

Notice of meeting and agenda

The City of Edinburgh Council

10.00 am, Thursday, 10 December 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 If any

4. Minutes

- 4.1 The City of Edinburgh Council of 19 November 2015 (circulated) – submitted for approval as a correct record

5. Questions

- 5.1 By Councillor Booth - Sweeping of Leaves from Footpaths and Cyclepaths – for answer by the Convener of the Transport and Environment Committee
- 5.2 By Councillor Main – Additional Support Needs Training – for answer by the Convener of the Education, Children and Families Committee

6. Leader's Report

- 6.1 Leader's report

7. Appointments

- 7.1 If any

8. Reports

- 8.1 Executive Management Structure – report by the Chief Executive (circulated)
- 8.2 Edinburgh Tram Extension – Next Steps - report by the Acting Director of Services for Communities (circulated)
- 8.3 Formal Collaboration Proposal for Edinburgh, Lothians, Borders and Fife Councils – report by the Acting Director of Services for Communities (circulated)

- 8.4 Treasury Management - Mid Term Report 2015/16 - referral from the Finance and Resources Committee (circulated)
- 8.5 Internal Audit and Risk Service Delivery Model - referral from the Governance, Risk and Best Value Committee (circulated)
- 8.6 The Cooperative Capital Framework: Year Three Progress Report – referral from the Communities and Neighbourhoods Committee (circulated)
- 8.7 Community Empowerment (Scotland) Act 2015: Update and Interim Community Asset Transfer Policy – referral from the Communities and Neighbourhoods Committee (circulated)

9. Motions

- 9.1 If any

Carol Campbell

Head of Legal and Risk

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.

For remaining items of business likely to be considered in private, see separate agenda.

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The City of Edinburgh Council

Edinburgh, Thursday 19 November 2015

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
Steve Burgess
Andrew Burns
Ronald Cairns
Steve Cardownie
Maureen M Child
Bill Cook
Nick Cook
Gavin Corbett
Cammy Day
Denis C Dixon
Marion Donaldson
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
Eric Milligan
Joanna Mowat
Gordon J Munro
Jim Orr
Lindsay Paterson
Ian Perry
Alasdair Rankin
Vicki Redpath
Lewis Ritchie
Keith Robson
Cameron Rose
Frank Ross
Jason G Rust
Alastair Shields
Stefan Tymkewycz
Iain Whyte
Norman Work

1. Minutes

Decision

To approve the minute of the Council of 22 October 2015 as a correct record.

2. Questions

The questions put by members to this meeting, written answers and supplementary questions and answers are contained in Appendix 1 to this minute.

3 Leader's Report

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

- Syrian Refugees
- Cities Convention
- Greg Ward – Appreciation
- Welcome Rob McCulloch-Graham, Chief Officer, Edinburgh Health and Social Care Partnership

The following questions/comments were made:

- | | |
|--------------------|--|
| Councillor Rose | - Greg Ward - Appreciation
- Celebration of 100 th Birthday of former Lord Provost Ken Borthwick |
| Lord Provost | - Celebration of 100 th Birthday former Lord Provost Ken Borthwick
- Greg Ward - Appreciation |
| Councillor Jackson | - Celebration of 100 th Birthday of former Lord Provost Ken Borthwick |
| Councillor Rose | - Report in Evening News –Castlebrae, Cameron House Community Centre – proposed action |
| Councillor Burgess | - Greg Ward - Appreciation
Welcome Syrian refugees and condemnation of racial abuse following Paris attacks |
| Councillor Edie | - Greg Ward - Appreciation
- Syrian Refugees - welcome
- Capital Coalition Pledge No 26 – no compulsory redundancies |

Councillor Howat	<ul style="list-style-type: none"> - Greg Ward – appreciation - Welcome Rob McCulloch-Graham, Chief Officer, Edinburgh Health and Social Care Partnership - Capital Coalition Pledge 26 - Seven Cities Convention
Councillor Tymkewycz	<ul style="list-style-type: none"> - Welcome to Syrian Refugees - 5/6 December 2015 Ukranian Heritage Weekend – contribution of all minority groups within the Capital
Councillor Godzik	<ul style="list-style-type: none"> - Grow in Confidence Project – award – Congratulations to Children and Families Staff
Councillor Day	<ul style="list-style-type: none"> - Regeneration in Pennywell Awards - Commendation to apprentice of the year Stacy Bridges
Councillor Balfour	<ul style="list-style-type: none"> - Cameron House – Children and Families Team
Councillor Shields	<ul style="list-style-type: none"> - Withdrawal of Police Scotland written reports to Community Councils
Councillor Work	<ul style="list-style-type: none"> - Carers Rights Day – Stall at Waverley Court 20 November 2015
Councillor Rust	<ul style="list-style-type: none"> - Nomination of Councillor Burns for Local Politician of the Year Award

4. Appointment of Monitoring Officer

Details were provided on the appointment of the Council’s Monitoring Officer.

Decision

To approve the appointment of Carol Campbell, Head of Legal and Risk, as Monitoring Officer to take effect immediately following this meeting.

(Reference – report by the Chief Executive, submitted)

5 Executive Management Structure

The Council had approved an Executive Structure as part of the Council’s Transformation Programme.

Details were provided on a number of vacant posts in Tiers 1 and 2 of the organisation and a proposal for the Chief Executive to review the structure at the top level of the organisation. It was the intention to provide proposals to realign responsibilities to forge a stronger level of focus around matters of strategic importance to the next meeting of the Council.

Motion

To note the report by the Chief Executive.

- moved by Councillor Burns, seconded by Councillor Howat

Amendment

- 1) To note the report by the Chief Executive.
- 2) To agree that that the Chief Executive's review of tier 1 and tier 2 posts should consider the option of deleting the tier 1 post, Executive Director of City Strategy and Economy and introducing a new tier 2 post, Head of Sustainable Economy.

- moved by Councillor Corbett, seconded by Councillor Burgess

Voting

The voting was as follows:

For the motion	-	50 votes
For the amendment	-	6 votes

Decision

To approve the motion by Councillor Burns.

(References – Act of Council No 3 of 25 June 2015; report by the Chief Executive, submitted.)

6. Capital Coalition Pledges Performance Monitoring May-October 2015

The Council had agreed the Capital Coalition pledges, noting arrangements for delivery and reporting on performance of these pledges every six months.

An update was provided on the performance against the Capital Coalition's Pledges for May to October 2015.

Motion

- 1) To welcome the Performance Monitoring Report on the Capital Coalition Pledges for May to October 2015.
- 2) To note that reporting of the pledges complemented wider corporate performance reporting to Committees.
- 3) To agree performance against the Capital Coalition's Pledges for May to October 2015.
- 4) To acknowledge the significant challenges proposed by the transformation programme which supported the delivery of the Capital Coalition Pledges.
- 5) To note the following regarding Capital Coalition Pledges;
 - Against **pledge 1**, to note the additional priority needed to ensure that educational attainment and positive destinations of looked after young people are strengthened;
 - Against **pledge 8**, the concern that it will not be possible to deliver the pledge that the Local Development Plan and the Strategic Housing Investment Plan deliver on the "brownfield sites first" commitment;
 - Against **pledge 9**, the need to ensure that homes being built under affordable housing programmes are benefiting people in the most acute housing need, that the homes being built are available at below market cost for the long term and that more Council, public and private sector land is released for affordable house building;
 - Against **pledge 10**, to recognise the success of the Council's Empty Homes Officer in bringing back into use properties that have blighted communities and in increasing revenue through payment of Council tax for second homes;
 - Against **pledge 12**, the need to ensure that progress in developing alcohol treatment programmes is matched by best practice and sound evidence in licensing policy;
 - Against **pledge 13**, to take an active role in ensuring that the city's private tenants are well-informed and able to benefit from new rights coming from national legislation;
 - Against **pledge 15**, to continue to recognise that inward investment should be targeted at those sectors which best enhance Edinburgh's vision of a sustainable, low-carbon, jobs-rich economy, rather than displacing home-

grown business and that the incoming lead officer for economic development should be recruited with these aims in mind;

- Against **pledge 16**, the importance of the social enterprise sector to the city, the need to further support Edinburgh Social Enterprise Network at the earliest opportunity and to ensure that asset disposal processes reflect the aspirations of the social enterprise sector;
- Against **pledge 17**, to recognise the inclusion within the Edinburgh regional city deal bid a criterion on sustainable, low carbon economy and to progress this aim at an earliest opportunity once the deal is confirmed by Government ;
- Against **pledge 20**, to note recently acquired powers to reduce business rates in target areas but to make representation to government that this is a very limited response without a parallel power to raise rates; and, more generally, for local government to determine the appropriate level of local taxation;
- Against **pledges 21 & 24**, this Council's clear majority on the case for a transient visitor levy at a time of increased strain on core council budgets and the ongoing need to press Scottish Ministers more firmly on enabling local authorities to take decisions in the best interests of the localities they are elected to serve;
- Against **pledge 25**, the importance of ensuring that Living Wage annual updates are passed on to employees at the point at which updated rates are published;
- Against **pledge 30**, to press the Scottish Government for reform of local taxation so that local taxation is fairer and more comprehensive so that the council is better able to invest in the services the city needs;
- Against **pledge 33**, the value of participatory budgeting in increasing the public engagement with Neighbourhood Partnerships; the value of the approach being used in all Partnership areas; and the need to roll out PB principles within larger budget decisions;
- Against **pledge 40**, to note the need for landmark sites in the city centre to have development which complements the historic environment;
- Against **pledge 41**, to note overall significant progress in reducing the backlog of property conservation cases; to recognise that some clients of the former service remain deeply unhappy about the work carried out; and to ensure that the new shared repairs puts high quality customer care and communication at the heart of how it works;

- Against **pledge 42 & 43**, to ensure that the transfer of responsibility for school sports facilities to Edinburgh Leisure does not diminish their availability to schools or to the local community;
- Against **pledge 44**, to commend the range of community-led projects to enhance street cleanliness and to ensure that council services work alongside them in securing improvements;
- Against **pledge 49**, the continuing need to meet incremental recycling targets and so reduce landfill tax pressures;
- Against **pledge 50**, the need for the Council's to hit annual CO2 reduction targets and ensure that there are Council actions and projects in place to achieve this;
- Against **pledge 51**, the need to seize on the recent Scottish Government report on air quality and progress Low Emission Zones to deteriorating air quality in the City.

- moved by Councillor Burns, seconded by Councillor Howat

Amendment

To note performance against the Capital Coalition's Pledges for May- October 2015.

- moved by Councillor Rose, seconded by Councillor Balfour

Voting

The voting was as follows:

For the motion	-	42 votes
For the amendment	-	14 votes

Decision

To approve the motion by Councillor Burns.

(References – Act of Council No 8.1(a) of 23 August 2012; report by the Deputy Chief Executive, submitted.)

7. Rolling Actions Log

Details were provided of the outstanding actions arising from decisions taken by the Council from May to October 2015.

Decision

- 1) To agree to close the following actions
 - Action 1 - Review of Appointments to Committees, Boards and Joint Boards for 2015-16
 - Action 3 - Edinburgh Tram Extension – Draft Outline Business Case Preliminary Findings
 - Action 6 - Appointments to Committees etc
- 2) To otherwise note the Rolling Actions Log.

(References – Act of Council No 12 of 25 June 2015; Rolling Actions Log, submitted.)

8 Edinburgh Tram Inquiry – Progress Update

An update was provided on the progress of the Edinburgh Tram Inquiry. Details were provided on the status of legal action by the Council against tie Limited (now CEC Recovery Limited).

Decision

- 1) To note the Council's willingness to assist and fully cooperate with the Edinburgh Tram Inquiry.
- 2) To note that there was as yet no timetable for the oral hearings in the Inquiry.
- 3) To note that authority had been delegated to officers by the full Council on 20 August 2015 to take all decisions or actions in relation to the Council's involvement in the Inquiry (with the stated provisos), but in light of Lord Hardie's remarks at the preliminary hearing in the Inquiry and subsequent Note and Direction, to take this opportunity to reaffirm the Council's position and the decisions taken by the Council in August 2015 in relation to the extent of legal representation of individuals at the Inquiry, the participation of tie and potential conflicts of interest.
- 4) To instruct the Chief Executive to take steps to ensure any appropriate action was taken before expiry of the further prescriptive period.

(References – Act of Council No 6 of 20 August 2015; reports (2) by the Chief Executive, submitted.)

Declaration of Interests

Councillors Balfour, Jackson and Perry declared a non-financial interest in the above item as former members of tie.

9. Edinburgh Tram Extension – Next Steps

The Council had agreed a number of recommendations on developing the Outline Business Case and the next steps required prior to any decision being taken on how to progress with any extension of the tram from York Place.

Details were provided on the conclusions from the Edinburgh Tram Extension – Draft Outline Case Preliminary Findings together with proposals in relation to moving the project to the next stage of project development.

Motion

- 1) To note the findings of the Outline Business Case (OBC) on a non-committal basis; and for the reasons pursuant to paragraphs 12 and 13 below, continue consideration of the OBC for one cycle until the next Council Meeting on Thursday 10th December 2015.
- 2) To approve in-principle the selection of Option 1 (Newhaven) as the Council's preferred option.
- 3) To continue consideration of the commencement of all Stage 1 activities as set out in the OBC, including the commencement of procurement processes for external support (project management, commercial, legal and technical) and site investigation until the next Council Meeting on Thursday 10th December 2015.
- 4) To continue the proposal to delegate authority to the Chief Executive or such other officer to whom the Chief Executive may sub-delegate to award the external support contracts and site investigation contract(s), subject to:
 - a) consultation with the Convener of the Finance and Resources Committee; and
 - b) the summary of the procurement processes being reported at the end of Stage 1.until the next Council Meeting on Thursday 10th December 2015.
- 5) To continue the proposal that, at the conclusion of Stage 1, the project financials would be further refined to take account of the new Government guidance on Local Authority borrowing, taxation advice and any revision in

assumptions, particularly patronage and capital costs until the next Council Meeting on Thursday 10th December 2015.

- 6) To continue the proposal that a report will be brought back to Council at the end of Stage 1 recommending a way forward until the next Council Meeting on Thursday 10th December 2015.
- 7) To defer a decision on the implementation of any high level governance structure, as set out in the OBC, until additional information was forthcoming at the December meeting of Council.
- 8) To note that legal advice was being sought on the Council's options to acquire the remaining 67 plots of land for Phase 1b and the options would be reported to Council in December 2015.
- 9) To note that the Council was assisting and fully cooperating with the Edinburgh Tram Inquiry, chaired by Lord Hardie.
- 10) To note that a timetable for the oral hearings in the Inquiry had not yet been set.
- 11) To note that a number of lessons learned by the Council arising from the first phase of the Edinburgh Tram Project had been taken into account in developing the Outline Business Case.
- 12) To further note paragraph 3.51 in the report by the Acting Director of Services for Communities and understands that Lothian Buses were likely to finalise their 2017/19 business plan in Spring 2016. Thus instruct the Chief Executive to write to Lothian Buses to request details of any impacts such an extraordinary dividend would make on their future transport strategy, fleet modernisation plans, the likelihood of future fare increases, loss of other transport initiatives (hidden opportunity costs), and the confidence or otherwise of their ability to ensure the company could continue to meet its liabilities.
- 13) To finally note that there were outputs within the proposed 'Stage One' which may be prudent to undertake now, in order to avoid unnecessary disruption during a future tram extension. These would include the Leith enabling works, and therefore requests that options on taking forward these actions would now subsequently be reported to the next meeting of Council in December 2015. Works already undertaken to 'tram proof' the Leith Walk improvement programme should also be detailed, including specifying previously agreed Council expenditure, to avoid duplication of cost.

- moved by Councillor Burns, seconded by Councillor Howat

Amendment

- 1) To note the Conservative Group proposed 'No Action' at the December 2014 Council meeting in respect of the Motion entitled "Future Investment in Public Transport - Potential Tram Extension" and subsequently proposed taking no further action at the June 2015 Council Meeting in respect of Item 8.3 "Edinburgh Tram Extension – Draft Outline Business Case Preliminary Findings".
- 2) To agree to take no action based upon the content of this latest report, as :
 - a) The Edinburgh Tram Inquiry remained in its infancy. It is considered that in order to learn fully from the original project, the outcome of this Inquiry still required to be known.
 - b) The Council's financial and organisational position was prohibitive to the funding for a tram extension:
 - i) with total borrowing as at 31 March 2015 already in the region of £1,439.894 million and a forecast deficit of £141 million and rising.
 - ii) the recent departure of the former Chief Executive and a number of senior directors, as well as further planned re-organisation, all raise concern over the capacity of the Council to deliver a project of this scale. Therefore does not consider it prudent use of Edinburgh taxpayer's money to consider spending £162 million on a tram extension.
 - iii) it is noted that this £162million figure (Newhaven) had already risen from the quoted £144.7 million provided to Council in June and does not represent good value.
 - c) The proposed project timetable assumption of almost 6 years was of concern;
 - i) given that extensive preparatory works were undertaken as part of the original project
 - ii) a significant number of potential conflicts with utilities and other below ground assets, in the region of 1200, had been identified to the bottom of Leith Walk alone and continued to pose considerable risk.

- d) There was uncertainty of funding and impact for Lothian Buses;
 - i) note the increased funding from Lothian Buses had not been subject to agreement and inadequate consideration of its impact on Lothian Buses, contributes to uncertainty.
- e) There was unacceptable risk and uncertainty
 - i) information presented made clear that the case for extension relied heavily on assumption;
 - ii) significant risks existed, particularly, but not exclusively, around inflation and projected passenger numbers which meant that final project cost could end up bearing little resemblance to provided costings;
 - iii) considered that the Administration's continually evolving timetable further illustrated the fundamentally high level of assumption, uncertainty and risk upon which these proposals were ultimately based and to which the Council would be exposed.
- f) To note that the proposals in the report were ill-conceived and represented poor value for Edinburgh and Council resolves to take no action

- moved by Councillor Nick Cook, seconded by Councillor Whyte

Voting

The voting was as follows:

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

Decision

To approve the motion by Councillor Burns.

(References – Act of Council No 10 of 25 June 2015; report by the Acting Director of Services for Communities, submitted.)

10. St James Quarter – Update on Progress

The Council had agreed a number of recommendations in regard to the regeneration of the St James Quarter and proposals for a new investment model known as the Regeneration Accelerator Model (RAM).

Details were provided on the working arrangements between the City of Edinburgh Council, the Scottish Government and TH Real Estate in the delivery of the Edinburgh St James development.

Decision

- 1) To note up to £61.40m in new potential borrowing, which would be maintained and repaid over and up to a 25 year period through a combination of public and private sector investment; all as previously approved by Council in May 2014.
- 2) To delegate authority to the Chief Executive to take such action as deemed necessary or desirable to commit the City of Edinburgh Council to the Growth Accelerator Model funding agreement with the Scottish Government and to sign said agreement. (details of which had been made available to members).
- 3) To delegate authority to the Chief Executive to take such action as deemed necessary or desirable to commit the City of Edinburgh Council to the Growth Accelerator Model funding agreement with TH Real Estate and to sign said agreement substantially on the terms set out in this report.
- 4) To delegate authority to the Chief Executive to take forward the potential development site at Picardy Place to the open market, to engage marketing agents to provide a full marketing campaign and to seek tenders in order to secure best value for the site's disposal. A report on the offers received would be brought back to Council for a decision on disposal and would also consider:-
 - i) is this Common Good land;
 - ii) the traffic implications of developing this site on wider traffic movements across the east of the City at this key traffic node; and
 - iii) what the impact on active travel and place making would be if the site were released for development.
- 5) To note that agreement had been reached between John Lewis Partnership and TH Real Estate for John Lewis Partnership to remain as the anchor tenant in the store and to continue trading during the construction period. Notwithstanding the agreement reached between the parties, Council officers, as part of their due diligence, continued, up to the point that an agreement was reached between John Lewis Partnership and TH Real Estate, to assess and satisfy themselves of the viability of the project as a reasonable prospect in the event that John Lewis Partnership were to be replaced by a retailer of equal standing.

- 6) To note that TH Real Estate would continue to seek negotiated agreements for the remaining properties and interests (as detailed in the report) in parallel with the Council enacting the Compulsory Purchase Order;
- 7) To delegate authority to the Chief Executive in consultation with the Council Leader and Depute Leader to make and implement a further Compulsory Purchase Order for the St James Quarter redevelopment area pursuant to Section 189 of the Town & Country Planning (Scotland) Act 1997 (“the 1997 Act”) for the purposes of acquiring land and interest within the consented planning red line boundary should such necessary interest not have been secured by the making of the Compulsory Purchase Order known as The St James Quarter, Edinburgh (Number Two) Compulsory Purchase Order 2014.
- 8) To note the creation of a Joint Development Initiative Programme of Works to oversee and control traffic management works in conjunction with the Council’s Roads service, public utility companies, emergency services, the St James contractor, TH Real Estate and other city centre projects. The detailed methodology of the management controls and a regular update would be provided to members as part of the regular St James Quarter members briefing meeting cycle.

(References – Act of Council No 17 of 1 May 2014; report by the Deputy Chief Executive, submitted)

11. Street Lighting – Rollout of Light Emitting Diode (LED) Lanterns Across the City – referral from the Transport and Environment Committee

The Transport and Environment Committee had referred a report on the Street Lighting – Roll Out of Light Emitting Diode (LED) Lanterns across the City to the Council for approval of the business case.

Decision

To approve the business case and prudential borrowing required.

(Reference - report by the Transport and Environment Committee, submitted)

12. Transport for Edinburgh – Recruitment of Senior Managers and Appointment of Directors to Board

The Council had agreed governance arrangements for the Transport for Edinburgh (TfE) group of companies, including the composition of the boards.

An update was provided on the recruitment process for key senior management positions for Transport for Edinburgh

Decision

- 1) To note that the recruitment of a Chief Executive of Transport for Edinburgh Ltd, a Managing Director of Lothian Buses and a General Manager of Edinburgh Tram was in its final stages.
- 2) To delegate authority to the Chief Executive, in consultation with members of the respective Nomination Committees, to give the consents required under the shareholders agreements for the removal and appointment of Directors of Transport for Edinburgh and its companies.
- 3) To note that a further report advising on the outcome of the recruitment to all three posts, the appointment of company Directors and any other changes to membership of the boards of Transport for Edinburgh and its companies would be submitted to Council at its meeting on 10 December 2015.
- 4) To consult with the Opposition Group Spokespersons prior to any final decision being made.

(References – Act of Council No 10 of 22 August 2013; report by the Acting Director of Services for Communities, submitted)

13 Playing Out – Motion by Councillor Burgess

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

“This Council:

Welcomes the initiative ‘Playing Out’ to temporarily close individual roads to traffic in residential areas on a recurring basis to allow children’s play and notes the success of this initiative South of the border;

Notes the contribution that this initiative is reported to have in facilitating contact between neighbours and building community cohesion;

Recognises the significant interest from different groups of parents in various areas of Edinburgh in playing out;

However, notes the regulatory hurdles encountered in obtaining permission, the prohibitive cost and the practicalities of closing roads for more than a one-off occasion;

Understands that dialogue with the Scottish Government to clarify guidance around the law relating to playing out may be useful in taking the initiative forward in Scotland; and therefore

Supports the Transport Convener Councillor Lesley Hinds and the Play Champion Councillor Keith Robson in their ongoing efforts to find a way to facilitate playing out in Edinburgh.”

Decision

To approve the motion by Councillor Burgess.

14 Meantime Use of Vacant Property – Motion by Councillor Corbett

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

“Council:

- 1 Notes and commends the considerable success of the “meantime” land uses on the former brewery sites at Fountainbridge, led by community groups Fountainbridge Canalside Initiative and the Grove Community Garden;
- 2 Notes that in its own asset management, in its economic development role and in its land use planning role, the Council has considerable scope to influence greater meantime use of long term empty land or property;
- 3 And therefore instructs a report to Corporate Policy and Strategy Committee within 3 cycles on the options for embedding meantime use as a routine option for long term empty property.”

Decision

- 1 To note and commend the considerable success of the “meantime” land uses on the former brewery sites at Fountainbridge, led by community groups Fountainbridge Canalside Initiative and the Grove Community Garden;
- 2 To acknowledge that, while the strategic goal of encouraging both public and private landowners and developers to bring forward sites to accelerate house building for people on low to moderate incomes should be maintained, in its own asset management, in its economic development role and in its land use planning role, the Council had considerable scope to influence greater “meantime” use of long term empty land or property.

- 3 And therefore instructs a report to Corporate Policy and Strategy Committee within 3 cycles on the options for embedding meantime use as a routine option for long term empty property.”

15 Women: 50:50 Campaign – Motion by Councillor Burns

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

“Council notes that women are under-represented across councils in Scotland and make up only 25% of councillors. Council further acknowledges that whilst voluntary mechanisms such as all women shortlists have made some progress, women are still not represented equally.

Council congratulates the Women 50:50 campaign which has been working across all political parties and has gained support from the SNP, Scottish Labour, Scottish Liberal Democrat and Scottish Green Party leaders.

Council welcomes and supports Women 50:50’s call for fair representation of women in Scotland; and welcomes the debate on the issue of legislated candidate quotas in the Scottish Parliament and Council elections.

Council recognises that alongside gender equality there are also challenges in relation to under-represented groups, such as those with disabilities and those from ethnic minority groups.”

- moved by Councillor Burns, seconded by Councillor Howat

Amendment

- 1) To note that women were under-represented across councils in Scotland and made up only 25% of councillors.
- 2) To note that only two political Groups, including the Conservatives, on the City of Edinburgh Council had more than 25% female representation. Council acknowledges that in the Scottish Parliament, 40% of Scottish Conservative MSPs are female and these MSPs have been elected without all women short lists or other artificial mechanisms. Council further notes that the leaders of the Scottish Conservative Party, Scottish Labour Party and Scottish National Party were all female.
- 3) To support gender balance both council and parliamentary levels in Scotland, and the rest of the UK, being achieved through merit rather than all-women shortlists and female candidate quotas and acknowledges the lead shown by the Conservative Party in having the first female MP and the first female Prime Minister and a British Government where women play key roles from

the Home Office to the Treasury, all of whom achieved office through merit and determination and not through quota systems.

- 4) To ask that political parties examine ways in which they could encourage women to come forward for elected office without the need for restrictive quotas and recognises that alongside gender equality there are also challenges in relation to under-represented groups, such as those with disabilities and those from ethnic minority groups.”

- moved by Councillor Paterson, seconded by Councillor Heslop

Voting

The voting was as follows:

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

Decision

To approve the motion by Councillor Burns.

16 Edinburgh Monarchs – Motion by Councillor Day

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

“Council congratulates Edinburgh Monarchs on their success in 2014 and 2015. In 2014 the club finished top of the British Speedway’s Premier League and were crowned Premier League Champions. They also won the League’s Knock-out Cup, Premier Trophy and best pairs Championship. In the current season they again finished top of the league and retained the Premier League Championship, the Premier Trophy and the Premier 4 team Championship and finished runner-up in the Knock-out Cup.

The club is world renowned with a history going back to 1928 at the Marine Gardens, Portobello. Although now based in West Lothian, since the loss of their base at Powderhall Stadium, the club is run by an Edinburgh based Board of Directors and the majority of fans are city based.

Accordingly, Council asks the Lord Provost to recognise the success this club has brought to Edinburgh.”

Decision

To approve the motion by Councillor Day.

17 Royal Lyceum Theatre Company – Motion by Councillor Austin Hart

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

“Council notes the fiftieth anniversary in October 2015 of the first production of Royal Lyceum Theatre Company.

Council recognises the major contribution of the Royal Lyceum Theatre Company to the artistic life of the capital and to the whole of Scotland, being one of the country’s leading producing theatres.

Council calls on the Lord Provost to celebrate this anniversary in an appropriate way in honour of the Royal Lyceum’s contribution to Scottish Theatre.”

Decision

To approve the motion by Councillor Austin Hart.

18 Monitoring Officer Investigation

The Council, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 7(A) of the Act.

a) Deputation

The Council heard a deputation from the complainant in response to the report by the Deputy Chief Executive.

b) Report by the Deputy Chief Executive.

Decision

- 1) To note the contents of the report of the Monitoring Officer Investigation.
- 2) To note the actions taken to date.
- 3) To agree that the Chief Executive should ensure all appropriate management actions were followed through and thereafter provide an update to group leaders.
- 4) To agree that the Chief Executive should send a written apology to the family in such terms as he considers appropriate in light of the findings of the report (see Appendix 2).

- 5) That an appropriate summary of the review report by the independent solicitors be forwarded to the complainant.

(Reference - report by the Deputy Chief Executive, submitted)

Appendix 1

(As referred to in Act of Council No 2 of 19 November 2015)

QUESTION NO 1

By Councillor Rust for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 19 November 2015

Question (1) What overspend (if any) has there been in Devolved School Management Budgets per Primary School in each of the past three financial years (a) in real terms and (b) as a percentage of budget?

Answer (1) See attached. 75% of our primary schools reported no overspend over that time. From the figures provided it should be noted that the majority of overspends related to sums under 1% of budget, with none exceeding 4% this year.

Finance officers are fully engaged with schools to support school based staff and where necessary ensure that budgets are brought into line over an agreed period.

Question (2) Has any such overspend been written off? If yes, please advise (a) the name of school and (b) the amount of write off?

Answer (2) None of the overspends was written off. The schools repaid the overspends within two years. Sighthill Primary, which currently has the highest percentage overspend, is projected to be in budget by the end of session 2015/16.

Business Managers have undergone significant training on monitoring and controlling expenditure which has reduced the overspend levels over the years.

Primary School Overspends 2012/13 to 2014/15

School	2012/13		2013/14		2014/15	
	Actual Carry Forward Overspend	Percentage of Total Budget	Actual Carry Forward Overspend	Percentage of Total Budget	Actual Carry Forward Overspend	Percentage of Total Budget
Abbeyhill Primary						
Balgreen Primary						
Blackhall Primary						
Bonaly Primary						
Broomhouse Primary						
Broughton Primary	52,453	3.90%				
Brunstane Primary						
Bruntsfield Primary						
Buckstone Primary						
Bun-sgoil Taobh na Pàirce					1,063	0.14%
Canal View Primary						
Carrick Knowe Primary						
Castleview Primary						
Clermiston Primary						
Clovenstone Primary						
Colinton Primary						
Corstorphine Primary	25,432	1.8%	19,985	1.46%		
Craigentenny Primary						
Craiglockhart Primary						
Craigour Park Primary	2,576	0.2%	6,399	0.52%		
Craigroyston Primary						
Cramond Primary						
Currie Primary						
Dalmeny Primary						
Dalry Primary						
Davidson's Mains Primary						
Dean Park Primary			7,709	0.55%	2,207	0.16%
Duddingston Primary						
East Craigs Primary						
Echline Primary						

Ferryhill Primary						
Flora Stevenson Primary					4,860	0.32%
Forthview Primary						
Fox Covert Primary						
Fox Covert RC Primary						
Gilmerton Primary	20,910	2.0%				
Gracemount Primary						
Granton Primary						
Gylemuir Primary	4,655	0.3%				
Hermitage Park Primary						
Hillwood Primary						
Holy Cross Primary			8,205	0.86%	6,525	0.69%
James Gillespie's Primary	13,305	1.1%			15,451	1.26%
Juniper Green Primary						
Kirkliston Primary						
Leith Primary						
Leith Walk Primary						
Liberton Primary			6,108	0.51%	1,478	0.13%
Longstone Primary	5,638	0.7%	7,844	1.02%	13,775	1.71%
Lorne Primary						
Murrayburn Primary	10,962	0.7%				
Nether Currie Primary						
Newcraighall Primary						
Niddrie Mill Primary						
Oxgangs Primary						
Parson's Green Primary						
Pentland Primary						
Pirniehall Primary						
Preston Street Primary						
Prestonfield Primary			13,846	2.00%		
Queensferry Primary						
Ratho Primary						
Roseburn Primary						
Royal Mile Primary						
Sciennes Primary						
Sighthill Primary					30,869	3.83%
South Morningside						

Primary						
St Catherine's Primary						
St Cuthbert's Primary	17,963	2.6%	5,621	0.82%		
St David's Primary						
St Francis Primary						
St John Vianney Primary						
St John's Primary						
St Joseph's Primary						
St Margaret's S.Q Primary						
St Mark's Primary						
St Mary's (Edin) Primary			4,453	0.47%		
St Mary's (Leith) Primary			3,684	0.38%	7,575	0.77%
St Ninian's Primary			3,789	0.50%		
St Peter's Primary						
Stenhouse Primary						
Stockbridge Primary			6,667	0.93%		
The Royal High Primary						
Tollcross Primary			5,892	0.80%		
Towerbank Primary						
Trinity Primary						
Victoria Primary	25,320	4.7%	2,479	0.49%		
Wardie Primary						
Total Overspends	179,214		102,680		83,804	

Note:

None of the overspends were written off.

The majority of schools repaid the overspend within two years

Overspends often correlated with absence of a Business Manager

Business Managers have undergone significant training on

monitoring and controlling expenditure which has reduced the

overspending levels over the years

QUESTION NO 2

**By Councillor Rust for answer by the
Convener of the Finance and
Resources Committee at a meeting
of the Council on 19 November 2015**

Question (1) Is City of Edinburgh Council (CEC) anticipating meeting the Scottish Government public sector target of having all land owned by CEC registered on the Land Register of Scotland by 2019?

Answer (1) Yes

Question (2) What work has been undertaken by CEC to estimate the cost of registering all land owned by CEC on the Land Register by 2019?

Answer (2) An initial scoping exercise has been completed.

Question (3) What work has been undertaken by CEC to assess the staffing requirement for this work?

Answer (3) The staffing requirement is as follows: solicitor, archivist/historian, surveyor and a property research officer, administrative support.

Question (4) What is the anticipated total cost at present?

Answer (4) The cost has been estimated at £250,000 per annum not including registration dues which are based on the capital value of individual properties.

Question (5) From what CEC budget will registration dues and any other related costs be met?

Answer (5) As this is a statutory function, the cost will be contained in the 2016/17 budget with appropriate prioritisation of existing resources reducing the overall cost to the Council.

QUESTION NO 3

By Councillor Rose for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 19 November 2015

- Question** (1) Which renewable companies in, or associated with, Edinburgh in the last five years have:
- (a) gone into administration?
 - (b) withdrawn from previously publicised investment plans?
- Answer** (1) (a) As far as officers are aware there are two renewable energy companies based in Edinburgh that have gone into administration in the last five years. Pelamis went into administration in December 2014 and Aquamarine Power in October 2015.
- (b) Other than Mitsubishi Power Systems looking at potential research and development for wind, officers are not aware of other companies looking to withdraw from previous plans.
- Question** (2) How many of the above have received Council or Government funding or support, and how much?
- Answer** (2) The Council has provided a range of non financial support services to Pelamis and Aquamarine Power as part of the economic development service. This includes advice and support from officers in Enterprise, Innovation and Investment. Scottish Enterprise has provided funding of £12.9M to Pelamis Wave Power and £15.5M to Aquamarine Power.
- Supplementary Question** I'd like to thank the Convener for her answer in relation to renewable energy companies which have either gone into administration or have withdrawn from publicised investment plans. My understanding is that there's more and the reason for my question was to gather that together so that we would be able to look at it as a whole and I note the two responses which there are there, but indeed I understand that there has also been at least two others that I know of ,

the Gamessa investment of £125m in the Leith Docks area and the north side of the City, but also a joint project by Forth Ports Authority, Scottish Southern Energy, I think that was at the Port of Leith where there was a multi-million pound investment which appears to have been withdrawn. So would you accept that these are perhaps not complete and it would be worth going back and having another look to draw together what has been happening over the last few years.

**Supplementary
Answer**

I'm sure I take his word for it that he thinks that there's more, but all I can do as Convener is ask, I'm not an expert on that, to ask the officers of the Economy Department who have looked at it and come back with the answers, but I'm happy to go back, and if he wants to furnish me with who he thinks I'd be happy to go back and ask again.

QUESTION NO 4

By Councillor Mowat for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 19 November 2015

- Question** (1) Under the Environmental Protection Act 1990: Code of Practice on Litter and Refuse (Scotland) 2006 CEC must classify all areas in the city according to 12 zones; 1 being town centres, shopping centres and shopping streets, 2 being high density residential areas – Where is this information published?
- Answer** (1) The Council has classified all its streets according to the EPA. This information is held in a Geographical Information System (GIS) format, which is not easily accessible. However, it is available on request from the Environment Service Support Unit. In addition, the information on zoning was previously communicated to all Elected Members as part of the Zero Based Resourcing (ZBR) project. As part of the development of Edinburgh's Litter Strategy, the zoning information will be made available in a more publically accessible format.
- Question** (2) Under the above Act there are recommended timescales associated with clearing of litter in each of the zones – could the Convener detail how the Council's performance is measured under this matrix, to whom this is reported and whether this reporting is publically available or reported to Councillors.
- Answer** (2) Performance data is collated and reported to the Transport and Environment Committee every quarter. A complete picture of the standard of cleanliness across the city is derived from a number of sources as follows:-
- (a) assessment of street cleanliness through the Keep Scotland Beautiful CIMS report and LEAMs surveys;
 - (b) operational performance and data from the Council's Confirm on Demand asset and works order management software; and,

(c) feedback from members of the public and businesses via the Edinburgh People Survey.

Question (3) Does the Convener commit to meeting the timescales for clearing litter in the relevant zones?

Answer (3) As Councillor Mowat is aware, all Members of the Council should be committed to ensuring a clean environment in the city and all Councillors should be striving to put pressure on officers to meet these timescales.

Through the Transformation Programme we are reviewing how operational teams can react more efficiently to issues whilst minimising the impact on other scheduled work.

Question (4) Does the Convener consider that the application of regulations appropriate to individual household bins i.e. the non collection of side waste when applied to large on street bins leads to additional littering and hampers the Council's ability to meet its obligations under the EPA 1990 (Scotland) 2006?

Answer (4) I acknowledge the challenges that Waste Services and local Task Forces face in relation to this issue.

However, Departmental policy for communal bins has to be different compared to the practice for dealing with side waste at individual household bins.

This involves the collection of smaller side waste beside on-street communal bins when these bins are serviced. Larger items have to be collected by a separate vehicle, as refuse collection vehicles are not designed to collect items of this size. When issues which may result in side waste are identified or when they occur, Waste Services and Task Force Teams work together to minimise the impact.

QUESTION NO 5

**By Councillor Orr for answer by the
Leader of the Council at a meeting of
the Council on 19 November 2015**

Question

The decision of the new Capital Coalition in 2012 to make a number of pledges and monitor the outcomes was widely welcomed, but a number of them are now out of date. Pledge 45 for example to “Spend 5% of the transport budget on provision for cyclists” is old news as the council are doing much more. Would it not be a good idea to revise a number of pledges to reflect the progress made in the last three and a half years so that the full potential of the five year council term can be optimised, especially as we approach its last year?

Answer

The pledges are the Coalition’s commitments established at the outset of the administration in May 2012 and reports on progress will continue to be provided.

While some of the pledges have met or exceeded their target, the text within the report allows for the opportunity for further progress or details to be reported.

Revising the language of the pledges at this stage would impact on further monitoring of progress. The Coalition will continue to work with officers to ensure the evidence of progress is explicit.

QUESTION NO 6

**By Councillor Orr for answer by the
Leader of the Council at a meeting of
the Council on 19 November 2015**

Question

On 2nd November it was reported that tourists staying in Edinburgh could be charged some sort of “culture and events contribution” during the summer and winter festivals as part of the proposed City Deal. This is a significant and welcome development for those of us who support a Transient Visitor Levy but could the council leader please ensure that, in future, elected members of the council are fully and immediately informed of such proposals via a members’ briefing rather than through the press, particularly as we are now negotiating with both Westminster and Holyrood governments?

Answer

Thank you Councillor Orr. I have asked Council Officers to ensure that members are briefed as proposals are progressed.

QUESTION NO 7

**By Councillor Orr for answer by the
Convener of the Economy Committee
at a meeting of the Council on 19
November 2015**

Question (1) At Corporate Policy and Strategy Committee on 24th March 2015 the council “agreed to make further representation to the Scottish Government and its Commission on the introduction of a TVL”. Many months on from that decision, the Council Leader confirmed on 22nd October that a political meeting will take place on 12th November with the Minister for Business, Energy and Tourism to push for a TVL (Transient Visitor Levy). Given the pressing need for the council to raise external funds, and the occasional lapses in urgency and communications on pushing for a TVL to date, could a minute of the meeting with the Minister please be circulated to elected members in time for the full council meeting on 19th November?

Answer (1) Due to the non-public nature of the meeting with the Minister, a full minute of the meeting will not be circulated. However a report of the discussion points will be circulated to members in due course.

Question (2) What representations on a TVL were finally made by the council to the cross party Local Tax Commission as agreed at CP&S and can this information also be circulated please?

Answer (2) The Council did not make a submission to the Local Tax Commission however political groups were encouraged to submit responses to the Commission directly. The Green Group of the City of Edinburgh Council submitted a response. Concerning TVL, the Green Group responded: *“Local authorities should gain the power to implement a visitor levy that could help authorities benefit financially from their investment in tourism and cultural events that attract visitors.”* The submission can be viewed on the [Local Tax Commission](#) website.

Supplementary Question Can I thank Councillor Ross for his answer. I’m starting to bore myself with the Transient Visitor Levy and I do apologise for keeping raising this. When we talk about a

Transient Visitor Levy Lord Provost on this side of the Chamber we're really referring to a compulsory levy – any levy by definition is compulsory if it's not compulsory it's not really a levy and I think that Councillor Ross is continuing to proceed along the understanding that there's an interest in a voluntary levy so I would like to ask if he, when he met with the minister can he confirm it was the compulsory levy he was discussing or the voluntary levy.

**Supplementary
Answer**

Thank you Lord Provost, it was the compulsory levy.

Councillor Orr

I'm very pleased to hear that thank you.

QUESTION NO 8**By Councillor Orr for answer by the
Convener of the Transport and
Environment Committee at a meeting
of the Council on 19 November 2015****Question**

In 2012 the City of Edinburgh Council won the Fields in Trust Landowner of the Year Award, and in 2013 the city as a whole won a Gold Award in the large city category of Britain in Bloom, following that up in 2014 with a gold medal for “management of natural and built environment” at the Entente Florale (European) awards. In 2015 “Edinburgh In Bloom” won yet another award from Eurocities at a ceremony in Malmö. The credit for such awards must be shared with all sorts of stakeholders across the city but does the Convener agree that the Council’s parks and greenspace team have performed exceptionally well in recent years.

Answer

Yes, I agree that the parks and greenspace team have performed exceptionally well. However I would also like to recognise the work of the local parks and grounds maintenance staff in our neighbourhood teams who have also contributed towards these achievements.

Appendix 2

(As referred to in Act of Council No 18 of 19 November 2015)

Sam Paechter

1. Background

A review has recently been carried out on behalf of the Council's Monitoring Officer in relation to events surrounding the education and welfare of Sam Paechter, during his P7 year at James Gillespie's Primary School.

The Council would like to:

- (a) help in setting out some key facts in relation to a number of rumours circulating in the community about these events; and
- (b) apologise for the Council's failures in relation to these events.

2. Clarification

Following discussion with the Paechter family we would like to confirm that:

- (a) any rumours that there were a large number of staff absences at the school as a result of complaints by the Paechter family or the adjustments put in place for Sam were unfounded;
- (b) the arrangements that were put in place for Sam were appropriate and agreed by those staff supporting Sam. Difficulties arose when these arrangements were not implemented appropriately in the wider school. Any mention of no-go areas for staff was mistaken; and
- (c) the Paechter family maintained good relationships with staff members involved in directly supporting Sam. The Paechters also arranged for four members of school staff to receive 'Happiness Hero' awards from the National Autistic Society.

3. Apology

The review found that:

- (a) Sam was effectively prevented from accessing education from February 2013 until the end of that school year and that there had been defective management at school level including some neglect and inattention resulting in a service failure at that time;
- (b) This was partly as a result of not learning all appropriate lessons from a previous review; and
- (c) Some members of staff at James Gillespie's Primary School at that time did not have appropriate training in order to provide the support that Sam needed.

The review also concluded that a complaint lodged by Professor and Mrs Paechter arising from the situation at the time, was not dealt with appropriately and did not

fully comply with the Council's own procedure. Concerns raised by the Paechter family were both serious and legitimate.

The Council recognises the real hurt these events have caused the Paechter family and we apologise unreservedly to Sam, his parents Ben and Linda, his sister Molly and brother Joe.

As a result of this, we have made considerable progress in improving how we manage situations like this now and in the future. We would like to thank the Paechter family for their constructive and generous contribution to this work which has led to considerable improvements to services in the city which will enhance services for children throughout Edinburgh. The contribution from the Paechter family includes significant input to various policies, improvements to procedures across a range of services and the provision of valuable training material.

With the help of the Paechter family our new 'Better Relationships, Better Behaviour, Better Learning' approach has been transformed and our schools are benefitting from the family's expert advice on restorative approaches. A document authored by Mrs Linda Paechter on this subject has been approved by Education Scotland and will be distributed across Edinburgh schools.

The Council is delighted to hear that Sam is now thriving at James Gillespie's High School where his contribution to school life is highly valued, he is performing well and he is studying for eight National 5 qualifications.

The independent review commissioned by the Council has been extremely thorough and highlighted where the Council has fallen significantly short of expectations. We fully accept the findings of the report. The Chief Executive has resolved to put in place measures to prevent a similar situation arising again.

Item no 5.1

QUESTION NO 1

By Councillor Booth for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 10 December 2015

Question

To ask the Convener of the Transport and Environment Committee, further to the answer to my question of 20 November 2014, what further action has been taken to implement a proactive approach to the sweeping of leaves from footpaths and cyclepaths.

Answer

Item no 5.2

QUESTION NO 2

By Councillor Main for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 10 December 2015

Question (1) How many primary and secondary Head Teachers in main-stream schools have received specific training in teaching and supporting children and young people with additional support needs?

Answer (1)

Question (2) How many primary and secondary teachers in main-stream education have received specific training in teaching and supporting children and young people with additional support needs?

Answer (2)



December 2015

Are you ready for winter?



It's safe to say that winter is officially upon us. Here at the Council we've been preparing for months, stocking up on salt and testing gritting routes. Our teams are already regularly out treating roads, pavements and cycle routes to minimise icy conditions.

But are you ready for winter? It's important that residents make their own plans too to make sure they stay warm over the chillier months, ensuring that their homes are weather-proofed and that there are arrangements in place should wintry weather cause disruption to travel, schools or any other services.

We've got lots of [tips and information](#) on our web pages to help the public prepare, and you can find the Scottish Government's advice on their [Ready Scotland website](#).

What's more, you can *save time, do it online* this winter by using our web forms to request a new grit bin, report an empty one or find out about our priority gritting routes.

Tram project update

At next week's council meeting, we will be considering the potential next steps for extending the tram in Edinburgh.

I'm satisfied that the latest recommendations offer a viable way forward for the project, which we are confident is set to offer a range of benefits for the city.

Obviously we want to provide best value to the citizens of Edinburgh, and by re-phasing the first stages of project development we will be able to deliver this within financial constraints, and ensure as much preparation as possible is carried out before any physical work gets underway.

Small Business Saturday

This weekend is the annual [Small Business Saturday](#) which encourages residents to shop locally. In support of this, there are a number of events taking place in town centres across the city, including Christmas light switch-ons in Stockbridge and Portobello.

Edinburgh is home to numerous independent retailers and small enterprises across our nine town centres and beyond. Over 200,000 people live within 1km of our town centres and they support 25,000 jobs.

I would encourage everyone to support their local shops and other businesses every Saturday but particularly on Small Business Saturday – strong and vibrant town centres play a crucial role in a successful city economy.

Still time to have your say

There's only two weeks left of this year's [budget consultation](#) and I would like to thank the 2,000 of you who have already taken the time to have your say.

Last week, attention turned to our Question Time event, giving members of the public the opportunity to quiz our panel of senior councilors (including me!) on the budget proposals that mattered to them. It was a lively debate with the Chair, Scotsman and Evening News editor Frank O'Donnell, taking contributions from the floor and from those watching at home. [Archive footage](#) of the event is available to view on our website.

Please take the time to have your say on the proposals, if you haven't already. The consultation period runs until **17 December**, and we *will* consider all feedback prior to setting the final budget on 21 January 2016.

The Missing Link

As you know I'm a keen cyclist and walker and so it's always of great interest when I read reports on how we can help to make Edinburgh even more bike and pedestrian friendly.

Our latest proposals for a 'family-friendly' cycle link between Roseburn and Leith Walk will plug a gap in the city's extensive cycle network, providing a new European-style cycle route connecting the west to the east, running through the city centre via George Street. By creating a cycle lane that's mostly segregated from traffic we want to encourage people who aren't confident to get on their bike.

We now want to [hear your views on our proposals](#) for the route, which it has been estimated would increase cycling along the corridor by 90%. Our public consultation closes on 5 January 2016.

Cooperative Capital – continued

Our Communities & Neighbourhoods committee recently learned of further good progress against the Council's [Cooperative Capital Framework](#), which has now reached the end of its third year.

Ten schools have earned the 'schools of cooperation' award; tenant-led inspections are now taking place in housing; two new care cooperatives have been established – the Encompass Cooperative and the Care at Home Collaborative; and, as I mentioned last month, the hugely successful launch of the [Edinburgh Community Solar Cooperative](#)'s £1.4m share offer has just taken place.

In total, 16 coops have been developed in the first three years of the framework, with six receiving business development support from the Council.

Farewell Alastair Maclean

Our Deputy Chief Executive and Director of Corporate Governance, Alastair Maclean, is moving to pastures new in the New Year; returning to the private sector to become Baillie Gifford's Head of Legal.

Alastair joined us as head of legal in 2009, becoming director two years later. Since then, he has been instrumental in solving some of our most high-profile challenges, from tram settlement negotiations to resolving the large number of complaints from the former property conservation service, to name just two.

He has also made a huge contribution to service improvement, transforming critical services, such as procurement, audit and risk and ICT, and leading the Council-wide transformation programme. His drive, energy and commitment will be greatly missed and we wish him every success for the future.

Season's Greetings

Finally, I would like to take this opportunity to wish you a merry Christmas and all the very best for 2016. I can think of nowhere better to enjoy [Christmas](#) or bring in the [New Year](#) than right here in Scotland's great capital city.

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◆ EDINBURGH ◆
THE CITY OF EDINBURGH COUNCIL

10.00am, Thursday 10 December 2015

Executive Management Structure

Item number 8.1
Report number
Executive/routine
Wards

Executive Summary

Council approved the new Executive Structure at its meeting on 25 June 2015 as part of the Council's Transformation Programme. Executive Directors, reporting to the Chief Executive Officer (CEO) are collectively known as Tier 1 of the organisational structure.

At its meeting on 19 November 2015 Council noted that the Chief Executive would bring forward proposals for a revised top level structure and this paper sets out these proposals for approval.

The revised structure proposes a realignment of responsibilities to forge a stronger level of focus around matters of strategic importance to include the following functions Strategy and Insight, ICT and Communications and the creation of a role of Executive Director of Resources with responsibility for Finance, Risk, Legal, HR, Customer and Property.

Links

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	SO1, SO2, SO3 & SO4

Executive Management Structure

1. Recommendations

- 1.1 Agree the revised Organisational Structure at Appendix 1.

2. Background

- 2.1 At its meeting on 25 June 2015 Council approved an Executive Structure comprising a Chief Executive, Deputy Chief Executive, Director of Communities and Families, Director of Place, Director of City Strategy and Economy and Director of Health and Social Care.
- 2.2 Since then, two of the Executive Directors confirmed into those posts, the Director of City Strategy and Economy, and the Deputy Chief Executive have resigned, in order to pursue career development opportunities outside of the Council.
- 2.3 As a result, the Chief Executive has reviewed the structure and this paper proposes a realignment of responsibilities to ensure continued focus around matters of strategic importance to the organisation to include the following functions Strategy and Insight, ICT and Communications and the creation of a role of Executive Director of Resources with responsibility for Finance, Risk, Legal, HR, Customer and Property.

3. Main report

- 3.1 Given that two Executive Directors have decided to leave the organisation for career development, the opportunity has been taken to review the structure reporting to the Chief Executive to ensure that key areas of strategic importance to the organisation are given the focus that is needed to drive forward organisational transformation and improve outcomes for citizens of Edinburgh.
- 3.2 With that in mind, the revised organisational Structure at Appendix 1 is submitted for approval by Council.

City Strategy, Economy and Culture

- 3.3 Under these arrangements the Executive Director of City Strategy and Economy will continue to report to the Chief Executive and the Director of Culture role will report into it. This provides the Council with single, aligned accountability for delivery of all Economic Development and Cultural activity as well as delivery of the proposals for a City Region Deal.

Communications and Strategy & Performance

- 3.4 Given the importance placed upon the future shape, delivery and performance of the Council and set against a background of increasing expectations from all of our Customers it is proposed to align the functions of Communications, ICT and Strategy and Insight to the Chief Executive.

Director of Resources

- 3.5 Given the proposal in 3.4 above the role of Deputy Chief Executive is no longer required and it is therefore proposed to create a role of Executive Director of Resources which would have responsibility for Finance, Legal, HR, Customer and Property.

Impact on Current Staff

- 3.6 There is no impact on current staff except for reporting line changes. The two Executive Director roles are vacant and will be recruited to in the normal way. The Communications, Strategy and Insight and ICT functions will report to the CEO.
- 3.7 The revised structures will help ensure Council services are capable of being delivered successfully without the need for potentially disruptive organisational reviews at a senior level.

4. Measures of success

- 4.1 The revised executive structure with a sharper focus on the strategy and delivery future shape of Council services will ensure our ambitions for the delivery of services can be better realised.

5. Financial impact

- 5.1 There are no significant financial impacts.

6. Risk, policy, compliance and governance impact

- 6.1 No issues.

7. Equalities impact

- 7.1 The recommendations and future staffing arrangements as a result of the Council's Transformation Programme will adhere to the Equality Act 2010 public sector equality duty.

8. Sustainability impact

- 8.1 The Transformation programme is being progressed in line with the public bodies duties described in the Climate Change Scotland Act (2009).

9. Consultation and engagement

- 9.1 These proposals will be discussed with Executive Directors, Heads of Service and affected staff as well as Trade Unions following Council approval.

10. Background reading/external references

- 10.1 Council Transformation Progress : Status Report (Thursday 25 June 2015).
http://www.edinburgh.gov.uk/meetings/meeting/3708/city_of_edinburgh_council

Andrew Kerr

Chief Executive

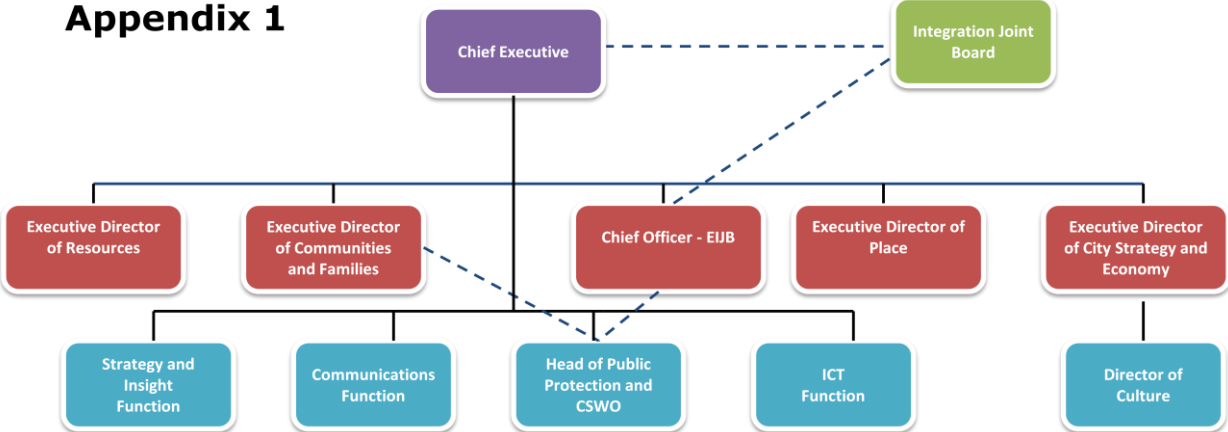
Contact: Martin Glover, Acting Head of HR and OD

E-mail: martin.glover@edinburgh.gov.uk | Tel: 0131 469 3237

Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning.
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives.
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all. SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health. SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential. SO4 - Edinburgh's communities are safer and have improved physical and social fabric.

Appendix 1



10.00 am, Thursday, 10 December 2015

Edinburgh Tram Extension - Next Steps

Item number	8.2
Report number	
Executive/routine	
Wards	11 – City Centre and Leith

Executive summary

The Outline Business Case summarised in the report to Council, in November 2015, concludes that extending the existing tram line to Newhaven yields a net economic benefit to the city and a range of wider benefits in relation to employment, population growth, social inclusion and economic regeneration. As the city continues to develop, tram can provide a high capacity public transport spine from the Airport to Newhaven that will support sustainable growth while also serving the most densely populated corridor in Edinburgh, along Leith Walk.

The November report also concluded that, while the Council will need to identify additional resources to fund the borrowing costs required for the project, these could be funded from wider Public Transport revenues.

In response to the November report, the Council approved, in principle, the route option to Newhaven and requested further information, prior to making a final decision as to whether to proceed to the next stage of project development.

Links

Coalition pledges	P18 , P19 , P45 , P46 , P50
Council outcomes	CO7 , CO8 , CO22
Single Outcome Agreement	SO1

Edinburgh Tram Extension – Next Steps

Recommendations

- 1.1 It is recommended that the Council:
 - 1.1.1 notes the findings of the Outline Business Case (OBC);
 - 1.1.2 notes the response from Lothian Buses in relation to the extraordinary dividend;
 - 1.1.3 agrees the high level governance structure as set out in the OBC and authorises the immediate implementation of the same, and in doing so requests that the Corporate Leadership Team merges the Leith Programme with the tram project;
 - 1.1.4 agrees to the commencement of all Option 4 Stage 1 activities as set out in this report, including the mobilisation of internal resources, and where required, the commencement of procurement processes for external support (project management, commercial, legal and technical) and site investigation and waiving Contract Standing Orders to retain the existing tram senior advisor for the delivery of Stage 1;
 - 1.1.5 delegates authority to the Chief Executive or such other officer to whom the Chief Executive may sub-delegate to award the external support contracts and site investigation contract(s), subject to:
 - 1.1.5.1 consultation with the convener of the Finance and Resources Committee; and
 - 1.1.5.2 the summary of the procurement processes being reported to the Finance & Resource Committee;
 - 1.1.6 notes that, at the conclusion of Stage 1, the project financials will be further refined to take account of the new Government guidance on Local Authority borrowing, taxation advice and any revision in assumptions, particularly patronage and capital costs.
 - 1.1.7 notes that a report will be brought back to Council in Spring/Summer 2017 recommending a way forward; and
 - 1.1.8 notes that, in relation to the remaining 67 plots of land for Phase 1b, there may be other means of securing lands in the future should the Council agree to further develop the line and therefore seeks further legal advice confirming this position.

Background

- 2.1 At the November meeting, Council considered the report entitled *Edinburgh Tram Extension – Next Steps* and approved, in principle, the selection of Option 1 (Newhaven) as the Council's preferred option.
- 2.2 In doing so, the Council further noted paragraph 3.51 of the report and on the understanding that Lothian Buses are likely to finalise their 2017/19 business plan in Spring 2016, instructed the Chief Executive to "*write to Lothian Buses to request details of any impacts such an extraordinary dividend would make on their future transport strategy, fleet modernisation plans, the likelihood of future fare increases, loss of other transport initiatives (hidden opportunity costs), and the confidence or otherwise of their ability to ensure the company can continue to meet its liabilities*".
- 2.3 Council also noted "*that there are outputs within the proposed 'Stage One' which may be prudent to undertake now, in order to avoid unnecessary disruption during a future tram extension. These would include the Leith enabling works, and therefore requests that options on taking forward these actions will now subsequently be reported to the next meeting of Council in December. Works already undertaken to 'tram proof' the Leith Walk improvement programme should also be detailed, including specifying previously agreed Council expenditure, to avoid duplication of cost*".
- 2.4 This report responds to the above points, sets out a recommended way forward, in relation to the remaining 67 plots of land for Phase 1b, and seeks approval from Council to move the tram extension to the next phase.

Lothian Buses Response

- 3.1 The Chief Executive wrote to Lothian Buses on 20 November 2015, in response to the request set out at 2.2 above.
- 3.2 A response has been received from Lothian Buses confirming that the additional dividend request will be factored in to the financial modelling it intends to undertake in support of the 2017-2020 strategic plan that will be submitted to Council in September 2016. A copy of the Lothian Buses response is included at Appendix A.
- 3.3 Given the revised Stage 1 activities and budgets set out below, these timescales accord with the anticipated delivery programme.

Stage 1 Activities

- 3.4 In response to 2.3 above, a meeting was held with representatives of the Capital Coalition wherein clarification was provided as to the key issues to be addressed. In providing the clarification the following outline criteria were discussed and agreed:
- 3.5 Subject to recommendation 1.1.7, the end opening date for the tram extension is expected to be no later than the first quarter of 2022;
- 3.6 A revised Stage 1 programme should be extended to Spring/Summer 2017 (18 months); and
- 3.7 The maximum budget available for any revised Stage 1 is likely to be £3.25million, which would be funded out of the £5m revenue reserve retained from previous years' Lothian Buses dividend.
- 3.8 The four options considered are set out below. Options 1, 2 and 3 however would result in expenditure in excess of £4million and can therefore be discounted.
- 3.9 Options 4 would result in expenditure of approximately £3.25million and is discussed in more detail below.
- 3.10 The options considered are:
Option 1 – This would involve delivering all the outputs set out in the Outline Business Case with the exception of the Leith Programme Phase 5 Enabling Works which fall outside the 18 month window. The table at Appendix B summarises the outputs against each option.

Option 2 – The outputs from Option 2 would be the same as for Option 1, although the Leith Programme Phase 4 roadway works and the demolition and re-building of the Constitution Street wall would not be carried out. It is worth noting that all tram related footway works within Phase 4 would be carried out under this option to avoid having to re-do these works in the future. The Bernard Street utility diversions would also be included.

Option 3 – This would be as Option 2 but with the Bernard Street utilities deferred to the next stage of project development.

Option 4 – This would be as Option 3 but with a delay to the completion of the Invitation to Tender (ITT) documentation, main contract prequalification (PQQ), and contract risk analysis.

- 3.11 Options 1 to 3 would maintain the end 2021 completion date, as set out in the OBC. Option 4 would result in a delay to overall completion but can be delivered in the first quarter of 2022.
- 3.12 The outputs for each option are set out in the table at Appendix B. Detailed descriptions of activities and outputs were set out in the Council paper in November.
- 3.13 Given the affordability envelope of approximately £3.25million Options 1, 2 & 3 were not considered further. While more physical works could commence under options 1 & 2 and the Invitation to Tender and PQQ would be complete under all 3 options, this could not be done without breaching the £3.25million cap on expenditure.
- 3.14 Option 4 would provide the following outputs:
- Establish Project Governance & set up project team;
 - Develop Financing Solution including discussions with potential lenders;
 - Partial Risk Analysis & Apportionment;
 - Stakeholder Engagement & Review of 3rd Party Agreements;
 - Review Phase 1 Contract Documentation including technical & prior approvals;
 - Site Investigation Works;
 - Commence Leith Walk Phase 4 Footway Enabling Works;
 - Preliminary draft of main contract Invitation to Tender (ITT) including works information;
 - Partial completion of pre-qualification of Contractors for main tram works and residual Enabling Works; and
 - Complete designs and specifications for Leith Walk Footway Phase 5 Enabling Works.

- 3.15 Option 4 would maintain momentum in relation to project development and retains the early 2022 opening date, it can also be delivered within the £3.25million envelope.
- 3.16 It should be noted that additional time required to deliver Option 4 will increase inflationary pressures on the project in later years which may need to be funded from the £15million project contingency set out in the November report.
- 3.17 In order to deliver the Phase 4 footway enabling works as part of the Leith Programme, there will be a requirement for the tram team to define the detailed scope of works in order to include it in the tender documentation. This scoping work could also be completed for the Phase 5 footway enabling works, although their actual implementation would fall outside the 18 month window.
- 3.18 Assuming a decision to proceed in December, the first activity for the tram team will be to procure external advisors. This process could take up to 3 months, although discussions are underway with procurement to look at ways of reducing this. A decision to proceed was also originally anticipated in October which may have an impact on programme although work is underway to mitigate any delays.
- 3.19 To assist in this mitigation it is recommended that the Tram and Leith Programme projects are brought together under one management team which will provide clearer lines of accountability, streamline the design process, and provide a more consistent approach to communications.
- 3.20 It is therefore recommended that Option 4 is adopted as the revised Stage 1 and in establishing project governance procedures the Corporate Leadership Team will merge the Leith Programme with the tram project.

Phase 1b Land Acquisition

- 3.21 The Council retains powers under the Tram Acts to acquire land under compulsory purchase powers and to commence construction on new sections of tramway. The Council has not exercised its compulsory purchase powers to acquire land between Roseburn Delta to Granton Square (Phase 1b) or between Granton and Newhaven (Phase 1c).
- 3.22 The compulsory purchase powers set out in the Line One Act cease on 7 May 2016 and there is no scope for a further extension within the Act.
- 3.23 If the Council were to not exercise its CPO rights and seek to acquire the land after the expiry of the powers, it could either either promote a new private bill or apply for a Transport and Works Order, as appropriate depending upon the circumstances..

- 3.24 Consideration has been given to exercise the existing powers before 7 May 2016 following the Council meeting on 10 December. However, this is not considered the best way forward for the following reasons:
1. While compensation costs have been calculated at £1.75million for Line 1b there is a possibility that a party who has part of their land included in a GVD could serve a notice of objection to severance which seeks to require the Council to acquire their entire interest. This could add to the compensation costs as estimated by the Valuation Office Agency. It is worth noting that the £1.75million set out in the OBC is not included in the Tram Extension costs and would need to be funded separately. The external legal costs incurred in exercising the CPO powers will also require to be funded separately. In addition, any temporary rights required to facilitate the construction phase will have to be funded separately.
 2. Acquiring the land without certainty over whether Phase 1b will proceed is likely to be controversial and objectors may seek to challenge the process. The costs and delay associated with any legal challenge cannot be quantified at this point.
 3. There could also be reputational issues to consider if the Council proceeds to acquire compulsorily the remaining land without having certainty over whether it intends to proceed with the extension of the current Edinburgh tram network.
- 3.25 As set out above, if the Council were to not exercise its CPO rights and seek to acquire the land after the expiry of the powers, the Council could either promote a new private bill or apply for a Transport & Works Order. Both options would take time to conclude, may be complex and are not without risk.
- 3.26 Given the issues in relation to exercising existing powers it is recommended that further work is done in the first quarter of 2016 to set out in detail the process for pursuing either a new private bill or a Transport & Works Order.

Measures of success

- 4.1 The findings of the draft OBC indicate that that an economic case for extending the current tram line would accrue positive benefits to the City.

- 4.2 Transport investment can increase effective density between places of residence and employment by reducing transport costs and thereby improving accessibility around and between jobs and people. Edinburgh Tram system extension options will reduce the transport costs between a number of key employment locations including:
- Around Leith Waterfront including the Scottish Government at Victoria Quay (for Newhaven and Ocean Terminal Options only);
 - The city centre via the five stops between Picardy Place and Haymarket (inclusive);
 - A reduction in travel time via a direct tram connection to major employment locations on the existing line, notably Edinburgh Park and Edinburgh Airport; and
 - A reduction in travel times to a range of locations within the city and beyond, via interchange with rail at Waverley Station, Haymarket Station and Edinburgh Gateway, and local and intercity bus services (city centre).
- 4.3 Extending the Edinburgh tram system will also support the change in scale and location of jobs through:
- Directly supporting the bringing forward of employment related development in the Leith Waterfront area (for Newhaven and Ocean Terminal Options only); and
 - Increasing the attractiveness of the employment locations in the city centre and West Edinburgh by expanding the effective labour market catchment through reduced travel costs (all options), and through helping bring forward major residential development in Leith Waterfront (for Newhaven and Ocean Terminal Options only).
- 4.4 The extension options will also deliver labour supply benefits. The Leith extension options will connect major existing and planned employment destinations (City Centre, West Edinburgh) with the Leith corridor, which has the highest population density in the city (and amongst the highest densities in the UK) and major planned areas for new residential developments in Leith towards Newhaven.
- 4.5 Enhanced connectivity will better link existing and new jobs with existing and new residents, ensuring that labour market accessibility is increased (businesses will find it easier to recruit, and workers have access to more jobs), and that the economic growth that this will support will be delivered in a sustainable manner, through integrated transport and land use planning.

- 4.6 The purpose of considering Edinburgh Tram extensions is to support the overall level of economic growth of Edinburgh through enhancing the viability and attractiveness of major housing and employment sites identified in the Local Development Plans. The tram extensions can help support a level of economic activity (jobs, development, and housing) at a greater level than would otherwise be the case.

Financial impact

- 5.1 If the Council were to proceed with extending the tram system at this time and pursue the recommendation to extend the tramway to Newhaven, there would be a requirement to find capital funding of £144.7m for the project, plus an additional £15m to provide a contingency.
- 5.2 The costs associated with the next phases of the project total £9.9m, comprising approximately £3.25m for Stage 1 and £6.65m for Stage 2. This can be contained within the overall capital funding requirement of £144.7m for the project. In the event that the Council decides not to proceed with the extension, the costs of stage 1 can be met from reserves set aside from previous Lothian Buses dividend payments.
- 5.3 Over the life-time of the project, financial benefits are similar for all options (including the no extension option).
- 5.4 In the short to medium-term the Council will need to identify additional resources to fund the borrowing costs required for the project
- 5.5 Different capital payment structures may be available to better match borrowing costs to bus and tram revenues, but there will still be a funding gap, which the Council would have to fund from other resources.
- 5.6 A £20m extraordinary dividend from Lothian Buses, plus use of £5m from reserves, would make an extension to Newhaven affordable to the Council.
- 5.7 In the longer term Public Transport revenues can fund the extension and provide additional revenues to the Council.
- 5.8 The Council's draft budget framework, for the period 2016-20, assumes an additional budget contribution of £3.5m per annum from bus and tram is required to assist in balancing the Council's revenue budget. For the purposes of the Outline Business Case, it is assumed that this money is not available for the tram extension project.
- 5.9 Sensitivity testing detailed above shows that, should Capital costs be higher than anticipated or patronage less than forecast, the affordability gap could be considerably greater.

- 5.10 In the event that tram patronage was 10% lower than forecast, then the Council would need to fund an additional initial shortfall, over and above the £25m set out above, of £11m. If tram premium fares dropped by 10%, this shortfall would be £7m, and in the event that capital costs increased by 25% the shortfall would be £6m.
- 5.11 This demonstrates that although an extension to Newhaven may be affordable with the extraordinary dividend from Lothian Buses and £5m of existing reserves, additional capital costs or reduced patronage would present a material financial challenge to the Council. If one or more of the sensitivities were to occur simultaneously the impacts set out in 5.10 above would be compounded and the initial funding shortfall could increase from £25m to approximately £60m.

Risk, policy, compliance and governance impact

- 6.1 The recommendations set out in this report are in alignment with the Local Transport Strategy and the Local Development Plan and reflect the broader Council policy objectives of promoting development and stimulating economic activity in the city.
- 6.2 Although there are a number of risks which require careful management through the delivery phase of the project, including risks associated with traffic management and design, the capital cost estimate represents a fair assessment of the current market condition.
- 6.3 The cost plan and economic appraisal and patronage forecasts have been independently audited by Atkins and Faithful & Gould and are thus considered robust, at this stage of project development
- 6.4 The market consultation that was undertaken during the Summer of 2015 has indicated and provided comfort that the scheme could be delivered within the cost parameters established during this stage.
- 6.5 Robust governance arrangements will be required if the project were to proceed. A key lesson learned from the first phase of tram delivery related to the project governance and contract management structures. Following mediation, revised governance structures were put in place that served the project well through to passenger service.
- 6.6 It is essential that similar arrangements are put in place from the outset for any future extensions. The key principles underpinning any project governance structure are:
- Strong leadership from the top of the client body, key stakeholders and the Contractor(s) selected to carry out the works;

- Strong political support and regular reporting by officers on risks, issues and costs;
 - Clearly defined roles and responsibilities within the client organisation with clear reporting lines;
 - Clear management information used to report through all project levels; and
 - Professional project management support within the client organisation.
- 6.7 There are proposals set out in this report regarding additional contingency allowances to deal with risks not identified in the capital cost estimate.

Equalities impact

- 7.1 The proposals and recommendations described in this report could contribute to the public sector general equality duty to: (i) advance equality of opportunity. There is no distinct relevance in respect of the general duties to; (ii) eliminate unlawful discrimination, harassment and victimisation, or; (iii) foster good relations.
- 7.2 An Equalities and Rights Impact Assessment has been prepared and is available as background reference. There are no direct negative equalities or human rights impacts anticipated.

Sustainability impact

- 8.1 The proposed work packages will be undertaken in consideration of the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties. This aligns with the requirements of the Local Transport Strategy. The potential to extend the tram network aligns with, and is cognisant of, the requirement to reduce carbon emissions and the need to travel. In doing so, this will promote a shift to more sustainable modes of transport that will bring reduced carbon dioxide and nitrogen oxide emissions.
- 8.2 The promotion of a high capacity, high quality public transport system aligns with the LTS and draft Local Development Plan and will help achieve a sustainable Edinburgh, as both documents' actions include improving the extent of the public transport offered in Edinburgh, thus enhancing social inclusion and equality of opportunity.
- 8.3 The proposals to integrate with the St James Quarter redevelopment and Leith Programme initiatives aim to improve facilities for cyclists and pedestrians, thus promoting personal wellbeing.

Consultation and engagement

- 9.1 The recommendations set out in the November report were discussed with representatives of the Capital Coalition, Opposition Groups, Transport for Edinburgh, Lothian Buses, Sustrans, as well as between relevant services within the Council including Transport, Economic Development, Finance and Planning. Subsequently meetings have been held with the Capital Coalition and Lothian Buses in compiling this report.

Background reading/external references

A Strategy for Jobs: The City of Edinburgh Council's Economic Strategy 2012-2017

http://www.edinburgh.gov.uk/download/downloads/id/501/a_strategy_for_jobs_2012-17

Edinburgh City Local Plans

http://www.edinburgh.gov.uk/downloads/download/229/edinburgh_city_local_plan

Edinburgh Local Development Plan – Proposed Plan March 2013

http://www.edinburgh.gov.uk/download/downloads/id/122/proposed_local_development_plan_march_2013

Local Transport Strategy 2014-2019

http://www.edinburgh.gov.uk/info/20221/roads_and_transport/341/transport_policy

John Bury

Acting Director of Services for Communities

Contact: Alasdair Sim, Interim Tram Director

E-mail: alasdair.sim@edinburgh.gov.uk, Tel: 0131 338 5848

Links

Coalition pledges	P18 – Complete the Tram in accordance with current plans. P19 – Keep Lothian Buses in public hands and encourage the improvement of routes and times. P45 – Spend five per cent of the transport budget on provision for cyclists. P46 – Consult with a view to extending current 20mph zones. P50 – Meet greenhouse gas targets, including the national target of a 42 per cent reduction by 2020.
Council outcomes	CO7 – Edinburgh draws new investment in developing regeneration CO8 – Edinburgh’s economy creates and sustains job opportunities CO22 – Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible.
Single Outcome Agreement	SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.
Appendices	Appendix A – Lothian Buses Letter Appendix B – Option Outputs

Appendix A

Lothian Buses Response

Our Ref: JMCF/GL

30 November 2015

Andrew Kerr
Chief Executive
The City of Edinburgh Council
Waverley Court
4 East Market Street
EDINBURGH
EH8 8BG

Lothian Buses Limited
Annandale Street,
Edinburgh, EH7 4AZ
T 0131 554 4494
F 0131 475 0149
lothianbuses.com
Registered in Scotland No. 96849
Vat No. 790 0906 27

Dear Andrew,

I am responding to your letter of 20 November 2015.

First of all I appreciate having clarity in regard to the Council's annual dividend expectations over the next three years. This will assist the company with its future business planning.

I also note to Council's request, now confirmed that the company consider the possibility of a further extraordinary dividend of £20m over the period 2017-2020.

The extent to which the company can meet this additional dividend request will be factored in the financial modelling that we intend to undertake in support of the 2017-2020 strategic plan that will be submitted to the Council in September 2016.

The company respects the right of the Council as majority shareholder to make this extraordinary dividend request. Equally the council will acknowledge that the company can only make annual or extraordinary dividend payments if it has the financial strength to do so having first taken into account the ongoing cash flow requirements of the business.

Yours sincerely



Jim McFarlane
Chairman & General Manager



Transport for Edinburgh

Appendix B
Options Outputs

Option 1	Option 2	Option 3	Option 4
Establish Project Governance & set up project team	Establish Project Governance & set up project team	Establish Project Governance & set up project team	Establish Project Governance & set up project team
Develop Financing Solution	Develop Financing Solution	Develop Financing Solution	Develop Financing Solution
Risk Analysis & Apportionment	Risk Analysis & Apportionment	Risk Analysis & Apportionment	Partial Risk Analysis & Apportionment
Stakeholder Engagement & Review of 3 rd Party Agreements	Stakeholder Engagement & Review of 3 rd Party Agreements	Stakeholder Engagement & Review of 3 rd Party Agreements	Stakeholder Engagement & Review of 3 rd Party Agreements
Review Phase 1 Contract Documentation including technical & prior approvals	Review Phase 1 Contract Documentation including technical & prior approvals	Review Phase 1 Contract Documentation including technical & prior approvals	Review Phase 1 Contract Documentation including technical & prior approvals
Site Investigation	Site Investigation	Site Investigation	Site Investigation
Commence Leith Walk Roadway and Footway Enabling Works – Phase 4	Commence Leith Walk Footway Enabling Works – Phase 4	Commence Leith Walk Footway Enabling Works – Phase 4	Commence Leith Walk Footway Enabling Works – Phase 4
Draft ITT including works information	Draft ITT including works information	Draft ITT including works information	Preliminary draft ITT including works information
Complete PQQ for Main Works	Complete PQQ for Main Works and Residual Enabling Works	Complete PQQ for Main Works and Residual Enabling Works	Partial completion of PQQ for Main Works and Residual Enabling Works
Complete enabling works at Constitution	Complete enabling works at Bernard	No further enabling	No further enabling

Option 1	Option 2	Option 3	Option 4
Street Wall & Bernard Street	Street	works	works
Complete designs and specifications for Leith Walk Roadway and Footway Enabling Works – Phase 5	Complete designs and specifications for Leith Walk Footway Enabling Works – Phase 5	Complete designs and specifications for Leith Walk Footway Enabling Works – Phase 5	Complete designs and specifications for Leith Walk Footway Enabling Works – Phase 5

The City of Edinburgh Council

10.00am, Thursday, 10 December 2015

Formal Collaboration Proposal for Edinburgh, Lothians, Borders and Fife Councils

Item number 8.3
Report number
Executive/routine
Wards

Executive summary

Edinburgh, East Lothian, Midlothian, West Lothian, Scottish Borders and Fife Councils have been working in partnership to explore opportunities for increased collaboration in roads services.

This report outlines the process taken to explore opportunities for collaboration with other local roads authorities (within the Edinburgh, Lothians, Borders and Fife (ELBF) area), and to seek approval from the Council for the creation of a shadow joint committee.

Links

Coalition pledges [P28](#), [P44](#)
Council outcomes [CO8](#), [CO19](#), [CO21](#), [CO22](#), [CO25](#), [CO26](#)
Single Outcome Agreement [SO4](#)

Formal Collaboration Proposal for Edinburgh, Lothians, Borders and Fife Councils

Recommendations

- 1.1 It is recommended that the Council:
 - 1.1.1 approves the creation of a Shadow Joint Committee for collaborative road services as outlined in appendix 1; and
 - 1.1.2 appoints the City of Edinburgh Council representatives on the shadow joint committee.

Background

- 2.1 The National Roads Maintenance Review (NRMR) final report was published in July 2012, following a recommendation from Audit Scotland to:

“Consider a national review on how the road network is managed and maintained, with a view to stimulating service re-design and increasing the pace of examining the potential for shared services.”
- 2.2 The NRMR explored the optimum delivery of roads maintenance services, concluding that sharing of services should be explored by all roads authorities, with the onus on authorities to demonstrate that change could be delivered effectively and driven forward at a local level.
- 2.3 The NRMR has led to the establishment of the Roads Collaboration Programme to support the recommendations of the review, and to explore the opportunities to share services amongst Scotland’s 32 local roads authorities and Transport Scotland.
- 2.4 Prior to the report being published, a group of senior officers from Edinburgh, Lothians, Borders and Fife (ELBF) Councils formed to explore the benefits of sharing road maintenance resources.

Main report

Benefits of Sharing

- 3.1 Improving performance and efficiency through collaboration may lead to direct financial savings through reduced overhead costs and greater buying power. However, the main benefits of sharing are associated with resilience and sustainability. These include:
- Sharing of expertise and staff pools to achieve greater output with the same resource.
 - Standardisation of processes and specifications, leading to a consistent standard and quality of service.
 - Increased capacity through the elimination of duplication and access to joint resources.
 - Improved business intelligence through shared best practice and management information and expertise.
 - More opportunity to develop future workforce planning strategies, including staff training and development opportunities (eg entry level employment).
 - More effective use of specialist assets together with the benefits of improved joint investment planning for staff, plant and equipment.
 - More effective procurement and better value for money.

Edinburgh, Lothians, Borders and Fife

- 3.2 The ELBF roads officer group has recognised the substantial benefits associated with formal collaboration for some time, and joined the Governance First Project, in April 2014, to explore more formal governance options that will allow the participating authorities to benefit from collaboration.
- 3.3 Substantial sharing is already underway within ELBF, with a variety of agreements in place to ensure the successful delivery of these initiatives on a collaborative basis. Initiatives include:
- Maintenance of traffic signals;
 - Collaboration in Road Safety Audits;
 - CLARENCE Customer Care Call Centre;
 - Collaboration in roads repairs;
 - Provision of rock salt and winter gritting equipment;

- Professional services and advice in relation to Flood Risk Management;
 - Single Development Control Guidelines document;
 - Street lighting installation and maintenance procurement framework;
 - ISO9001 Quality Assurance System;
 - Winter weather forecasting; and
 - Proprietary road surfacing projects (eg bond-coat).
- 3.4 There are different degrees of participation from the six authorities in the above initiatives but they form a strong basis for future activity.
- 3.5 The extent of future collaboration will be considered and agreed by the governing body, with the individual participating authorities taking the decision on whether or not each proposal should be taken forward. This can include either the establishment of a fully integrated shared service or sharing in specific service areas only. Any collaboration will require appropriate legal documentation.
- 3.6 It is anticipated that the approach to sharing will initially be one of 'small demonstration projects' to identify baselines, increase performance levels and to begin to identify areas of potential savings. Eleven areas of roads services have been identified where the greatest benefits from new or increased collaboration are anticipated. These can be taken forward on a project-by-project basis:
- Asset Management;
 - Joint Procurement;
 - Flood Risk Management;
 - New Roads & Streetworks Act – co-ordination of road works;
 - Weather Forecasting;
 - Traffic Signal Maintenance;
 - Road Safety;
 - Structures;
 - Street Lighting;
 - Training; and
 - Packaging of Roads Maintenance Contracts.

Governance First

- 3.7 The concept of 'Governance First' refers to the creation of a formalised governing body as the fundamental first step to developing shared services, undertaken prior to the design of the shared service in terms of operational delivery.

- 3.8 By setting up a governance arrangement first, prior to looking at specific areas of service collaboration, partner authorities benefit from working under a formal governance 'umbrella' where a common vision for the service can be agreed, and options for working collaboratively can be explored and implemented.
- 3.9 Creating a governing body inclusive of Elected Members at the early stage has the added benefit of ensuring that they are involved in setting the direction of the service from the outset.

Proposed Governance model

- 3.10 ELBF officers carried out an options appraisal of the models available, with support from the Roads Collaboration Programme and advice from Burness Paull LLP.
- 3.11 The options considered included:
- Joint Committee;
 - Joint Board;
 - Company Limited by Guarantee;
 - Company Limited by Shares; and
 - Limited Liability Partnership.
- 3.12 The options appraisal concluded that a joint committee was the preferred governance model to allow effective collaboration, with a formal body established under the Local Government (Scotland) Act 1973 to enable the partner authorities to carry out their functions jointly. A summary of the options appraisal is outlined in Appendix 1.
- 3.13 In the absence of a definitive range of services to be included in the collaboration, a remit for the committee cannot be outlined at this time. Therefore, it is recommended that, in the first instance, a shadow joint committee be established, which can be formalised into a joint committee within the next 12 months.
- 3.14 A shadow joint committee is not a formal body in the same way as a joint committee, and it does not have to operate in line with the rules stipulated by the Local Government (Scotland) Act 1973. It does, however, provide greater flexibility in the interim period and allows the Elected Members from the partner authorities to form a group, set the direction of collaboration and define the remit of the joint committee.
- 3.15 During the options appraisal, a limited liability partnership was also identified as an appropriate governance model for future consideration, and this can be explored further as the scope of the collaboration is defined in the interim period.

- 3.16 The different timescales for each Council to consider participating in the proposed shadow joint committee may mean that the shadow joint committee will not have the involvement of all six local ELBF authorities from the start, but an initial involvement of at least four Councils will allow the new governance arrangements to proceed.
- 3.17 A proposed terms of reference for the shadow joint committee is outlined in Appendix 2.

Measures of success

- 4.1 Managing collaborative activity/shared service under a formal governance arrangement increases the likelihood of achieving the benefits (highlighted in Item 3.1) by ensuring local authorities are working to an agreed common vision for the future.
- 4.2 Creating a formal governing body to act as an 'umbrella' under which to deliver improvements promotes transparency and simplifies the processes associated with sharing.

Financial impact

- 5.1 As the shadow joint committee is not a legal entity, a Lead Authority will be identified on a case by case basis to provide business and administrative support, with agreement reached between the participating Council's on how any associated Lead Authority costs will be shared.

Risk, policy, compliance and governance impact

- 6.1 Burness Paull LLP provided advice to the Improvement Service (as above) on:
- the means by which local authorities can share services;
 - the establishment of a formal governance arrangement, such as a joint committee; and
 - compliance with procurement legislation.
- 6.2 Legal and Risk will provide the necessary legal support in relation to the Council's involvement in establishing the new governance body.

Equalities impact

- 7.1 An Equalities Impact Assessment has been carried out on this proposal and has not identified any adverse equality implications.

Sustainability impact

- 8.1 The primary benefits of formal collaboration will result from greater effectiveness, resilience and sustainability through the sharing of expertise across the participating authorities, minimising the risks associated with single point of failure.

Consultation and engagement

- 9.1 Consultation has taken place with officers and the relevant elected members from City of Edinburgh Council, East Lothian Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council.
- 9.2 Committee Services and Legal and Risk within the Council have also been consulted.

Background reading/external references

N/A

John Bury

Acting Director of Services for Communities

Contact: Alan Simpson, Acting Road Services Manager

E-mail: alan.simpson@edinburgh.gov.uk | Tel: 0131 529 3722

Links

Coalition pledges	P28 - Further strengthen links with the business community by developing and implementing strategies to promote and protect the economic well being of the City. P44 - Prioritise to keep our streets clean and attractive.
Council outcomes	CO8 - Edinburgh's economy creates and sustains job opportunities. CO19 - Attractive Places and Well-Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. CO21 - Safe – Residents, visitors and businesses feel that Edinburgh is a safe city. CO22 - Moving Efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible. 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.
Single Outcome Agreement	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 – Governance Model Options Appraisal Appendix 2 – Proposed Terms of Reference

Governance Model Options Appraisal

To determine the most appropriate governance model, ELBF officers carried out an options appraisal of the models available, taking into account perceived benefits and risks associated with each. The group was fully supported in their appraisal by the Roads Collaboration Programme team, inclusive of an external senior solicitor from Burness Paull who provided essential legal guidance to allow the group to make informed decisions when selecting the most beneficial model.

Two potential models were identified by the programme team for consideration by ELBF:

Model 1 – Co-operation - this model is based on the strand of European law which permits public authorities to enter into arrangements for collaboration and co-operation without those arrangements having to be the subject of a procurement process.

Based on procurement law principles, the key features of Model 1 – in the context of roads authorities – would be as follows:

- there would require to be a joint governance structure – most likely a joint committee;
- each of the authorities would require to commit to some element of sharing of resources;
- the financial contributions would require to be based on the sharing of costs – with no margin/profit element for any of the participating authorities;
- it would be viable for assets currently owned by each authority to continue to be held by them, i.e. it would not be a pre-requisite that assets had to be transferred out of the ownership of any of the existing authorities;
- the staff teams of each authority would be deployed in accordance with decisions of the joint committee;
- the joint committee would serve as a framework, providing overall governance and accountability

Model 2 – Joint Body - based on the principles of EU procurement law, a model involving the use of a jointly controlled corporate body would represent a viable model for collaboration and joint service delivery in the context of roads authorities.

The key features of Model 2 would be as follows:

- a legal entity would be formed, such as a company limited by guarantee or a limited liability partnership (LLP); or alternatively (involving additional formalities and a longer timescale) a joint board established;
- all participating authorities would require to share control of the legal entity – but voting rights need to be equal;

- all participating authorities would require to access some level of service from the joint legal entity – but the volumes of work need not be equal;
- the “essential part” of the corporate body’s activities must be with the participating authorities – the current threshold is 90% but will change to 80% when the relevant Directive is introduced into Scots law;
- the corporate body would hold its own assets and/or directly employ its own staff;
- the joint body could act as a central purchasing authority for the participating authorities – procuring materials or services, or a private sector strategic partner;
- the corporate body must not have any private sector shareholding, but could access loan finance from any source (bonds);
- a subsidiary legal entity could potentially operate on the market, winning work from other authorities and potentially:
 - preserving/expanding the workforce;
 - maximising community benefits (e.g. apprenticeships);
 - delivering additional income to support core services.

It was agreed that both model 1 and model 2 were viable options and should both be explored in greater detail taking into account the various options that could be developed within each model.

Out with the status quo option (‘do nothing’), there were five possible options considered within the two models outlined:

- Joint committee
- Joint board
- Company limited by guarantee
- Company limited by shares
- Limited liability partnership

When considering the advantages and disadvantages of each in an initial high-level appraisal, officers discussed the key features of each model with advice from Burness Paull.

Following a SWOT analysis, it was concluded that the greatest opportunities were present in the Joint Committee or LLP options. The key reasons for this decision were:

- The status quo model can no longer be seen as a long-term viable option for delivering roads services as the current economic climate will continue to put substantial pressures on services. In order to collaborate on a more substantial basis, authorities will be required to establish a formal legal framework for collaboration, to comply with procurement law.
- The Joint Committee model is very familiar and well established in local government and is particularly beneficial in terms of the speed in which it can be established.

- While a Joint Board offers additional benefits to that of a Joint Committee, the time involved in the parliamentary procedures needed to establish the body would outweigh any benefits.
- An LLP offers all the benefits of a joint committee plus additional benefits offered by the establishment of a legal entity (model 2).
- An LLP is particularly attractive over a Company Limited by Guarantee and a Company Limited by Shares, as the profits of an LLP – where membership is made up of local authorities – is exempt from tax. Any profits can be reinvested in the LLP or drawn off by the participating authorities – in each case with no tax being payable.

A further comparative analysis was then undertaken to assess and compare the Joint Committee and LLP options.

Edinburgh, Lothians, Borders and Fife Forum

Comparison of Joint Committee and Limited Liability Partnership

1. Key Features of Each Model

	Legal Entity?	Governed by...	Set up by.....	Ongoing admin. tasks	Legal duties on board members	Other features
Joint Committee	No	Local Government (Scotland) Act 1973	Participating local authorities themselves	Servicing meetings (agendas, reports, minutes), accounting, financial reporting to participating authorities	Those applying under local government law plus (possibly) duties applying under general case law to those serving in a position of trust	Only local authorities can participate (not other public bodies); also, at least two thirds of the committee members must be elected members
Limited Liability Partnership	Yes	Limited Liability Partnerships Act 2000	Companies House	As for Joint Committee, plus annual return to Companies House, annual accounts complying with statutory requirements (with formal audit if above thresholds)	Those applying under local government law; plus (possibly) duties applying under general case law to those serving in a position of trust; plus any duties specifically set out in the LLP Agreement	No restrictions regarding the types of bodies who can participate; and no restrictions on who can serve on the board

2. Main Advantages and Disadvantages

There are a number of key issues to be considered when considering the main advantages/disadvantages of a Joint Committee against an LLP:

	Issue	Comparison of both models against this issue
Legal entity or not	<p>If the joint structure is not a legal entity, it cannot enter into contracts, employ people, or have other formal legal relationships in its own name. That then means that one of the authorities has to take the role of lead/host authority in contracting with third parties, employing/managing any joint staff team, holding funds etc. This can (a) distort the overall dynamic of decision-making; (b) make it more difficult to hold all participating authorities to account on an equal basis; and (c) cause difficulties in sharing risk (since the lead authority is the immediate target for third-party claims). It would be possible to split roles so that one authority was lead authority for third party contracts, another took the role of employer, another as fund holder.</p>	<p>A Joint Committee is not a legal entity.</p> <p>The LLP is a legal entity, and can thus enter into legal relationships in its own name. That gives a direct connection between decisions of the joint board, and implementation of those decisions – rather than this having to be routed through one of the participating authorities. Where contracts are entered into directly by a joint body, no one authority is exposed to third-party claims - so that creates better balance in decision-making. Also, the existence of a joint body (with a joint staff team directly managed by that joint body) can help to create a more level playing-field in holding all participating authorities to account.</p>
Governing legislation	<p>The formation of a structure governed by local government legislation, rather than LLP legislation, could be seen as “home ground”, and thus less of a significant step for a local authority to take. Having said that, there is an increasing trend for local authorities to set up companies or LLPs as offshoots (e.g. leisure/culture trusts), so this is not unfamiliar territory in the way that it used to be.</p>	<p>An LLP is governed by the Limited Liability Partnerships Act 2000 (which in turn refers to various provisions of the Companies Act 2006, adapted to fit the LLP model).</p>

<p>Set-up process</p>	<p>While the setting-up of an LLP involves Companies House, this is largely a form-filling exercise – typically adding only a few days to the much more significant task of tailoring a constitution for the joint body. The tailoring of a constitution - whether a minute of agreement (joint committee) or LLP agreement (LLP) – would need to be carried out and neither requires a more complex constitution than the other (though in practice, local authorities tend to favour a lighter-touch minute of agreement in the context of Joint Committees).</p>	<p>The Joint Committee is a little simpler to set up, as there is no need to involve any regulator.</p> <p>The administrative set-up costs for a Joint Committee is likely to be less than an LLP, but in either case this will not be a significant cost.</p> <p>However, with no lead authority associated with an LLP, dedicated senior management and some support resource would be required for an LLP, the costs of which would be shared amongst partners. In the case of ELBFF it is likely that this cost could be in the order of £60,000 per year at least initially.</p>
<p>Ongoing admin. tasks</p>	<p>The prospect of having to deal with additional administrative tasks is often off-putting to those considering the creation of a joint body. In reality, the additional administration is likely to be minimal (over and above the tasks that are inevitably associated with servicing <i>any</i> form of joint decision-making group) – except that the implications of having to carry out a formal audit should be borne in mind.</p>	<p>A Joint Committee involves the minimum by way of additional ongoing administration, as compared with the LLP.</p> <p>For a Joint Committee, the lead authority would normally be expected to provide this.</p>

<p>Legal duties on board members</p>	<p>The idea of board members having to take on duties over and above those that attach to them already under local government legislation may be seen as challenging.</p>	<p>A Joint Committee would not impose any special legal duties on committee members – over and above the duties that members already have under local government legislation.</p> <p>As regards the LLP model, the LLP legislation does not impose any duties on LLP board members; there are legal duties on the LLP <i>members</i> – in this case, that would be the participating authorities, as corporate bodies – relating to for example filing of accounts and other formal matters.</p>
<p>Involving others</p>	<p>It may be felt appropriate to bring other public authorities (e.g. Transport Scotland or the relevant Regional Transport Partnership) into the governance model on an equal footing to the local roads authorities. That would be inconsistent with the rules relating to Joint Committees. However, the legislation would allow co-option of people drawn from Transport Scotland or an RTP onto the joint committee, so long as the “minimum two-thirds elected members” requirement was still met.</p>	<p>If it is felt essential that bodies other than local authorities should participate directly in the governance model, then a Joint Committee should be considered carefully. The same point applies if it is felt that having a minimum of two-thirds elected members on the board is not appropriate.</p>

<p style="text-align: center;">Tax</p>	<p>The issue of tax is an important factor, particularly if there is a risk that surpluses generated by the joint body might be substantial in future years (and taking account of any aspirations round developing income from the provision of services to a wider range of bodies).</p>	<p>Tax on surpluses does not come into play in relation to a joint committee as these fall within the general tax exemptions applying to local authorities. If there is a risk that tax liabilities might arise in the future, tax considerations would point to the use of an LLP model. An LLP does not pay tax; it is the members of an LLP who pay tax, based on the profits of the LLP that are allocated to them. Where – as in this case – the members are local authorities, the general tax exemption for local authorities comes into play and thus no tax is payable on the profits of the LLP. That applies irrespective of whether the profits are left within the LLP to fund working capital requirements or future investments or are drawn off by the local authorities – so there is full flexibility.</p>
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3. Strengths, Weaknesses, Opportunities & Threats

Joint Committee Model

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> ❖ Provides a strong governance framework ❖ Familiar model within the local government field, so unlikely to cause concerns to elected members ❖ Can provide an overarching framework, compatible with procurement principles round collaboration in the performance of a public task, under which individual projects can be taken forward 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> ❖ As compared with an LLP, a Joint Committee is not a legal entity, so contracts etc. need to be dealt with through a lead authority ❖ Selection of lead authority may be difficult (there is the possibility of different authorities taking responsibility for staff, finance, contracts etc. – but that adds complications) ❖ Lead authority is directly exposed to third party claims – so that may distort the dynamic of decision-making as the lead authority may refuse to take steps agreed on by the Joint Committee if they would expose it to liability/risk
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> ❖ A Joint Committee would provide a platform for more rapid progress with shared services ❖ Over time, the participating authorities may become more familiar/confident about sharing of resources etc., and that in turn may facilitate moving to a Limited Liability Partnership model 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> ❖ The lead authority arrangement could potentially represent a source of friction, if there is a sense among the other participating authorities that the dynamic of decision-making is not working as it should ❖ The fact that the lead authority takes the primary risk as regards third party claims may inhibit progress with more ambitious projects (the other authorities can agree to reimburse a proportion of the lead authority's liability from third party claims, but that is not a perfect solution) ❖ As compared with an LLP, a Joint

	<p>Committee tends to be more exposed to changes in the political agendas</p>
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Limited Liability Partnership Model

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none">❖ As compared with a Joint Committee, an LLP provides a jointly-controlled legal entity, which can itself enter into contracts, take on staff, hold its own funds, etc.❖ The commitments of the participating authorities can be pinned down in a more robust way through legally-binding agreements between each of them and the joint legal entity❖ Those serving on the board have a legal duty to take decisions in a way that will best promote the success of the company in achieving its purposes❖ A Limited Liability Partnership has a major advantage of being tax-transparent	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none">❖ As compared with a Joint Committee, there may be a perception among elected members that the formation of a LLP displaces their role and/or represents a first step towards privatisation❖ The principle of profit distribution – even if that not envisaged to happen in practice in the short to medium term – may distort the fundamental principles of what the shared services arrangements are intended to achieve
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none">❖ As compared with a Joint Committee, an LLP can act as a flexible model – not just dealing with initial feasibility but (once approved by the participating authorities) directly taking forward joint projects❖ An LLP could serve as the vehicle for a wide range of shared services projects and initiatives	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none">❖ If the participating authorities are concerned about issues of control, they may impose tight restrictions on what the LLP can do without the consent of all participating authorities – with the effect that the LLP is unable to achieve its potential

Shadow Joint Committee – Roads Services

1. Membership:

Each local authority will provide one elected member.

2. Chair:

The Chair will rotate between the local authorities on an annual basis.

3. Substitutes:

Each local authority will also name an elected member who will be able to act as a substitute for their substantive member.

4. Officers

Officers will normally attend to support meetings.

5. Remit

- a) To explore options for the member local authorities sharing roads services and associated assets.
- b) To evaluate proposals for shared services and joint working, and make recommendations to the relevant member local authorities on the preferred collaboration model.
- c) To discuss and develop draft governance arrangements for a formal decision making joint body.

6. Code of Conduct

The Councillors' Code of Conduct (paragraphs 3.14 – 3.15) specifies members' responsibilities regarding private information.

7. Meeting (and papers):

The Shadow Joint Committee will meet a minimum of four times per year, with papers circulated fourteen days in advance of meetings.

The City of Edinburgh Council

10.00am, Thursday, 10 December 2015

Treasury Management – Mid Term Report 2015/16 - referral report from the Finance and Resources Committee

Item number	8.4
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 26 November 2015 considered a report that provided an update on Treasury Management activity in 2015/16. The report has been referred to the City of Edinburgh Council for approval to continue to use the Council's Investment balances to fund capital expenditure.

Links

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

Terms of Referral

Treasury Management – Mid Term Report 2015/16

Terms of referral

- 1.1 In accordance with the Strategy set in March, 2015 the Council completed no borrowing during the first half of the financial year that had any cost to the Council and continued to fund capital expenditure temporarily from cash deposits. This approach generated significant short-term savings in Loans Charges for the Council. In following this strategy account was also taken of the likely movement in interest rates in the medium and longer term and the Council's future estimated borrowing requirement.
- 1.2 The Finance and Resources Committee agreed:
 - 1) To note the mid term report on Treasury Management for 2015/16.
 - 2) To refer the report to Council for approval to continue to use the Council's Investment balances to fund capital expenditure and to subsequently refer the report to the Governance, Risk and Best Value Committee for scrutiny.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report to The City of Edinburgh Council for approval to continue to use the Council's Investment balances to fund capital expenditure and to subsequently refer the report to the Governance, Risk and Best Value Committee for scrutiny.

Background reading / external references

Minute of the Finance and Resources Committee, 26 November 2015

Carol Campbell

Head of Legal and Risk

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, 26 November 2015

Treasury Management – Mid Term Report 2015/16

Item number

Report number

Executive/routine

Wards

Executive summary

The purpose of this report is to give an update on Treasury Management activity in 2015/16.

In accordance with the Strategy set in March 2015 the Council completed no borrowing during the first half of the financial year that had any cost to the Council and continued to fund capital expenditure temporarily from cash deposits. This approach generates significant short-term savings in Loans Charges for the Council. In following this strategy account is also being taken of the likely movement in interest rates in the medium and longer term and the Council's future estimated borrowing requirement.

The investment return for 2015/16 continues to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments as a priority.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Treasury Management: Mid Term Report 2015/16

Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1 notes the mid term report on Treasury Management for 2015/16;
 - 1.1.2 refers the report to Council for approval and subsequent referral by Council to the Governance Risk and Best Value Committee for scrutiny.

Background

- 2.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the mid-term report has been prepared setting out activity undertaken.

Main report

3.1 Interest Rate Background

3.1.1 Throughout the 6 months, the Bank of England's Monetary Policy Committee kept Quantitative Easing (QE) at £375bn and UK Bank Rate at 0.50%. QE has remained at that level since July 2012 and UK Bank Rate at 0.50% since March 2009.

3.1.2 Figure 1 below shows Inter-Bank Lending Rates since the start of 2006.

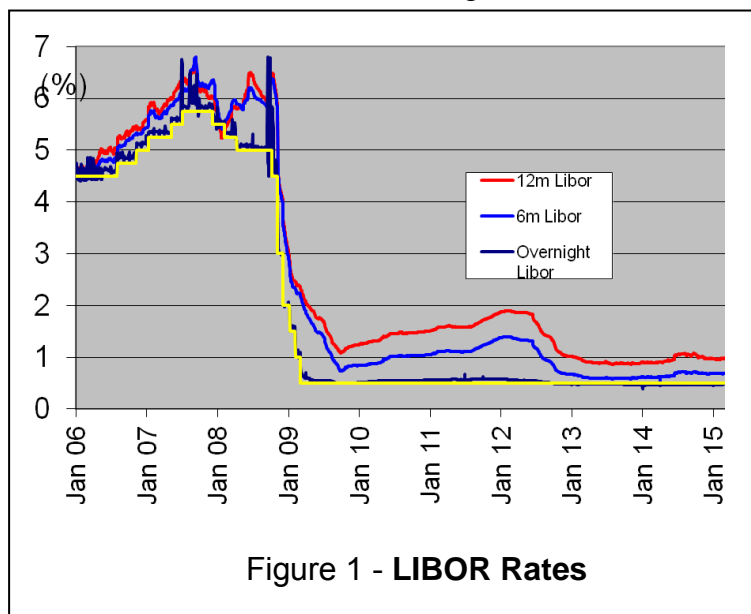


Figure 1 - LIBOR Rates

3.1.3 Figure 1 shows that the overnight and 1 month rate continues to follow the Bank Rate and 12 month rate has increased slightly since the start of the 2014/15 financial year and then remained steady.

3.2 Interest Rate Forecast

3.2.1 Table 1 gives a Reuters poll of up to 60 economists, taken 15th October, showing their forecasts for UK Bank Rate until Quarter 4 2016. This continues to show most economists polled believe that the UK Bank Rate will be at 0.75% by the end of quarter 1 2016. However, we continue to hold onto the ‘lower for even longer’ view on UK Bank Rate. There is little inflationary pressure in the UK, and no need to increase UK Bank Rate from the current ‘emergency rate’ for some time to come.

	2015		2016		
	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16
Median	0.5	0.75	0.75	1	1
Mean	0.5	0.64	0.80	0.93	1.11
Mode	0.5	0.75	0.75	1	1
Min	0.5	0.5	0.5	0.5	0.75
Max	0.5	0.75	1.00	1.25	1.5
Count	43	44	43	40	39

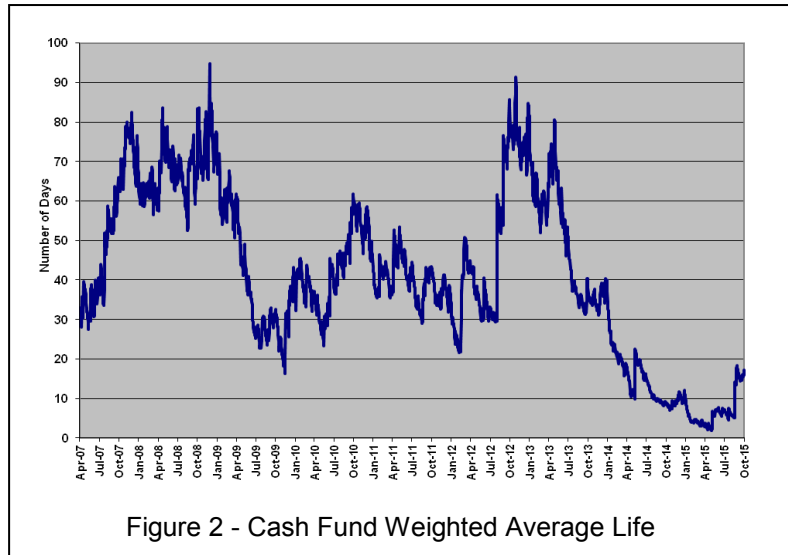
Table 1 – Economists’ Forecasts for UK Bank Rate

3.2.2 As we have mentioned in previous forecasts annual rate of inflation (CPI) has remained well below the Bank of England’s lower limit. The rate of inflation in September was -0.1%. The minutes of the Bank of England’s October meeting noted that near term inflation appeared slightly weaker than at the time of the August Inflation report, mainly due to the further decline in oil price. They believe inflation is likely to remain below 1% until spring 2016.

3.3 Investment Out turn

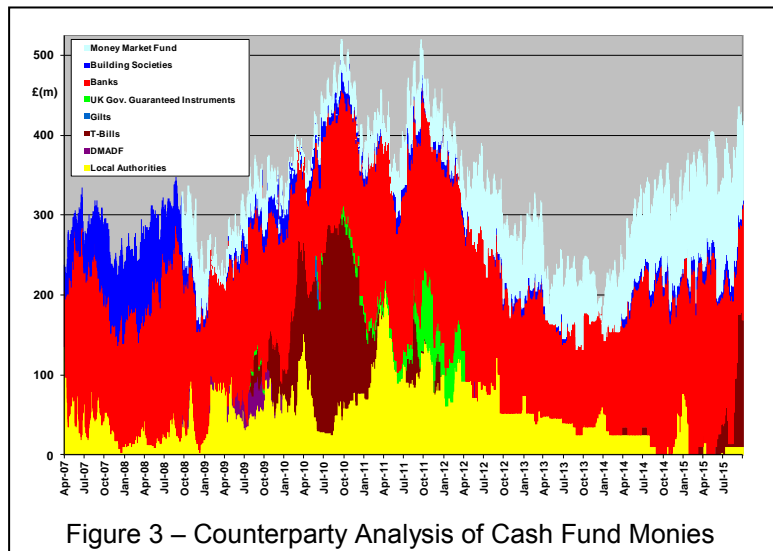
3.3.1 The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks. The Cash Fund’s Investment Strategy continues to be based around security of the investments.

3.3.2 Figure 2 below shows the Weighted Average Life (WAL) – i.e. the average time to maturity of the Cash Fund investments since inception.

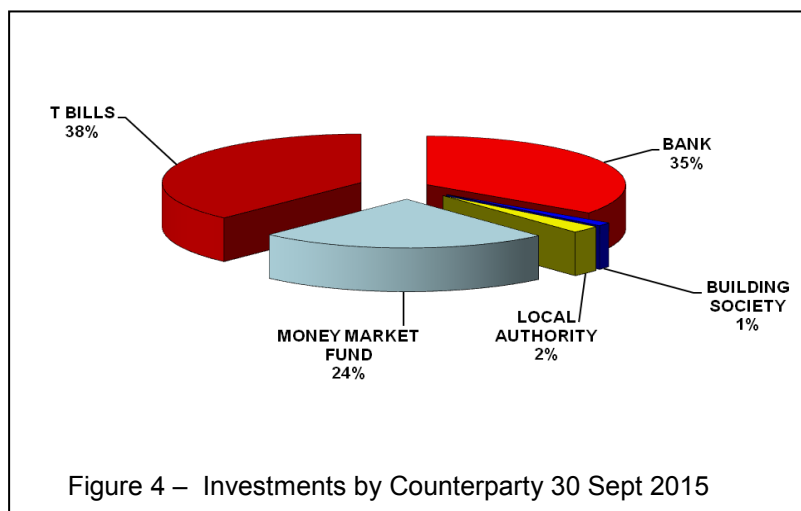


3.3.3 Since the enactment in January of the new ‘Bail-In’ legislation for the resolution of financial institutions, other than the most secure of institutions, deposits with banks have been kept in accounts where the money is immediately available as a way of managing the Council’s counterparty risk. The WAL (weighted average time to the final maturity of investments) was therefore very low at the start of the year, but has increased to over 17 days by the end of September, mainly due to the purchase of Treasury Bills with maturities between one and six months.

3.3.4 Figure 3 below shows the distribution of Cash Fund deposits since inception. Appendix 2 shows the detail of cash fund investments as at 30th September 2015.



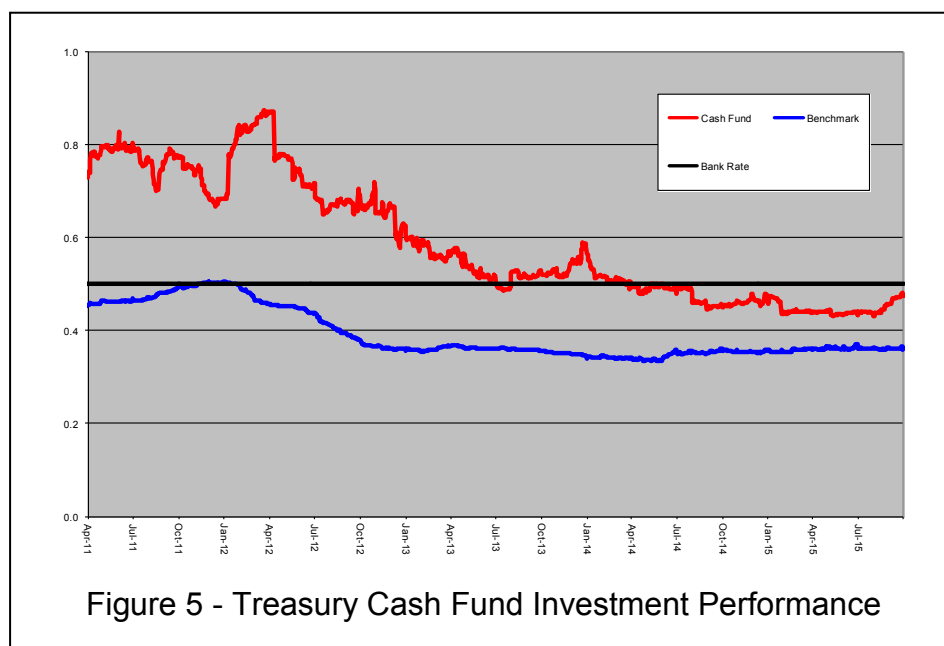
3.3.5 With Local Authorities continuing to lend to each other at low rates of interest the Treasury team continue to find difficulty in striking the balance between high levels of security and achieving an adequate return. The recent increase in yields on offer through Treasury Bill Auction has allowed the Treasury team to increase yield with increased security.



3.3.6 As can be seen in Figure 4 above over a third of the fund is invested UK Treasury Bills. When yields rose significantly in July, the Treasury team took the opportunity to move from lower yielding call accounts to Treasury Bills. A third is also invested with Banks, including higher rated institutions such as HSBC and Svenska Handelsbanken. At the end of the quarter, all Bank deposits were held in instant access call accounts and the Treasury team remain in dialogue with these institutions to maintain the best interest rates. There is a short term deposit with a Building Society and as mentioned previously, rates on offer in the inter-local authority market have remained extremely low.

3.4 Cash Fund Performance

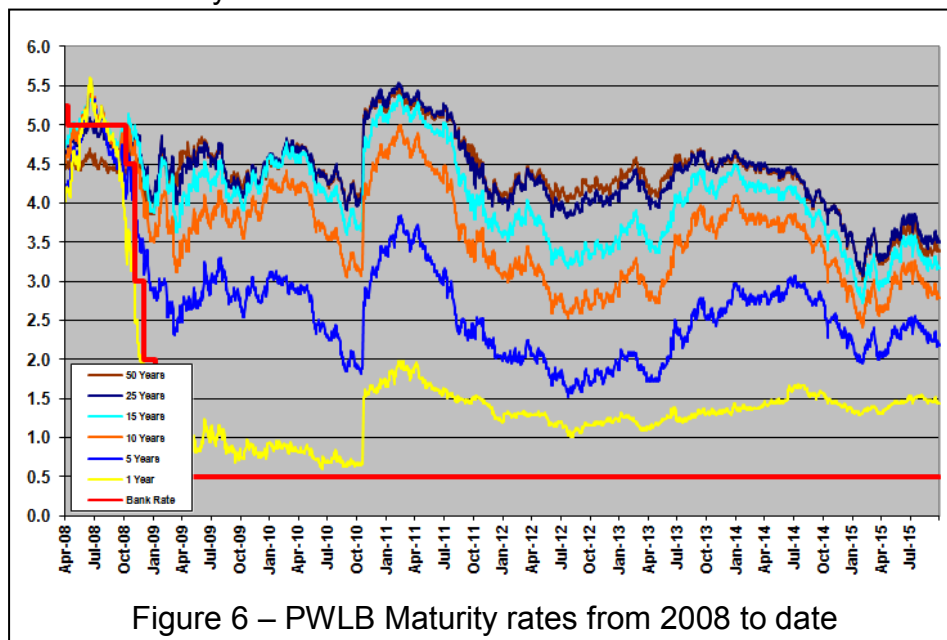
3.4.1 The annualised rate of return for the Cash Fund for the year to September 2015 was 0.451% against the benchmark of 0.360%. Figure 5 below shows the daily investment performance of the Cash Fund against its benchmark since April 2011.



3.5 Debt Management Activity

3.5.1 The Treasury strategy for 2015/16 is to continue to use the Council's Investment balances to fund capital expenditure. There has been no PWLB borrowing, on behalf of the Council, completed since December 2012. Appendix 1 shows the current debt portfolio.

3.5.2 Figure 6 below shows the PWLB borrowing interest rates since the start of the 2008/09 financial year.



3.5.3 PWLB rates rose at the start of the financial year, peaking around the start of July then have reduced towards the mid-term. Yields increased at the start of the financial year due to the seemingly decrease in the risk of deflation. There was then a drop in yields after the General Election before rising again. Concerns around China saw yields drop again throughout August and into September. After weak economic data in China the People's Bank of China (PBoC) devalued the yuan to its lowest rate against the dollar in almost three years. It aggressively devalued the yuan by 1.9% on the 11th August with further devaluations on the 12th and 13th August knocking over 3% off its value. The PBoC also changed the way its currency is 'fixed' each day against the dollar. Instead of the PBoC solely determining the rate using the previous day's closing level it announced that market participants would play a greater role in determining the yuan's initial trading level.

3.5.4 At the start of the new financial year the Council was £97m under borrowed from 2014/15. The strategy for 2015/16 has been to continue to reduce the Council's investments and temporarily fund capital expenditure from cash rather than long term borrowing. The only borrowing which has been completed in 2015/16 was a loan of £351,679.50 re-payable in equal instalments with zero interest until 2023 in connection with LED street lighting. Since the start of the financial year £19.4m of debt has matured at an average rate of 6.33%. For the financial year 2015/16 £45m of debt is due to mature in total at an average rate of 8.79%. It is

not intended to replace the matured debt at present. Based on the approved capital programme and any known slippage it is estimated that the Council will be under borrowed in the region of £121m at the end of the financial year if no further borrowing is undertaken. Therefore capital expenditure is being funded in the short-term at the marginal cost of foregone interest on the Council's investments which is very low in absolute terms.

Measures of success

- 4.1 The success of the Treasury Section can be measured by the out-performance of the Treasury Cash Fund against its benchmark and managing the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

Financial impact

- 5.1 The Council continues to manage its debt portfolio so as to minimise the medium term cost of funding its capital projects.
- 5.2 The Treasury Cash Fund has generated significant additional income for the Council.

Risk, policy, compliance and governance impact

- 6.1 The Council complies with the relevant CIPFA code of practice whilst undertaking Treasury Management activities. The significant financial risks associated with Treasury Management activities have been successfully managed during the first half of 2015/16.

Equalities impact

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

Sustainability impact

- 8.1 There are no adverse sustainability impacts arising from this report.

Consultation and engagement

- 9.1 None.

Background reading / external references

None.

Alastair Maclean

Deputy Chief Executive

Contact: Innes Edwards, Principal Treasury and Banking Manager

E-mail: innes.edwards@edinburgh.gov.uk | Tel: 0131 469 6291

Links

Coalition pledges	P30 - Continue to Maintain a sound financial position including long-term financial planning
Council outcomes	C025 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	1: Outstanding Debt at 30 September 2015 2: Outstanding Investments at 30 September 2015

Appendix 1

Outstanding Debt at 30 September 2015

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
Maturity	06/11/1990	25/03/2016	10,000,000.00	11.375
Maturity	17/05/1991	25/03/2016	10,000,000.00	11
Maturity	13/10/2009	13/04/2016	5,000,000.00	2.95
Maturity	23/04/2009	23/04/2016	5,000,000.00	2.96
Maturity	17/01/1991	15/05/2016	15,000,000.00	11.25
Maturity	09/06/2009	09/06/2016	5,000,000.00	3.37
Maturity	27/09/1991	25/09/2016	2,736,307.00	10.5
Maturity	15/08/1991	15/11/2016	10,000,000.00	10.875
Maturity	10/12/2008	10/12/2016	5,000,000.00	3.61
Maturity	02/12/2011	02/06/2017	5,000,000.00	2.28
Maturity	27/03/1992	25/09/2017	10,000,000.00	10.625
Maturity	09/10/2008	09/10/2017	5,000,000.00	4.39
Maturity	03/04/1992	25/03/2018	30,000,000.00	10.875
Maturity	23/04/2009	23/04/2018	15,000,000.00	3.24
Maturity	17/09/1992	15/05/2018	8,496,500.00	9.75
Maturity	09/06/2009	09/06/2018	5,000,000.00	3.75
Maturity	17/09/1993	15/11/2018	5,000,000.00	7.875
Maturity	23/03/1994	15/11/2018	5,000,000.00	8
Maturity	14/03/1994	11/03/2019	2,997,451.21	7.625
Maturity	18/10/1993	25/03/2019	5,000,000.00	7.875
Maturity	30/03/2009	30/03/2019	5,000,000.00	3.46
Maturity	21/04/2009	21/04/2019	10,000,000.00	3.4
Maturity	23/04/2009	23/04/2019	5,000,000.00	3.38
Annuity	12/11/2008	12/11/2019	2,308,548.94	3.96
Maturity	23/03/1994	15/11/2019	5,000,000.00	8
Maturity	07/12/1994	15/11/2019	10,000,000.00	8.625
Annuity	01/12/2008	01/12/2019	2,288,031.27	3.65
Maturity	01/12/2009	01/12/2019	5,000,000.00	3.77
Maturity	14/12/2009	14/12/2019	10,000,000.00	3.91
Maturity	15/02/1995	25/03/2020	5,000,000.00	8.625
Maturity	21/04/2009	21/04/2020	10,000,000.00	3.54
Maturity	12/05/2009	12/05/2020	10,000,000.00	3.96
Maturity	21/10/1994	15/05/2020	5,000,000.00	8.625
Maturity	07/12/1994	15/05/2020	5,000,000.00	8.625
Maturity	21/11/2011	21/05/2020	15,000,000.00	2.94
Maturity	16/08/1995	03/08/2020	2,997,451.21	8.375
Maturity	09/12/1994	15/11/2020	5,000,000.00	8.625
Annuity	10/05/2010	10/05/2021	2,934,788.59	3.09
Maturity	21/10/1994	15/05/2021	10,000,000.00	8.625
Maturity	10/03/1995	15/05/2021	11,900,000.00	8.75

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
Maturity	12/06/1995	15/05/2021	10,000,000.00	8
Maturity	02/06/2010	02/06/2021	5,000,000.00	3.89
Maturity	16/08/1994	03/08/2021	2,997,451.21	8.5
Maturity	28/04/1994	25/09/2021	5,000,000.00	8.125
Maturity	23/04/2009	23/04/2022	5,000,000.00	3.76
Maturity	12/06/1995	15/05/2022	10,200,000.00	8
Maturity	14/06/2010	14/06/2022	10,000,000.00	3.95
Maturity	31/03/1995	25/09/2022	6,206,000.00	8.625
Maturity	16/02/1995	03/02/2023	2,997,451.21	8.625
Maturity	24/04/1995	25/03/2023	10,000,000.00	8.5
Maturity	05/12/1995	15/05/2023	5,200,000.00	8
Maturity	20/09/1993	14/09/2023	2,997,451.21	7.875
Maturity	20/09/1993	14/09/2023	584,502.98	7.875
Maturity	08/05/1996	25/09/2023	10,000,000.00	8.375
Maturity	13/10/2009	13/10/2023	5,000,000.00	3.87
Maturity	05/12/1995	15/11/2023	10,000,000.00	8
Maturity	10/05/2010	10/05/2024	10,000,000.00	4.32
Maturity	28/09/1995	28/09/2024	2,895,506.10	8.25
Maturity	14/05/2012	14/11/2024	10,000,000.00	3.36
Annuity	14/12/2009	14/12/2024	6,946,281.72	3.66
Maturity	17/10/1996	25/03/2025	10,000,000.00	7.875
Maturity	10/05/2010	10/05/2025	5,000,000.00	4.37
Maturity	16/11/2012	16/05/2025	20,000,000.00	2.88
Maturity	13/02/1997	18/05/2025	10,000,000.00	7.375
Maturity	20/02/1997	15/11/2025	20,000,000.00	7.375
Annuity	01/12/2009	01/12/2025	10,785,100.45	3.64
Maturity	21/12/1995	21/12/2025	2,397,960.97	7.875
Maturity	21/05/1997	15/05/2026	10,000,000.00	7.125
Maturity	28/05/1997	15/05/2026	10,000,000.00	7.25
Maturity	29/08/1997	15/11/2026	5,000,000.00	7
Maturity	24/06/1997	15/11/2026	5,328,077.00	7.125
Maturity	07/08/1997	15/11/2026	15,000,000.00	6.875
Maturity	13/10/1997	25/03/2027	10,000,000.00	6.375
Maturity	22/10/1997	25/03/2027	5,000,000.00	6.5
Maturity	13/11/1997	15/05/2027	3,649,966.00	6.5
Maturity	17/11/1997	15/05/2027	5,000,000.00	6.5
Maturity	13/12/2012	13/06/2027	20,000,000.00	3.18
Maturity	12/03/1998	15/11/2027	8,677,693.00	5.875
Maturity	06/09/2010	06/09/2028	10,000,000.00	3.85
Maturity	14/07/2011	14/07/2029	10,000,000.00	4.9
EIP	14/07/1950	03/03/2030	3,665.36	3
Maturity	14/07/2011	14/07/2030	10,000,000.00	4.93
EIP	15/06/1951	15/05/2031	3,749.78	3
Maturity	06/09/2010	06/09/2031	20,000,000.00	3.95
Maturity	15/12/2011	15/06/2032	10,000,000.00	3.98

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
Maturity	15/09/2011	15/09/2036	10,000,000.00	4.47
Maturity	22/09/2011	22/09/2036	10,000,000.00	4.49
Maturity	10/12/2007	10/12/2037	10,000,000.00	4.49
Maturity	08/09/2011	08/09/2038	10,000,000.00	4.67
Maturity	15/09/2011	15/09/2039	10,000,000.00	4.52
Maturity	06/10/2011	06/10/2043	20,000,000.00	4.35
Maturity	09/08/2011	09/02/2046	20,000,000.00	4.8
Maturity	23/01/2006	23/07/2046	10,000,000.00	3.7
Maturity	23/01/2006	23/07/2046	10,000,000.00	3.7
Maturity	19/05/2006	19/11/2046	10,000,000.00	4.25
Maturity	07/01/2008	07/01/2048	5,000,000.00	4.4
Maturity	27/01/2006	27/07/2051	1,250,000.00	3.7
Maturity	16/01/2007	16/07/2052	40,000,000.00	4.25
Maturity	30/01/2007	30/07/2052	10,000,000.00	4.35
Maturity	13/02/2007	13/08/2052	20,000,000.00	4.35
Maturity	20/02/2007	20/08/2052	70,000,000.00	4.35
Maturity	22/02/2007	22/08/2052	50,000,000.00	4.35
Maturity	08/03/2007	08/09/2052	5,000,000.00	4.25
Maturity	30/05/2007	30/11/2052	10,000,000.00	4.6
Maturity	11/06/2007	11/12/2052	15,000,000.00	4.7
Maturity	12/06/2007	12/12/2052	25,000,000.00	4.75
Maturity	05/07/2007	05/01/2053	12,000,000.00	4.8
Maturity	25/07/2007	25/01/2053	5,000,000.00	4.65
Maturity	10/08/2007	10/02/2053	5,000,000.00	4.55
Maturity	24/08/2007	24/02/2053	7,500,000.00	4.5
Maturity	13/09/2007	13/03/2053	5,000,000.00	4.5
Maturity	12/10/2007	12/04/2053	5,000,000.00	4.6
Maturity	05/11/2007	05/05/2057	5,000,000.00	4.6
Maturity	15/08/2008	15/02/2058	5,000,000.00	4.39
Maturity	02/12/2011	02/12/2061	5,000,000.00	3.98
			1,094,279,935.21	

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
Maturity / LOBO	03/12/1990	04/12/2015	2,000,000.00	11
Maturity / LOBO	12/12/1990	11/12/2015	2,000,000.00	11
Maturity / LOBO	30/03/1992	30/03/2017	1,000,000.00	10.25
Maturity / LOBO	21/08/1992	21/08/2017	500,000.00	9.75
Maturity / LOBO	21/08/1992	21/08/2017	500,000.00	9.75
Maturity / LOBO	12/11/1998	13/11/2028	3,000,000.00	4.75
Maturity / LOBO	15/12/2003	15/12/2053	10,000,000.00	5.25
Maturity / LOBO	18/02/2004	18/02/2054	10,000,000.00	4.54
Maturity / LOBO	28/04/2005	28/04/2055	12,900,000.00	4.75
Maturity / LOBO (Rev)	25/02/2011	25/02/2060	15,000,000.00	7.036
Maturity / LOBO (Rev)	25/02/2011	25/02/2060	10,000,000.00	7.036

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
Maturity / LOBO (Rev)	26/02/2010	26/02/2060	5,000,000.00	6.993
Maturity / LOBO (Rev)	26/02/2010	26/02/2060	10,000,000.00	6.993
Maturity / LOBO	30/06/2005	30/06/2065	5,000,000.00	4.4
Maturity / LOBO	01/07/2005	01/07/2065	10,000,000.00	3.86
Maturity / LOBO	07/07/2005	07/07/2065	5,000,000.00	4.4
Maturity / LOBO	24/08/2005	24/08/2065	5,000,000.00	4.4
Maturity / LOBO	07/09/2005	07/09/2065	10,000,000.00	4.99
Maturity / LOBO	13/09/2005	14/09/2065	5,000,000.00	3.95
Maturity / LOBO	03/10/2005	05/10/2065	5,000,000.00	4.375
Maturity / LOBO	21/12/2005	21/12/2065	5,000,000.00	4.99
Maturity / LOBO	23/12/2005	23/12/2065	10,000,000.00	4.75
Maturity / LOBO	28/12/2005	24/12/2065	12,500,000.00	4.99
Maturity / LOBO	06/03/2006	04/03/2066	5,000,000.00	4.625
Maturity / LOBO	14/03/2006	15/03/2066	15,000,000.00	5
Maturity / LOBO	17/03/2006	17/03/2066	10,000,000.00	5.25
Maturity / LOBO	03/04/2006	01/04/2066	10,000,000.00	4.875
Maturity / LOBO	03/04/2006	01/04/2066	10,000,000.00	4.875
Maturity / LOBO	03/04/2006	01/04/2066	10,000,000.00	4.875
Maturity / LOBO	07/04/2006	07/04/2066	10,000,000.00	4.75
Maturity / LOBO	05/06/2006	07/06/2066	20,000,000.00	5.25
Maturity / LOBO	05/06/2006	07/06/2066	16,500,000.00	5.25
Maturity / LOBO	18/08/2006	18/08/2066	10,000,000.00	5.25
Maturity / LOBO	01/02/2008	01/02/2078	10,000,000.00	3.95
			280,900,000.00	

Loan Type	Start Date	Maturity Date	Principal Outstanding	Interest Rate
EIP 0% INTEREST	07/01/2015	01/09/2021	473,742.84	0
EIP 0% INTEREST	31/03/2015	01/04/2023	1,442,317.95	0
EIP 0% INTEREST	22/09/2015	01/10/2023	351,679.50	0
			2,267,740.29	

Appendix 2

Outstanding Deposits at 30 September 2015

<u>COUNTERPARTY</u>	<u>Type</u>	<u>START DATE</u>	<u>MATURITY</u>	<u>OUTSTANDING</u>	<u>INT RATE</u>
BANK OF SCOTLANDCORP DEPOSIT BASE +25	CALL	27/09/2007	/ /	41,067,008.31	0.5
ROYAL BANK OF SCOTLAND- SIBA	CALL	23/05/2008	/ /	4,119,829.83	0.25
Santander UK Business Reserve	CALL	16/09/2008	/ /	525,326.78	0.4
Barclays BankFIBCA	CALL	26/11/2010	/ /	41,183,330.66	0.5
Deutsche Bank AG, London	MMF	01/06/2011	/ /	61,994,474.11	0.485487
SVENSKA HANDELSBANKEN	CALL	13/01/2012	/ /	58,082,936.73	0.45
GOLDMAN SACHS STERLING LIQUID RESERVE	MMF	08/05/2012	/ /	36,684,076.03	0.410151
HSBC BANK PLC	CALL	01/07/2013	/ /	966,008.83	0.4
Lancashire County Council	TD	05/05/2015	05/11/2015	10,000,000.00	0.5
Nationwide Building Society	TD	08/09/2015	08/10/2015	5,000,000.00	0.43
HM TREASURY	TBILL	20/07/2015	18/01/2016	3,906,701.60	0.58
H M TREASURY	TBILL	17/08/2015	15/02/2016	19,944,308.93	0.56
H M TREASURY	TBILL	24/08/2015	22/02/2016	9,972,204.05	0.559
HM TREASURY	TBILL	07/09/2015	07/03/2016	19,944,804.80	0.555
HM TREASURY	TBILL	07/09/2015	05/10/2015	19,992,960.29	0.459
HM TREASURY	TBILL	07/09/2015	05/10/2015	19,993,113.60	0.449
HM TREASURY	TBILL	14/09/2015	12/10/2015	19,993,098.27	0.45
H M TREASURY	TBILL	21/09/2015	19/10/2015	19,993,098.27	0.45
H M TREASURY	TBILL	21/09/2015	19/10/2015	14,994,720.22	0.459
HM TREASURY	TBILL	28/09/2015	26/10/2015	9,996,480.14	0.459
				418,354,481.45	

Call: Call Account (money available same day)

MMF: Money Market Fund (money available same day)

TD: Term Deposit (money only available when deposit matures)

TBILL: UK Treasury Bills (tradable – money available if TBILL sold)

The £418m on deposit is represented by:

- £252m Lothian Pension Fund
- £151m The City of Edinburgh Council
- £5.5m CEC Council Companies
- £5.8m FETA
- £3.5m Other

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

10.00am, Thursday 10 December 2015

Internal Audit and Risk Service Delivery Model – referral from the Governance Risk and Best Value Committee

Item number	8.5
Report number	
Wards	All

Executive summary

The Governance, Risk and Best Value Committee on 12 November 2015 considered a report detailing the proposals for future service provision for internal audit and risk.

The report has been referred to Council with a recommendation to exercise the Council's option to extend the existing co-source partnership arrangements with PwC for a further 12 months from 31 March 2016 in relation to the provision of audit services.

Links

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

Terms of Referral

Internal Audit and Risk Service Delivery Model

Terms of referral

- 1.1 On 12 November 2015, the Governance, Risk and Best Value Committee considered a report detailing the proposals for future service provision for internal audit and risk.
- 1.2 The Governance, Risk and Best Value Committee agreed:
 - 1.2.1 To note the proposals for future service provision for internal audit and risk services.
 - 1.2.2 To refer the report to Council, with a recommendation to exercise the Council's option to extend the existing co-source partnership arrangements with PwC for a further 12 months from 31 March 2016 in relation to the provision of audit services.
 - 1.2.3 To request an update report to committee in April 2016 informing how work to establish an in-house risk team was progressing and detailing plans for the future.

For Decision/Action

- 2.1 The Council is asked to exercise the option to extend the existing co-source partnership arrangements with PwC for a further 12 months from 31 March 2016 in relation to the provision of audit services.

Background reading / external references

[Minute of Governance, Risk and Best Value Committee – 12 November 2015](#)

Carol Campbell

Head of Legal and Risk

Contact: Carol Richardson, Assistant Committee Clerk

Email: carol.richardson@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	See attached report

Governance, Risk and Best Value Committee

10.00am, Thursday 12 November 2015

Internal audit & risk service delivery model

Item number 7.4
Report number
Executive/routine
Wards

Executive summary

The Council is operating in a challenging environment and the Council transformation programme aims to ensure a continued focus on outcomes whilst supporting key initiatives and achieving required financial savings.

As the Council moves through a period of transformation it is critical that internal controls continue to be a focus. However, it is important to recognise the constraints on service delivery as a result of the savings that require to be achieved.

The contract between the Council and PwC for the co-sourced delivery of internal audit and risk management services runs for an initial period of three years, ending on 31 March 2016, with an option to extend for a further 12 months on giving notice by 31 December 2015.

This report sets out officer recommendations in relation to the contract and future service delivery.

Links

Coalition pledges [PO30](#)
Council outcomes [CO25](#)
Single Outcome Agreement

Internal audit & risk service delivery model

Recommendations

- 1.1 To note the proposals for future service provision for internal audit and risk services; and
- 1.2 To refer the report to Council, with a recommendation to exercise the Council's option to extend the existing co-source partnership arrangements with PwC for a further 12 months from 31 March 2016 in relation to the provision of audit services.

Background

Current service provision - co-source partnership with PwC

- 2.1 Internal audit services are currently provided through a co-source partnership with PwC. The Council's Chief Internal Auditor is provided by PwC under the co-source arrangements and further capacity and capability is provided by PwC colleagues working in partnership with Council staff in a 'one team' approach.
- 2.2 In addition, specialist risk management input has been drawn down under the co-source contract to assist the Council in developing a risk management framework and methodology. A Chief Risk Officer role is presently undertaken by a PwC member of staff. The primary ongoing purpose of this role is to continuously improve the risk management system, set overall direction and ensure smooth operation of the various senior risk committees.
- 2.2 The contract between the Council and PwC commenced on 1 April 2013 and runs for an initial period of three years, ending on 31 March 2016, with an option to extend for a further 12 months with Council approval. If the Council wishes to extend, it must give notice to PwC by 31 December 2015.

Main report

Current environment

- 3.1 The improvements made in the Council's internal audit function, as well as its risk management arrangements under the co-source partnership with PwC have been well documented and are outlined in previous reports to Committee in May and October 2013, May 2014, March 2015 and June 2015.

3.2 It is clear that the Council's internal control environment will be critical over the next 18-24 months, as the Council moves through a period of major change. However, it is important to recognise the constraints on service delivery as a result of the savings that require to be achieved.

Future service provision

- 3.3 The Council is operating in a challenging environment with increased demand for services and continuing financial constraints. As a result, the existing arrangements for internal audit and risk cannot be brought within the available financial envelope. The internal audit function is clearly critical to the Council's internal control and assurance framework. Within the reduced budget available, it will be important to maintain the integrity of this core service. The risk management arrangements have brought considerable benefits in engaging discussion and linkage between risk and the provision of assurance but in light of the need to prioritise the internal audit service it is no longer possible to continue with the PwC arrangements as they currently stand.
- 3.4 There is now a formal risk management framework and methodology in place. A corporate risk function is needed to help embed risk across the organisation. In this context, and given the size and complexity of CEC, the Chief Risk Officer role presently undertaken by PwC is considered key.
- 3.5 It is proposed to recruit a Chief Risk Officer as an in-house lead to replace the PwC colleague currently undertaking the role. In addition, it is proposed that any roles within directorates across the Council with a focus on risk will be brought together centrally to support a Council-wide corporate risk function. It is estimated that savings of up to £125,000 could be achieved by adopting this approach when compared with the current arrangements.
- 3.6 It is envisaged that PwC could be asked to provide some assistance on a transitional basis during the period of recruitment and bedding in of the in-house senior risk management resource as well as generating early momentum in the development of the in-house service.
- 3.7 Although there have been significant improvements in the internal audit service, the quality standards and development of value-added activities are still relatively embryonic and require to be further embedded across the internal audit function. In addition, the Council internal audit team members do not yet have the full capacity or full capability to provide for all our internal audit needs without drawing down support from a partner.
- 3.8 Given the major programme of change within the Council, it will be important to maintain stability and continuity in the internal audit service and to continue the journey of transformation of the service to become a leading edge function. PwC has established a significant understanding of the Council and its challenges over the course of the last few years and in light of this there are considerable benefits in continuing to work with PwC for an additional 12 months:

- 3.8.1 this would allow current CEC staff to continue to develop and build their skill sets in a supportive environment as well as allowing any new recruits to bed into the team while maintaining support from PwC;
- 3.8.2 there would be stability to allow the internal audit quality programme to move further towards maturity;
- 3.8.3 the Council would benefit from continued support in helping senior management develop a more cohesive approach between existing pockets of assurance, including health and safety;
- 3.8.4 in addition, there would be continued access to PwC's pool of deep specialists, as deployed in the areas of pensions, health & safety and information/data audits in the last audit year;
- 3.8.5 a further 12 months of the stability and continuity provided by the existing contract would allow for fuller and more informed consideration of the optimal arrangements for future internal audit service delivery in light of the transformed Council; and
- 3.8.6 options thereafter to be considered range from a fully outsourced model, the current model of a co-sourced service with provision of a Chief Internal Auditor by an external partner, a co-source 'light' arrangement with an in-house Chief Internal Auditor drawing down additional capacity and specialist expertise from an external partner as needed, and a fully in-house service. This would allow stability and continuity during the period of transformation of the Council's services whilst considering future service delivery options.

Conclusion

- 3.9 The existing arrangements for internal audit and risk cannot be brought within the available financial envelope. The internal audit function is clearly critical to the Council's internal control and assurance framework. The initial three year term of the co-source contract will end on 31 March 2016, with the Council having the option to extend for a further 12 month period.
- 3.10 It is critical that the key control environment of the organisation is not compromised during a period of major change for the Council. In order to maintain a degree of stability and continuity within the internal audit function, the Council would benefit from extending its current partnership with PwC for a further 12 months to allow service delivery to be developed as outlined in this report.
- 3.11 It is proposed to bring the risk function in-house by recruiting a Chief Risk Officer as an in-house lead to replace the PwC colleague currently undertaking the role. In addition, it is proposed that any roles within directorates across the Council

with a focus on risk will be brought together centrally to support a Council-wide corporate risk function.

Measures of success

- 4.1 Maintaining the effectiveness of the Council's control environment during a period of major change.

Financial impact

- 5.1 Potential savings in the region of £125,000 could be achieved.

Risk, policy, compliance and governance impact

- 6.1 A strong internal audit function will play a significant role in providing assurance over the controls in place to mitigate the Council's most significant risks.
- 6.2 Efficient and effective risk management arrangements will help ensure that the Council's key risk areas are identified and monitored.

Equalities impact

- 7.1 No full ERIA is required.

Sustainability impact

- 8.1 None.

Consultation and engagement

- 9.1 None.

Background reading/external references

None.

Alastair Maclean

Deputy Chief Executive

Contact: Carol Campbell, Head of Legal and Risk

Links

Coalition pledges	PO30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	Our public services are high quality, continually improving, efficient and responsive to local people's needs

10am, Thursday, 10 December 2015

The Cooperative Capital Framework: Year Three Progress Report - referral from the Communities and Neighbourhoods Committee

Item number	8.6
Report number	
Executive/routine	
Wards	All

Executive summary

The Communities and Neighbourhoods Committee on 24 November 2015 considered an annual progress report which identified significant developments across all six themes of the Cooperative Capital Framework. An update was also provided on the implementation of the Council's decision made in November 2014 to mainstream coproduction.

Council is asked to note the progress achieved on the Capital Coalition pledges, and the substantial progress made in implementing the Framework, and to endorse the proposals for accelerated coproduction.

Links

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

Terms of Referral

The Cooperative Capital Framework: Year Three Progress Report

Terms of referral

- 1.1 The Council on 20 November 2014, agreed to mainstream coproduction across the council and that implementation and oversight be delegated to the Communities and Neighbourhoods Committee.
- 1.2 On 24 November 2015, the Communities and Neighbourhoods Committee considered an annual progress report which identified significant developments across all six themes of the Cooperative Capital Framework. An update was also provided on the implementation of the Council's decision made in November 2014 to mainstream coproduction.
- 1.3 The Committee received a presentation from children from Gylemuir Primary School on solar energy projects.
- 1.4 The Communities and Neighbourhoods Committee agreed:
 - 1.4.1. To note the progress made in the achievement of related pledges outlined in paragraph 3.2 of the report by the Deputy Chief Executive.
 - 1.4.2. To note the early indications of enhanced service-user influence, cultural change and action to mainstream coproduction outlined in paragraphs 3.4 to 3.7 of the report by the Deputy Chief Executive.
 - 1.4.3. To note the contributions to the Framework by other city partners outlined in paragraphs 3.9 to 3.14 of the report by the Deputy Chief Executive.
 - 1.4.4. To refer the report by the Deputy Chief Executive to the Full Council meeting on 10 December 2015 and recommend that Council:
 - 1.4.4.1. Notes the progress achieved on the Capital Coalition's pledges and the substantial progress made in implementing the Framework

1.4.4.2. Endorses the proposals for accelerated coproduction as outlined in paragraph 3.20 of the report by Deputy Chief Executive.

1.4.5. To thank the children from Gylemuir Primary School for their presentations.

For Decision/Action

2.1 Council is asked to note the progress achieved on the Capital Coalition's pledges and the substantial progress made in implementing the Framework, and to endorse proposals for accelerated coproduction as outlined in paragraph 3.20 of the report by the Deputy Chief Executive, specifically the inclusion of "*coproduction with citizens/communities*" as a routine requirement within all executive committee and council reports. This will augment the existing "engagement and consultation" elements of reports and guidance will be provided, based upon the current coproduction material on the Orb.

Background reading / external references

[Minute of the City of Edinburgh Council – 20 November 2014.](#)

Carol Campbell

Head of Legal and Risk

Contact: Ross Murray, Acting Committee Clerk

E-mail: Ross.Murray@edinburgh.gov.uk | Tel: 0131 469 3870

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	The Cooperative Capital Framework: Year Three Progress Report – report by the Deputy Chief Executive

Communities and Neighbourhoods Committee

10.00am, Tuesday 24 November 2015

The Cooperative Capital Framework: Year Three Progress Report

Item number
Report number
Executive/routine
Wards

Executive summary

This third annual progress report identifies significant developments across all six themes of the Cooperative Capital Framework. Pledges are being achieved, service user influence is growing and council culture and partnership efforts are now focussed upon identifying next steps.

The report also provides an update on the implementation of the Council's decision in November 2014 to mainstream coproduction and asks committee to consider additional measures in this regard.

Links

Coalition pledges	P6, P11, P15, P28, P37, P53
Council outcomes	CO7, CO8, CO10, CO11, CO14, CO23, CO26
Single Outcome Agreement	SO1, SO2, SO3, SO4

The Cooperative Capital Framework: Year Three Progress Report

Recommendations

- 1.1 To note:
 - 1.1.1 progress made in the achievement of related pledges outlined in paragraph 3.2 of this report;
 - 1.1.2 the early indications of enhanced service-user influence, cultural change and action to mainstream coproduction identified outlined in paragraphs 3.4 to 3.7 of this report;
 - 1.1.3 contributions to the Framework by other city partners identified outlined in paragraphs 3.9 to 3.14 of this report; and
- 1.2 To agree:
 - 1.2.1 to refer this report to the Full Council meeting on 10 December 2015 and recommend that Council:
 - 1.2.1.1 notes the progress achieved on the Capital Coalition's pledges and the substantial progress made in implementing the Framework; and
 - 1.2.1.2 endorses the proposals for accelerated coproduction as outlined in paragraph 3.20 of this report.

Background

- 2.1 The Capital Coalition's vision is 'To build a cooperative and more prosperous Edinburgh in which every resident and community benefits'.
- 2.2 In October 2012, Council agreed the 'Framework to Advance a Cooperative Capital 2012/17' ('the Framework') which described five core strategic themes.
- 2.3 In June 2013, the Communities and Neighbourhoods Committee approved an additional sixth theme related to cooperative corporate social responsibility.
- 2.4 The Cooperative Capital themes and related objectives are summarised below:

Cooperative Capital Themes	Intended Change Objectives
Cooperative Societies	<i>“Changing the market and economic infrastructure”</i>
Cooperative Community Engagement	<i>“Changing our relationship with communities”</i>
Cooperative Procurement	<i>“Changing the way we buy and grant aid goods and services”</i>
Cooperative Education	<i>“Changing the culture of schools and childcare”</i>
Cooperative Service Delivery	<i>“Changing the way we review and design services”</i>
Cooperative Corporate Social Responsibility	<i>“Changing Corporate Social Responsibility to meet city outcomes”</i>

- 2.5 The Framework also aspires to develop a new relationship with service users, citizens, communities and stakeholders, where more focus is placed upon *‘doing things with people’*, rather than *‘doing things to, or for people’*.
- 2.6 Work to develop and implement the Framework is coordinated through the Cooperative Development Unit (CDU) located in Corporate Governance. Work to progress pledges and framework themes is undertaken by council and partner staff guided by an Expert Group. The Compact Partnership provides the key reference to the Edinburgh Partnership.
- 2.7 In November 2014, Council agreed; (i) to the mainstreaming of coproduction across all Council policies and strategies and in the design, delivery and review of services and (ii) to task this committee with implementation and oversight. The report covers these matters and proposes additional action.
- 2.8 The Cooperative Capital Framework has been updated to reflect Council transformation, locality developments, budget engagement and consultation.

Main report

- 3.1 This report provides an update on the third year of operation of the Cooperative Capital Framework. The report highlights pledge attainment, key achievements, and, in Appendix 1, details the impact of the Framework on council, partner and community services.

Capital Coalition’s Pledges

- 3.2 The Capital Coalition’s four pledges focussed on cooperative initiatives have been achieved, as recorded in the recent performance report to the Council in November 2015. The following summarises the key developments for each pledge:

Pledge 6 - Establish city-wide childcare cooperatives for affordable childcare for working parents.

- continued application of Edinburgh’s After Schools Club Cooperative Charter;

- continuing application of the 'Schools of Cooperation Award' by the Cooperative Education Trust for Scotland with ten schools now attaining the award; and
- further development of cooperative nurseries in Fox-Covert and Wardie.

Pledge 11 - Encourage the development of cooperative housing arrangements.

- continuing operation of the Edinburgh University Student Housing Cooperative and development support for the Craigmillar Eco-Housing Coop; and
- continued improvements in cooperation in housing and estate management in North and East Edinburgh, implementation of the new tenant participation strategy and tenant inspections to improve repairs reporting and service.

Pledge 37 - Examine ways to bring the Council, care home staff and users together into cooperatives to provide the means to make life better for care home users and care provides.

- continuing application of the engagement strategy and charter in relation to National Care Home Standards and use of resident's personal plans and 'activity champions' continues in all Council care homes;
- as part of the 'Live Well in later Life' Strategy, validation of a tool (the Indicator of Relative Need or IoRN) to assess the level of needs of older people that is independent of the setting within which they are cared for and the provider of care;
- further development of the 'Ideas Change Lives' and "Working Together to Achieve Excellent Care" programmes;
- cooperation and coproduction as foundation principles within the work of the Health and Social Care Partnership's work to form a strategic plan; and
- establishment of a new (third sector) Care at Home Collaborative provides a cooperative model of service that may in due course provide care for older people in the City.

Pledge 53 - Encourage the development of Community Energy Cooperatives.

- the Legal Agreement (setting out service levels, community benefits, payment rates and other matters) between the Council and Edinburgh Community Solar Cooperative has been concluded. The share offer was launched at Gylemuir Primary School on 29 September 2015 and aims to raise £1.4m – pupils from the school will be attending committee today to [showcase their ideas](#), indicating how the Framework can resonate with young citizens; and
- the Council's 'Energy for Edinburgh ESCo' now has Articles of Association, a draft business plan is being progressed alongside a Stakeholders Agreement and Codes of Conduct. Energy for Edinburgh will take forward projects in due course once established and where it can add value.

Other key developments

- 3.3 The decisions of the Council of November 2013 relating to; (i) growing cooperatives, (ii) approach to asset transfer, (iii) expansion of participatory budgeting, and (iv) improved engagement with communities have also been progressed. Details are provided in Appendix 1.

Evaluating the impact of the Cooperative Capital Framework

- 3.4 Following committee's consideration of a proposed approach to impact assessment in June 2014, the Council in November 2014 endorsed the model to be applied from 2014/15.
- 3.5 Following this, initiatives taken forward under the Framework were assessed using the two key components of the model i.e; improved citizen influence and cultural change. The chart below shows the summary results of the evaluation.

Cooperative Capital Framework: Summary Performance Assessment 2014-15

Cooperative Capital Framework Theme	Intended Change Objective	Service User influence assessment score (average)	Cultural Change assessment score (average)
Cooperative Societies	<i>"Changing the market and economic infrastructure"</i>	4	D
Cooperative Community Engagement	<i>"Changing our relationship with communities"</i>	5	D
Cooperative Procurement	<i>"Changing the way we buy and grant aid goods and services"</i>	3	C
Cooperative Education	<i>"Changing the culture of schools and childcare"</i>	4	D
Cooperative Service Delivery	<i>"Changing the way we review and design services"</i>	4	D

The legend defines the assessment scales for User/Community and Culture Change. The User/Community scale ranges from 1 to 5, with 1 being 'Service users/other interests not involved' and 5 being 'People/users feel involved and can evidence their input to the service'. The Culture Change scale ranges from A to E, with A being 'No prospect to realise the objective' and E being 'Objective delivered and evidenced'.

- 3.6 In summary analysis of the 12 projects initially contributing to the Framework indicates; (i) on average citizens are positively influencing service design with an average score of '4' (users feel involved), and (ii) cultural change is taking place across these areas of service evidenced by an average 'D' assessment (improvements are being realised) .
- 3.7 The information provides a benchmark for improvements over the next few years where more project contributions (including those outlined in the appendices) will be included.
- 3.8 Appendix 1 provides further detail on the assessment outlined in paragraphs 3.4 to 3.6 above.

City partner contributions

- 3.9 The City's third sector, continues to contribute in a range of ways, including:

- 3.9.1 a new cooperative service delivery model of seven organisations with potential to provide Care-at-Home services for older people in the city – with significant potential to grow;
 - 3.9.2 re-provisioning of local services in Wester Hailes as part of council transformation (South West Total Place Project); and
 - 3.9.3 progress of a new data-share project with NHS Lothian.
- 3.10 Police Scotland – Edinburgh Division, continues to implement its (coproduced) strategic plan across the city, successfully engaging with citizens and communities through neighbourhoods and emerging locality arrangements. In addition, the service has recently re-established a volunteer coordinator to support citizens that contribute to local services.
- 3.11 NHS Lothian is also contributing in the form of a suite of Public-Social Partnership (PSP) arrangements. These include; (i) mental health provision in the new Royal Edinburgh Hospital [Wayfinder and Gateway PSPs](#) and (ii) the [GameChanger PSP](#) with the Hibs Foundation.
- 3.12 Committee is asked to note that in May 2015 the Compact Partnership Board agreed the following inclusions in the Compact Strategic Framework 2015-20:
- 3.12.1 add ‘cooperation with communities’ to the set of values; and
 - 3.12.2 apply coproduction as a core operational principle across the partnership’s work.
- 3.13 In June 2015, the Compact Partnership held an Edinburgh Partnership in Conference event as part of UK Cooperatives Fortnight 2015. With 80 delegates from across the city’s public, business and third sectors, the event emphasised current activity and the need for stronger partnership efforts to enable cooperative working across the City.
- 3.14 The recent ‘Let the 1,000 flowers grow’ event in early November has helped to identify a number of next steps for the Framework, for example:
- 3.14.1 coproduction should be a policy commitment across all sectors;
 - 3.14.2 partners should concentrate their efforts to address a common social challenge in the City for example reducing poverty, inequality and disadvantage through prevention; and
 - 3.14.3 coproduction should be seen as an approach to improving service design, delivery, impact assessment and in particular assisting in finding local solutions for local problems.
- 3.15 Further detail in regards to the range of partner contributions is provided in appendix 1.

Advisory Expert Group

- 3.16 The Expert Group has again undertaken a critical analysis of the progress of the Framework. The Group’s analysis identified:
- 3.16.1 the need for continued support for growing coops in order to foster community benefit, ownership and delivery;

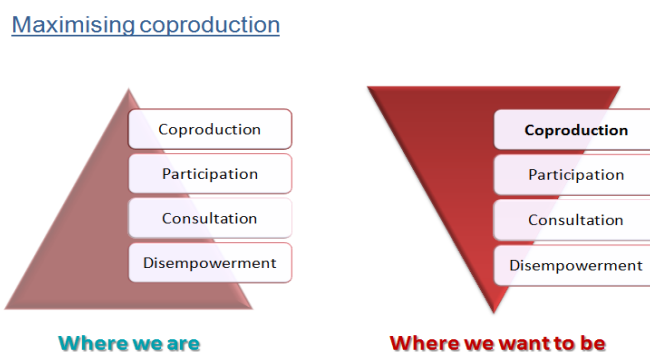
3.16.2 support for continued cooperation and coproduction for the benefit of service users, citizens and communities; and.

3.16.3 that cultural change is indeed taking place as regards centring services around and cooperative working with service users.

3.17 The Group suggested strengthening action around; (i) the impact of the Community Empowerment (Scotland) Act 2015, and (ii) inclusion of community coops in supplier development activity.

Accelerating Coproduction

3.18 Committee will recall the following model of coproduction for the City.



3.19 Good practice in coproduction is being actively applied in a range of settings, for example:

- compilation of the of the Community Plan 2015-18 and Compact Strategic Framework 2015-20;
- development of new community investment programmes by Executive Committees;
- the approach to the design of Citizen and Locality-based services by the Council Transformation Programme;
- emerging consortium solutions for the Care-at-Home market; and
- Health and Social Care Integration.

3.20 In some service areas however practices could be strengthened. Therefore to further embed coproduction, it is proposed that committee requests at the next meeting of the Council the inclusion of '*coproduction with citizens/communities*' as a routine requirement within all executive committee and council reports. This will augment the existing 'engagement and consultation' elements of reports and guidance will be provided, based upon the [current coproduction material on the Orb](#).

3.21 This action will ensure that service area proposals will be required to routinely evidence good practice in; (i) the involvement of service users and community and other stakeholders, and (ii) considering alternative options to deliver user outcomes. In order to assist this change, existing report-writing guidance would be amended to include advice on coproduction.

Citizens and Localities

- 3.22 Coproduction approaches remain crucial within the Transformation Programme's developments for localities. A Locality Transformation Plan has been agreed by the Executive Director of Communities and Families as Locality Champion. The Plan is based on four objectives; (i) empower citizens and communities and improve partnership working, (ii) implement a lean and agile localities operating model, (iii) deliver better outcomes and improve citizen experiences, and (iv) embedding values and developing culture.
- 3.23 The Plan provides the platform for an extensive staff and partner engagement programme and will complement the Council's Planning Framework. Arrangements for establishing the four Locality Leadership Teams are now underway with a small working group established to identify suitable governance arrangements. A critical product of these teams will be the development and publication of Locality Improvement Plans (required as a result of the Community Empowerment (Scotland) Act 2015). These will focus specifically on actions to address poverty and inequality and to better meet the needs of families and individuals with complex needs.

Cooperative Capital Innovation Network (CCIN)

- 3.24 The CCIN Network, chaired by the Council Leader since September 2014 has undergone substantial change in 2014/15 and this will result in a greater role for the City in due course. Further details are provided in appendix 1.

Measures of success

- 4.1 Implementation of the impact assessment for each framework objective and annual reporting to the Communities and Neighbourhoods Committee in November 2016.
- 4.2 Creation of base-line evaluation data 2014-16 and % increases as appropriate thereafter, included within the annual report in November 2016.
- 4.3 Attainment of related pledge commitments as reported in the twice-yearly Council performance reports in May and November 2016.
- 4.4 Increase in the volumes of coproduction and cooperative initiatives taking place in the Council and across community planning partners, reported as part of the annual report in November 2016.
- 4.5 Compact Partnership targets to strengthen coproduced action on reducing poverty, inequality and disadvantage, reported as part of the Compact Partnership annual review in June 2016.
-

Financial impact

- 5.1 Resources for cooperative capital framework activities are contained within service area budgets.
- 5.2 Cooperative engagement and coproduction of services will form a key element of the Council Transformation Programme Citizens and Localities workstream and will be contained within the allocated budget.

Risk, policy, compliance and governance impact

- 6.1 Key risks within the Cooperative Capital Framework are associated with achieving the four relevant Capital Coalition Pledges. This is mitigated by the joint and collaborative efforts of the CDU/project teams and engagement with key partners.

Equalities impact

- 7.1 The development and implementation of the Framework will assist the Council to deliver key equality and rights outcomes. It will also meet the Equality Act 2010 public sector equality duties to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations.

Sustainability impact

- 8.1 The development and implementation of the Framework enables the Council to meet the Climate Change (Scotland) Act 2009 public sector duties. The Framework also contributes to the delivery of Sustainable Edinburgh 2020 objectives, in particular the advancement of vibrant flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

Consultation and engagement

- 9.1 In addition to the annual report to Committee and Council, the following has also taken place:
 - Convenor's presentation to the Scottish Parliament's Cross-party Group on Cooperatives – March 2015 (with Glasgow City Council);
 - launch of new Compact Strategy – May 2015
 - refreshed staff guidance on the Orb and including case studies – June 2015.
 - updated profile of Edinburgh activities on the CCIN Network – June 2015.
 - 'Enhancing coproduction across the Capital', Edinburgh Partnership in Conference – June 2015.

- Two Council Leader’s briefing to children and families staff and commissioning and procurement staff in May and September 2015 respectively;
- two meetings of the Cooperative Capital Expert Group – February and September 2015; and
- ‘Let the 1,000 flowers bloom’ seminar - November 2015.

Background reading / external references

- [2016/20 Revenue and Capital Budget Framework: Reports](#), Finance and Resources Committee, 24 September 2015
- [Budget and Transformation: Approach to Engagement – Reports](#), Finance and Resources Committee, 27 August 2015
- [Council Transformation Programme: Progress Report](#), Finance and Resources Committee, 27 August 2015
- [Contribution of Edinburgh’s Third Sector – Annual Report 2015](#), report to the Communities and Neighbourhoods Committee of 22 September 2015
- Council website pages:
www.edinburgh.gov.uk/info/20234/cooperative_capital
- [The Cooperative Capital Framework: Year Two Progress Report](#) – report to the City of Edinburgh Council , 20 November 2014
- [Participatory Budgeting Update](#) – report to the Communities and Neighbourhoods Committee of 23 September 2014
- [Progress of the Cooperative Capital Framework](#) – report to the Communities and Neighbourhoods Committee of 23 June 2014
- [Consultation Framework](#), Report to Communities and Neighbourhoods Committee of 6 May 2014
- [Craigmillar Eco Housing Co-operative Funding](#), report to Communities and Neighbourhoods Committee of 11 February 2014
- [Cooperative Council Network](#)
- [CCIN Network Scotland region information](#) and [film](#)
- [A framework to advance a Cooperative capital 2012-17 – year one report. Report to Council 21st November 2013](#)

Alastair D Maclean
Deputy Chief Executive

Contact: Nick Croft – Corporate Policy and Strategy Manager

Email: nick.croft@edinburgh.gov.uk Tel: 0131 469 3726

Graeme McKechnie – Senior Corporate Policy and Strategy Officer

Email: graeme.mckechnie@edinburgh.gov.uk Tel: 0131 469 3861

Links

Coalition pledges	<p>P6 - Establish city-wide co-operatives for affordable childcare for working parents</p> <p>P11 - Encourage the development of co-operative housing arrangements</p> <p>P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors</p> <p>P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city</p> <p>P37 - Examine ways to bring the Council, care home staff and users together into co-operatives to provide the means to make life better for care home users</p> <p>P53 - Encourage the development of Community Energy Co-operatives</p>
Council outcomes	<p>CO7 - Edinburgh draws new investment in development and regeneration</p> <p>CO8 - Edinburgh's economy creates and sustains job opportunities</p> <p>CO10 - Improved health and reduced inequalities</p> <p>CO11 - Preventative and personalised support in place</p> <p>CO14 - Communities have the capacity to help support people</p> <p>CO23 - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.</p>
Single Outcome Agreement	<p>SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all</p> <p>SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SO4 - Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<p>Appendix 1 - Cooperative Capital Framework, key achievements, impact assessment and progress summary</p>



Cooperative Capital

Building capacity

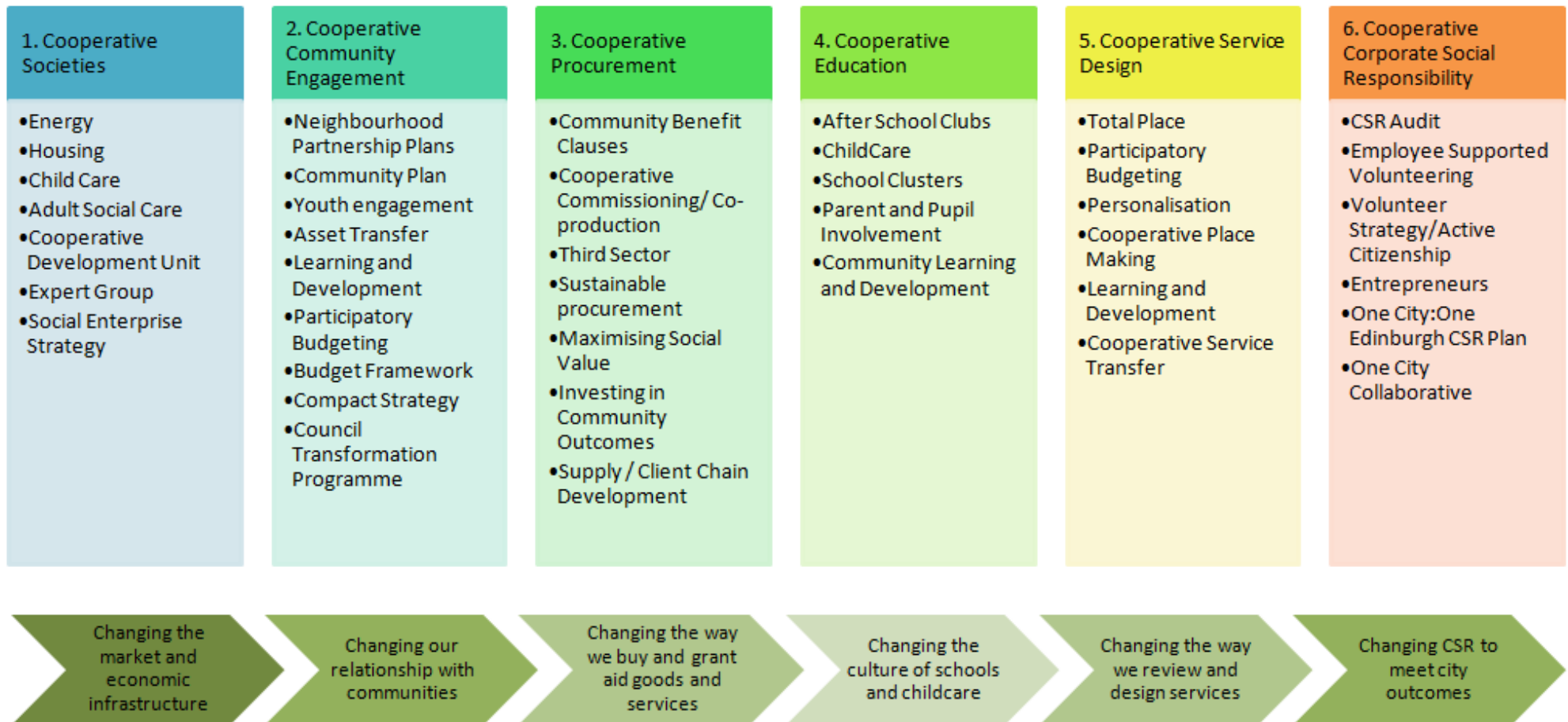
A Framework to Advance a Cooperative Capital 2012/17 Year Three Progress Report

November 2015

Section	Pages
Framework to Advance a Cooperative Capital 2015	3
Council decisions of November 2013, new development and CCIN	4 - 6
Impact Assessment and Evaluation 2014/15	7 - 8
Framework Themes and Objectives – Summary of Progress 2014/15	9 - 35

A Framework to Advance a Cooperative Capital 2012/17

For more information go to: http://www.edinburgh.gov.uk/info/20234/cooperative_capital



Council decisions of November 2013, new developments and CCIN

1. Introduction
- 1.1 This is the third annual progress report and the following sections highlight achievements of the Cooperative Capital Framework over the 2014/15 period. Substantial progress has been made with impact upon services being identified for the first time and a significant range of new projects being developed by both the Council and community planning partners. This progress is contributing to the [network of 24 local authorities](#) leading cooperative action across the UK.
- 2 This report provides Council and Committee with an overview of the range of positive progress taking place which indicates how Council decisions of November 2013 are being taken forward. Accelerated progress was requested in regards to;
 - i. growing cooperatives;
 - ii. development of an asset transfer policy,
 - iii. expansion of participatory budgeting; and
 - iv. improved engagement with communities.
- 2.1 Progress has been as follows:
 - 2.1.1 In regards to growing cooperatives; (i) 16 coops have come into existence in the City since the establishment of the Framework in October 2012, and (ii) following signing of the joint [Memorandum of Understanding](#) (in June 2015) between the Council, Scottish Enterprise and Edinburgh Voluntary Organisations Council, the Edinburgh Cooperative Enterprise Hub has been established providing bespoke support for aspirant cooperative organisations. A number of groups and organisations in the city remain interested in developing housing co-ops and some of them have approached the Council for support. The housing service is planning to host a seminar to bring together these organisations to share ideas and expertise and consider how projects could be taken forward.
 - 2.1.2 An interim Council Asset Transfer Policy (including leases) has been coproduced and is included within the Community Empowerment (Scotland) Act 2015: Update Report on today's agenda for approval.
 - 2.1.3 Participatory budgeting (PB) schemes are now in place across seven of the 12 Neighbourhood Partnerships. PB approaches are also being applied in commissioning of services as part of health and social care integration and employability services.
 - 2.1.4 In regards to cooperative engagement activity, the following is taking place:
 - i. continued delivery of neighbourhood partnership plans.
 - ii. the 'Draft Framework for a Co-operative Approach to Housing Services' is enabling stronger tenant participation and co-operative working.
 - iii. cooperative engagement and coproduction is now a key feature within the Council's Procurement Handbook and is being applied as executive committees form new investment programmes (grants and contracts) for community outcomes.
 - iv. in applying cooperative service design, work in youth services, West Edinburgh, homelessness prevention, complex and crisis services, advice services, care at home, mental health, community and accessible transport, etc. is underway to re-profile these services.

- 2.1.5 Enhanced cooperation and coproduction is a key element of the Council's Transformation Programme ('CTP'). This is evident in the current budget engagement and consultation arrangements, efforts to shape the pattern of citizen and locality services and proactive engagement with third sector and community representatives to consider alternative approaches to service design and delivery.
- 3 New developments
- 3.1 In 2014/15, there have been a number of new developments contributing to the Framework, in particular:
- 3.1.1 improved nursery provision and new facilities within Wardie and Fox-Covert Schools, these are cooperatively designed and managed with full and equal input from pupils, parents/carers and staff; and
- 3.1.2 The Edinburgh Community Solar Cooperative recently launched a £1.4m public share offer, intending action to mitigate fuel poverty in the City within five years.
- 3.2 In the year, within Health and Social Care a number of positive coproduction initiatives have been progressed including:
- 3.2.1 a new third sector Care at Home Collaborative provides a new cooperative opportunity for providing services within the older peoples care market;
- 3.2.2 validation of a tool (the Indicator of Relative Need or IoRN) providing an assessment of need by the older person themselves and those involved in caring for them;
- 3.2.3 the 'Ideas Change Lives' programme was funded through the Care Homes Small Investment Fund and involved using the outputs from Dementia Mapping activity in a sample of Edinburgh Care Homes run by the local authority, independent and voluntary sectors;
- 3.2.4 the "Working Together to Achieve Excellent Care Programme" seeks to foster and embed a cooperative culture and ethos across the care homes for older people run by the Council. One home has also scored a grade 6, the highest grade possible, for User Participation;
- 3.2.5 a number of cooperative initiatives are being developed in respect of people with dementia including:
- collaboration with people with dementia to produce publicity materials for the Dementia Friendly Edinburgh campaign;
 - the establishment of a coproductive partnership to develop a citywide consultation model to enable the views of people who have a diagnosis of a dementia to inform future developments; and
 - the formation of a co-production partnership project team involving the Council, NHS Lothian and Alzheimer's Scotland to take forward Dementia Post Diagnostic Support (PDS) it has supported delivery of the Scottish Government commitment to provide PDS for 1 year following diagnosis. The service specification was co-produced and service development has included establishing a citywide service through a contract with Alzheimer Scotland to provide 6 staff to deliver PDS.

- 3.2.6 The Joint Carer's Strategy which will form the basis for the commissioning and procurement of support services for carers was co-produced, further details are on the [Ready for Business website](#). The new grant prospectus for carer support has also been coproduced.
- 3.2.7 Collaboration with service users continues to be a key element of service planning and design within Health and Social Care with particular interest in the Personalisation Core Group which has produced [a short video](#) about its journey and has also engaged with the work taking place on the integration of health and social care.
- 4 Progress of the Cooperative Council Innovation Network (CCIN)
- 4.1 The Council continues to benefit from being a member of CCIN, which provides access to material on innovative good practice, impact analysis, data-collection and case-studies.
- 4.2 In addition, being a member of the network allows the city to showcase key developments across the UK, while being aware of innovations, enterprise and international products.
- 4.3 However in order to deliver business more efficiently and in response to member's concerns, the network concluded the earlier operating model and accompanying consultancy support in early March 2015.
- 4.4 Following the above changes, the network agreed in-principle to a member management and development model. The new arrangements, recently endorsed at the September 2015 AGM, provides for the following:
- i. Network Support - Plymouth City Council will facilitate the network;
 - ii. Member-led Policy Development Lab(s) are to be established – possible initial focus on housing / devolution / health and social care / welfare reform – with a focus on the added value of cooperative working;
 - iii. Coop Innovation Fund of £50,000 to be identified (drawn from CCIN membership fees) for members to furnish policy development (lab) work;
 - iv. enhanced communications through an improved social media presence and website developments complemented by an annual CCIN showcase conference;
 - v. in relation to network development – this will be in the form of a new regional set up (Scotland + NI*/ Wales + Midlands / England North / England South) to support network development and recruitment facilitated by a lead member council in each of the four regions;
 - vi. broadening of the role of the Values and Principles Board and improved performance analysis assessing the impact of cooperative approaches.
- 4.5 Edinburgh continues to have a substantial influence in the recent developments and the regional approach as outlined above will offer the opportunity for focussed development activity across the Scottish/Irish region. These matters will be progressed by the CDU. It is anticipated that a proportion of network fees will be provided to the Council to cover these additional requirements should the Council facilitate growth in the region*.
- 4.6 The Council Leader continues to chair the Network and has recently committed to chairing the Network's Values and Principles Board.

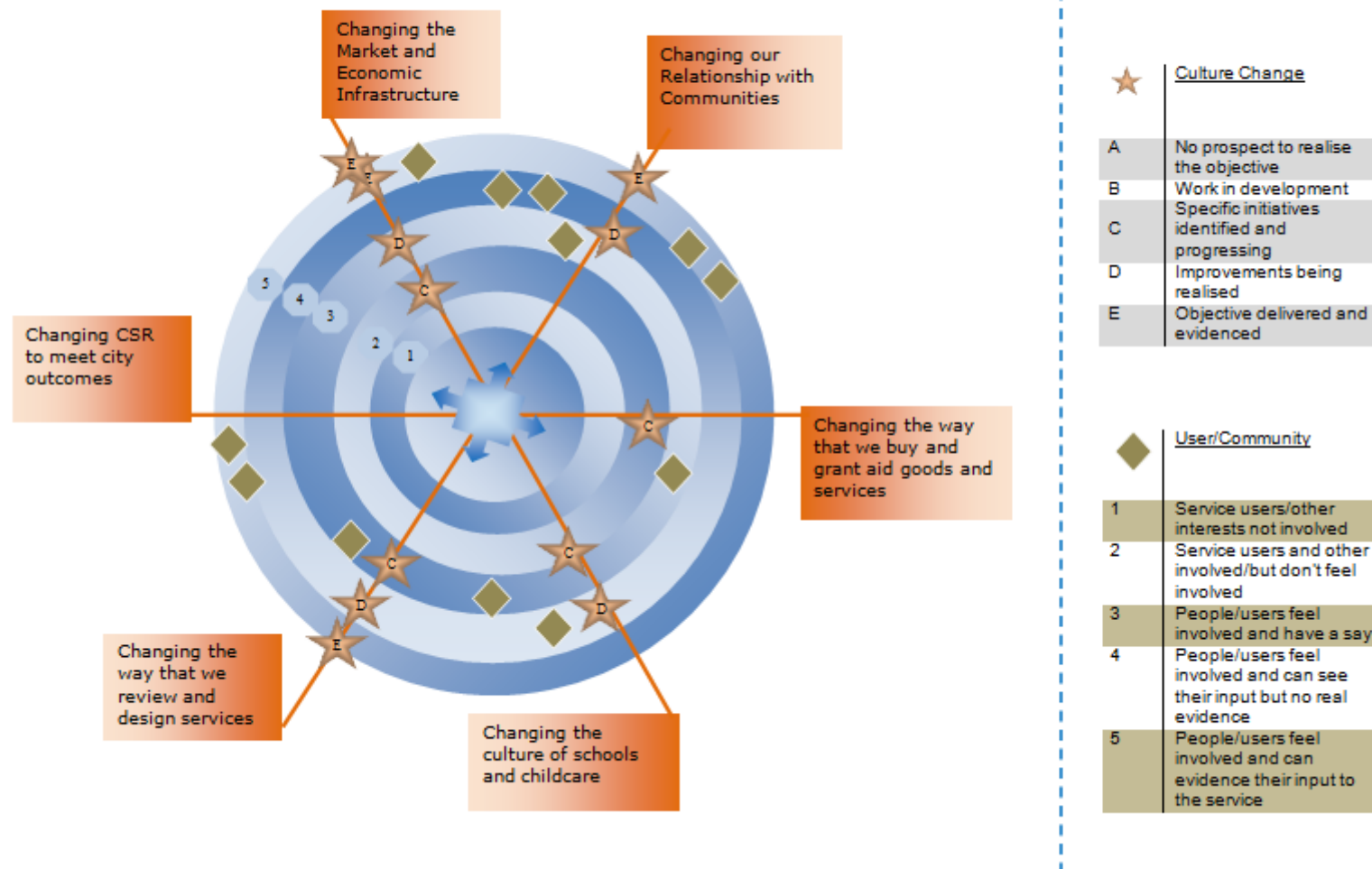
Cooperative Capital Framework Performance Assessment 2014-15

Cooperative Capital Framework Theme	Intended Change Objective	Contributing Project and Council Service Area	Service User influence assessment score (average)	Cultural Change assessment score (average)
Cooperative Societies	<i>"Changing the market and economic infrastructure"</i>	Wardle & Fox-Covert cooperative nurseries and playgroups	3	C
		Solar Cooperative	4	D
		Sustainable Housing Cooperative	5	E
		Student Housing Cooperative	4	E
Cooperative Community Engagement	<i>"Changing our relationship with communities"</i>	NP Participatory Budgeting	5	E
		Greenfields /West Dilton	5	D
Cooperative Procurement	<i>"Changing the way we buy and grant aid goods and services"</i>	Investing in community outcomes (revision of grant and contract programmes)	3	C
Cooperative Education	<i>"Changing the culture of schools and childcare"</i>	Cooperative schools	4	D
		Child Poverty	3	C
Cooperative Service Delivery	<i>"Changing the way we review and design services"</i>	Leith Youth Services	3	C
		Homelessness Prevention Commissioning	5	E
		Tenant Participation Strategy and Tenant-Led Inspections	5	D

User/Community	
1	Service users/other interests not involved
2	Service users and other involved/but don't feel involved
3	People/users feel involved and have a say
4	People/users feel involved and can see their input but no real evidence
5	People/users feel involved and can evidence their input to the service

Culture Change	
A	No prospect to realise the objective
B	Work in development
C	Specific initiatives identified and progressing
D	Improvements being realised
E	Objective delivered and evidenced

Cooperative Capital Framework: Impact Assessment from participating initiatives/projects



Cooperative Societies (Changing the market and economic infrastructure)

Citizen and User Influence

Development of Coops in Edinburgh

Since the installation of the Framework in October 2012, 16 coops have developed in the City (*receiving Council support), including:

- the Public Affairs Coop
- Edinburgh Community Solar Ltd*
- Swap and Reuse Hub Cooperative
- Edinburgh Iyengar Yoga Centre (Community Benefit Society)
- Edinburgh Student Housing Cooperative*
- Bruntsfield Community Greengrocer (known as 'Dig-In')
- Water of Leith Credit Union
- Craigmillar Eco Housing Co-operative*
- Pentland Garden Services Co-operative
- Harlaw Hydro*
- The New Leaf Co-operative
- Dotbot Ltd
- Mike Stoane Lighting
- Edinburgh Cultural Venues Ltd*
- Edinburgh Care at Home Collaborative
- Encompass Co-operative (pending registration as a formal cooperative).
- In June 2015 a [joint Memorandum of Understanding](#) was signed by the Council, Scottish Enterprise and Edinburgh Voluntary Organisations Council.
- the 'Buy the Good Stuff' campaign indicates that social enterprises re-invest profits into the community and is endorsed by 200+ enterprises within the City.
- Reflecting the ethical business approach of coops, on 24 September the Edinburgh Social Enterprise Network launched the 'Buy the Good Stuff' campaign 2015:



Key developments

- The Edinburgh Community Solar Coop has agreed a Service Agreement with the Council and the £1.4m public share issue was launched on 29 September 2015.
- Harlaw Hydro has been generating renewable energy since the summer 2015 and funded through a successful community share offer.
- Edinburgh Student Housing Coop is keen to move on from their initial acquisition and is examining alternative locations including joint ventures with other RSLs and coops.
- Craigmillar Eco-Housing Cooperative has received planning permissions, appointed an architect and is engaged in sourcing funding to build the homes.
- The Water of Leith Credit Union is teaming up with Castle Credit Union to provide a new 24/7 community banking facility which will assist those seeking access to finance.
- Following the joint MoU being established, partners alongside Coops UK have agreed to establish the city's Coop Enterprise Hub – a dedicated business support service to grow the coops from the current baseline of 60 businesses. Currently Bread-share is receiving support to develop a network of community bakeries using a cooperative model.
- The new Care at Home Collaborative is a cooperative delivery model comprising seven social care providers and provides a new care model for older people in the City;
- 'Encompass Cooperative' a small social care coop in development (October 2015) to provide specialist personal care within a small number of families. This development has been supported by Edinburgh Development Group.
- New UK support arrangements to further support coop growth has also recently been [announced](#).

Citizen and User Influence

Growing Social Enterprise

In November 2013 the Compact Partnership Board published “Enabling Enterprise”, the city’s social enterprise strategy 2013-18. The strategy was endorsed by the Council in February 2014. In a recent biennial survey of the sector by Edinburgh Social Enterprise Network the following is identified:

- there are at least 200 social enterprises in Edinburgh (up from 120 in 2013) with 1,220 staff, 650 trainees and 6,000 volunteers;
- the sector has a turnover of £120 million a year, (up from £44 million in 2013) with 94% generated from trading, up from 75% in 2015;
- consumers remain the main market for 58% of social enterprises.

The Edinburgh Business Gateway service includes a discrete programme for developing social enterprise. In the year the service has supported 69 existing social enterprise, 69 start-up and 42 pre-start enterprises to grow.

Key developments

The 2015 Social Enterprise Census describes a positive opposition for the City in regards to the profile and provision for social enterprise and entrepreneurship to flourish, enabled by policy landscape conditions and aspirations of organisations and individuals across Edinburgh. The Census highlights the following:

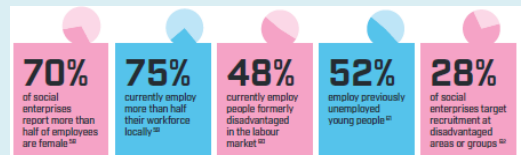
- the City of Edinburgh is home to 670 (13%) social enterprises and 12% of charities in Scotland;
- the city has the highest urban/semi-urban volume of social enterprises with 1.4 per 1,000 population.

Other information on social enterprises indicates that:

- enterprises located within areas of poverty and inequality can play a major role in helping citizens, for example through; prevention, employment, community banking, community amenities, affordable food etc.
- 70% of Scotland’s 6,000 enterprises are registered companies or societies, i.e.; Community Interest Company (CIC), Industrial and Provident Society (Coop) and Scottish Charitable Incorporated Organisation (SCIO);
- the sector leads on ethical practice, putting people before profit with strong gender balance and fair executive pay policy and practice as outlined below:


NUMBER AND INCOME OF SOCIAL ENTERPRISES ACROSS ECONOMIC SECTORS			
KEY	Number of social enterprises	% of all social enterprises	% of social enterprise sector income
Arts and Creative Industries	708	14%	5.1%
Childcare (FEATURED SECTOR)	670	13%	2.2%
Community Amenities	848	16%	1.1%
Education, Training and Employment	222	4%	4.2%
Environment and Recycling	156	3%	1.8%
Financial Services (FEATURED SECTOR)	138	3%	0.9%
Food, Catering & Hospitality	78	2%	0.7%
Health & Social Care	623	12%	26.3%
Housing (FEATURED SECTOR)	264	5%	40.8%
Information, Consultancy and Support	250	5%	3.1%
Property, Energy and Land Management	238	5%	1.4%
Retailing	136	3%	3.8%
Sport & Leisure	228	4%	1.2%
Tourism & Heritage	243	5%	4.4%
Transport	82	2%	0.4%
Other	317	6%	2.7%
TOTAL	5,199	100%	100%
	Number of social enterprises	% of all social enterprises	% of social enterprise sector income

Note: Social enterprises have been categorised by their principal field of economic activity (not main social purposes). Some social enterprises will work across multiple economic sectors.



Citizen and User Influence

Cooperative Nurseries

- Engagement with local communities as part of the statutory public consultation process.
 - Working groups in each school involving Council officers, school staff, Parent Council representatives and members of the design team met to establish the location and progress the design of the new nurseries at Wardie and Foxcovert.
 - Parents/carers and members of the community responded to a questionnaire to give their views on the service Foxcovert Early Years Centre (EYC) and Wardie Nursery should provide.
 - A series of engagement meetings with the board of both Wardie partner nursery and Fox-covert partner nursery to consider the future partnerships between the partner nursery and the new provision.
- 

Key developments

Foxcovert:

- Plan to build a synthetic football pitch in response to consultation with parents/carers.

Foxcovert and Wardie:

- Plan to develop a stakeholders group to involve parents/carers and the community in decision making and the development of the early years service.

Cultural Change Result

- Change the culture of schools and child care.
- Increase in the numbers of service users, representatives and providers that feel involved and listened to in shaping services.

Service User comments


Wardie:

- *"Would like a breakfast club."*
- *"Need more after school provision."*

Foxcovert:

- *"Request for flexible delivery of 600 hours of ELCC."*
- *"Request for parents groups"*

Application of coproduction

- Parents were involved in working groups to consult with them in relation to the design and location of the nurseries at Wardie and Foxcovert.
 - Parents were consulted with via a questionnaire to give their views on the development of services at Wardie nursery and Fox-covert EYC.
- 

Differences made and achievements

- Sharing of information and joint planning.
- Users feel they have been consulted with and have had a role in the development of early year's services.
- Areas of conflict have been aired and resolutions sought.

Citizen and User Influence

Cooperative Childcare

- A pilot was established with the voluntary playgroups/nurseries in an area of South Edinburgh to explore working cooperatively.
- There was a series of meetings to identify common issues and explore whether they wanted to work cooperatively.
- The voluntary playgroups expressed an interest in working cooperatively together and regular meetings were established.
- The groups prioritised the common issues that they wanted to support each other with.



Key developments

- Session organised with peripatetic teachers to offer support with observation and planning.
- Guidelines for good practice with regards to management committees produced.
- Plan to develop cooperative working with the other voluntary playgroups / nurseries using a locality model.

Cultural Change Result

The culture of child care has changed:

- Consultation with voluntary playgroups/nurseries is now established practice.
- There is a greater understanding of the challenges facing the voluntary playgroups/nurseries and how these can be addressed through cooperative working.

Service User comments

Verbal feedback from staff in pilot:

- *"They don't feel so isolated."*
- *"The meetings provide an opportunity to share practice issues and support each other."*

Application of coproduction

- Voluntary playgroups/nurseries work cooperatively to deliver good quality early learning and child care.
- Cooperative working enables voluntary playgroups/nurseries to be more sustainable.

Differences made and achievements

- Voluntary playgroups/nurseries in an area of South Edinburgh are working cooperatively for their mutual benefit and support.
- The groups feel that they have more of a shared voice with regards to taking forward issues.

Citizen and User Influence

Care for Older People

(Care at Home Collaborative – third sector)

- Care provider gap in the city in regards to the care of older people.
- Care provided in localities and which meets service-user/those with their own care budget to invest in local provision.



Cultural Change Result

- Local organisations working together.
- Development of a new management organization.
- Enterprising to sell required activities back to the independent and public sector.
- Continued recruitment of new organisations to maintain small geographies.
- Growth within localities.

Key developments

- Second Care at Home Summit – April 2015
- Core Group Analysis Autumn – Spring 2015
- Recruitment of additional partners to broaden the Collaborative - July 2015
- Company registered in July 2015
- Discussions with the Care Inspectorate – August 2015

Application of coproduction

- The operation of the Collaborative follows cooperative principles and therefore coproduction of the services revolves around (i) service-users needs and (ii) partner agreement.

Challenges

- 3000+ hours per week to break-even
- Extremely high market entry costs
- Meeting the Care Regulator requirements
- Logistics
- Financial risks (e.g. borrowing @ 7%)
- Reputational risk (e.g. failure to grow)
- Contractual risks (complex KPIs)
- Recruitment – Travel Time
- Shared economies
- Applying the living wage

Differences made and achievements

- Seven (phase one) organisations in the collaborative.
- Three phase two organisations.
- Ongoing discussions: City of Edinburgh Council, Care Inspectorate, Scottish Government, Joint Improvement Team.
- Funding: Social Investment Scotland, Scottish Government.
- Subgroups: Policy and Procedure, Finance and Resource, Organisational Development, Membership
- Board Development in progress.
- Self-ownership and responsibility to develop service and to grow the business.

Cooperative Community Engagement (Changing our relationship with communities)

Citizen and User Influence

21st Century Homes

New Council homes for social rent and mid market rent built at Greendykes and West Pilton Crescent as part of 21st Century Homes Programme.

- Opportunity to pilot new ways of working with tenants to encourage them to take more responsibility for decisions about their homes and neighbourhoods.
- Staff in East and North Edinburgh have proactively encouraged cooperative working from the pre-tenancy sign up stage. Staff arranged initial meetings to bring people together and are continuing to work with them to help resolve issues and encourage tenants to work together.



Key developments

- Tenants signed a 'Cooperative Charter', setting out how tenants and local Council staff will work together.
- Meetings have taken place in Greendykes and West Pilton Crescent helping tenants to get to know one another and to build relationships with local staff.
- Discussions on priorities and issues such as common space, stair cleaning etc. have taken place

Cultural Change Result

- Better working relationship between tenants and neighbourhood staff.
- Increase in the number of tenants that feel involved in making decisions about their homes and community

Application of coproduction

- Tenants and neighbourhood staff working together to agree priorities for homes and environment and coming up with a joint action plan to address issues.



Differences made and achievements

- Tenants in Greendykes worked together to agree the use of an area of common ground (play area being installed).
- Tenants in Greendykes are setting up a residents association with other residents in the area.
- Issues raised by tenants, for example, problems with bin stores and outstanding repairs were dealt with quickly by local staff as tenants wanted these issues dealt with before focusing on wider cooperative approach.
- Engaging with tenants in a cooperative way and encouraging tenants to work together and take responsibility for decisions about their homes and environment should mean fewer management and maintenance issues in the longer term.

Service User comments

"I recently attended a meeting with neighbours and the Neighbourhood Alliance. This was to discuss some recent issues, local objectives and proposals to develop the common garden area. I found this cooperative approach to discussions worthwhile and working with my neighbours very enjoyable. I was pleased to see agreement reached on creating an infant's play area."
(Greendykes tenant)

Citizen and User Influence

Reporting of Housing Repairs

The tenant led inspection process was developed with tenants through the Edinburgh Tenants' Federation (ETF). ETF wanted to develop new ways of involving a broader range of tenants in scrutinising housing services.

- Tenant led inspections provide the Council with an independent and objective assessment of housing services.
- Inspections provide opportunities for staff and tenants to develop a better understanding of each other's concerns, for example, tenant inspectors have grasped the complexities of delivering effective services across a large organisation, while the Council has received confirmation of what is working well and where improvements are required.



Application of coproduction

- An inspection framework and a code of conduct were agreed with the Head of Housing (developed by the tenants).
- To carry out the inspection, ETF organised a briefing session for those interested in taking part. Eight tenants committed to a detailed training programme, which they undertook before carrying out the inspection. This included sessions on communication and interview skills.
- The inspectors decided on a range of methods to assess the service, including observing staff and listening to calls; interviewing staff; interviewing tenants who had recently reported a repair, and examining policies and performance reports.
- The inspectors produced a draft report, which Council officers commented on before it was finalised. An action plan was drawn up, which has been agreed with tenant inspectors and this will be monitored jointly.

Key developments

- There is a long history of tenant scrutiny in Edinburgh with the first tenant led inspection of housing services taking place in 2008.
- The most recent inspection (April 2015) has been on 'the first point of contact with the Council when tenants report a repair requirement'.

Service User comments

'It was a very worthwhile experience. It certainly was an eye opener and very enlightening as well.' Tenant Inspectors.

Cultural Change Result

- Some of the tenant inspectors have said they would like to be involved in future service reviews.
- Increase in the number of service users, in this case Council tenants, who feel involved and listened to in shaping services.

Differences made and achievements

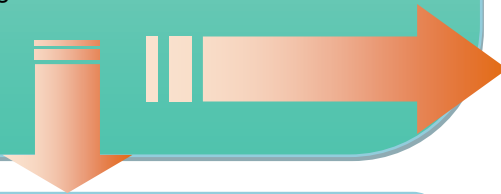
- Following the repairs reporting inspection, tenants have made 18 recommendations for improvement and 16 of these are provisionally timetabled to be complete by December 2015.
- The most recent tenant satisfaction survey, in 2013, rated the Council the third best housing service in Scotland with 90% of tenants satisfied with the service overall. Increasing tenant scrutiny will improve tenant satisfaction with performance in the coming years and help to hold us to account to ensure an efficient value for money service.

Citizen and User Influence

Neighbourhood Partnerships - Participatory Budgeting

Participatory budgeting directly involves local people in making decisions on the spending priorities for a defined budget. This means engaging the community, to discuss spending priorities, make spending proposals and vote on them. It devolves decisions to communities, enabling more effective outcomes to be achieved and allowing people to see how their participation can result in tangible local change.

The approach has provided an opportunity to enhance and develop the work of NPs and support the Council's co-operative agenda through fostering a culture of engagement and partnership working founded on trust and accountability. It has been successfully implemented at a neighbourhood level since 2010.



Cultural Change Result

- Local people are voting on proposed projects and grant award which affect their area

Application of coproduction

- Community support is given to innovative proposals, with some proposals not identified as a priority

Differences made and achievements

Work on delivering the Participatory Budgeting Development Plan for the city continues across the city. This work is being taken forward by a group comprising representatives from the Council's Services for Communities, Children and Families, Health and Social Care and Economic Development Directorates, in partnership with Edinburgh Voluntary Organisations' Council, NHS Lothian and the Scottish Government.

Key developments



- Thirty seven local projects applied for grants of up to £1,000. People who live, work or studies in the Leith NP area were able to influence the allocation of funds. A total of 1,625 people participated, with 1,307 using the library and postal voting options; and 318 scored the applications on the day. Twenty five projects received awards.



- The Portobello and Craigmillar NP allocated the total 2015/16 Community Grants Fund through this event. This was the first time that the NP adopted a participatory budgeting approach. A total of £21,737 was available and applications were received from 29 local groups for projects totalling £35,679. A voting fortnight took place in local libraries from 27 April to 8 May 2015.



- *Liberton / Gilmerton NP Neighbourhood Environmental Programme (NEP)*: For the first time in the City, a participatory budgeting approach was used to allocate the Neighbourhood Environment Programme fund for 2015/16. Social media was used daily over a two week period to promote the opportunities to participate. Voting was also made available to young people aged 12-17 years, encouraging them to register and participate for the first time.

Citizen and User Influence

Equalities and Rights Network

- In October 2014 the Communities and Neighbourhoods Committee endorsed a proposal to establish a new Equalities and Rights Network within the City.
- Initial partners include Police Scotland, NHS Lothian, Edinburgh Partnership's Equalities and Rights Adviser, leading third sector providers and citizens from equalities and rights interests.
- The business of the Network will be set by the Network's Board that will proactively engagement with members to identify key business priorities.
- The Network was launched on 21 October 2015.



Cultural Change Result

- The creation of the network ensures a strong coordinated access point for the voice of citizens and others from equalities and rights interests in the design and delivery of public services.
- Having ready-access to these interests will enhance the ability of commissioners to coproduce services and ensure that impact assessments are routinely being applied in this regard.

Key developments

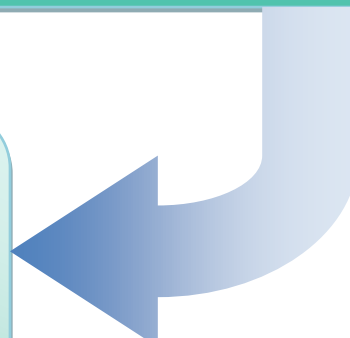
- The Network Board was established in February 2015 with established charter and governance arrangements.
- The Communities and Neighbourhoods Committee in February 2015 agreed to revise equalities and rights support arrangements to be delivered through the Network and in May to invest £40,000 in a business support provider.

Application of coproduction

- The availability of the Network ensures that equalities and rights issues can be fully explored within coproduction discussions.
- The Board in August 2015 approved a communications and membership growth plan.

Differences made and achievements

- In November 2015, the Network published a Memorandum of Understanding (MoU) which sets out the governance and operational and partnership activity.
- The MoU reiterates the Board's commitment to; (i) be reflective of the membership demography and (ii) that the business priorities will be informed by the membership.



Citizen and User Influence

Council Budget

- Committee will recall the recent decision (August and September 2015) of the Finance and Resources Committee to undertake around ten weeks of community engagement regarding budget reduction and other proposals for 2016/17.
- The budget engagement will take a broad approach, using the (i) dialogue app, (ii) budget planner and a range of traditional discussion sessions within localities.
- Reflecting the budget framework and the scale of change and move to locality delivery, committee also agreed that engagement on the Council budget be a continuing feature over the next 3-4 years.



Key developments

- Council budget framework proposals for 2016/17 considered by council in January 2016.
- Further reports to the Finance and Resources Committee January 2016 regarding the progress of engagement.

Cultural Change Result

- With improved community engagement on budget proposals for 2016/17, it is hoped that the product of the budget engagement will identify a range of preferences for reductions and this will help finalise proposals for the council in January 2016.
- The ongoing dialogue with communities and in particular citizens with protected characteristics, i.e.; equalities and rights, poverty and disadvantage, disability, ethnic minorities, older and younger people, etc. will help shape service priorities for the Council both across the city and within locality areas. As part the discussion with communities the following will be investigated; (i) proposals for particular activity, i.e.; appropriate investment in high and lower priorities, (ii) alternative delivery options.
- In adopting a cooperative approach to mitigating service and the budget challenges, it is hoped that (a) citizens will have a greater appreciation and value of the range of services delivered by the Council, and (b) will increase their input into their community to work in partnership with local organisations including the Council.

Citizen and User Influence

Youth Talk

- Consultation with local young people and through surveys with local residents living in Liberton / Gilmerton, a common consensus of opinion emerged that “there is nothing to do here, nothing for young people”. Despite this perception, service providers and partners were delivering a relatively wide range of opportunities and activities aimed at young people.
- Simultaneously, Police Scotland were reporting a high number of youth calls (during 1st January 2012 to 30th November 2012 - 1,335¹ ‘youth calls’) had been received, the majority of which related to low level incidents- further highlighting that some young people were choosing to engage in anti-social behaviour rather than accessing alternative activities or services.
- The local community planning body, the Liberton / Gilmerton Neighbourhood Partnership, recognised the need to actively involve young people in a positive way in tackling these issues and has adopted an innovative partnership approach in youth engagement.



Cultural Change Result

Young people are now actively involved in shaping service delivery across neighbourhood services in the South of the city.

Application of coproduction

The young people involved in the engagement process generated over 70 ideas to improve services and facilities available in their local community.



Differences made and achievements

Service providers have an ongoing relationship with young people and local youth organisations, which are overseen by the Neighbourhood Partnership’s Youth Talk Action Group. The level of involvement has changed from young people “having a say”, to co-designing and delivering activities

Key developments

The target was to engage with 50% of the youth population in order to ensure that the process was robust and representative- 49% was achieved- over 1,500 young people. The youth sounding board whose members were aged between 11 and 18 oversaw the process and ensured that the engagement techniques used were inclusive, and directly aimed at the appropriate target group. In many instances, the young people became actively involved in the process and engaged with their peer groups. Methods of engagement included:

A mobile library used as a video bus- a Video Worker filmed vox-pop interviews with local young people;

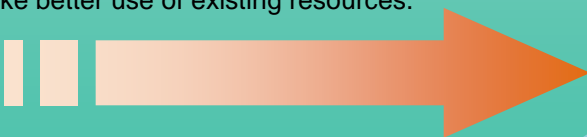
- Streetwork UK interviewed 658 young people on the streets over a year long period reaching those who are less likely to use traditional services;
- Opinion polls were held in the two local High Schools;
- Urban art graffiti workshops at the local Moredun Library;
- Community mapping sessions designed by the youth sounding board;
- A Market Place event was held with school leavers in Gracemount High School.

Pledges were also sought from service providers to identify where change could be made in direct response to the views expressed by young people- 40 service providers made 70 pledges.

Citizen and User Influence

Citizens and Localities

- The Council Transformation Programme's Citizens and Localities Work-stream has over the last few months been holding engagement sessions focussing upon local service priorities and use of assets.
- These engagement sessions have helped shape the outline approach to locality provision and transformation.
- Third and public sector partners have continued with the South-West 'Total Place' project which attempts to engage with staff, those who live, work, do business and learn in the area, as well as with all partners, to understand what people want and how services can collectively be re-shaped to deliver the following priorities:
 - change practice to identify local needs, solutions and better ways of delivering services;
 - increase and improve engagement with the community in developing services they want and need;
 - focus on early intervention and prevention, and reduce dependency on services to enable people to take control of their own lives;
 - make better use of existing resources.



Application of coproduction

- In line with Council decision of November 2014, a coproduction approach will be employed in the formation of Locality Plans and related service provision, in particular the examination of alternative delivery models.

Differences made and achievements

- It is hoped that the cooperative process being applied in the formation of Locality Plans (Transformation and Improvement) will enable improved and continued positive engagement with citizens and service providers.

Cultural Change Result

- Locality Transformation Plans will provide a platform for extensive staff and partner engagement programme.
- Arrangements for establishing the four Locality Leadership Teams are now underway with a small working group established agree governance arrangements.
- A critical product of these teams will be the development and publication of Locality Improvement Plans (required as a result of the Community Empowerment (Scotland) Act 2015).
- These will focus specifically on actions to address poverty and inequality and to better meet the needs of families and individuals with complex needs.
- Pilot working and meeting arrangements in localities from December onwards.

Key developments

- A Locality Transformation Plan has been agreed by the Executive Director of Communities and Families as Locality Champion for consideration by the Communities and Neighbourhoods Committee in November. The Plan is based on four objectives:
 - (i) implementing a lean and agile localities operating model
 - (ii) empowering communities and citizens
 - (ii) improving outcomes for citizens and communities and
 - (iv) developing culture and embedding values.
- It is anticipated that locality arrangements can be settled with partners from April 2016.
- Lessons from all three total place projects will help inform future citizens and locality plans as these evolve. Product from the 'Open Space events' in [April](#) and August 2015 is Wester Hailes Community Council.

Cooperative Community Engagement (Changing our relationship with communities)

Citizen and User Influence



Local Opportunities
for Older People

Signposting Older People
to Local Activities

- For busy social care professionals it can be challenging to find time to build relationships with local colleagues from other sectors and find out about the wide range of local activities and services available for older people in the area.
- LOOP meetings provide time and space to network and find out about valuable resources for older people and to develop new ways of working collaboratively to support and encourage local older people to use existing preventative services, social events and activities.



Cultural Change Result

- Older people and professionals in the area are routinely made aware of the services that they can use within the area

Application of coproduction

- In line with Council decision of November 2014, a coproduction approach will be employed in the formation of Locality Plans and related service provision, in particular the examination of alternative delivery models.

Differences made and achievements

- It is anticipated that there will be an increased take-up of local older people's services
- action to ensure the 'voice of older people' is heard and is used to inform policy and service development at a range of levels.

Key developments

Partners: Pilmeny Development Project and EVOC, working with City of Edinburgh Council, have established locally based Local Opportunities for Older People (LOOP) Networks in each of the Social Care quadrants to begin to address some of these challenges.

Consultation with local older people, projects and professionals was undertaken across the city and the following was coproduced in order to address the information deficit:

North East LOOP: Community Navigation
NW & SE: Support line
North West: Community Champions
South East: Chums
South West: Community Navigators

Improve the awareness of older people and care professionals in localities of services available in their neighbourhood.

During a mapping exercise over the last year EVOC identified 1900 activities for older people every week. We have put that together as a website at <http://www.evocredbook.org.uk>

Citizen and User Influence

Payment to Third Parties

(Investment in Community Outcomes)

- In February 2013, as part of the Council's Budget Framework a review of grants to third parties was commissioned. The review product (undertaken through coproduction) was reported to the Communities and Neighbourhood's Committee in February 2013 which included; (i) transfer of grant-making decisions across all executive committees, (ii) new grant programmes be coproduced with three years as a default.
- As part of the Council Transformation Programme, the Finance and Resources Committee in January 2015 approved the business case to reduce by 10% current investment (grants and contracts) in community services. (This included the product of the grants review) and the business case identified that coproduction approaches be applied in regards to developing new investment programmes.



Cultural Change Result

- Coproduction efforts to devise new investment (grant and contract) programmes have led to a broader dialogue with service users, third sector providers and other interests.
- On occasion, service user/third sector input has enhanced the quality of engagement and provided alternative approaches to the funding of community services by the Council, examples of this include; focus upon outcomes while moving away from user-cost-outputs, a greater use of 3 year funding to support sustainability, greater use of added value, more flexibility in providing investment and improved and routine engagement with service users.

Key developments

- A Coproduction Steering Group on Payments to Third Parties comprising leading third sector interests and council officers, was created in April 2014 and continues to operate.
- Executive committees will have received reports over the last 18 months on the development and application of new investment programmes, in particular; new 3 year programmes being applied by the Children and Families Committee, new 3 year employability schemes under the Economy Committee, new commissioning arrangements under the Health and Social Care Committee and transition to the IJB/Health and Social Care Partnership

Citizen and User Influence

Commercial and Procurement Strategy and Handbook

- The Finance and Resources Committee in May 2015 received an update in relation to the progress of sustainable procurement practice allied to the Cooperative Capital Framework.
- While procurement activity covers a diverse array of goods, works and services, the key area for coproduction is in the provisions of works and services.
- Coproduction, in particular working with service users and the commissioning of services based on outcomes form a key area of the strategy.
- The Handbook also provides further guidance on the steps to occur to ensure that (in relation to service contracts) service users are involved in the formation of outcomes.
- In relation to capital/works contracts, in order that the building facilities are sustainable, it is good practice for those commissioning the building to ensure strong user input to inform the design/fit-out.
- On 3 August 2015 the Finance and Resources Committee appointed CLG as the new ICT provider for the Council. Within the procurement a requirement for community benefits in the supply chain, employability and community were required.



Key developments

- The Council Leader hosted a briefing with council commissioning and procurement staff which reiterated the Capital Coalition's commitment to coproduce services with service users in order to ensure their needs and outcomes are being addressed.
- Staff involved in these areas have agreed to a quarterly practice forum to ensure continuity of approach.
- New (coproduced) guidance on investing in community outcomes is being finalised by the Compact partnership and this is likely to be of particular assistance to council staff in order to identify the most advantageous investment route for services.

Cultural Change Result

- Installation of coproduction approaches will lead to more sustainable services which will meet service user's outcomes.
- Staff involved in these areas will be able to identify a suitable approach to investment in securing the delivery and review and effectiveness of the service.
- CLG as part of securing the contract will offer a range of supply-chain benefits for social enterprises, 221 new jobs, 60 modern apprenticeships and will provide additional £1.5m of investment.
- Following the Council Leader's briefing, a new officer forum has been initiated by the commercial and procurement service to focus upon coproduction of services and related investment.

Citizen and User Influence

Supported Employment

- In May 2015, the Finance and Resources Committee agreed a contract for the provision of support services for people with disabilities to access employment.
- The new pan-disability service offer for all jobseekers with a disability and to align the service with the established Scottish Government's Supported Employment framework which sets out a 5 step approach to getting people into a job and sustaining and progressing within the job. A core requirement was to ensure in-work support was a key feature and that securing a job was the start of an on-going career aspiration which was sustainable.



Service User comments

"the new service meets my needs and supports me when I need it"

Differences made and achievement

- The provision of future services is now commensurate with the Scottish Government's inclusion employability programme.
- The voice of current and potential clients was a critical factor at the heart of the changes and was represented at all times.
- Challenging discussions with existing and potential providers also led to the position where a consortium was formed to deliver the service.
- The new service is now for four years, with an optional two year extension. This gives the client group the longest period of security of support.

Cultural Change Result

- The resulting outcome was the commissioning of a one stop shop Supported Employment service for all job seeking clients with a disability. The service brings together a core consortium of 6 third sectors organisations to provide the service.
- With a clear procured service, we are able to draw down European Social Funds (EU funds require procurement) at a 40% intervention rate, which will increase the core budget to circa £1.8 million. This is the largest investment in employment support for people with a disability in the history of the council.
- The early adoption of the Supported Employment model has already resulted in a 50% increase in employment outcomes as other providers take on its working methods and principles.
- Additional benefits are being realised including; 9 month internships in the Council to move into employment, expansion into the NHS, offering up to 60 internships over the next 3 years.

Cooperative Education (Changing the culture of schools and childcare)

Citizen and User Influence

Scottish School of Co-operation

- This initiative has been developed to introduce all of Edinburgh's school pupils to co-operative values and their associated models.
- All schools have been offered support and information from the Co-operative Education Trust Scotland (CETS) to help them meet the criteria required to apply for a Scottish School of Co-operation award.
- These criteria ensure that pupils have a democratically elected pupil council, actively participate in their school and community and also take responsibility for demonstrating and sharing their knowledge about co-operative values the wider community.



Service User comments

"Learning about co-operatives has helped me understand how I can be an active and useful person and what I can do to make a difference"

Cultural Change Result

- Through learning about co-operative models at school, pupils are introduced to a wider range of possibilities for engaging with their communities. Whether it is through setting up a co-operative business or active participation in the democratic process, this empowers them to understand how their voice and their actions can have a positive impact on their communities.

Key developments

- All primary and secondary schools across the council have been offered opportunities to learn about co-operative values and how these impact on developing pupil voice, understanding the democratic process and how their actions contribute to the positive wellbeing of their school and wider communities.
- To date 10 schools have achieved the award receiving their Charter Mark. Schools receiving the award include: Craigmount High, Gorgie Mills and primary schools; Stockbridge, Tollcross, Ferryhill, St Catherines, St Francis, Hermitage Park, Blackhall and Granton.

Application of coproduction

- Edinburgh Council is working in partnership with the Co-operative Education Trust Scotland and Scotmid to provide expertise in knowledge and understanding of Co-operative models. Scotmid has funded all the plaques for the schools as well as catering for any events, which schools may attend

Differences made and achievements

- It is too early to provide detailed evidence of the difference made. The aspiration is that as pupils move from school to further education, employment or self-employment, they will have the knowledge about co-operative models which can widen and inform their choices.
- At present, co-operative models are not usually an option when choosing to study business or when setting up their own business so by introducing this at school, it is hoped we can increase the number of co-operative business start-ups as well as encourage citizens, through pupil voice, to actively participate in the democratic process.

Cooperative Education (Changing the culture of schools and childcare)

Citizen and User Influence

1 in 5 Child Poverty

- School pupils and parents will be engaged throughout and influence the outcomes and recommendations that will be made to schools



Cultural Change Result

- Co-operative learning and engagement
- Enhanced engagement with parents and pupils in school policy

Key developments

- 5 primary schools and 1 secondary school involved in the project, which will examine in depth the cost of the school day and poverty-related stigma, and produce policy and practice guidelines and resources that can be shared across the school estate

Application of coproduction

- This is a joint activity that will meet the definition of coproduction agreed by the City of Edinburgh Council
- The policy and practice guidelines will be co-produced.

Differences made and achievements

- A better understanding of school-related costs for low income families and actions to reduce or remove these.
- A better understanding of the causes of poverty and greater empathy towards people living in poverty

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Leith Youth Services

- 90 young people responded to a survey over summer about views on youth work and what/how services might change. These will be used to help inform future service design and delivery.



Cultural Change Result

- Youth Services providers are working together more closely.
- Young people are more involved in shaping services
- Both of these will develop much further as a consequence of the work underway to review youth services contracts in the city

Key developments

- Sharing resources (e.g. mobile football pitch)
- Joint volunteer/part time staff training
- Joint events (e.g. summer programme)
- Joint consultation with young people to inform programme planning
- Joint publicity for young people ('what's on for young people in Leith?' flyer)
- Co-ordinating youth work programmes to avoid duplication where possible (i.e. not having the same age range on same evening)
- Shared response to issues identified by other agencies (e.g. 2013 LYSN outreach project in response to concerns raised by community safety and police about anti-social behaviour in Cables Wynd)

Service User comments

- *"Nothing needs to change"*
- *"Better activities"*
- *"More trips out"*
- *"Open more time"*
- *"Better publicity"*
- *"More stuff to do"*
- *"More sports"*
- *"More encouragement at school"*

Application of coproduction

- Users and providers working together to look at where and how services can change and develop
- The voice of young people is recognised as essential in planning services

Differences made and achievements

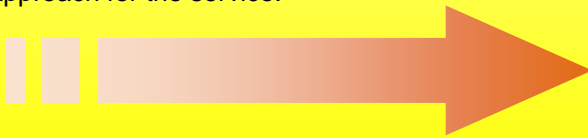
- Improving relationships amongst providers
- Sharing of information and joint planning
- Greater engagement of young people and their views

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Community and Accessible Transport Service (CaTS): Public Social Partnership

- A review of community and accessible transport has been ongoing over the last 18 months with a phase 1 report most recently considered by the policy and resources Committee on 4 November 2014.
- On 24 September 2015 the Finance and Resources Committee in September agreed that a Public-Social Partnership progress and provide for a new model for future community transport provision. The use of the PSP approach (as a form of coproduction) provides for a structural approach across a range of partner interests and will therefore ensure that service users are at the centre of the service design and that their voice and influence will have a strong bearing on the subsequent outcomes, outputs and investment approach for the service.



Key developments

- On 15 January 2015, the Finance and Resources Committee agreed to extend the current provider service contracts for an additional one-year period to allow coproduction of the next phase of the service.
- The transport service will work with the Scottish Government's Ready for Business provider to form and facilitate then PSP. The PSP has already begun to meet, however it is likely that the coproduction, engagement and consultation period will continue into 2016.

Cultural Change Result

- The CATS services will reflect the needs, aspirations and outcomes of service users
- As part of the coproduction process, the most advantageous investment route (taking account of added value and community benefits) will be explored, i.e.; contract or grant arrangement.

Application of coproduction

- Users and providers working together to look at where and how services can change and develop
- The voice of those people needing a CaT service is recognised as essential in planning services



Differences made and achievements

- Improving relationships amongst providers
- Sharing of information, joint planning and oversight
- Greater engagement of service users and their views

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Homelessness Prevention Services

- A collaborative consultation approach with service providers, service users and other stakeholders has been undertaken to re-shape commissioned homelessness prevention services, supporting the Council's commitment to work cooperatively with partners and service users.
- Service providers and service users feel more involved in service design. It is a less confrontational approach and allows pilot projects to be developed which inform final service specifications.



Key developments

Re-shaping of commissioned homelessness prevention services for Homelessness Prevention Commissioning Plan Work Streams on:

- Advice and Support
- Domestic Abuse
- Young People
- Crisis and Complex needs.

Cultural Change Result

Increase in the number of service users, providers and representatives that feel involved and listened to in shaping services.

Application of coproduction

- Services were re-designed in collaboration with service providers and service users.
- Officers met with existing providers on an individual and group basis to get buy-in to the approach.
- Service users have also been involved in the consultation for each work stream through questionnaires, focus groups and interviews.
- Questionnaires were used to get feedback from both service providers and service users. Service users got the opportunity to comment on what services should be offered and how these should be offered.
- Consultation was overseen by Checkpoint Group, which includes service users, providers and stakeholders from third sector and across the Council.



Differences made and achievements

- Contracts for pilot services awarded following successful collaborative consultation with partners. Approach tested with Advice and Support services and extended to other work streams.
- Services are more focused on outcomes. Services are more flexible, enabling support provided to individuals to be tailored to help them meet agreed outcomes. There is a greater focus on service provision at neighbourhood level. This has been achieved within the required budget savings.
- Collaborative pilot approach with existing providers and service users allows services to be re-shaped in a more controlled way, allowing Council and service providers to test approach and it is less disruptive to service users.

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Enhancing Technology in Libraries

- The library service has in 2014/15 been empowering individuals with sight loss to design services and in turn volunteer to support other people.
- The Edinburgh project enables people with sight loss to live more independently, through learning to use technology to access information, library and council



Cultural Change Result

- More people with visual impairment are confident in using technology, are sharing their learning with other people and improving their skills to access library and council services independently.
- There are also increased opportunities to take part in social group activities, reducing isolation. Encouraging levels of participation in the project resulted in 130 new library members, 3 new reading groups set up and 9 regular classes held specifically for people who are blind or partially sighted.

Key developments

- Edinburgh City Libraries recently won the international Jodi Awards for best use of technology to widen access to information, learning, collections and creativity for disabled people in museums, libraries, archives and heritage

Application of coproduction

- People with sight loss were directly involved in developing the shape, content and implementation of the project through seven consultation forums. Organisations such as RNIB Scotland, Guide Dog Scotland, Deaf Action and Share the Vision have contributed to staff training and volunteer support.

Differences made and achievements

- Edinburgh is liaising with other local authorities to develop a community of best practice in widening access to information and learning for people with visual impairment.

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Personalisation Core Group

Membership of the Monitoring and Evaluation Group included members of the Personalisation Core Group and representatives of the third and independent sector. The intention was to try and ensure that the monitoring and evaluation framework reflected outcomes that were important to citizens and that citizens had a real say in evaluating the effectiveness of the implementation of self-directed support in Edinburgh.



Cultural Change Result

- The involvement of citizens in the evaluation and monitoring group has led to a mutual understanding and greater openness between officers of the Council, citizens and other stakeholders.
- It has also led to recognition of the importance of obtaining the perspectives of a wide range of stakeholders at all stages of service planning, design, implementation and evaluation.

Key developments

- The Personalisation Core Group was established in July 2013 as a means of actively involving people who use health and social care services in the planning and preparation for the implementation of self-directed support.

Application of coproduction

- Facilitated workshops were used to establish a common vision of what the successful implementation of SDS would look like and then to agree a set of key questions to evaluate the extent to which the experience in Edinburgh matched up to this vision.
- A series of workshops have been held to establish the views of people who use services, and social care practitioners. The output from these workshops has been presented to senior managers and has led to the development of action plans to address issues raised.

Differences made and achievements

Collaboration with service users and other partners in relation to self-directed support and in the development and implementation of the monitoring and evaluation framework has:

- enriched the whole approach by having the benefit of a much wider range of perspectives;
- significantly improved the quality of feedback about service user experience;
- improved the understanding of the impact of the way in which services are planned and delivered on the lives of people who use those services.

Service User comments

"The Core Group has been a very novel experience bringing together lots of people from different backgrounds with their own stories. It has been a real learning situation for everybody round the table and we all trust each other. This model can be used to develop other models for the integration of services in Edinburgh."

<https://www.youtube.com/watch?v=Gycb7KUnwVw>

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Health and Social Care Strategic Plan

- Four citizens with lived experience of using health and social care services or caring for someone who uses these services sit on both the Edinburgh Integrated Joint Board and the Strategic Planning Group. Other members of the Group include representatives of health and social care professionals, the third and independent sector, providers of social housing and the four localities covered by the strategic plan.
- All members of the Strategic Planning Group are committed to undertaking wider collaboration and engagement with the groups they are representing.
- Approximately 150 engagement events are planned with a wide range of citizens and service users.



Key developments

- Establishment of the Strategic Planning Group as the basis for collaborating with partners, including citizens, on the production of the strategic plan for the Edinburgh Health and Social Care Partnership.
- Period of three months public consultation on the draft strategic plan from 4th August 2015.

Cultural Change Result

- The inclusion of citizens and service users along with other partners on the board of governance of the Edinburgh Health and Social Care Partnership and on the Group responsible for the development of the strategic plan; makes it easier to embed collaboration with citizens at all levels of decision making.
- Citizens are actively engaged in wider collaboration with service users and other partners on behalf of the wider collaborative group.

Service User comments

"I believe that the service user members of the IJB are taking an active role in the planning and governance processes for integrated care in the city. My experience is that board members treat us no differently to other board members, i.e. our input is welcomed and considered. I feel able to ask questions from out with the formal structures to determine how the IJB's work will help citizens."

Differences made and achievements

- Citizens with lived experience of using health and social care services have a voice at the highest level of decision making about the integration of health and social care services in Edinburgh.
- The collaborative approach taken to developing the strategic plan for health and social care has involved developing and using different approaches. This has made it easier to come together as a collaborative group and citizens in particular to engage on an equal footing.

Application of coproduction

- The Edinburgh Health and Social Care Partnership agreed to establish a Strategic Planning Group as the basis for consultation on its strategic plan as an opportunity to produce the plan in collaboration with key partners including citizens and service users.
- The first draft of the strategic plan has been produced through a series of facilitated workshops which enabled the Strategic Planning Group to agree a vision and set of priorities for recommendation to the Edinburgh Integrated Joint Board. These form the basis of the draft strategic plan currently out for public consultation. Specific efforts to support those traditionally been hard to engage in formal consultation such as people with learning disabilities and dementia are being made.

Cooperative Service Design (Changing the way we review and design services)

Citizen and User Influence

Tenant Participation Strategy

- All social landlords have a statutory requirement to develop and implement a Tenant Participation Strategy in discussion with their tenants.
- The Scottish Social Housing Charter sets out the standards that tenants can expect from their landlord.
- Landlords must ensure that "Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with." - the Scottish Housing Regulator monitors landlord performance

Key developments

- Health, Social Care and Housing Committee approved the City of Edinburgh Council Tenant Participation Strategy on 21 April 2015. The Strategy includes a section on "Working well together" to promote a culture of mutual trust, respect and constructive working between all parties.

Application of coproduction

The Tenant Participation Strategy was developed by a short-life working group involving tenant representatives. Their work was informed by a detailed consultation process involving a survey, tenants' conference, focus groups, a benchmarking exercise and discussions with elected members.

Cultural Change Result

- Increase the number of people who feel they are able to have a say on how Council services are run and increase the number of service users, representatives and providers that feel involved and listened to in shaping services.
- The Strategy is part of the Council's commitment to deliver services cooperatively with residents and communities, to ensure effective public services informed by the views of those who use them.
- The Strategy is designed to improve tenant participation arrangements.

Differences made and achievements

Developing new ways to involve tenants in scrutinising housing services has been central to this work; the Tenants' Panel was set up in response to tenants saying they wanted us to improve the ways they could comment on housing services and standards. The aim of the Panel is to strengthen the influence of those who wish to be involved as individuals rather than groups. There has been an 84% increase in members since its launch in October 2014.

During its first year tenants who have joined the Tenants' Panel have completed surveys, taken part in events and given their views on, e.g., rents, repairs, using the internet, ways to have your say and the Tenants' Handbook. As a result of tenants' views we are:

- looking at the ways rent can be invested to save tenants money
- improving the customer experience of reporting a repair
- exploring how we can help more tenants to get online
- improving ways tenants can become involved
- improving the Tenants' Handbook

Service User comments

"We do work together and we do get to have our say and we do get listened to, which is something that never happened in the past." (CEC Tenant)

"I do feel that I do have a voice and that my voice is heard and things are getting done and it is making a difference." (CEC Tenant)

"I would say to people, there's never been a better time for tenants and residents to get involved in influencing decisions." (CEC Tenant)

Citizen and User Influence

One City Consortium

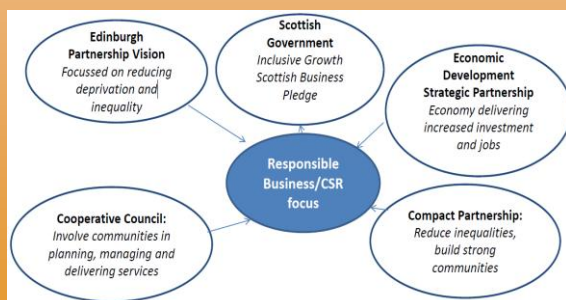
The One City Consortium (allied with the One City Trust) is Scotland's leading campaigning initiative for responsible business and corporate social responsibility

Not just about "writing the cheque" or "corporate giving"

As indicated in a recent report to the Economy Committee, this work is more about:

- A partnership of equals in a shared market-place;
- A powerful city identity founded on an network of advocates and champions;
- Creating a more equal Edinburgh by reducing poverty and disadvantage;
- Making it easier to be a responsible business; and
- Supporting active citizenship through inspiring individuals and communities to contribute to the city.

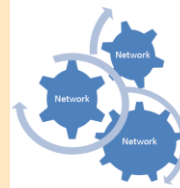
The following diagram sets out how the the One City Consortium's work sits within the city's community planning fabric:



Key developments

- the One City Consortium was established in the summer of 2015 and has set-out an ambitious remit and governance arrangements as follows:

Remit of OneCity Consortium



- Edinburgh's "responsible business" network of advocates
 - Ambassadorial role in bringing new converts
 - Provide advice and expertise on ways to engage with employers and employees
 - Catalyst in harnessing resources from businesses to enlist more supporters
- Rather than*
- Debating city social priorities, preferred beneficiaries or priority outcomes
 - Fundraising for particular causes

Governance of OneCity Responsible Business



- a key event to launch the work of the consortium will take place on 20 October 2015.
- The Edinburgh Guarantee now has 400 business supporting 1,577 young people into work.

Cultural Change Result

- Improved profiling of CSR and related business benefits leads to a strengthen pattern of community/business engagement for mutual benefits.
- Improved coordination in engagement between city and community-based SMEs and organisations.

Application of coproduction

- The One City Consortium is working across a broad partnership context to refine its programme of work, involving; third sector representatives, small business and business support organisations, schools and leading experts. The programme of partner's work is built around there key themes Making Work Pay, Inspiring Our Future Workforce and Raising Community Aspirations

Differences made and achievements

- SMEs and third sector/communities are clear on the offer and needs.
- Ambition to grow the Edinburgh Guarantee is now higher within the business sector.

Citizen and User Influence

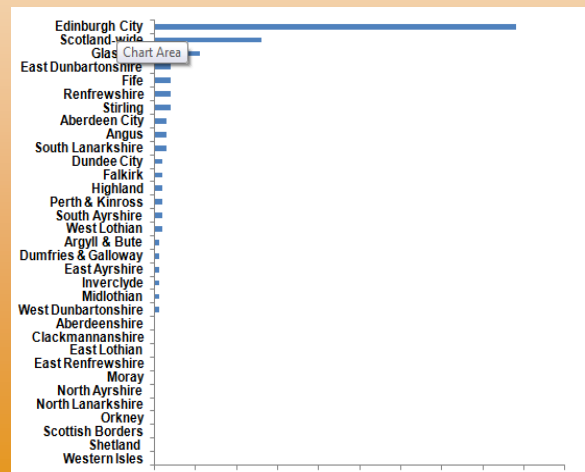
Compact Volunteering Strategy

- The Compact Partnership Board continue to implement the City's Volunteering Strategy 2012-17 "Inspiring Edinburgh's Volunteers – Building on Success"



Cultural Change Result

- a recently published report from Strathclyde University has identified that the city remains ahead of other areas in Number of Organisations Achieving a First Investing in Volunteering Award, i.e.; 'gold-standard' support to volunteers, as follows and provided subsidy for supported 60 organisations over the last eight years:



Key developments

- The Council is trialling Employer Supported Volunteering within the Corporate Policy and Strategy service.
- A progress assessment to this committee (September 2015) identified that the strategy remains on target to be achieved.
- two organisations have received a Queen's Award in 2015 and recognised at the recent Lord Provost Garden Party - Duddingston Kirk Lunch Club and LifeCare Edinburgh.
- In September 2015 Volunteer Edinburgh and the Council jointly submitted an outline bid to become Europe's Volunteering Capital for 2016. While the submission showcases the City's considerable volunteering profile, should the submission be successful an event programme will be co-designed.
- Improved profiling of charities' activities and requests for staff/citizens engagement is now regularly occurring on the Orb.

Application of coproduction

Edinburgh remains the leading centre for acknowledging citizens contributions to their community, key developments include:

- The Lord Provost's annual volunteering awards, most recently recognising an eighth Inspiring Volunteer of the Year;
- as part of the Council's Staff Awards scheme two new staff awards are to occur; (i) Volunteer of the Year Award 2015 and (ii) 'Fundraiser of the Year 2016';
- the new Compact Strategic Framework indicates that the next volunteering strategy will have a broader focus upon active citizenship and work on this will begin in the summer of 2016.
- It is intended that future promotion and support to the Lord Provost to enhance the Queens Award Scheme will come through leading volunteering involving organisations

10am, Thursday, 10 December 2015

Community Empowerment (Scotland) Act 2015: Update and Interim Community Asset Transfer Policy – referral from the Communities and Neighbourhoods Committee

Item number	8.7
Report number	
Executive/routine	
Wards	All

Executive summary

The Communities and Neighbourhoods Committee on 24 November 2015 considered an update report on the key areas of significance for the Council, the Cooperative Capital Framework and the Edinburgh Partnership as a result of the Community Empowerment (Scotland) Act 2015. Preparation was underway in advance of the release of ministerial guidance related to the Act, and in this regard, approval was sought for an Interim Community Asset Transfer Policy.

The report has been referred to Council for approval of the Interim Community Asset Transfer Policy, and to approve an adjustment to the Committee Terms of Reference and Delegated Functions to allow the Corporate Policy and Strategy Committee to determine appeals on community asset transfers.

Links

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

Terms of Referral

Community Empowerment (Scotland) Act 2015: Update and Interim Community Asset Transfer Policy

Terms of referral

- 1.1 On 24 November 2015, the Communities and Neighbourhoods Committee considered an update report on the key areas of significance for the Council, the Cooperative Capital Framework and the Edinburgh Partnership as a result of the Community Empowerment (Scotland) Act 2015.
- 1.2 The report by the Deputy Chief Executive identified the preparation underway in advance of the release of ministerial guidance related to the Act, and sought approval for an Interim Community Asset Transfer Policy. Following release of the ministerial guidance, the Interim Community Asset Transfer Policy would be reviewed, and further co-production work would be undertaken in order to develop a final policy for consultation and approval in mid-to-late 2016.
- 1.3 The Communities and Neighbourhoods Committee agreed:
 - 1.3.1. To note the range of likely impacts arising from the Community Empowerment (Scotland) Act 2015, and that preparation was underway in advance of the release of ministerial guidance as set out in the report by the Deputy Chief Executive.
 - 1.3.2. To recommend approval of the Council's Interim Community Asset Transfer Policy as set out in Appendix 1 to the report by the Deputy Chief Executive.
 - 1.3.3. To refer the Deputy Chief Executive's report to Council for approval of the Interim Community Asset Transfer Policy, and to approve an adjustment to the Committee Terms of Reference and Delegated Functions to allow the Corporate Policy and Strategy Committee to determine appeals against the decision of the Finance and Resources Committee on community asset transfers.

For Decision/Action

- 2.1 Council is asked to approve the Interim Community Asset Transfer Policy, and approve an adjustment to the Committee Terms of Reference and Delegated Functions to allow the Corporate Policy and Strategy Committee to determine appeals against the decision of the Finance and Resources Committee on community asset transfers.

Background reading / external references

See attached report.

Carol Campbell

Head of Legal and Risk

Contact: Ross Murray, Acting Committee Clerk

E-mail: Ross.Murray@edinburgh.gov.uk | Tel: 0131 469 3870

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Community Empowerment (Scotland) Act 2015: Update and Interim Community Asset Transfer Policy – report by the Deputy Chief Executive

10.00 am, Tuesday 24 November 2015

Community Empowerment (Scotland) Act 2015: Update and Interim Community Asset Transfer Policy

Item number

Report number

Executive/routine

Wards

Executive summary

This report provides an overview of the key areas of significance for the Council, the Cooperative Capital Framework and the Edinburgh Partnership as a result of the Community Empowerment (Scotland) Act 2015. It identifies the preparation underway in advance of the release of ministerial guidance related to the Act, and in this regard, seeks approval for an interim community asset transfer policy.

Links

Coalition pledges	P23, P36
Council outcomes	CO26
Single Outcome Agreement	SO4

Community Empowerment (Scotland) Act 2015: update and interim community asset transfer policy

Recommendations

- 1.1 That Committee:-
 - 1.1.1 Notes the range of likely impacts arising from the Community Empowerment (Scotland) Act 2015, and preparation underway in advance of the release of ministerial guidance as set-out in the report;
 - 1.1.2 Recommends approval of the Council's interim community asset transfer policy; and
 - 1.1.3 To refer the report to Council for approval of the Interim Community Asset Transfer Policy, and to approve an adjustment to the Committee Terms of Reference and Delegated Functions to allow the Corporate Policy and Strategy Committee to determine appeals against the decision of the Finance and Resources Committee on community asset transfers.

Background

- 2.1 The Community Empowerment (Scotland) Act 2015 ('the Act') passed into law on 24 July 2015. Each part of the Act will come into force separately following a Commencement Order from the Minister. These dates are yet to be announced or confirmed.
- 2.2 The Act builds upon, and consolidates, a range of public engagement and empowerment initiatives which have been a non statutory feature of local community planning and decision making in Scotland for a number of years.

Main report

The Community Empowerment (Scotland) Act 2015

- 3.1 The following key areas of the Act are most relevant to Council and Edinburgh Partnership business:
 - a. community planning;
 - b. community participation requests;
 - c. community right to buy;
 - d. asset transfer requests;

- e. common good;
 - f. allotments; and
 - g. non domestic rates.
- 3.2 Further information on each area is outlined in this report, in order to update Committee prior to publication of more detailed ministerial guidance.

Community Planning

- 3.3 It is already a statutory requirement for each local authority area in Scotland to have formal Community Planning Partnerships ('CPP'), and for the Council to lead on the support and development of the CPP, as a result of the provisions of the Local Government (Scotland) Act 2003. Significantly, the Act makes further legal requirements on other key statutory bodies to participate in CPPs, and extends the range of requirements on such bodies.
- 3.4 The Act aims to improve the achievement of outcomes resulting from, or contributed by, the provision of public services, with a significant emphasis on tackling socio-economic inequalities.
- 3.5 The requirement of CPPs to produce a Local Outcomes Improvement Plan (LOIP), and for CPPs to provide regular and publicly available progress reports, is a significant development. The Council and Edinburgh Partnership are well placed in this regard, with the publication of the Edinburgh Partnership Community Plan 2015/18.
- 3.6 In addition, CPPs must produce Locality Improvement Plans, with a focus on 'place' and 'neighbourhoods', accounting for inequalities of outcome between them. Each locality plan must set out the improvements the CPP will effect, and a schedule for achieving them. These must also be reported on and revised in line with the overall Local Outcomes Improvement Plan. Again, the Council and Edinburgh Partnership is well placed with regard to the 12 Neighbourhood Partnership Local Community Plans, and the transformation programme proposal to establish four Locality Leadership Teams, who will develop and publish four larger area locality improvement plans.
- 3.7 In September 2015, the Edinburgh Partnership received an update from the Scottish Government on duties for; (i) local outcome improvement plans, (ii) locality improvement plans, and (iii) participation requests. The Edinburgh Partnership agreed to progress action following release of related ministerial guidance in early 2016.
- 3.8 The requirements of the Act also form part of the Council's strategic planning and performance framework. This framework provides a common thread connecting the commitments, and actions agreed by the Council, with its community planning partners, and detailed operational action plans for the delivery of frontline services.

- 3.9 This approach is set out in the Council Business Plan for 2015-18, which presents the Council's vision for the city alongside the strategic direction needed to focus the work of all Council services towards this vision. Within the plan, a core priority for the Council is the delivery of transformational change across the organisation, specifically the Citizens and Locality project. This project aims to build an organisation centred on place based approaches where a focus on partnership and co-production, citizen and community empowerment, and improving outcomes in areas of deprivation are central.

Community Participation requests

- 3.10 The Act requires Councils and CPPs to enable communities to take a proactive role in how services are planned and delivered. This requirement aligns with the Council's decision in November 2014 to mainstream co-production, as a result of the Cooperative Capital Framework annual report.
- 3.11 In this regard, the Act makes provision for community interest groups to make a formal request to be included in such processes. The requests must demonstrate that the Group meets certain requirements relating to structures, membership and purpose. The Council must agree to such requests unless there are reasonable grounds to refuse.
- 3.12 Ministerial guidance will provide more detail about the procedural regulations relating to such requests. In the interim, further work is taking place to identify best practice with regard to co-production across the City, and on how best the Council and the CPP can facilitate and consider these requests. Changes to the Committee Terms of Reference and Delegated Functions, and the Scheme of Delegation to Officers, may be necessary to determine whether to accept or refuse such requests.

Community right to buy and asset transfer

- 3.13 The Act includes an amendment to the Land Reform (Scotland) Act 2003, and extends the existing 'community right to buy' to urban and rural areas. A new provision is also included to allow community bodies to purchase land which is abandoned or neglected, and where the owner is not willing to sell. The purchase must be in the public interest and support the sustainable development of the land.
- 3.14 The Act also includes a provision for asset transfer requests from community bodies, which identifies the right to request an agreement to purchase, lease, manage or use land or buildings that belong to local authorities or other public bodies. In addition, local authorities need to create and maintain a register of land and assets that can be made available to community bodies.
- 3.15 Given the Act provides a reasonable detailed framework for community asset transfer, subject to final guidance, the Council and a range of third sector bodies and community planning partners, have been co-producing an interim

policy (attached at appendix 1) that provides for an initial response to such requests. The interim policy includes:

- a. requirements for initial and full submissions from community bodies, including sustainable business case proposals;
- b. ten key principles for transfer; and
- c. use of leases.

- 3.16 Following release of the ministerial guidance, the interim community asset transfer policy will be reviewed, and further co-production work will be undertaken, in order to develop a final policy for consultation and approval by Committee in mid-to-late 2016.

Common Good

- 3.17 The Act places a statutory duty on local authorities to establish and maintain a register of all property held for the common good. This duty also requires local authorities to publish proposals and consult community bodies before disposing of, or changing the use of, common good assets.

Allotments

- 3.18 The Council will have to take reasonable steps to provide more allotments if the waiting list exceeds half the total number of allotments available. The Act allows the size of an allotment to be agreed between the person requesting an allotment and the local authority.
- 3.19 There may be a need to allocate land for new allotments, which includes site maintenance and utility costs. Aligned to this, local authorities need to have a Food Growing Strategy. The Council already meets this requirement through [Cultivating Communities: A Growing Challenge - An allotments strategy for the City of Edinburgh 2010 – 2015](#) and [Edible Edinburgh](#).

Non domestic rates

- 3.20 The Council can determine and fund their own localised business rate-relief schemes to better reflect local needs and support communities.

Next Steps

- 3.21 It is expected that the accompanying ministerial guidance, on both application and implementation of the Act, will be released on a phased basis over the next 12-18 months. Initial guidance will concern the duties being applied to community planning partnerships. As yet, there is no timescale on implementation of the remaining components of the Act. Consequently, further reports to comply with the Act will be submitted to the relevant Committee as appropriate, specifically, any financial impacts arising from such guidance.

Measures of success

- 4.1 In the absence of ministerial guidance, possible measures of success could include (i) the number of assets transferred to the community on a sustainable basis; (ii) the number of community participation requests dealt with that lead to improved services and citizen satisfaction; (iii) publication of local outcome improvement plans and locality improvement plans; or (iv) publication of common good register and land and assets register.

Financial impact

- 5.1 Specific financial and resource impacts remain to be quantified, as some of the costs are going to be driven by demand, and will depend on the circumstances relating to each of the individual requests received by the CPP and/or the Council.
- 5.2 Resources for the operation of the interim policy are proposed to be broadly contained within existing service area budgets. However, this may need to be readdressed depending on the volume of additional work the new policy generates.
- 5.3 The Committee is asked to note that with the development of the property and asset investment strategy there may be affordability issues in regards to community asset transfer. In addition, should leases be granted, this may put further pressure on investment in third parties currently the subject of reductions.

Risk, policy, compliance and governance impact

- 6.1 Key risks identified as a result of implementing the interim community asset transfer policy are associated with achieving the relevant Capital Coalition Pledges. These are mitigated by the current approaches to co-production that have been applied to shaping the many recent policy and service developments in this area.
- 6.2 The primary impacts on council governance and Edinburgh Partnership arrangements and policies have been identified in the report, and work is underway to manage these.
- 6.3 In summary, it is assessed that the Council is in a good position to comply with many of the new legal duties, as a result of previous, current and proposed approaches to partnership working, community empowerment, co-production, asset transfer and community planning.

Equalities impact

- 7.1 The development and implementation of the interim asset transfer policy (which includes requirements to observe equalities and rights issues) will assist the Council to deliver key equality and rights outcomes, and meet the Equality Act 2010 public sector equality duties to (i) eliminate unlawful

discrimination, harassment and victimisation, (ii) advance equality of opportunity and (iii) foster good relations.

- 7.2 An Equalities and Rights Impact Assessment (ERIA) has been undertaken in regards to the establishment of the interim policy. No specific concerns have been highlighted as a result.

Sustainability impact

- 8.1 The development and implementation of the interim policy enables the Council to meet the Climate Change (Scotland) Act 2009 public sector duties, and contributes to the delivery of Sustainable Edinburgh 2020 objectives, in particular the advancement of vibrant flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

Consultation and engagement

- 9.1 Eight meetings of the Asset Transfer Policy Co-production Steering Group have taken place April 2014 – June 2015
- 9.2 The formation of the asset transfer policy framework was considered by the Communities and Neighbourhoods Policy Development Sub-Committee in September 2014.
- 9.3 The formation of an asset transfer policy has implications for the Council and will be influenced also by Council Transformation Programme's Property and Asset Management Strategy and development of the Common Good Register.
- 9.4 There have been numerous meetings with community planning partners, and papers to the Edinburgh Partnership Board, identifying developments within the Act and consequent impacts.

Background reading/external references

- [Property and Asset Management Strategy](#), Finance and Resources Committee, 24 September 2015
- [Common Good Assets Register](#), Corporate Policy and Strategy Committee of 4 August 2015
- [Council Asset Transfer Policy: Progress and Principles presentation](#) to the Communities and Neighbourhoods, Policy Development and Review Sub-Committee of 24 September 2014
- [Community Empowerment \(Scotland\) Bill 2014](#), City of Edinburgh Council, 6 February 2014

Alastair Maclean

Deputy Chief Executive

Contact: Peter Watton, Head of Property

E-mail: peter.watton@edinburgh.gov.uk | Tel: 0131 529 5962

Contact: Kirsty-Louise Campbell, Strategy and Governance Manager

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

Links

Coalition pledges	P23 - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties P36 - Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model
Council outcomes	CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1 – interim Council Community Asset Transfer Policy

Interim Council Community Asset Transfer Policy

Implementation date: 24 November 2015

Control schedule

Approved by	Communities and Neighbourhoods Committee
Approval date	24 November 2015
Senior Responsible Officer	Alastair Maclean
Author	Graeme McKechnie
Scheduled for review	November 2016 (or following publication of ministerial guidance)

Version control

Version	Date	Author	Comment
1	28-10-15	Graeme McKechnie	Final draft interim policy to CLG

Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
24-11-15	Communities and Neighbourhoods Committee		
21-11-13	City of Edinburgh Council	A framework to advance a Cooperative capital 2012-17 – year one report. Report to Council 21st November 2013	http://www.edinburgh.gov.uk/download/meetings/id/41665/minute_of_21_november_2013

Interim Council Community Asset Transfer Policy

Policy statement

- 1.1 The policy responds to the framework for community requests on asset transfer within the Community Empowerment (Scotland) Act 2015
- 1.2 The interim policy provides the basis upon which the Council will manage requests for the transfer of assets (buildings / land owned by the Council) from community interests in the City.

Scope

- 2.1 The interim policy should be applied by council staff receiving requests for asset transfer and/or managing an opportunity for an asset transfer.
- 2.2 The policy also provides guidance to communities in regards to the process to be applied by the Council in dealing with requests for an asset transfer and/or managing an opportunity for an asset transfer.

Definitions

- 3.1 Community asset transfer (AT).
- 3.2 Community benefit (CB).
- 3.3 The 'Act' means the Community Empowerment (Scotland) Act 2015.

Policy content

- 4.1 The Act provides the framework (pending ministerial guidance on commencement and application) including:
 - the transfer of assets;
 - improving and extending 'Community Right to Buy'; and
 - for communities to take ownership or make more effective use of land and buildings.
- 4.2 AT refers to the policies and associated procedures that public authorities may use to transfer the ownership of an asset to a community based organisation.
- 4.3 AT can occur in a range of different ways:
 - new management agreements for an existing facility;

- long-term leases (including; maintenance of the property/land in accordance with lease terms and conditions) of periods of five years and upwards; and
- transfer of ownership.

Community benefit objectives and eligibility

- 4.4 The transfer of an asset, i.e.; a building or land that the City of Edinburgh Council wholly owns, should seek to deliver the following community benefit objectives:
- contribution to a developing and sustainable community;
 - involved and empowered communities;
 - equality of access and influence;
 - improved quality and efficiency of community service(s);
 - social (added) value demonstrated and enhanced;
 - partnership and collaboration is characterised; and
 - assists the community to achieve aspirations.
- 4.5 As the transfer of an asset is for community benefit and enterprise, the following types of organisations are eligible to make a request:
- a not-for-profit community controlled organisation;
 - an unincorporated voluntary body for outline requests, with full submissions required from legal entity (incorporated) organisations;
 - cooperative society's/community mutual's,
 - registered charities, (charitable incorporated orgs must not have fewer than 20 members);
 - not-for-profit companies, enterprises and company's limited by guarantee;
 - social enterprises, including those that have an asset lock, charities with trading enterprises, Community Interest Companies (CICs), etc.;
 - enterprising voluntary and community organisations; and
 - community trust(s) and foundations.
- 4.6 Companies or other organisations established for profit, for the benefit of private share-holders or to generate equity through 'for profit' objectives, are not eligible to apply for asset transfer whether in part or as a whole.
- 4.7 The Equalities Act 2010 Specific Duties (Scotland) Regulations 2012 complement the Community Empowerment (Scotland) Bill. The Council's Equalities and Rights and Poverty and Inequalities Frameworks require that due diligence be taken in regards to impacts upon people with protected characteristics and those suffering poverty and inequality. Proposals forms as part of the policy should from the outset address these requirements through an appropriate impact assessment.

10 Key Principles to Enable Asset Transfer

- 4.8 The following form the basis for the Council's policy in dealing with requests concerning asset transfer:
- a. the Council welcomes community interest and requests to improve use and potential for building and land assets;
 - b. options to transfer assets for community benefit/interest will be investigated by the Council in consultation with community interests as part of the process towards disposal, but prior to being released into the commercial market with information provided, if available on; (i) potential running costs, (ii) liabilities on a best estimate basis, and (iii) any required community benefits;
 - c. expressions of interest (Stage 1) and fully developed sustainable business cases (Stage 2) for a Council asset will be considered on a case-by-case basis and will therefore have different terms of agreement/commercial features on each occasion;
 - d. the consideration of expressions of interest and fully developed requests for transfer of an asset will occur in a partnership context which should continue beyond any potential handover;
 - e. proposals should initially demonstrate the benefits of the proposed transfer in line with the objectives identified in 4.4 above and be from the type of organisations as indicated in item 4.5;
 - f. fully developed sustainable business proposals should demonstrate; (i) the need for the community to own /operate the asset in order to be able to deliver services, (ii) strong governance arrangements to ensure sound management and quality service delivery, (iii) strong community input and ongoing benefit and value;
 - g. in order to mitigate risk to the Council and the owner/lease-holder, options for an asset transfer will apply with a gradual transfer procedure in the spirit of partnership;
 - h. long-term leases can be applied as a form of asset transfer and that a process (reflecting the approach in item b above) be made available for this;
 - i. should a full asset transfer be deemed as not appropriate, the Council's Finance and Resources Committee can consider alternative approaches and /or an alternative solution, for example; use of leases, use of licenses, delegation of management and programming responsibilities, varying hand-over periods to mitigate and minimise risk and set appropriate conditions for the transfer to occur; and
 - j. the Council should operate a process to (i) take account of outline expressions, (ii) fully developed business cases and (iii) use of leases which can be assessed in a transparent, accountable, fair and equal treatment and which takes account of any unintended consequences.

Implementation

- 5.1 Items 4.4 - 4.7 above identifies the eligibility criteria to be applied in operating the policy.
- 5.2 Item 4.8 defines a series of principles for how the policy will operate and how the Council will both consider submissions and proactively make assets available for community benefit.
- 5.3 Applications from organisations, enquiring about an asset or in response to an AT opportunity on the Council website will be required as follows: (i) an initial expression of interest and if progressed (ii) submission of a full sustainable business case proposal.
- 5.4 Proposals for asset transfer will be considered by the Finance and Resources Committee. This is in order for the Committee to consider budget implications, capital receipt and revenue requirements and to ensure that any arrangements for asset transfer comply with previous decisions of the Council, e.g., the Asset Management Strategy approved by the Finance and resources Committee on 24 September 2015.
- 5.5 Should Committee refuse an asset transfer proposal, the rationale for this will be fully explained to the group making the request.
- 5.6 Any appeal (required by the Act) in respect to a decision concerning a request for an asset transfer by the Finance and resources Committee will be received and considered by the Corporate Policy and Strategy Committee.

Council Outcomes

- 5.7 At both stages 1 and 2, proposals will be required to demonstrate how the proposed asset transfer will be commensurate with Council outcomes and related service objectives.

Assessment of proposals for asset transfer

- 5.8 Applications to the Council will use an assessment/scoring system for the business plan/case which includes the situations when there are competing bids for an asset.

- 5.9 Requests will be assessed by a panel consisting of Council officers and community leaders and representatives. The panel will provide advice and guidance to the Council in regards to Stage 1 - Expression of Interest and Stage 2 – Full Sustainable Business Case proposals and involve the Collaborative Asset Group and other inputs.
- 5.10 The operation of the interim policy will provide an opportunity to examine the time taken to manage stage 1 and stage 2 requests.
- 5.11 The interim arrangement will also establish the strength of capacity-building support for community organisations submitting proposals. A range of support (both free and at cost for detailed work) is available from within the City and from national organisations.

Roles and responsibilities

- 6.1 The policy will be implemented by staff in the corporate governance directorate, in particular property services, corporate policy and strategy and finance. These staff working with service areas and other partners will coordinate submissions to the Finance and Resources Committee.
- 6.2 Stage 1 proposals will be jointly assessed with key community partners including neighbourhood partnership and third sector representatives.
- 6.3 For stage 2 applications input will be sought from strategic partnerships and the cross-agency Collaborative Asset Management Group.
- 6.4 Appendices 1 and 2 describe the process to be applied in considering requests for asset transfer from community organisations.

Related documents

- 7.1 [The Community Empowerment \(Scotland\) Act 2015](#)
- 7.2 [Property and Asset Management Strategy](#), Finance and resources Committee, 24 September 2015
- 7.3 [Community Empowerment \(Scotland\) Bill 2014](#), City of Edinburgh Council, 6 February 2014

Equalities impact

- 8.1 The development and implementation of the interim policy (which includes requirements to observe equalities and rights issues) will assist the Council to deliver key equality and rights outcomes, and meet the Equality Act 2010 public sector equality duties to eliminate unlawful

discrimination, harassment and victimisation, advance equality of opportunity and foster good relations.

- 8.2 An Equalities and Rights Impact Assessment (ERIA) has been undertaken in regards to the establishment of the interim policy. No specific concerns have been highlighted as a result.

Sustainability impact

- 9.1 The development and implementation of the interim policy enables the Council to meet the Climate Change (Scotland) Act 2009 public sector duties, and contributes to the delivery of Sustainable Edinburgh 2020 objectives, in particular the advancement of vibrant flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

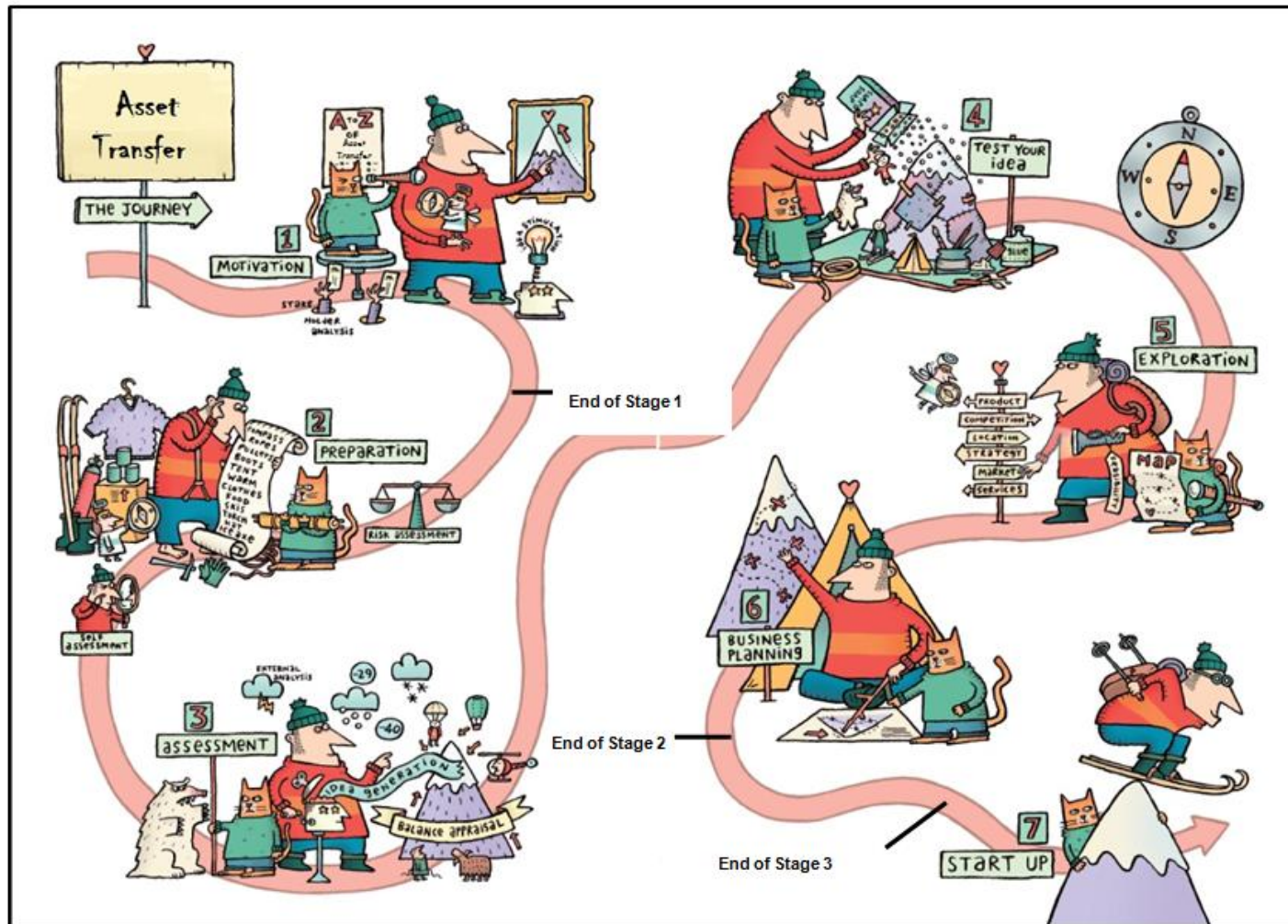
Risk assessment

- 10.1 Key risks within the interim community asset transfer policy are associated with achieving the Capital Coalition Pledges. This is mitigated by the joint and collaborative efforts of the coproduction approach that has been applied to shaping the policy proposals and the partnership-based approach and practical steps as outlined.

Review

- 11.1 The interim policy will be reviewed in November 2016 to incorporate (i) publication of ministerial guidance which may occur, and / or (ii) required practice changes.

Appendix 1: Transfer of Council buildings or land to community organisations



With thanks to Forth Sector who originated this slightly amended diagram

Appendix 2: Section 1 – Flowchart for considering requests for transferring a Council building or land

Steps	Elements	Assessors/Decision makers	Timescales
<p>Stage 1: Expression of interest received.</p> <p><i>(The group does not need to be a legal entity.)</i></p>	<p>Presentation of information which:</p> <ul style="list-style-type: none"> • clearly identifies the legal status the applicant – only at stage 1 can applications be received from unconstituted interest groups • assesses strategic fit with the asset and the bidding organisation • says why the asset is needed and what partnership arrangements are needed; • examines the capabilities, skills and objectives of the bidder; • demonstrates potential and realising sound management of the asset. 	<p>This stage focuses upon an informal discussion.</p> <p>Together Council officials and organisational representatives come together to discuss the business prospects and feasibility. (item 6.2)</p> <p>Identify legal hurdles e.g. Common Good, State Aid and/or better long-term leasing opportunities – if leasing the process below should apply.</p> <p>Financial implications for the Council including consideration of capital receipt/ rent requirements</p>	<p>Minimum of 6 weeks</p>
<p>Stage 2:</p> <p>If successful at Stage 1, the lead organisation submits a detailed business and sustainability plan.</p>	<p>Provides evidence of:</p> <ul style="list-style-type: none"> • a legal entity with clear governance and operational arrangements; • interface with the Disposal Of Land by Local Authorities (Scotland) 2010 • benefits – community, health, social well-being, environmental well-being, economic development or regeneration, sustainability, E&R impact, social or environmental. • product/service delivery; • partnership working, needs analysis • experience, capacity. risk analysis • projected income/expenditure and cash flow forecasts 	<p>Assessment of evidence by a panel – drawn from a range of city interests (items 6.2 and 6.3)</p>	<p>Assessment by panel should be between eight and sixteen weeks</p> <p><i>(However may take longer of complex)</i></p>

<p>Stage 3:</p> <p>If approved at Stage 2 a full assessment and testing of the business case and delivery model is undertaken.</p>	<p>Evaluation of:</p> <ul style="list-style-type: none"> • benefits to the wider community and Council; • comparisons with existing service providers/facilities; • test against local policies/priorities – e.g. Localised approaches, Neighbourhood Partnership Plan; • commencement with National policies/priorities and legislation – such as the Community Empowerment (Scotland) Act 2015, Local Government (Scotland) Act 2003, etc. 	<p>Consultation with Neighbourhood Partnerships.</p> <p>Consultation with localised services and service area managers.</p> <p>Investigate legal advice</p> <p>Formal decision by Finance and Resource Committee</p> <p>Written notification of the Council decision</p>	<p>Minimum of 8 weeks</p>
<p>Stage 4</p>	<ol style="list-style-type: none"> 1. If agreed by the Finance and Resources Committee: <ul style="list-style-type: none"> • Agree support plan and finalise legal contracts • Completion of documents 2. If not agreed by the Finance and resources Committee: <ul style="list-style-type: none"> • Notification is made to the applicant organisations stating the reasons for the decision; • Further work is undertaken to address the Committee's concerns and the Council is notified of any further intent by the applicant organisation. 	<p>Council staff and successful organisation (including legal teams) work closely together to avoid delays</p> <p>Council staff issue the decision of the Committee and are available to further assist if required.</p>	

Appendix 2: Section 2 – Required features of a Sustainable Business Plan and Assessment Criteria

The following sets out what the Council expects to see in a business plan that requests transfer of a Council asset, how requests will be assessed and sources of guidance and information. The arrangements apply to Stage 2 only following appraisal on the outline case.

Steps	<p>Sources of business support advice and guidance on asset transfer:</p> <ul style="list-style-type: none"> • Development Trust Association Scotland • Edinburgh Business Gateway • Edinburgh Third Sector Interface • Community Shares Scotland • Council and Community Development services 	<p>Sources of further information and reference</p> <p>SME Business Planning Toolkit</p> <p>Starting a Social Enterprise – Business Planning</p> <p>A business planning guide to developing social enterprise</p> <p>Business planning – 8 critical success factors</p>
	Elements	Key criteria to be applied in assessing the business plan
The following only applies if an invitation to submit a more detailed proposal (stage 2) is made from the Council.	In submitting proposals for an asset transfer a detailed Sustainable Business Plan is required in order to ascertain whether the applicant organisation has the necessary capacity, capabilities and skills to make the asset a success. This requires that the plan includes a core number of elements, these are:	<p><u>Assessment of the market and operational environment</u></p> <ul style="list-style-type: none"> • Is there a strong business-fit between the applicant organisation and the proposed use of the asset? • Is there a clear plan to develop and grow the asset to ensure operational sustainability, if so is this a realistic prospect in regards to current operational capacity and turnover? • Is there evidence of strong governance in regards to the leadership and skills of the Board and Staff to maximise the prospects of the asset?

<p>The narrative opposite identifies the key elements expected to be included in proposals for use of the asset and how the request will subsequently be assessed.</p>	<p><u>Market and operational environment</u></p> <ul style="list-style-type: none"> • strategic fit between the business objectives of the with bidding organisation and the proposed use of the asset; • why the asset is needed and the purpose that the asset will be used for; • impact of taking on the asset on current and future capacity and capability; • the skills of the organisation that will enable sound management and productive use of the asset; • the strength of partnership to take on a make the asset a success, in particular clear identification of the community benefits to occur through the transfer of the asset; • current capacity and the what partnership arrangements are provided for to enhance the prospects for medium and long-term success of the asset; • is there a clear business growth plan and marketing plan in place in order to maximise the use and income generation prospects; • clarity on the motivations for the asset and intended use and resonance with local policy, strategy and community needs; • defining the economic, social and environmental benefits of the asset and the advantages in this regard of the proposal; • engaging with the wider community in order to ascertain usage and success of the proposal; • managing risk, accounting for unforeseen circumstances and avoiding putting at risk the core organisation/partners; • clarity on the strength of commitments by 	<ul style="list-style-type: none"> • Is there evidence of market awareness, research and application of price-points in regards to the operational financial policy for the asset? • Is there clear, unambiguous evidence of long-term, i.e.; more than five years, of community benefit arising as a result of the proposed asset transfer? • Does the organisation currently have the operational capacity to manage and maximise the asset, if yes is this described, if not, will this occur over the next five years? • Has the applicant organisation demonstrated a history of; (i) delivering good quality services and (ii) sustainable growth? • Is there evidence that proposals for the use of the asset have strong and wider community backing i.e.; support from more than stakeholders in the applicant organisation? • Has the applicant taken into account the requirements of the Equality Act 2010 in relation to the operational proposals? • Is there evidence of a strong partnership context to the submission and if so, is this influencing the operational arrangements for the asset? • Is there clear governance arrangements which provide for operations of the asset, out-with the core services of the applicant organisation? • Is there evidence that the applicant delivers good quality services which meets the needs of the community and city? • Does the request take account of the influence of local and city market forces and if so are there plans in place to ensure competitive operations in order to ensure a sustainable future? • Will the proposal enhance the existing use of the asset? • Is there marketing and development plans in place for the asset for the next five years and, if so, what is the financial implications for the Council? • Is there evidence of support from the appropriate Neighbourhood Partnership, Councillors and other community leaders and other relevant interests? • Are there any objections to these proposals? <p><u>Assessment of Budget and Income Proposals</u></p> <ul style="list-style-type: none"> • Is the proposed income dependent upon; (i) a single income source, (ii) a dominant income source or (iii) multiple, but inter-dependent sources of income?
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	<p>interested parties;</p> <ul style="list-style-type: none"> • most advantageous delivery model and governance structure to manage the asset during/post transfer. <p><u>Budget and income</u></p> <p>Provides evidence of:</p> <ul style="list-style-type: none"> • revenue costs are known and plans take this into account; • required fabric and other improvements to the asset are taken into account to reflect the business proposition; • projected income/expenditure plan for five years which identifies a range of sustainable income streams; • financial risks to both the asset and applicant organisation; • projected utilisation cash flow forecasts; • market analysis, USP and mitigation of financial risks for partners and wider community; • available investment to put into the asset. 	<ul style="list-style-type: none"> • Are the sources of income sustainable, i.e.; likely to persist over the next few years, or are short-term, or will there be a need for subsidy from the parent organisation or public funds? • Is there evidence of trading and other efforts to generate income, or a preponderance of public sector grants/contracts? • Has the applicant organisation (i) generated an operational surplus, and if so (ii) have they met their governance requirements in regards to the treatment of these funds? • Does the applicant organisation currently have operational capital, if yes is this being applied as part of the request, if no, will the proposed asset provide for financial asset or liability? • Is the request for asset transfer being made in order to add to an existing property asset portfolio for the purposes of continued trading? • Have examples been provided which demonstrate the financial aspects of the proposals being successfully applied elsewhere? • Is there evidence of cash-flow or financial capacity issues that may impact upon the request – if so, what mitigation will be required is successful? • Does the applicant organisation or partners attract income from the Council, if so what is the purpose and will this continue reflecting the timescale of the request? • Does the applicant organisation provide for alternative forms of income and/or alternative business model should income streams not continue? • Is there a plan to deal with the asset should the organisation incur operational difficulties or cease to trade? • Has the applicant suitably taken into account the revenue costs for the asset and in addition the repair, maintenance and insurance requirements <p><u>Assessment Scoring</u></p> <p>A scoring matrix will be applied in the assessment of proposals and these will separate the proposed use and financial arrangements for the asset.</p> <p>The following scoring will be applied:</p>
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		<p>0 – Unacceptable; no response in regards to the submission</p> <p>1 – Marginal; the submission contains only minor detail</p> <p>2 – Acceptable; the submission provides a level of detail which enables understanding</p> <p>3 – Good; the submission provides sufficient evidence that the issue has been taken into account</p> <p>4 – Excellent; the applicant has included the issue in the submission and has provided additional information which enables detailed understanding</p>
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Appendix 2: Section 3 - The following sets out what the Council expects to see in a community organisation's request for a lease.

Steps	Elements	Key criteria to be applied and decision-making (these would apply to <u>both</u> new applicants and requests for continued support)
1	<p>A formal application for a lease requires to demonstrate how the leasing organisation will:</p> <p>(i) assist in delivering city outcomes and priorities; and</p> <p>(ii) assist in delivering Council service plan</p>	<ul style="list-style-type: none"> • demonstrate community/social demand and related community benefit for the proposed premises alongside the requirement for a premises; • evidence existing capacity to manage the premises in particular meeting the conditions of let, for example, repairs and maintenance throughout the life-time of the lease; • evidence contribution to city, council and community outcomes and priorities; • undergo a financial assessment to identify affordability; • sustainable community connections and partnership working; and • options identified which effectively deal with rent reviews and potential

	outcomes.	increases.
2	<p><u>Budget and income</u></p> <p>The following identifies the key components to financial planning in this regard:</p> <ul style="list-style-type: none"> • the business plan sets out the case for the requirement of a premises as part of the organisation’s activities; • revenue costs including meeting the full lease costs of the premises are known and the impacts upon organisational activities have been taken into account; • required fabric and other improvements to the premises/asset have been taken into account to reflect the business proposition; • projected income/expenditure plans for at least five years are identified which details efforts to secure sustainable income; • financial risks to both the premises/asset and applicant organisation have been taken into account in business planning and cash-flow and for the wider community. 	<p>Key criteria to be applied in assessing a request for a lease (the use of the term Council priorities includes those reflected in neighbourhood plans):</p> <ul style="list-style-type: none"> • Are there strong connections between the core business of the organisation and City and Council strategic priorities? • Will service delivery proposals, which require the proposed premises, assist in delivering City and Council strategic priorities? • Is the use of the proposed premises central to the service proposals, if yes how, if not are there alternative approaches that could be considered? • Are the sources of income sustainable, i.e.; likely to persist over the next few years, or are short-term,? • Is there evidence of trading and other efforts to generate income, or a reliance upon public sector grants/contracts? • Has the applicant organisation (i) generated an operational surplus, and if so (ii) is there potential for paying full market lease? • Does the applicant organisation currently have operational capital, if yes is this being applied as part of the request, if no, will the proposed lease provide for financial asset or liability? • Is there evidence of affordability of full market lease? • Has the applicant suitably taken into account the revenue costs for the asset and in addition the repair, maintenance and insurance requirements • Proposals to award a lease will be undertaken by the Council’s Finance and Resources Committee for approval – however, it is possible that agreement to approve a lease may be delegated by the Committee. <p><u>Assessment Scoring</u></p> <p>A scoring matrix will be applied in the assessment of proposals for a lease and these will separate; (i) the proposed use, (ii) contributions to City and Council</p>

		<p>service objectives and (iii) financial arrangements for the asset.</p> <p>The following scoring will be applied:</p> <p>0 – Unacceptable; no response in regards to the submission</p> <p>1 – Marginal; the submission contains only minor detail</p> <p>2 – Acceptable; the submission provides a level of detail which enables understanding</p> <p>3 – Good; the submission provides sufficient evidence that the issue has been taken into account</p> <p>4 – Excellent; the applicant has included the issue in the submission and has provided additional information which enables detailed understanding</p>
Stage 3	<p>3. If agreed by the Finance and Resources Committee:</p> <ul style="list-style-type: none"> • Agree support plan and finalise legal contracts • Completion of documents <p>4. If not agreed by the Finance and resources Committee:</p> <ul style="list-style-type: none"> • Notification is made to the applicant organisations stating the reasons for the decision; • Further work is undertaken to address the Committee’s concerns and the Council is notified of any further intent by the applicant organisation. 	<p>Council staff and successful organisation (including legal teams) work closely together to avoid delays</p> <p>Council staff issue the decision of the Committee and are available to further assist if required.</p>