovery of ashes. We will adhere to our identification procedure that guarantees that the ashes resulting from individual cremations returned to parents are those of their baby.
- 4.4.5 Where a shared cremation has been chosen by parents, and hence ashes are not individually identifiable, we will take the same care throughout the cremation process and will scatter/bury the ashes within the designated area. The location will be recorded for future reference.
- 4.4.6 In the case where a memorial service has been arranged for a shared cremation, we will work with partners to ensure that wherever possible, and if requested, affected parents are given the opportunity to attend.
- 4.4.7 In relation to the disposal of ashes in the case of a private cremation, this Cremation Authority will only act upon the written instruction of the parent who is acting as the "Applicant for Cremation". In the case of shared cremations we will only act on the written instruction of the designated person at the relevant hospital, who is acting as the "Applicant".
- 4.4.8 All cremations of babies and infants will be registered at the crematorium, with all forms and documents being retained according to agreed legislative and regulatory requirements and the City of Edinburgh Council's Document Retention Policies.

4.5 Paperwork

4.5.1 The City of Edinburgh Council will work with partners to ensure that all forms and paperwork are clearly explained to applicants and that they understand what choices they are being asked to make. Those who have suffered loss will be given time to consider what is best for them and their family. They will also be provided with information on support agencies who can help them at this difficult time.

4.6 Environmental statement

4.6.1 As required by law we will work to minimise the impact of bereavement upon the environment. We will comply with statutory and legislative requirements including control of crematorium emissions, and support the deceased and their families should they wish to choose earth friendly materials (eg coffin materials) and environmentally friendly practices, in the cremation process.

4.6.2 To ensure operational efficiencies in line with environmental requirements, there may be occasions when a cremation is not carried out on the same day as the funeral. In line with guidance produced by the ICCM, and except in exceptional circumstances, all cremations will be carried out within 24 hours of the service taking place. If it is required that a cremation is carried out on the same day as the funeral, then a written request to this effect should be provided. This can be indicated on the Application for Cremation form.

4.7 Equipment

4.7.1 Cremators and all other equipment used in the Crematorium shall be kept in good repair, and regularly maintained and cleaned to ensure they are kept in good working order.

Implementation

5.1 This policy will be implemented through Bereavement Services Annual Service Plan, and adopted through discussion and engagement with partners, stakeholders and public.

Roles and responsibilities

- 6.1 The Director of Services for Communities has a general responsibility to ensure that the terms of above policy are managed according to statutory responsibilities and Council policies. The Director must do this by ensuring that:
 - 6.1.1 relevant Service Managers ensure that the policy is disseminated and adopted within Mortonhall Crematorium; and
 - 6.1.2 the terms of the above policy are clearly disseminated among partner organisations, public and stakeholders to ensure clarity of understanding
- 6.2 Designated Managers must:
 - 6.2.1 ensure that the terms of this policy and all associated procedures, policies, practice and guidance are understood by all staff and managers within the crematorium and that these are incorporated in routine practices;
 - 6.2.2 ensure that successful implementation of the Policy is supported by following agreed City of Edinburgh Council approaches to record keeping, customer care, correspondence management, maintenance and reporting of performance data and active participation in quality standard measurement tools such as Customer Service Excellence and ISO9000.
 - 6.2.3 ensure that emerging changes in legislation or professional industry guidance are communicated to staff teams and embedded in ongoing team practices, pending their inclusion in future reviews of this Policy.
- 6.3 Employees must:
 - 6.3.1 read, understand and follow this policy and any associated procedures and guidance that are relevant to their work;
 - 6.3.2 read, understand and follow any manuals or guidance that are relevant to their work;
 - 6.3.3 complete and follow any training that is relevant to their work that will support them in the successful delivery of this Policy; and
 - 6.3.4 identify and report any risks to Council to their line manager.

Related documents

7.1 Council Policy

7.1.1 Information Governance Strategy

7.1.2 Information Governance Policy

7.1.3 Employee Code of Conduct

7.1.4 Data Protection

7.1.5 Managing Work Performance

7.2 Legislation & Statutory Codes of Practice

7.2.1 Cremation (Scotland) Regulations 1935

7.2.2 Cremation (Scotland) Regulations 1952

7.2.3 Cremation (Scotland) Amendment Regulations 1967

7.2.4 Cremation (Scotland) Amendment Regulations 1985

7.2.5 Cremation (Scotland) Amendment Regulations 2003

7.3 Non-statutory Guidance and Practice

7.3.1 [Code of Cremation Practice \(FBCA\)](#)

7.3.2 [Sensitive Disposal of Fetal remains \(ICCM\)](#)

7.3.3 [Baby and Infant Funerals Policy and Guidance \(ICCM\)](#)

7.3.4 [Baby and Infant Cremations - Policy Statement - Working Group Scotland](#)

7.3.5 [Baby and Infant Cremations -Practice Guidance -Working Group Scotland](#)

Equalities impact

8.1 The activities listed in this report will contribute to a significant enhancement of rights, particularly in relation to Health, Individual, Family and Social Life, Participation, Influence and Voice, and Productive and Valued Activities.

Sustainability impact

9.1 Any change to process and equipment at Mortonhall will be fully discussed and agreed with the Scottish Environmental Protection Agency, to ensure compliance with all relevant environmental legislation.

Risk assessment

10.1 Risks and issues of non compliance were identified by Dame Elish Angiolini, QC during her original investigation and have been addressed in her recommendations and subsequent Chief Executive's Multi-Agency Working Group action plan. The suite of improvement actions will be delivered with clear oversight from the Chief Executive, and within a strong governance framework and action plan incorporating clearly delineated milestones and responsible parties identified.

Review

11.1 In line with the Council's Policy Framework, this policy will be reviewed annually or when required by significant changes to legislation, regulation or business practice.

Application for cremation of the body of a person who has died

What is this form?

This form is an application for cremation of the body of a person who has died. This includes babies of pre-24 week gestation, any baby who was stillborn after 24 completed weeks of pregnancy or any baby who was born alive at any stage of the pregnancy and then died.

The parent, executor, near relative or person authorised to act in that capacity must send a Cremation Application form – sometimes called Form A in Scotland – to the Cremation Authority, in this case Mortonhall Crematorium, at least 24 hours prior to time of cremation. This is to make sure that the Cremation Authority has authorisation to cremate the remains of the person who has died. This must be lodged with the principal officer and Cremation Registrar at Mortonhall Crematorium.

The Funeral Director, Mortonhall principal officer or designated hospital personnel will help you to complete this form. A Certificate of Registration of Death must be lodged with this application, or a Certificate of Registration of Stillbirth (if after completed 24 weeks of pregnancy)

Note to the nearest relative or executor completing this form

The form will ask you for instructions on what you wish to happen with the cremated remains (ashes) of the person who has died. It is important to note that if someone else is completing and signing this form **on your behalf**, they are then responsible for decisions written on this form for the cremation of the person who has died. This includes saying **on your behalf** what is to happen to the cremated remains (ashes) on completion of the cremation.

It is vitally important that you let the person completing the form know **what you would like to happen on your behalf**. Anyone helping you to complete this form will make sure that you are given time to make the decision that is right for you.

If you decide that you do not wish to have the ashes returned to you staff at Mortonhall Crematorium will bury the ashes sensitively in the cremation grounds within 72 hours of the cremation.

If you are unable to make the decision at this time, we will retain the ashes at the Crematorium for 28 days. After this time, you will be given 14 days written notice from the Crematorium, and the cremated remains will be buried in a designated area of our grounds. This is a communal area, provided for the reverent disposal of cremated remains, and is used specifically for this purpose.

You will also be asked various questions relating to the person who has died, and whether the near relatives have been informed of the proposed cremation. You will also be asked whether the person who has died had any implant placed in their body which may be hazardous when the body is cremated; for example, a pacemaker or radioactive device.

City of Edinburgh Council: Policy Statement on recovery of Babies' Ashes

The City of Edinburgh Council, in conjunction with industry representatives, has developed an approach to the cremation of babies and infants that is designed to maximise the recovery of ashes. This includes the use of a cremation tray designed to retain ashes, and the maintenance of operational conditions that will maximise the recovery of any ashes during the process of cremation.

Ashes mean “all remains that are left in the cremator at the end of each cremation process and following the removal of any metal”. Recovered ashes from any cremation may include remains of the coffin and other materials from within the coffin. There might be a small number of cases where there are no ashes remaining at the end of the cremation process. If this is the case our staff will contact the Applicant for Cremation and advise them of this.

Environmental Policy

There may be occasions due to the need to reduce environmental emissions by using equipment efficiently, or due to operational circumstances, when a cremation is not carried out on the same day as the funeral. In line with guidance produced by the Institute of Cemetery and Crematorium Management, cremations will always be carried out within 24 hours of the service taking place and all Saturday funerals will be cremated on the same day. British crematoria have been legally obliged to reduce mercury emissions by 50% with effect from 1st January 2013

Appendix 4

Letter sent to parents inviting them to meeting on 26 November 2014



10 November 2014

Dear

Memorial for those babies affected by Mortonhall

We are writing to update you on the recent questionnaire that was sent in September 2014 to parents affected by events at Mortonhall Crematorium. This questionnaire was the result of a request made by parents during a meeting held at Murrayfield Stadium in August 2014 to discuss future memorial, and aimed to allow all affected parents to be involved in the development of options for future memorial, as it was recognised that not everyone could attend this meeting.

We understand that not all parents will have wished to contribute to the questionnaire, however those attending the meeting were in agreement that all affected parents should be provided with an opportunity to reflect and input their views.

A total of 80 responses have been received and we would like to thank all those who contributed to this. Please find enclosed a summary of the results of the questionnaire, setting out a breakdown of the feedback around suggested location, form and information to be included on the memorial, together with a summary of the key common comments submitted by parents.

Sands, SiMBA and the City of Edinburgh Council would like to invite all parents to a further meeting so we can discuss the results of the survey, and consider options moving forward. Copies of all responses can be made available at this meeting. This

meeting will take place on **Wednesday 26th November 2014, 7pm-9pm at Murrayfield Stadium (Smith & Wallace Suite) Edinburgh EH12 5PJ**. If you please make your way to the main gate at Murrayfield Stadium via Roseburn Street then go to 1925 suite entrance, you will be directed to the venue for our meeting.

Car Parking

North Stand Car Park

Directions and travel guidance to Murrayfield can be found via the following link:

<http://www.murrayfieldexperience.com/directions>

We would like to make sure that everyone has a chance to voice their thoughts.

If you are unable to attend this meeting and you wish for a representative to speak on your behalf please contact either:

Sands Lothian info@sands-lothian.org.uk or 0131 622 6263

SiMBA team@simbacharity.org.uk or 01368 860141

Natalie McKail natalie.mckail@edinburgh.gov.uk or 0131 529 7300.

We would be happy to read out a statement on your behalf at the meeting, or to take account of your views if you like to have a discussion with us in advance of, or after the meeting.

Yours Sincerely

Dorothy Maitland
SANDS
Council

Sara Fitzsimmons
SiMBA

Natalie McKail
City of Edinburgh

Mortonhall Survey Analysis

Broad outline

Total of 80 responses received

Not all respondents answered every question

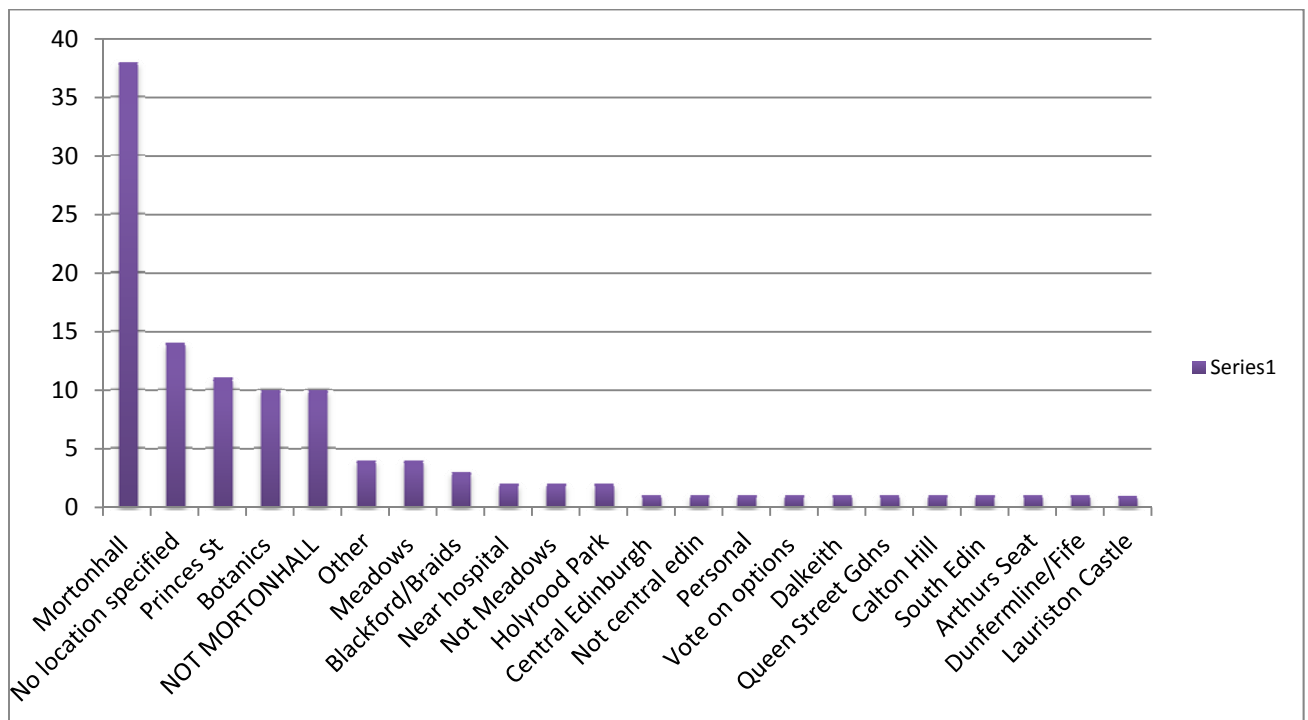
Analysis of individual questions

1. Where would you want a permanent memorial to be located?

76 responses received for this question

Some respondents suggested more than one location

- 38 respondents indicated Mortonhall would be preferred location
- 13 respondents did not specify a location
- 10 respondents suggested Princes Street Gardens
- 10 respondents suggested Botanic Gardens
- 10 respondents specifically stated they did NOT wish Mortonhall as a location
- 24 respondents suggested variety of locations, eg Braids, Dalkeith, Meadows, Holyrood, with a small number of individual votes received for each

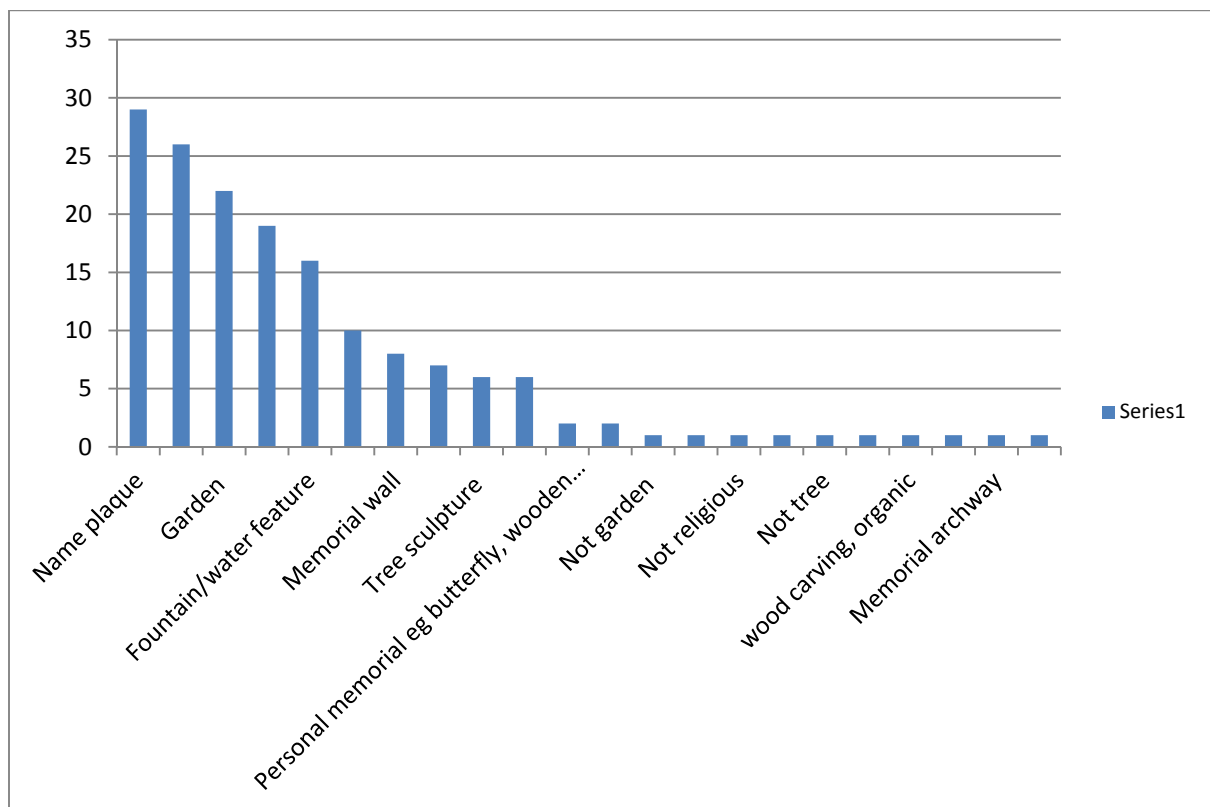


2. What form would you like any memorial(s) to take?

73 responses received for this question

Many respondents suggested more than one option

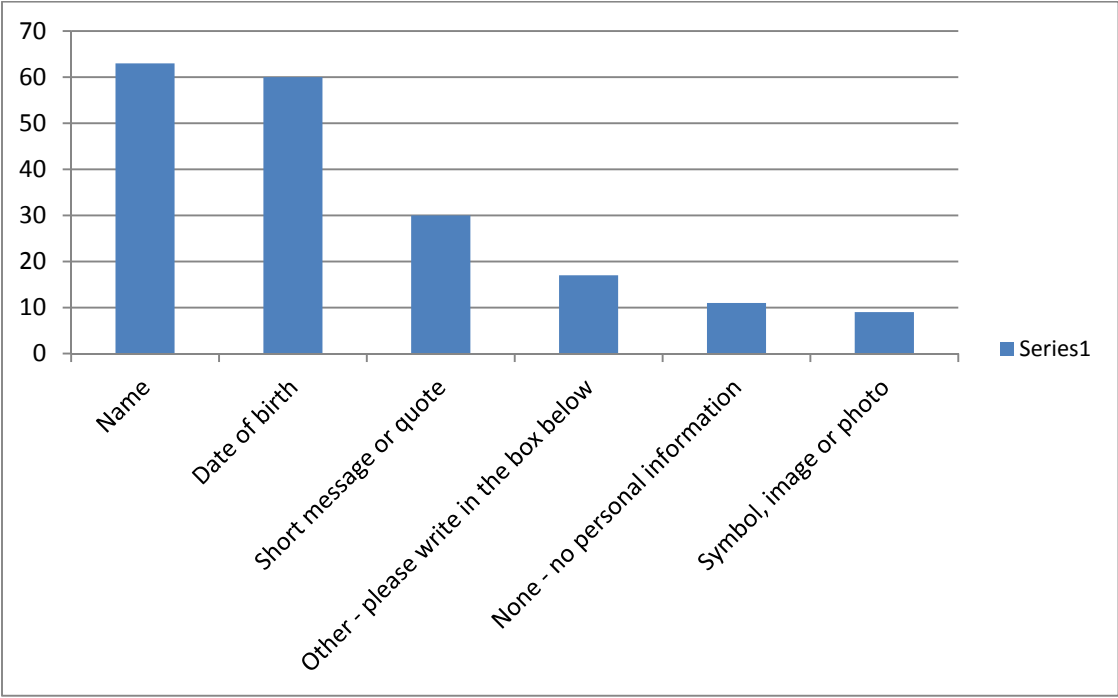
- 46 respondents suggested a physical memorial such as a sculpture, memorial wall, statue, archway or tree sculpture
- 22 respondents suggested a garden
- 19 respondents suggested benches would be valuable to allow affected parents to sit and reflect
- 15 respondents suggested a water feature
- 10 respondents suggested tree planting
- 28 respondents wanted a plaque incorporating their baby's name and date of birth as part of any memorial (but see Q.3 below)
- 2 respondents suggested creating a personal memorial eg butterfly, wooden hearts
- 10 respondents suggested a variety of options, including wind chimes, path of remembrance and donation to hospitals, with a small number of individual votes received for each



3. What information about your baby would you want to be shown on the memorial?

79 responses received for this question

- 64 respondents suggested they would like their baby’s name to be included
- 61 respondents suggested they would like their baby’s date of birth to be included
- 30 respondents would like a short message or quote
- 11 respondents did not want any personal information
- 10 respondents wanted a symbol, image or photo
- 17 respondents suggested other options including having a generic rather than individual message, and the date that the baby passed away



4. Is there anything else you feel could be done to help provide a suitable memorial for your baby?

A number of individual comments (38) were received in response to this open-ended question.

Most common concerns centred round

- Need for memorial, once completed, to be well-maintained
- Need for memorial to be in a private and peaceful location for parents to grieve and reflect
- A number of contrasting views were expressed about the location of the memorial. Several parents felt strongly that Mortonhall was the best location for this, despite negative connotations around the Crematorium, as this was the last resting place of the babies affected. Others expressed strong views that from a personal perspective this would be the worst possible location and suggested there was a need for memorial to be situated somewhere with positive connotations, eg Botanics, Princes Street Gardens, where parents would feel comfortable bringing family
- To be located in a place where risk of vandalism would be minimised
- A memorial in the shape of a Christmas tree where parents donate money for a light for their child, and money goes to charities to support similarly affected parents
- To be accessible to those travelling from variety of locations, not just in Edinburgh; a personal memorial might be one way of addressing this
- To support purchase of new hospital equipment for unwell babies
- To ensure further support provided by hospitals/SiMBA/SANDS
- Request that parents be invited to any dedication service
- Request for public apology naming each child affected
- That the memorial contain some kind of explanation of why it is there
- Overall, there has been a wide range of views and feelings from parents. Some parents acknowledge the efforts being made to address the situation. Others remain deeply distressed at the way they have been treated and do not feel the Council would ever be able to make amends for this, but are able to gain some consolation in hoping this never happens to anyone else.

Appendix 5

Update provided to SANDS Lothian and SiMBA after Meeting on 26 November 2014

This is to update you on progress towards creating a memorial(s) for babies cremated at Mortonhall Crematorium.

A survey of affected parents, carried out earlier this year, resulted in a wide variety of views being expressed and a meeting was held on 26 November to consider option for a memorial(s). Approximately 40 parents attended.

Parents were given;

- a report on the results of the survey
- a collection of design images from memorial gardens elsewhere in Scotland
- photographs sent in by parents, of individual mementos.

Some parents who couldn't attend had their views read out at the meeting.

A variety of opinions were expressed during a wide ranging discussion. These included the location and nature of the memorial, the need to ensure it was of a high quality and well maintained, and how quickly progress should be made.

It was recognised that a number of affected parents would not wish to return to Mortonhall but a number of parents also felt that as this was the last place they left their baby it would be an appropriate location for a memorial. It was therefore agreed that more than one memorial should be developed in order to respect and reflect these different views.

After a show of hands in the room, it was agreed that one of these memorials should be located within the grounds of Mortonhall. It was also agreed that further work be carried out to develop memorial options in one of the range of alternative locations suggested by parents, for example Princes Street Gardens, Lauriston Castle or The Meadows.

At the previous meeting in August 2014, the Royal Botanic Gardens in Edinburgh had been suggested as a potential location for a memorial. The RBGE has however noted, with deepest regret, that this would not be possible. Parents suggested that contact be made with the other suggested sites to establish if a memorial would be possible. This feasibility work is now underway.

Parents discussed the type of memorials which could be developed. It was suggested that two or three designs be developed for the Mortonhall site and be published online for consultation with parents. It was agreed that the designs would be influenced by the views expressed by parents who responded to the survey. These designs will be made available by the end of January 2015.

It is recognised that progress needs to be made as quickly as possible and it was agreed that communication and engagement was paramount.

Parents will continue to be consulted and opportunities provided for all to express their views in a means and manner that they can cope with, bearing in mind the emotional impact of the Dame Elish investigation report.

It was agreed further meetings would be helpful, but also that information should be available online so those people who could not attend meetings could access the information.

Appendix 6



Date

Dear

We are writing to update you on progress towards creating fitting memorial for babies affected by historical practices at Mortonhall Crematorium.

As you will be aware, a survey of affected parents was carried out in 2014. This resulted in a wide variety of views being expressed and a meeting was held on 26 November 2014 at Murrayfield Stadium by SANDS Lothians and SiMBA, supported by the City of Edinburgh Council, to consider memorial options. Approximately 40 parents attended, and others responded by email.

At this meeting parents were given;

- a report on the results of the survey
- a collection of design images from memorial gardens elsewhere in Scotland
- photographs sent in by parents, of individual mementos as suggestions for memorial.

Some parents who couldn't attend had their views read out at the meeting.

A variety of opinions were expressed during a wide ranging discussion. These included the location and nature of the memorial, the need to ensure it was of a high quality and well maintained, and how quickly progress should be made.

It was recognised that a number of affected parents would not wish to return to Mortonhall but a number of parents also felt that as this was the last place they left their baby it would be an appropriate location for a memorial. It was therefore agreed that an alternative memorial should also be developed in order to respect and reflect these different views.

It was agreed by parents attending the meeting that one of these memorials should be located within the grounds of Mortonhall. It was also agreed that further work be carried out to develop memorial options, where possible, in one of the range of alternative locations suggested by parents.

Parents discussed the type of memorials which could be developed. It was suggested that three or four designs be developed for the Mortonhall site and be published online for consultation with parents, recognising that not all affected parents can attend a meeting. It was agreed that the designs would be influenced by the views expressed by parents who responded to the survey.

The City of Edinburgh Council, on behalf of affected parents, SANDS Lothians and SiMBA have been in close discussion with a number of landscape designers, who have produced a range of initial design options for a memorial garden at Mortonhall.

We would like to make sure that everyone has a chance to voice their thoughts, so have arranged a variety of ways in which parents can view and comment on the designs if they wish. In each of these, parents will be given the opportunity to indicate which of the options most closely matches their idea of a suitable memorial garden design.

In person

Parents will be able to view and comment on these first stage designs at any of the following locations and times:

- **SANDS Lothian Offices, Craiglockhart Centre, 177 Colinton Road, Edinburgh**, at the following times:
 - Tuesday 3rd February until Thursday 5th February 2015, 9.30am-2.30pm
 - Tuesday 10th February until Thursday 12th February 2015, 9.30am-2.30pm

Should parents wish an evening viewing, please call and discuss this on 0131 622 6263, or email nicola@sands-lothians.org.uk.

SANDS Lothian staff will be available if needed to provide support.

- **SANDS Lothian Office, Craigsfarm, Maree Walk, Craigshill, Livingston** at the following times:
 - Monday 9th February 2015, 7.00-9.00pm. Please email nicola@sands-lothians.org.uk if you need any more information.

SANDS Lothian staff will be available if needed to provide support.

- **SiMBA Offices, Dalmatian House, Spott Road, Dunbar** on the following dates:
 - Between 2nd February and 28th February 2015, Monday-Friday 9.00am-5.00pm, evenings or weekends by arrangement.

Please call in advance to arrange to view the designs (01368 860141) or email team@simbacharity.org.uk

- **Dalkeith Arts Centre, 2 White Hart St, Dalkeith** on the following dates:
 - Tuesday 10th February between 2.00pm and 6.00pm

Please be aware that there will be no staff from SANDS Lothian, SiMBA or City of Edinburgh Council at this session, however information and support materials will be available.

- **Royal Infirmary of Edinburgh Chaplaincy Sanctuary** at the following times:
 - Between 2nd February and 28th February 2015 from 6.00pm-8.00pm.

Please call in advance to arrange to view the designs (0131 242 1990). Staff will be available to provide support if needed.

- **Pendolino Room, City Chambers, High Street Edinburgh** at the following times:

- Between 2nd February and 6th February 2015, from 9.00am-5.00pm

Please call in advance to arrange to view the designs (0131 529 7300) or email mortonhallenquiries@edinburgh.gov.uk. Staff will be available to provide information if needed.

Online

These designs will be available to view and comment between **31st January and 28th February 2015** at the following link <https://www.surveymonkey.com/s/mortonhall>

The City of Edinburgh Council Mortonhall Investigation webpage also includes a more general update on progress against the recommendations of the Dame Elish investigation report. It is planned that this information will be refreshed on 30th January 2015 to take account of this additional information.

You can also access the survey via the SANDS Lothian and SiMBA Facebook pages. Please contact SANDS Lothian and SiMBA using the contact details above.

The result of this further feedback from parents will then inform the design of the actual garden which will be developed at Mortonhall, and will allow the City of Edinburgh Council to move into a formal procurement process for this work. To support this process our designers hope to work with a focus group of parents to ensure that the garden creates a high quality, unique and memorable space with a sense of peace and dignity.

If you are interested on being part of this group and representing other parents in this regard, you can state this at one of the drop in sessions, or by contacting us at any of the phone numbers or email addresses below.

We are working closely with CEC colleagues, agencies and partners to identify a site for the second memorial, where possible taking into account the locations that affected parents suggested in the survey, and will keep you updated with progress. The range of alternative locations suggested by parents included, for example, Lauriston Castle or a location near the Royal Infirmary.

At the previous meeting in August 2014, the Royal Botanic Gardens in Edinburgh had been suggested as a potential location for a memorial. The RBGE has however noted, with deepest regret, that this would not be possible. Parents suggested that contact be made with the other suggested sites to establish if a memorial would be possible. This work is now underway and includes approaching landowners of a variety of sites suggested by parents, to assess their readiness to host memorials on their land.

Ongoing dialogue with the City of Edinburgh Council Parks and Green Spaces Team will ensure that in taking forward the development of any memorial we take into account factors such as access, site geography and patterns of use. It is also important to take into account other existing activities on any proposed site, such as sports and games, to ensure that we are able to deliver the quiet and tranquil atmosphere that many parents asked for.

We recognise that progress needs to be made as quickly as possible and will continue to consult and work with affected parents, bearing in mind the emotional impact of the Dame Elish investigation report.

A follow-up meeting for affected parents will be held at **Murrayfield Stadium, Edinburgh**, on **Wednesday 11th February 2015, 7.00-9.00pm**. Support will be provided by representatives from SANDS Lothian, SiMBA and City of Edinburgh Council.

If you are unable to attend any of these sessions, and are unable to use the online option, please contact either:

Sands Lothian info@sands-lothian.org.uk or 0131 622 6263

SiMBA team@simbacharity.org.uk or 01368 860141

Natalie McKail natalie.mckail@edinburgh.gov.uk or 0131 529 7300

Yours Sincerely

Nicola Welsh
SANDS Lothians
Council

Sara Fitzsimmons
SiMBA

Natalie McKail
City of Edinburgh

The City of Edinburgh Council

10.00am, Thursday, 5 February 2015

Operational Governance – Review of Contract Standing Orders and Guidance on Appointment of Consultants – referral report from the Finance and Resources Committee

Item number	8.2(a)
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 30 October 2014 considered a referral report from Full Council asking the Committee to scrutinise and review proposed changes to the Contract Standing Orders and Guidance on the Appointment of Consultants. Council is now invited to approve the recommendations made by the Finance and Resources Committee.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Operational Governance – Review of Contract Standing Orders and Guidance on Appointment of Consultants

Terms of referral

- 1.1 The Council approved the current Contract Standing Orders (“CSOs”) and the Guidance on the Appointment of Consultants (“Appointment of Consultants”) on 29 October 2012. The CSOs had been kept under review by Commercial and Procurement Services (CPS) since October 2012 to ensure that they worked effectively.
- 1.2 A further report was considered by The City of Edinburgh Council on 23 October 2014 detailing the outcome of the review that had been carried out of the Council’s Contract Standing Orders. Approval was sought for a number of proposed key changes to the Contract Standing Orders and the Guidance on Appointment of Consultants. The report was referred to the 30 October 2014 Finance and Resources Committee for detailed scrutiny and review.
- 1.3 The Finance and Resources Committee agreed:
 - 1) To refer the report to Council recommending that:
 - (i) Option 1, described in the report, was approved.
 - (ii) recommendation 1.1.3, ‘to delegate authority to the Director of Corporate Governance to make such revisals to the Contract Standing Orders as may be necessary in order to implement the decisions of Council in relation to the report, as required as a result of changes to legislation or statutory guidance and any other minor or consequential changes’ was approved, subject to the addition of ‘in consultation with the Convener and Vice-Convener of the Finances and Resources Committee’
 - (iii) recommendation 1.1.4, ‘to note that there will be an annual review of Contract Standing Orders to ensure that they continue to work effectively and secure continuous improvement and Best Value’ was approved, subject to addition of ‘and that any reasons will be contained within the report’.

- 2) To agree that the report would be referred to Council in 3 cycles to coincide with the Director's report that would be brought to Council on this item.

For Decision/Action

- 2.1 The Council is asked to approve the recommendations described at paragraph 1.3 above.

Background reading / external references

[Operational Governance - Review of Contract Standing Orders and Guidance on the Appointment of Consultants - referral from the City of Edinburgh Council](#)

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Veronica MacMillan, Committee Clerk

E-mail: veronica.macmillan@edinburgh.gov.uk | Tel: 0131 529 4283

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday 30 October 2014

Operational Governance – Review of Contract Standing Orders and Guidance on the Appointment of Consultants - referral from the City of Edinburgh Council

Item number	7.9
Report number	
Wards	All

Executive summary

The City of Edinburgh Council on 23 October 2014 considered a report detailing the outcome of the review of the Council's Contract Standing Orders. Approval was sought for a number of proposed key changes to the Contract Standing Orders and the Guidance on Appointment of Consultants. The report was referred to the Finance and Resources Committee for detailed scrutiny and review.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Operational Governance – Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Terms of referral

- 1.1 On 23 October 2014, the City of Edinburgh Council considered a report detailing the outcome of the review of the Council's Contract Standing Orders. Approval was sought for a number of proposed key changes to the Contract Standing Orders and the Guidance on Appointment of Consultants.
- 1.2 The City of Edinburgh Council agreed:
 - 1) To refer the report by the Director of Corporate Governance to the Finance and Resources Committee for detailed scrutiny and review.
 - 2) To instruct that a further report be brought to full Council in 3 cycles (January 2015) for approval.

For Decision/Action

- 2.1 The Finance and Resources Committee is asked to scrutinise and review the proposed changes to the Contract Standing Orders and Guidance on Appointment of Consultants as outlined in the attached report by the Director of Corporate Governance.

Background reading / external references

[Minute of the City of Edinburgh Council 25 October 2012](#)

Minute of the City of Edinburgh Council 23 October 2014

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Louise Williamson, Assistant Committee Clerk

E-mail: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4105

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Appendix 1 – Report by the Director of Corporate Governance

The City of Edinburgh Council

10.00am, Thursday, 23 October 2014

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Item number

Report number

Executive/routine

Wards

All

Executive summary

The Council approved the current Contract Standing Orders (“CSOs”) and the Guidance on the Appointment of Consultants (“Appointment of Consultants”) on 29 October 2012. CSOs are a legal requirement and provide the powers to control and regulate purchasing throughout the Council, and place requirements on service areas to effectively plan and contract manage the resulting contracts.

The CSOs have been kept under review by Commercial and Procurement Services (CPS) since October 2012 to ensure that they work effectively. This report explains the results of the review of CSOs and summarises the main changes that are proposed following extensive consultation, and seeks approval for the proposed changes.

Links

Coalition pledges

P30

Council outcomes

CO24 - 27

Single Outcome Agreement

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Recommendations

- 1.1 The Council is requested to:
- 1.1.1 approve the proposed revisals to the existing CSOs (as noted in Table 1 and Appendix 1 of this report), with approval to take effect from the date of the Council decision;
 - 1.1.2 consider whether it approves Option 1 to encourage the inclusion of local suppliers in Council tendering processes, as set out in 3.3 of this report;
 - 1.1.3 delegate authority to the Director of Corporate Governance to make such revisals to CSOs:
 - i) as may be necessary in order to implement the decisions of Council in relation to this report;
 - ii) as required as a result of changes to legislation or statutory guidance; and
 - iii) any other minor or consequential changes.
 - 1.1.4 note that there will be an annual review of CSOs to ensure that they continue to work effectively and secure continuous improvement and Best Value; and
 - 1.1.5 approve the revisals to the Appointment of Consultants as noted in Table 2 and Appendix 2 of this report.

Background

- 2.1 The Council is required to have CSOs under the Local Government (Scotland) Act 1973. CSOs provide the powers to control and regulate purchasing throughout the Council, and place requirements on service areas to effectively plan and contract manage the resulting contracts.
- 2.2 The purpose of the revised CSOs and the Appointment of Consultants is to improve purchasing controls to ensure Best Value is delivered.

- 2.3 The review of working practices ongoing since October 2012 has recognised that there is a need:
- to increase the threshold from £1,000 to £3,000, which allows for direct purchasing subject to best value requirements, addressing practical difficulties in relation to low value contracts;
 - to improve enforcement of the Purchase to Pay (P2P) process to ensure a reduction in retrospective spend;
 - to improve opportunities for local suppliers and SMEs;
 - to clarify the rules on aggregation (whereby artificial splitting of a contract's value to avoid the application of the CSO rules is not permitted);
 - to improve the rules on Waivers and extensions;
 - for further definition of appropriate consultation with elected members;
 - for appropriate delegation below the level of Director for low value/low risk contracts;
 - to address the issue of contractor blacklisting; and
 - to make changes to Appointment of Consultants.
- 2.4 The suggested revisals are as a result of feedback from service areas and elected members following nearly two years of implementation and the ongoing review of our purchasing practices as part of the Commercial Excellence Programme.
- 2.5 The revisals seek to improve controls on purchasing whilst balancing the need for sufficient flexibility to allow Council officers to purchase what they need when they need it.

Main report

Summary of proposed changes to the CSOs

- 3.1 The proposed CSOs changes will address practical difficulties encountered, clarify the rules and improve purchasing controls. Minor changes have also been made for stylistic reasons. The proposed revised CSOs and Appointment of Consultants are set out in Appendices 1 and 2 to this report and the significant amendments are explained in Tables 1 and 2 below.
- 3.2 There is also an option to be considered by the Council as set out in paragraph 3.3 of this report. The inclusion of this option increases contracting opportunities for local suppliers and SMEs.

Table 1

Standing Order No.	Change	Explanation for the Change
1.1 Extent and Interpretation	Extent: inclusion of Scheme of Delegation and Financial Regulations.	A requirement to read the CSOs in conjunction with and comply with the Scheme of Delegation (SoD) to Officers and the Council's Financial Regulations has been inserted.
1.2.1 Definitions and Interpretation	Extent: exclude direct payments or personal budgets under the Social Care (Self- directed Support) Act 2013 (SDS Act) from application of CSOs.	Payment will be to individuals. Option 3 of the SDS Act where the Council is contracting with a provider will still be subject to the CSOs.
1.2	Definitions and Interpretations Procurement Reform Act Best Value Director Procurement Requirement	Definitions have been added for the purposes of clarification. The term 'Director' has been amended to allow powers to be exercised by the Chief Executive of the Council, other Directors or a Head of Service. In recognition that many of the Council's contracts will be re-procurements, the term 'business case' and its association with the Treasury Green book and detailed 5 case model has been replaced with the broader term 'Procurement Requirement', encompassing business cases or options appraisals as appropriate.
1.3.1	General Principles Procurement Requirements to be signed off by Director where they exceed £1M (or £25,000 for consultancy spend).	For procurement requirements which exceed £1million (or £25,000 in the case of consultancy spend) Director approval will now be required prior to commencing any procurement.

1.3.5	<p>General Principles</p> <p>Grants subject to Best Value requirements but not procurement regime.</p>	Grants, while not subject to the application of procurement rules, are subject to the requirement to secure Best Value.
2.2	<p>Procedures</p> <p>The rules of aggregation apply and artificial splitting of contracts to avoid the application of the rules is not permitted.</p>	An explanation is now provided to clarify and ensure the rule prohibiting aggregation is observed.
2.3	<p>Procedures</p> <p>Clarification that adult and children's care services must follow Scottish Government Guidance.</p>	The 2014 Procurement Directive will impact upon care services once it is implemented by Scottish Regulations (expected late 2015). In the meantime the current Guidance will apply. Delegated authority is requested to allow the Director of Corporate Governance to amend the CSOs to introduce the minimal changes required for compliance prior to reviewing these CSOs.
2.7	<p>Procedures</p> <p>Direct purchasing below £3,000 (raised from £1,000) permissible subject to duty to secure Best Value, which will normally be by securing 3 quotes or evidence of firm fixed prices.</p>	Changes proposed in response to feedback that disproportionate resources and practical difficulties were required in obtaining 3 quotes for purchasing low value goods or services. Will include emergency situations outwith the Council's control. Will allow purchases from companies who do not tender e.g. online companies and supermarkets.
3.2.8 and 3.2.9	<p>The Role and Responsibilities of Directors</p>	To increase the percentage of compliant spend and reduce current high levels of retrospective spend, the swifter clearing of invoices and

	<p>Introduction of a requirement that a purchase order is required before a supplier is requested to provide goods, works or services and that the necessary information is entered on Oracle etc before the goods or services are delivered.</p>	<p>payment of contractors. A new requirement to ensure that no supplier is requested by the Council to provide goods, services or works without first having a purchase order has been included.</p>
3.2.10	<p>The Role and Responsibilities of Directors</p> <p>Responsibility of Directors to ensure all required contract information provided for purposes of updating the Contracts Register above £3,000 for goods and services and £10,000 for works.</p>	<p>For contracts exceeding £25,000 it will become a requirement of the Procurement Reform (S) Act 2014 to publish a contract register and make specified minimum details publicly available. This change is expected to be introduced by the end of 2015. Lowering the threshold to £3,000 will ensure more efficient and faster payment of suppliers as well as better visibility.</p>
3.2.16	<p>The Role and Responsibilities of Directors</p> <p>To consult with Elected Members as appropriate in relation to proposed procurement activity.</p>	<p>Following feedback from members there is a desire to be consulted on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity.</p>
5.3	<p>Evaluation of Tenders and Quotes</p> <p>The Council's ICT Solutions service must oversee purchases of ICT Software or hardware.</p>	<p>To allow corporate solutions to be sought.</p>
6 and Schedule	<p>Acceptance and Award of Contracts</p>	<p>In recognition of the practical difficulties for approval of low value</p>

	<p>Approvals of contract award for a value not exceeding £25,000 may be delegated below Head of Service.</p> <p>Signing of contract documents to dealt with by the SoD.</p> <p>Deletion of signing schedule in schedule.</p>	<p>contracts following feedback .</p> <p>Allows directorates to put in place their own arrangements under SoD.</p>
7.1.3	<p>Acceptance and Award of Contracts</p> <p>Finding of Contractor Blacklisting may result in exclusion or termination of contract.</p>	<p>Recognition of requirement in Scottish Public Procurement Note issued by the Scottish Government, to ensure blacklisting not used in connection with public contracts.</p>
9	<p>Waiver of CSOs</p> <p>0-£25,000 Head of Service and Commercial and Procurement Manager</p> <p>0-£250,000 Director and Director of Corporate Governance</p> <p>£250,000 plus – Committee or Council unless permitted by EU rules</p>	<p>Changes are proposed following a review of waivers and feedback from service areas that process needs to be clarified, simplified and speeded up. Those waivers that are permitted by EU rules are not strictly speaking waivers as in accordance with the law. While the process provides a useful audit, Committee approval should not be required.</p>
10	<p>Contract extensions or variations</p> <p>Head of Service may approve extensions or variations under £25,000.</p> <p>Director may approve extensions or variations under £250,000.</p> <p>Committee approval required where value of extension or variation</p>	<p>For the purposes of easing practical difficulties it is now provided that Heads of Service may approve contract extensions or variations where the value does not exceed £25,000 (and the extension or variation is provided for in the contract). To tie in with waivers level Directors may approve extensions or variations up to £250,000.</p>

	exceeds £250,000.	
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3.3 Option for additional powers

OPTION 1: The Council is asked to consider the following option which will increase opportunities for local suppliers, by encouraging their inclusion in Council tendering processes:-

“Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less, that at least one Small or Medium Enterprise (SME) from the City of Edinburgh, a new SME or an SME who is a significant employer within the City of Edinburgh and which has not previously contracted with the Council is invited to tender in any process.”

If adopted, guidance to support this requirement will be produced by CPS.

3.4 Proposed changes to the Appointment of Consultants

Table 2

Provision No	Change	Explanation for the Change
2.2 Definition of “consultant”	The definition of consultant shall exclude ‘agency and temporary workers’.	These are more appropriately dealt with by employment policies and through the relevant staffing agency contracts procured under CSOs.
4 Committee Approval	Committee approval not required for design teams for works projects that would not otherwise go to Committee. Definition of pre-approved Council Project included must have approved revenue or capital expenditure and a Committee report seeking consent for the project which includes explicit requirement for consultants. Standing Orders urgency provisions can be relied upon	Addresses anomaly that that Committee approval required for appointment of cost consultants, structural engineers etc, implicit in works projects that would not normally require Committee approval e.g. £300,000 refurbishment works. Mitigates against consequent delays to works programme due to approval process.

	if required.	
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Measures of success

- 4.1 The measure of success of the revised CSOs will be improved controls, increased compliance, delivery of better value contracts and a reduction in retrospective spend.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report. The changes to CSOs are expected to support the delivery of planned savings.

Risk, policy, compliance and governance impact

- 6.1 The revisions will improve controls, increase compliance and improve the governance of contracts.

Equalities impact

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

Sustainability impact

- 8.1 Should Option 1 be adopted, it will also encourage SMEs from the City of Edinburgh or who are significant employers within the City of Edinburgh to participate in the Council's tender processes. By considering costs throughout the entire life cycle of a contract, the most economically, environmentally and socially sustainable choices may be made.

Consultation and engagement

- 9.1 The CSOs were prepared in consultation with the Convenor and Vice Convenor of the Finance and Resources Committee and a wide range of officers involved in procuring and commissioning across all service areas of the Council. The revisions have been prepared in response to review by CPS and feedback as to improvements that could be made and practical difficulties experienced following implementation.

Background reading/external references

City of Edinburgh Council's Contract Standing Orders

[Report to City of Edinburgh Council dated 29 October 2012, Item No.8 .4\(a\): "Operational Governance: Contract Standing Orders"](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Nick Smith, Commercial and Procurement Manager

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

Links

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Council outcomes	CO24 - The Council communicate effectively internally and externally and has an excellent reputation for customer care CO25 - The Council has efficient and effective services that deliver on objectives CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives CO27 - The Council supports, invests in and develops our people
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CITY OF EDINBURGH COUNCIL

CONTRACT STANDING ORDERS

23 October 2014

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CONTRACT STANDING ORDERS

These Contract Standing Orders of the City of Edinburgh Council (“**Council**”) apply from 23 October 2014 and apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.

1 Preliminary

1.1 Extent and interpretation

- 1.1.1 The Council makes these Standing Orders in terms of section 81 of the Local Government (Scotland) Act 1973.
- 1.1.2 These Standing Orders must be interpreted in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.1.3 These Standing Orders apply from 23 October 2014 and apply, subject to the provisions of Standing Order 1.1.5, to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services (including consultancy services).
- 1.1.4 The Standing Orders are subject to the over-riding provisions of European Union, United Kingdom, or Scottish legislation. They are also subject to any EU Commission, UK government or Scottish Executive guidance on public procurement that may be issued from time to time.
- 1.1.5 The Standing Orders do not apply to any of the following:
 - 1.1.5.1 contracts of employment;
 - 1.1.5.2 contracts solely relating to the lease or disposal of heritable property;
 - 1.1.5.3 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013 and
 - 1.1.5.4 circumstances in which a waiver of the Standing Orders has been granted in accordance with Standing Order 9.
- 1.1.6 The Standing Orders must be read in conjunction with, and all Council staff must comply with, the Scheme of Delegation to Officers, the Council’s Financial Regulations, the Procurement Handbook and the Council’s guidance on the Appointment of Consultants. Where there is any discrepancy, the Standing Orders shall take precedence.

- 1.1.7 Failure to comply with these Standing Orders when making purchases or seeking offers may result in disciplinary action.
- 1.1.8 Any query regarding the application or interpretation of these Standing Orders should be made in the first instance to the Director of Corporate Governance.

1.2 Definitions and interpretation

- 1.2.1 “Act” means the Procurement Reform (Scotland) Act 2014;
- 1.2.2 “Best Value” means the legal duty to secure continuous improvement in the performance of the Council’s functions as set out in section 1 of the Local Government in Scotland Act 2003 as follows:-
- “1 Local authorities’ duty to secure best value**
- (1) It is the duty of a local authority to make arrangements which secure best value.
- (2) Best value is continuous improvement in the performance of the authority’s functions.
- (3) In securing best value, the local authority shall maintain an appropriate balance among—
- (a) the quality of its performance of its functions;
- (b) the cost to the authority of that performance; and
- (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.
- (4) In maintaining that balance, the local authority shall have regard to—
- (a) efficiency;
- (b) effectiveness;
- (c) economy; and
- (d) the need to meet the equal opportunity requirements.
- (5) The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.
- (6) In measuring the improvement of the performance of a local authority’s functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.
- (7) In this section, “*equal opportunity requirements*” has the same meaning as in Section L2 of Part II of Schedule 5 to the Scotland Act 1998 (c.46)”;
- 1.2.3 “Contract Owner” means the nominated contract owner for a specific contract;
- 1.2.4 “Convener” means the Convener of the Council, a committee or sub-committee of the Council;
- 1.2.5 “Director” means the relevant Director of the procuring service area or for the purpose of exercising any powers set out in these Standing Orders the Chief Executive of the Council or, in the case of cross-directorate purchasing or absence of the relevant Director, such Head of Service as that Director has sub delegated authority to in accordance the Scheme of Delegation, the Director of Corporate Governance or such director as the Chief Executive may nominate.

- 1.2.6 “EU Thresholds” means the prescribed threshold values set by the EU Commission for supply, services or works contracts as they may be amended from time to time;
- 1.2.7 “Procurement Handbook” means the procurement handbook issued by the Director of Corporate Governance, setting out the detailed requirements for the conduct of procurement activity within the Council (as amended from time to time);
- 1.2.8 “Procurement Requirement” means a document setting out as a minimum:-
 - 1.2.8.1 what is the Council's requirement for the goods, works or services and why do we need it?
 - 1.2.8.2 what are all the available options, including internal provision, which is the best and why?
 - 1.2.8.3 can and should the Council afford it?
 - 1.2.8.4 what are the proposed supplier management arrangements and who is the nominated Contract Owner as required by Contract Standing Orders?
 - 1.2.8.5 how do we track, measure and account for the benefits?
- 1.2.9 “Regulations” means the Public Contracts (Scotland) Regulations 2012 or successor legislation (as amended from time to time);
- 1.2.10 “Schedule” means the schedule to these Standing Orders; and
- 1.2.11 “Standing Orders” means these standing orders including the Schedule and “Standing Order” shall be interpreted accordingly.

1.3 General Principles

- 1.3.1 The relevant officer with responsibility for commissioning and/or procuring shall, prior to commencing any procurement process, ensure that an appropriate Procurement Requirement that meets the strategic and service objectives of the Council is completed in order to ensure that Best Value is achieved and that it complies with relevant sustainable development and equality requirements. Such Procurement Requirement shall include consulting with other Council service areas to ensure that where there is a need for the same or similar services that they are jointly procured where appropriate. Where the approximate value of any proposed

procurement is likely to exceed £1 million (or £25,000 in the case of consultancy spend) the relevant Procurement Requirement or options appraisal shall require the approval of the relevant Director prior to proceeding to procurement.

- 1.3.2 Throughout the life of a contract the contract should be monitored by the Contract Owner in respect of performance; compliance with the specification and other terms of the contract; cost and benefits; Best Value requirements; equality requirements, delivery and risk management.
- 1.3.3 All procedures for initiating procurement, developing procurement plans, inviting and receiving tenders, approval of contracts, and all contractual arrangements entered into shall comply with the Council's equality and sustainability requirements and policies and, where appropriate, contractual or procurement arrangements shall include the use of community benefit clauses.
- 1.3.4 All expenditure must comply with the Council's Financial Regulations.
- 1.3.5 Grants given by the Council, while not subject to the full application of these Standing Orders, are subject to the requirement to secure Best Value and the Council's Finance Rules.

2 Procedures

- 2.1 In addition to the obligations in Standing Order 1.3.3, before commencing a tendering procedure or making a purchase where no contract exists the relevant Director must consult with the Commercial and Procurement Manager to establish whether:
 - 2.1.1 any existing contracts or framework contracts accessible to the Council may fulfil their requirements; or
 - 2.1.2 there is any existing internal provision (including the Council's significant trading operations) or other resources which could be used.
- 2.2 The procedure for the award of any contract shall depend upon the estimated aggregated value of that contract. The EU rules on aggregation of contracts shall apply and the artificial splitting of purchase orders or requirements to avoid the application of these Standing Orders is not permitted.
- 2.3 Subject to Standing Order 9, or where otherwise legally permitted in respect of proposed contracts which exceed the EU Thresholds, the minimum associated tendering procedures that must be applied are detailed in the Schedule. For supported persons services the Procurement of Care and Support Services Guidance issued by the Scottish Government and COSLA and any guidance published under the Act or subsequent Regulations should be followed.

- 2.4 The general EU principles of equal treatment, non discrimination, transparency and proportionality requiring a degree of advertising to enable open competition apply to all public contracts. Certain specified contracts are, however, subject to a different procurement regime. These services are referred to in the Procurement Handbook together with guidance on how to procure these services, which must be applied.
- 2.5 The Council may reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 50% of the workers are disabled persons. Where this right is exercised by the Council the contract award procedures provided by the Regulations and Act shall be followed.
- 2.6 **[Option:** Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less that at least one Small or Medium Enterprise (SME) from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.]
- 2.7 Direct purchasing below £3,000 without competitive tendering is permissible subject to the Council's duty to secure Best Value. Best Value will normally be secured by obtaining 3 quotes and/or evidence of firm fixed prices.
- 2.8 The Commercial and Procurement Manager shall be consulted as appropriate in respect of tendering arrangements for any proposed contracts with an estimated value of less than £25,000.
- 2.9 The Commercial and Procurement Manager shall advise on and make all tendering arrangements for any proposed contracts with an estimated value in excess of £25,000.
- 2.10 Direct purchasing above £3,000 without competitive tendering is permissible only in those circumstances that would be permitted by the Regulations or in accordance with Standing Order 9.
- 2.11 If an unsuccessful tenderer brings a written or formal challenge against the Council in relation to a tender exercise or questions the integrity of the tender process, the recipient of the notice of challenge or query must inform the Commercial and Procurement Manager. The Commercial and Procurement Manager must inform the Head of Legal, Risk and Compliance as to potential legal challenges.

3 The Role and Responsibilities of Directors

- 3.1 Each Director retains responsibility for selecting and appointing contractors, providers or suppliers for their directorate, but shall seek guidance as appropriate from the Commercial and Procurement Manager. The

Commercial and Procurement Manager shall be consulted at the earliest opportunity to ensure that all purchasing arrangements are made in compliance with these Standing Orders.

- 3.2 Each Director has responsibility for all contracts tendered and let by their Directorate and is accountable to the Council for the performance of their duties in relation to contract letting and management, which are:
- 3.2.1 to ensure compliance with these Standing Orders and the Procurement Handbook;
 - 3.2.2 to ensure no contract is entered into by the Council without seeking advice where appropriate from the Commercial and Procurement Manager and Head of Legal, Risk and Compliance and having proper regard to such advice;
 - 3.2.3 to ensure that appropriate contract security (for example guarantees or performance bonds) is obtained where required or considered prudent;
 - 3.2.4 to prepare and approve where required by these Standing Orders an appropriate Procurement Requirement for each proposed purchase or contract;
 - 3.2.5 to prepare, in consultation with the Commercial and Procurement Manager, appropriate contract and tender documents which clearly specify the scope, quality and quantity of the works, goods or services;
 - 3.2.6 to check whether there is any existing Council or other collaborative framework that can appropriately be used to achieve Best Value for the Council before undergoing a further competitive tender process;
 - 3.2.7 to keep all bids confidential subject to any legal requirements;
 - 3.2.8 To ensure no supplier is requested by the Council to provide goods, services or works without first having a valid purchase order in place;
 - 3.2.9 to enter all purchase order information onto the relevant Council financial system prior to the service or goods being delivered;
 - 3.2.10 to ensure that all necessary contract information for contracts of a value of £3,000 for goods and services and £10,000 for works or more is provided to the Commercial and Procurement Manager for the purposes of maintaining an up-to-date contract register within one month of entering into a contract;

- 3.2.11 to ensure all relevant staff are familiar with these Standing Orders and the Procurement Handbook or other guidance issued in respect of these Standing Orders;
- 3.2.12 to ensure contracts and any appropriate contract security documents are signed before work, services or supply provision commences;
- 3.2.13 to put in place arrangements for efficient supplier management including the identification of a Contract Owner and monitoring of benefits and performance, for the entire duration of the contract;
- 3.2.14 to retain a copy of the contract and keep proper records of all contracts and tenders, including minutes of tender evaluation panels and other meetings;
- 3.2.15 to take immediate action in the event of a breach of these Standing Orders or the Procurement Handbook within his/her directorate;
- 3.2.16 to consult with Elected Members on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity; and
- 3.2.17 to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the procurement process and where tenders are received in paper form to ensure they are opened in the presence of an officer nominated by the Commercial and Procurement Manager together with a witness.

4 Tender Documents

- 4.1 The tender documents shall clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the works, services and supplies required by the Council.
- 4.2 The Head of Legal, Risk and Compliance will be consulted on conditions of contract for particularly significant or complex projects or contracts.

5 Evaluation of Tenders and Quotes

- 5.1 Tenders and quotes shall be evaluated on the basis of either of the following:
 - a) lowest cost; or
 - b) most economically advantageous.

Lowest cost should generally only be the basis of evaluation for simple procurements of short-term, low-level services or goods of a standard specification.

- 5.2 Tenders and quotes received after the closing date and time stipulated for return of tenders, or tenders which are incomplete or in an incorrect format will not be opened or considered unless the Council, acting proportionately, decides that there are circumstances which allow it to exercise discretion in allowing consideration of the tender. The Commercial and Procurement Manager must be consulted if tenders are submitted late, incomplete or in an incorrect format.
- 5.3 Tenders shall be evaluated by a tender evaluation panel which should comprise officers having sufficient knowledge and technical ability to enable them to evaluate detailed tenders appropriately. The evaluation process shall follow any guidance issued by the Commercial and Procurement Manager and be fully and appropriately documented. Where a tender involves the use, adoption or purchase of an Information Communication Technology (ICT) or digital service, software or hardware this must be undertaken in collaboration with the Council's ICT Solutions service.

6 Acceptance and Award of Contracts

- 6.1 Following the conclusion of the procedure for awarding contracts set out in these Standing Orders and, where applicable, the expiry of the mandatory standstill period, the resulting contract between the Council and successful tenderer shall be entered into following the approval process detailed in the Schedule. Any contract documents or letters of acceptance must be signed by a proper officer with signing authority who has been appointed in accordance with the Scheme of Delegation.

7 Eligibility to tender and termination, variation or suspension of a contract

- 7.1 The relevant Director, having due regard to legal advice from the Head of Legal, Risk and Compliance, may treat a potential tenderer as ineligible to tender where there are reasonable grounds to conclude that the contractor or potential tenderer:
- 7.1.1 has committed an act of grave misconduct in the course of their business or profession; or
 - 7.1.2 falls within one or more of the other grounds set out in Regulation 23 of the Regulations or
 - 7.1.3 has compiled, used, sold or supplied a prohibited list which:(i) contained details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and (ii) was compiled with a view to being used by employers or employment agencies for the purposes of discrimination in relation to recruitment or in relation to the

treatment of workers, within the meaning of the Employment Relations Act of 1999 (Blacklists) Regulations 2010.

7.2 The relevant Director may terminate, suspend or vary a contract, in accordance with the express or implied terms of the contract and may also take such further action with regard to any contract as the Council is legally entitled to take.

7.3 The relevant Director will where appropriate report any actions taken in accordance with Standing Order 7.1 to 7.3 to the next meeting of the Finance and Resources Committee.

8 Electronic Procurement

8.1 Requests for quotations and invitations to tender should where practicable be issued and/or received by electronic means.

9 Waiver of Contract Standing Orders

9.1 The requirement to comply with any provision of these Standing Orders may be waived in accordance with the table in 9.2 below if on considering a written report by an appropriate officer it is considered that the waiver is justified because:-

9.1.1 the circumstances of the proposed contract are covered by legislative exemptions including the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles (for example when for artistic or technical reasons, or for reasons connected with the protection of exclusive rights, the contract may only be awarded to a particular provider) or the contract is for works, goods or services that are required in circumstances of extreme urgency that could not have been foreseen; or

9.1.2 it is in the Council’s best interests.

9.2 Table setting out the relevant values and waiver approval requirements:

Value	Reason	Approval Procedure
0-£25,000	9.1.1 EU exemptions 9.1.2 best interests	The relevant Head of Service in consultation with the Commercial and Procurement Manager
0-£250,000 (0-£25,000 in the case of consultancy spend)	9.1.1 EU exemptions 9.1.2 best interests	The relevant Director in consultation with the Director of Corporate Governance (or any other

		Director where the relevant Director is the Director of Corporate Governance
Between £250,000 and £1million for services or goods contracts and £250,000 and £1.5million for works contracts.	9.1.1 EU exemptions	The relevant Director in consultation with the Director of Corporate Governance (or any other Director where the relevant Director is the Director of Corporate Governance
Above £250,000 (above £25,000 in the case of consultancy spend)	9.1.2 best interests	The Council or Finance and Resources Committee
Above £1million for services or goods contracts and £250,000 and £1.5million for works contracts	9.1.1 EU exemptions	The Council or Finance and Resources Committee

9.3 A record of the decision approving a waiver must be kept by the relevant Director and a copy of such signed waiver provided to the Commercial and Procurement Manager who shall where appropriate make an entry in the appropriate register.

10 Contract extensions or variations

10.1 Subject to 10.2, a Director may authorise an extension to a contract, or any other variation including a consequent change in price, provided that (i) such extension or variation is not contrary to the Regulations or the Council's EU obligations; and (ii) any difference between the original and revised contract price does not exceed £250,000. A Head of Service may authorise such an extension or variation to a contract provided that (i) such extension or variation is not contrary to the Regulations or the Council's EU obligations and (i) any difference between the original and revised contract price does not exceed £25,000.

10.2 A Director or Head of Service shall not extend or vary a contract if such extension or variation is not expressly permitted by the contract without seeking advice from the Head of Legal, Risk and Compliance.

10.3 The EU rules on aggregation of contracts shall apply.

Review of Standing Orders

10.4 These Standing Orders will be reviewed annually.

SCHEDULE

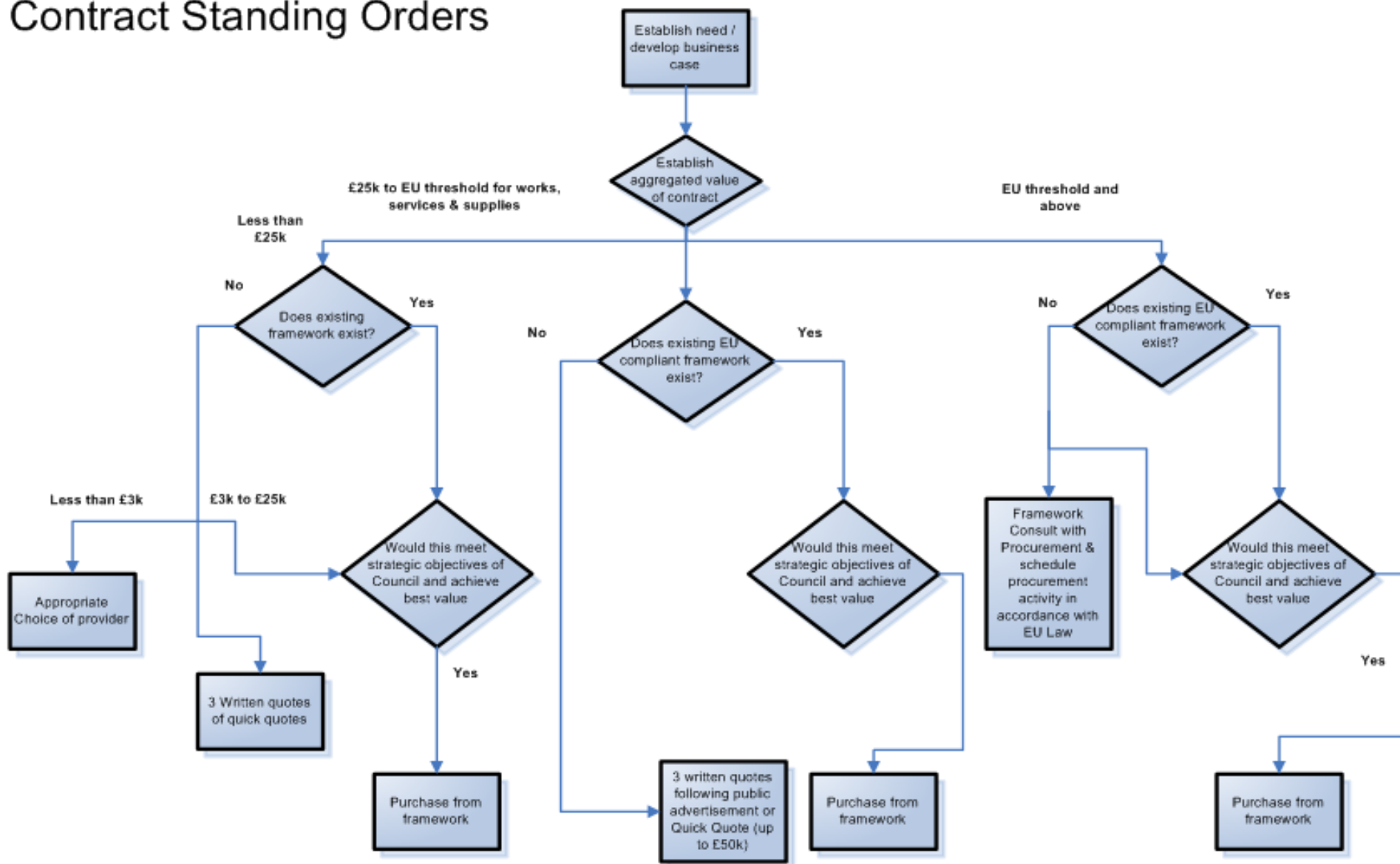
RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE

Total value for duration of contract or purchase (aggregation rules apply)	Procedure	Approval of contractual obligation	Committee Approval
Up to £3,000	<p>Appropriate choice of provider documenting reasoning and quote <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered and this will usually be demonstrated by more than one quote.</p>	Director, Head of Service or such other officer to whom the relevant Director has appropriately sub-delegated authority in accordance with the Scheme of Delegation, in consultation with Commercial and Procurement Manager as appropriate	Not required
£3,000 to £25,000 *	<p>3 written/formal quotations –written description of requirements followed by written / electronic submission of quotes <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p>	Director, Head of Service or such other officer to whom the relevant Director has appropriately sub-delegated authority in accordance with the Scheme of Delegation, in consultation with Commercial and Procurement Manager as appropriate, and Head of Legal, Risk and Compliance as appropriate	Not required
£25,000 to EU Thresholds for services and supplies *	<p>Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility up to a value of £50,000.</p>	Director or Head of Service, in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate) or up to £25,000 in the case of services of a consultant as set out	Not required with the exception of appointment of consultants where the value exceeds £25,000 as set out in the Guidance on the Appointment of Consultants.

		in the Guidance on the Appointment of Consultants.	
£25,000 to EU Thresholds for works	Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility up to a value of £50,000.	Director or Head of Service , in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate) up to £500,000 Director approval between £500,000 and £1.5million.	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1.5million
Above EU Threshold for services and supplies *	Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts	Director approval in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate), up to £1million or £25,000 in the case of services of a consultant as set out in the Guidance on the Appointment of Consultants.	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1million or £25,000 in the case of services of a consultant as set out in the Guidance on the Appointment of Consultants.
Above EU Threshold for works	Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts	Director approval in consultation with the Commercial and Procurement Manager, Head of Legal, Risk and Compliance to be consulted as appropriate	Approval to award sought from Finance and Resources Committee or Council

*In terms of Standing Order 2.4 certain specified contracts are subject to a different procurement regime. These services are set out in the Procurement Handbook together with guidance on how to procure these services, which must be applied.

Contract Standing Orders



CITY OF EDINBURGH COUNCIL

**GUIDANCE ON THE APPOINTMENT OF
CONSULTANTS**

23 October 2014

Guidance on the Appointment of Consultants

This guidance of the City of Edinburgh Council (“**Council**”) applies from 23 October 2014 and has been produced to supplement the Council’s Contract Standing Orders and Procurement Handbook with principles that relate specifically to the appointment of consultants. This guidance is intended to ensure consultants are used only where necessary and in a way which achieves best value for the Council.

1. Preliminary

- 1.1. When appointing a consultant, Directors shall comply with the terms of the Council’s Contract Standing Orders and the Procurement Handbook.

2. Definition of “consultant”

- 2.1. For the purposes of this guidance, a consultant is a specialist who charges a fee for providing advice or services in a particular area of expertise such as business management, human resources, environment, communication, information technology, property and estates and financial services, but excluding agency and temporary workers and professional services provided by solicitors, counsel and actuaries.

3. Principles to be applied when appointing consultants

No alternative resource

- 3.1. Directors shall only appoint a consultant where the service in question cannot be provided internally due to a lack of expertise or capacity.

Within approved budget

- 3.2. The cost of appointing a consultant shall be contained within the budget of the service or project for which the consultant is to be appointed.

Monitoring of outcomes

- 3.3. Directors shall prepare a clear task definition and identify the required outcomes of the service prior to appointing a consultant.
- 3.4. Directors shall ensure that appropriate monitoring arrangements, such as gateway reviews, are in place prior to a consultant’s appointment in order that payments to the consultant are only made in accordance with the satisfactory achievement of measurable outcomes.

Knowledge transfer

- 3.5. Where consultants are appointed, Directors shall ensure that where appropriate, Council staff fill key project roles and work closely with consultants to maximise the potential for transfer of skills and knowledge to Council staff.

4. Reporting and approval

Reporting to committee

- 4.1. Directors shall maintain up-to-date records on the consultancy spend within their service area and shall include consultancy spend as a line in the detailed monitoring reports for months three, six, nine and twelve of each financial year to the Finance and Resources Committee and the relevant executive committee(s).

Committee approval and definition of Pre-Approved Council Project

- 4.2. Subject to 4.3 and 4.4 the appointment of a consultant where the services (or series of related services) are anticipated to be provided at an aggregate cost of £25,000 or more shall be approved by the relevant executive committee and reported to the Finance and Resources Committee,
- 4.3. Committee approval shall not be required for services that are essential to the completion of a Pre-Approved Council Project For the purposes of this guidance a Pre-Approved Council Project is a project for which there is:
 - 4.3.1 approved revenue or capital expenditure in accordance with the Council's Financial Regulations; and
 - 4.3.2 There is a Council or appropriate committee report seeking consent to commence the project which includes an explicit reference to the requirement for consultants in the delivery of that project.
- 4.4. In the event that the requirements of 4.3.2 are not met and the use of consultants is required as a matter of urgency the urgency provisions set out in provision 4 of the Council's Committee Terms of Reference and Delegated Functions and the Waiver provisions contained in Contract Standing Order 9 where appropriate should be followed.
- 4.5. Committee approval shall not be required for the appointment of a consultant employed in the design, evaluation and delivery of a works contract the value of which is below the Committee reporting requirements as set out in the Contract Standing Orders. Any such appointment shall require the prior approval of the relevant Director and the Commercial and Procurement Manager and details of any such appointments shall be included in a regular update report to the Finance and Resources Committee for noting.

5. Re-engagement of former employees as consultants

- 5.1. A Director shall not appoint a former employee who has been granted early retirement or been given a redundancy or severance package ("former employee") as a consultant unless:
 - 5.1.1. a minimum of 3 years has elapsed since the former employee ceased to be employed by the Council; or

5.1.2. subject to consultation with the Convener/Vice-Convener of the Finance and Budget Committee, the Director is satisfied that there is a clear and robust justification for the appointment of the former employee as a consultant.

10.00am, Thursday, 5 February 2015

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Item number	8.2(b)
Report number	
Executive/routine	
Wards	All

Executive summary

On 23 October 2014 the Council referred the report by the Director of Corporate Governance “Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants” to the Finance and Resources Committee for detailed scrutiny.

Following detailed scrutiny by the Finance and Resources Committee on 30 October 2014 the attached adjusted Contract Standing Orders (“CSOs”) and Guidance on the Appointment of Consultants (“Appointment of Consultants”) are recommended for adoption.

Links

Coalition pledges	P30
Council outcomes	CO24 - 27
Single Outcome Agreement	

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Recommendations

The Council is requested to:

- 1.1 approve the proposed revisals to the existing CSOs and Appointment of Consultants as adjusted by the Finance and Resources Committee on 30 October 2014 (Appendices 1 and 2 of this report), with approval to take effect from the date of the Council decision;
- 1.2 to approve Option 1 in the report of 23 October 2014 as proposed by the Finance and Resources Committee on 30 October 2014, by inserting the following in the Contract Standing Orders: Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less that at least one Small or Medium Enterprise (SME) from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process;
- 1.3 delegate authority to the Director of Corporate Governance to make such revisals to CSOs and Appointment of Consultants:
 - i) as may be necessary in order to implement the decisions of Council in relation to this report;
 - ii) as required as a result of changes to legislation or statutory guidance; and
 - iii) any other minor or consequential changes;in consultation with the Convener and Vice-Convener of the Finance and Resources Committee;
- 1.4 note that there will be an annual review of CSOs to ensure that they continue to work effectively and secure continuous improvement and Best Value and that any proposed amendments are reported to Council together with the reasons for those proposed amendments; and

- 1.5 approve the revisals to the Appointment of Consultants as noted in Table 2 and Appendix 2 of this report.

Background

- 2.1 A report by the Director of Corporate Governance “Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants” proposing revisals to the current CSOs was put before the Council on 23 October 2014. The Council made the decision to refer the proposed revisals to the current CSOs and Appointment of Consultants to the Finance and Resources Committee for more detailed scrutiny.
- 2.2 The report by the Director of Corporate Governance was referred by the Council to the Finance and Resources Committee on 30 October for more detailed scrutiny prior to approval.

Main report

- 3.1 Following detailed scrutiny by the Finance and Resources Committee on 30 October 2014 the attached adjusted CSOs and Appointment of Consultants (Appendices 1 and 2 of this Report) are recommended for adoption. The only change to the proposed revised CSOs (Appendix 1) as recommended by the Finance and Resources Committee is shown in track change at 2.6 for ease of reference.

Measures of success

- 4.1 The measure of success of the revised CSOs will be improved controls, increased compliance and delivery and management of better value contracts.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report. The changes to CSOs and Appointment of Consultants are expected to support the delivery of planned savings.

Risk, policy, compliance and governance impact

- 6.1 The revisals will improve controls, increase compliance and improve the governance of contracts.

Equalities impact

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

Sustainability impact

8.1 The inclusion of a requirement that new SMEs should be included in the tender process for tenders of a value not exceeding £50,000 will encourage SMEs from the City of Edinburgh or who are significant employers within the City of Edinburgh to participate in the Council's tender processes. By considering costs throughout the entire life cycle of a contract, the most economically, environmentally and socially sustainable choices can be made.

Consultation and engagement

9.1 The CSOs were prepared in consultation with the Convenor and Vice Convenor of the Finance and Resources Committee and a wide range of officers involved in procuring and commissioning across all service areas of the Council. The revisions have been prepared in response to review by CPS and feedback as to improvements that could be made and practical difficulties experienced following implementation.

Background reading/external references

[Report to City of Edinburgh Council dated 29 October 2012, Item No.8 .4\(a\): "Operational Governance: Contract Standing Orders"](#)

[Report to City of Edinburgh Council dated 23 October 2014, Item No. Item No 8.3 "Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants"](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Nick Smith, Commercial and Procurement Manager

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care CO25 - The Council has efficient and effective services that deliver on

objectives

CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

CO27- The Council supports, invests in and develops our people

Single Outcome Agreement

Appendices

Appendix 1 – Contract Standing Orders

Appendix 2 – Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

CITY OF EDINBURGH COUNCIL

CONTRACT STANDING ORDERS

23 October 2014

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CONTRACT STANDING ORDERS

These Contract Standing Orders of the City of Edinburgh Council (“**Council**”) apply from 23 October 2014 and apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.

1 Preliminary

1.1 Extent and interpretation

- 1.1.1 The Council makes these Standing Orders in terms of section 81 of the Local Government (Scotland) Act 1973.
- 1.1.2 These Standing Orders must be interpreted in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.1.3 These Standing Orders apply from 23 October 2014 and apply, subject to the provisions of Standing Order 1.1.5, to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services (including consultancy services).
- 1.1.4 The Standing Orders are subject to the over-riding provisions of European Union, United Kingdom, or Scottish legislation. They are also subject to any EU Commission, UK government or Scottish Executive guidance on public procurement that may be issued from time to time.
- 1.1.5 The Standing Orders do not apply to any of the following:
 - 1.1.5.1 contracts of employment;
 - 1.1.5.2 contracts solely relating to the lease or disposal of heritable property;
 - 1.1.5.3 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013 and
 - 1.1.5.4 circumstances in which a waiver of the Standing Orders has been granted in accordance with Standing Order 9.
- 1.1.6 The Standing Orders must be read in conjunction with, and all Council staff must comply with, the Scheme of Delegation to Officers, the Council’s Financial Regulations, the Procurement Handbook and the Council’s guidance on the Appointment of Consultants. Where there is any discrepancy, the Standing Orders shall take precedence.

- 1.1.7 Failure to comply with these Standing Orders when making purchases or seeking offers may result in disciplinary action.
- 1.1.8 Any query regarding the application or interpretation of these Standing Orders should be made in the first instance to the Director of Corporate Governance.

1.2 Definitions and interpretation

- 1.2.1 “Act” means the Procurement Reform (Scotland) Act 2014;
- 1.2.2 “Best Value” means the legal duty to secure continuous improvement in the performance of the Council’s functions as set out in section 1 of the Local Government in Scotland Act 2003 as follows:-
- “1 Local authorities’ duty to secure best value**
- (1) It is the duty of a local authority to make arrangements which secure best value.
- (2) Best value is continuous improvement in the performance of the authority’s functions.
- (3) In securing best value, the local authority shall maintain an appropriate balance among—
- (a) the quality of its performance of its functions;
 - (b) the cost to the authority of that performance; and
 - (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.
- (4) In maintaining that balance, the local authority shall have regard to—
- (a) efficiency;
 - (b) effectiveness;
 - (c) economy; and
 - (d) the need to meet the equal opportunity requirements.
- (5) The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.
- (6) In measuring the improvement of the performance of a local authority’s functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.
- (7) In this section, “*equal opportunity requirements*” has the same meaning as in Section L2 of Part II of Schedule 5 to the Scotland Act 1998 (c.46)”;
- 1.2.3 “Contract Owner” means the nominated contract owner for a specific contract;
- 1.2.4 “Convener” means the Convener of the Council, a committee or sub-committee of the Council;
- 1.2.5 “Director” means the relevant Director of the procuring service area or for the purpose of exercising any powers set out in these Standing Orders the Chief Executive of the Council or, in the case of cross-directorate purchasing or absence of the relevant Director, such Head of Service as that Director has nominated in accordance the Scheme of Delegation, the Director of Corporate Governance or such director as the Chief Executive may nominate.

- 1.2.6 “EU Thresholds” means the prescribed threshold values set by the EU Commission for supply, services or works contracts as they may be amended from time to time;
- 1.2.7 “Procurement Handbook” means the procurement handbook issued by the Director of Corporate Governance, setting out the detailed requirements for the conduct of procurement activity within the Council (as amended from time to time);
- 1.2.8 “Procurement Requirement” means a document setting out as a minimum:-
- 1.2.8.1 what is the Council's requirement for the goods, works or services and why do we need it?
 - 1.2.8.2 what are all the available options, including internal provision, which is the best and why?
 - 1.2.8.3 can and should the Council afford it?
 - 1.2.8.4 what are the proposed supplier management arrangements and who is the nominated Contract Owner as required by Contract Standing Orders?
 - 1.2.8.5 how do we track, measure and account for the benefits?
- 1.2.9 “Regulations” means the Public Contracts (Scotland) Regulations 2012 or successor legislation (as amended from time to time);
- 1.2.10 “Schedule” means the schedule to these Standing Orders; and
- 1.2.11 “Standing Orders” means these standing orders including the Schedule and “Standing Order” shall be interpreted accordingly.

1.3 General Principles

- 1.3.1 The relevant officer with responsibility for commissioning and/or procuring shall, prior to commencing any procurement process, ensure that an appropriate Procurement Requirement that meets the strategic and service objectives of the Council is completed in order to ensure that Best Value is achieved and that it complies with relevant sustainable development and equality requirements. Such Procurement Requirement shall include consulting with other Council service areas to ensure that where there is a need for the same or similar services that they are jointly procured where appropriate. Where the approximate value of any proposed

procurement is likely to exceed £1 million (or £25,000 in the case of consultancy spend) the relevant Procurement Requirement or options appraisal shall require the approval of the relevant Director prior to proceeding to procurement.

- 1.3.2 Throughout the life of a contract the contract should be monitored by the Contract Owner in respect of performance; compliance with the specification and other terms of the contract; cost and benefits; Best Value requirements; equality requirements, delivery and risk management.
- 1.3.3 All procedures for initiating procurement, developing procurement plans, inviting and receiving tenders, approval of contracts, and all contractual arrangements entered into shall comply with the Council's equality and sustainability requirements and policies and, where appropriate, contractual or procurement arrangements shall include the use of community benefit clauses.
- 1.3.4 All expenditure must comply with the Council's Financial Regulations.
- 1.3.5 Grants while not subject to the full application of these Standing Orders are subject to the requirement to secure Best Value and the Council's Finance Rules.

2 Procedures

- 2.1 In addition to the obligations in Standing Order 1.3.3, before commencing a tendering procedure or making a purchase where no contract exists the relevant Director must consult with the Commercial and Procurement Manager to establish whether:
 - 2.1.1 any existing contracts or framework contracts accessible to the Council may fulfil their requirements; or
 - 2.1.2 there is any existing internal provision (including the Council's significant trading operations) or other resources which could be used.
- 2.2 The procedure for the award of any contract shall depend upon the estimated aggregated value of that contract. The EU rules on aggregation of contracts shall apply and the artificial splitting of purchase orders or requirements to avoid the application of these Standing Orders is not permitted.
- 2.3 Subject to Standing Order 9, or where otherwise legally permitted in respect of proposed contracts which exceed the EU Thresholds, the minimum associated tendering procedures that must be applied are detailed in the Schedule. For supported persons services the Procurement of Care and Support Services Guidance issued by the Scottish Government and COSLA and any guidance published under the Act or subsequent Regulations should be followed.

- 2.4 The general EU principles of equal treatment, non discrimination, transparency and proportionality requiring a degree of advertising to enable open competition apply to all public contracts. Certain specified contracts are, however, subject to a different procurement regime. These services are referred to in the Procurement Handbook together with guidance on how to procure these services, which must be applied.
- 2.5 The Council may reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 50% of the workers are disabled persons. Where this right is exercised by the Council the contract award procedures provided by the Regulations and Act shall be followed.
- 2.6 Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less that at least one Small or Medium Enterprise (SME) from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.
- 2.7 Direct purchasing below £3,000 without competitive tendering is permissible subject to the Council's duty to secure Best Value. Best Value will normally be secured by obtaining 3 quotes and/or evidence of firm fixed prices.
- 2.8 The Commercial and Procurement Manager shall be consulted as appropriate in respect of tendering arrangements for any proposed contracts with an estimated value of less than £25,000.
- 2.9 The Commercial and Procurement Manager shall advise on and make all tendering arrangements for any proposed contracts with an estimated value in excess of £25,000.
- 2.10 Direct purchasing above £3,000 without competitive tendering is permissible only in those circumstances that would be permitted by the Regulations or in accordance with Standing Order 9.
- 2.11 If an unsuccessful tenderer brings a written or formal challenge against the Council in relation to a tender exercise or questions the integrity of the tender process, the recipient of the notice of challenge or query must inform the Commercial and Procurement Manager. The Commercial and Procurement Manager must inform the Head of Legal, Risk and Compliance as to potential legal challenges.

3 The Role and Responsibilities of Directors

- 3.1 Each Director retains responsibility for selecting and appointing contractors, providers or suppliers for their directorate, but shall seek guidance as appropriate from the Commercial and Procurement Manager. The

Commercial and Procurement Manager shall be consulted at the earliest opportunity to ensure that all purchasing arrangements are made in compliance with these Standing Orders.

- 3.2 Each Director has responsibility for all contracts tendered and let by their Directorate and is accountable to the Council for the performance of their duties in relation to contract letting and management, which are:
- 3.2.1 to ensure compliance with these Standing Orders and the Procurement Handbook;
 - 3.2.2 to ensure no contract is entered into by the Council without seeking advice where appropriate from the Commercial and Procurement Manager and Head of Legal, Risk and Compliance and having proper regard to such advice;
 - 3.2.3 to ensure that appropriate contract security (for example guarantees or performance bonds) is obtained where required or considered prudent;
 - 3.2.4 to prepare and approve where required by these Standing Orders an appropriate Procurement Requirement for each proposed purchase or contract;
 - 3.2.5 to prepare, in consultation with the Commercial and Procurement Manager, appropriate contract and tender documents which clearly specify the scope, quality and quantity of the works, goods or services;
 - 3.2.6 to check whether there is any existing Council or other collaborative framework that can appropriately be used to achieve Best Value for the Council before undergoing a further competitive tender process;
 - 3.2.7 to keep all bids confidential subject to any legal requirements;
 - 3.2.8 To ensure no supplier is requested by the Council to provide goods, services or works without first having a valid purchase order in place;
 - 3.2.9 to enter all purchase order information onto the relevant Council financial system prior to the service or goods being delivered;
 - 3.2.10 to ensure that all necessary contract information for contracts of a value of £3,000 for goods and services and £10,000 for works or more is provided to the Commercial and Procurement Manager for the purposes of maintaining an up-to-date contract register within one month of entering into a contract;

- 3.2.11 to ensure all relevant staff are familiar with these Standing Orders and the Procurement Handbook or other guidance issued in respect of these Standing Orders;
- 3.2.12 to ensure contracts and any appropriate contract security documents are signed before work, services or supply provision commences;
- 3.2.13 to put in place arrangements for efficient supplier management including the identification of a Contract Owner and monitoring of benefits and performance, for the entire duration of the contract;
- 3.2.14 to retain a copy of the contract and keep proper records of all contracts and tenders, including minutes of tender evaluation panels and other meetings;
- 3.2.15 to take immediate action in the event of a breach of these Standing Orders or the Procurement Handbook within his/her directorate;
- 3.2.16 to consult with Elected Members on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity; and
- 3.2.17 to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the procurement process and where tenders are received in paper form to ensure they are opened in the presence of an officer nominated by the Commercial and Procurement Manager together with a witness.

4 Tender Documents

- 4.1 The tender documents shall clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the works, services and supplies required by the Council.
- 4.2 The Head of Legal, Risk and Compliance will be consulted on conditions of contract for particularly significant or complex projects or contracts.

5 Evaluation of Tenders and Quotes

- 5.1 Tenders and quotes shall be evaluated on the basis of either of the following:
 - a) lowest cost; or
 - b) most economically advantageous.

Lowest cost should generally only be the basis of evaluation for simple procurements of short-term, low-level services or goods of a standard specification.

- 5.2 Tenders and quotes received after the closing date and time stipulated for return of tenders, or tenders which are incomplete or in an incorrect format will not be opened or considered unless the Council, acting proportionately, decides that there are circumstances which allow it to exercise discretion in allowing consideration of the tender. The Commercial and Procurement Manager must be consulted if tenders are submitted late, incomplete or in an incorrect format.
- 5.3 Tenders shall be evaluated by a tender evaluation panel which should comprise officers having sufficient knowledge and technical ability to enable them to evaluate detailed tenders appropriately. The evaluation process shall follow any guidance issued by the Commercial and Procurement Manager and be fully and appropriately documented. Where a tender involves the use, adoption or purchase of an Information Communication Technology (ICT) or digital service, software or hardware this must be undertaken in collaboration with the Council's ICT Solutions service.

6 Acceptance and Award of Contracts

- 6.1 Following the conclusion of the procedure for awarding contracts set out in these Standing Orders and, where applicable, the expiry of the mandatory standstill period, the resulting contract between the Council and successful tenderer shall be entered into following the approval process detailed in the Schedule. The signing of the contract document or letter of acceptance shall be in accordance with the Scheme of Delegation.

7 Eligibility to tender and termination, variation or suspension of a contract

- 7.1 The relevant Director, having due regard to legal advice from the Head of Legal, Risk and Compliance, may treat a potential tenderer as ineligible to tender where there are reasonable grounds to conclude that the contractor or potential tenderer:
- 7.1.1 has committed an act of grave misconduct in the course of their business or profession; or
 - 7.1.2 falls within one or more of the other grounds set out in Regulation 23 of the Regulations or
 - 7.1.3 has compiled, used, sold or supplied a prohibited list which:(i) contained details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and (ii) was compiled with a view to being used by employers or employment agencies for the purposes of discrimination in relation to recruitment or in relation to the treatment of workers, within the meaning of the Employment Relations Act of 1999 (Blacklists) Regulations 2010.

7.2 The relevant Director may terminate, suspend or vary a contract, in accordance with the express or implied terms of the contract and may also take such further action with regard to any contract as the Council is legally entitled to take.

7.3 The relevant Director will where appropriate report any actions taken in accordance with Standing Order 7.1 to 7.3 to the next meeting of the Finance and Resources Committee.

8 Electronic Procurement

8.1 Requests for quotations and invitations to tender should where practicable be issued and/or received by electronic means.

9 Waiver of Contract Standing Orders

9.1 The requirement to comply with any provision of these Standing Orders may be waived in accordance with the table in 9.2 below if on considering a written report by an appropriate officer it is considered that the waiver is justified because:-

9.1.1 the circumstances of the proposed contract are covered by legislative exemptions including the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles (for example when for artistic or technical reasons, or for reasons connected with the protection of exclusive rights, the contract may only be awarded to a particular provider) or the contract is for works, goods or services that are required in circumstances of extreme urgency that could not have been foreseen; or

9.1.2 it is in the Council's best interests.

9.2 Table setting out the relevant values and waiver approval requirements:

Value	Reason	Approval Procedure
0-£25,000	9.1.1 EU exemptions 9.1.2 best interests	The relevant Head of Service in consultation with the Commercial and Procurement Manager
0-£250,000 (0-£25,000 in the case of consultancy spend)	9.1.1 EU exemptions 9.1.2 best interests	The relevant Director in consultation with the Director of Corporate Governance (or any other Director where the relevant Director is the Director of Corporate Governance

Between £250,000 and £1million for services or goods contracts and £250,000 and £1.5million for works contracts.	9.1.1 EU exemptions	The relevant Director in consultation with the Director of Corporate Governance (or any other Director where the relevant Director is the Director of Corporate Governance
Above £250,000 (above £25,000 in the case of consultancy spend)	9.1.2 best interests	The Council or Finance and Resources Committee
Above £1million for services or goods contracts and £250,000 and £1.5million for works contracts	9.1.1 EU exemptions	The Council or Finance and Resources Committee

9.3 A record of the decision approving a waiver must be kept by the relevant Director and a copy of such signed waiver provided to the Commercial and Procurement Manager who shall where appropriate make an entry in the appropriate register.

10 Contract extensions or variations

10.1 Subject to 10.2, a Director (or where the value or consequent change in price does not exceed £25,000, the relevant Head of Service) may authorise an extension to a contract, or any other variation including a consequent change in price, provided such extension or variation is not contrary to the Regulations or the Council's EU obligations and that any consequent change in price does not exceed £250,000 without first obtaining the approval of Council or the Finance and Resources Committee

10.2 A Director or Head of Service shall not extend or vary a contract if such extension or variation is not expressly permitted by the contract without seeking advice from the Head of Legal, Risk and Compliance.

10.3 The EU rules on aggregation of contracts shall apply.

11 Review of Standing Orders

11.1 These Standing Orders will be reviewed annually.

SCHEDULE

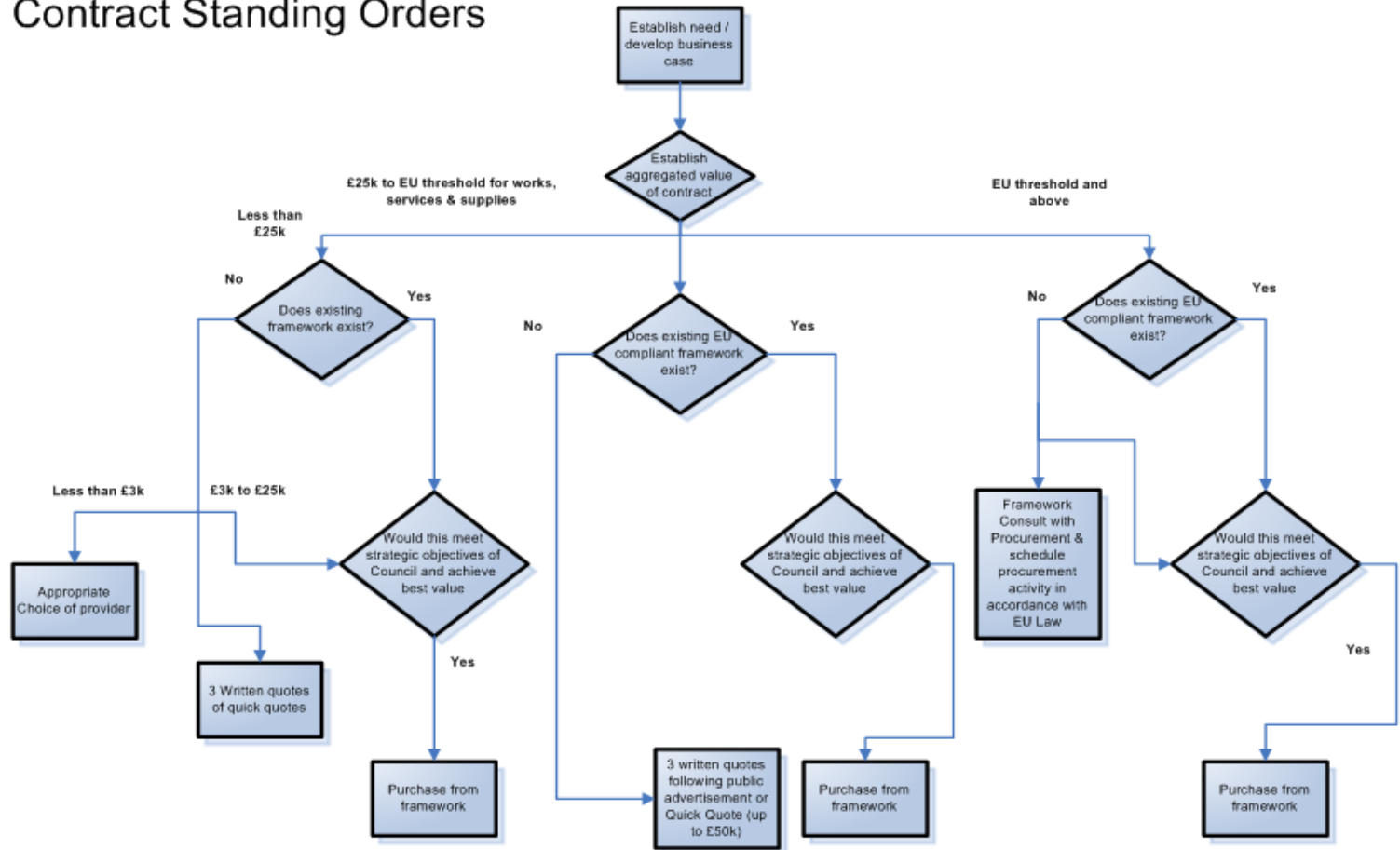
RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE

Total value for duration of contract or purchase (aggregation rules apply)	Procedure	Approval of contractual obligation	Committee Approval
Up to £3,000	<p>Appropriate choice of provider documenting reasoning and quote <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered and this will usually be demonstrated by more than one quote.</p>	Director, Head of Service or such other officer to whom the relevant Director or Head of Service has appropriately delegated their powers to in consultation with Commercial and Procurement Manager as appropriate	Not required
£3,000 to £25,000 *	<p>3 written/formal quotations –written description of requirements followed by written / electronic submission of quotes <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p>	Director, Head of Service or such other officer to whom the relevant Director or Head of Service has appropriately delegated their powers to in consultation with Commercial and Procurement Manager as appropriate, and Head of Legal, Risk and Compliance as appropriate	Not required
£25,000 to EU Thresholds for services and supplies *	<p>Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility up</p>	Director or Head of Service (where delegated authority has been given) in consultation with Commercial and Procurement Manager (and Head of Legal, Risk	Not required with the exception of appointment of consultants where the value exceeds £25,000 as set out in the guidance on the appointment of consultants.

	to a value of £50,000.	and Compliance as appropriate) or up to £25,000 in the case of services of a consultant as set out in the guidance on the appointment of consultants.	
£25,000 to EU Thresholds for works	<p>Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used</p> <p><i>or</i></p> <p>use existing local, national, Council framework or call- off contracts</p> <p><i>or</i></p> <p>Public Contracts Quick Quote facility up to a value of £50,000.</p>	<p>Director or Head of Service (where delegated authority has been given) in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate) up to £500,000</p> <p>Director approval between £500,000 and £1.5million.</p>	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1.5million
Above EU Threshold for services and supplies *	<p>Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used</p> <p><i>or</i></p> <p>use existing local, national, Council framework or call- off contracts</p>	Director approval in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate), up to £1million or £25,000 in the case of services of a consultant as set out in the guidance on the appointment of consultants.	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1million or £25,000 in the case of services of a consultant as set out in the guidance on the appointment of consultants.
Above EU Threshold for works	<p>Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used</p> <p><i>or</i></p> <p>use existing local, national, Council framework or call- off contracts</p>	Director approval in consultation with the Commercial and Procurement Manager, Head of Legal, Risk and Compliance to be consulted as appropriate	Approval to award sought from Finance and Resources Committee or Council

*In terms of Standing Order 2.4 certain specified contracts are subject to a different procurement regime. These services are set out in the Procurement Handbook together with guidance on how to procure these services, which must be applied.

Contract Standing Orders



10.00am, Thursday, 23 October 2014

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Item number	8.3
Report number	
Executive/routine	
Wards	All

Executive summary

The Council approved the current Contract Standing Orders (“CSOs”) and the Guidance on the Appointment of Consultants (“Appointment of Consultants”) on 29 October 2012. CSOs are a legal requirement and provide the powers to control and regulate purchasing throughout the Council, and place requirements on service areas to effectively plan and contract manage the resulting contracts.

The CSOs have been kept under review by Commercial and Procurement Services (CPS) since October 2012 to ensure that they work effectively. This report explains the results of the review of CSOs and summarises the main changes that are proposed following extensive consultation, and seeks approval for the proposed changes.

Links

Coalition pledges	P30
Council outcomes	CO24 - 27
Single Outcome Agreement	

Operational Governance: Review of Contract Standing Orders and Guidance on the Appointment of Consultants

Recommendations

- 1.1 The Council is requested to:
- 1.1.1 approve the proposed revisals to the existing CSOs (as noted in Table 1 and Appendix 1 of this report), with approval to take effect from the date of the Council decision;
 - 1.1.2 consider whether it approves Option 1 to encourage the inclusion of local suppliers in Council tendering processes, as set out in 3.3 of this report;
 - 1.1.3 delegate authority to the Director of Corporate Governance to make such revisals to CSOs:
 - i) as may be necessary in order to implement the decisions of Council in relation to this report;
 - ii) as required as a result of changes to legislation or statutory guidance; and
 - iii) any other minor or consequential changes.
 - 1.1.4 note that there will be an annual review of CSOs to ensure that they continue to work effectively and secure continuous improvement and Best Value; and
 - 1.1.5 approve the revisals to the Appointment of Consultants as noted in Table 2 and Appendix 2 of this report.

Background

- 2.1 The Council is required to have CSOs under the Local Government (Scotland) Act 1973. CSOs provide the powers to control and regulate purchasing throughout the Council, and place requirements on service areas to effectively plan and contract manage the resulting contracts.
- 2.2 The purpose of the revised CSOs and the Appointment of Consultants is to improve purchasing controls to ensure Best Value is delivered.

- 2.3 The review of working practices ongoing since October 2012 has recognised that there is a need:
- to increase the threshold from £1,000 to £3,000, which allows for direct purchasing subject to best value requirements, addressing practical difficulties in relation to low value contracts;
 - to improve enforcement of the Purchase to Pay (P2P) process to ensure a reduction in retrospective spend;
 - to improve opportunities for local suppliers and SMEs;
 - to clarify the rules on aggregation (whereby artificial splitting of a contract's value to avoid the application of the CSO rules is not permitted);
 - to improve the rules on Waivers and extensions;
 - for further definition of appropriate consultation with elected members;
 - for appropriate delegation below the level of Director for low value/low risk contracts;
 - to address the issue of contractor blacklisting; and
 - to make changes to Appointment of Consultants.
- 2.4 The suggested revisals are as a result of feedback from service areas and elected members following nearly two years of implementation and the ongoing review of our purchasing practices as part of the Commercial Excellence Programme.
- 2.5 The revisals seek to improve controls on purchasing whilst balancing the need for sufficient flexibility to allow Council officers to purchase what they need when they need it.

Main report

Summary of proposed changes to the CSOs

- 3.1 The proposed CSOs changes will address practical difficulties encountered, clarify the rules and improve purchasing controls. Minor changes have also been made for stylistic reasons. The proposed revised CSOs and Appointment of Consultants are set out in Appendices 1 and 2 to this report and the significant amendments are explained in Tables 1 and 2 below.
- 3.2 There is also an option to be considered by the Council as set out in paragraph 3.3 of this report. The inclusion of this option increases contracting opportunities for local suppliers and SMEs.

Table 1

Standing Order No.	Change	Explanation for the Change
1.1 Extent and Interpretation	Extent: inclusion of Scheme of Delegation and Financial Regulations.	A requirement to read the CSOs in conjunction with and comply with the Scheme of Delegation (SoD) to Officers and the Council's Financial Regulations has been inserted.
1.2.1 Definitions and Interpretation	Extent: exclude direct payments or personal budgets under the Social Care (Self- directed Support) Act 2013 (SDS Act) from application of CSOs.	Payment will be to individuals. Option 3 of the SDS Act where the Council is contracting with a provider will still be subject to the CSOs.
1.2	Definitions and Interpretations Procurement Reform Act Best Value Director Procurement Requirement	Definitions have been added for the purposes of clarification. The term 'Director' has been amended to allow powers to be exercised by the Chief Executive of the Council, other Directors or a Head of Service. In recognition that many of the Council's contracts will be re-procurements, the term 'business case' and its association with the Treasury Green book and detailed 5 case model has been replaced with the broader term 'Procurement Requirement', encompassing business cases or options appraisals as appropriate.
1.3.1	General Principles Procurement Requirements to be signed off by Director where they exceed £1M (or £25,000 for consultancy spend).	For procurement requirements which exceed £1million (or £25,000 in the case of consultancy spend) Director approval will now be required prior to commencing any procurement.

1.3.5	<p>General Principles</p> <p>Grants subject to Best Value requirements but not procurement regime.</p>	Grants, while not subject to the application of procurement rules, are subject to the requirement to secure Best Value.
2.2	<p>Procedures</p> <p>The rules of aggregation apply and artificial splitting of contracts to avoid the application of the rules is not permitted.</p>	An explanation is now provided to clarify and ensure the rule prohibiting aggregation is observed.
2.3	<p>Procedures</p> <p>Clarification that adult and children's care services must follow Scottish Government Guidance.</p>	The 2014 Procurement Directive will impact upon care services once it is implemented by Scottish Regulations (expected late 2015). In the meantime the current Guidance will apply. Delegated authority is requested to allow the Director of Corporate Governance to amend the CSOs to introduce the minimal changes required for compliance prior to reviewing these CSOs.
2.7	<p>Procedures</p> <p>Direct purchasing below £3,000 (raised from £1,000) permissible subject to duty to secure Best Value, which will normally be by securing 3 quotes or evidence of firm fixed prices.</p>	Changes proposed in response to feedback that disproportionate resources and practical difficulties were required in obtaining 3 quotes for purchasing low value goods or services. Will include emergency situations outwith the Council's control. Will allow purchases from companies who do not tender e.g. online companies and supermarkets.
3.2.8 and 3.2.9	<p>The Role and Responsibilities of Directors</p>	To increase the percentage of compliant spend and reduce current high levels of retrospective spend, the swifter clearing of invoices and

	Introduction of a requirement that a purchase order is required before a supplier is requested to provide goods, works or services and that the necessary information is entered on Oracle etc before the goods or services are delivered.	payment of contractors. A new requirement to ensure that no supplier is requested by the Council to provide goods, services or works without first having a purchase order has been included.
3.2.10	<p>The Role and Responsibilities of Directors</p> <p>Responsibility of Directors to ensure all required contract information provided for purposes of updating the Contracts Register above £3,000 for goods and services and £10,000 for works.</p>	For contracts exceeding £25,000 it will become a requirement of the Procurement Reform (S) Act 2014 to publish a contract register and make specified minimum details publicly available. This change is expected to be introduced by the end of 2015. Lowering the threshold to £3,000 will ensure more efficient and faster payment of suppliers as well as better visibility.
3.2.16	<p>The Role and Responsibilities of Directors</p> <p>To consult with Elected Members as appropriate in relation to proposed procurement activity.</p>	Following feedback from members there is a desire to be consulted on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity.
5.3	<p>Evaluation of Tenders and Quotes</p> <p>The Council's ICT Solutions service must oversee purchases of ICT Software or hardware.</p>	To allow corporate solutions to be sought.
6 and Schedule	Acceptance and Award of Contracts	In recognition of the practical difficulties for approval of low value

	<p>Approvals of contract award for a value not exceeding £25,000 may be delegated below Head of Service.</p> <p>Signing of contract documents to dealt with by the SoD.</p> <p>Deletion of signing schedule in schedule.</p>	<p>contracts following feedback .</p> <p>Allows directorates to put in place their own arrangements under SoD.</p>
7.1.3	<p>Acceptance and Award of Contracts</p> <p>Finding of Contractor Blacklisting may result in exclusion or termination of contract.</p>	<p>Recognition of requirement in Scottish Public Procurement Note issued by the Scottish Government, to ensure blacklisting not used in connection with public contracts.</p>
9	<p>Waiver of CSOs</p> <p>0-£25,000 Head of Service and Commercial and Procurement Manager</p> <p>0-£250,000 Director and Director of Corporate Governance</p> <p>£250,000 plus – Committee or Council unless permitted by EU rules</p>	<p>Changes are proposed following a review of waivers and feedback from service areas that process needs to be clarified, simplified and speeded up. Those waivers that are permitted by EU rules are not strictly speaking waivers as in accordance with the law. While the process provides a useful audit, Committee approval should not be required.</p>
10	<p>Contract extensions or variations</p> <p>Head of Service may approve extensions or variations under £25,000.</p> <p>Director may approve extensions or variations under £250,000.</p> <p>Committee approval required where value of extension or variation</p>	<p>For the purposes of easing practical difficulties it is now provided that Heads of Service may approve contract extensions or variations where the value does not exceed £25,000 (and the extension or variation is provided for in the contract). To tie in with waivers level Directors may approve extensions or variations up to £250,000.</p>

	exceeds £250,000.	
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3.3 Option for additional powers

OPTION 1: The Council is asked to consider the following option which will increase opportunities for local suppliers, by encouraging their inclusion in Council tendering processes:-

“Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less, that at least one Small or Medium Enterprise (SME) from the City of Edinburgh, a new SME or an SME who is a significant employer within the City of Edinburgh and which has not previously contracted with the Council is invited to tender in any process.”

If adopted, guidance to support this requirement will be produced by CPS.

3.4 Proposed changes to the Appointment of Consultants

Table 2

Provision No	Change	Explanation for the Change
2.2 Definition of “consultant”	The definition of consultant shall exclude ‘agency and temporary workers’.	These are more appropriately dealt with by employment policies and through the relevant staffing agency contracts procured under CSOs.
4 Committee Approval	Committee approval not required for design teams for works projects that would not otherwise go to Committee. Definition of pre-approved Council Project included must have approved revenue or capital expenditure and a Committee report seeking consent for the project which includes explicit requirement for consultants. Standing Orders urgency provisions can be relied upon	Addresses anomaly that that Committee approval required for appointment of cost consultants, structural engineers etc, implicit in works projects that would not normally require Committee approval e.g. £300,000 refurbishment works. Mitigates against consequent delays to works programme due to approval process.

	if required.	
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Measures of success

- 4.1 The measure of success of the revised CSOs will be improved controls, increased compliance, delivery of better value contracts and a reduction in retrospective spend.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report. The changes to CSOs are expected to support the delivery of planned savings.

Risk, policy, compliance and governance impact

- 6.1 The revisions will improve controls, increase compliance and improve the governance of contracts.

Equalities impact

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

Sustainability impact

- 8.1 Should Option 1 be adopted, it will also encourage SMEs from the City of Edinburgh or who are significant employers within the City of Edinburgh to participate in the Council's tender processes. By considering costs throughout the entire life cycle of a contract, the most economically, environmentally and socially sustainable choices may be made.

Consultation and engagement

- 9.1 The CSOs were prepared in consultation with the Convenor and Vice Convenor of the Finance and Resources Committee and a wide range of officers involved in procuring and commissioning across all service areas of the Council. The revisions have been prepared in response to review by CPS and feedback as to improvements that could be made and practical difficulties experienced following implementation.

Background reading/external references

City of Edinburgh Council's Contract Standing Orders

[Report to City of Edinburgh Council dated 29 October 2012, Item No.8 .4\(a\): "Operational Governance: Contract Standing Orders"](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Nick Smith, Commercial and Procurement Manager

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO24 - The Council communicate effectively internally and externally and has an excellent reputation for customer care CO25 - The Council has efficient and effective services that deliver on objectives CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives CO27 - The Council supports, invests in and develops our people
Single Outcome Agreement	
Appendices	Appendix 1 –Contract Standing Orders Appendix 2 – Guidance on the Appointment of Consultants

CITY OF EDINBURGH COUNCIL

CONTRACT STANDING ORDERS

23 October 2014

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CONTRACT STANDING ORDERS

These Contract Standing Orders of the City of Edinburgh Council (“**Council**”) apply from 23 October 2014 and apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.

1 Preliminary

1.1 Extent and interpretation

- 1.1.1 The Council makes these Standing Orders in terms of section 81 of the Local Government (Scotland) Act 1973.
- 1.1.2 These Standing Orders must be interpreted in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.1.3 These Standing Orders apply from 23 October 2014 and apply, subject to the provisions of Standing Order 1.1.5, to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services (including consultancy services).
- 1.1.4 The Standing Orders are subject to the over-riding provisions of European Union, United Kingdom, or Scottish legislation. They are also subject to any EU Commission, UK government or Scottish Executive guidance on public procurement that may be issued from time to time.
- 1.1.5 The Standing Orders do not apply to any of the following:
 - 1.1.5.1 contracts of employment;
 - 1.1.5.2 contracts solely relating to the lease or disposal of heritable property;
 - 1.1.5.3 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013 and
 - 1.1.5.4 circumstances in which a waiver of the Standing Orders has been granted in accordance with Standing Order 9.
- 1.1.6 The Standing Orders must be read in conjunction with, and all Council staff must comply with, the Scheme of Delegation to Officers, the Council’s Financial Regulations, the Procurement Handbook and the Council’s guidance on the Appointment of Consultants. Where there is any discrepancy, the Standing Orders shall take precedence.

- 1.1.7 Failure to comply with these Standing Orders when making purchases or seeking offers may result in disciplinary action.
- 1.1.8 Any query regarding the application or interpretation of these Standing Orders should be made in the first instance to the Director of Corporate Governance.

1.2 Definitions and interpretation

- 1.2.1 “Act” means the Procurement Reform (Scotland) Act 2014;
- 1.2.2 “Best Value” means the legal duty to secure continuous improvement in the performance of the Council’s functions as set out in section 1 of the Local Government in Scotland Act 2003 as follows:-
- “1 Local authorities’ duty to secure best value**
- (1) It is the duty of a local authority to make arrangements which secure best value.
- (2) Best value is continuous improvement in the performance of the authority’s functions.
- (3) In securing best value, the local authority shall maintain an appropriate balance among—
- (a) the quality of its performance of its functions;
- (b) the cost to the authority of that performance; and
- (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.
- (4) In maintaining that balance, the local authority shall have regard to—
- (a) efficiency;
- (b) effectiveness;
- (c) economy; and
- (d) the need to meet the equal opportunity requirements.
- (5) The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.
- (6) In measuring the improvement of the performance of a local authority’s functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.
- (7) In this section, “*equal opportunity requirements*” has the same meaning as in Section L2 of Part II of Schedule 5 to the Scotland Act 1998 (c.46)”;
- 1.2.3 “Contract Owner” means the nominated contract owner for a specific contract;
- 1.2.4 “Convener” means the Convener of the Council, a committee or sub-committee of the Council;
- 1.2.5 “Director” means the relevant Director of the procuring service area or for the purpose of exercising any powers set out in these Standing Orders the Chief Executive of the Council or, in the case of cross-directorate purchasing or absence of the relevant Director, such Head of Service as that Director has sub delegated authority to in accordance the Scheme of Delegation, the Director of Corporate Governance or such director as the Chief Executive may nominate.

- 1.2.6 “EU Thresholds” means the prescribed threshold values set by the EU Commission for supply, services or works contracts as they may be amended from time to time;
- 1.2.7 “Procurement Handbook” means the procurement handbook issued by the Director of Corporate Governance, setting out the detailed requirements for the conduct of procurement activity within the Council (as amended from time to time);
- 1.2.8 “Procurement Requirement” means a document setting out as a minimum:-
- 1.2.8.1 what is the Council's requirement for the goods, works or services and why do we need it?
 - 1.2.8.2 what are all the available options, including internal provision, which is the best and why?
 - 1.2.8.3 can and should the Council afford it?
 - 1.2.8.4 what are the proposed supplier management arrangements and who is the nominated Contract Owner as required by Contract Standing Orders?
 - 1.2.8.5 how do we track, measure and account for the benefits?
- 1.2.9 “Regulations” means the Public Contracts (Scotland) Regulations 2012 or successor legislation (as amended from time to time);
- 1.2.10 “Schedule” means the schedule to these Standing Orders; and
- 1.2.11 “Standing Orders” means these standing orders including the Schedule and “Standing Order” shall be interpreted accordingly.

1.3 General Principles

- 1.3.1 The relevant officer with responsibility for commissioning and/or procuring shall, prior to commencing any procurement process, ensure that an appropriate Procurement Requirement that meets the strategic and service objectives of the Council is completed in order to ensure that Best Value is achieved and that it complies with relevant sustainable development and equality requirements. Such Procurement Requirement shall include consulting with other Council service areas to ensure that where there is a need for the same or similar services that they are jointly procured where appropriate. Where the approximate value of any proposed

procurement is likely to exceed £1 million (or £25,000 in the case of consultancy spend) the relevant Procurement Requirement or options appraisal shall require the approval of the relevant Director prior to proceeding to procurement.

- 1.3.2 Throughout the life of a contract the contract should be monitored by the Contract Owner in respect of performance; compliance with the specification and other terms of the contract; cost and benefits; Best Value requirements; equality requirements, delivery and risk management.
- 1.3.3 All procedures for initiating procurement, developing procurement plans, inviting and receiving tenders, approval of contracts, and all contractual arrangements entered into shall comply with the Council's equality and sustainability requirements and policies and, where appropriate, contractual or procurement arrangements shall include the use of community benefit clauses.
- 1.3.4 All expenditure must comply with the Council's Financial Regulations.
- 1.3.5 Grants given by the Council, while not subject to the full application of these Standing Orders, are subject to the requirement to secure Best Value and the Council's Finance Rules.

2 Procedures

- 2.1 In addition to the obligations in Standing Order 1.3.3, before commencing a tendering procedure or making a purchase where no contract exists the relevant Director must consult with the Commercial and Procurement Manager to establish whether:
 - 2.1.1 any existing contracts or framework contracts accessible to the Council may fulfil their requirements; or
 - 2.1.2 there is any existing internal provision (including the Council's significant trading operations) or other resources which could be used.
- 2.2 The procedure for the award of any contract shall depend upon the estimated aggregated value of that contract. The EU rules on aggregation of contracts shall apply and the artificial splitting of purchase orders or requirements to avoid the application of these Standing Orders is not permitted.
- 2.3 Subject to Standing Order 9, or where otherwise legally permitted in respect of proposed contracts which exceed the EU Thresholds, the minimum associated tendering procedures that must be applied are detailed in the Schedule. For supported persons services the Procurement of Care and Support Services Guidance issued by the Scottish Government and COSLA and any guidance published under the Act or subsequent Regulations should be followed.

- 2.4 The general EU principles of equal treatment, non discrimination, transparency and proportionality requiring a degree of advertising to enable open competition apply to all public contracts. Certain specified contracts are, however, subject to a different procurement regime. These services are referred to in the Procurement Handbook together with guidance on how to procure these services, which must be applied.
- 2.5 The Council may reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 50% of the workers are disabled persons. Where this right is exercised by the Council the contract award procedures provided by the Regulations and Act shall be followed.
- 2.6 **[Option:** Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less that at least one Small or Medium Enterprise (SME) from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.]
- 2.7 Direct purchasing below £3,000 without competitive tendering is permissible subject to the Council's duty to secure Best Value. Best Value will normally be secured by obtaining 3 quotes and/or evidence of firm fixed prices.
- 2.8 The Commercial and Procurement Manager shall be consulted as appropriate in respect of tendering arrangements for any proposed contracts with an estimated value of less than £25,000.
- 2.9 The Commercial and Procurement Manager shall advise on and make all tendering arrangements for any proposed contracts with an estimated value in excess of £25,000.
- 2.10 Direct purchasing above £3,000 without competitive tendering is permissible only in those circumstances that would be permitted by the Regulations or in accordance with Standing Order 9.
- 2.11 If an unsuccessful tenderer brings a written or formal challenge against the Council in relation to a tender exercise or questions the integrity of the tender process, the recipient of the notice of challenge or query must inform the Commercial and Procurement Manager. The Commercial and Procurement Manager must inform the Head of Legal, Risk and Compliance as to potential legal challenges.

3 The Role and Responsibilities of Directors

- 3.1 Each Director retains responsibility for selecting and appointing contractors, providers or suppliers for their directorate, but shall seek guidance as appropriate from the Commercial and Procurement Manager. The

Commercial and Procurement Manager shall be consulted at the earliest opportunity to ensure that all purchasing arrangements are made in compliance with these Standing Orders.

- 3.2 Each Director has responsibility for all contracts tendered and let by their Directorate and is accountable to the Council for the performance of their duties in relation to contract letting and management, which are:
- 3.2.1 to ensure compliance with these Standing Orders and the Procurement Handbook;
 - 3.2.2 to ensure no contract is entered into by the Council without seeking advice where appropriate from the Commercial and Procurement Manager and Head of Legal, Risk and Compliance and having proper regard to such advice;
 - 3.2.3 to ensure that appropriate contract security (for example guarantees or performance bonds) is obtained where required or considered prudent;
 - 3.2.4 to prepare and approve where required by these Standing Orders an appropriate Procurement Requirement for each proposed purchase or contract;
 - 3.2.5 to prepare, in consultation with the Commercial and Procurement Manager, appropriate contract and tender documents which clearly specify the scope, quality and quantity of the works, goods or services;
 - 3.2.6 to check whether there is any existing Council or other collaborative framework that can appropriately be used to achieve Best Value for the Council before undergoing a further competitive tender process;
 - 3.2.7 to keep all bids confidential subject to any legal requirements;
 - 3.2.8 To ensure no supplier is requested by the Council to provide goods, services or works without first having a valid purchase order in place;
 - 3.2.9 to enter all purchase order information onto the relevant Council financial system prior to the service or goods being delivered;
 - 3.2.10 to ensure that all necessary contract information for contracts of a value of £3,000 for goods and services and £10,000 for works or more is provided to the Commercial and Procurement Manager for the purposes of maintaining an up-to-date contract register within one month of entering into a contract;

- 3.2.11 to ensure all relevant staff are familiar with these Standing Orders and the Procurement Handbook or other guidance issued in respect of these Standing Orders;
- 3.2.12 to ensure contracts and any appropriate contract security documents are signed before work, services or supply provision commences;
- 3.2.13 to put in place arrangements for efficient supplier management including the identification of a Contract Owner and monitoring of benefits and performance, for the entire duration of the contract;
- 3.2.14 to retain a copy of the contract and keep proper records of all contracts and tenders, including minutes of tender evaluation panels and other meetings;
- 3.2.15 to take immediate action in the event of a breach of these Standing Orders or the Procurement Handbook within his/her directorate;
- 3.2.16 to consult with Elected Members on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity; and
- 3.2.17 to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the procurement process and where tenders are received in paper form to ensure they are opened in the presence of an officer nominated by the Commercial and Procurement Manager together with a witness.

4 Tender Documents

- 4.1 The tender documents shall clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the works, services and supplies required by the Council.
- 4.2 The Head of Legal, Risk and Compliance will be consulted on conditions of contract for particularly significant or complex projects or contracts.

5 Evaluation of Tenders and Quotes

- 5.1 Tenders and quotes shall be evaluated on the basis of either of the following:
 - a) lowest cost; or
 - b) most economically advantageous.

Lowest cost should generally only be the basis of evaluation for simple procurements of short-term, low-level services or goods of a standard specification.

- 5.2 Tenders and quotes received after the closing date and time stipulated for return of tenders, or tenders which are incomplete or in an incorrect format will not be opened or considered unless the Council, acting proportionately, decides that there are circumstances which allow it to exercise discretion in allowing consideration of the tender. The Commercial and Procurement Manager must be consulted if tenders are submitted late, incomplete or in an incorrect format.
- 5.3 Tenders shall be evaluated by a tender evaluation panel which should comprise officers having sufficient knowledge and technical ability to enable them to evaluate detailed tenders appropriately. The evaluation process shall follow any guidance issued by the Commercial and Procurement Manager and be fully and appropriately documented. Where a tender involves the use, adoption or purchase of an Information Communication Technology (ICT) or digital service, software or hardware this must be undertaken in collaboration with the Council's ICT Solutions service.

6 Acceptance and Award of Contracts

- 6.1 Following the conclusion of the procedure for awarding contracts set out in these Standing Orders and, where applicable, the expiry of the mandatory standstill period, the resulting contract between the Council and successful tenderer shall be entered into following the approval process detailed in the Schedule. Any contract documents or letters of acceptance must be signed by a proper officer with signing authority who has been appointed in accordance with the Scheme of Delegation.

7 Eligibility to tender and termination, variation or suspension of a contract

- 7.1 The relevant Director, having due regard to legal advice from the Head of Legal, Risk and Compliance, may treat a potential tenderer as ineligible to tender where there are reasonable grounds to conclude that the contractor or potential tenderer:
- 7.1.1 has committed an act of grave misconduct in the course of their business or profession; or
 - 7.1.2 falls within one or more of the other grounds set out in Regulation 23 of the Regulations or
 - 7.1.3 has compiled, used, sold or supplied a prohibited list which:(i) contained details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and (ii) was compiled with a view to being used by employers or employment agencies for the purposes of discrimination in relation to recruitment or in relation to the

treatment of workers, within the meaning of the Employment Relations Act of 1999 (Blacklists) Regulations 2010.

7.2 The relevant Director may terminate, suspend or vary a contract, in accordance with the express or implied terms of the contract and may also take such further action with regard to any contract as the Council is legally entitled to take.

7.3 The relevant Director will where appropriate report any actions taken in accordance with Standing Order 7.1 to 7.3 to the next meeting of the Finance and Resources Committee.

8 Electronic Procurement

8.1 Requests for quotations and invitations to tender should where practicable be issued and/or received by electronic means.

9 Waiver of Contract Standing Orders

9.1 The requirement to comply with any provision of these Standing Orders may be waived in accordance with the table in 9.2 below if on considering a written report by an appropriate officer it is considered that the waiver is justified because:-

9.1.1 the circumstances of the proposed contract are covered by legislative exemptions including the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles (for example when for artistic or technical reasons, or for reasons connected with the protection of exclusive rights, the contract may only be awarded to a particular provider) or the contract is for works, goods or services that are required in circumstances of extreme urgency that could not have been foreseen; or

9.1.2 it is in the Council’s best interests.

9.2 Table setting out the relevant values and waiver approval requirements:

Value	Reason	Approval Procedure
0-£25,000	9.1.1 EU exemptions 9.1.2 best interests	The relevant Head of Service in consultation with the Commercial and Procurement Manager
0-£250,000 (0-£25,000 in the case of consultancy spend)	9.1.1 EU exemptions 9.1.2 best interests	The relevant Director in consultation with the Director of Corporate Governance (or any other

		Director where the relevant Director is the Director of Corporate Governance
Between £250,000 and £1million for services or goods contracts and £250,000 and £1.5million for works contracts.	9.1.1 EU exemptions	The relevant Director in consultation with the Director of Corporate Governance (or any other Director where the relevant Director is the Director of Corporate Governance
Above £250,000 (above £25,000 in the case of consultancy spend)	9.1.2 best interests	The Council or Finance and Resources Committee
Above £1million for services or goods contracts and £250,000 and £1.5million for works contracts	9.1.1 EU exemptions	The Council or Finance and Resources Committee

9.3 A record of the decision approving a waiver must be kept by the relevant Director and a copy of such signed waiver provided to the Commercial and Procurement Manager who shall where appropriate make an entry in the appropriate register.

10 Contract extensions or variations

10.1 Subject to 10.2, a Director may authorise an extension to a contract, or any other variation including a consequent change in price, provided that (i) such extension or variation is not contrary to the Regulations or the Council's EU obligations; and (ii) any difference between the original and revised contract price does not exceed £250,000. A Head of Service may authorise such an extension or variation to a contract provided that (i) such extension or variation is not contrary to the Regulations or the Council's EU obligations and (i) any difference between the original and revised contract price does not exceed £25,000.

10.2 A Director or Head of Service shall not extend or vary a contract if such extension or variation is not expressly permitted by the contract without seeking advice from the Head of Legal, Risk and Compliance.

10.3 The EU rules on aggregation of contracts shall apply.

Review of Standing Orders

10.4 These Standing Orders will be reviewed annually.

SCHEDULE

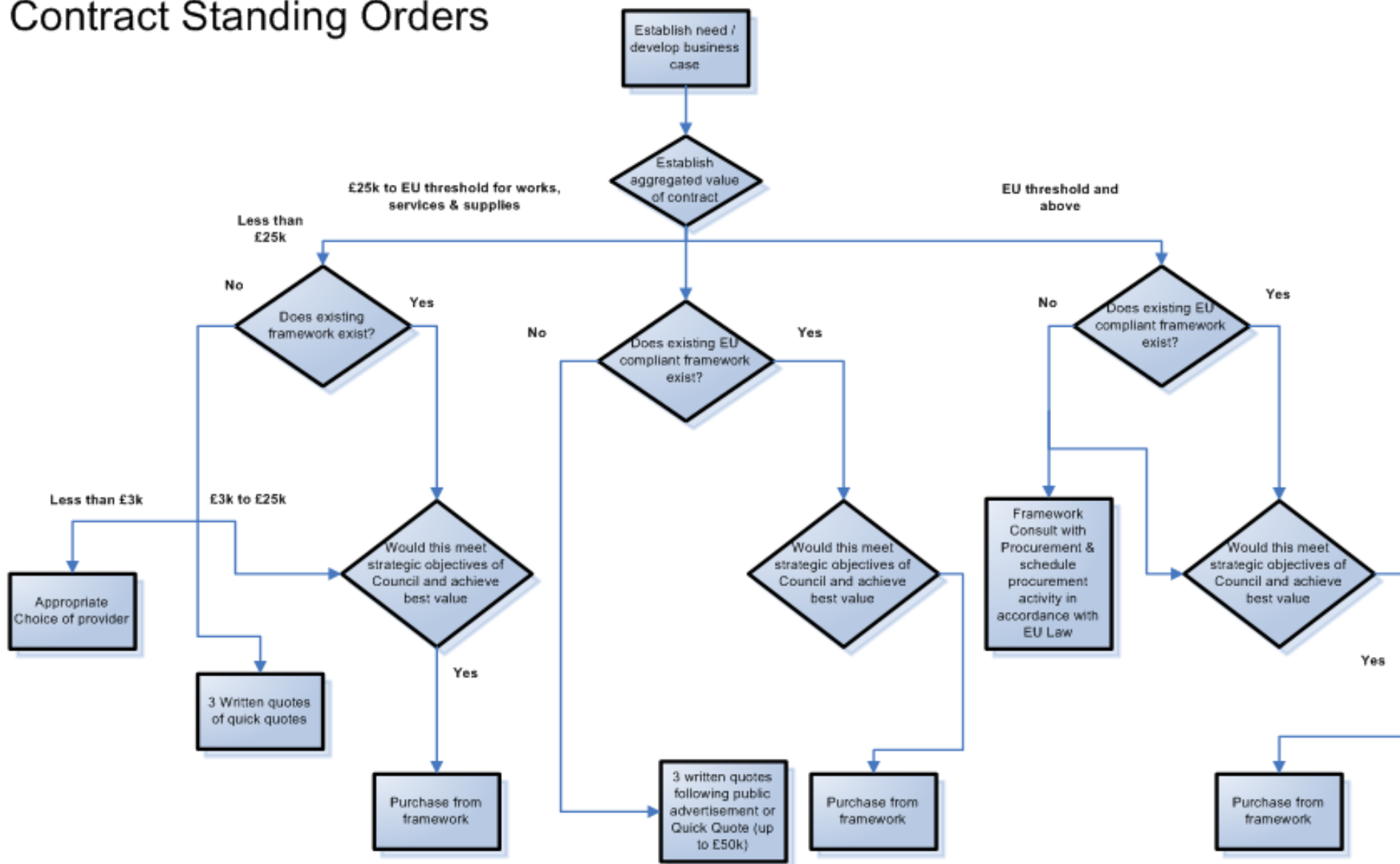
RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE

Total value for duration of contract or purchase (aggregation rules apply)	Procedure	Approval of contractual obligation	Committee Approval
Up to £3,000	<p>Appropriate choice of provider documenting reasoning and quote <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered and this will usually be demonstrated by more than one quote.</p>	Director, Head of Service or such other officer to whom the relevant Director has appropriately sub-delegated authority in accordance with the Scheme of Delegation, in consultation with Commercial and Procurement Manager as appropriate	Not required
£3,000 to £25,000 *	<p>3 written/formal quotations –written description of requirements followed by written / electronic submission of quotes <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility.</p>	Director, Head of Service or such other officer to whom the relevant Director has appropriately sub-delegated authority in accordance with the Scheme of Delegation, in consultation with Commercial and Procurement Manager as appropriate, and Head of Legal, Risk and Compliance as appropriate	Not required
£25,000 to EU Thresholds for services and supplies *	<p>Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility up to a value of £50,000.</p>	Director or Head of Service, in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate) or up to £25,000 in the case of services of a consultant as set out	Not required with the exception of appointment of consultants where the value exceeds £25,000 as set out in the Guidance on the Appointment of Consultants.

		in the Guidance on the Appointment of Consultants.	
£25,000 to EU Thresholds for works	Invitation to tender following public advertisement - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts <i>or</i> Public Contracts Quick Quote facility up to a value of £50,000.	Director or Head of Service , in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate) up to £500,000 Director approval between £500,000 and £1.5million.	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1.5million
Above EU Threshold for services and supplies *	Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts	Director approval in consultation with Commercial and Procurement Manager (and Head of Legal, Risk and Compliance as appropriate), up to £1million or £25,000 in the case of services of a consultant as set out in the Guidance on the Appointment of Consultants.	Approval to award sought from Finance and Resources Committee or Council where value exceeds £1million or £25,000 in the case of services of a consultant as set out in the Guidance on the Appointment of Consultants.
Above EU Threshold for works	Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal and/or equivalent should be used <i>or</i> use existing local, national, Council framework or call- off contracts	Director approval in consultation with the Commercial and Procurement Manager, Head of Legal, Risk and Compliance to be consulted as appropriate	Approval to award sought from Finance and Resources Committee or Council

*In terms of Standing Order 2.4 certain specified contracts are subject to a different procurement regime. These services are set out in the Procurement Handbook together with guidance on how to procure these services, which must be applied.

Contract Standing Orders



CITY OF EDINBURGH COUNCIL

**GUIDANCE ON THE APPOINTMENT OF
CONSULTANTS**

23 October 2014

Guidance on the Appointment of Consultants

This guidance of the City of Edinburgh Council (“**Council**”) applies from 23 October 2014 and has been produced to supplement the Council’s Contract Standing Orders and Procurement Handbook with principles that relate specifically to the appointment of consultants. This guidance is intended to ensure consultants are used only where necessary and in a way which achieves best value for the Council.

1. Preliminary

- 1.1. When appointing a consultant, Directors shall comply with the terms of the Council’s Contract Standing Orders and the Procurement Handbook.

2. Definition of “consultant”

- 2.1. For the purposes of this guidance, a consultant is a specialist who charges a fee for providing advice or services in a particular area of expertise such as business management, human resources, environment, communication, information technology, property and estates and financial services, but excluding agency and temporary workers and professional services provided by solicitors, counsel and actuaries.

3. Principles to be applied when appointing consultants

No alternative resource

- 3.1. Directors shall only appoint a consultant where the service in question cannot be provided internally due to a lack of expertise or capacity.

Within approved budget

- 3.2. The cost of appointing a consultant shall be contained within the budget of the service or project for which the consultant is to be appointed.

Monitoring of outcomes

- 3.3. Directors shall prepare a clear task definition and identify the required outcomes of the service prior to appointing a consultant.
- 3.4. Directors shall ensure that appropriate monitoring arrangements, such as gateway reviews, are in place prior to a consultant’s appointment in order that payments to the consultant are only made in accordance with the satisfactory achievement of measurable outcomes.

Knowledge transfer

- 3.5. Where consultants are appointed, Directors shall ensure that where appropriate, Council staff fill key project roles and work closely with consultants to maximise the potential for transfer of skills and knowledge to Council staff.

4. Reporting and approval

Reporting to committee

- 4.1. Directors shall maintain up-to-date records on the consultancy spend within their service area and shall include consultancy spend as a line in the detailed monitoring reports for months three, six, nine and twelve of each financial year to the Finance and Resources Committee and the relevant executive committee(s).

Committee approval and definition of Pre-Approved Council Project

- 4.2. Subject to 4.3 and 4.4 the appointment of a consultant where the services (or series of related services) are anticipated to be provided at an aggregate cost of £25,000 or more shall be approved by the relevant executive committee and reported to the Finance and Resources Committee,
- 4.3. Committee approval shall not be required for services that are essential to the completion of a Pre-Approved Council Project For the purposes of this guidance a Pre-Approved Council Project is a project for which there is:
 - 4.3.1 approved revenue or capital expenditure in accordance with the Council's Financial Regulations; and
 - 4.3.2 There is a Council or appropriate committee report seeking consent to commence the project which includes an explicit reference to the requirement for consultants in the delivery of that project.
- 4.4. In the event that the requirements of 4.3.2 are not met and the use of consultants is required as a matter of urgency the urgency provisions set out in provision 4 of the Council's Committee Terms of Reference and Delegated Functions and the Waiver provisions contained in Contract Standing Order 9 where appropriate should be followed.
- 4.5. Committee approval shall not be required for the appointment of a consultant employed in the design, evaluation and delivery of a works contract the value of which is below the Committee reporting requirements as set out in the Contract Standing Orders. Any such appointment shall require the prior approval of the relevant Director and the Commercial and Procurement Manager and details of any such appointments shall be included in a regular update report to the Finance and Resources Committee for noting.

5. Re-engagement of former employees as consultants

- 5.1. A Director shall not appoint a former employee who has been granted early retirement or been given a redundancy or severance package ("former employee") as a consultant unless:
 - 5.1.1. a minimum of 3 years has elapsed since the former employee ceased to be employed by the Council; or

5.1.2. subject to consultation with the Convener/Vice-Convener of the Finance and Budget Committee, the Director is satisfied that there is a clear and robust justification for the appointment of the former employee as a consultant.

The City of Edinburgh Council

10.00am, Thursday, 5 February 2015

Edinburgh Tram Inquiry – Waiver of Confidentiality

Item number	8.3
Report number	
Executive/routine	
Wards	All

Executive summary

This report asks Council to note action taken under the urgency procedures set out at paragraph A4.1 of the Committee Terms of Reference and Delegated Functions, to provide assistance to the public inquiry by Lord Hardie in relation to the Edinburgh Tram Project.

Links

Coalition pledges

Council outcomes

CO24 – The Council communicates effectively internally and externally and has an excellent reputation for customer care.

CO25 – The Council has efficient and effective services that deliver on objectives.

Single Outcome Agreement

Edinburgh Tram Inquiry – Waiver of Confidentiality

Recommendations

- 1.1 The Council is recommended to note the action taken under the urgency procedures set out at paragraph A4.1 of the Committee Terms of Reference and Delegated Functions, as set out in this report.

Background

- 2.1 On 26 June 2014 the Council resolved that, in order to assist Lord Hardie's inquiry ("Inquiry") into the Edinburgh Tram Project, where any former employee, who has been in any way associated with the project, and whose departure has been associated with a compromise or similar agreement containing a confidentiality undertaking, the Council will not rely on and will waive any such undertaking to the extent necessary to enable each such person, should they chose to do so, fully and freely to give evidence and provide any material or information to the Inquiry notwithstanding undertakings given in any such agreement.
- 2.2 Subsequent to this resolution the Inquiry has been converted to a statutory inquiry.

Main report

- 3.1 In December 2014 the Inquiry requested confirmation that the Council would further extend the waiver of duties of confidentiality owed to the Council and its subsidiary undertakings, to allow those owing such duties to co-operate with the Inquiry.
- 3.2 There was an urgent requirement for the Council to deal with this request, as the Inquiry team advised the Council that without the Council's assistance in this matter, the Inquiry's investigation would be unable to proceed in an efficient and effective manner. This would be inconsistent with the Council's agreed approach to assist the Inquiry.
- 3.3 Paragraph A4 of the Council's Committee Terms of Reference and Delegated Functions provides that if a decision which would normally be made by a Committee requires to be made urgently between meetings of the Committee, the Chief Executive or appropriate Director, in consultation with the Convener or

Vice-Convener, may take action, subject to the matter being reported to the next meeting of the Committee.

- 3.4 Appendix 1 sets out the terms of the decision made on 23 December 2014 by Alastair Maclean as Acting Chief Executive, in consultation with the Lord Provost, as the Convener of the City of Edinburgh Council, given that the next meeting of Council was not until 5 February 2015, and in light of the considerations noted above at paragraphs 3.1 and 3.2.

Measures of success

- 4.1 This decision should assist the public inquiry's investigation to proceed in an efficient and effective manner.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report.

Risk, policy, compliance and governance impact

- 6.1 Any delay in this decision would have impeded the progress of the Inquiry and would be inconsistent with the Council's agreed approach to assist the Inquiry.

Equalities impact

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

Sustainability impact

- 8.1 There is no direct sustainability impact as a result of this report.

Consultation and engagement

- 9.1 In accordance with the Council's Committee Terms of Reference and Delegated Functions, the decision was made in consultation with the Lord Provost.

Background reading/external references

[Minutes of the City of Edinburgh Council 26 June 2014](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Carol Campbell, Head of Legal, Risk and Compliance

E-mail: carol.campbell@edinburgh.gov.uk | Tel: 0131 529 4822

Links

Coalition pledges

Council outcomes CO24 – The Council communicates effectively internally and externally and has an excellent reputation for customer care.
CO25 – The Council has efficient and effective services that deliver on objectives.

Single Outcome Agreement

Appendix Copy resolution under urgency powers by the Acting Chief Executive in consultation with the Lord Provost, dated 23 December 2014.

THE CITY OF EDINBURGH COUNCIL
RESOLUTION IN RESPECT OF AN URGENT DECISION UNDER PARAGRAPH A4 OF THE
COUNCIL'S COMMITTEE TERMS OF REFERENCE AND DELEGATED FUNCTIONS

Considering that:

- a) On 26 June 2014, pursuant to a motion by Councillor Rose entitled "Tram Inquiry - Lifting of Compromise Agreement Restrictions", the City of Edinburgh Council (the "Council") resolved that, in order to assist the inquiry, where any former employee, who has been in any way associated with the project, and whose departure has been associated with a compromise or similar agreement containing a confidentiality undertaking, the Council will not rely on and will waive any such undertaking to the extent necessary to enable each such person, should they chose to do so, fully and freely to give evidence and provide any material or information to the inquiry notwithstanding undertakings given in any such agreement (the "June 2014 Decision").
- b) Since the June 2014 Decision, Lord Hardie's Edinburgh Tram Inquiry (the "Inquiry") has been converted to a statutory inquiry.
- c) The Inquiry has requested immediate confirmation that the Council shall waive any rights of confidentiality owed to the Council and its subsidiary undertakings by their current or former employees, and current and former contractors, consultants, solicitors and advocates engaged by or on behalf of the company to the extent that such persons are asked to co-operate with the Inquiry. The Council has agreed to co-operate in so far as it is reasonably able to do so with the Inquiry.
- d) There is now an urgent requirement for the Council to resolve that it shall relieve certain persons of any duty of confidentiality owed to the Council. Without this resolution, the Inquiry team have advised the Council that the Inquiry's investigation will be unable to proceed in an efficient and effective manner. Any delay in this resolution could impede the progress of the Inquiry and would be inconsistent with the Council's agreed approach to assist the Inquiry.
- e) The June 2014 Decision is not being changed, and the terms of Standing Order 27 (of the Council's Procedural Standing Orders for Council and Committee Meetings) do not apply in respect of this matter.
- f) Paragraph A4 of the Council's Committee Terms of Reference and Delegated Functions provides that if a decision which would normally be made by a Committee requires to be made urgently between meetings of the Committee, the Chief Executive or appropriate Director, in consultation with the Convener or Vice-Convener, may take action, subject to the matter being reported to the next meeting of the Committee. The next meeting of the full Council, being the relevant Committee, will not be until 5 February 2015.
- g) Given the considerations noted above, the acting Chief Executive in consultation with the Lord Provost, as the Convener of the City of Edinburgh Council, hereby resolves:
 - i. that current and former employees, and current and former contractors, consultants, solicitors and advocates engaged by or on behalf of the Council be and are hereby relieved of any duty of confidentiality owed to the Council (whether through contract of employment or otherwise)

but only to the extent that they are requested by Lord Hardie or a member of his Inquiry team to provide evidence to the Inquiry and subject to maintaining confidentiality, and in the case of solicitors and advocates also preserving legal advice and litigation privilege, in respect of any matter relating to existing litigation regarding the subject matter of the Inquiry. Such waiver shall not extend to any other matter and (for the avoidance of doubt) shall not extend to matters relating to existing litigation regarding the subject matter of the Inquiry; and

- ii. that current and former employees and current and former contractors, consultants, solicitors and advocates engaged by or on behalf of any subsidiary of the Council be relieved of any duty of confidentiality owed to such subsidiary (whether through contract of employment or otherwise) but only to the extent that they are requested by Lord Hardie or a member of his Inquiry team to provide evidence to the Inquiry and subject to maintaining confidentiality, and in the case of solicitors and advocates also preserving legal advice and litigation privilege, in respect of any matter relating to existing litigation regarding the subject matter of the Inquiry. Such waiver shall not extend to any other matter and (for the avoidance of doubt) shall not extend to matters relating to existing litigation regarding the subject matter of the Inquiry.

..... (Please sign here)

Donald Wilson, Lord Provost

23 December 2014

..... (Please sign here)

Alastair Maclean, Acting Chief Executive

23 December 2014

The City of Edinburgh Council

10.00am, Thursday, 5 February 2015

Best Value (2) Audit Report 2014

Item number	8.4
Report number	
Executive/routine	
Wards	All

Executive summary

Since the establishment of Best Value in 2003, there have been two City of Edinburgh Council audits. The first Best Value Audit report was published in February 2007, followed by a second report in May 2013. The Accounts Commission at that time requested a progress update to be provided within 18 months. This was presented to the Account Commission in December 2014.

This report provides a summary of findings and recommendations for action from that Best Value follow up audit report. It also includes an improvement monitoring schedule which will be regularly scrutinised by the Corporate Management Team and Audit Scotland on the Account's Commission behalf.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Best Value (2) Audit Report 2014

Recommendations

- 1.1 The City of Edinburgh is asked to:
 - 1.1.1 note the findings from the above report;
 - 1.1.2 note that Audit Scotland will scrutinise the Council's outcomes of the improvement monitoring schedule in December 2015 and may decide to carry out a further audit; and
 - 1.1.3 refer this committee report and the improvement monitoring schedule to the Corporate Management Team and Governance, Risk and Best Value Committee for further scrutiny and information.

Background

- 2.1 The Local Government in Scotland Act 2003 introduced the statutory duty of Best Value. In response, the Accounts Commission began the audit of Best Value and Community Planning which are:
 - 2.1.1 based on findings from other local government inspectorates that form the Local Area Network (LAN);
 - 2.1.2 focused on the risks identified by the LAN and issues faced by individual Councils; and
 - 2.1.3 designed to provide a more rounded view of how well the Council is working with partner organisations, such as health, police and voluntary organisations to make improvements for local communities.
- 2.2 The first Best Value Audit report on the City of Edinburgh Council was published in February 2007. The second Best Value report was published on 30 May 2013.
- 2.3 Audit Scotland carried out a follow up audit in the summer of 2014 to track progress on key issues and areas for improvement. Key areas included:
 - 2.3.1 the Council's challenging financial position and the capacity to achieve the planned overall level of savings;
 - 2.3.2 issues that challenged public confidence such as the trams project and statutory repairs;
 - 2.3.3 ensuring that effective risk management and internal audit arrangements were in place;

- 2.3.4 developing a workforce strategy and improving ICT further to help improve services and deliver savings; and
 - 2.3.5 improving a range of services including adult social work, waste management and meeting housing need.
- 2.4 This report was considered by the Accounts Commission in December 2014 and additional recommendations were made.

Main Report

- 3.1 The progress report notes Edinburgh's constructive response to the Best Value report and highlights a number of achievements and improvements.
- 3.1.1 Progress has been made in governance and risk management and in achieving projected savings for 2013/14.
 - 3.1.2 Good progress has been made bedding in the changes to governance including a strong contribution to scrutiny and a well established Governance, Risk and Best Value Committee.
 - 3.1.3 The Council has improved risk management and internal audit, and there is an effective oversight of major projects through the Corporate Programmes Office.
 - 3.1.4 The Council has improved services highlighted in the Accounts Commission's findings on the 2013 Best Value report specifically adult social work services and waste management.
 - 3.1.5 The report recognised significant improvement in ICT.
- 3.2 The progress report also highlights where improvement has been slower than anticipated and states that:
- 3.2.1 like other councils in Scotland, it continues to face significant challenges to meet increasing demand for services while delivering the savings it needs to make;
 - 3.2.2 the Council still need to develop a comprehensive workforce strategy. While limited progress has been made this issue has been outstanding since the first publication in 2007;
 - 3.2.3 further high profile challenges impacting on the Council's public reputation have emerged during the audit period such as Mortonhall Crematorium, Liberton High and statutory repairs service.
- There are further specific areas which require addressing such as:
- 3.2.4 delivering a strong approach for transformational change of the BOLD programmes to ensure efficient and effective service delivery;
 - 3.2.5 providing a clear and accessible information to elected members to support their decision making and scrutiny;

- 3.2.6 enhancing corporate working between staff, elected members and Corporate Management Team and enable consistent and effective staff engagement; and
- 3.2.7 further improvements to ICT arrangements ensuring the organisation is fit for purpose following the establishment of the new ICT contract in 2016.
- 3.3 Since the report was published the Council has adopted a number of measures in recognition of the Account's Commission concerns, for example strengthening the governance of the BOLD Programme. The BOLD Programme Steering Group has been established and includes the Director of Corporate Governance as chair and the Head of Finance. This group will provide strong leadership and strategic direction to the transformation programme. An independent consultant will be appointed to support delivery and ensure objective challenge and scrutiny.
- 3.4 The Council has developed an improvement monitoring schedule to monitor progress on the best value actions which includes key quality assurance activities and milestones anticipated by the Council during that period. This improvement schedule will be aligned to the Council's Assurance and Improvement Plan which will be published in April 2015. Both documents will be scrutinised by the Corporate Management Team and the Council Leader on a monthly basis and by Audit Scotland throughout the year. A decision will be made in December 2015 if a further audit will be carried out.
- 3.5 It is recognised that to deliver this level of transformational change a significant commitment will be required from elected members, senior officers and staff.

Measures of success

- 4.1 The Accounts Commission acknowledged a range of improvements since the last Best Value audit and the report states that the Commission welcomes improving performance in partnership working, both at a political level within the council and with community planning partners; economic development; children's services; and aspects of reducing inequalities.
- 4.2 Progress will be measured by the improvement monitoring schedule which will enable effective, transparent and joined up monitoring of key improvement actions during the year and will facilitate follow up reporting when Audit Scotland returns to review progress in late 2015.

Financial impact

- 5.1 No financial impact is contained within the Best Value follow up report. All improvements implemented should lead to greater efficiencies and value for money.

Risk, policy, compliance and governance impact

6.1 No risk, policy, compliance and governance impact is noted within the Best Value report.

Equalities impact

7.1 No equalities impact is noted within the Best Value report.

Sustainability impact

8.1 No sustainability impact is noted within the Best Value report.

Consultation and engagement

- 9.1 Key stakeholders have been consulted and interviewed through the Best Value audit including:
- Elected Members;
 - Corporate Management Team; and
 - Managers and Staff.

Background reading / external references

[The City of Edinburgh Council Best Value Report May 2013](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Kirsty-Louise Campbell, Governance Manager

E-mail: kirstylouise.campbell@edinburgh.gov.uk | Tel: 0131 529 3654

Contact: Jo McStay, Business Intelligence Manager

E-mail: jo.mcstay@edinburgh.gov.uk | Tel: 0131 529 7950

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	Appendix 1 - The City of Edinburgh Council Best Value Audit Report 2014, Appendix 2 - Best Value 2015 Improvement Monitoring Schedule

The City of Edinburgh Council

Best Value Audit Report

2014

Prepared for the Accounts Commission by the Controller of Audit
November 2014

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Introduction

1. In May 2013, the Controller of Audit presented a report to the Accounts Commission on the City of Edinburgh Council's performance of its statutory duty to secure Best Value. This was under section 102(1)(c) of the Local Government (Scotland) Act 1973. The Commission made findings on the report; the Controller's report and the Commission's findings were published on 30 May 2013.
2. Appendix 1 details the Commission's 2013 findings. The Commission recognised that the council had demonstrated a good understanding of the challenges it had faced and the need to restore public confidence. This had been damaged in light of high-profile issues such as the trams project and problems in the council's statutory repairs service.
3. The Accounts Commission expressed concerns about the scale of the challenges the council faced, including:
 - Reducing its spending to balance its long-term budgets. There were risks in whether the council could achieve its planned savings and in how much it was relying on the level of savings it expected to make from procurement (buying good and services).
 - Ensuring it had effective risk management and internal audit arrangements.
 - Developing a comprehensive workforce strategy to ensure it had the capacity and skills to deliver its ambitious improvement and change programme, and embedding the commitment of all staff to the need for change.
 - Improving its information and communications technology (ICT).
 - Improving a range of services including adult social work, waste management, and meeting housing need.
4. The Commission asked the Controller of Audit for a further report after around 18 months, to allow the Commission to review the council's progress in implementing actions and maintaining improvements. This audit report responds to the Commission's request.

The audit

5. The audit reviewed the council's progress over the 15 months between the publication of the previous report in May 2013, and August 2014. Audit work took place from June to August 2014 and this report reflects the position at that time, although we also took account of relevant developments up to October 2014.
6. In addition to reviewing and analysing key documents, the audit team interviewed:
 - the council's Leader and Deputy Leader
 - the Convener of the council's Governance, Risk and Best Value Committee
 - the Convener and Vice-Convener of the council's Finance and Resources Committee.

The team also interviewed the Chief Executive and the other members of the Corporate Management Team, managers from across the council's service areas, and trade union representatives. The team observed council committee meetings, attended a 'Pride in our People' event, and held two focus groups with council staff, one with a group of middle managers and the other with front-line staff.

7. I gratefully acknowledge the cooperation and assistance provided to the audit team by the Chief Executive, Sue Bruce, the Leader of the council, Councillor Andrew Burns, as well as the other councillors and staff who met with members of my team as part of the audit.

Summary

Overall conclusions

In May 2013, the Accounts Commission concluded that the City of Edinburgh Council's financial position was particularly challenging. At that time the council reported that, assuming it achieved all planned savings, it still needed to find additional savings of £17 million to balance its budget in 2017/18. Since then, the financial challenges facing the council have increased significantly, with recent council reports now showing that the additional savings it needs to find in each of the next three years have increased, rising to £67 million in 2017/18.

The council's financial position requires significant changes in the council's operations over a relatively short period if it is to achieve a balanced budget in 2017/18. The council plans to generate a significant proportion of these additional savings from its new transformation programme (known as BOLD) and from improved arrangements for buying goods and services. It is too early to assess the effectiveness of these initiatives.

Dealing with long-running problems in the statutory repairs service and more recent issues, such as concerns about practices at Mortonhall crematorium, have absorbed significant amounts of senior managers' time. The council needs to ensure it has sufficient capacity to deal with problems as they emerge while increasing the pace of improvement and change.

The council has made good progress in developing its approach to scrutiny and risk management. The Governance, Risk and Best Value Committee provides effective scrutiny of the council's operations and performance. The council has also improved risk management, internal audit and the oversight of major projects. It needs to maintain this progress and ensure these changes are firmly in place across the organisation, to help identify risks earlier and to support improvement.

The council has still to develop a comprehensive workforce strategy, despite this being a key building block in ensuring it has the capacity and skills to address the challenges it faces. The council has improved its ICT arrangements and acknowledges the need to make further progress in this crucial area, to help improve services and achieve savings.

The council has improved those services highlighted in the Accounts Commission's findings on the 2013 Best Value report. However, it continues to face significant challenges to meet increasing demand for services while delivering the savings it needs to make.

- 8.** In its findings on the 2013 Best Value report, the Accounts Commission urged the council to give absolute priority to ensuring that savings identified were both achievable and delivered. While the council has continued to manage its day-to-day finances well, it needs to deliver savings of around £37 million (around four per cent of its £950 million net annual spend) to balance its budget in 2014/15. While other councils also have to achieve savings, the City of Edinburgh Council faces particularly significant challenges to achieve the savings required over the next three years. Since May 2013, when we last reported, the council has revised its financial plans. The revised plans show that, assuming it achieves the savings identified in the plan, which are challenging in themselves, the amount of additional savings the council needs to find to balance its budget in 2017/18 has increased, from £17 million to £67 million. This

increase is substantial and will require significant changes in the council's operations over a relatively short period if it is to achieve a balanced budget in 2017/18.

9. The council has developed a transformation programme (BOLD, or Better Outcomes through Leaner Delivery) to generate additional savings options from 2015/16. However, the council has yet to confirm these proposals and it is too early to assess the programme's impact. The previous Best Value report noted that the council's financial plans depended heavily on savings from improved procurement (how it buys goods and services). The council's ambitions for savings from improved procurement remain strong but it has reduced considerably the amount of savings it expects to receive from this source in its financial plans. It has improved its procurement arrangements and its central procurement unit is working more closely with services to generate additional savings.
10. The council has had to deal with substantial issues of public concern in the 18 months since our last report. These include a fatal accident at Liberton High School and the outcome of an independent inquiry into practices at Mortonhall Crematorium. These matters, along with the need for action to resolve long-standing problems in its statutory repairs service, have absorbed significant amounts of senior managers' time. The council has made improvements since our last report, but elected members have expressed concerns about the pace of change. In view of the range of challenges the council faces, there is a risk that the council does not have sufficient capacity, both at leadership level and across the organisation, to resolve problems as they emerge while increasing the pace of change and improvement.
11. The Corporate Management Team (CMT) continues to improve how it works together, with strong leadership from the Chief Executive. However, the delay in resolving the statutory repairs issue, for example, has underlined the need for the CMT to ensure a consistent, coordinated approach to problems and risks. Changes in the composition of the CMT are planned following the resignation of the Director of Services for Communities in June 2014. Officers and elected members work well together and continue to recognise the need to restore public confidence and the council's reputation following its high-profile problems.
12. The council has made good progress in bedding in the changes to governance that were new at the time of our previous audit. The Governance, Risk and Best Value Committee is well established and makes a strong contribution to scrutiny. The council has improved risk management and internal audit, and the corporate programmes office effectively oversees major projects. The council recognises that it needs to maintain this progress to ensure these changes are firmly in place across the organisation, to identify risks earlier and to support further improvement.
13. Our previous report stated that workforce planning was underdeveloped and that ICT was weak. The council has still to develop a comprehensive workforce strategy setting out how it will make sure it has the workforce it needs to meet future service demands and to continue improving. In recent reports, the council recognises that having such a strategy is a key aspect of well-run organisations and is central in achieving Best Value, but progress has been slow. It now plans to develop a comprehensive strategy by the end of 2014. It has increased its engagement with staff to widen their understanding of the council's priorities but needs to

ensure these messages are communicated effectively across the organisation. The council has improved ICT but acknowledges the need to make further progress to help improve services and deliver savings.

14. In its findings on the May 2013 Best Value audit report, the Commission noted that the improvements the council needed to make would take time to achieve fully. Since then, it has made progress in a number of the areas highlighted in the Commission's findings. Other actions, such as embedding the commitment of all staff to change and transforming services to secure improvement and savings, will take longer. The council continues to face a range of significant long-term challenges, not least achieving substantial savings while meeting increasing demands for services.

Audit assessment

The council's financial position has become significantly more challenging since the previous Best Value report. The council's financial plans show that the additional savings it needs to find in 2017/18 have increased, from £17 million to £67 million

15. In its findings on the 2013 Best Value report, the Accounts Commission noted that the City of Edinburgh Council faced particular challenges in reducing its budgets and delivering substantial savings in the period to 2017/18. The Commission urged the council to give absolute priority to ensuring that its savings plans were both achievable and delivered.

The council continues to manage its day-to-day finances well but faces significant challenges to achieve the savings it needs to make

16. The council has continued to achieve good overall in-year financial results. In 2013/14, all council services operated within budget, and the council achieved its savings target of £26 million. Of this, £14 million came from savings from across service areas (£3 million less than planned) and £5 million came from improved procurement (£4 million less than planned). The balance of £7 million came from savings in loans charges and from savings in individual services beyond those agreed as part of the original budget.¹ At the end of financial year 2013/14, the council's general fund balance was £123 million, £110 million of which was earmarked for future commitments and £13 million was unallocated. To balance its budget for 2014/15, the council needs to achieve savings of around £37 million (around four per cent of its £950 million net annual spend). It expects to achieve this by making £7 million savings from corporate procurement and £30 million in savings from across services.
17. The council has well-developed financial plans.² Its projections show that, between 2014/15 and 2017/18, spending will increase by 15 per cent because of increasing demands for services while its income will remain static in cash terms (that is, not allowing for inflation).³ In May 2013, we reported that the council needed to deliver recurring annual savings of £107 million by 2017/18. Since then, the council has revised its plans. In September 2013, it reported that the total recurring savings it would need to achieve by 2017/18 had increased to £120 million.⁴ By May 2014, this figure had increased to £138 million.⁵

¹ *Revenue monitoring 2013/14 - outturn report*. City of Edinburgh Council Finance and Resources Committee, 28 August 2014.

² *Scotland's public finances. A follow-up audit: Progress in meeting the challenges*. Audit Scotland, June 2014.

³ *2015/18 revenue and capital budget update*. City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

⁴ *Revenue and capital budget framework*, City of Edinburgh Council Finance and Budget Committee, 19 September 2013.

⁵ *2015/18 revenue and capital budget update*. City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

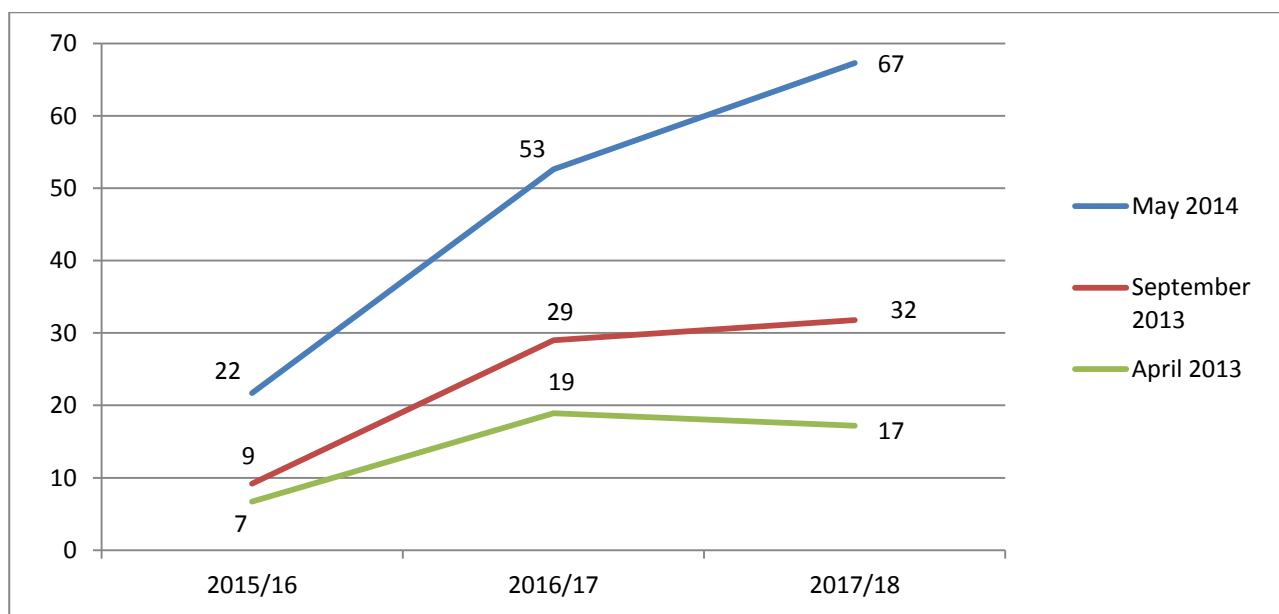
18. The increase in the overall savings requirement of £31 million since May 2013 was due to two main factors, namely^{6 7}:
- Changes to the council's budget assumptions, including a number of service pressures, increasing the council's required net savings by 2017/18 by about £5 million.
 - The council anticipates that, compared with its previous estimates, grant funding from the Scottish Government will reduce by £26 million by 2017/18.
19. The council's current savings plans will, if achieved, generate savings of £71 million by 2017/18. These are from various sources, including:
- service reviews (including staff management)
 - efficiencies (better ways of doing things, including improved procurement)
 - additional income (raising more money from charges for council services).
20. The previous Best Value report highlighted that, in addition to its planned savings, the council needed to find additional savings of £17 million in 2017/18 to balance its budget. In September 2013, the council reported that the additional savings it needed to achieve each year to 2017/18 had increased, rising to £32 million in that year. In May 2014, the council reported that these additional savings had increased further, rising to £67 million in 2017/18; that is, the council's £138 million overall savings requirement (paragraph 17) less planned savings of £71 million (paragraph 19) ([Exhibit 1](#)). The increase in the council's required additional savings was due to the increase in its overall savings requirement and its decision to reduce the amount of savings expected from procurement. Compared with April 2013, the council's budgeted savings from improved procurement in 2017/18 have decreased by about £30 million. We consider procurement in more detail in paragraph 31, and the council's revised approach to recording and reporting procurement savings in paragraph 35.

⁶ 2015/18 revenue and capital budget update, City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

⁷ Revenue and capital budget framework, City of Edinburgh Council Finance and Budget Committee, 19 September 2013.

Exhibit 1**Additional savings requirements set out in the council's financial plans, 2015/16 to 2017/18**

Since April 2013, the additional savings the council needs to achieve in each of the next three years have increased, rising to £67 million in 2017/18.



Sources: *The City of Edinburgh Council's financial plan update reports*

21. Over and above the planned savings (£71 million) and the additional savings that it has yet to identify (£67 million), the council faces a range of pressures that are likely to affect its longer-term financial position:

- The council has identified a number of priority projects that may require capital funding during the period 2014-19. These include improvements to schools, sports facilities and leisure facilities, and they have a total value of about £200 million.⁸ The council has yet to confirm which of these projects will be taken forward and, consequently, to assess any impact on its revenue position. In addition, recent condition surveys have identified a backlog of essential works across a range of council properties, including roads and schools. While the council's asset management plan allows it to target spending on priority areas, it does not have enough money to clear the backlog.
- As with many councils, spending pressures affect individual services. The council has identified a range of potential financial pressures, including:
 - likely increases in demand for services such as school meals, school transport and domestic care;
 - the impact of legislative changes such as giving people more control over buying personal care under self-directed support;

⁸ 2015/18 revenue and capital budget update, City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

- the potential loss of existing external funding such as European Social Fund for employability projects;
- additional costs from setting up a new shared repairs service for people living in tenements;
- revised Scottish Government targets, such as reducing delayed discharges from hospital.

At May 2014, the council estimated these additional spending pressures would total over £15 million in 2015/16.⁹ The council has not reflected these additional pressures in its budgets as directors are expected to develop proposals to address them.

- There are potential financial liabilities associated with the council's arm's-length external organisations (ALEOs). The council is aware of its exposure to financial risks associated with its ALEOs, and there are concerns about the financial position of some organisations. For example, an independent report indicated that the current financial position of the Edinburgh International Conference Centre (EICC) is not sustainable and raised concerns about whether the EICC business plan can be achieved over the life cycle of the project.¹⁰ If council ALEOs experience financial difficulties, the council may have to provide additional financial support.

22. Uncertainties also remain about the money the council will be able to recover from statutory repairs work that has yet to be billed ([Exhibit 2](#)).¹¹ In July 2014, the council reported that it needed to resolve financial issues with an overall value of almost £30 million. The council's financial statements allow for up to £12.5 million that the council may not recover from statutory repairs work undertaken. In addition, a further £3.9 million has been earmarked within council reserves to cover the costs of any further claims against the council in respect of statutory repairs.¹²

Exhibit 2

Financial implications for the council of resolving the statutory repairs issue

In 2011, following allegations of poor service, overcharging and mismanagement, investigations started into the council's property conservation service. The service was responsible for serving statutory notices requiring repairs to commonly owned parts of buildings such as roofs.

By May 2013, the council had paid £22 million to contractors for repairs but had not yet billed property owners. In June 2014, the council stated that consultants had examined £15 million,

⁹ *2015/18 revenue and capital budget update*, City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

¹⁰ *Governance of Major Projects: progress report*. City of Edinburgh Council Finance and Resources Committee, 30 July 2014.

¹¹ See paragraphs 39-40 and Exhibit 2 for further information about the statutory repairs issue.

¹² *Property Conservation Closure & New Service Programme - Progress Report*, City of Edinburgh Council Finance and Resources Committee, 30 July 2014.

and assessed £11.5 million of that as billable. The council has formal assurance reports supporting £7.5 million of the £11.5 million billable amount.

Of the £22 million the council paid to contractors, it has issued bills for £6 million to date and collected £3 million. To ensure completion of all unbilled case assessments, the council has extended its contract with the consultants to January 2015, around twelve months longer than originally anticipated.

The prolonged resolution of the property conservation issue continues to affect council finances. To date, the council has written off around £1.3 million and estimates that the final debt write-offs for unbilled work will be around £9.4 million. The council increased its overall limit for writing-off bad debts from £10 million in 2012/13 to £12.5 million in 2013/14. It subsequently made additional provision of £3.9m to account for settlement offers which may be made in respect of paid bills to owners who have been affected by statutory notice works. The cost of the consultants contracted to help with debt recovery was around £1.3 million at March 2014. The council faces further, unquantified costs in resolving the issue, such as the costs of additional staff.

Source: Audit Scotland.

23. In May 2014, the council described its financial position as 'more severe' because it now expects to receive less grant funding than previously anticipated.¹³ It recognises that the scale of spending reductions it needs to achieve means that it needs to go beyond incremental, efficiency-driven measures. It also recognises that it needs to adopt more fundamental changes that will both transform how it provides services and meet its strategic priorities. The council's main approach for making its planned savings is through developing and implementing its Better Outcomes through Leaner Delivery (BOLD) programme. The programme includes savings from improved procurement practices.

The BOLD programme is generating options for delivering additional savings but it is too early to assess its impact

24. The council launched the Better Outcomes through Leaner Delivery (BOLD) programme in November 2013 as one of its main responses to financial pressure. The programme cuts across council directorates and is intended to identify new and fundamentally different ways of providing services.
25. There is strong commitment to the BOLD programme. The council has seconded senior staff from across the council with appropriate skills and experience to the delivery team. To ensure strong governance and support, the Corporate Management Team (CMT) is the programme board and receives weekly updates, and a member-officer working group meets every two weeks to discuss progress. The council established the Corporate Programme Office (CPO) in January 2013 to review and support major council projects and change programmes. The CPO monitors the BOLD programme's overall progress.

¹³ 2015/18 revenue and capital budget update, City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

26. The BOLD team has consulted extensively with staff and external stakeholders, including other councils and the NHS, in developing savings proposals across 12 themes ([Exhibit 3](#)). These range from traditional approaches such as staff reductions and increased charges for services, to more transformational approaches. Examples of these include neighbourhood projects, which look at how services are organised and provided in specific areas in the city. In September 2014, the council's Finance and Resources Committee drew on these BOLD themes to approve additional savings proposals with a total value of £28.5 million in 2015/16. The council will engage with the public on these proposals. If achieved, the savings would bridge the council's anticipated funding gap of £22 million for 2015/16 and allow a degree of additional investment in priority areas.

Exhibit 3

BOLD programme savings themes

Council staff generated proposals across 12 themes.

Workforce controls	Education transformation
Flexitime, agency and sickness	Health and social care transformation
Employee benefits package	Coordinated services - Business Support
Property rationalisation	Efficiency
Income maximisation	Third sector payments
Neighbourhood model	Enablers and tools

Source: The City of Edinburgh Council.

27. The council needs to ensure that, once it confirms savings proposals, it provides the funding and management skills needed to implement the projects successfully, particularly larger-scale projects. In contrast to some aspects of the council's previous approach to delivering procurement savings (see paragraph 31), the BOLD team plans to ensure that there is clear responsibility and ownership within service areas for making savings from BOLD initiatives.
28. The council has evaluated the first phase of the BOLD programme and found that, overall, staff are buying into and participating in it, with strong support from CMT and elected members. The review also highlighted areas for improvement, including:
- a stronger customer focus
 - providing adequate resourcing
 - better management information to identify where the council most needs to improve.

29. The council recognises that the first phase of the BOLD programme adopted a largely traditional approach to achieving savings. It has now started phase 2 of the programme. This will include a series of strategic service and activity reviews across the council. In view of the increase in the level of savings required by 2017/18, there is now even greater expectation on the BOLD programme to identify and deliver savings.
30. The BOLD programme has the potential to make a significant contribution to the savings the council needs to achieve. However, it is too early to assess the effectiveness of the BOLD programme and there is a long way to go before it secures the transformational changes the council is seeking to achieve.

The council is improving its procurement practices but has substantially reduced the savings from procurement included in its financial plans

31. The council recognises that its previous policies and systems for procurement were not effective. It identified the following factors for the shortfall in its 2013/14 central procurement target:
 - a lack of clarity and ownership on implementation of the savings across services
 - a focus on agreeing targets rather than delivering on projects
 - risk aversion across some service areas
 - contract management difficulties.
32. The council has taken action aimed at improving procurement practices including: developing a procurement strategy and handbook; introducing mandatory purchase orders; and developing a management information system to allow better understanding and transparency of procurement spending. Since 2013, the council's Procurement Capability Assessment score (which assesses an organisation's purchasing strategy, operations and performance) has improved from 59 per cent to 76 per cent. This places the council in the 'superior performance' category under Scotland Excel's ratings.
33. The council continues to rely on improved procurement to help reduce its costs and make savings. In 2013/14, it only achieved £5 million of the £9 million planned corporate cash savings from procurement. Across the organisation, however, it reported total savings of over £22 million from improved commercial and procurement activities.¹⁴ This total included cash savings from procurement of £10.6 million, with the remainder being savings from major projects (such as avoiding costs in buying new ICT equipment) which did not represent savings against budget for the council in 2013/14.¹⁵
34. In our previous report, we highlighted that the council anticipated cumulative savings from improved procurement of £104 million across the whole organisation over the four years to

¹⁴ *Commercial Excellence Programme - Update*. City of Edinburgh Council Finance and Resources Committee, 5 June 2014.

¹⁵ These procurement-related savings are the council's forecast savings in 2013/14, and may be achieved over several years. They are therefore not comparable with the council's in-year 2013/14 savings of £28 million.

2017/18. Since then, the council has revised the amount of savings from corporate procurement (that is, expected procurement savings in the corporate budget) included in its financial plans. In September 2013, the financial plan included budgeted procurement savings over the four years to 2017/18 of £64 million.¹⁶ In May 2014, the council further revised its estimated corporate procurement savings and, as a result, its cumulative savings target in this area is about £40 million over the four years to 2017/18.¹⁷

35. The council's reduced budgeted level of corporate savings reflects its revised approach to recording and reporting procurement savings. Its revised corporate procurement target is more clearly in line with each project's stage of delivery, which allows greater confidence that these savings will be delivered. In addition to corporate procurement savings, some service-based budgets also include procurement-related savings. Under the council's revised approach, individual services are now expected to work more closely with the central procurement unit to develop and implement further procurement-related savings and to record these savings directly against their budgets. The council expects that this will provide a greater incentive to individual services to meet their savings targets. The council's ambitions for savings from procurement remain strong and it continues to work with external consultants to deliver procurement savings, but it has yet to include many of these savings in its budgeted savings plans. It is therefore too early to assess the effectiveness of the council's revised approach in achieving additional savings from procurement.

Elected members need consistent information to allow effective scrutiny of the council's financial position

36. The council provides quarterly financial monitoring reports to the Finance and Resources Committee and the Governance, Risk and Best Value (GRBV) Committee. These reports show the updated forecast position for the year, including information on service pressures and the financial challenges facing the council.
37. However, there is not always a full and accessible summary of the council's financial position, or progress against all savings plans. For example, while the council's May 2014 update report on its 2015/18 revenue and capital budgets included the additional savings it would need to make by 2017/18, it did not include a clear statement on the increased overall savings it would need during this period. To ensure effective governance and scrutiny of its financial position and performance, it is important that elected members are provided with clear and comparable information.

¹⁶ *Revenue and capital budget framework*, City of Edinburgh Council Finance and Budget Committee, 19 September 2013.

¹⁷ These savings comprise £6.8 million in 2014/15 and £11 million in each subsequent year to 2017/18.

There is a risk that the council does not have sufficient capacity to deal with problems as they emerge while increasing the pace of change and improvement

Dealing with high-profile problems has taken up significant amounts of senior managers' time

38. In recent years, the council has faced significant high-profile problems, including contractual disputes arising from the trams project and difficulties in its statutory property repairs service¹⁸. The council recognises that the action taken to resolve problems in its statutory repairs service has not been effective and elected members have expressed frustration about the lack of progress.¹⁹ The council recently made a number of changes to help ensure more effective governance and scrutiny of statutory repairs ([Exhibit 4](#)).

¹⁸ The statutory repairs service was responsible for serving statutory notices requiring repairs to commonly owned parts of buildings, such as roofs.

¹⁹ Minutes of the City of Edinburgh Council Finance and Resources Committee meeting, 5 June 2014.

Exhibit 4

Edinburgh's statutory repairs problems

The council's progress in resolving the statutory repairs issue has taken longer than planned.

The council's statutory repairs service was responsible for issuing statutory notices requiring repairs to commonly owned parts of buildings, such as roofs. In many cases, home owners have disputed or refused to pay for the work. In June 2014, an internal review identified shortcomings in the council's arrangements for dealing with complex complaints and legacy statutory notices, including:

- An unsuccessful pilot scheme to deal with more complex complaints using an external law practice to act as mediators
- Insufficient knowledge and expertise to resolve legacy statutory notice projects
- A fragmented approach for resolving problems arising from the statutory repairs scheme, including how it dealt with complaints.

The council subsequently made a number of changes to help ensure more effective governance and scrutiny of statutory repairs. These include setting up a dedicated cross-council project board which is responsible for complaints resolution, billing of projects and recovery of outstanding debts. In July 2014, the council established a new approach called Programme Momentum which aims to bring together all its workstreams relating to statutory repairs. The council has recently made progress in reviewing unbilled projects and complex complaints, and plans to send out all invoices and settlement offers by January 2015. The Chief Executive now has overall responsibility for resolving complaints and recovering debt, and has delegated authority to write off sums of up to £100,000 per project.

This change in responsibility and accountability is intended to ensure a more effective, corporate approach for resolving outstanding complaints. Officers will provide monthly reports to the Finance and Resources Committee, and the Chief Executive will update the committee's Convener and Vice-convener on progress every two weeks.

Source: Audit Scotland.

39. Since our last report, the council has also had to deal with a fatal accident at Liberton High School and the publication of an independent report that was highly critical of practices at Mortonhall Crematorium.²⁰ Dealing with these high-profile problems and the statutory repairs issue has absorbed a large amount of senior managers' time.
40. The council has made improvements since our last report, but elected members have expressed concerns about the overall pace of change, for example over the statutory repairs issue and developing a strategic workforce plan (paragraph 59). In view of the range of challenges the council faces, there is a risk that it does not have sufficient capacity (that is, enough people with appropriate skills and experience), both at leadership level and across the

²⁰ The report related to the cremation of babies at Mortonhall Crematorium.

wider organisation, to address the challenges while increasing the pace of change and improvement. A lack of capacity could, for example, affect the progress of improvement programmes such as BOLD.

The CMT continues to improve how it works together but needs to ensure it always takes a coordinated approach to resolving issues

41. The CMT comprises the Chief Executive and directors of five service areas: corporate governance; services for communities; health and social care; children and families; and economic development. The Head of Finance, the council's statutory officer for finance, is also a full member of CMT and has direct access to the Chief Executive and senior elected members. In considering the recent Accounts Commission/Auditor General report on *Scotland's Public Finances*, the council confirmed that this important role is established properly within its overall governance arrangements.²¹ The lead officers for communications, and people and organisation, also attend CMT.
42. The CMT continues to improve how it works together, with strong leadership from the Chief Executive. It now adopts a more corporate and coordinated approach to issues such as tackling homelessness and reducing delayed discharges from hospital. The CMT's actions following the Liberton school accident and the publication of the Mortonhall report helped ensure a cross-council response in difficult circumstances.
43. The CMT needs to ensure that it maintains a corporate approach to resolving issues. The council may have identified problems in resolving the statutory repairs issue earlier had the CMT monitored progress more closely and adopted a more corporate approach. There was also a lack of coordination within CMT in dealing with an internal review of the council's approach to health and social care integration, a highly significant matter for the council and its services and finances.²² In short, there was poor communication within the CMT about a report provided to elected members about the council's position. The statutory repairs issue and the review of health and social care integration highlight the risks, when the CMT's oversight of major issues is not fully co-ordinated, to:
 - effective corporate working
 - the confidence of elected members and council staff in the CMT.
44. Following the Liberton accident and the publication of the Mortonhall report, the council suspended the Director of Services for Communities. The Director subsequently resigned in June 2014. To ensure continuity of leadership, the Chief Executive initiated a series of acting-

²¹ *Audit Scotland national report: Scotland's public finances - a follow-up audit*. City of Edinburgh Council Finance and Resources Committee, 30 July 2014.

²² In August 2014, the council approved a proposal to adopt the Integrated Joint Board model for planning and resourcing adult health and social care services in Edinburgh. The council and NHS Lothian must jointly submit an Integration Scheme to the Scottish Government by April 2015, and establish a new Integration Authority by April 2016. The estimated annual budget of the new health and social care partnership will be around £400-500 million.

up arrangements. Although managers in temporary promoted posts have responded well, the council must ensure that it has sufficient long-term capacity at senior management level to:

- lead its improvement programme
- increase the pace of change
- ensure the council is providing good quality services.

Some elected members have expressed concerns about the long-term viability of the current acting-up arrangements and, more generally, about the range of some senior managers' responsibilities. The council is currently developing new organisational arrangements to address this issue.²³ The proposed approach cuts across service directorates, with a greater emphasis on local priorities and outcomes. The council will consider its approach in more detail in November 2014.

45. The council recognises that good working relationships between elected members and officers are key to a successful, high-performing council.²⁴ Service directors reported strong relationships with conveners of the respective council committees. Members and officers recognise the need to restore public confidence and the council's reputation following the issues of public concern that the council has faced in recent years. The council monitors residents' views through an annual survey, and the 2013 survey showed increased public confidence in the council. For example, 74 per cent of people said they were satisfied with the way the council was managing the city (an increase from 2012, and an improving long-term trend).
46. While elected members and officers informed us that relations between them are generally good, some members see the need for more discussion at an earlier stage on the options for service changes. Similarly, elected members expressed some concerns about progress in implementing decisions and with the quality of some of the information they receive to inform decision-making and to support scrutiny. The council is currently revising its member/officer protocol to clarify the information elected members require to fulfil their duties, including scrutinising and challenging the council's operations and decisions.²⁵

The council has made good progress in developing its approach to scrutiny and risk management

47. The council set up new political governance arrangements in October 2012 in which a committee system replaced the previous cabinet system. The new arrangements aim to improve the effectiveness of the council's decision-making, policy development and scrutiny. Sub-committees provide a policy development and review function. The council recently consulted members and officers on the effectiveness of the policy development and review

²³ *Organise to deliver: the principles for change*. The City of Edinburgh Council, 23 October 2014.

²⁴ *Operational Governance: Member/Officer Protocol*. The City of Edinburgh Council, 12 December 2013.

²⁵ *Update to Member/Officer Protocol*, The City of Edinburgh Council Governance, Risk and Best Value Committee, 14 August 2014.

sub-committees. At the time of our audit, the council was considering whether to retain and strengthen the sub-committees or return their functions to the main committees.²⁶

48. The Governance, Risk and Best Value Committee (GRBV) is chaired by an elected member from an opposition party and plays a significant role in scrutinising the council's operations and performance. The committee works well and is effective in holding officers and members to account. As part of its commitment to improve, committee members have expressed interest in training on financial scrutiny to help them further develop their role. Officers have facilitated this as part of a wider training programme for elected members that focuses on key areas of governance.
49. The council has also made good progress towards its commitment to openness and transparency. For example, it set up the Petitions Committee in October 2012. It has received a total of 27 petitions to date and has considered nine of the 15 valid petitions. In each case, the committee agreed that the issues raised merited further action and the petitions have been referred to the relevant committees to agree and implement appropriate actions. The council began webcasting full council meetings in 2012 and has recently expanded this programme with live webcasting of many committees, with archived webcasts available on its website.
50. At officer level, the council established a Corporate Programme Office (CPO) in January 2013 to oversee and support major council projects and change programmes. The CPO has so far carried out over 20 assurance reviews, including a review of the planned integration of health and social care services.
51. The CPO has also helped to support projects that have had difficulties. For example, it helped to resolve difficulties with the first phase of the Water of Leith flood prevention project. This included mediating with the contractor and improving the project management and governance arrangements. It has also carried out an assurance review of the second phase of the project. The CPO has recently started to assess the council's approach to resolving the statutory repairs issue and procuring its new ICT contract.
52. The CPO reports monthly to the CMT and quarterly to the council's Finance and Resources Committee. The CMT and elected members provide strong support to the CPO, and look to it for advice and assurance on how effectively major projects and programmes are managed. While the CPO is now well established, the team is currently operating with about half of the number of staff included in the CPO plan. The council needs to build on the CPO's initial success and assess the risk that it does not have enough staff to maintain its effectiveness.
53. The council has made good progress in developing its approach to scrutiny and risk management. A 2012 review by external consultants concluded that the council's risk management arrangements were not adequate for an organisation of its size, nature and complexity. The council has appointed consultants to help it improve its risk management and internal audit arrangements. It aims to use these improved arrangements to identify risks earlier and to make improvements.

²⁶ *Review of political management arrangements.* The City of Edinburgh Council Governance, Risk and Best Value Committee, 9 October 2014.

54. The risk management steering group assesses how risks are classified and measured. Further work has resulted in a risk management policy and framework to help integrate risk management across the council and to clarify roles and responsibilities. The council recognises that, having taken steps to improve risk management, it needs to do more to ensure risk management is practised at all levels of the organisation. Risk management is included in induction for new staff and there are training and awareness-raising events for staff.
55. The external consultants are also helping the council to develop a more proportionate approach to internal audit, that is, identifying areas of most risk and focusing audit activity on these. Internal audit reports monthly to CMT and quarterly to the GRBV Committee. These include findings' reports, which identify medium and high risks, follow-up reports and reports which the committee requests on topics such as the council's ICT arrangements and workforce issues.
56. There is evidence that the revised internal audit arrangements are having a positive impact in a number of areas, including:
- progress against key performance indicators
 - financial savings
 - identifying areas requiring further progress
 - positive feedback from council service areas about the value of internal audit reviews.
57. In May 2014, the council became the first public sector organisation in Scotland to introduce a whistleblowing hotline for its staff. It is too early to assess its impact but it provides a way for staff to highlight problems that the council can then respond to. By September 2014, the council had received 12 disclosures, and it has identified areas for improvement to the whistleblowing service.²⁷ The council plans to assess the impact of the service after six months' operation.

The council has still to produce a comprehensive workforce strategy. It also needs to improve its ICT arrangements further, to help improve services and deliver savings

The council's progress in developing a comprehensive workforce strategy has been slow

58. In March 2014, the council employed 18,120 employees (15,495 full-time equivalents, FTE).²⁸ Between March 2010 and March 2012, the council's workforce decreased by around six per cent and then increased by around one per cent between March 2012 and March 2014.

²⁷ *Whistleblowing policy: update*. City of Edinburgh Council Governance, Risk and Best Value Committee, 24 September 2014.

²⁸ Minutes of the City of Edinburgh Council meeting, 1 May 2014.

59. The council lacks a comprehensive workforce strategy and has made limited progress on this since our initial Best Value audit report in 2007. In recent reports, the council recognises that effective strategic workforce planning is an important feature of well-run organisations and is an important component of Best Value. It also recognises that it is essential in ensuring sufficient capacity for change and improvement and in meeting increased demand for services in the context of financial constraints.²⁹ However, although there are examples of good workforce planning within individual services, the council has still not produced a comprehensive workforce strategy for the organisation as a whole.
60. The council has recently taken steps to improve workforce planning, including:
- It appointed an interim Head of People and Organisation in March 2014 to replace the previous Head of Organisational Development and lead a range of workforce initiatives across the council.
 - It established a strategic workforce group to provide high-level oversight of workforce planning. The group comprises the Chief Executive, Director of Corporate Governance, Head of People and Organisation and the Head of Finance. The group will monitor progress and ensure appropriate actions are in place at CMT level.
 - A BOLD workstream on workforce management is generating new ideas and reviewing specific areas identified by a member-officer working group on workforce management.
 - It has set up seven workforce workstreams. These are working in areas such as gathering information on staff numbers and skills, deploying staff in new ways, identifying and developing staff strengths, and improving induction and training in areas such as risk management.
61. The council's people and organisation team is involving all directorates in developing the approach to strategic workforce planning. Due to problems with data quality, it has only recently produced baseline staffing data for each directorate. This information provides, for the first time, a comprehensive profile of the staff working in the organisation.
62. The council plans to produce a comprehensive workforce strategy by the end of 2014. This will involve elected members and consultations with trade union representatives.³⁰ It should refer to good practice guidance such as the Accounts Commission/Auditor General report on *Scotland's Public Sector Workforce* (published in November 2013) when developing its strategy.

The council has increased its engagement with staff to widen understanding of its values and priorities

63. The previous Best Value audit report highlighted the need to embed the commitment of all staff in the need for change. In April 2013 the council launched its *Pride in our People (PioP)* programme to communicate the council's vision, values and priorities to staff ([Case study 1](#)).

²⁹ *Strategic workforce planning*, City of Edinburgh Council Finance and Resources Committee, 7 May 2014.

³⁰ *Presentation on workforce plan*, City of Edinburgh Council Finance and Resources Sub-committee, August 2014.

The programme involves a series of events at which the council Leader, the Chief Executive and other members of the CMT deliver presentations, followed by discussions among attendees. The initial events involved around 1,500 managers, and a further 1,500 have been involved in subsequent events.

64. Initial feedback has been positive. Managers have welcomed the presence and involvement of senior managers. The council will monitor further progress through staff questionnaires. To date, the programme has been limited to managers who are responsible for communicating the messages from the events to their teams. The council needs to monitor this and ensure that managers are effectively communicating these messages throughout the council to maximise the impact of PioP, and to monitor its overall impact. The programme has now expanded from the initial managers events to become part of the council's wider employee engagement strategy.
65. The council published its 2014 staff survey results in September 2014. It showed an improving trend across most measures since the previous survey in 2012, especially in the areas of line managers being approachable, available and listening. Pride in working for the council has increased since the 2009 survey from 44 per cent to 58 per cent. However, the 2014 results showed pressures around workload, a need to prioritise work objectives, and the need to use resources more effectively. They also highlighted that some respondents lacked confidence in:
- the decisions made by their directors and heads of service
 - the extent that directors and heads of service had a clear vision for the future of the council.

The council will agree actions in response to the survey and report on progress every six months to the Finance and Resources Committee.

Case study 1

Pride in our People programme

The overall aim of the programme is to engage, inform and involve staff in the council's vision and values. The council has asked staff for their views on the challenges it faces and is listening to their ideas on how to improve and change the council in the face of these challenges.

The council developed four values with groups of council employees:

- customer first: being client or customer-focused, taking ownership and responsibility
- forward thinking: managing performance and developing others, planning and decision-making
- honesty and transparency: political sensitivity, leading others, managing change
- working together: working effectively with others, communicating effectively.

The council has held several events at various locations around the city since May 2013. These events were hosted by the council's CMT and by the council's Leader and Deputy Leader. The events involved around 3,000 managers who were expected to share the messages and values with their teams. To help staff put the council's values into practice at all levels of the organisation, the values will be included in council employees' performance appraisals.

The council has also produced a video and various displays and posters to communicate the message. Overall, staff we spoke to recognised and agreed with the vision and values.

To gather the views of staff and improve communication, the council has installed whiteboards in their HQ building for staff to submit questions and comments. Staff have welcomed this. The council plans to collate the questions and comments, and provide responses on its intranet. The people and organisation team also plans to issue quarterly questionnaires to assess employee involvement.

Source: Audit Scotland

The council has improved its ICT arrangements but acknowledges the need to make further progress and ensure it effectively procures and manages its new ICT contract

66. Our previous Best Value report highlighted that the council's information and communications technology (ICT) arrangements were weak. The council understands the prospects for delivering its overall improvement programme depend, in large part, on improving its ICT. Good ICT helps to improve communication, and makes it easier for people to access and share information. ICT has played, and will continue to play, an important role in delivering the financial savings the council needs to make. This could, for example, be through more efficient ways of working, such as online transactions and communications, or enabling new methods of providing services.

67. Since May 2013, the council has taken steps to improve its ICT arrangements. It consulted a wide range of stakeholders including staff, citizens and local businesses about ICT priorities and areas for improvement. The council involved members of the public in designing and testing its new website. It now provides around 30 fully automated online transactions, including complaints and requests about council services such as bin collections and removing litter. This allows customers to request services 24 hours a day, and to receive automatic updates on the status of their requests. This work has reduced both the time and council resource required to meet requests, and the council plans to introduce another 30 digital transactions by the end of 2014.
68. The council set out its principles and vision for ICT in its ICT and digital strategy in December 2013. The ICT and Digital Strategy Board oversees the implementation of the strategy. The council has started several improvement projects separated into three programmes, each with an implementation plan. In 2013/14, the council completed a wide range of ICT projects, including improved online access to services, extending online coverage of council meetings and providing improved equipment and services for staff.
69. While these projects represent recent improvements to the council's ICT arrangements, it acknowledges that it still needs to make further progress. It has a contract with an external provider to manage and modernise ICT services, and has worked with the provider to deliver better value over the last 18 months.
70. The current ICT contract ends in March 2016, and the council's ICT and digital strategy includes how it will procure the next contract. This will aim to provide more flexible and responsive ICT services. The council plans to achieve this by having one main ICT provider responsible for a smaller set of core services with multiple suppliers for other ICT services. This will enable the council to amend its ICT requirements and suppliers to meet the changing demand of its customers.
71. In line with the McClelland Report, the council has designed the tender documents for the new contract to enable other public bodies to use it for their own purposes.^{31 32} The council hopes this will bring potential benefits such as better compatibility between public sector bodies so that participating organisations can achieve better value for money and joined up services for citizens. It is not yet known how many public sector bodies will opt to use the contract.
72. The council currently spends around £26 million a year on core ICT services. It aims to save over £6 million a year through the new contract. It has set up a programme board to oversee the contract process, including representatives from services and from the procurement, ICT and finance functions. The CPO provides project and consultancy support.

³¹ *Review of ICT Infrastructure in the Public Sector in Scotland*, John F McClelland on behalf of the Scottish Government, June 2011.

³² The council plans to spend about £20-22 million annually on the core contract over seven years. If the council takes up an option to extend the contract to a total of 19 years, and all other participating organisations also choose to use the contract for the whole period, the overall value of the contract could be up to £2 billion.

73. In addition to effective procurement, the council also is aware of the need to manage the new contract effectively to ensure it fully meets its requirements for ICT and digital services. The council has considered the recommendations in the Auditor General's report *Managing ICT contracts*, published in August 2012, and the checklist for scrutinising and challenging how to manage ICT programmes.

The council faces significant challenges to meet increasing demand for services while securing the reduction in future spending it needs to achieve

74. The Commission's findings on the 2013 Best Value audit report identified scope for improvement in a range of services including adult social work, waste management and meeting housing need. This section of the report considers progress in each of these areas.

The council has increased homecare for older people but demand continues to exceed supply

75. Over the next 25 years, the number of people in Edinburgh aged over 65 is expected to increase by around 65 per cent, from 71,000 to 117,000. By 2037, almost 20 per cent of people living in Edinburgh will be over 65, compared to about 15 per cent in 2012.³³
76. In May 2013, we reported that the council's health and social care service had shown improved performance but faced increasing demand. To meet this demand, the council increased homecare by around 13 per cent in 2013/14, from 44,827 to 50,660 hours a week.³⁴ However, there was still an unmet demand for around 3,000 hours of care a week and estimates suggest this will increase by a further 2,000 hours in 2014/15.
77. Since 2012, the council has invested over £11 million in homecare services, but further investment is required to meet the growing demand. Inability to meet demand for homecare creates blockages in the wider health and social care system.
- In 2013/14, the council approached its target of a 40 per cent reduction in the need for homecare following the delivery of reablement services that help individuals maintain independent living. However, monthly performance fluctuated due to blockages created by the inability to meet homecare need.
 - In June 2014, 246 people were waiting for a homecare service, 74 of whom had been waiting over four weeks to be discharged from hospital. The council's target is to have no-one waiting more than four weeks to be discharged from hospital. The June 2014 figure was more than four times higher than the 17 people who waited more than four weeks to be discharged in June 2013.
78. The council buys around three quarters of homecare services from private organisations. Due to the competitive local labour market, these providers face difficulties in recruiting and

³³ Based on National Records of Scotland's 2012 population projections.

³⁴ *Cost of Care at Home*, City of Edinburgh Council Finance and Resources Committee, 30 July 2014.

retaining appropriately skilled staff. The council is currently developing a workforce strategy for care services and plans to implement the strategy in April 2015. To help meet the immediate unmet demand for homecare services, it has approved plans to spend a further £4 million to increase pay rates of contracted care providers, to increase staff numbers and improve staff retention.

79. The Scotland-wide policy of shifting the balance of care towards homecare has reduced the number of residential care home places in Edinburgh. There may also be unplanned reductions which can lead to a shortage in care home places. For example, in 2013 two private care homes were closed to new admissions following reports from the Care Inspectorate about poor standards. This involved the loss of over 400 beds.
80. In November 2013, the council established a programme to improve the standard of care in its 11 care homes for older people. The programme builds on existing good practice and aims to improve service quality and ensure consistency across all homes.³⁵ Recent work by the Care Inspectorate shows that the council has improved the quality of care in its homes for older people.
81. The council and its partners, including NHS Lothian, are jointly developing a range of short- and medium-term measures to improve the quality of care for older people, and achieve better outcomes such as preventing hospital admissions. These include initiatives that aim to shift the balance of care from residential care towards more care being carried out in the community. In the longer term, the council recognises the need to change how adult health and social care services are provided, to conform to changes in legislation and policy. An example of this is self-directed support, which aims to give people more choice in the social care services they use. The council is considering all aspects of the current system in planning changes to adult social care services. This includes better joint working across service areas. The council is also consulting the people who provide and use services to develop new ways of providing care. These will have a greater focus on preventing hospital admissions and allow people to be actively involved in selecting and shaping the services they receive.

Waste management performance has improved although the council missed some targets

82. In 2012, the council implemented ImproveIT, an environmental service programme to change how it collects waste, and deliver £45 million net savings (that is, savings achieved after investing in improvements) over the seven years to 2018/19. The programme, which concluded in March 2014, led to a range of improvements in the council's waste management arrangements ([Case study 2](#)). Council performance improved in 2013/14 although it missed several targets:
 - The amount of waste going to landfill continued to fall but the council missed its 2013/14 target of 118,000 tonnes. In 2013/14, the council sent around 133,000 tonnes of waste to

³⁵ *Working Together to Achieve Excellent Care in Care Homes for Older People*, City of Edinburgh Council Special Sub-Committee on Adult Social Care, 2 November 2013.

landfill, a reduction of over 15,000 tonnes (ten per cent) since the start of the ImproveIT programme. This reduction saved around £1.6 million in landfill costs.

- The council recycled 39.3 per cent of waste in 2013/14, an increase of 1.4 percentage points on the previous year. The council's target is to achieve a recycling rate of 50 per cent.
- The council met its target to achieve 95 per cent of streets being clean in every quarter of 2013/14.
- Complaints about waste management and street cleanliness peaked in September 2012, following changes to refuse collection routes. Since then, complaints have fallen to within the council's target (it received 1,569 complaints in March 2014, against a target of 1,632).

Case study 2

ImproveIT environmental service plan

The ImproveIT programme has made various improvements, including:

- a redesigned workforce, including a new management structure and working patterns
- modernised refuse collection fleet and technology
- improved performance management
- stronger focus on evidence-based decision making.

In June 2014, the council reported that ImproveIT delivered £6.7 million savings in 2013/14, and resulted in major cultural changes and improved skills across the Environment workforce. Staff received training and around 370 achieved SVQ qualifications.

The CPO carried out reviews throughout the life of the programme. This helped to ensure a disciplined approach and focus on making improvements, which has continued since the programme was completed in March 2014.

Source: Audit Scotland

83. The council is relying on modernised services and improved efficiency to meet its savings targets from improved waste management. It has achieved cumulative savings of £14.2 million since 2011/12, but failed to meet its financial target of £16.5 million due to missed recycling and landfill targets and overly optimistic assumptions for savings.³⁶
84. The council has shown good customer focus in changing its waste management arrangements, involving communities in initiatives, and developing a communication plan to help residents increase recycling. The council is aware of the risks and challenges it faces in meeting its performance targets for managing waste and its savings targets. It has developed

³⁶ *ImproveIT Programme – Final Update*, City of Edinburgh Transport and Environment Committee, 3 June 2014

a long-term plan to meet these challenges but needs to ensure it has the required staff and equipment to deliver this.

The supply of affordable housing has increased but the council still faces a challenge to tackle homelessness

85. In May 2013, we reported that the council and its partners faced challenges in making sure the people of Edinburgh had access to suitable housing. The number of new private homes built reduced significantly between 2008/09 and 2010/11, but has shown some recovery in 2011/12 and 2012/13. The council and its partners have also increased the supply and quality of affordable housing in the city in the past year:
- They approved 1,375 new affordable homes (exceeded the target of 700)
 - They completed 1,285 affordable homes (trebled since 2008/09)
 - 88 per cent of council homes met the Scottish Housing Quality Standard (up from 82 per cent in 2012/13, and the council aims to achieve 100 per cent by 2015).³⁷
86. Edinburgh needs 1,600 new affordable homes every year for the next ten years. If it is to meet the city's housing need, the council and its partners need to maintain the increase achieved in recent years. They also need to explore and expand new funding models, although there are risks associated with these.³⁸ The CPO oversees the council's affordable housing programme, and the BOLD programme includes an initiative to encourage house building.
87. The council is taking steps to reduce homelessness. It increased the availability of accommodation (such as Private Sector Leasing) and is working with housing providers to develop more permanent solutions and move people on from temporary accommodation within six months. Where appropriate, it diverts people who are at risk of becoming homeless to other council services to help resolve problems that increase the chance of homelessness. It is also developing a pilot scheme with its partners, to provide housing advice and support services.
88. A focus on preventing homelessness and intervening early contributed to a six per cent reduction in the number of homeless applications in 2013/14. However, during the same period the number of households in temporary accommodation increased by over 12 per cent and the length of time those households spend in temporary accommodation increased by over six per cent.³⁹ For those requiring temporary accommodation, 51 per cent spent at least one night in bed and breakfast accommodation. This is down from 56 per cent in 2012/13 but still double the national figure of 25 per cent. The number of households in bed and breakfast accommodation continues to show an upwards trend in Edinburgh, whereas bed and

³⁷ *Achieving Excellence Performance Report October 2013 to March 2014*, Corporate Policy and Strategy Committee, 10 June 2014; *City Housing Strategy 2012-17 Annual Review*, Health, Social Care and Housing Committee, 17 June 2014; Scottish Housing Regulator Performance data, August 2014.

³⁸ *Housing in Scotland*, Audit Scotland, July 2013.

³⁹ City of Edinburgh Council

breakfast use across Scotland is reducing.⁴⁰ Edinburgh also has the second highest incidence of repeat homelessness in Scotland (ten per cent).⁴¹

89. Edinburgh faces a particular challenge in tackling the problem of rough sleeping. The city has the highest incidence of any council in Scotland in the percentage of homelessness applicants who had previously been sleeping rough (11 per cent).⁴² This figure has increased by around a quarter since 2012/13 and this is double the rate of increase seen across Scotland.
90. In January 2013, a Scottish Housing Regulator inquiry recommended that the council review its homelessness service and use of temporary accommodation.⁴³ The council has increased the supply of affordable housing and temporary accommodation, and improved its homelessness services. It has also reviewed arrangements for using temporary accommodation to ensure it is being used efficiently. However, the continued high number of households in temporary accommodation, and the high level of rough sleeping, reflects the continuing gap between the demand for, and supply of, affordable housing.

⁴⁰ Scottish Government HL1 and HL2 Datasets

⁴¹ *Operation of the Homeless Persons Legislation in Scotland: 2013-14*, A National Statistics Publication for Scotland, 24 June 2014

⁴² *Operation of the Homeless Persons Legislation in Scotland: 2013-14*, A National Statistics Publication for Scotland, 24 June 2014. This figure is for cases where a previous application from the household had been closed less than 12 months before the current assessment.

⁴³ *Scottish Housing Regulator Inquiry – Homelessness Services*, Health, Wellbeing and Housing Committee, 29 January 2013

Areas for improvement

The council has responded constructively to the previous Best Value report and implemented a number of improvements. However, progress in certain areas has been slower than anticipated. It is therefore important that the council increases the pace of change and improvement. This report identifies the following areas for improvement:

- The council needs to ensure that it applies the lessons learned from the first phase of the BOLD programme when considering its approach for the second phase. This includes adopting genuinely transformational approaches to providing services and delivering savings. The council also needs to ensure that, once it confirms BOLD proposals, it provides the funding and management skills needed to implement the projects successfully, particularly larger-scale projects.
- The council should ensure that elected members are provided with clear and accessible information to help their decision-making and to support scrutiny. This is particularly important for information about the council's financial position, including progress against planned savings from the BOLD programme and improved procurement.
- The council needs to ensure that its Corporate Management Team takes a consistent, coordinated approach to resolving issues. This is important to ensure effective corporate working and to maintain the confidence of elected members and council staff in the CMT.
- The council needs to develop a comprehensive workforce strategy to make sure it has sufficient people with appropriate skills and experience, both at leadership level and across the wider organisation and including the Corporate Programme Office, to meet the challenges it faces while increasing the pace of change and improvement.
- The council should ensure that it involves and communicates effectively with staff at all levels to embed its vision and values across the organisation. It also needs to monitor staff views to assess the impact of this engagement, and to involve staff at an early stage when planning major changes.
- The council needs to make further progress to its ICT arrangements to ensure they are fit for purpose and help to improve services and make savings. The council also needs to ensure it has the required skills and expertise when planning and managing its new ICT contract.

Appendix 1: Accounts Commission's 2013 findings

1. The Commission accepts the Controller of Audit's report.
2. The Commission acknowledges a range of improvements since the last Best Value report in 2007. It welcomes improving performance in partnership working, both at a political level within the council and with community planning partners; economic development; children's services; and aspects of reducing inequalities.
3. The council demonstrates a good understanding of the challenges it faces and the need to restore public confidence, which has been damaged in light of high-profile issues such as the trams project and the statutory repairs service. These issues are substantial, and the Commission will continue to monitor progress. Overall, the Commission is concerned about the scale of the challenges that the council faces.
4. The council needs to develop a comprehensive workforce strategy; improve its information and communications technology (ICT); ensure it has effective risk management and internal audit arrangements; and improve a range of services including adult social work, waste management, and meeting housing need. It needs to ensure it has the capacity and skills to deliver its ambitious improvement and change programme, and embed the commitment of all staff to the need for change.
5. The challenge of reducing budgets is found in other councils, but the Commission considers there is a set of circumstances which makes Edinburgh's situation particularly challenging. The council decided not to proceed with alternative business models to provide services and achieve substantial savings. Currently, its four-year budget for 2014–18 requires recurring annual savings of £107 million by 2017/18 and is heavily dependent on improved procurement delivering recurring annual savings of £41 million by 2017/18. Assuming all elements of the savings plan are achieved including all the savings from procurement, the council will still require to find further substantial savings.
6. There are risks in whether the planned savings are achievable and in the reliance on the level of saving to be achieved from procurement. These risks are compounded by the unknown financial impact of fully resolving the statutory repairs problem which is unique to Edinburgh. There is an additional risk that not achieving the required overall savings will hinder the Council's ability to restore public confidence.
7. In light of these significant risks and uncertainties, the Commission urges the council to give absolute priority to ensuring that savings identified are both achievable and delivered.

8. The Commission has stated previously in its overview reports that a need for focus on finances in councils means that the statutory financial officer is increasingly important and must have the appropriate access and influence to perform this crucial role. Given the scale of the financial challenge facing the Council, the Commission would encourage the council to assure itself that this is the case.

9. The council is on a journey of improvement: it needs to complete that journey. The recent strong leadership needs to continue in order to translate plans into reality. To this end, the Commission asks the Controller of Audit to report on progress in around 18-months' time.

The City of Edinburgh Council

10.00 am, Thursday, 5 February 2015

Council Diary 2015-16

Item number	8.5
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report proposes meeting dates for all Council and Committee meetings from August 2015 to August 2016.

Links

Coalition pledges	
Council outcomes	CO24 & CO25
Single Outcome Agreement	

Council Diary 2015-16

Recommendations

- 1.1 To approve the Council diary for August 2015 to August 2016 as set out in appendix one to this report; and
- 1.2 To authorise the Director of Corporate Governance to make minor changes to the Council diary as required.

Background

- 2.1 Consultation feedback from a review of political management arrangements had previously highlighted options to improve committee business processes including the Council diary. As part of the improved arrangements, the Council diary is considered and agreed annually by Council.
- 2.2 In October 2014, the Council agreed to return all policy review and development to respective executive committees and to maintain the current cycle of meetings.

Main report

- 3.1 Standing Order 3.4 states that “The Council may recess for periods to be determined by the Clerk after consultation with the Lord Provost and the Leader of the Council. During any recess, no meetings of the Council, Corporate Policy and Strategy Committee, Executive Committees, Governance, Risk and Best Value Committee or the Petitions Committee will be held”.
- 3.2 The Lord Provost and Leader of the Council were consulted on options for recess periods for the Council diary for August 2015 to August 2016.
- 3.3 Committee Conveners, Group Leaders and all Directors have been consulted as appropriate on the proposed meeting dates.
- 3.4 The Council diary also includes for information the dates of Licensing Board meetings approved by the Board on 26 January 2015 and the provisional dates of Lothian Valuation Joint Board meetings subject to confirmation by the joint board on 9 February 2015.
- 3.5 Based on the consultation, a draft Council diary for 2015-2016 is set out in appendix one to this report.

Measures of success

- 4.1 The Council diary will be monitored and reviewed ensuring efficiencies in meeting arrangements.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report.

Risk, policy, compliance and governance impact

- 6.1 The Council diary is a key component of committee business/Council decision making processes.

Equalities impact

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

Sustainability impact

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

Consultation and engagement

- 9.1 Consultation was undertaken with the Lord Provost and Leader of the Council on options for recess periods, and with Committee Conveners, Group Leaders, Directors and Business Managers as appropriate on the proposed dates.

Background reading/external references

[Item 8.2- Review of Political Management Arrangements - City of Edinburgh Council - 23 October 2014](#)

[Minute of City of Edinburgh Council, Item 9 - 23 October 2014](#)

[Item 8.2- Review of Political Management Arrangements - City of Edinburgh Council - 11 December 2014](#)

[Minute of the City of Edinburgh Council, Item 5 - 11 December 2014](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Kirsty-Louise Campbell, Governance Manager

E-mail: kirstylouise.campbell@edinburgh.gov.uk | Tel: 0131 529 3654

Links

Coalition pledges

Council outcomes CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care
CO25 - The Council has efficient and effective services that deliver on objectives

Single Outcome Agreement

Appendices Appendix one – Draft Council Diary 2015-2016

Wk 1	Mon	24	August	a.m.	Licensing Board
				p.m.	
	Tue	25	August	a.m.	TRANSPORT AND ENVIRONMENT COMMITTEE
				p.m.	
	Wed	26	August	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	27	August	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE Planning Committee Visits
Wk 2	Fri	28	August	a.m.	
				p.m.	
	Mon	31	August	a.m.	
				p.m.	
	Tue	1	September	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	2	September	a.m.	Local Review Body (Panel 2)
				p.m.	
Wk 3	Th	3	September	a.m.	Planning Committee Workshop
				p.m.	PETITIONS COMMITTEE
	Fri	4	September	a.m.	
				p.m.	
	Mon	7	September	a.m.	Lothian Valuation Joint Board (provisional)
				p.m.	Sub-Committee on Standards for Children and Families
				eve	
	Tue	8	September	a.m.	HEALTH, SOCIAL CARE AND HOUSING COMMITTEE
Wk 4				p.m.	
	Wed	9	September	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	10	September	a.m.	
				p.m.	
	Fri	11	September	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	14	September	a.m.	
			p.m.	Regulatory Committee	
Wk 4	Tue	15	September	a.m.	ECONOMY COMMITTEE
				p.m.	
	Wed	16	September	a.m.	Local Review Body (Panel 3)
				p.m.	
	Th	17	September	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	18	September	a.m.	Police and Fire Scrutiny Committee
				p.m.	

Draft Council Diary August 2015-August 2016

2015

Wk 5	Mon	21	September	a.m.	<i>Autumn Holiday</i>
				p.m.	
	Tue	22	September	a.m.	COMMUNITIES AND NEIGHBOURHOODS COMMITTEE
				p.m.	
	Wed	23	September	a.m.	Development Management Sub-Committee
				p.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
	Th	24	September	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee visits
Wk 6	Fri	25	September	a.m.	
				p.m.	
	Mon	28	September	a.m.	Licensing Board
				p.m.	
	Tue	29	September	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	Pensions Audit Sub-Committee
	Wed	30	September	a.m.	Local Review Body (Panel 1)
				p.m.	Pensions Committee
Wk 7	Th	1	October	a.m.	Planning Committee
				p.m.	
				Eve	Consultative Committee with Parents
	Fri	2	October	a.m.	
				p.m.	
	Mon	5	October	a.m.	
				p.m.	
	Tue	6	October	a.m.	EDUCATION, CHILDREN AND FAMILIES COMMITTEE
Wk 8				p.m.	
	Wed	7	October	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	8	October	a.m.	
				p.m.	
	Fri	9	October	a.m.	Licensing Sub-Committee
				p.m.	
					<i>(October School Week Recess until w/c 19 October 2015)</i>
Wk 8	Mon	19	October	a.m.	
				p.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
	Tue	20	October	a.m.	CULTURE AND SPORT COMMITTEE
				p.m.	
	Wed	21	October	a.m.	Development Management Sub-Committee
				p.m.	
	Th	22	October	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
Wk 8	Fri	23	October	a.m.	
				p.m.	

Draft Council Diary August 2015-August 2016

2015

Wk 1	Mon	26	October	a.m.	Licensing Board
				p.m.	
	Tue	27	October	a.m.	TRANSPORT AND ENVIRONMENT COMMITTEE
				p.m.	
	Wed	28	October	a.m.	Local Review Body (Panel 2)
				p.m.	
	Th	29	October	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Fri	30	October	a.m.		
			p.m.		
Wk 2	Mon	2	November	a.m.	
				p.m.	
	Tue	3	November	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	4	November	a.m.	Development Management Sub-Committee
				p.m.	
	Th	5	November	a.m.	Planning Committee Workshop
			p.m.	PETITIONS COMMITTEE	
Fri	6	November	a.m.		
			p.m.		
Wk 3	Mon	9	November	a.m.	
				p.m.	
	Tue	10	November	a.m.	HEALTH, SOCIAL CARE AND HOUSING COMMITTEE
				p.m.	Joint Consultative Group
	Wed	11	November	a.m.	Local Review Body (Panel 3)
				p.m.	Licensing Sub-Committee
	Th	12	November	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
			p.m.		
Fri	13	November	a.m.	Licensing Sub-Committee	
			p.m.		
Wk 4	Mon	16	November	a.m.	Lothian Valuation Joint Board (provisional)
				p.m.	Regulatory Committee
	Tue	17	November	a.m.	ECONOMY COMMITTEE
				p.m.	
	Wed	18	November	a.m.	Development Management Sub-Committee
				p.m.	
	Th	19	November	a.m.	CITY OF EDINBURGH COUNCIL
			p.m.		
Fri	20	November	a.m.		
			p.m.		

Draft Council Diary August 2015-August 2016

2015

Wk 5	Mon	23	November	a.m.	
				p.m.	
	Tue	24	November	a.m.	COMMUNITIES AND NEIGHBOURHOODS COMMITTEE
				p.m.	
	Wed	25	November	a.m.	Local Review Body (Panel 1)
				p.m.	
	Th	26	November	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Wk 6	Fri	27	November	a.m.	
				p.m.	
	Mon	30	November	a.m.	Licensing Board CULTURE AND SPORT COMMITTEE
				p.m.	Sub-Committee on Standards for Children and Families
	Tue	1	December	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
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				p.m.	
Wk 7	Th	3	December	a.m.	Planning Committee
				p.m.	
				eve	Consultative Committee with Parents
	Fri	4	December	a.m.	Police and Fire Scrutiny Committee
				p.m.	
	Mon	7	December	a.m.	
				p.m.	
	Tue	8	December	a.m.	EDUCATION, CHILDREN AND FAMILIES COMMITTEE
Wk 8				p.m.	
	Wed	9	December	a.m.	Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Th	10	December	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	11	December	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	14	December	a.m.	Licensing Board
			p.m.		
Tue	15	December	a.m.		
			p.m.	Pensions Audit Sub-Committee	
Wed	16	December	a.m.	Development Management Sub-Committee	
			p.m.	Pensions Committee	
Th	17	December	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE	
			p.m.		
Fri	18	December	a.m.		
			p.m.		
<i>(Christmas and new year recess until w/c 11 January 2016)</i>					

Draft Council Diary August 2015-August 2016

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Wk 1	Mon	11	January	a.m.	
				p.m.	
	Tue	12	January	a.m.	TRANSPORT AND ENVIRONMENT COMMITTEE
				p.m.	
	Wed	13	January	a.m.	Development Management Sub-Committee
				p.m.	
	Th	14	January	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Wk 2	Fri	15	January	a.m.	
				p.m.	
	Mon	18	January	a.m.	
				p.m.	
	Tue	19	January	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	20	January	a.m.	Local Review Body (Panel 3)
				p.m.	ECONOMY COMMITTEE
Wk 3	Th	21	January	a.m.	Planning Committee Workshop
				p.m.	PETITIONS COMMITTEE
	Fri	22	January	a.m.	
				p.m.	
	Mon	25	January	a.m.	Licensing Board
				p.m.	
	Tue	26	January	a.m.	HEALTH, SOCIAL CARE AND HOUSING COMMITTEE
				p.m.	
Wk 4	Wed	27	January	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	28	January	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	
	Fri	29	January	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	1	February	a.m.	
				p.m.	Regulatory Committee
Wk 4	Tue	2	February	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	
	Wed	3	February	a.m.	Local Review Body (Panel 1)
				p.m.	
	Th	4	February	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	5	February	a.m.	
				p.m.	

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Wk 5	Mon	8	February	a.m.	Lothian Valuation Joint Board (provisional)
				p.m.	
	Tue	9	February	a.m.	COMMUNITIES AND NEIGHBOURHOODS COMMITTEE
				p.m.	
	Wed	10	February	a.m.	Development Management Sub-Committee
				p.m.	
	Th	11	February	a.m.	CITY OF EDINBURGH COUNCIL (Budget Meeting)
				p.m.	
	Fri	12	February	a.m.	
			p.m.		
					<i>(February recess until w/c 22 February 2016)</i>
Wk 6	Mon	22	February	a.m.	Licensing Board
				p.m.	
	Tue	23	February	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	24	February	a.m.	Development Management Sub-Committee
				p.m.	
	Th	25	February	a.m.	Planning Committee
				p.m.	Planning Committee Visits
			eve	Consultative Committee with Parents	
	Fri	26	February	a.m.	
			p.m.		
Wk 7	Mon	29	February	a.m.	
				p.m.	
	Tue	1	March	a.m.	EDUCATION, CHILDREN AND FAMILIES COMMITTEE
				p.m.	Joint Consultative Group
	Wed	2	March	a.m.	Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Th	3	March	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	
	Fri	4	March	a.m.	Licensing Sub-Committee
			p.m.		
Wk 8	Mon	7	March	a.m.	
				p.m.	Sub-Committee on Standards for Children and Families
	Tue	8	March	a.m.	CULTURE AND SPORT COMMITTEE
				p.m.	
	Wed	9	March	a.m.	Development Management Sub-Committee
				p.m.	
	Th	10	March	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	11	March	a.m.	
			p.m.		

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Wk 1	Mon	14	March	a.m.	Licensing Board
				p.m.	
	Tue	15	March	a.m.	TRANSPORT AND ENVIRONMENT COMMITTEE
				p.m.	
	Wed	16	March	a.m.	Local Review Body (Panel 3)
				p.m.	Pensions Committee
	Th	17	March	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Wk 2	Fri	18	March	a.m.	Police and Fire Scrutiny Committee
				p.m.	
					<i>(Easter recess until w/c 11 April 2016)</i>
	Mon	11	April	a.m.	Lothian Valuation Joint Board (provisional)
				p.m.	
	Tue	12	April	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	13	April	a.m.	Development Management Sub-Committee
Wk 3				p.m.	
	Th	14	April	a.m.	Planning Committee Workshop
				p.m.	PETITIONS COMMITTEE
	Fri	15	April	a.m.	
				p.m.	
	Mon	18	April	a.m.	<i>Spring Holiday</i>
				p.m.	
	Tue	19	April	a.m.	HEALTH, SOCIAL CARE AND HOUSING COMMITTEE
Wk 4				p.m.	
	Wed	20	April	a.m.	Local Review Body (Panel 1)
				p.m.	Licensing Sub-Committee
	Th	21	April	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	
	Fri	22	April	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	25	April	a.m.	Licensing Board
Wk 4				p.m.	
	Tue	26	April	a.m.	ECONOMY COMMITTEE
				p.m.	Regulatory Committee
	Wed	27	April	a.m.	Development Management Sub-Committee
				p.m.	
	Th	28	April	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	29	April	a.m.	
			p.m.		

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					(Recess to cover Scottish Parliamentary Elections until w/c 9 May 2016)
Wk 5	Mon	9	May	a.m.	
				p.m.	
	Tue	10	May	a.m.	COMMUNITIES AND NEIGHBOURHOODS COMMITTEE
				p.m.	
	Wed	11	May	a.m.	Development Management Sub-Committee
				p.m.	
	Th	12	May	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
	Fri	13	May	a.m.	
				p.m.	
Wk 6	Mon	16	May	a.m.	
				p.m.	
	Tue	17	May	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	18	May	a.m.	Local Review Body (Panel 2)
				p.m.	
	Th	19	May	a.m.	Planning Committee
				p.m.	
			eve	Consultative Committee with Parents	
	Fri	20	May	a.m.	
				p.m.	
Wk 7	Mon	23	May	a.m.	<i>Victoria Day</i>
				p.m.	
	Tue	24	May	a.m.	EDUCATION, CHILDREN AND FAMILIES COMMITTEE
				p.m.	Joint Consultative Group
	Wed	25	May	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	26	May	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	
	Fri	27	May	a.m.	Licensing Sub-Committee
				p.m.	
Wk 8	Mon	30	May	a.m.	Licensing Board
				p.m.	
	Tue	31	May	a.m.	CULTURE AND SPORT COMMITTEE
				p.m.	
	Wed	1	June	a.m.	Local Review Body (Panel 3)
				p.m.	
	Th	2	June	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	3	June	a.m.	
				p.m.	

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Wk 1	Mon	6	June	a.m.	
				p.m.	
	Tue	7	June	a.m.	TRANSPORT AND ENVIRONMENT COMMITTEE
				p.m.	
	Wed	8	June	a.m.	Development Management Sub-Committee
				p.m.	
	Th	9	June	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Wk 2	Fri	10	June	a.m.	Police and Fire Scrutiny Committee
				p.m.	
	Mon	13	June	a.m.	
				p.m.	Sub-Committee on Standards for Children and Families
	Tue	14	June	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	15	June	a.m.	Local Review Body (Panel 1)
				p.m.	
Wk 3	Th	16	June	a.m.	Planning Committee Workshop
				p.m.	PETITIONS COMMITTEE
	Fri	17	June	a.m.	
				p.m.	
	Mon	20	June	a.m.	Lothian Valuation Joint Board (provisional)
				p.m.	
	Tue	21	June	a.m.	HEALTH, SOCIAL CARE AND HOUSING COMMITTEE
				p.m.	
Wk 4	Wed	22	June	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	23	June	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	Pensions Audit Sub-Committee
	Fri	24	June	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	27	June	a.m.	Licensing Board
				p.m.	Pensions Committee
	Tue	28	June	a.m.	ECONOMY COMMITTEE
				p.m.	Regulatory Committee
	Wed	29	June	a.m.	Local Review Body (Panel 2)
				p.m.	
	Th	30	June	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	1	July	a.m.	
				p.m.	
				<i>(Summer recess until w/c 1 August 2016) except:</i>	
	Wed	6	July	a.m.	Development Management Sub-Committee
	Wed	13	July	a.m.	Development Management Sub-Committee
	Wed	20	July	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee

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Wk 5	Mon	1	August	a.m.	Licensing Board
				p.m.	
	Tue	2	August	a.m.	COMMUNITIES AND NEIGHBOURHOODS COMMITTEE
				p.m.	
	Wed	3	August	a.m.	Development Management Sub-Committee
				p.m.	
	Th	4	August	a.m.	FINANCE AND RESOURCES COMMITTEE
				p.m.	Planning Committee Visits
Wk 6	Fri	5	August	a.m.	
				p.m.	
	Mon	8	August	a.m.	
				p.m.	
	Tue	9	August	a.m.	CORPORATE POLICY AND STRATEGY COMMITTEE
				p.m.	
	Wed	10	August	a.m.	Local Review Body (Panel 3)
				p.m.	
Wk 7	Th	11	August	a.m.	Planning Committee
				p.m.	
	Fri	12	August	a.m.	
				p.m.	
	Mon	15	August	a.m.	
				p.m.	
	Tue	16	August	a.m.	
				p.m.	
Wk 8	Wed	17	August	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Th	18	August	a.m.	GOVERNANCE, RISK AND BEST VALUE COMMITTEE
				p.m.	
	Fri	19	August	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	22	August	a.m.	
				p.m.	
Wk 8	Tue	23	August	a.m.	CULTURE AND SPORT COMMITTEE
				p.m.	Joint Consultative Group
	Wed	24	August	a.m.	Local Review Body (Panel 1)
				p.m.	
	Th	25	August	a.m.	CITY OF EDINBURGH COUNCIL
				p.m.	
	Fri	26	August	a.m.	
				p.m.	

The City of Edinburgh Council

10.00am, Thursday, 5 February 2015

New Scheme Update (Governance) – referral from the Pensions Committee

Item number	8.6
Report number	
Wards	All

Executive summary

The Pensions Committee on 17 December 2014 considered a report on a proposed governance structure and associated documentation. The Committee considered the governance documents, making amendments to the proposed documents and referring the matter to the Council for its information.

Links

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Appendices Appendix – New Scheme Update (Governance) – report by the Director of Corporate Governance

Terms of Referral

New Scheme Update (Governance)

Terms of referral

- 1.1 On 17 December 2014 the Pensions Committee considered a report detailing the new governance structure and documentation proposed to support the new bodies being created due to the implementation on 1 April 2015 of the Public Services Pensions Act 2013 and the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014.
- 1.2 A new Pensions Board was required which would assist the Scheme Manger. No significant changes were anticipated in regard to the Pensions Committee and the Pensions Audit Sub-Committee
- 1.3 The Committee considered the nomination procedure for external members of the Committee and for members of the new Pensions Board, the constitution of the Pension Board and the training policy for members of both the Committee and Board.
- 1.4 The Committee discussed each of the documents individually and a vote was taken on the number of members making up the Pensions Board.

Motion

- 1.5 That the membership of the Pension Board should comprise of four employer and four employee members.
 - moved by Councillor Rose, seconded by Councillor Orr

Amendment

- 1.6 That the membership of the Pension Board should comprise of five employer and five employee members.
 - moved by Councillor Rankin, seconded by Councillor Child

Voting

- 1.7 The voting was as follows:
 - For the Motion – 2 votes
 - For the Amendment – 4 votes

1.8 The Pensions Committee agreed:

- 1.8.1 To note the Lothian Pension Fund response to the draft 2014 Regulations.
 - 1.8.1.1 To approve the Nomination Procedure for external members of the Pensions Committee and members of the Pension Board subject to:
 - 1.8.1.2 Amending paragraph 1.5 to include the Convener of the Pensions Committee and a senior officer of the Scheme Manager in the Review Panel.
- 1.8.2 Amending paragraphs 1.6 and 3.5 to state that 'in the event of a tied vote, a nomination or appointment will be made by drawing lots.'
- 1.8.3 To approve the constitution for the Lothian Pension Fund Pension Board subject to:
 - 1.8.3.1 Amending paragraph 4.2 to state that 'the quorum of the Board will be four (comprising at least two employer and two employee members).'
 - 1.8.3.2 Amending paragraph 5.2 to clarify that it is not only the Chair of the Pensions Board who can speak at the meeting.
- 1.8.4 To agree that the membership of the Pension Board should comprise of five employer and five employee members.
- 1.8.5 To approve the updated Training Policy for the Pensions Committee and Pension Board subject to amending paragraph 3.1 to require that members of the Pensions Board must attend a minimum of two of its four quarterly meetings.
- 1.8.6 To use the word 'substitute' in place of 'alternates' throughout the documents.
- 1.8.7 To agree that the Director of Corporate Governance in consultation with the Convener is authorised to approve, on behalf of the Committee, any changes to the Constitution, Nomination Procedure or Training Policy required to address (a) subsequent amendments to the 2014 Regulations (b) any changes that may be deemed necessary for the purposes of satisfying the requirements of the 2014 Regulations, the 2013 Act and/or the Council's own requirements and/or (c) necessary improvements or other amendments to resolve any errors or ambiguities .

1.8.8 To refer the report to the City of Edinburgh Council for information.

For Decision/Action

2.1 To note the report.

Background reading / external references

[Pensions Committee 17 December 2014 Minute](#)

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Gavin King, Committee Services Manager

Email: gavin.king@edinburgh.gov.uk | Tel: 0131 529 4239

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Appendices Appendix - New Scheme Update (Governance) – report by the Director of Corporate Governance

Pensions Committee

2.30 p.m., Wednesday, 17 December 2014

New Scheme Update (Governance)

Item number	5.5
Report number	
Executive/routine	
Wards	All

Executive summary

The City of Edinburgh Council (“**CEC**”) will require to make certain changes to the governance of the pension funds it administers in order to take into account the arrangements anticipated in the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 (“**2014 Regulations**”), which seeks to implement the provisions of the Public Service Pensions Act 2013 (“**2013 Act**”). Changes need to be implemented by 1 April 2015.

This report proposes CEC’s preferred governance model to ensure compliance with the 2014 Regulations and the 2013 Act. The changes are based on the current draft 2014 Regulations. However, given the potential for these regulations to be amended and the pressing timescale to implement the governance changes, it is proposed that the Committee authorise the Director of Corporate Governance in consultation with the Convener to make changes as may be required. An update on the new governance and its implementation will be provided to Committee in March 2015.

Links

Coalition pledges

Council outcomes

CO26 – The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

Single Outcome Agreement

New Scheme Update (Governance)

Recommendations

The Committee is requested to:

- 1.1 Note the Lothian Pension Fund response to the draft 2014 Regulations (Appendix 1);
- 1.2 Approve the Nomination Procedure for external members of the Pensions Committee and members of the Pension Board (Appendix 2);
- 1.3 Approve the Constitution for the Lothian Pension Fund Pension Board (Appendix 3);
- 1.4 Approve the updated Training Policy for Pensions Committee and Pension Board (Appendix 4);
- 1.5 Agree that the Director of Corporate Governance in consultation with the Convener is authorised to approve, on behalf of the Committee, any changes to the Constitution, Nomination Procedure or Training Policy required to address (a) subsequent amendments to the 2014 Regulations (b) any changes that may be deemed necessary for the purposes of satisfying the requirements of the 2014 Regulations, the 2013 Act and/or CEC's own requirements and/or (c) necessary improvements or other amendments to cure any errors or ambiguities; and
- 1.6 Agree that this paper be referred to the City of Edinburgh Council for information.

Background

- 2.1 Following consideration by the Committee and Consultative Panel, CEC submitted its response to the consultation on the draft 2014 Regulations on 11 November 2014. This response expressed certain concerns as to the form and construction of the proposed regulations. A copy of CEC's consultation response is detailed at Appendix 1 for ease of reference.
- 2.2 A summary of the new bodies which will be created by the 2014 Regulations, including their remit and powers, is shown in the table below.

	Remit	Powers and Enforcement
Scheme Manager	The administering authority of the Pension Funds, responsible for organising and administering the pension funds.	n/a.
Scheme Advisory Board (SAB)	A national independent body advising Scottish Ministers on the operation of LGPS in Scotland and any changes required to the scheme. Also advises Scheme Managers and Pension Boards.	The regulations provide that the Scottish Ministers, Scheme Manager or Pension Board must have regard to any advice given by the SAB.
Pension Board	Assisting the Scheme Manager in relation to compliance with the regulations, applicable law, The Pensions Regulator requirements and anything else anticipated by the 2014 Regulations.	May requisition further reports. May request that the Committee review decisions where the Pension Board is in disagreement. Where there is a continuing disagreement with the Pensions Committee, the SAB may require that a joint report is published in the Scheme Manager's annual report and/or website.
The Pensions Regulator (TPR)	Regulator of UK work-based pension schemes and provides guidance to trustees and employers on what is required of them to ensure good administration and to protect member benefits.	Investigates schemes, trustees and employers and can requisition documents and other information if relevant. Where issues are identified, TPR may issue direction/penalty notices, or pursue action in civil or criminal court where appropriate. With the exception of funding issues, the TPR's powers will now apply equally to the LGPS.

- 3.1 This report proposes the City of Edinburgh Council's preferred governance model to ensure compliance with the 2014 Regulations and the 2013 Act. The new governance arrangements comprise:
- Pensions Committee, broadly unchanged from the current arrangement;
 - Pensions Audit Sub-Committee, broadly unchanged from the current arrangement;
 - A new Pension Board, replacing the current Lothian Pension Funds' Consultative Panel; and
 - The Fund's Training Policy, updated to take account of the new arrangements and the role of the Pension Board.
- 3.2 **Pensions Committee:** it is assumed that the constitution, membership and remit of the Committee will remain unchanged. The Committee would continue to include one member and one employer representative, each with full voting and participation rights.
- 3.3 A draft nomination procedure for the employer and member representatives is detailed in Appendix 2 to this report. It is proposed that these members would be elected direct, rather than via the Consultative Panel.
- 3.4 **Audit-Sub Committee:** it is assumed that the constitution, membership and remit of the Audit Sub-Committee will remain unchanged.
- 3.5 **Pension Board:** a Pension Board will be created with a remit to assist the Committee in ensuring that it acts in compliance with applicable law, regulation and codes or practice. A proposed constitution for the Pension Board is detailed in Appendix 3 to this report.
- 3.6 It is envisaged that membership of the Pension Board will be five individuals put forward by the Trade Unions representing the members of the pension funds and five individuals nominated from those put forward by the employer bodies in the pension funds. It is envisaged that Members of the Pension Board will also attend meetings of the Audit Sub-Committee.
- 3.7 **Consultative Panel:** it is proposed that the Consultative Panel will be wound-up with effect from 31 March 2015.
- 3.8 **Training:** the Fund's Training Policy has been updated to take account of the establishment of the Pension Board and its particular remit. A draft revised Training Policy is detailed in Appendix 4 to this report. The proposed requirement for the Pension Board members to have a minimum of 3 days training is included in the draft.

3.9 This Model is based on the current draft 2014 Regulations. However, given the potential for the final regulations to be different to the draft version, and the pressing timescale to implement the governance changes, it is proposed that the Director of Corporate Governance, in consultation with the Convener be authorised to adapt the governance changes/model as may be required. Particular areas which may be reviewed on receipt of the final 2014 Regulations are as follows:

- Change the definition of Employee Members to include representatives from the membership other than those nominated by trade unions; and
- Section [2.6] relating to substitutes. This has been included as required by the regulation but due to the additional resource required to maintain training, preference would be to remove this clause.

3.10 The 2014 Regulations come into effect on 1 April 2015 therefore it is imperative that the new governance arrangements are put into place over the coming months. The outline and indicative timetable for implementation is as follows:

	Timetable
Communicate new governance arrangements to members and employers via website	24 December 2014
Invite nominations to Pension Board and for external members of Pensions Committee	24 December 2014
Deadline for nominations	Mid February 2015
Nominations considered & selections made	Early March 2015
External Pensions Committee members endorsed by City of Edinburgh Council	12 March 2015
Induction Training	Mid March 2015
Final meeting of Pensions Committee and Consultative Panel	25 March 2015
Pension Board in place	1 April 2015
First joint meeting of the Pensions Committee and Pension Board under the 2014 Regulations	June 2015

3.11 An update on the governance changes and its implementation will be provided to Committee in March 2015.

Measures of success

4.1 CEC's amended governance arrangements for the administration of the pension funds need to be in place by 1 April 2015 to ensure compliance with the 2014 Regulations and the 2013 Act.

- 4.2 The new governance arrangements facilitate improved and efficient ongoing compliance of the pensions funds, without unnecessarily impeding the strategic decision making of the Committee or the day-to-day administration of the funds.
- 4.3 Any duplication between the remit, operation and associated costs of the Committee, Audit-Sub Committee and the Pension Board is kept to a minimum.

Financial impact

- 5.1 There will be some additional costs to CEC associated with operating a further body within the governance structure to administer the pension funds. These costs might potentially be exacerbated further by the additional training and adviser costs that are anticipated by the 2014 Regulations.

Risk, policy, compliance and governance impact

- 6.1 The 2014 Regulations and the 2013 Act are intended to facilitate better governance of the overall LGPS in Scotland and the individual pension funds. However, CEC has already addressed many of the key concerns in its current governance structure and so does not necessarily anticipate any improvements for the fund in the short term. Improvements may however follow in the longer term, through the effective operation of the governance framework/training programmes and more active input from the Pensions Regulator and, potentially, the National Scheme Advisory Board.
- 6.2 It is recommended that this paper is referred to the City of Edinburgh Council to raise awareness of the governance changes and the potential impact on the administration of the pension funds.
- 6.3 CEC's scheme of delegation and Committee terms of reference may require to be updated to take into account the governance changes proposed by this report.

Equalities impact

- 7.1 There are no adverse equalities impacts arising from this report.

Sustainability impact

- 8.1 There are no adverse sustainability impacts arising from this report.

Consultation and engagement

- 9.1 Notwithstanding this subject of this paper, the Consultative Panel for the Lothian Pension Funds, comprising employer and member representatives, is currently integral to the governance of the pension funds administered by CEC.

Background reading / external references

Draft the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014

http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=486&Itemid=252

Alastair Maclean

Director of Corporate Governance

Contact: Struan Fairbairn, Legal and Risk Manager

E-mail: Struan.Fairbairn@edinburgh.gov.uk | Tel: 0131 552 4689

Links

Coalition pledges

Council outcomes CO26 – The Council engages with stakeholders and works in partnerships to improve services and deliver agreed objectives.

Single Outcome Agreement

Appendices

Appendix 1 – Lothian Pension Fund response to the draft 2014 Regulations

Appendix 2 – Nomination Procedure for external members of the Pensions Committee and members of the Pension Board

Appendix 3 – Constitution for the Lothian Pension Fund Pension Board

Appendix 4 – Training Policy

The Local Government Pension Scheme (Governance) (Scotland) Regulations 2014

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

City of Edinburgh Council, acting in its capacity as administering authority for the Lothian Pensions Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund

Title Mr Ms Mrs Miss Dr *Please tick as appropriate*

Surname

Scott

Forename

Clare

2. Postal Address

Investment and Pensions Service Manager, Atria One, 144 Morrison Street, Edinburgh

Postcode EH3 8EX

Phone 0131 469 3865

Email

clare.scott@edinburgh.gov.uk

3. Permissions - I am responding as...

Individual

/

Group/Organisation

Please tick as appropriate

- (a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate Yes No

- (b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

- (c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate Yes No

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- (d)** We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate

Yes

No

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This response details the comments of the City of Edinburgh Council (acting in its capacity as the administering authority of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund) (“**Lothian Pension Fund**”) on the draft Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 (the “**2014 Regulations**”) which are intended to implement the spirit and intention of the Public Service Pensions Act 2013 (the “**2013 Act**”). In summary, the Lothian Pension Fund has concerns that the 2014 Regulations do not constitute sufficiently competent legislation and, despite reflecting the Heads of Terms agreed by SLOGPAG (Scottish Local Government Pension Advisory Group), without material change would not reflect the spirit and intention of the 2013 Act. This could jeopardise the principles of good governance of the Local Government Pension Scheme in Scotland.

In the view of the Lothian Pension Fund the legislative process leading to the drafting of the regulations would have benefitted from greater and more direct input from pensions experts and practitioners.

A - KEY POINTS

- 1. Appropriate breadth of appointments for Pension Boards:** There continues to be a concern that the 2014 Regulations focus on employer and member *representation*, but without sufficient recognition of the technical *compliance* function that Pension Boards are to carry out in the best interests of the relevant stakeholders. The Lothian Pension Fund is strongly of the view that there needs to be sufficient flexibility to populate Pension Boards with suitably qualified persons. This would include employer and member representatives, in accordance with the 2013 Act, but not to the exclusion of all others. The 2014 Regulations, as currently construed, would potentially lead to practical issues around (1) those persons appointed to the board not having sufficient knowledge and understanding to perform the role and potentially becoming reliant on external advisors, and (2) the Pension Board not being able to draw on sufficient numbers of suitable persons and replacements to maintain a quorum for the body. In each case, this may result in considerable operational and cost inefficiencies that would not be in the interests of the fund and relevant stakeholders.
- 2. Active role of the Scheme Advisory Board:** The 2013 Act anticipated that the Scheme Advisory Board (“**SAB**”) will play a key role in advising, in Scotland, the Scottish Ministers on the wider operation of the LGPS in Scotland and the desirability of any changes to the scheme. Given the complexities surrounding scheme change, it will be important that the SAB is properly constituted to include appropriate representation of the funds, the employers and the members of the funds and ensure that those individuals have appropriate levels of knowledge, skill and expertise. It will also be important that the SAB does have an active role in advising the Scottish Ministers, rather than simply advising on the request of the Scottish Ministers, to ensure that the Scottish Ministers continue to have an active involvement and awareness of LGPS matters.
- 3. Common purpose and duties:** The Pensions Boards and SAB should each operate as a single body with a common purpose and duty to act in the best interests of the relevant stakeholders in the fund and (where appropriate) the wider LGPS scheme. The bodies only therefore need to appoint a single secretary and a single set of advisors to support their respective functions. Such decisions would be made by agreement of the members of the relevant body in accordance with its constitution. It would be confusing, potentially divisive and inefficient to operate a dual “member versus employer” structure within a single body of the nature of the SAB and Pensions Boards. With that in mind, Lothian Pension Fund is of

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the view that all reference to this dual structure (e.g. “two sides” etc.) should be removed from the 2014 Regulations.

Six member representatives (including trade unions) and six employer representatives are currently able to attend and participate in the Pensions Committee meetings of the Lothian Pensions Fund as members of the Consultative Panel. In addition, two of those individuals, an employer and member representative also participate as full members of the Pensions Committee, with voting rights on the strategic decisions of the funds. Lothian Pension Fund’s experience is that these participants are fully integrated within the governance of the Lothian Pension Fund and are happy to exercise their rights, and instruct/accept advice etc., as a single collective body.

4. **Representation of members:** The Lothian Pension Fund does not think it is appropriate to interpret the reference to member representatives in the 2013 Act as being limited to trade union representation. The Lothian Pension Fund would envisage trade union representatives playing a critical role here, but not to the exclusion of providing representation for the significant number of members who are not affiliated or members of a trade union body. The 2013 Act does not make specific reference to trade union representatives, rather providing for collective representation for members of the funds, and nor do the English Regulations adopt this approach.
5. **Efficiencies across UK LGPS:** The Lothian Pension Fund notes that the 2014 Regulations reflect a different approach to implementing the 2013 Act to the proposed Local Government Pensions Scheme (Amendment) Regulations 2014 (the “**English Regulations**”), designed to address the same points for the 89 LGPS funds in England and Wales. The Lothian Pension Fund would note that unless there is good reason to depart from the approach taken in the English Regulations there would be significant benefit in the 2014 Regulations being aligned with the English Regulations, given the synergies and efficiencies that could be achieved in pooling knowledge and experience across all the LGPS funds across the UK. For instance, it is reasonably foreseeable that certain areas of the 2014 Regulations will require some amendment or may raise finer points of interpretation arising from the practical application of the regulations. Where the English and Scottish regulations are broadly aligned, the Scottish funds would benefit from independent legal opinions, Scheme Manager and government department views and/or the opinions of the Pensions Regulator arising from the experiences of the 89 funds in England and Wales. If, however, the 2014 Regulations materially deviate from the English regulations without good reason, the Scottish funds would not be able to benefit from the potentially significant efficiencies and savings that could be obtained here.
6. **Standard of knowledge and understanding:** The 2014 Regulations could further clarify the levels of knowledge and understanding required of Pensions Board members by cross referring to the Pension Regulator’s Codes of Practice and other guidance in this area. An equivalent approach could also be taken in relation to members of the SAB. This would help inform the prospective members of the expectations on them in performing their roles and also those responsible for providing training for such individuals.

B - DETAILED COMMENTS

REGULATION	COMMENT
Scheme Advisory Board	
2(1)	Constitution and remit: The regulation should formally constitute and establish the SAB. See 110(1) of the English Regulations.
2(2)	The word “main” should be deleted as being ambiguous and confusing. The functions of the SAB will be as stated in the 2014 Regulations, with any other functions requiring to be expressly detailed therein. See 110(2) and (3) of the English Regulations.
	As above, the SAB should simply be constituted to advise the Scottish Ministers, rather than only doing so at their request. See 110(2) of the English Regulations.
	Provisions should be included around the SAB’s ability to determine its own constitution, procedures etc. See 110(4) of the English Regulations.
	Provisions should be included around funding the costs of the SAB, how the costs will be split and/or determined and whether there will be any budget oversight for the SAB. We note that the English Regulations do seek to address this to some extent in paragraph 113.
2(3)	Enforceability: This provision is not sufficiently clear in setting out the intention behind the requirement of a body to “have regard to the advice”. This may result in uncertainty and potential legal challenge, which would not be in the best interests of LGPS stakeholders.
3(1) and 3(2)	Membership: As above, the Lothian Pension Fund does not believe that restricting the membership of the SAB to a “bipartite body” of local government employer and trade union representatives would provide sufficient flexibility to ensure that this body includes appropriately representative and qualified persons from time to time to perform the relevant functions. The Lothian Pension Fund would advocate the less prescriptive approach taken in the English Regulations, so that there would be more flexibility to include representatives from the Scottish funds and/or any independent members with particularly relevant expertise.
	The Lothian Pension Fund does not think it is appropriate to interpret the reference to member representatives in the 2013 Act as being limited to trade union representation. The Lothian Pension Fund would envisage trade union representatives playing a critical role here, but not to the exclusion of providing representation for the significant number of members who are not affiliated or members of a trade union body. The 2013 Act does not make specific reference to trade union representatives, rather providing for collective representation for members of the funds. The English Regulations and those for other Scottish public service pension schemes do not adopt this approach.
	Knowledge and expertise: The words “inform their role” could be replaced with “perform their role to an appropriately competent standard of knowledge, skill and care and with regard to any relevant guidance issued by the Pensions Regulator from time to time”.
3(4)	Secretaries: As above, the Lothian Pension Fund does not think it would be appropriate for a single body to have two secretaries. This would simply create confusion in the role (e.g. taking, combining and agreeing two different sets of minutes would not be productive etc.) and cause unnecessary

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	<p>duplication, confusion and bureaucracy. A single secretary should be appointed by agreement of the members of the SAB and the constitution could deal with such matters as rotation, term, re-appointment, removal etc.</p>
3(5)	<p>Advisers: As above, the Lothian Pension Fund does not believe that the 2014 Regulations should expressly refer to the right of any particular member or membership group attending the meeting to have advisers present, as the body itself should appoint its own advisers - acting collectively and with their common duty to the Scottish Ministers and stakeholders of the funds in mind. The presence of multiple advisers would not be appropriate for the operation of a body of this nature nor would it be conducive to effective and efficient governance. For instance, how would the chairperson manage the nature and type of adviser to be present and the associated costs, and duplication of costs, that would need to be met.</p> <p>In addition, the SAB is constituted to advise the Scottish Ministers on the relevant matters and so it would not be appropriate for the advisers of the Scottish Ministers to attend, and potentially influence, the meetings and decisions of the SAB itself.</p>
4	<p>Conflicts of Interest: The conflict language could be aligned with the English Regulations for the purposes of simplicity and to support ongoing efficiencies that could be generated across the wider UK LGPS.</p>
Pensions Boards	
5	<p>Constitution and remit: The drafting of section 5(1) and (2) should be combined to more clearly state the responsibilities of the Pensions Boards. In addition, limb (c) should be removed as being unnecessary and creating ambiguity. The remit of the Pensions Board should be clearly set out in section 5 and not elsewhere.</p> <p>We note that 106(1)(a) of the English Regulations clearly encapsulates the responsibilities of the Pensions Board in one single provision.</p> <p>See also the below comments on paragraph 8 of the 2014 Regulations.</p>
6(1)	<p>Membership: As above, the Lothian Pension Fund does not believe that restricting the membership of the Pensions Board to a “bipartite body” of local government employer and trade union representatives would provide sufficient flexibility to ensure that this body includes appropriately representative and qualified members from time to time to perform the relevant functions.</p> <p>The Lothian Pension Fund would advocate the less prescriptive approach taken in the English Regulations, paragraph 107, recognising that the 2013 Act already provides sufficient comfort around the equality of employer and member representatives.</p> <p>In addition, the regulation should expressly set out that the Scheme Manager shall determine the membership of the Pension Board and the manner in which the appointment/removal process, terms of appointment, constitution etc. shall operate in consultation with the members and employers.</p>
6(2)	<p>As above, the Lothian Pension Fund does not think it is appropriate to interpret the reference to member representatives in the 2013 Act as being limited to trade union representation. The Lothian Pension Fund would envisage trade union representatives playing a critical role here, but not to the exclusion of providing representation for the significant number of members who are not affiliated or members of a trade union body.</p> <p>The 2013 Act does not make specific reference to trade union representatives, rather providing for collective representation for members, and nor do the English Regulations adopt this approach.</p>

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	<p>In addition, employers do not have a collective organisation from which nominations can be sought. CoSLA represent the Councils in Scotland, but the Scheme Manager will require to operate appropriate selection procedures for the employer representatives on the Pensions Boards.</p> <p>Knowledge and expertise: The words “inform their role” could be replaced with “perform their role to an appropriately competent standard of knowledge, skill and care and otherwise in accordance with the requirements and guidance of the Pensions Regulator from time to time.”</p>
6(4)	Secretaries: as above for the SAB.
6(5)	Advisors: as above for the SAB.
7	Conflicts of interests: as for SAB.
8	<p>Implementation of remit: the remit of the Pensions Board is set out in paragraph 5 and paragraph 8 of the 2014 Regulations in fact details the matters that the Pensions Board may review to support its remit. The heading of this clause should therefore be amended to avoid confusion and to ensure it is clear that the remit should not extend beyond that set out in the 2013 Act and provided for in paragraph 5 of the 2014 Regulations. This is consistent with the approach taken in the English Regulations.</p> <p>8(2) should be deleted and any reference to investments of the fund and investment principals etc. included in 8(1), making it clear that the Pensions Board shall be to review such activities in order to fulfil its remit set out in paragraph 5 of the 2014 Regulations and the 2013 Act. The current drafting may otherwise lead to ambiguity around the potential extension of the remit of the Pensions Board beyond what is anticipated by the 2013 Act.</p>
8(3)	Requisitioning reports: the paragraph should be amended so that the Pensions Board may only requisition reports from the Scheme Manager where it (acting reasonably) determines that this would be necessary to enable it to properly carry out its functions in accordance with the 2014 Regulations.
9	<p>Pension Committee and Pension Board disagreements: these provisions should be amended to ensure that a review may only be requested where the Pension Board has demonstrated valid concerns in relation to the decision being in breach of any applicable law, regulation or Code of Practice.</p> <p>The grounds for review set out in paragraph 9(2) are too loosely construed and should therefore be amended accordingly not being appropriately aligned to the remit of the Pensions Board itself. Greater clarity as to what does or does not constitute grounds for the review of a decision should be provided. In particular, 2(a) and (d) are so general in nature as to enable a review to be requested on virtually any decision of the Scheme Manager, at any point in time.</p> <p>Despite this, regulation 9(5) indicates that even where the Pension Board and Scheme Advisory Board oppose a decisions of the Committee they are ultimately powerless to force a change.</p>
Training Programme	
10	This should include appropriate reference to the requirements and guidance issued by the Pensions Regulator from time to time.
Other drafting points	
1(4)	The definition of the fund should read “the pension fund <i>or funds</i> managed by the scheme manager” reflective of the fact that certain Scheme Managers administer more than one fund.

The Lothian Pension Fund
Nominations and Appointments Policy
for
External Members of the Pensions Committee
and
Members of the Pension Board

INTRODUCTION

Pensions Committee: The City of Edinburgh Council (“**CEC**” or “**Scheme Manager**”) operates a Pensions Committee (the “**Pensions Committee**”) for the purposes of facilitating the administration of the Lothian Pension Fund, the Lothian Buses Pension Fund, the Scottish Homes Pension Fund and any other Local Government Pension Scheme that it may administer from time to time (the “**Funds**”). The Terms of Reference of the Pensions Committee require that, in addition to the elected members, two additional members should be appointed to the Pensions Committee as follows:

- A. a member drawn from the membership of the Funds (“**Member Representative**”); and
- B. a member drawn from the scheduled or admitted bodies that participate in the Funds (“**Employer Representative**”).

This policy sets out the means through which CEC will operate and support the nomination and appointment of the Member and Employer Representatives to the Pensions Committee.

Pension Board: CEC is also required to establish and maintain a Pension Board (the “**Pension Board**”), for the purposes of assisting with the ongoing compliance of the Funds. The Pension Board is constituted under the provisions of the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 (the “**2014 Regulations**”) and the Public Service Pensions Act 2013 and will at all times consist of equal numbers of [trade union representatives (drawn from trade unions that represent the membership of the Funds)] (“**Employee Members**”) and [local government] employer representatives [(drawn from local authorities and scheduled or admitted bodies that participate in the Funds) (“**Employer Members**”). Further to the Constitution for the Pension Board (dated []) (the “**Constitution**”) the Pension Board will comprise:

- A. [Five] Employer Members; and
- B. [Five] Employee Members.

The Constitution provides for the operation of the Pension Board and this policy sets out the Scheme Manager's procedures for inviting nominations for the membership of the Pension Board and putting forward eligible candidates for appointment by the Pension Board.

1. PENSIONS COMMITTEE: NOMINATION AND ELECTION

- 1.1 Where required to fill a vacancy, employer bodies that participate in the Funds will be invited to nominate a suitable representative to be considered for selection as the Employer Representative on the Pensions Committee.
- 1.2 Where required to fill a vacancy, the members of the Funds will be invited to nominate themselves to be considered for selection as the Member Representative on the Pensions Committee.
- 1.3 All candidates put forward for the roles of either Employer or Member Representative will be requested to provide a brief biography, highlighting their background, any relevant experience and why they would be suitable for the role.
- 1.4 [No person may be appointed to the Pensions Committee under this policy where, in the Scheme Manager's sole discretion, that person has a Conflict of Interest. A '**Conflict of Interest**' being a financial or other interest which is likely to prejudice the exercise of that persons' functions as a member, but does not include a financial or other interest arising merely by virtue of that person being a member or employer body in any of the Funds.]
- 1.5 Once either the employer bodies and/or members of the Fund have been given a reasonable period of time to respond, CEC will draw-up a list of relevant candidates for each of the roles and send that list on to the Independent Professional Observer or such other suitable independent person or advisor (the "**Independent Professional Observer**") (the "**Review Panel**") for review with regard to the obligations on the Scheme Manager pursuant to Regulations [7(1)] (*conflicts of interest*) [and [6(1)] and 10 (*requisite training and development*)] of the 2014 Regulations. The Review Panel will check the candidates and their respective submissions with a view to excluding any candidates that, at their discretion, would not meet the criteria set out in the 2014 Regulations or any standards, guidance or code of practice issued by the Pensions Regulator from time to time.

The Review Panel will then send the updated list of potential candidates to CEC to facilitate the election.

- 1.6 CEC will then facilitate the elections of the Member and Employer Representatives by the members and employers of the Fund respectively. Such election(s) may take place at a meeting called and arranged by CEC or through the form of an electronic or other remote voting system. The Employer and Member Representatives will be required to be elected through receiving a majority of the votes cast by their respective peers. In the event of a tied vote, the Independent Professional Observer will have a casting vote to determine which candidate is appointed to the role. Where only one candidate was put forward for the role, CEC will proceed to appoint that individual to the relevant role without the need for an election.

2. PENSIONS COMMITTEE: APPOINTMENT AND RATIFICATION BY COUNCIL

- 2.1 Once a candidate for the Member and/or Employer Representative has been selected, and has confirmed their willingness to take up the role, approval of the appointment will be sought from the Council pursuant to the Committee Terms of Reference and Delegated Functions.
- 2.2 Any newly appointed Member and Employer Representatives will require to have read, understood and signed the Lothian Pension Fund's Council's Code of Conduct prior to taking up their role.
- 2.3 Any newly appointed Member and Employer Representatives will require to have completed the necessary induction training from CEC prior to taking up their role.
- 2.4 The Employer and Member Representatives will serve a maximum term of [two] years and whereupon they will either stand down or require to submit themselves as a candidate for a further election.
- 2.5 The Employer and Member Representatives will be required to make all reasonable efforts to regularly attend the meetings of the Pensions Committee and are required to comply with the Lothian Pension Fund's Training and Attendance Policy. Failure to do so could result in their position(s) on the Pensions Committee being reviewed.
- 2.6 Any member of the Pension Board will not be eligible for appointment as either the Employer or Member Representative on the Pensions Committee.

3. PENSION BOARD: NOMINATION AND ELECTION

- 3.1 Where required to fill a vacancy or vacancies, employer bodies that participate in the Funds will be invited to nominate suitable representative(s) to be considered for selection as an Employer Body Member on the Pension Board.
- 3.2 The Scheme Manager will, in consultation with the Pension Board (once established), review and allocate the Employee Member(s) among the trade unions in order to ensure they are broadly representative of the proportion of members represented by each trade union. Where required to fill a vacancy or vacancies, those trade unions will be requested to invite nominations, elect and put forward suitable individuals for appointment as Employee Member(s) to the Pension Board.
- 3.3 All candidates put forward for the roles of an Employer Member and/or Employee Member will be requested to provide a brief biography, highlighting their background, any relevant experience and why they would be suitable for the role.

Employer Members

- 3.4 Once the employer bodies have been given a reasonable period of time to respond, the Scheme Manager will draw up a list of relevant candidates for the role(s) and send that list on to the Review Panel for review with regard to the obligations on the Scheme Manager pursuant to Regulations [7(1)] (*conflicts of interest*) [and [6(1)] and 10 (*requisite training and development*)] of the 2014 Regulations. The Review Panel will check the candidates and their respective submissions with a view to excluding any candidates that, at their discretion, would not meet the criteria set out in the 2014 Regulations or any standards, guidance or code of practice issued by the Pensions Regulator from time to time. The Review Panel will then allocate the Employer Member(s) among the employers in order to ensure they are broadly representative of the different types of employer body in the Fund (e.g. local authorities, education establishments, charities etc).
- 3.5 Where there are more candidates than vacancies, the Scheme Manager will then facilitate the election of the Employer Member(s). Such election(s) may take place at a meeting called and arranged by the Scheme Manager or through the form of an electronic or other remote voting system. The Employer Member(s) will be required to be elected by a majority of the votes cast (or if more than one member is to be appointed the individuals receiving the most votes in descending order to fill the number of vacancies). In the event of a tied vote, the Independent Professional Observer will have a casting vote to determine which candidate is appointed to the role. Where only one candidate was originally put

forward for the role, the Scheme Manager will proceed to appoint that individual to the relevant role without the need for an election.

Employee Members

- 3.6 Once the trade unions representing members of the Funds have put forward their candidates, the Scheme Manager will send the list of prospective candidates to the Review Panel for review with regard to the obligations on the Scheme Manager pursuant to Regulations [7(1)] (*conflicts of interest*) [and [6(1)] and 10 (*requisite training and development*)] of the 2014 Regulations. The Review Panel will check the candidates and their respective submissions with a view to excluding any candidates that, at their discretion, would not meet the criteria set out in the 2014 Regulations or any standards, guidance or code of practice issued by the Pensions Regulator from time to time. The Scheme Manager will then proceed to arrange for the appointment of the appropriate candidates as Employee Member(s) of the Pension Board and liaise with the trade union bodies collectively in relation to any candidate that did not meet the criteria set out in the 2014 Regulations and/or the Pensions Regulator's guidance (with a request for a further candidate to be put forward in accordance with the procedures set out herein). In the event of there being more candidates than vacancies, the Scheme Manager will then facilitate the election of the Employee Member(s).

4. PENSION BOARD: APPOINTMENT

- 4.1 Candidates selected to be either Employer Member(s) and/or Employee Member(s) will then be appointed to those roles by the Scheme Manager or (following the establishment of the Pension Board) by the Pension Board itself on receiving notice of the selected individuals from the Scheme Manager.
- 4.2 Employer Members and Employee Members will otherwise carry out their role and be appointed and removed in accordance with the Constitution^[1].
- 4.3 Any individuals appointed as member of the Pension Board (including any pre-approved alternates) will require to have read, understood and signed the Lothian Pension Funds' Code of Conduct prior to taking up their role.

¹ **NOTE:** we are checking whether appointments to a body of this nature would require approval by the Council under the current internal governance arrangements/Terms of Reference.

- 4.4 Members of the Pension Board (including any pre-approved alternates) will be required to have completed the necessary induction training from the Scheme Manager prior to taking up their role.

- 4.5 Any member of the Pensions Committee will not be eligible for appointment as a member of the Pension Board.

Approved by: **The City of Edinburgh Council** (as administering authority of the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund)

On: [] 201[]

The Lothian Pension Fund

Pension Board Constitution

Introduction

The City of Edinburgh Council (the “**Scheme Manager**”) is required to establish a Pension Board for the purposes of facilitating the administration of the Lothian Pension Fund, the Lothian Buses Pension Fund, the Scottish Homes Pension Fund and any other Local Government Pension Scheme that it may administer from time to time (the “**Funds**”). The Pension Board has been established under the provisions of the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 (the “**2014 Regulations**”) and the Public Service Pensions Act 2013.

Further to Regulation [6(6)] of the 2014 Regulations, this constitution (the “**Constitution**”) shall supersede any model or other constitution regarding the operation and functioning of the Pension Board associated with the Funds (the “**Pension Board**”).

1. Remit and exercise of functions

- 1.1 The Pension Board shall carry out its compliance functions (“**Functions**”) strictly within the remit set out in Regulation [5] of the 2014 Regulations.
- 1.2 Members of the Pension Board (“**Members**”) shall have access to and receive all papers provided to the Scheme Manager’s Pensions Committee (the “**Pensions Committee**”) (and any sub-committee) for the purpose of their carrying out the Functions. Members may requisition additional reports from the Scheme Manager in accordance with Regulation [8(3)] of the 2014 Regulations to the extent reasonably required for the proper performance of their Functions.
- 1.3 Members shall have a collective duty to act independently in the interests of the members and employer bodies in the Funds and also the taxpayers. [In most cases the interests of these stakeholders in the Funds will be aligned, but where they do diverge the Members shall use their reasonably exercised discretion to take a balanced and proportionate view of the interests of the respective stakeholders in the Funds in the context of the particular circumstances and having regard to any regulation or guidance issued by the UK Pensions Regulator.]

1.4 Members of the Pension Board shall not participate in the voting, decision making or other business of the Pensions Committee, or the operational activity of the Scheme Manager, other than to input to the discussion and/or consideration of matters by the Pensions Committee to the extent required and appropriate in the performance of their Functions.

2. Membership

2.1 The membership of the Pension Board will at all times consist of equal numbers of [trade union representatives (drawn from trade unions that represent the membership of the Funds)] (“**Employee Members**”) and [local government] employer representatives [(drawn from scheduled or admitted bodies that participate in the Funds)] (“**Employer Members**”) and will comprise:

- a. [five] Employer Members; and
- b. [five] Employee Members.

2.2 Members who are appointed to the Pension Board will at all times be required to:

- a. demonstrate the relevant knowledge, skills and expertise to properly perform the Functions;
- b. make all reasonable efforts to regularly attend the meetings of the Pension Board;
- c. make appropriate contributions at Pension Board meetings in the performance of their Functions; and
- d. comply with the Scheme Manager’s Training and Attendance Policy (as amended from time to time).

2.3 To the extent that any Member does not comply with the competency criteria set out in paragraph 2.2 above, the Scheme Manager shall have the right to serve notice on the Pension Board to that effect. On receiving notice from the Scheme Manager, the Pension Board shall take action to remove the relevant Member and reappoint a suitable replacement, unless it can demonstrate to the Scheme Manager’s reasonable satisfaction that such Member has or will be able to perform the Functions in compliance with such criteria.

2.4 Any Member may appoint a person to attend and act on his behalf as an alternate on the Pension Board, or any sub-committee of the Pension Board, provided always that such person has been pre-approved by a vote or written authorisation of a majority of the Pension Board and has the requisite knowledge, skill and expertise to perform the Functions. All other provisions of this Constitution shall, where appropriate, apply equally to alternate Members as if they were themselves Members.

- 2.5 At no time shall a Member be appointed or retained who is at that time also a member of the Pensions Committee.
- 2.6 Subject to paragraph 12 herein, no person may be appointed to the Pension Board that, in the Scheme Manager's sole discretion, has a Conflict of Interest. A '**Conflict of Interest**' being a financial or other interest which is likely to prejudice a person's exercise of the Functions as a Member, but does not include a financial or other interest arising merely by virtue of that person being a member of any of the Funds.
- 2.7 Advisors may attend meetings of the Pension Board at its direction and at its chairman's discretion as to numbers and, where the Pension Board and the Pensions Committee will meet concurrently, with the prior approval of the Convener of the Pensions Committee.

3. Meetings

- 3.1 Members participate in a meeting of the Pension Board where it has been called and constituted in accordance with this Constitution and the 2014 Regulations.
- 3.2 The Pension Board shall meet at least quarterly and, in the normal course, to coincide with the meetings of the Pensions Committee. While the statutory roles and function of the Pensions Committee and Pension Board are separate, normal practice will be that both bodies will meet at the same time to consider the same agenda, with the Convener of the Pensions Committee chairing the concurrent meeting.
- 3.3 A majority of the Pension Board may otherwise agree to hold meetings from time to time and will authorise [one of] the joint secretaries to issue notice of such a meeting and make the necessary arrangements.
- 3.4 No less than [7] days notice of a meeting of the Pension Board must be given to each Member, unless unanimously agreed by the Members, and will usually be given in writing (including in electronic form). Any papers to be considered at or in advance of a meeting of the Pension Board shall be circulated to the Members no less than [5] days before the meeting.
- 3.5 In determining whether a Member is participating in a meeting of the Pension Board it is irrelevant where any Member is or how they communicate with each other. If all of the Members participating in the meeting are not in the same place they may decide that a meeting is to be treated as taking place wherever any of them is.

4. Quorum for Members' meetings

- 4.1 At a meeting of the Pension Board, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 4.2 The quorum for a Pension Board meeting may be fixed from time to time by a decision of the Members, but it must never be less than [four] Members (comprising at least [two] Employer Members and [two] Employee Members), and unless otherwise fixed is [four] Members constituted in the manner set out herein.
- 4.3 If the total number of appointed Members for the time being is less than the quorum required, the Members must not take any decision other than a decision to fill any Member vacancies.

5. Chairing meetings

- 5.1 Members will appoint a Member to chair the meetings of the Pension Board during any meeting not held concurrently with a meeting of the Pensions Committee.
- 5.2 Where the Pension Board and the Pensions Committee meet concurrently the Convener of the Pensions Committee will chair the meeting and the chairman of the Pension Board may act as a spokesperson on behalf of the Pension Board.
- 5.3 The chairman of the Pension Board will be rotated on an annual basis so that it shall be held in alternate years by:
 - a. a person nominated by a majority vote of the Employer Members and subsequently appointed by the Pension Board; and
 - b. a person nominated by the majority vote of the Employee Members and subsequently appointed by the Pension Board.
- 5.4 Where the appointed chairman is not participating in a meeting of the Pension Board the participating Members must appoint one of themselves to chair it.

6. Decisions by Members

- 6.1 Subject to Regulation [9(1)] of the 2014 Regulations, decisions by the Members shall be made by either a majority approval at a meeting of the Pension Board or by way of a unanimous written resolution approved (through either signing of the resolution itself or agreement to it in writing by email) by all of the Members at that time.
- 6.2 If the number of votes for and against a proposal are equal the chairman shall have the casting vote, unless the chairman is otherwise excluded from participating in the relevant vote (e.g. should they have a conflict of interest etc.).
- 6.3 Where the Pension Board agree to invoke its right under Regulation [9(1)] of the 2014 Regulations to request that the Pensions Committee review a particular decision, such a request (except where the Pensions Committee and Pension Board agree that would not be appropriate) will be made within [10] days of that decision having been made by the Pensions Committee. The Pension Board will only request that a decision of the Pensions Committee be reviewed where it has reasonable grounds for such review, in accordance with Regulation [9(2)] of the 2014 Regulations [and that such grounds are within the remit of its Functions].
- 6.4 Where the Pension Board decides to publish any difference in views between it and the Pensions Committee pursuant to Regulation 9 of the 2014 Regulations, it shall provide the Scheme Manager with a written statement and give the Scheme Manager and the Pensions Committee [a reasonable period of time] to consider that statement and respond with any comments.
- 6.5 The Pension Board shall ensure, working together with the Scheme Manager, that any joint secretarial report published pursuant to Regulation [9(3)] of the 2014 Regulations does not include any:
- a. incorrect, inaccurate, ambiguous or misleading statements; or
 - b. confidential or sensitive information, the disclosure of which may result in the Scheme Manager being in breach of contract or any applicable law or would be substantially to the financial or other detriment of the Funds and their stakeholders.

7. Delegation to individual Members and sub-committees

7.1 Members of the Pension Board may delegate Functions to a particular Member or a sub-committee of Members of the Pension Board for the purpose of attending any sub-committee of the Pensions Committee. It is anticipated that any such sub-committee of the Pension Board will contain a reduced number of Members proportionate to the relevant sub-committee being attended, but will at all times be constituted to have equal numbers of Employer Members and Employee Members. Decisions taken by any sub-committee must follow the procedures, in as far as they are applicable, of this Constitution which govern decisions by the Pension Board.

8. Secretaries

8.1 The Scheme Manager and the Employee Members shall each appoint a [joint secretary] of the Pension Board.

8.2 The Scheme Manager shall provide reasonable and appropriate support in order to assist with the administration of the Pension Board, such as the preparation of minutes of meetings (including any decisions, noting conflicts, attendance etc.) of the Pension Board whether held separately or at the same time as the Pensions Committee meetings.

9 Appointment and removal of Members

9.1 Any person who is willing to act as a Member and has the requisite level of knowledge, skill and expertise may be appointed as a Member in accordance with the Scheme Manager's Appointment and Nomination Policy (as amended from time to time).

9.2 A person ceases to be a Member as soon as:

- a. that person dies or resigns as a Member;
- b. that person is convicted of a serious criminal or civil offence or is declared bankrupt;
- c. that person has become physically or mentally incapable of acting as a Member and may remain so for more than three months; or
- d. the Scheme Manager has issued a notice to the Pension Board pursuant to paragraph 2.3 of the Constitution which the Scheme Manager has confirmed is not to be withdrawn.

- 9.3 A Member may also be removed with the unanimous approval of all other Members of the Pension Board.

10 Amending the Constitution

- 10.1 This Constitution may be amended by the agreement of no less than [80]% of the Members of the Pension Board and with the written consent of the Scheme Manager. Any amendments to the Constitution must be made in compliance, and not conflict, with the 2013 Act (where appropriate) and the 2014 Regulations.
- 10.2 Where the Pension Board has agreed to amend the Constitution in accordance with paragraph 10.1 above, but the Scheme Manager has refused to give its consent, the matter may be referred to the National Scheme Advisory Board in Scotland for mediation and adjudication pursuant to Regulation [6(7)] of the 2014 Regulations.

11 Costs and Members' expenses

- 11.1 The Pension Board will liaise with the Scheme Manager to assist the Scheme Manager in budgeting for the likely costs of operating the Pension Board in the subsequent financial years. Any costs associated with the operation and administration of the Pension Board (including the costs of any advisers to be appointed by the Pension Board) will be borne by the Funds, provided that the Pension Board has sought prior approval of the Scheme Manager before incurring such costs.
- 11.2 The Funds also shall pay and/or reimburse the Members for any reasonable expenses properly incurred in connection with their attendance at meetings of the Pension Board, any sub-committee or training event held in accordance with the Scheme Manager's Training and Attendance Policy provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

12 Conflicts of interest

- 12.1 Members must declare any potential conflicts of interest at the start of any meeting of the Pension Board.
- 12.2 If the proposed decision of the Members is particularly concerned with an actual or proposed transaction or arrangement with a person or entity in which the Member is

interested, that Member is not to be counted as participating in the decision-making process for quorum of voting purposes, except where:

- a. the remaining Members in attendance unanimously vote that the Member should participate;
- b. the Member's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- c. the Member's conflict of interest arises simply by virtue of its role as a representative of either a member or employer group or body.

13. Records of decisions

- 13.1 Minutes of each meeting of the Pension Board will be prepared, including where the Pension Board and Pensions Committee meet concurrently, which shall include a record of the time and place of the meeting, those attending, any conflicts of interest noted and all decisions made at such meetings by the Members.
- 13.2 The draft minutes will be approved at the next meeting of the Pension Board, signed by the chairman and copy circulated to the Pensions Committee and the Scheme Manager.
- 13.3 Notwithstanding the process to prepare and agree the minutes, a summary of the decisions taken at each meeting of the Pension Board will be circulated to the Members and the Pensions Committee within [10] days of that meeting taking place.
- 13.4 Copies of the agreed minutes of Pension Board meetings shall be retained by [the Scheme Manager] for no less than [12] years from the date of the decision.

[14 Liability of Members]

[To be considered in due course based on final regulations and further guidance from the Pensions Regulator.]

Approved by: **The City of Edinburgh Council** (as administering authority of the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund)

On: [] 201[]

The Lothian Pension Fund

Pensions Committee and Pension Board

Training and Attendance Policy

INTRODUCTION

Pensions Committee: The City of Edinburgh Council (“CEC” or “Scheme Manager”) operates a Pensions Committee (the “Pensions Committee”) for the purposes of facilitating the administration of the Lothian Pension Fund, the Lothian Buses Pension Fund, the Scottish Homes Pension Fund and any other Local Government Pension Scheme that it may administer from time to time (the “Funds”). Members of the Pensions Committee owe an independent fiduciary duty to the members and employer bodies in the Funds and the taxpayer. Such members are therefore required to carry out appropriate levels of training to ensure they have the requisite knowledge and understanding to properly perform their role.

Pension Board: The Scheme Manager is also required to establish and maintain a Pension Board (the “Pension Board”), for the purposes of assisting with the ongoing compliance of the Funds. The Pension Board is constituted under the provisions of the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 (the “2014 Regulations”) and the Public Service Pensions Act 2013. Members of the Pension Board should also receive the requisite training and development to enable them to properly perform their compliance role.

This policy sets out the requirements and practicalities for the training of members of both the Pensions Committee and the Pension Board. It also provides some further detail in relation to the attendance requirements for members of the Pension Board and in relation to the reimbursement of expenses.

1. Training of the Pensions Committee and Pension Board Members

- 1.1 New members of the Pensions Committee and/or Pension Board must attend an induction course by the Scheme Manager before taking up their role. This course will provide an overview of the structure and operation of the Funds and insight into the roles and responsibilities of the members on their respective body. The purpose of this training is to allow the Pensions Committee members to consider and decide on all matters relating to the Funds, involving complex investment and pension matters, and to enable Pension Board members to assist the Pensions Committee in providing input on the compliance implications associated with such matters.

- 1.2 Members of the Pensions Committee and Pension Board will also be required to undertake no less than [three days (21 hours)] of training in each calendar year. This training obligation will be met through the following:
- Internal training events designed specifically for this purpose and to cover a range of pension administration and investment matters.
 - External events for Funds' stakeholders, such as the annual employer seminar and finance briefing.
 - Seminars and conferences offered by industry wide bodies, such as the LAPFF, LGC and NAPF.
 - Seminars and training events offered by the Fund's external professional advisers, investment managers and other service providers.
 - Online training, including that provided by the Pensions Regulator (e.g. the Pensions Trustee and LGPS Toolkits) from time to time.
 - Other training deemed appropriate by the Scheme Manager from time to time.
- 1.3 In designing a programme of training for the members of the Pensions Committee and the Pension Board the Scheme Manager will have regard to Regulation [10] of the 2014 Regulations, the Pensions Regulator's codes of practice and guidelines, the CIPFA Guidelines on the Principles for Investment Decision Making in the Local Government Pension Scheme, and the CIPFA Knowledge and Skills Framework issued from time to time.
- 1.4 Members of the Pension Board may be required to attend further specific training which will focus on any regulatory, legislative or other technical updates which they should be aware of in the performance of their compliance role.

2 Training of the Secretaries of the Pension Board

- 2.1 Any joint secretary of the Pension Board appointed by the trade unions pursuant to the Constitution must also attend an induction course which provides an overview of the structure and operation of the Funds by the Scheme Manager and focuses on any key matters associated with the ongoing governance and administration of the Funds.

3 Attendance of the Pension Board

- 3.1 Section [2.2 (b)] of the constitution of the Pension Board (the "**Constitution**") requires members of the Pension Board to make all reasonable efforts to regularly attend the meetings of the Pension Board. To provide further clarity, and pursuant to section [2.2(d)] of the Constitution, the Scheme Manager requires that members of the Pension Board must attend a minimum of [three?] out of the four quarterly meetings of the Pension Board which

will be held concurrently with the quarterly meetings of the Pensions Committee. In addition, members of the Pension Board should use all reasonable efforts to attend any meetings of the Pension Board held out-with the main cycle of quarterly meetings and, in any event, shall not miss any more than two such additional meetings in any calendar year.

- 3.2 If a Pension Board member is unable to attend a Pension Board meeting, any named alternate should attend in their place pursuant to the Pension Board's Constitution.
- 3.3 For these purposes, an alternate attending on behalf of the Pension Board member pursuant to the Pension Board's Constitution, notwithstanding that for the purposes of the meeting such alternate shall be counted as attending as if the Pension Board member had attended, shall not be deemed to count towards that member's attendance record.

4 Substitute Members of the Board

- 4.1 Substitute or alternate members of the Pension Board that are pre-approved pursuant to section [2.4] of the Constitution ("**Alternates**") may attend meetings of the Pension Board. Regulation [6(2)] of the 2014 Regulations requires that any such Alternates should have *undergone the requisite training and development to inform their role*.
- 4.2 Alternates will therefore be required to attend the same induction course as Pension Board and Pensions Committee members.
- 4.3 Alternates will also require to attend no less than [15] hours of relevant training each year.

5. Monitoring and Reporting

- 5.1 Each member of the Pensions Committee and Pension Board, and any Alternates, will inform the Scheme Manager of relevant training attended from time to time.
- 5.2 A report will be submitted to the Pensions Committee annually highlighting the training and attendance of each member of the Pensions Committee and Pension Board and any Alternates.
- 5.3 Where the Scheme Manager has a concern that a member of the Pension Board (or any Alternate) is not complying with the requisite training or attendance requirements it may serve a notice on the Pension Board, pursuant to section [2.3] of the Constitution, requiring the Pension Board to remove that member and seek to appoint a replacement. The Pension Board shall be given reasonable opportunity to review the circumstances and, where appropriate, liaise with the Scheme Manager with a view to demonstrating that such

member will be able to continue to properly perform the functions required of a member of the Pension Board and request that the Scheme Manager withdraw the notice. Any decision to withdraw such notice will be made by the Scheme Manager at its sole discretion.

5.4 This training policy will be reviewed on an ongoing basis by the Scheme Manager.

6. Reimbursement of expenses

6.1 All reasonable expenses properly incurred by members of the Pensions Committee, appointed pursuant to the Nominations and Appointments Policy, and the Pension Board necessary for the performance of their roles will be met by the Funds, provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

Approved by: **The City of Edinburgh Council** (as administering authority of the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund)

On: [] 201[]