

Notice of meeting and agenda

The City of Edinburgh Council

10.00 am, Thursday, 27 October 2016

Council Chamber, City Chambers, High Street, Edinburgh

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

Contact:

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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 22 September 2016 (circulated) – submitted for approval as a correct record

5. Questions

- 5.1 By Councillor Mowat – Trade Waste Service – for answer by the Convener of the Transport and Environment Committee (circulated)
- 5.2 By Councillor Nick Cook – Road Repairs – for answer by the Convener of the Transport and Environment Committee (circulated)
- 5.3 By Councillor Rose – Scottish Information Commissioner Appeals – for answer by the Convener of the Corporate Policy and Strategy Committee (circulated)
- 5.4 By Councillor Rose – Free Public Wi-Fi in Edinburgh – for answer by the Deputy Leader of the Council (circulated)
- 5.5 By Councillor Booth – Facilities for Disposal of Waste in Public Parks – for answer by the Convener of the Transport and Environment Committee (circulated)

6. Leader's Report

- 6.1 Leader's Report (circulated)

7. Appointments

- 7.1 Appointments to Committees – report by the Chief Executive (circulated)
- 7.2 Appointments to Outside Organisations – report by the Chief Executive (circulated)
- 7.3 Lothian Buses – Appointment of Executive Directors – report by the Executive Director of Place (circulated)

8. Reports

- 8.1 The City of Edinburgh (Electoral Arrangements) Order 2016 - report by the Chief Executive (circulated)
- 8.2 Leith Central Community Council Elections –report by the Chief Executive (circulated)
- 8.3 City of Edinburgh Council – Report to Those Charged with Governance on the 2015/16 Audit – referral from the Finance and Resources Committee (circulated)
- 8.4 Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund – referral from the Pensions Committee (circulated)
- 8.5 Pennywell/Muirhouse Civic Centre - Redevelopment – report by the Executive Director of Place (circulated)
- 8.6 Recommendations of the Social Work Complaints Review Committee – report by the Chair, Social Work Complaints Review Committee (circulated)

9. Motions

- 9.1 By Councillor Heslop - Shelter Scotland

“Council supports the campaign by Shelter Scotland, 'Homelessness Far From Fixed' which is committed to four key objects:

- A safe and affordable home for everyone
- Help is available for everyone to keep or find a home
- A strong safety net to catch people if they lose their home
- That no-one should ever have to sleep rough on our streets

Congratulates the volunteers who took part in the Edinburgh launch of the campaign and encourages all City of Edinburgh Councillors to sign up to the objectives of this campaign.

Further notes that homelessness cannot be ignored and that more needs to be done at every level of government to help those who are the most vulnerable in our society.”

9.2 By Councillor Corbett – UK Social Entrepreneur of the Year

“Council:

Congratulates Sophie Unwin, the director of Remade in Edinburgh, on being shortlisted for the Bank of Scotland UK Social Entrepreneur of the Year as the only Scottish finalist.

Notes that voting closes tomorrow (28 October).

Highlights that voting is free by two methods - Text SEYA SOPHIE to 67076 or via www.the-SSE.org/SEYA and wishes Remade every success in the event.”

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

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.

Webcasting of Council meetings

Please note: this meeting may be filmed for live and subsequent broadcast via the Council's internet site – at the start of the meeting the Lord Provost will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act 1998. Data collected during this webcast will be retained in accordance with the Council's published policy including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally the public seating areas will not be filmed. However, by entering the Council Chamber and using the public seating area, you are consenting to being filmed and to the use and storage of those images and sound recordings and any information pertaining to you contained in them for web casting and training purposes and for the purpose of keeping historical records and making those records available to the public.

Any information presented by you to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services on 0131 529 4105 or committee.services@edinburgh.gov.uk .

The City of Edinburgh Council

Edinburgh, Thursday 22 September 2016

Present:-

DEPUTE CONVENER

Steve Cardownie

COUNCILLORS

Elaine Aitken
Robert C Aldridge
Norma Austin Hart
Nigel Bagshaw
Gavin Barrie
Angela Blacklock
Chas Booth
Mike Bridgman
Steve Burgess
Andrew Burns
Ronald Cairns
Maureen M Child
Bill Cook
Nick Cook
Gavin Corbett
Cammy Day
Denis C Dixon
Marion Donaldson
Paul G Edie
Catherine Fullerton
Nick Gardner
Joan Griffiths
Paul Godzik
Bill Henderson
Ricky Henderson
Dominic R C Heslop
Lesley Hinds

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

1. Minutes

Decision

To approve the minute of the Council of 25 August 2016 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:

- 2016 Olympics and Paralympics successes - celebrations
- Community Council Elections – nomination period
- Waste collections

The following questions/comments were made:

Councillor Rose	<ul style="list-style-type: none">- 2016 Olympics and Paralympic celebrations- Keeping Edinburgh Clean – increased recycling
Councillor Burgess	<ul style="list-style-type: none">- Missed and overflowing bins- Scottish Government plans for local government tax reform
Councillor Aldridge	<ul style="list-style-type: none">- Refuse collection – action plan
Councillor Nick Cook	<ul style="list-style-type: none">- Waste collection services – task and finish
Councillor Shields	<ul style="list-style-type: none">- Refuse collection and air quality - complaints
Councillor Booth	<ul style="list-style-type: none">- Royal Yacht Britannia – opposition to campaign to recommission
Councillor Jackson	<ul style="list-style-type: none">- Bin collection complaints – misleading figures
Councillor Ritche	<ul style="list-style-type: none">- Loch Ness Marathon- Cold calling zones – door to door election campaigners – distinction between the two
Councillor Main	<ul style="list-style-type: none">- Peace Vigil – Edinburgh Central Mosque Mulsim Womens Association of Edinburgh – Support

4. Appointments to Outside Organisations

The Council had made appointments to outside organisations for 2012-2017.

A nomination had been received for Councillor Bridgman to serve as a community director of Parc (Craigmillar) Ltd.

Decision

To appointment Councillor Bridgman as a community director of Parc Craigmillar.

(References – Act of Council No 2 of 24 May 2012; report by the Chief Executive, submitted)

5 Locality Improvement Plans 2017-2022

A new Council Corporate and Local Strategic Planning framework had been developed in 2015 with the launch of the Council Business Plan. Details were provided on a proposed approach to develop Locality Improvement Plans which would build upon previous work undertaken to develop Neighbourhood Partnership Local Community Plans.

Decision

- 1) To agree to arrangements for the development of Locality Improvement Plans, as identified at Appendix 1 of the report by the Executive Director of Place, and that this report be referred to all 12 Neighbourhood Partnerships, and the Communities and Neighbourhoods and Corporate Policy and Strategy Committees for their information.
- 2) To note that following the Local Government Elections, Members would wish to consider whether new governance arrangements were required to ensure input of local members.

(Reference – report by the Executive Director of Place, submitted.)

6. Energy for Edinburgh – Board of Directors - Appointment

The Council had approved the establishment of Energy for Edinburgh (ESCO). Details were provided on the recruitment process and proposed appointments of the Board of Directors to the company.

Decision

- 1) To approve the appointment of Councillor Booth to the Board of Directors to Energy for Edinburgh.
- 2) To approve the appointment of five external board members as detailed in the report by the Executive Director of Place.

(References – Act of Council No 9 of 10 March 2016; report by the Executive Director of Place, submitted.)

7. Conference Invitation – “Local Government: Leading Reform” – COSLA and Improvement Service Annual Conference and Exhibition 2016

Details were provided on an invitation for the Council to nominate delegates to attend the COSLA and Improvement Service Annual Conference and Exhibition to be held at Crieff Hydro Hotel, Perthshire on 6-7 October 2016.

Decision

- 1) To approve the attendance of 2 Labour, 2 SNP, 1 Conservative and 1 Green Group member at the COSLA and Improvement Service Annual Conference and Exhibition.
- 2) To note that Edinburgh City Libraries Visibly Impaired People (VIP) Service had been shortlisted in the COSLA Excellence Awards 2016.

(Reference – report by the Chief Executive, submitted.)

Appendix 1

(As referred to in Act of Council No 2 of 22 September 2016)

QUESTION NO 1

By Councillor Mowat for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 September 2016

Question

Please provide details of when and where weed spraying was carried out in the City in calendar year 2016 and which areas were sprayed.

Answer

The attached spreadsheet provides details of street name, dates sprayed and locality.

Supplementary Question (1)

Thank you for the response to this. It was a bit of time in coming and I'm not sure how illuminating it is because I was very surprised when I read through the spreadsheet that both the Royal Mile, to take two streets, there are quite a lot of pages here and you'll be glad I won't go through them in detail, but both the Royal Mile and Drummond Place were treated for weeds on the same day. Now if you were to walk down the Royal Mile you would find that the weed treatment was quite effective on the 2nd June 2016 however if you went to Drummond Place the weed treatment seems to have been totally ineffective for it is green.

Does the Convener have any answer as to why our weed spraying regime is effective in one area but completely ineffective in another area and have we audited this to ensure that what is carried out, because I can see from these figures, I can see no explanation as to why it worked in one place but there are other areas of the City which seem to be having a greening of the streets going on.

Supplementary Answer (1)

You really can't win Councillor Mowat. I offer to give you all the information a week after the last Council meeting and you said it was perfectly acceptable to bring it to this Council meeting so that's your request not mine, so really you can't win. I'm not going to make comments about individual streets as you said or we could be here all day.

You asked for the information and you got the information. At the moment and following the transformation, at the moment weed control is done on an area basis and as you say some of it is done in some streets some in a different way. The officers and management have agreed that weed control is the responsibility of parks, greenspace and cemeteries and that will be done in partnership with the waste and cleansing and locality colleagues. The operational plans will be developed in the next few months to create a city-wide approach to control, and I'm sure that if you're interested we'd be glad to send that to you as well.

This will include mechanical, chemical and cultural methods of control across roads, streets, walkways and cycleways, parks and other green spaces. You will be aware, I'm sure, there's been an issue regarding some of the uses, and I'm not going to try to pronounce the name of the weed control, and this will be submitted to the Transport and Environment Committee following trials of alternative methods of control during summer 2016. We recognise there's a real challenge with some of the chemicals we can use in our streets as you will be aware I'm sure and therefore we are looking at other methods to be able to do that and that will be reported back to Transport and Environment Committee.

So I can give you an assurance that this has been taken on a city-wide basis so that we have a common way of getting rid of weeds throughout the City.

Supplementary Question (2) I'm confused. You seem to say it's being done on a locality basis and a city-wide basis, so is it being done on a locality basis or a city-wide basis and also my original question was are you surprised to see that two streets that were sprayed on the same day and treated the same day have a completely different response to that and is there a problem with the effectiveness so far.

But I thank the Convener for the further answer about things going forward.

Supplementary Answer (2) Okay I thought I was being quite clear, obviously maybe I've had my ears cleared out so maybe you need yours Jo.

I thought I was being quite clear, it's being done on a locality basis at the moment, the officers recognise this is not seen as being consistent throughout the City so they have been recommending we make it a central process, but obviously you have to consult with localities etc, I've been very clear, I thought I was clear, it's a responsibility that will be done by parks, greenspace and cemeteries that will be the process.

Am I surprised it's different, no it because they've been trying out different methods to see what works and see what doesn't work. Also what I said was they've been trying out different ways within the City to try and get weed control and that's what I said as well Jo if you listen, I said there's different methods and that will be reported back to the Transport and Environment Committee.

Street Name	Date Sprayed	Locality
Abbey Street	28/05/2016	SOUTH EAST
Abbeyhill	28/05/2016	SOUTH EAST
Abbeyhill Crescent	28/05/2016	SOUTH EAST
Abbeymount Stair	28/05/2016	SOUTH EAST
Abbotsford Court	08/03/2016	SOUTH EAST
Abbotsford Court	15/05/2016	SOUTH EAST
Abbotsford Park	08/03/2016	SOUTH EAST
Abbotsford Park	15/05/2016	SOUTH EAST
Abercorn Avenue	16/07/2016	NORTH EAST
Abercorn Crescent	16/07/2016	NORTH EAST
Abercorn Drive	16/07/2016	NORTH EAST
Abercorn Gardens	16/07/2016	NORTH EAST
Abercorn Grove	16/07/2016	NORTH EAST
Abercorn Road	16/07/2016	NORTH EAST
Abercorn Terrace	16/07/2016	NORTH EAST
Abercromby Place	28/05/2016	SOUTH EAST
Admiral Terrace	15/03/2016	SOUTH EAST
Admiral Terrace	22/05/2016	SOUTH EAST
Advocate's Close	28/05/2016	SOUTH EAST
Afton Place	12/05/2016	NORTH WEST
Afton Terrace	12/05/2016	NORTH WEST
Airlie Place	10/05/2016	NORTH WEST
Aitchison's Close	28/05/2016	SOUTH EAST
Albany Lane	01/06/2016	SOUTH EAST
Albany Street	01/06/2016	SOUTH EAST
Albany Street Lane	01/06/2016	SOUTH EAST
Albert Terrace	08/03/2016	SOUTH EAST
Albert Terrace	15/05/2016	SOUTH EAST
Alfred Place	09/04/2016	SOUTH EAST
Allan Park	31/03/2016	NORTH WEST
Allan Street	12/05/2016	NORTH WEST
Allison Place	29/03/2016	NORTH WEST
Almond Grove	23/03/2016	NORTH WEST
Almondhill Road	29/03/2016	NORTH WEST
Almondhill Road	31/03/2016	NORTH WEST
Almondside	30/03/2016	NORTH WEST
Alnwickhill Court	07/05/2016	SOUTH EAST
Alnwickhill Crescent	07/05/2016	SOUTH EAST
Alnwickhill Drive	07/05/2016	SOUTH EAST
Alnwickhill Gardens	07/05/2016	SOUTH EAST
Alnwickhill Grove	07/05/2016	SOUTH EAST
Alnwickhill Loan	07/05/2016	SOUTH EAST
Alnwickhill Park	07/05/2016	SOUTH EAST
Alnwickhill Road	07/05/2016	SOUTH EAST

Alnwickhill Terrace	07/05/2016	SOUTH EAST
Alnwickhill View	07/05/2016	SOUTH EAST
Alva Street	01/06/2016	SOUTH EAST
Ann Street	12/05/2016	NORTH WEST
Ann Terrace	09/05/2016	SOUTH EAST
Annandale Street	02/06/2016	SOUTH EAST
Annfield	16/08/2016	NORTH EAST
Antigua Street	02/06/2016	SOUTH EAST
Appin Lane	11/05/2016	SOUTH WEST
Appin Place	11/05/2016	SOUTH WEST
Appin Street	11/05/2016	SOUTH WEST
Appin Terrace	11/05/2016	SOUTH WEST
Arboretum Avenue	10/05/2016	NORTH WEST
Arboretum Place	10/05/2016	NORTH WEST
Arboretum Road	10/05/2016	NORTH WEST
Archibald Place	16/03/2016	SOUTH EAST
Ardmillan Place	23/03/2016	SOUTH WEST
Ardmillan Terrace	23/03/2016	SOUTH WEST
Argyle Place	16/03/2016	SOUTH EAST
Argyle Street	16/08/2016	NORTH EAST
Arneil Drive	12/05/2016	NORTH WEST
Arneil Place	12/05/2016	NORTH WEST
Arnott Gardens	07/07/2016	SOUTH WEST
Arrol Place	23/03/2016	NORTH WEST
Ascham Court	05/04/2016	SOUTH EAST
Ashburnham Road	23/03/2016	NORTH WEST
Ashburnham Road	29/03/2016	NORTH WEST
Ashlar Road	12/05/2016	NORTH WEST
Ashton Grove	17/04/2016	SOUTH EAST
Atheling Grove	23/03/2016	NORTH WEST
Auldgate	30/03/2016	NORTH WEST
Avenue Villas	10/05/2016	NORTH WEST
Avon Grove	25/04/2016	NORTH WEST
Avon Place	25/04/2016	NORTH WEST
Avon Road	25/04/2016	NORTH WEST
Avondale Place	12/05/2016	NORTH WEST
Back Dean	12/05/2016	NORTH WEST
Backlee	07/05/2016	SOUTH EAST
Baileyfield Road	16/07/2016	NORTH EAST
Baileyfield Road	16/07/2016	NORTH EAST
Bailie Drive	18/06/2016	NORTH EAST
Bailie Grove	18/06/2016	NORTH EAST
Bailie Path	18/06/2016	NORTH EAST
Bailie Place	18/06/2016	NORTH EAST
Bailie Terrace	18/06/2016	NORTH EAST
Bakehouse Close	02/06/2016	SOUTH EAST

Baker's Place	12/05/2016	NORTH WEST
Balcarres Street	08/03/2016	SOUTH EAST
Balcarres Street	15/05/2016	SOUTH EAST
Balderston Gardens	17/04/2016	SOUTH EAST
Balderston Gardens North	17/04/2016	SOUTH EAST
Balgreen Road	28/04/2016	SOUTH WEST
Balmoral Place	12/05/2016	NORTH WEST
Balmwell Avenue	02/05/2016	SOUTH EAST
Balmwell Grove	02/05/2016	SOUTH EAST
Balmwell Park	02/05/2016	SOUTH EAST
Balmwell Terrace	02/05/2016	SOUTH EAST
Bangholm Avenue	12/05/2016	NORTH WEST
Bangholm Bower Avenue	12/05/2016	NORTH WEST
Bangholm Grove	12/05/2016	NORTH WEST
Bangholm Loan	12/05/2016	NORTH WEST
Bangholm Park	12/05/2016	NORTH WEST
Bangholm Place	12/05/2016	NORTH WEST
Bangholm Road	12/05/2016	NORTH WEST
Bangholm Terrace	12/05/2016	NORTH WEST
Bangholm View	12/05/2016	NORTH WEST
Bangholm Villas	12/05/2016	NORTH WEST
Bankhead Road	28/07/2016	NORTH WEST
Barclay Place	16/03/2016	SOUTH EAST
Barclay Terrace	16/03/2016	SOUTH EAST
Barn Park	20/05/2016	SOUTH WEST
Barn Park Crescent	20/05/2016	SOUTH WEST
Barntalloch Court	27/04/2016	NORTH WEST
Barnton Avenue	04/05/2016	NORTH WEST
Barnton Avenue West	27/04/2016	NORTH WEST
Barnton Grove	05/05/2016	NORTH WEST
Barnton Park	04/05/2016	NORTH WEST
Barnton Park Avenue	04/05/2016	NORTH WEST
Barnton Park Crescent	05/05/2016	NORTH WEST
Barnton Park Drive	05/05/2016	NORTH WEST
Barnton Park Gardens	05/05/2016	NORTH WEST
Barnton Park Grove	04/05/2016	NORTH WEST
Barnton Park Place	04/05/2016	NORTH WEST
Barnton Park View	05/05/2016	NORTH WEST
Barnton Terrace Lane	12/05/2016	NORTH WEST
Barntongate Avenue	28/06/2016	NORTH WEST
Barntongate Drive	28/06/2016	NORTH WEST
Barntongate Terrace	28/06/2016	NORTH WEST
Baronscourt Road	16/07/2016	NORTH EAST
Baronscourt Terrace	16/07/2016	NORTH EAST
Barony Place	02/06/2016	SOUTH EAST
Barony Street	02/06/2016	SOUTH EAST

Bath Place	04/06/2016	NORTH EAST
Bath Street	04/06/2016	NORTH EAST
Bathfield	22/08/2016	NORTH EAST
Bavelaw Road	24/03/2016	NORTH EAST
Beach Lane	21/05/2016	NORTH EAST
Beauchamp Grove	07/05/2016	SOUTH EAST
Beauchamp Road	07/05/2016	SOUTH EAST
Beaufort Road	05/04/2016	SOUTH EAST
Bedford Court	12/05/2016	NORTH WEST
Bedford Street	12/05/2016	NORTH WEST
Bedford Terrace	04/06/2016	NORTH EAST
Belford Avenue	16/05/2016	NORTH WEST
Belford Gardens	16/05/2016	NORTH WEST
Belford Mews	16/05/2016	NORTH WEST
Belford Park	16/05/2016	NORTH WEST
Belford Place	16/05/2016	NORTH WEST
Belford Road	16/05/2016	SOUTH EAST
Belford Road	02/06/2016	SOUTH EAST
Belford Terrace	16/05/2016	NORTH WEST
Belford Terrace Lane	16/05/2016	NORTH WEST
Belgrave Crescent	16/05/2016	NORTH WEST
Belgrave Crescent Lane	16/05/2016	NORTH WEST
Belgrave Mews	16/05/2016	NORTH WEST
Belgrave Place	16/05/2016	NORTH WEST
Belhaven Place	08/03/2016	SOUTH EAST
Belhaven Place	15/05/2016	SOUTH EAST
Belhaven Terrace	08/03/2016	SOUTH EAST
Belhaven Terrace	15/05/2016	SOUTH EAST
Bell Place	16/05/2016	NORTH WEST
Bellenden Gardens	17/04/2016	SOUTH EAST
Bellevue	16/05/2016	NORTH WEST
Bellevue Crescent	02/06/2016	SOUTH EAST
Bellevue Gardens	23/06/2016	NORTH EAST
Bellevue Grove	23/06/2016	NORTH EAST
Bellevue Lane	23/06/2016	NORTH EAST
Bellevue Place	23/06/2016	NORTH EAST
Bellevue Road	23/06/2016	NORTH EAST
Bellevue Street	23/06/2016	NORTH EAST
Bellevue Terrace	23/06/2016	NORTH EAST
Bellfield Lane	21/05/2016	NORTH EAST
Bellfield Street	21/05/2016	NORTH EAST
Bell's Brae	16/05/2016	NORTH WEST
Bell's Mills	16/05/2016	NORTH WEST
Bell's Wynd	02/06/2016	SOUTH EAST
Belvedere Park	12/05/2016	NORTH WEST
Beresford Avenue	11/05/2016	NORTH WEST

Beresford Gardens	11/05/2016	NORTH WEST
Beresford Place	11/05/2016	NORTH WEST
Beresford Terrace	11/05/2016	NORTH WEST
Bernard Street	20/08/2016	NORTH EAST
Bernard Terrace	16/04/2016	SOUTH EAST
Bingham Avenue	11/06/2016	NORTH EAST
Bingham Broadway	11/06/2016	NORTH EAST
Bingham Crescent	11/06/2016	NORTH EAST
Bingham Crossway	11/06/2016	NORTH EAST
Bingham Drive	11/06/2016	NORTH EAST
Bingham Medway	11/06/2016	NORTH EAST
Bingham Place	11/06/2016	NORTH EAST
Bingham Terrace	11/06/2016	NORTH EAST
Bingham Way	11/06/2016	NORTH EAST
Birnie's Court	26/05/2016	NORTH WEST
Blackadder Place	18/05/2016	NORTH WEST
Blackbarony Road	09/04/2016	SOUTH EAST
Blackchapel Road	28/05/2016	NORTH EAST
Blacket Avenue	09/04/2016	SOUTH EAST
Blacket Place	09/04/2016	SOUTH EAST
Blackford Avenue	09/04/2016	SOUTH EAST
Blackford Bank	09/04/2016	SOUTH EAST
Blackford Glen Road	07/05/2016	SOUTH EAST
Blackford Hill Grove	09/04/2016	SOUTH EAST
Blackford Hill Rise	09/04/2016	SOUTH EAST
Blackford Hill View	09/04/2016	SOUTH EAST
Blackford Road	07/04/2016	SOUTH EAST
Blackhall Path	16/05/2016	NORTH WEST
Blackthorn Court	28/06/2016	NORTH WEST
Blair Street	02/06/2016	SOUTH EAST
Blantyre Terrace	15/03/2016	SOUTH EAST
Blantyre Terrace	22/05/2016	SOUTH EAST
Blenheim Place	02/06/2016	SOUTH EAST
Blinkbonny Avenue	09/06/2016	NORTH WEST
Blinkbonny Gardens	09/06/2016	NORTH WEST
Blinkbonny Grove	09/06/2016	NORTH WEST
Blinkbonny Grove West	09/06/2016	NORTH WEST
Blinkbonny Road	09/06/2016	NORTH WEST
Bo'ness Road	17/03/2016	NORTH WEST
Boroughloch	05/04/2016	SOUTH EAST
Boroughloch Lane	05/04/2016	SOUTH EAST
Boswall Avenue	16/05/2016	NORTH WEST
Boswall Crescent	16/05/2016	NORTH WEST
Boswall Drive	16/05/2016	NORTH WEST
Boswall Gardens	16/05/2016	NORTH WEST
Boswall Green	16/05/2016	NORTH WEST

Boswall Grove	16/05/2016	NORTH WEST
Boswall Loan	16/05/2016	NORTH WEST
Boswall Mews	16/05/2016	NORTH WEST
Boswall Parkway	16/05/2016	NORTH WEST
Boswall Place	16/05/2016	NORTH WEST
Boswall Quadrant	16/05/2016	NORTH WEST
Boswall Road	16/05/2016	NORTH WEST
Boswall Road Lane	16/05/2016	NORTH WEST
Boswall Square	16/05/2016	NORTH WEST
Boswall Terrace	17/05/2016	NORTH WEST
Bowhill Terrace	17/05/2016	NORTH WEST
Boyd's Entry	02/06/2016	SOUTH EAST
Braehead Avenue	25/04/2016	NORTH WEST
Braehead Crescent	25/04/2016	NORTH WEST
Braehead Drive	25/04/2016	NORTH WEST
Braehead Grove	25/04/2016	NORTH WEST
Braehead Loan	25/04/2016	NORTH WEST
Braehead Park	25/04/2016	NORTH WEST
Braehead Road	25/04/2016	NORTH WEST
Braehead View	25/04/2016	NORTH WEST
Braid Avenue	25/03/2016	SOUTH EAST
Braid Crescent	25/03/2016	SOUTH EAST
Braid Farm Road	25/03/2016	SOUTH EAST
Braid Hills Approach	25/03/2016	SOUTH EAST
Braid Hills Avenue	25/03/2016	SOUTH EAST
Braid Hills Crescent	25/03/2016	SOUTH EAST
Braid Hills Drive	25/03/2016	SOUTH EAST
Braid Hills Road	25/03/2016	SOUTH EAST
Braid Mount	25/03/2016	SOUTH EAST
Braid Mount Crest	25/03/2016	SOUTH EAST
Braid Mount Rise	25/03/2016	SOUTH EAST
Braid Mount View	25/03/2016	SOUTH EAST
Braid Road	25/03/2016	SOUTH EAST
Braidburn Crescent	25/03/2016	SOUTH EAST
Braidburn Terrace	25/03/2016	SOUTH EAST
Bramble Drive	28/06/2016	NORTH WEST
Bramdean Grove	25/03/2016	SOUTH EAST
Bramdean Place	25/03/2016	SOUTH EAST
Bramdean Rise	25/03/2016	SOUTH EAST
Bramdean View	25/03/2016	SOUTH EAST
Brand Drive	16/07/2016	NORTH EAST
Brand Gardens	16/07/2016	NORTH EAST
Brand Place	02/06/2016	SOUTH EAST
Brandon Street	18/05/2016	NORTH WEST
Brandon Terrace	18/05/2016	NORTH WEST
Bread Street	02/06/2016	SOUTH EAST

Bridge Place	18/05/2016	NORTH WEST
Bridge Street	08/04/2016	NORTH EAST
Bridge Street	21/05/2016	NORTH EAST
Bridge Street Lane	21/05/2016	NORTH EAST
Briery Bauks	16/04/2016	SOUTH EAST
Brighthouse Park Crescent	27/04/2016	NORTH WEST
Brighthouse Park Drive	27/04/2016	NORTH WEST
Brighton Place	18/06/2016	NORTH EAST
Bright's Crescent	09/04/2016	SOUTH EAST
Britwell Crescent	04/06/2016	NORTH EAST
Brodie's Close	02/06/2016	SOUTH EAST
Broomhouse Avenue	01/06/2016	SOUTH WEST
Broomhouse Bank	01/06/2016	SOUTH WEST
Broomhouse Cottages East	30/05/2016	SOUTH WEST
Broomhouse Cottages West	01/06/2016	SOUTH WEST
Broomhouse Court	01/06/2016	SOUTH WEST
Broomhouse Crescent	02/06/2016	SOUTH WEST
Broomhouse Drive	01/06/2016	SOUTH WEST
Broomhouse Gardens East	01/06/2016	SOUTH WEST
Broomhouse Gardens West	01/06/2016	SOUTH WEST
Broomhouse Grove	01/06/2016	SOUTH WEST
Broomhouse Loan	01/06/2016	SOUTH WEST
Broomhouse Market	01/06/2016	SOUTH WEST
Broomhouse Medway	01/06/2016	SOUTH WEST
Broomhouse Park	01/06/2016	SOUTH WEST
Broomhouse Path	01/06/2016	SOUTH WEST
Broomhouse Place North	01/06/2016	SOUTH WEST
Broomhouse Place South	30/05/2016	SOUTH WEST
Broomhouse Road	01/06/2016	SOUTH WEST
Broomhouse Road	06/06/2016	SOUTH WEST
Broomhouse Row	02/06/2016	SOUTH WEST
Broomhouse Square	01/06/2016	SOUTH WEST
Broomhouse Street North	01/06/2016	SOUTH WEST
Broomhouse Street South	30/05/2016	SOUTH WEST
Broomhouse Terrace	02/06/2016	SOUTH WEST
Broomhouse Walk	01/06/2016	SOUTH WEST
Broomhouse Way	01/06/2016	SOUTH WEST
Broomhouse Wynd	02/06/2016	SOUTH WEST
Broomyknowe	25/05/2016	SOUTH WEST
Brougham Place	16/03/2016	SOUTH EAST
Brougham Street	16/03/2016	SOUTH EAST
Broughton Market	02/06/2016	SOUTH EAST
Broughton Place	02/06/2016	SOUTH EAST
Broughton Place Lane	02/06/2016	SOUTH EAST
Broughton Road	08/06/2016	NORTH WEST
Broughton Street	02/06/2016	SOUTH EAST

Broughton Street Lane	02/06/2016	SOUTH EAST
Brown Street	16/04/2016	SOUTH EAST
Brown's Close	02/06/2016	SOUTH EAST
Bruce Street	08/03/2016	SOUTH EAST
Bruce Street	15/05/2016	SOUTH EAST
Brunstane Bank	16/07/2016	NORTH EAST
Brunstane Crescent	16/07/2016	NORTH EAST
Brunstane Drive	16/07/2016	NORTH EAST
Brunstane Gardens	16/07/2016	NORTH EAST
Brunstane Gardens Mews	16/07/2016	NORTH EAST
Brunstane Mill Road	16/07/2016	NORTH EAST
Brunstane Road	16/07/2016	NORTH EAST
Brunstane Road North	18/06/2016	NORTH EAST
Brunstane Road South	16/07/2016	NORTH EAST
Brunton Place	02/06/2016	SOUTH EAST
Bruntsfield Avenue	15/03/2016	SOUTH EAST
Bruntsfield Avenue	22/05/2016	SOUTH EAST
Bruntsfield Crescent	24/03/2016	SOUTH EAST
Bruntsfield Gardens	24/03/2016	SOUTH EAST
Bruntsfield Terrace	24/03/2016	SOUTH EAST
Bryce Avenue	25/06/2016	NORTH EAST
Bryce Grove	25/06/2016	NORTH EAST
Buccleuch Street	05/04/2016	SOUTH EAST
Buccleuch Terrace	05/04/2016	SOUTH EAST
Buckingham Terrace	16/05/2016	NORTH WEST
Buckstone Avenue	28/05/2016	SOUTH WEST
Buckstone Bank	28/05/2016	SOUTH WEST
Buckstone Circle	28/05/2016	SOUTH WEST
Buckstone Close	28/05/2016	SOUTH WEST
Buckstone Court	28/05/2016	SOUTH WEST
Buckstone Crescent	28/05/2016	SOUTH WEST
Buckstone Crook	28/05/2016	SOUTH WEST
Buckstone Dell	28/05/2016	SOUTH WEST
Buckstone Drive	28/05/2016	SOUTH WEST
Buckstone Gardens	28/05/2016	SOUTH WEST
Buckstone Gate	28/05/2016	SOUTH WEST
Buckstone Green	28/05/2016	SOUTH WEST
Buckstone Grove	28/05/2016	SOUTH WEST
Buckstone Hill	28/05/2016	SOUTH WEST
Buckstone Howe	28/05/2016	SOUTH WEST
Buckstone Lea	28/05/2016	SOUTH WEST
Buckstone Loan	28/05/2016	SOUTH WEST
Buckstone Loan East	28/05/2016	SOUTH WEST
Buckstone Neuk	28/05/2016	SOUTH WEST
Buckstone Place	28/05/2016	SOUTH WEST
Buckstone Rise	28/05/2016	SOUTH WEST

Buckstone Road	28/05/2016	SOUTH WEST
Buckstone Row	28/05/2016	SOUTH WEST
Buckstone Shaw	28/05/2016	SOUTH WEST
Buckstone Terrace	28/05/2016	SOUTH WEST
Buckstone View	28/05/2016	SOUTH WEST
Buckstone Way	28/05/2016	SOUTH WEST
Buckstone Wood	28/05/2016	SOUTH WEST
Buckstone Wynd	28/05/2016	SOUTH WEST
Bull's Close	31/05/2016	SOUTH EAST
Burdiehouse Avenue	02/05/2016	SOUTH EAST
Burdiehouse Crescent	02/05/2016	SOUTH EAST
Burdiehouse Crossway	02/05/2016	SOUTH EAST
Burdiehouse Drive	02/05/2016	SOUTH EAST
Burdiehouse Loan	02/05/2016	SOUTH EAST
Burdiehouse Medway	02/05/2016	SOUTH EAST
Burdiehouse Place	02/05/2016	SOUTH EAST
Burdiehouse Road	02/05/2016	SOUTH EAST
Burdiehouse Square	02/05/2016	SOUTH EAST
Burdiehouse Street	02/05/2016	SOUTH EAST
Burdiehouse Terrace	02/05/2016	SOUTH EAST
Burgess Road	16/03/2016	NORTH WEST
Burgess Terrace	09/04/2016	SOUTH EAST
Burghtoft	23/04/2016	SOUTH EAST
Burndale Place	02/05/2016	SOUTH EAST
Burnet's Close	02/06/2016	SOUTH EAST
Burnhead Crescent	02/05/2016	SOUTH EAST
Burnhead Grove	02/05/2016	SOUTH EAST
Burnhead Loan	02/05/2016	SOUTH EAST
Burnhead Path East	02/05/2016	SOUTH EAST
Burnhead Path West	02/05/2016	SOUTH EAST
Byer's Close	02/06/2016	SOUTH EAST
Cables Wynd	07/09/2016	NORTH EAST
Cables Wynd House	07/09/2016	NORTH EAST
Cadogan Road	07/05/2016	SOUTH EAST
Cadzow Place	02/05/2016	SOUTH EAST
Cairntows Close	04/06/2016	NORTH EAST
Caithness Place	17/05/2016	NORTH WEST
Cakemuir Gardens	04/06/2016	NORTH EAST
Cakemuir Grove	04/06/2016	NORTH EAST
Calder Court	25/05/2016	SOUTH WEST
Calder Crescent	26/05/2016	SOUTH WEST
Calder Drive	22/05/2016	SOUTH WEST
Calder Gardens	25/05/2016	SOUTH WEST
Calder Grove	26/05/2016	SOUTH WEST
Calder Park	25/05/2016	SOUTH WEST
Calder Place	22/05/2016	SOUTH WEST

Calder Road Gorgie Rd- Calder Rdbt	29/02/2016	SOUTH WEST
Calder Road Gorgie Rd- Calder Rdbt	28/04/2016	SOUTH WEST
Calder View	26/05/2016	SOUTH WEST
Caledonian Cycle Track	17/05/2016	NORTH WEST
Caledonian Cycle Track	09/06/2016	NORTH WEST
Calton Road	31/05/2016	SOUTH EAST
Calton Wynd	31/05/2016	SOUTH EAST
Cambusnethan Street	13/06/2016	NORTH EAST
Cameron House Avenue	16/04/2016	SOUTH EAST
Cameron March	09/04/2016	SOUTH EAST
Cameron Park	16/04/2016	SOUTH EAST
Cammo Bank	07/06/2016	NORTH WEST
Cammo Brae	07/06/2016	NORTH WEST
Cammo Grove	07/06/2016	NORTH WEST
Cammo Hill	07/06/2016	NORTH WEST
Cammo Parkway	07/06/2016	NORTH WEST
Cammo Place	07/06/2016	NORTH WEST
Campbell's Close	31/05/2016	SOUTH EAST
Canaan Lane	24/03/2016	SOUTH EAST
Candlemaker Row	31/05/2016	SOUTH EAST
Candlemaker's Crescent	23/04/2016	SOUTH EAST
Candlemaker's Park	23/04/2016	SOUTH EAST
Canon Lane	11/05/2016	NORTH WEST
Canon Street	11/05/2016	NORTH WEST
Canongate	31/05/2016	SOUTH EAST
Canonmills	11/05/2016	NORTH WEST
Canonmills Bridge	11/05/2016	NORTH WEST
Captain's Drive	02/05/2016	SOUTH EAST
Captain's Road	02/05/2016	SOUTH EAST
Captain's Row	02/05/2016	SOUTH EAST
Carfrae Gardens	11/05/2016	NORTH WEST
Carfrae Grove	11/05/2016	NORTH WEST
Carfrae Park	11/05/2016	NORTH WEST
Carfrae Road	11/05/2016	NORTH WEST
Cargil Court	10/05/2016	NORTH WEST
Cargil Terrace	10/05/2016	NORTH WEST
Carlowrie Avenue	01/04/2016	NORTH WEST
Carlowrie Avenue	28/07/2016	NORTH WEST
Carlowrie Crescent	01/04/2016	NORTH WEST
Carlowrie Crescent	28/04/2016	NORTH WEST
Carlton Street	11/05/2016	NORTH WEST
Carlton Terrace	31/05/2016	SOUTH EAST
Carlton Terrace Brae	31/05/2016	SOUTH EAST
Carlton Terrace Lane	31/05/2016	SOUTH EAST
Carlton Terrace Mews	31/05/2016	SOUTH EAST
Carmelite Road	29/03/2016	NORTH WEST

Carnbee Avenue	30/04/2016	SOUTH EAST
Carnbee Crescent	30/04/2016	SOUTH EAST
Carnbee Dell	30/04/2016	SOUTH EAST
Carnbee End	30/04/2016	SOUTH EAST
Carnbee Park	30/04/2016	SOUTH EAST
Carnegie Street	16/04/2016	SOUTH EAST
Caroline Park	10/05/2016	NORTH WEST
Caroline Park Avenue	10/05/2016	NORTH WEST
Caroline Park Grove	10/05/2016	NORTH WEST
Carrington Crescent	11/05/2016	NORTH WEST
Carrington Road	11/05/2016	NORTH WEST
Castle Terrace	02/06/2016	SOUTH EAST
Castle Wynd North	02/06/2016	SOUTH EAST
Castle Wynd South	02/06/2016	SOUTH EAST
Castlebrae Avenue	04/06/2016	NORTH EAST
Castlebrae Glebe	04/06/2016	NORTH EAST
Castlebrae Grove	04/06/2016	NORTH EAST
Castlebrae Place	04/06/2016	NORTH EAST
Castlebrae Rigg	04/06/2016	NORTH EAST
Castlebrae Wynd	04/06/2016	NORTH EAST
Castlepark Gait	04/06/2016	NORTH EAST
Castlepark Glade	04/06/2016	NORTH EAST
Castlepark Green	04/06/2016	NORTH EAST
Castlevue Avenue	04/06/2016	NORTH EAST
Castlevue Drive	04/06/2016	NORTH EAST
Castlevue Grove	04/06/2016	NORTH EAST
Castlevue Terrace	04/06/2016	NORTH EAST
Cathcart Place	23/03/2016	SOUTH WEST
Causewayside	07/04/2016	SOUTH EAST
Cavalry Park Drive	04/06/2016	NORTH EAST
Chalmers Crescent	05/04/2016	SOUTH EAST
Chalmers Street	16/03/2016	SOUTH EAST
Chamberlain Road	24/03/2016	SOUTH EAST
Chancelot Grove	16/05/2016	NORTH WEST
Chancelot Path	10/05/2016	NORTH WEST
Chancelot Terrace	10/05/2016	NORTH WEST
Chapel Wynd	31/05/2016	SOUTH EAST
Chapelhill Road	16/05/2016	NORTH WEST
Charlotte Lane	02/06/2016	SOUTH EAST
Charlotte Square	02/06/2016	SOUTH EAST
Charterhall Road	09/04/2016	SOUTH EAST
Charteris Place	02/06/2016	SOUTH EAST
Chessel's Court	02/06/2016	SOUTH EAST
Chesser Avenue	21/05/2016	SOUTH WEST
Chesser Crescent	21/05/2016	SOUTH WEST
Chesser Gardens	21/05/2016	SOUTH WEST

Chesser Grove	21/05/2016	SOUTH WEST
Chesser Loan	21/05/2016	SOUTH WEST
Chester Street	02/06/2016	SOUTH EAST
Chestnut Street	10/05/2016	NORTH WEST
Cheyne Street	16/05/2016	NORTH WEST
Christian Crescent	16/07/2016	NORTH EAST
Christian Grove	16/07/2016	NORTH EAST
Christian Path	16/07/2016	NORTH EAST
Christie Miller Avenue	25/06/2016	NORTH EAST
Christie Miller Grove	25/06/2016	NORTH EAST
Christie Miller Place	25/06/2016	NORTH EAST
Church Hill	24/03/2016	SOUTH EAST
Church Hill Place	24/03/2016	SOUTH EAST
Churchhill Drive	24/03/2016	SOUTH EAST
Circus Gardens	02/06/2016	SOUTH EAST
Circus Lane	02/06/2016	SOUTH EAST
Circus Place	02/06/2016	SOUTH EAST
Citypark Way	10/05/2016	NORTH WEST
Clackmae Grove	07/05/2016	SOUTH EAST
Clackmae Road	07/05/2016	SOUTH EAST
Clarence Street	16/05/2016	NORTH WEST
Clarendon Crescent	16/05/2016	NORTH WEST
Clarinda Terrace	30/04/2016	SOUTH EAST
Clark Avenue	10/05/2016	NORTH WEST
Clark Place	11/05/2016	NORTH WEST
Clark Road	11/05/2016	NORTH WEST
Claverhouse Drive	30/04/2016	SOUTH EAST
Clearburn Crescent	06/04/2016	SOUTH EAST
Clearburn Gardens	16/04/2016	SOUTH EAST
Clearburn Road	16/04/2016	SOUTH EAST
Cleekim Drive	11/06/2016	NORTH EAST
Cleekim Road	11/06/2016	NORTH EAST
Cleghorn Road	11/05/2016	NORTH WEST
Cleikiminfield	28/05/2016	NORTH EAST
Cleikiminrig	28/05/2016	NORTH EAST
Clerk Street	16/04/2016	SOUTH EAST
Clinton Road	24/03/2016	SOUTH EAST
Clockmill Lane	25/06/2016	NORTH EAST
Clovenstone Drive	23/05/2016	SOUTH WEST
Clovenstone Gardens	23/05/2016	SOUTH WEST
Clovenstone Park	23/05/2016	SOUTH WEST
Clovenstone Road	23/05/2016	SOUTH WEST
Clufflat	18/03/2016	NORTH WEST
Clufflat Brae	29/07/2016	NORTH WEST
Cluny Avenue	24/03/2016	SOUTH EAST
Cluny Drive	25/03/2016	SOUTH EAST

Cluny Gardens	25/03/2016	SOUTH EAST
Cluny Place	24/03/2016	SOUTH EAST
Cluny Terrace	24/03/2016	SOUTH EAST
Coalhill	06/09/2016	NORTH EAST
Coates Crescent	02/06/2016	SOUTH EAST
Coates Gardens	02/06/2016	SOUTH EAST
Coates Place	02/06/2016	SOUTH EAST
Cobden Crescent	09/04/2016	SOUTH EAST
Cobden Road	09/04/2016	SOUTH EAST
Coburg Street	06/09/2016	NORTH EAST
Coillesdene Avenue	21/05/2016	NORTH EAST
Coillesdene Crescent	21/05/2016	NORTH EAST
Coillesdene Drive	21/05/2016	NORTH EAST
Coillesdene Gardens	21/05/2016	NORTH EAST
Coillesdene Grove	21/05/2016	NORTH EAST
Coillesdene House	21/05/2016	NORTH EAST
Coillesdene Loan	21/05/2016	NORTH EAST
Coillesdene Terrace	21/05/2016	NORTH EAST
Colinton Grove	18/05/2016	SOUTH WEST
Colinton Grove West	18/05/2016	SOUTH WEST
Colinton Road	15/03/2016	SOUTH WEST
Colinton Road	17/05/2016	SOUTH WEST
Colinton Road	18/05/2016	SOUTH WEST
Colinton Road	22/05/2016	SOUTH WEST
Collier Place	18/06/2016	NORTH EAST
Collins Place	17/05/2016	NORTH WEST
Colonsay Close	11/05/2016	NORTH WEST
Colonsay Place	11/05/2016	NORTH WEST
Colonsay View	11/05/2016	NORTH WEST
Colonsay Way	11/05/2016	NORTH WEST
Coltbridge Gardens	17/05/2016	NORTH WEST
Columba Avenue	24/05/2016	NORTH WEST
Columba Road	24/05/2016	NORTH WEST
Colville Place	24/05/2016	NORTH WEST
Comely Bank	16/05/2016	NORTH WEST
Comely Bank Avenue	16/05/2016	NORTH WEST
Comely Bank Grove	11/05/2016	NORTH WEST
Comely Bank Place	11/05/2016	NORTH WEST
Comely Bank Place Mews	11/05/2016	NORTH WEST
Comely Bank Road	11/05/2016	NORTH WEST
Comely Bank Roundabout	11/05/2016	NORTH WEST
Comely Bank Row	11/05/2016	NORTH WEST
Comely Bank Street	11/05/2016	NORTH WEST
Comely Bank Terrace	11/05/2016	NORTH WEST
Comely Green Crescent	25/06/2016	NORTH EAST
Comely Green Place	25/06/2016	NORTH EAST

Comiston Drive	07/03/2016	SOUTH EAST
Comiston Drive	14/05/2016	SOUTH EAST
Comiston Gardens	07/03/2016	SOUTH EAST
Comiston Gardens	14/05/2016	SOUTH EAST
Comiston Place	25/03/2016	SOUTH EAST
Comiston Terrace	25/03/2016	SOUTH EAST
Commercial Street	20/08/2016	NORTH EAST
Commercial Wharf	20/08/2016	NORTH EAST
Connaught Place	20/08/2016	NORTH EAST
Considine Terrace	25/06/2016	NORTH EAST
Considine Terrace Stairway	25/06/2016	NORTH EAST
Constitution Place	06/09/2016	NORTH EAST
Constitution Street	06/09/2016	NORTH EAST
Corbiehill Avenue	11/05/2016	NORTH WEST
Corbiehill Crescent	06/05/2016	NORTH WEST
Corbiehill Gardens	11/05/2016	NORTH WEST
Corbiehill Grove	11/05/2016	NORTH WEST
Corbiehill Place	06/05/2016	NORTH WEST
Corbiehill Road	05/05/2016	NORTH WEST
Corbiehill Road	11/05/2016	NORTH WEST
Corbiehill Terrace	06/05/2016	NORTH WEST
Corbieshot	11/06/2016	NORTH EAST
Corbiewynd	11/06/2016	NORTH EAST
Cordiner's Land	02/06/2016	SOUTH EAST
Cornfield Crescent	11/05/2016	NORTH WEST
Cornwall Street	02/06/2016	SOUTH EAST
Corrennie Drive	25/03/2016	SOUTH EAST
Corrennie Gardens	25/03/2016	SOUTH EAST
Cottage Green	27/04/2016	NORTH WEST
Cottage Park	11/05/2016	NORTH WEST
Cowgate	02/06/2016	SOUTH EAST
Cowgatehead	02/06/2016	SOUTH EAST
Craigcrook Avenue	12/05/2016	NORTH WEST
Craigcrook Gardens	12/05/2016	NORTH WEST
Craigcrook Grove	12/05/2016	NORTH WEST
Craigcrook Park	12/05/2016	NORTH WEST
Craigcrook Place	12/05/2016	NORTH WEST
Craigcrook Road	12/05/2016	NORTH WEST
Craigcrook Square	12/05/2016	NORTH WEST
Craigcrook Terrace	12/05/2016	NORTH WEST
Craigend Park	17/04/2016	SOUTH EAST
Craightinny Avenue	25/06/2016	NORTH EAST
Craightinny Avenue North	25/06/2016	NORTH EAST
Craightinny Crescent	25/06/2016	NORTH EAST
Craightinny Grove	25/06/2016	NORTH EAST
Craightinny Place	25/06/2016	NORTH EAST

Craigentinny Road	25/06/2016	NORTH EAST
Craighall Avenue	11/05/2016	NORTH WEST
Craighall Bank	11/05/2016	NORTH WEST
Craighall Crescent	11/05/2016	NORTH WEST
Craighall Gardens	11/05/2016	NORTH WEST
Craighall Road	11/05/2016	NORTH WEST
Craighall Terrace	11/05/2016	NORTH WEST
Craighill Gardens	07/03/2016	SOUTH EAST
Craighill Gardens	14/05/2016	SOUTH EAST
Craighouse Avenue	08/03/2016	SOUTH EAST
Craighouse Avenue	15/05/2016	SOUTH EAST
Craighouse Gardens	08/03/2016	SOUTH EAST
Craighouse Gardens	15/05/2016	SOUTH EAST
Craighouse Park	08/03/2016	SOUTH EAST
Craighouse Park	15/05/2016	SOUTH EAST
Craighouse Road	08/03/2016	SOUTH EAST
Craighouse Road	15/05/2016	SOUTH EAST
Craighouse Terrace	08/03/2016	SOUTH EAST
Craighouse Terrace	15/05/2016	SOUTH EAST
Craiglea Drive	07/03/2016	SOUTH EAST
Craiglea Drive	14/05/2016	SOUTH EAST
Craiglea Place	07/03/2016	SOUTH EAST
Craiglea Place	14/05/2016	SOUTH EAST
Craigleith Drive	12/05/2016	NORTH WEST
Craigleith Hill	12/05/2016	NORTH WEST
Craigleith Hill Avenue	12/05/2016	NORTH WEST
Craigleith Hill Crescent	12/05/2016	NORTH WEST
Craigleith Hill Gardens	12/05/2016	NORTH WEST
Craigleith Hill Green	12/05/2016	NORTH WEST
Craigleith Hill Grove	12/05/2016	NORTH WEST
Craigleith Hill Loan	12/05/2016	NORTH WEST
Craigleith Hill Park	12/05/2016	NORTH WEST
Craigleith Hill Row	12/05/2016	NORTH WEST
Craigleith Road	08/06/2016	NORTH WEST
Craiglockhart Bank	23/05/2016	SOUTH WEST
Craiglockhart Crescent	19/05/2016	SOUTH WEST
Craiglockhart Dell Road	23/05/2016	SOUTH WEST
Craiglockhart Drive North	19/05/2016	SOUTH WEST
Craiglockhart Drive South	23/05/2016	SOUTH WEST
Craiglockhart Grove	23/05/2016	SOUTH WEST
Craiglockhart Loan	19/05/2016	SOUTH WEST
Craiglockhart Park	19/05/2016	SOUTH WEST
Craiglockhart Road	19/05/2016	SOUTH WEST
Craiglockhart Road North	19/05/2016	SOUTH WEST
Craiglockhart Terrace	18/05/2016	SOUTH WEST
Craigmillar Castle Avenue	28/05/2016	NORTH EAST

Craigmillar Castle Gardens	28/05/2016	NORTH EAST
Craigmillar Castle Grove	28/05/2016	NORTH EAST
Craigmillar Castle Loan	28/05/2016	NORTH EAST
Craigmillar Castle Road	28/05/2016	NORTH EAST
Craigmillar Park	09/04/2016	SOUTH EAST
Craigmuir Place	12/05/2016	NORTH WEST
Craigour Avenue	19/04/2016	SOUTH EAST
Craigour Crescent	19/04/2016	SOUTH EAST
Craigour Drive	19/04/2016	SOUTH EAST
Craigour Gardens	19/04/2016	SOUTH EAST
Craigour Green	19/04/2016	SOUTH EAST
Craigour Grove	19/04/2016	SOUTH EAST
Craigour Loan	19/04/2016	SOUTH EAST
Craigour Place	19/04/2016	SOUTH EAST
Craigour Terrace	19/04/2016	SOUTH EAST
Craigroyston Grove	25/05/2016	NORTH WEST
Craigroyston Place	25/05/2016	NORTH WEST
Cramond Avenue	27/04/2016	NORTH WEST
Cramond Bank	27/04/2016	NORTH WEST
Cramond Brig	18/04/2016	NORTH WEST
Cramond Crescent	27/04/2016	NORTH WEST
Cramond Gardens	27/04/2016	NORTH WEST
Cramond Glebe Gardens	26/04/2016	NORTH WEST
Cramond Glebe Road	26/04/2016	NORTH WEST
Cramond Glebe Terrace	27/04/2016	NORTH WEST
Cramond Place	27/04/2016	NORTH WEST
Cramond Regis	27/04/2016	NORTH WEST
Cramond Terrace	27/04/2016	NORTH WEST
Cramond Vale	26/04/2016	NORTH WEST
Cranston Street	02/06/2016	SOUTH EAST
Crarae Avenue	08/06/2016	NORTH WEST
Crawfurd Road	09/04/2016	SOUTH EAST
Crewe Bank	20/05/2016	NORTH WEST
Crewe Crescent	20/05/2016	NORTH WEST
Crewe Grove	20/05/2016	NORTH WEST
Crewe Loan	20/05/2016	NORTH WEST
Crewe Place	20/05/2016	NORTH WEST
Crewe Road Gardens	20/05/2016	NORTH WEST
Crewe Road North	20/05/2016	NORTH WEST
Crewe Road South	08/06/2016	NORTH WEST
Crewe Road West	20/05/2016	NORTH WEST
Crewe Terrace	20/05/2016	NORTH WEST
Crewe Toll Roundabout	20/05/2016	NORTH WEST
Crichton's Close	02/06/2016	SOUTH EAST
Croft-An-Righ	02/06/2016	SOUTH EAST
Cuddy Lane	08/03/2016	SOUTH EAST

Cuddy Lane	15/05/2016	SOUTH EAST
Cumberland Street	02/06/2016	SOUTH EAST
Cumberland Street North East Lane	02/06/2016	SOUTH EAST
Cumberland Street North West Lane	02/06/2016	SOUTH EAST
Cumberland Street South East Lane	02/06/2016	SOUTH EAST
Cumberland Street South West Lane	02/06/2016	SOUTH EAST
Cumnor Crescent	30/04/2016	SOUTH EAST
Custom House Place	20/05/2016	NORTH WEST
Cycle Track at King George IV Park	08/06/2016	NORTH WEST
Cycle Track From Trinity Station To Caledonian Cycle Track	09/06/2016	NORTH WEST
Cycle Track From Trinity Station To Lower Granton Road	09/06/2016	NORTH WEST
Cycle Track From Trinity To Heriot Hill	08/06/2016	NORTH WEST
Cycle Track From Trinity To Heriot Hill	09/06/2016	NORTH WEST
Cycle Track From Victoria Park To Stedfastgate	09/06/2016	NORTH WEST
Cycle Track-Inverleith Pk	08/06/2016	NORTH WEST
Daiches Braes	16/07/2016	NORTH EAST
Dalgety Avenue	04/06/2016	NORTH EAST
Dalgety Road	04/06/2016	NORTH EAST
Dalgety Street	04/06/2016	NORTH EAST
Dalhousie Terrace	07/03/2016	SOUTH EAST
Dalhousie Terrace	14/05/2016	SOUTH EAST
Dalkeith Road	16/04/2016	SOUTH EAST
Dalry Gait	27/06/2016	SOUTH WEST
Dalry Place	23/03/2016	SOUTH WEST
Dalry Place	27/06/2016	SOUTH WEST
Dalry Road	23/03/2016	SOUTH WEST
Dalry Road	27/06/2016	SOUTH WEST
Dalrymple Crescent	07/04/2016	SOUTH EAST
Dalziel Place	04/06/2016	NORTH EAST
Damside	10/05/2016	NORTH WEST
Danube Street	10/05/2016	NORTH WEST
Darnaway Street	02/06/2016	SOUTH EAST
Darnell Road	10/05/2016	NORTH WEST
Darvel Gait	04/06/2016	NORTH EAST
Davidson Park	10/05/2016	NORTH WEST
Davidson Road	10/05/2016	NORTH WEST
Davie Street	16/04/2016	SOUTH EAST
Dean Bank Lane	10/05/2016	NORTH WEST
Dean Bridge	10/05/2016	NORTH WEST
Dean Centre Road	10/05/2016	NORTH WEST
Dean Park Crescent	10/05/2016	NORTH WEST
Dean Park Mews	10/05/2016	NORTH WEST
Dean Park Street	10/05/2016	NORTH WEST
Dean Path	10/05/2016	NORTH WEST
Dean Path Buildings	10/05/2016	NORTH WEST
Dean Street	10/05/2016	NORTH WEST

Dean Terrace	10/05/2016	NORTH WEST
Deanery Close	04/06/2016	NORTH EAST
Deanhaugh Street	10/05/2016	NORTH WEST
Denham Green Avenue	10/05/2016	NORTH WEST
Denham Green Place	10/05/2016	NORTH WEST
Denham Green Terrace	10/05/2016	NORTH WEST
Derby Street	10/05/2016	NORTH WEST
Dick Place	07/04/2016	SOUTH EAST
Dinmont Drive	17/04/2016	SOUTH EAST
Distillery Lane	23/03/2016	SOUTH WEST
Distillery Lane	27/06/2016	SOUTH WEST
Dock Place	20/08/2016	NORTH EAST
Dock Street	20/08/2016	NORTH EAST
Double Hedges Park	30/04/2016	SOUTH EAST
Double Hedges Road	30/04/2016	SOUTH EAST
Douglas Gardens	02/06/2016	SOUTH EAST
Douglas Gardens Mews	02/06/2016	SOUTH EAST
Downfield Place	23/03/2016	SOUTH WEST
Downfield Place	27/06/2016	SOUTH WEST
Drum Avenue	23/04/2016	SOUTH EAST
Drum Cottages	23/04/2016	SOUTH EAST
Drum Crescent	23/04/2016	SOUTH EAST
Drum Place	23/04/2016	SOUTH EAST
Drum Street	23/04/2016	SOUTH EAST
Drum Woods	23/04/2016	SOUTH EAST
Drumdryan Street	16/03/2016	SOUTH EAST
Drummond Place	02/06/2016	SOUTH EAST
Drumsheugh Gardens	02/06/2016	SOUTH EAST
Drumsheugh Place	02/06/2016	SOUTH EAST
Drybrough Crescent	04/06/2016	NORTH EAST
Dryden Place	09/04/2016	SOUTH EAST
Drylaw Avenue	23/05/2016	NORTH WEST
Drylaw Crescent	23/05/2016	NORTH WEST
Drylaw Gardens	23/05/2016	NORTH WEST
Drylaw Green	23/05/2016	NORTH WEST
Drylaw Grove	23/05/2016	NORTH WEST
Drylaw House Gardens	23/05/2016	NORTH WEST
Drylaw House Paddock	23/05/2016	NORTH WEST
Dublin Meuse	02/06/2016	SOUTH EAST
Dublin Street	02/06/2016	SOUTH EAST
Dublin Street Lane North	02/06/2016	SOUTH EAST
Dublin Street Lane South	02/06/2016	SOUTH EAST
Duddingston Avenue	13/06/2016	NORTH EAST
Duddingston Crescent	18/06/2016	NORTH EAST
Duddingston Gardens North	13/06/2016	NORTH EAST
Duddingston Gardens South	13/06/2016	NORTH EAST

Duddingston Grove East	13/06/2016	NORTH EAST
Duddingston Grove West	13/06/2016	NORTH EAST
Duddingston Loan	13/06/2016	NORTH EAST
Duddingston Mills	13/06/2016	NORTH EAST
Duddingston Park South	04/06/2016	NORTH EAST
Duddingston Rise	04/06/2016	NORTH EAST
Duddingston Road	04/06/2016	NORTH EAST
Duddingston Road	13/06/2016	NORTH EAST
Duddingston Road West	04/06/2016	NORTH EAST
Duddingston Road West	13/06/2016	NORTH EAST
Duddingston Row	11/06/2016	NORTH EAST
Duddingston Square East	13/06/2016	NORTH EAST
Duddingston Square West	13/06/2016	NORTH EAST
Duddingston View	11/06/2016	NORTH EAST
Duddingston Yards	04/06/2016	NORTH EAST
Dudgeon Place	29/03/2016	NORTH WEST
Dudley Avenue	09/05/2016	NORTH WEST
Dudley Avenue South	09/05/2016	NORTH WEST
Dudley Crescent	09/05/2016	NORTH WEST
Dudley Gardens	09/05/2016	NORTH WEST
Dudley Grove	09/05/2016	NORTH WEST
Dudley Terrace	09/05/2016	NORTH WEST
Duff Road	23/03/2016	SOUTH WEST
Duff Street	23/03/2016	SOUTH WEST
Duff Street Lane	23/03/2016	SOUTH WEST
Dumbeg Park	23/05/2016	SOUTH WEST
Dumbiedykes Road	16/04/2016	SOUTH EAST
Dumbryden Drive	15/04/2016	SOUTH WEST
Dumbryden Drive	08/06/2016	SOUTH WEST
Dumbryden Gardens	19/03/2016	SOUTH WEST
Dumbryden Gardens	08/06/2016	SOUTH WEST
Dumbryden Grove	19/03/2016	SOUTH WEST
Dumbryden Grove	08/06/2016	SOUTH WEST
Dumbryden Road	15/04/2016	SOUTH WEST
Dumbryden Road	08/06/2016	SOUTH WEST
Dun-Ard Garden	09/04/2016	SOUTH EAST
Dunbar Street	02/06/2016	SOUTH EAST
Dunbar's Close	02/06/2016	SOUTH EAST
Duncan Street	07/04/2016	SOUTH EAST
Dundas Avenue	23/03/2016	NORTH WEST
Dundas Place	29/03/2016	NORTH WEST
Dundas Street	23/05/2016	SOUTH EAST
Dundas Street	02/06/2016	SOUTH EAST
Dundee Street	31/05/2016	SOUTH WEST
Dundee Street	31/05/2016	SOUTH WEST
Dundee Terrace	31/05/2016	SOUTH WEST

Dunlaw Wynd	02/05/2016	SOUTH EAST
Dunrobin Place	23/05/2016	NORTH WEST
Dunvegan Court	27/04/2016	NORTH WEST
Durham Avenue	25/06/2016	NORTH EAST
Durham Avenue	25/06/2016	NORTH EAST
Durham Drive	25/06/2016	NORTH EAST
Durham Gardens North	25/06/2016	NORTH EAST
Durham Gardens South	25/06/2016	NORTH EAST
Durham Grove	25/06/2016	NORTH EAST
Durham Place East	25/06/2016	NORTH EAST
Durham Place Lane	25/06/2016	NORTH EAST
Durham Place West	25/06/2016	NORTH EAST
Durham Road	25/06/2016	NORTH EAST
Durham Road South	25/06/2016	NORTH EAST
Durham Square	25/06/2016	NORTH EAST
Durham Terrace	16/06/2016	NORTH EAST
Durham Terrace	25/06/2016	NORTH EAST
Durward Grove	17/04/2016	SOUTH EAST
Earl Haig Gardens	09/05/2016	NORTH WEST
Earlston Place	16/06/2016	NORTH EAST
East Barnton Avenue	04/05/2016	NORTH WEST
East Barnton Gate	04/05/2016	NORTH WEST
East Brighton Crescent	16/07/2016	NORTH EAST
East Broughton Place	31/05/2016	SOUTH EAST
East Castle Road	15/03/2016	SOUTH EAST
East Castle Road	22/05/2016	SOUTH EAST
East Clapperfield	30/04/2016	SOUTH EAST
East Crosscauseway	16/04/2016	SOUTH EAST
East Farm Of Gilmerton	23/04/2016	SOUTH EAST
East Fettes Avenue	12/05/2016	NORTH WEST
East Fountainbridge	31/05/2016	SOUTH EAST
East Kilngate Place	23/04/2016	SOUTH EAST
East Kilngate Rigg	23/04/2016	SOUTH EAST
East Kilngate Wynd	23/04/2016	SOUTH EAST
East Lillypot	24/05/2016	NORTH WEST
East London Street	31/05/2016	SOUTH EAST
East Market Street	31/05/2016	SOUTH EAST
East Mayfield	09/04/2016	SOUTH EAST
East Norton Place	31/05/2016	SOUTH EAST
East Pilton Farm Avenue	24/05/2016	NORTH WEST
East Pilton Farm Crescent	24/05/2016	NORTH WEST
East Pilton Farm Crossway	24/05/2016	NORTH WEST
East Pilton Farm Place	24/05/2016	NORTH WEST
East Pilton Farm Rigg	24/05/2016	NORTH WEST
East Pilton Farm Rigg - SR	24/05/2016	NORTH WEST
East Pilton Farm Wynd	24/05/2016	NORTH WEST

East Preston Street	09/04/2016	SOUTH EAST
East Scotland Street Lane	31/05/2016	SOUTH EAST
East Silvermills Lane	12/05/2016	NORTH WEST
East Suffolk Road	09/04/2016	SOUTH EAST
East Telferton	16/06/2016	NORTH EAST
East Trinity Road	24/05/2016	NORTH WEST
East Werberside	12/05/2016	NORTH WEST
East Werberside Place	12/05/2016	NORTH WEST
Easter Dalry Wynd	23/03/2016	SOUTH WEST
Easter Dalry Wynd	27/06/2016	SOUTH WEST
Easter Drylaw Avenue	24/05/2016	NORTH WEST
Easter Drylaw Bank	24/05/2016	NORTH WEST
Easter Drylaw Drive	24/05/2016	NORTH WEST
Easter Drylaw Gardens	24/05/2016	NORTH WEST
Easter Drylaw Grove	24/05/2016	NORTH WEST
Easter Drylaw Loan	24/05/2016	NORTH WEST
Easter Drylaw Place	24/05/2016	NORTH WEST
Easter Drylaw View	24/05/2016	NORTH WEST
Easter Drylaw Way	24/05/2016	NORTH WEST
Easter Road	31/05/2016	SOUTH EAST
Easter Warriston	24/05/2016	NORTH WEST
Eastfield	04/06/2016	NORTH EAST
Eastfield Gardens	04/06/2016	NORTH EAST
Echline Avenue	22/03/2016	NORTH WEST
Echline Drive	22/03/2016	NORTH WEST
Echline Gardens	22/03/2016	NORTH WEST
Echline Grove	21/03/2016	NORTH WEST
Echline Park	21/03/2016	NORTH WEST
Echline Place	21/03/2016	NORTH WEST
Echline Terrace	22/03/2016	NORTH WEST
Echline View	21/03/2016	NORTH WEST
Egypt Mews	24/03/2016	SOUTH EAST
Eildon Street	17/05/2016	NORTH WEST
Eildon Terrace	17/05/2016	NORTH WEST
Elcho Terrace	16/07/2016	NORTH EAST
Electra Place	04/06/2016	NORTH EAST
Ellangowan Terrace	17/04/2016	SOUTH EAST
Ellen's Glen Loan	30/04/2016	SOUTH EAST
Ellen's Glen Road	30/04/2016	SOUTH EAST
Elliot Gardens	24/05/2016	SOUTH WEST
Elliot Park	24/05/2016	SOUTH WEST
Elliot Place	24/05/2016	SOUTH WEST
Elliot Road	24/05/2016	SOUTH WEST
Elm Row	31/05/2016	SOUTH EAST
Eltringham Gardens	21/05/2016	SOUTH WEST
Eltringham Grove	21/05/2016	SOUTH WEST

Eltringham Terrace	21/05/2016	SOUTH WEST
Esdaile Bank	07/04/2016	SOUTH EAST
Esdaile Park	07/04/2016	SOUTH EAST
Essex Place	25/04/2016	NORTH WEST
Essex Road	25/04/2016	NORTH WEST
Esslemont Road	09/04/2016	SOUTH EAST
Ethel Terrace	07/03/2016	SOUTH EAST
Ethel Terrace	14/05/2016	SOUTH EAST
Ethel Terrace Lane	07/03/2016	SOUTH EAST
Ethel Terrace Lane	14/05/2016	SOUTH EAST
Eton Terrace	17/05/2016	NORTH WEST
Ettrick Grove	15/03/2016	SOUTH EAST
Ettrick Grove	22/05/2016	SOUTH EAST
Ettrick Loan	15/03/2016	SOUTH EAST
Ettrick Loan	22/05/2016	SOUTH EAST
Ettrick Road	15/03/2016	SOUTH EAST
Ettrick Road	22/05/2016	SOUTH EAST
Ettrickdale Place	17/05/2016	NORTH WEST
Eyre Crescent	17/05/2016	NORTH WEST
Eyre Place	17/05/2016	NORTH WEST
Eyre Place Lane	17/05/2016	NORTH WEST
Eyre Terrace	17/05/2016	NORTH WEST
Fair-A-Far	26/04/2016	NORTH WEST
Fairford Gardens	17/04/2016	SOUTH EAST
Falcon Avenue	24/03/2016	SOUTH EAST
Falcon Court	24/03/2016	SOUTH EAST
Falcon Gardens	24/03/2016	SOUTH EAST
Falcon Lane	24/03/2016	SOUTH EAST
Falcon Road	24/03/2016	SOUTH EAST
Falcon Road West	24/03/2016	SOUTH EAST
Farquhar Terrace	18/03/2016	NORTH WEST
Farrer Grove	25/06/2016	NORTH EAST
Farrer Terrace	25/06/2016	NORTH EAST
Ferniehill Avenue	19/04/2016	SOUTH EAST
Ferniehill Drive	23/04/2016	SOUTH EAST
Ferniehill Gardens	19/04/2016	SOUTH EAST
Ferniehill Grove	19/04/2016	SOUTH EAST
Ferniehill Place	19/04/2016	SOUTH EAST
Ferniehill Road	19/04/2016	SOUTH EAST
Ferniehill Square	19/04/2016	SOUTH EAST
Ferniehill Street	19/04/2016	SOUTH EAST
Ferniehill Terrace	19/04/2016	SOUTH EAST
Ferniehill Way	19/04/2016	SOUTH EAST
Fernieside Avenue	19/04/2016	SOUTH EAST
Fernieside Crescent	19/04/2016	SOUTH EAST
Fernieside Drive	19/04/2016	SOUTH EAST

Fernieside Gardens	19/04/2016	SOUTH EAST
Fernieside Grove	19/04/2016	SOUTH EAST
Fernieside Place	19/04/2016	SOUTH EAST
Ferry Gait Crescent	24/05/2016	NORTH WEST
Ferry Gait Drive	24/05/2016	NORTH WEST
Ferry Gait Gardens	24/05/2016	NORTH WEST
Ferry Gait Place	24/05/2016	NORTH WEST
Ferry Gait Walk	24/05/2016	NORTH WEST
Ferry Road	24/05/2016	NORTH WEST
Ferry Road	12/06/2016	NORTH WEST
Ferry Road	25/05/2016	NORTH WEST
Ferry Road Avenue	24/05/2016	NORTH WEST
Ferry Road Drive	24/05/2016	NORTH WEST
Ferry Road Gardens	24/05/2016	NORTH WEST
Ferry Road Grove	25/05/2016	NORTH WEST
Ferry Road Path	25/05/2016	NORTH WEST
Ferry Road Place	25/05/2016	NORTH WEST
Ferryfield	25/05/2016	NORTH WEST
Fettes Avenue	12/06/2016	NORTH WEST
Fettes Rise	12/06/2016	NORTH WEST
Fettes Row	28/05/2016	SOUTH EAST
Fidra Court	25/05/2016	NORTH WEST
Figgate Bank	04/06/2016	NORTH EAST
Figgate Lane	21/05/2016	NORTH EAST
Figgate Street	21/05/2016	NORTH EAST
Fillyside Avenue	11/06/2016	NORTH EAST
Fillyside Road	11/06/2016	NORTH EAST
Fillyside Terrace	11/06/2016	NORTH EAST
Findlay Avenue	11/06/2016	NORTH EAST
Findlay Cottages	11/06/2016	NORTH EAST
Findlay Gardens	11/06/2016	NORTH EAST
Findlay Grove	11/06/2016	NORTH EAST
Findlay Grove Pathway	11/06/2016	NORTH EAST
Findlay Medway	11/06/2016	NORTH EAST
Fingal Place	05/04/2016	SOUTH EAST
Fireclay Walk	04/06/2016	NORTH EAST
Firrhill Crescent	06/06/2016	SOUTH WEST
Firrhill Drive	06/06/2016	SOUTH WEST
Firrhill Loan	06/06/2016	SOUTH WEST
Firrhill Neuk	06/06/2016	SOUTH WEST
Firrhill Park	06/06/2016	SOUTH WEST
Fishwives Causeway	02/07/2016	NORTH EAST
Fishwives Causeway	16/07/2016	NORTH EAST
Fleming Place	16/07/2016	NORTH EAST
Forbes Road	24/03/2016	SOUTH EAST
Forbes Street	16/04/2016	SOUTH EAST

Forth Place	29/07/2016	NORTH WEST
Forth Street	28/05/2016	SOUTH EAST
Forth Terrace	28/07/2016	NORTH WEST
Forthview Road	13/05/2016	NORTH WEST
Forthview Terrace	13/05/2016	NORTH WEST
Fortune Place	19/04/2016	SOUTH EAST
Fountainhall Road	09/04/2016	SOUTH EAST
Fraser Avenue	17/05/2016	NORTH WEST
Fraser Crescent	17/05/2016	NORTH WEST
Fraser Gardens	17/05/2016	NORTH WEST
Fraser Grove	17/05/2016	NORTH WEST
Freelands Place	29/03/2016	NORTH WEST
Frogston Road East	07/05/2016	SOUTH EAST
Furcheons Park	16/07/2016	NORTH EAST
Gabriel's Road	13/05/2016	NORTH WEST
Gamekeeper's Road	27/04/2016	NORTH WEST
Gardiner Grove	13/05/2016	NORTH WEST
Gardiner Road	13/05/2016	NORTH WEST
Gardiner Terrace	13/05/2016	NORTH WEST
Gardner Street	16/07/2016	NORTH EAST
Garvald Street	02/05/2016	SOUTH EAST
Gateside Road	07/04/2016	NORTH WEST
Gayfield Close	28/05/2016	SOUTH EAST
Gayfield Place	28/05/2016	SOUTH EAST
Gayfield Place Lane	28/05/2016	SOUTH EAST
Gayfield Square	28/05/2016	SOUTH EAST
Gayfield Street	28/05/2016	SOUTH EAST
Gayfield Street Lane	28/05/2016	SOUTH EAST
Gentle's Entry	28/05/2016	SOUTH EAST
George IV Bridge	28/05/2016	SOUTH EAST
Gifford Park	05/04/2016	SOUTH EAST
Gilberstoun	16/07/2016	NORTH EAST
Gilberstoun Brig	16/07/2016	NORTH EAST
Gilberstoun Loan	23/07/2016	NORTH EAST
Gilberstoun Place	23/07/2016	NORTH EAST
Gilberstoun Wynd	23/07/2016	NORTH EAST
Gillespie Crescent	16/03/2016	SOUTH EAST
Gillespie Place	16/03/2016	SOUTH EAST
Gillespie Street	16/03/2016	SOUTH EAST
Gillsland Grove	15/03/2016	SOUTH EAST
Gillsland Grove	22/05/2016	SOUTH EAST
Gillsland Park	15/03/2016	SOUTH EAST
Gillsland Park	22/05/2016	SOUTH EAST
Gillsland Road	15/03/2016	SOUTH EAST
Gillsland Road	22/05/2016	SOUTH EAST
Gilmerton Dykes Avenue	23/04/2016	SOUTH EAST

Gilmerton Dykes Crescent	30/04/2016	SOUTH EAST
Gilmerton Dykes Drive	23/04/2016	SOUTH EAST
Gilmerton Dykes Gardens	30/04/2016	SOUTH EAST
Gilmerton Dykes Grove	30/04/2016	SOUTH EAST
Gilmerton Dykes Loan	23/04/2016	SOUTH EAST
Gilmerton Dykes Place	30/04/2016	SOUTH EAST
Gilmerton Dykes Road	23/04/2016	SOUTH EAST
Gilmerton Dykes Street	30/04/2016	SOUTH EAST
Gilmerton Dykes Terrace	23/04/2016	SOUTH EAST
Gilmerton Dykes View	23/04/2016	SOUTH EAST
Gilmerton Place	23/04/2016	SOUTH EAST
Gilmerton Road	30/04/2016	SOUTH EAST
Gilmour Road	09/04/2016	SOUTH EAST
Gilmour Street	16/04/2016	SOUTH EAST
Gilmour's Close	28/05/2016	SOUTH EAST
Gladstone Terrace	05/04/2016	SOUTH EAST
Glanville Place	13/05/2016	NORTH WEST
Glasgow Road	27/06/2016	NORTH WEST
Glen Street	16/03/2016	SOUTH EAST
Glenallan Drive	17/04/2016	SOUTH EAST
Glenallan Loan	17/04/2016	SOUTH EAST
Glendinning Crescent	30/04/2016	SOUTH EAST
Glendinning Road	31/03/2016	NORTH WEST
Glenfinlas Street	01/06/2016	SOUTH EAST
Glengyle Terrace	16/03/2016	SOUTH EAST
Glenisla Gardens	09/04/2016	SOUTH EAST
Glenlee Avenue	23/07/2016	NORTH EAST
Glenlee Gardens	23/07/2016	NORTH EAST
Glenlockhart Bank	18/05/2016	SOUTH WEST
Glenlockhart Road	18/05/2016	SOUTH WEST
Glenlockhart Valley	18/05/2016	SOUTH WEST
Glenogle House	13/05/2016	NORTH WEST
Glenogle Place	13/05/2016	NORTH WEST
Glenogle Road	13/05/2016	NORTH WEST
Gloucester Lane	01/06/2016	SOUTH EAST
Gloucester Place	01/06/2016	SOUTH EAST
Gloucester Square	01/06/2016	SOUTH EAST
Gloucester Street	13/05/2016	SOUTH EAST
Gloucester Street	01/06/2016	SOUTH EAST
Goff Avenue	23/07/2016	NORTH EAST
Goldenacre Path	17/05/2016	NORTH WEST
Goldenacre Path	10/06/2016	NORTH WEST
Goldenacre Terrace	10/06/2016	NORTH WEST
Gordon Terrace	09/04/2016	SOUTH EAST
Gorgie Road	23/06/2016	SOUTH WEST
Gracemount Avenue	02/05/2016	SOUTH EAST

Gracemount Drive	02/05/2016	SOUTH EAST
Gracemount House Drive	02/05/2016	SOUTH EAST
Gracemount Place	02/05/2016	SOUTH EAST
Gracemount Road	02/05/2016	SOUTH EAST
Gracemount Square	02/05/2016	SOUTH EAST
Granby Road	09/04/2016	SOUTH EAST
Grandfield	17/05/2016	NORTH WEST
Grandville	17/05/2016	NORTH WEST
Grange Court	07/04/2016	SOUTH EAST
Grange Court Lane	07/04/2016	SOUTH EAST
Grange Loan	07/04/2016	SOUTH EAST
Grange Loan Gardens	07/04/2016	SOUTH EAST
Grange Road	05/04/2016	SOUTH EAST
Grange Terrace	09/04/2016	SOUTH EAST
Granton Crescent	19/05/2016	NORTH WEST
Granton Gardens	19/05/2016	NORTH WEST
Granton Grove	19/05/2016	NORTH WEST
Granton Mains Avenue	19/05/2016	NORTH WEST
Granton Mains Bank	19/05/2016	NORTH WEST
Granton Mains Brae	19/05/2016	NORTH WEST
Granton Mains Court	19/05/2016	NORTH WEST
Granton Mains East	19/05/2016	NORTH WEST
Granton Mains Gait	19/05/2016	NORTH WEST
Granton Mains Vale	19/05/2016	NORTH WEST
Granton Mains Wynd	19/05/2016	NORTH WEST
Granton Medway	19/05/2016	NORTH WEST
Granton Mill Crescent	20/05/2016	NORTH WEST
Granton Mill Drive	20/05/2016	NORTH WEST
Granton Mill March	20/05/2016	NORTH WEST
Granton Mill Park	20/05/2016	NORTH WEST
Granton Mill Place	20/05/2016	NORTH WEST
Granton Mill Road	20/05/2016	NORTH WEST
Granton Mill West	20/05/2016	NORTH WEST
Granton Park Avenue	20/05/2016	NORTH WEST
Granton Park Avenue North	20/05/2016	NORTH WEST
Granton Pier	20/05/2016	NORTH WEST
Granton Place	20/05/2016	NORTH WEST
Granton Road	20/05/2016	NORTH WEST
Granton Square	20/05/2016	NORTH WEST
Granton Terrace	20/05/2016	NORTH WEST
Granton View	20/05/2016	NORTH WEST
Grantully Place	09/04/2016	SOUTH EAST
Grassmarket	01/06/2016	SOUTH EAST
Gray's Court	05/04/2016	SOUTH EAST
Gray's Loan	15/03/2016	SOUTH EAST
Gray's Loan	22/05/2016	SOUTH EAST

Great Cannon Bank	28/05/2016	NORTH EAST
Great Carleton Place	28/05/2016	NORTH EAST
Great Carleton Square	28/05/2016	NORTH EAST
Great Junction Street	06/09/2016	NORTH EAST
Great King Street	01/06/2016	SOUTH EAST
Great Stuart Street	01/06/2016	SOUTH EAST
Greenacre	23/05/2016	SOUTH WEST
Greenbank Avenue	07/03/2016	SOUTH EAST
Greenbank Avenue	14/05/2016	SOUTH EAST
Greenbank Crescent	07/03/2016	SOUTH EAST
Greenbank Crescent	14/05/2016	SOUTH EAST
Greenbank Drive	07/03/2016	SOUTH EAST
Greenbank Drive	14/05/2016	SOUTH EAST
Greenbank Gardens	07/03/2016	SOUTH EAST
Greenbank Gardens	14/05/2016	SOUTH EAST
Greenbank Grove	07/03/2016	SOUTH EAST
Greenbank Grove	14/05/2016	SOUTH EAST
Greenbank Lane	07/03/2016	SOUTH EAST
Greenbank Lane	14/05/2016	SOUTH EAST
Greenbank Loan	07/03/2016	SOUTH EAST
Greenbank Loan	14/05/2016	SOUTH EAST
Greenbank Park	07/03/2016	SOUTH EAST
Greenbank Park	14/05/2016	SOUTH EAST
Greenbank Place	25/03/2016	SOUTH EAST
Greenbank Rise	07/03/2016	SOUTH EAST
Greenbank Rise	14/05/2016	SOUTH EAST
Greenbank Road	07/03/2016	SOUTH EAST
Greenbank Road	14/05/2016	SOUTH EAST
Greenbank Row	07/03/2016	SOUTH EAST
Greenbank Row	14/05/2016	SOUTH EAST
Greenbank Terrace	07/03/2016	SOUTH EAST
Greenbank Terrace	14/05/2016	SOUTH EAST
Greendale Park	20/05/2016	NORTH WEST
Greendykes Road	28/05/2016	NORTH EAST
Greenend Drive	30/04/2016	SOUTH EAST
Greenend Gardens	30/04/2016	SOUTH EAST
Greenend Grove	30/04/2016	SOUTH EAST
Greenfield Crescent	24/03/2016	SOUTH WEST
Greenfield Road	24/03/2016	SOUTH WEST
Greenhill Court	24/03/2016	SOUTH EAST
Greenhill Gardens	24/03/2016	SOUTH EAST
Greenhill Park	24/03/2016	SOUTH EAST
Greenhill Place	24/03/2016	SOUTH EAST
Greenhill Terrace	24/03/2016	SOUTH EAST
Greenside	01/06/2016	SOUTH EAST
Greenside End	01/06/2016	SOUTH EAST

Greenside Lane	01/06/2016	SOUTH EAST
Greenside Place	01/06/2016	SOUTH EAST
Greenside Row	01/06/2016	SOUTH EAST
Grierson Avenue	20/05/2016	NORTH WEST
Grierson Crescent	20/05/2016	NORTH WEST
Grierson Gardens	18/05/2016	NORTH WEST
Grierson Road	18/05/2016	NORTH WEST
Grierson Square	18/05/2016	NORTH WEST
Grierson Villas	18/05/2016	NORTH WEST
Grieve Crescent	18/05/2016	NORTH WEST
Grigor Avenue	10/06/2016	NORTH WEST
Grigor Drive	24/05/2016	NORTH WEST
Grigor Gardens	24/05/2016	NORTH WEST
Grigor Terrace	24/05/2016	NORTH WEST
Groathill Avenue	26/05/2016	NORTH WEST
Groathill Gardens East	26/05/2016	NORTH WEST
Groathill Gardens West	26/05/2016	NORTH WEST
Groathill Loan	26/05/2016	NORTH WEST
Groathill Road North	18/05/2016	NORTH WEST
Groathill Road South	26/05/2016	NORTH WEST
Guardwell Crescent	30/04/2016	SOUTH EAST
Gullan's Close	31/05/2016	SOUTH EAST
Gumley Place	23/07/2016	NORTH EAST
Gunnet Court	18/05/2016	NORTH WEST
Gylemuir Road	27/06/2016	NORTH WEST
Haddington Place	01/06/2016	SOUTH EAST
Hailes Avenue	08/06/2016	SOUTH WEST
Hailes Street	16/03/2016	SOUTH EAST
Hailesland Gardens	18/05/2016	SOUTH WEST
Hailesland Grove	19/05/2016	SOUTH WEST
Hailesland Park	19/05/2016	SOUTH WEST
Hailesland Place	20/05/2016	SOUTH WEST
Hailesland Road	28/02/2016	SOUTH WEST
Hailesland Road	19/05/2016	SOUTH WEST
Hallhead Road	09/04/2016	SOUTH EAST
Hamilton Drive	02/07/2016	NORTH EAST
Hamilton Drive West	02/07/2016	NORTH EAST
Hamilton Gardens	02/07/2016	NORTH EAST
Hamilton Grove	02/07/2016	NORTH EAST
Hamilton Park	02/07/2016	NORTH EAST
Hamilton Place	12/05/2016	NORTH WEST
Hamilton Terrace	02/07/2016	NORTH EAST
Hammermen's Entry	01/06/2016	SOUTH EAST
Harbour Place	04/06/2016	NORTH EAST
Harbour Road	04/06/2016	NORTH EAST
Harewood Drive	18/06/2016	NORTH EAST

Harlaw Bank	24/03/2016	SOUTH WEST
Harlaw Gait	24/03/2016	SOUTH WEST
Harlaw March	24/03/2016	SOUTH WEST
Harlaw Road	24/03/2016	SOUTH WEST
Hart Street	01/06/2016	SOUTH EAST
Hart Street Lane	01/06/2016	SOUTH EAST
Hartington Gardens	15/03/2016	SOUTH EAST
Hartington Gardens	22/05/2016	SOUTH EAST
Hartington Place	15/03/2016	SOUTH EAST
Hartington Place	22/05/2016	SOUTH EAST
Harvest Drive	11/04/2016	NORTH WEST
Harvest Road	11/04/2016	NORTH WEST
Harvesters Way	23/05/2016	SOUTH WEST
Hatton Place	05/04/2016	SOUTH EAST
Haugh Street	12/05/2016	NORTH WEST
Hawes Brae	16/03/2016	NORTH WEST
Hawkhead Crescent	07/05/2016	SOUTH EAST
Hawkhead Grove	07/05/2016	SOUTH EAST
Hawkhill Avenue	14/05/2016	NORTH EAST
Hawkhill Close	14/05/2016	NORTH EAST
Hawthornbank Lane	12/05/2016	NORTH WEST
Hawthornbank Place	16/08/2016	NORTH EAST
Hawthornbank Terrace	16/08/2016	NORTH EAST
Hawthornden Place	16/08/2016	NORTH EAST
Hawthornvale	16/08/2016	NORTH EAST
Hawthornvale Path	18/05/2016	NORTH EAST
Hawthornvale Path	16/08/2016	NORTH EAST
Hawthornvale Sculpture Centre Access Road	16/08/2016	NORTH EAST
Hay Avenue	18/06/2016	NORTH EAST
Hay Drive	18/06/2016	NORTH EAST
Hay Gardens	18/06/2016	NORTH EAST
Hay Place	18/06/2016	NORTH EAST
Hay Terrace	18/06/2016	NORTH EAST
Hazeldean Terrace	17/04/2016	SOUTH EAST
Hazelwood Grove	17/04/2016	SOUTH EAST
Headrigg Row	17/04/2016	SOUTH EAST
Henderson Gardens	07/09/2016	NORTH EAST
Henderson Place	12/05/2016	NORTH WEST
Henderson Place Lane	12/05/2016	NORTH WEST
Henderson Row	12/05/2016	NORTH WEST
Henderson Street	07/09/2016	NORTH EAST
Henderson Terrace	23/03/2016	SOUTH WEST
Henry Place	16/04/2016	SOUTH EAST
Heriot Place	01/06/2016	SOUTH EAST
Heriot Row	01/06/2016	SOUTH EAST
Hermand Crescent	11/05/2016	SOUTH WEST

Hermant Street	11/05/2016	SOUTH WEST
Hermant Terrace	11/05/2016	SOUTH WEST
Hermitage Drive	25/03/2016	SOUTH EAST
Hermitage Terrace	24/03/2016	SOUTH EAST
Hermits Croft	16/04/2016	SOUTH EAST
Heron Place	18/05/2016	NORTH WEST
Heron View	18/05/2016	NORTH WEST
Heron Walk	18/05/2016	NORTH WEST
Hesperus Broadway	19/05/2016	NORTH WEST
Hesperus Crossway	19/05/2016	NORTH WEST
High Riggs	01/06/2016	SOUTH EAST
High Street	16/03/2016	NORTH WEST
High Street	30/03/2016	NORTH WEST
Hill Place	16/04/2016	SOUTH EAST
Hillend Place	16/07/2016	NORTH EAST
Hillhouse Road	09/06/2016	NORTH WEST
Hillpark Avenue	09/06/2016	NORTH WEST
Hillpark Brae	09/06/2016	NORTH WEST
Hillpark Court	09/06/2016	NORTH WEST
Hillpark Crescent	09/06/2016	NORTH WEST
Hillpark Drive	09/06/2016	NORTH WEST
Hillpark Gardens	09/06/2016	NORTH WEST
Hillpark Green	09/06/2016	NORTH WEST
Hillpark Grove	09/06/2016	NORTH WEST
Hillpark Loan	09/06/2016	NORTH WEST
Hillpark Rise	09/06/2016	NORTH WEST
Hillpark Road	09/06/2016	NORTH WEST
Hillpark Steps	09/06/2016	NORTH WEST
Hillpark Terrace	09/06/2016	NORTH WEST
Hillpark Way	09/06/2016	NORTH WEST
Hillpark Wood	09/06/2016	NORTH WEST
Hillside Crescent	01/06/2016	SOUTH EAST
Hillview	09/06/2016	NORTH WEST
Hillwood Crescent	11/04/2016	NORTH WEST
Hillwood Gardens	11/04/2016	NORTH WEST
Hillwood Rise	08/04/2016	NORTH WEST
Hillwood Road	11/04/2016	NORTH WEST
Hillwood Terrace	08/04/2016	NORTH WEST
Hillwood Terrace Slabbed	11/04/2016	NORTH WEST
Holyrood Gait	16/04/2016	SOUTH EAST
Holyrood Gait	16/07/2016	SOUTH EAST
Holyrood Road	01/06/2016	SOUTH EAST
Hope Lane	16/07/2016	NORTH EAST
Hope Park Crescent	05/04/2016	SOUTH EAST
Hope Park Terrace	05/04/2016	SOUTH EAST
Hope Street	29/03/2016	SOUTH EAST

Hope Street	01/06/2016	SOUTH EAST
Hope Street Lane	01/06/2016	SOUTH EAST
Hope Terrace	07/04/2016	SOUTH EAST
Hopefield Terrace	23/08/2016	NORTH EAST
Hopetoun Crescent	23/08/2016	NORTH EAST
Hopetoun Crescent Lane	23/08/2016	NORTH EAST
Hopetoun Road	17/03/2016	NORTH WEST
Hopetoun Road	18/03/2016	NORTH WEST
Hopetoun Road	29/07/2016	NORTH WEST
Hopetoun Street	23/08/2016	NORTH EAST
Horse Wynd	01/06/2016	SOUTH EAST
Hosie Rigg	04/06/2016	NORTH EAST
House O'hill Avenue	12/05/2016	NORTH WEST
House O'hill Brae	12/05/2016	NORTH WEST
House O'hill Crescent	12/05/2016	NORTH WEST
House O'hill Gardens	12/05/2016	NORTH WEST
House O'hill Green	12/05/2016	NORTH WEST
House O'hill Grove	12/05/2016	NORTH WEST
House O'hill Place	12/05/2016	NORTH WEST
House O'hill Road	12/05/2016	NORTH WEST
House O'hill Row	12/05/2016	NORTH WEST
House O'hill Terrace	12/05/2016	NORTH WEST
Howard Place	12/05/2016	NORTH WEST
Howard Street	12/05/2016	NORTH WEST
Howden Hall Cottages	07/05/2016	SOUTH EAST
Howden Hall Court	07/05/2016	SOUTH EAST
Howden Hall Crescent	07/05/2016	SOUTH EAST
Howden Hall Drive	07/05/2016	SOUTH EAST
Howden Hall Gardens	07/05/2016	SOUTH EAST
Howden Hall Loan	07/05/2016	SOUTH EAST
Howden Hall Park	07/05/2016	SOUTH EAST
Howden Hall Road	07/05/2016	SOUTH EAST
Howden Hall Way	07/05/2016	SOUTH EAST
Howe Street	01/06/2016	SOUTH EAST
Hugh Miller Place	12/05/2016	NORTH WEST
Humbie Road	30/03/2016	NORTH WEST
Hunter Square	01/06/2016	SOUTH EAST
Hunter's Close	01/06/2016	SOUTH EAST
Huntly Street	10/05/2016	NORTH WEST
Hutchison Avenue	22/05/2016	SOUTH WEST
Hutchison Crossway	22/05/2016	SOUTH WEST
Hutchison Gardens	22/05/2016	SOUTH WEST
Hutchison Grove	22/05/2016	SOUTH WEST
Hutchison Loan	22/05/2016	SOUTH WEST
Hutchison Medway	22/05/2016	SOUTH WEST
Hutchison Park	22/05/2016	SOUTH WEST

Hutchison Place	22/05/2016	SOUTH WEST
Hutchison Road	22/05/2016	SOUTH WEST
Hutchison View	22/05/2016	SOUTH WEST
Hyvot Avenue	23/04/2016	SOUTH EAST
Hyvot Bank Avenue	23/04/2016	SOUTH EAST
Hyvot Court	23/04/2016	SOUTH EAST
Hyvot Gardens	23/04/2016	SOUTH EAST
Hyvot Green	23/04/2016	SOUTH EAST
Hyvot Grove	23/04/2016	SOUTH EAST
Hyvot Loan	23/04/2016	SOUTH EAST
Hyvot Mill Drive	23/04/2016	SOUTH EAST
Hyvot Mill Road	23/04/2016	SOUTH EAST
Hyvot Park	23/04/2016	SOUTH EAST
Hyvot Terrace	23/04/2016	SOUTH EAST
Hyvot View	23/04/2016	SOUTH EAST
Inchcolm Terrace	29/03/2016	NORTH WEST
Inchmickery Court	19/05/2016	NORTH WEST
Inchview Terrace	25/06/2016	NORTH EAST
Inchview Terrace	16/07/2016	NORTH EAST
India Place	10/05/2016	NORTH WEST
India Street	01/06/2016	SOUTH EAST
Inglewood Place	30/04/2016	SOUTH EAST
Inglis Court	01/06/2016	SOUTH EAST
Innocent Railway Path	25/06/2016	NORTH EAST
Innocent Railway Path	16/07/2016	NORTH EAST
Inveralmond Drive	26/04/2016	NORTH WEST
Inveralmond Gardens	26/04/2016	NORTH WEST
Inveralmond Grove	26/04/2016	NORTH WEST
Inverleith Avenue	11/05/2016	NORTH WEST
Inverleith Avenue South	11/05/2016	NORTH WEST
Inverleith Gardens	19/05/2016	NORTH WEST
Inverleith Grove	11/05/2016	NORTH WEST
Inverleith PI (Acad Field Access)	11/05/2016	NORTH WEST
Inverleith Place	11/05/2016	NORTH WEST
Inverleith Place Lane	11/05/2016	NORTH WEST
Inverleith Row	11/05/2016	NORTH WEST
Inverleith Terrace	11/05/2016	NORTH WEST
Inverleith Terrace Lane	11/05/2016	NORTH WEST
Ivanhoe Crescent	30/04/2016	SOUTH EAST
Jackson's Close	01/06/2016	SOUTH EAST
Jackson's Entry	01/06/2016	SOUTH EAST
Jamaica Mews	01/06/2016	SOUTH EAST
Jamaica Street	01/06/2016	SOUTH EAST
Jamaica Street North Lane	01/06/2016	SOUTH EAST
Jamaica Street South Lane	01/06/2016	SOUTH EAST
James Street	21/05/2016	NORTH EAST

James Street Lane	21/05/2016	NORTH EAST
Jane Terrace	25/06/2016	NORTH EAST
Janefield	02/05/2016	SOUTH EAST
Jardine Place	04/06/2016	NORTH EAST
Jean Armour Avenue	30/04/2016	SOUTH EAST
Jeffrey Avenue	11/05/2016	NORTH WEST
Jeffrey Street	01/06/2016	SOUTH EAST
Jessfield Terrace	16/08/2016	NORTH EAST
Jock's Lodge	04/06/2016	NORTH EAST
John Mason Court	23/03/2016	NORTH WEST
John Street	04/06/2016	NORTH EAST
John Street Lane	04/06/2016	NORTH EAST
John Street Lane East	04/06/2016	NORTH EAST
John Street Lane West	21/05/2016	NORTH EAST
Johnston Terrace	01/06/2016	SOUTH EAST
Joppa Gardens	04/06/2016	NORTH EAST
Joppa Grove	04/06/2016	NORTH EAST
Joppa Park	04/06/2016	NORTH EAST
Joppa Road	04/06/2016	NORTH EAST
Joppa Station Place	04/06/2016	NORTH EAST
Joppa Terrace	04/06/2016	NORTH EAST
Jordan Lane	24/03/2016	SOUTH EAST
Katesmill Road	25/05/2016	SOUTH WEST
Kedslie Place	07/05/2016	SOUTH EAST
Kedslie Road	07/05/2016	SOUTH EAST
Keir Street	01/06/2016	SOUTH EAST
Keith Crescent	01/06/2016	NORTH WEST
Keith Row	01/06/2016	NORTH WEST
Keith Terrace	01/06/2016	NORTH WEST
Kekewich Avenue	25/06/2016	NORTH EAST
Kemp Place	21/05/2016	NORTH WEST
Kenilworth Drive	30/04/2016	SOUTH EAST
Kenmure Avenue	25/06/2016	NORTH EAST
Kerr Street	12/05/2016	NORTH WEST
Kilgraston Court	07/04/2016	SOUTH EAST
Kilgraston Road	07/04/2016	SOUTH EAST
Kilmaurs Road	16/04/2016	SOUTH EAST
Kilmaurs Terrace	16/04/2016	SOUTH EAST
Kimmerghame Drive	01/06/2016	NORTH WEST
Kimmerghame Loan	08/06/2016	NORTH WEST
Kimmerghame Path	08/06/2016	NORTH WEST
Kimmerghame Place	08/06/2016	NORTH WEST
Kimmerghame Row	08/06/2016	NORTH WEST
Kimmerghame Terrace	08/06/2016	NORTH WEST
Kimmerghame View	08/06/2016	NORTH WEST
King's Cramond	27/04/2016	NORTH WEST

King's Haugh	04/06/2016	NORTH EAST
King's Meadow	16/04/2016	SOUTH EAST
King's Stables Lane	02/06/2016	SOUTH EAST
King's Stables Road	02/06/2016	SOUTH EAST
King's Terrace	04/06/2016	NORTH EAST
Kingsburgh Crescent	19/05/2016	NORTH WEST
Kingsknowe Avenue	21/06/2016	SOUTH WEST
Kingsknowe Court	21/06/2016	SOUTH WEST
Kingsknowe Crescent	23/06/2016	SOUTH WEST
Kingsknowe Drive	21/06/2016	SOUTH WEST
Kingsknowe Gardens	23/06/2016	SOUTH WEST
Kingsknowe Grove	21/06/2016	SOUTH WEST
Kingsknowe Park	23/06/2016	SOUTH WEST
Kingsknowe Place	21/06/2016	SOUTH WEST
Kingsknowe Road North	21/06/2016	SOUTH WEST
Kingsknowe Road South	21/06/2016	SOUTH WEST
Kingsknowe Terrace	23/06/2016	SOUTH WEST
Kingston Avenue	07/04/2016	SOUTH EAST
Kinnear Rise	12/05/2016	NORTH WEST
Kinnear Road	12/05/2016	NORTH WEST
Kirk Brae	30/04/2016	SOUTH EAST
Kirk Park	02/05/2016	SOUTH EAST
Kirkgate	02/05/2016	SOUTH EAST
Kirkhill Drive	16/04/2016	SOUTH EAST
Kirkhill Gardens	16/04/2016	SOUTH EAST
Kirkhill Road	16/04/2016	SOUTH EAST
Kirkhill Terrace	16/04/2016	SOUTH EAST
Kirklands Park Gardens	31/03/2016	NORTH WEST
Kirklands Park Street	30/03/2016	NORTH WEST
Kirkliston Road	16/03/2016	NORTH WEST
Kirkliston Road	01/04/2016	NORTH WEST
Kittle Yards	07/04/2016	SOUTH EAST
Klondyke Street	28/05/2016	NORTH EAST
Klondyke Way	28/05/2016	NORTH EAST
Kyle Place	02/06/2016	SOUTH EAST
Lady Lawson Street	02/06/2016	SOUTH EAST
Lady Road	09/04/2016	SOUTH EAST
Lady Stair's Close	02/06/2016	SOUTH EAST
Lady Wynd	02/06/2016	SOUTH EAST
Ladysmith Road	09/04/2016	SOUTH EAST
Laichfield	22/05/2016	SOUTH WEST
Laichpark Place	22/05/2016	SOUTH WEST
Laichpark Road	22/05/2016	SOUTH WEST
Lammermoor Terrace	17/04/2016	SOUTH EAST
Lanark Road West	12/05/2016	SOUTH WEST
Lapicide Place	16/08/2016	NORTH EAST

Larkfield Gardens	19/05/2016	NORTH WEST
Lasswade Bank	02/05/2016	SOUTH EAST
Lasswade Grove	02/05/2016	SOUTH EAST
Lasswade Road	02/05/2016	SOUTH EAST
Latta Place	16/07/2016	NORTH EAST
Lauder Loan	07/04/2016	SOUTH EAST
Lauder Road	05/04/2016	SOUTH EAST
Lauderdale Street	16/03/2016	SOUTH EAST
Lauriston Farm Road	09/05/2016	NORTH WEST
Lauriston Gardens	16/03/2016	SOUTH EAST
Lauriston Park	16/03/2016	SOUTH EAST
Lauriston Place	16/03/2016	SOUTH EAST
Lauriston Street	02/06/2016	SOUTH EAST
Lauriston Terrace	16/03/2016	SOUTH EAST
Laverockbank Avenue	19/05/2016	NORTH WEST
Laverockbank Crescent	10/05/2016	NORTH WEST
Laverockbank Gardens	10/05/2016	NORTH WEST
Laverockbank Grove	10/05/2016	NORTH WEST
Laverockbank Road	10/05/2016	NORTH WEST
Laverockbank Terrace	10/05/2016	NORTH WEST
Lawhouse Toll	21/05/2016	NORTH EAST
Lawnmarket	02/06/2016	SOUTH EAST
Lawrie Reilly Place	16/07/2016	NORTH EAST
Lawson Crescent	23/03/2016	NORTH WEST
Leadervale Road	07/05/2016	SOUTH EAST
Leadervale Terrace	07/05/2016	SOUTH EAST
Leamington Terrace	15/03/2016	SOUTH EAST
Leamington Terrace	22/05/2016	SOUTH EAST
Learmonth Avenue	12/05/2016	NORTH WEST
Learmonth Court	12/05/2016	NORTH WEST
Learmonth Crescent	12/05/2016	NORTH WEST
Learmonth Gardens	12/05/2016	NORTH WEST
Learmonth Gardens Lane	12/05/2016	NORTH WEST
Learmonth Gardens Mews	12/05/2016	NORTH WEST
Learmonth Grove	12/05/2016	NORTH WEST
Learmonth Park	12/05/2016	NORTH WEST
Learmonth Place	12/05/2016	NORTH WEST
Learmonth Terrace	12/05/2016	NORTH WEST
Learmonth Terrace Lane	12/05/2016	NORTH WEST
Learmonth View	12/05/2016	NORTH WEST
Lennox Row	17/05/2016	NORTH WEST
Lennox Street	12/05/2016	NORTH WEST
Lennox Street Lane	12/05/2016	NORTH WEST
Leopold Place	02/06/2016	SOUTH EAST
Leslie Place	12/05/2016	NORTH WEST
Leven Terrace	16/03/2016	SOUTH EAST

Liberton Brae	07/05/2016	SOUTH EAST
Liberton Drive	07/05/2016	SOUTH EAST
Liberton Place	02/05/2016	SOUTH EAST
Liddesdale Place	13/05/2016	NORTH WEST
Lilyhill Terrace	16/07/2016	NORTH EAST
Limefield	23/04/2016	SOUTH EAST
Linden Avenue	02/05/2016	SOUTH EAST
Lindsay Place	22/08/2016	NORTH EAST
Lindsay Road	22/08/2016	NORTH EAST
Lindsay Street	22/08/2016	NORTH EAST
Linn Mill	18/03/2016	NORTH WEST
Linn Mill	29/07/2016	NORTH WEST
Lismore Avenue	16/07/2016	NORTH EAST
Lismore Crescent	16/07/2016	NORTH EAST
Liston Drive	31/03/2016	NORTH WEST
Little Road	02/05/2016	SOUTH EAST
Livingstone Place	05/04/2016	SOUTH EAST
Lixmount Avenue	10/05/2016	NORTH WEST
Lixmount Gardens	10/05/2016	NORTH WEST
Loaning Crescent	13/06/2016	NORTH EAST
Loaning Mills	13/06/2016	NORTH EAST
Loaning Road	13/06/2016	NORTH EAST
Loch Place	29/03/2016	NORTH WEST
Loch Road	09/06/2016	NORTH WEST
Lochend Avenue	14/05/2016	NORTH EAST
Lochend Butterfly Way	14/05/2016	NORTH EAST
Lochend Castle Barns	14/05/2016	NORTH EAST
Lochend Close	02/06/2016	SOUTH EAST
Lochend Crescent	04/06/2016	NORTH EAST
Lochend Drive	04/06/2016	NORTH EAST
Lochend Gardens	04/06/2016	NORTH EAST
Lochend Grove	04/06/2016	NORTH EAST
Lochend Park	04/06/2016	NORTH EAST
Lochend Park View	04/06/2016	NORTH EAST
Lochend Quadrant	04/06/2016	NORTH EAST
Lochend Road	02/05/2016	NORTH EAST
Lochend Road	04/06/2016	NORTH EAST
Lochend Road South	14/06/2016	NORTH EAST
Lochend Square	04/06/2016	NORTH EAST
Lochinvar Drive	10/05/2016	NORTH WEST
Lochrin Place	16/03/2016	SOUTH EAST
Lockerby Cottages	30/04/2016	SOUTH EAST
Lockerby Crescent	30/04/2016	SOUTH EAST
Lockerby Grove	30/04/2016	SOUTH EAST
Lockharton Avenue	18/05/2016	SOUTH WEST
Lockharton Crescent	19/05/2016	SOUTH WEST

Lockharton Gardens	20/05/2016	SOUTH WEST
Logan Street	12/05/2016	NORTH WEST
Loganlea Avenue	18/06/2016	NORTH EAST
Loganlea Drive	18/06/2016	NORTH EAST
Loganlea Gardens	18/06/2016	NORTH EAST
Loganlea Loan	18/06/2016	NORTH EAST
Loganlea Place	18/06/2016	NORTH EAST
Loganlea Road	18/06/2016	NORTH EAST
Loganlea Terrace	18/06/2016	NORTH EAST
Lomond Road	10/05/2016	NORTH WEST
London Road	14/05/2016	NORTH EAST
London Road	02/06/2016	SOUTH EAST
London Street	02/06/2016	SOUTH EAST
Long Craig Rigg	10/05/2016	NORTH WEST
Long Crook	21/03/2016	NORTH WEST
Longformacus Road	02/05/2016	SOUTH EAST
Longstone Grove	21/06/2016	SOUTH WEST
Longstone Road Roundabout	01/07/2016	SOUTH WEST
Longstone Street	21/06/2016	SOUTH WEST
Lonsdale Terrace	16/03/2016	SOUTH EAST
Lothian Road	02/06/2016	SOUTH EAST
Lothian Street	02/06/2016	SOUTH EAST
Lower Granton Road	19/05/2016	NORTH WEST
Lower London Road	04/06/2016	NORTH EAST
Lufra Bank	19/05/2016	NORTH WEST
Lussielaw Road	09/04/2016	SOUTH EAST
Lutton Place	16/04/2016	SOUTH EAST
Lygon Road	09/04/2016	SOUTH EAST
Lyne Street	02/06/2016	SOUTH EAST
Lynedoch Place	02/06/2016	SOUTH EAST
Lynedoch Place Lane	02/06/2016	SOUTH EAST
Macdowall Road	09/04/2016	SOUTH EAST
Macgill Drive	19/05/2016	NORTH WEST
Madeira Place	24/08/2016	NORTH EAST
Madeira Street	24/08/2016	NORTH EAST
Madelvic Court	17/05/2016	NORTH WEST
Madelvic Square	17/05/2016	NORTH WEST
Magdalene Avenue	18/06/2016	NORTH EAST
Magdalene Court	18/06/2016	NORTH EAST
Magdalene Drive	18/06/2016	NORTH EAST
Magdalene Gardens	18/06/2016	NORTH EAST
Magdalene Loan	18/06/2016	NORTH EAST
Magdalene Medway	18/06/2016	NORTH EAST
Magdalene Place	18/06/2016	NORTH EAST
Maidencraig Court	08/06/2016	NORTH WEST
Maidencraig Crescent	08/06/2016	NORTH WEST

Maidencraig Grove	08/06/2016	NORTH WEST
Main Street D mains	03/05/2016	NORTH WEST
Main Street Dalmeny	28/07/2016	NORTH WEST
Main Street Kirkliston	30/03/2016	NORTH WEST
Maitland Road	30/03/2016	NORTH WEST
Malbet Park	30/05/2016	SOUTH EAST
Malbet Wynd	30/04/2016	SOUTH EAST
Malleny	24/03/2016	SOUTH WEST
Malleny Avenue	24/03/2016	SOUTH WEST
Malleny Millgate	24/03/2016	SOUTH WEST
Malta Green	08/06/2016	NORTH WEST
Malta Terrace	12/05/2016	NORTH WEST
Mannering Place	30/04/2016	SOUTH EAST
Manor Place	02/06/2016	SOUTH EAST
Manse Road	31/03/2016	NORTH WEST
Mansfield Place	29/05/2016	SOUTH EAST
Mansionhouse Road	05/04/2016	SOUTH EAST
March Gait	12/05/2016	NORTH WEST
March Grove	12/05/2016	NORTH WEST
March Pines	12/05/2016	NORTH WEST
March Road	12/05/2016	NORTH WEST
Marchfield Terrace	12/05/2016	NORTH WEST
Marchhall Crescent	16/04/2016	SOUTH EAST
Marchhall Road	16/04/2016	SOUTH EAST
Marchmont Crescent	16/03/2016	SOUTH EAST
Marchmont Road	16/03/2016	SOUTH EAST
Marchmont Street	16/03/2016	SOUTH EAST
Mardale Crescent	15/03/2016	SOUTH EAST
Mardale Crescent	22/05/2016	SOUTH EAST
Marine Drive	17/05/2016	NORTH WEST
Marionville Avenue	04/06/2016	NORTH EAST
Marionville Crescent	04/06/2016	NORTH EAST
Marionville Drive	04/06/2016	NORTH EAST
Marionville Grove	04/06/2016	NORTH EAST
Marionville Medway	04/06/2016	NORTH EAST
Marionville Park	04/06/2016	NORTH EAST
Marionville Road	14/05/2016	NORTH EAST
Marischal Place	17/05/2016	NORTH WEST
Maritime Lane	03/09/2016	NORTH EAST
Maritime Street	06/09/2016	NORTH EAST
Marmion Crescent	17/04/2016	SOUTH EAST
Marrow Street	17/05/2016	NORTH WEST
Marshall Place	14/05/2016	NORTH EAST
Marshall Street	05/04/2016	SOUTH EAST
Martello Court	17/05/2016	NORTH WEST
Mary's Place	17/05/2016	NORTH WEST

Maxwell Street	08/03/2016	SOUTH EAST
Maxwell Street	15/05/2016	SOUTH EAST
May Court	17/05/2016	NORTH WEST
Mayall Road	17/05/2016	NORTH WEST
Maybury Road	27/06/2016	NORTH WEST
Mayfield Gardens	09/04/2016	SOUTH EAST
Mayfield Gardens Lane	09/04/2016	SOUTH EAST
Mayfield Road	09/04/2016	SOUTH EAST
Mayfield Terrace	09/04/2016	SOUTH EAST
Mayville Gardens	17/05/2016	NORTH WEST
Mayville Gardens East	18/05/2016	NORTH WEST
Mcdonald Road	23/06/2016	NORTH EAST
McKelvie Parade	24/05/2016	NORTH WEST
Mclaren Road	09/04/2016	SOUTH EAST
Mcleod Street	23/03/2016	SOUTH WEST
Mcleod Street	27/06/2016	SOUTH WEST
Meadow Lane	05/04/2016	SOUTH EAST
Meadow Place	08/03/2016	SOUTH EAST
Meadow Place	15/05/2016	SOUTH EAST
Meadow Place Lane	16/03/2016	SOUTH EAST
Meadowbank	14/05/2016	NORTH EAST
Meadowbank Avenue	14/05/2016	NORTH EAST
Meadowbank Crescent	14/05/2016	NORTH EAST
Meadowbank Place	14/05/2016	NORTH EAST
Meadowbank Terrace	14/05/2016	NORTH EAST
Meadowfield Avenue	14/05/2016	NORTH EAST
Meadowfield Court	23/07/2016	NORTH EAST
Meadowfield Drive	23/07/2016	NORTH EAST
Meadowfield Gardens	23/07/2016	NORTH EAST
Meadowfield Road	27/06/2016	NORTH WEST
Meadowfield Terrace	23/07/2016	NORTH EAST
Meadowspot	08/06/2016	SOUTH WEST
Meggetland North	19/05/2016	SOUTH WEST
Meggetland Square	19/05/2016	SOUTH WEST
Meggetland Terrace	19/05/2016	SOUTH WEST
Meggetland View	19/05/2016	SOUTH WEST
Meggetland Wynd	19/05/2016	SOUTH WEST
Melville Crescent	29/05/2016	SOUTH EAST
Melville Place	29/05/2016	SOUTH EAST
Melville Street	29/05/2016	SOUTH EAST
Melville Street Lane	29/05/2016	SOUTH EAST
Melville Terrace	05/04/2016	SOUTH EAST
Mentone Gardens	09/04/2016	SOUTH EAST
Mentone Terrace	09/04/2016	SOUTH EAST
Merchiston Crescent	15/03/2016	SOUTH EAST
Merchiston Crescent	22/05/2016	SOUTH EAST

Merchiston Gardens	08/03/2016	SOUTH EAST
Merchiston Gardens	15/05/2016	SOUTH EAST
Merchiston Park	15/03/2016	SOUTH EAST
Merchiston Park	22/05/2016	SOUTH EAST
Merchiston Place	15/03/2016	SOUTH EAST
Merchiston Place	22/05/2016	SOUTH EAST
Merlin Avenue	18/05/2016	NORTH WEST
Merlin Crescent	18/05/2016	NORTH WEST
Merlin Drive	18/05/2016	NORTH WEST
Merlin Walk	18/05/2016	NORTH WEST
Mid Gillsland Road	15/03/2016	SOUTH EAST
Mid Gillsland Road	22/05/2016	SOUTH EAST
Middleby Street	07/04/2016	SOUTH EAST
Midmar Avenue	25/03/2016	SOUTH EAST
Midmar Drive	25/03/2016	SOUTH EAST
Midmar Gardens	25/03/2016	SOUTH EAST
Mill Lane	06/09/2016	NORTH EAST
Millar Crescent	08/03/2016	SOUTH EAST
Millar Crescent	15/05/2016	SOUTH EAST
Millbank	24/03/2016	SOUTH WEST
Miller Row	17/05/2016	NORTH WEST
Millerfield Place	05/04/2016	SOUTH EAST
Milne's Court	29/05/2016	SOUTH EAST
Milton Crescent	18/06/2016	NORTH EAST
Milton Drive	18/06/2016	NORTH EAST
Milton Gardens North	18/06/2016	NORTH EAST
Milton Gardens South	18/06/2016	NORTH EAST
Milton Grove	18/06/2016	NORTH EAST
Milton Link	18/06/2016	NORTH EAST
Milton Road	23/07/2016	NORTH EAST
Milton Road East	16/07/2016	NORTH EAST
Milton Road West	23/07/2016	NORTH EAST
Milton Street	29/05/2016	SOUTH EAST
Minto Street	09/04/2016	SOUTH EAST
Moat Drive	09/06/2016	SOUTH WEST
Moat Street	09/06/2016	SOUTH WEST
Moat Terrace	09/06/2016	SOUTH WEST
Moffat Way	18/06/2016	NORTH EAST
Moir Park	02/07/2016	NORTH EAST
Moir Terrace	02/07/2016	NORTH EAST
Moir Terrace Lane	02/07/2016	NORTH EAST
Moncrieff Terrace	05/04/2016	SOUTH EAST
Monkbarns Gardens	30/04/2016	SOUTH EAST
Monkwood Court	07/04/2016	SOUTH EAST
Monmouth Terrace	10/05/2016	NORTH WEST
Montagu Terrace	10/05/2016	NORTH WEST

Montague Street	16/04/2016	SOUTH EAST
Montpelier	15/03/2016	SOUTH EAST
Montpelier	22/05/2016	SOUTH EAST
Montpelier Park	15/03/2016	SOUTH EAST
Montpelier Park	22/05/2016	SOUTH EAST
Montpelier Terrace	15/03/2016	SOUTH EAST
Montpelier Terrace	22/05/2016	SOUTH EAST
Montrose Terrace	29/05/2016	SOUTH EAST
Moray Park Terrace	16/07/2016	NORTH EAST
Moray Place	29/05/2016	SOUTH EAST
Moredun Dykes Road	30/04/2016	SOUTH EAST
Moredun Park Court	19/04/2016	SOUTH EAST
Moredun Park Drive	19/04/2016	SOUTH EAST
Moredun Park Gardens	19/04/2016	SOUTH EAST
Moredun Park Green	19/04/2016	SOUTH EAST
Moredun Park Grove	19/04/2016	SOUTH EAST
Moredun Park Loan	19/04/2016	SOUTH EAST
Moredun Park Road	19/04/2016	SOUTH EAST
Moredun Park Street	19/04/2016	SOUTH EAST
Moredun Park View	19/04/2016	SOUTH EAST
Moredun Park Walk	19/04/2016	SOUTH EAST
Moredun Park Way	19/04/2016	SOUTH EAST
Moredunvale Bank	19/04/2016	SOUTH EAST
Moredunvale Green	19/04/2016	SOUTH EAST
Moredunvale Grove	19/04/2016	SOUTH EAST
Moredunvale Loan	19/04/2016	SOUTH EAST
Moredunvale Park	19/04/2016	SOUTH EAST
Moredunvale Place	19/04/2016	SOUTH EAST
Moredunvale Road	19/04/2016	SOUTH EAST
Moredunvale View	19/04/2016	SOUTH EAST
Moredunvale Way	19/04/2016	SOUTH EAST
Morgan Lane	29/05/2016	SOUTH EAST
Morison Gardens	17/03/2016	NORTH WEST
Morningside Court	08/03/2016	SOUTH EAST
Morningside Court	15/05/2016	SOUTH EAST
Morningside Drive	08/03/2016	SOUTH EAST
Morningside Drive	15/05/2016	SOUTH EAST
Morningside Gardens	08/03/2016	SOUTH EAST
Morningside Gardens	15/05/2016	SOUTH EAST
Morningside Grove	07/03/2016	SOUTH EAST
Morningside Grove	14/05/2016	SOUTH EAST
Morningside Park	08/03/2016	SOUTH EAST
Morningside Park	15/05/2016	SOUTH EAST
Morningside Place	08/03/2016	SOUTH EAST
Morningside Place	15/05/2016	SOUTH EAST
Morningside Place Lane	08/03/2016	SOUTH EAST

Morningside Place Lane	15/05/2016	SOUTH EAST
Morningside Road	08/03/2016	SOUTH EAST
Morningside Road	15/05/2016	SOUTH EAST
Morningside Road Lane	08/03/2016	SOUTH EAST
Morningside Road Lane	15/05/2016	SOUTH EAST
Morningside Terrace	08/03/2016	SOUTH EAST
Morningside Terrace	15/05/2016	SOUTH EAST
Mortonhall Gate	07/05/2016	SOUTH EAST
Mortonhall Park Avenue	07/05/2016	SOUTH EAST
Mortonhall Park Bank	07/05/2016	SOUTH EAST
Mortonhall Park Crescent	07/05/2016	SOUTH EAST
Mortonhall Park Drive	07/05/2016	SOUTH EAST
Mortonhall Park Gardens	07/05/2016	SOUTH EAST
Mortonhall Park Green	07/05/2016	SOUTH EAST
Mortonhall Park Grove	07/05/2016	SOUTH EAST
Mortonhall Park Loan	07/05/2016	SOUTH EAST
Mortonhall Park Place	07/05/2016	SOUTH EAST
Mortonhall Park Terrace	07/05/2016	SOUTH EAST
Mortonhall Park View	07/05/2016	SOUTH EAST
Mortonhall Park Way	07/05/2016	SOUTH EAST
Mortonhall Road	09/04/2016	SOUTH EAST
Moston Terrace	09/04/2016	SOUTH EAST
Mottram Road	24/05/2016	NORTH WEST
Moubray Grove	23/03/2016	NORTH WEST
Mount Vernon Road	30/04/2016	SOUTH EAST
Mountcastle Bank	02/07/2016	NORTH EAST
Mountcastle Crescent	02/07/2016	NORTH EAST
Mountcastle Drive North	02/07/2016	NORTH EAST
Mountcastle Gardens	02/07/2016	NORTH EAST
Mountcastle Green	02/07/2016	NORTH EAST
Mountcastle Grove	02/07/2016	NORTH EAST
Mountcastle Loan	02/07/2016	NORTH EAST
Mountcastle Park	02/07/2016	NORTH EAST
Mountcastle Place	02/07/2016	NORTH EAST
Mountcastle Terrace	02/07/2016	NORTH EAST
Mounthooly Loan	27/06/2016	SOUTH WEST
Muirdale Terrace	10/05/2016	NORTH WEST
Muirhouse Avenue	18/05/2016	NORTH WEST
Muirhouse Avenue North	26/05/2016	NORTH WEST
Muirhouse Bank	26/05/2016	NORTH WEST
Muirhouse Close	26/05/2016	NORTH WEST
Muirhouse Court	26/05/2016	NORTH WEST
Muirhouse Crescent	26/05/2016	NORTH WEST
Muirhouse Drive	26/05/2016	NORTH WEST
Muirhouse Gardens	26/05/2016	NORTH WEST
Muirhouse Green	26/05/2016	NORTH WEST

Muirhouse Grove	26/05/2016	NORTH WEST
Muirhouse Loan	26/05/2016	NORTH WEST
Muirhouse Medway	26/05/2016	NORTH WEST
Muirhouse Park	26/05/2016	NORTH WEST
Muirhouse Parkway	26/05/2016	NORTH WEST
Muirhouse Place East	26/05/2016	NORTH WEST
Muirhouse Place West	26/05/2016	NORTH WEST
Muirhouse Terrace	26/05/2016	NORTH WEST
Muirhouse View	26/05/2016	NORTH WEST
Muirhouse Way	26/05/2016	NORTH WEST
Murieston Crescent	23/03/2016	SOUTH WEST
Murieston Crescent	27/06/2016	SOUTH WEST
Murieston Crescent Lane	23/03/2016	SOUTH WEST
Murieston Crescent Lane	27/06/2016	SOUTH WEST
Murieston Lane	23/03/2016	SOUTH WEST
Murieston Lane	27/06/2016	SOUTH WEST
Murieston Place	23/03/2016	SOUTH WEST
Murieston Place	27/06/2016	SOUTH WEST
Murieston Road	23/03/2016	SOUTH WEST
Murieston Road	27/06/2016	SOUTH WEST
Murieston Terrace	23/03/2016	SOUTH WEST
Murieston Terrace	27/06/2016	SOUTH WEST
Murrayburn Drive	20/05/2016	SOUTH WEST
Murrayburn Drive	01/06/2016	SOUTH WEST
Murrayburn Gardens	20/05/2016	SOUTH WEST
Murrayburn Gate	20/05/2016	SOUTH WEST
Murrayburn Green	20/05/2016	SOUTH WEST
Murrayburn Grove	20/05/2016	SOUTH WEST
Murrayburn Grove	23/05/2016	SOUTH WEST
Murrayburn Park	20/05/2016	SOUTH WEST
Murrayburn Place	20/05/2016	SOUTH WEST
Murrayburn Road	20/05/2016	SOUTH WEST
Musselburgh By-pass	28/06/2016	NORTH EAST
Musselburgh Road	04/06/2016	NORTH EAST
Muttonhole Gate	10/05/2016	NORTH WEST
Myreside Road	15/03/2016	SOUTH EAST
Myreside Road	22/05/2016	SOUTH EAST
Myreside View	15/03/2016	SOUTH EAST
Myreside View	22/05/2016	SOUTH EAST
Nantwich Drive	11/06/2016	NORTH EAST
Napier Loan	15/03/2016	SOUTH EAST
Napier Loan	22/05/2016	SOUTH EAST
Napier Road	15/03/2016	SOUTH EAST
Napier Road	22/05/2016	SOUTH EAST
Nellfield	30/04/2016	SOUTH EAST
Nelson Street	29/05/2016	SOUTH EAST

Nether Bakehouse	29/05/2016	SOUTH EAST
Nether Craigwell	29/05/2016	SOUTH EAST
Netherbank	07/05/2016	SOUTH EAST
Netherbank View	07/05/2016	SOUTH EAST
Netherby Road	13/05/2016	NORTH WEST
New Arthur Place	16/04/2016	SOUTH EAST
New Assembly Close	29/05/2016	SOUTH EAST
New Broompark	13/05/2016	NORTH WEST
New Broughton	29/05/2016	SOUTH EAST
New Cut Rigg	13/05/2016	NORTH WEST
New Tower Place	21/05/2016	NORTH EAST
Newbattle Terrace	24/03/2016	SOUTH EAST
Newcraighall Drive	28/05/2016	NORTH EAST
Newcraighall Road	28/05/2016	NORTH EAST
Newhaven Main Street	16/08/2016	NORTH EAST
Newhaven Road	09/05/2016	NORTH WEST
Newington Road	09/04/2016	SOUTH EAST
Newlands Park	09/04/2016	SOUTH EAST
Newmains Road	30/03/2016	NORTH WEST
Newtoft Street	30/04/2016	SOUTH EAST
Newton Street	23/03/2016	SOUTH WEST
Newton Street	01/07/2016	SOUTH WEST
Nicolson Square	05/04/2016	SOUTH EAST
Nicolson Street	16/04/2016	SOUTH EAST
Niddrie Farm Grove	28/05/2016	NORTH EAST
Niddrie House Avenue	04/06/2016	NORTH EAST
Niddrie House Drive	04/06/2016	NORTH EAST
Niddrie House Gardens	04/06/2016	NORTH EAST
Niddrie House Park	04/06/2016	NORTH EAST
Niddrie House Square	04/06/2016	NORTH EAST
Niddrie Mains Court	11/06/2016	NORTH EAST
Niddrie Mains Drive	04/06/2016	NORTH EAST
Niddrie Mains Road	21/05/2016	NORTH EAST
Niddrie Mains Terrace	11/06/2016	NORTH EAST
Niddrie Marischal Crescent	28/05/2016	NORTH EAST
Niddrie Marischal Drive	28/05/2016	NORTH EAST
Niddrie Marischal Gardens	28/05/2016	NORTH EAST
Niddrie Marischal Green	28/05/2016	NORTH EAST
Niddrie Marischal Grove	28/05/2016	NORTH EAST
Niddrie Marischal Loan	28/05/2016	NORTH EAST
Niddrie Marischal Place	28/05/2016	NORTH EAST
Niddrie Marischal Road	28/05/2016	NORTH EAST
Niddrie Marischal Street	28/05/2016	NORTH EAST
Niddrie Mill Avenue	11/06/2016	NORTH EAST
Niddrie Mill Crescent	11/06/2016	NORTH EAST
Niddrie Mill Drive	11/06/2016	NORTH EAST

Niddrie Mill Grove	11/06/2016	NORTH EAST
Niddrie Mill Place	11/06/2016	NORTH EAST
Niddrie Mill Terrace	11/06/2016	NORTH EAST
Nigel Loan	30/04/2016	SOUTH EAST
North Cairntow	04/06/2016	NORTH EAST
North East Circus Place	29/05/2016	SOUTH EAST
North Fort Street	24/08/2016	NORTH EAST
North Greens	11/06/2016	NORTH EAST
North Junction Street	06/09/2016	NORTH EAST
North Park Terrace	10/05/2016	NORTH WEST
North Pepper Place	04/06/2016	NORTH EAST
North Werber Park	02/06/2016	NORTH WEST
North Werber Place	02/06/2016	NORTH WEST
North Werber Road	02/06/2016	NORTH WEST
North West Circus Place	29/05/2016	NORTH WEST
North West Circus Place	02/06/2016	NORTH WEST
Northcote Street	23/03/2016	SOUTH WEST
Northfield Avenue	16/07/2016	NORTH EAST
Northfield Broadway	16/07/2016	NORTH EAST
Northfield Circus	16/07/2016	NORTH EAST
Northfield Crescent	16/07/2016	NORTH EAST
Northfield Drive	16/07/2016	NORTH EAST
Northfield Farm Avenue	16/07/2016	NORTH EAST
Northfield Farm Road	16/07/2016	NORTH EAST
Northfield Gardens	16/07/2016	NORTH EAST
Northfield Grove	16/07/2016	NORTH EAST
Northfield Heights	16/07/2016	NORTH EAST
Northfield Park	16/07/2016	NORTH EAST
Northfield Park Grove	16/07/2016	NORTH EAST
Northfield Road	16/07/2016	NORTH EAST
Northfield Square	16/07/2016	NORTH EAST
Northfield Terrace	16/07/2016	NORTH EAST
Northumberland Place	29/05/2016	SOUTH EAST
Northumberland Place Lane	29/05/2016	SOUTH EAST
Northumberland Street	29/05/2016	SOUTH EAST
Northumberland Street North East Lane	29/05/2016	SOUTH EAST
Northumberland Street North West Lane	29/05/2016	SOUTH EAST
Northumberland Street South East Lane	29/05/2016	SOUTH EAST
Northumberland Street South West Lane	29/05/2016	SOUTH EAST
Northview Court	26/05/2016	NORTH WEST
Observatory Green	09/04/2016	SOUTH EAST
Observatory Road	09/04/2016	SOUTH EAST
Ochil Court	23/03/2016	NORTH WEST
Ochiltree Gardens	17/04/2016	SOUTH EAST
Old Assembly Close	29/05/2016	SOUTH EAST
Old Broughton	29/05/2016	SOUTH EAST

Old Burdiehouse Road	02/05/2016	SOUTH EAST
Old Church Lane	23/07/2016	NORTH EAST
Old Dalkeith Road	17/04/2016	SOUTH EAST
Old Liston Road	08/04/2016	NORTH WEST
Old Tolbooth Wynd	29/05/2016	SOUTH EAST
Oliphant Lane	24/05/2016	NORTH WEST
Oliver Close	21/05/2016	NORTH WEST
Orchard Bank	10/06/2016	NORTH WEST
Orchard Brae	10/06/2016	NORTH WEST
Orchard Brae Avenue	10/06/2016	NORTH WEST
Orchard Brae Gardens	10/06/2016	NORTH WEST
Orchard Brae Gardens West	10/06/2016	NORTH WEST
Orchard Brae West	10/06/2016	NORTH WEST
Orchard Crescent	10/06/2016	NORTH WEST
Orchard Drive	10/06/2016	NORTH WEST
Orchard Grove	10/06/2016	NORTH WEST
Orchard Place	10/06/2016	NORTH WEST
Orchard Road	10/06/2016	NORTH WEST
Orchard Road South	10/06/2016	NORTH WEST
Orchard Terrace	10/06/2016	NORTH WEST
Orchard Toll	10/06/2016	NORTH WEST
Orchardhead Loan	02/05/2016	SOUTH EAST
Orchardhead Road	02/05/2016	SOUTH EAST
Orrok Lane	30/04/2016	SOUTH EAST
Orrok Park	30/04/2016	SOUTH EAST
Orwell Place	23/03/2016	SOUTH WEST
Orwell Place	27/06/2016	SOUTH WEST
Orwell Terrace	23/03/2016	SOUTH WEST
Orwell Terrace	27/06/2016	SOUTH WEST
Oswald Court	09/04/2016	SOUTH EAST
Oswald Road	09/04/2016	SOUTH EAST
Oxcars Court	26/05/2016	NORTH WEST
Oxcraig Street	26/05/2016	NORTH WEST
Oxford Street	09/04/2016	SOUTH EAST
Oxford Terrace	23/05/2016	NORTH WEST
Oxgangs Avenue	07/06/2016	SOUTH WEST
Oxgangs Bank	07/06/2016	SOUTH WEST
Oxgangs Brae	07/06/2016	SOUTH WEST
Oxgangs Broadway	07/06/2016	SOUTH WEST
Oxgangs Crescent	07/06/2016	SOUTH WEST
Oxgangs Drive	07/06/2016	SOUTH WEST
Oxgangs Farm Avenue	07/06/2016	SOUTH WEST
Oxgangs Farm Gardens	07/06/2016	SOUTH WEST
Oxgangs Farm Grove	07/06/2016	SOUTH WEST
Oxgangs Farm Loan	07/06/2016	SOUTH WEST
Oxgangs Farm Terrace	07/06/2016	SOUTH WEST

Oxgangs Gardens	07/06/2016	SOUTH WEST
Oxgangs Green	07/06/2016	SOUTH WEST
Oxgangs Grove	07/06/2016	SOUTH WEST
Oxgangs Hill	07/06/2016	SOUTH WEST
Oxgangs House	07/06/2016	SOUTH WEST
Oxgangs Loan	07/06/2016	SOUTH WEST
Oxgangs Medway	07/06/2016	SOUTH WEST
Oxgangs Park	07/06/2016	SOUTH WEST
Oxgangs Path	07/06/2016	SOUTH WEST
Oxgangs Path East	07/06/2016	SOUTH WEST
Oxgangs Place	07/06/2016	SOUTH WEST
Oxgangs Rise	07/06/2016	SOUTH WEST
Oxgangs Road	07/06/2016	SOUTH WEST
Oxgangs Road North	07/06/2016	SOUTH WEST
Oxgangs Row	07/06/2016	SOUTH WEST
Oxgangs Street	07/06/2016	SOUTH WEST
Oxgangs Terrace	07/06/2016	SOUTH WEST
Oxgangs View	07/06/2016	SOUTH WEST
Paisley Avenue	23/07/2016	NORTH EAST
Paisley Crescent	23/07/2016	NORTH EAST
Paisley Drive	23/07/2016	NORTH EAST
Paisley Gardens	23/07/2016	NORTH EAST
Paisley Grove	23/07/2016	NORTH EAST
Paisley Terrace	23/07/2016	NORTH EAST
Palmerston Place	29/05/2016	SOUTH EAST
Palmerston Place Lane	29/05/2016	SOUTH EAST
Palmerston Road	05/04/2016	SOUTH EAST
Panmure Place	16/03/2016	SOUTH EAST
Park Avenue	16/07/2016	NORTH EAST
Park Crescent	30/04/2016	SOUTH EAST
Park Gardens	30/04/2016	SOUTH EAST
Park Grove	30/04/2016	SOUTH EAST
Park Place	12/05/2016	NORTH WEST
Park Road	12/05/2016	NORTH WEST
Park Terrace	04/06/2016	NORTH EAST
Park View	04/06/2016	NORTH EAST
Parker Avenue	02/07/2016	NORTH EAST
Parker Road	02/07/2016	NORTH EAST
Parker Terrace	02/07/2016	NORTH EAST
Parkhead Avenue	30/05/2016	SOUTH WEST
Parkhead Avenue	09/09/2016	SOUTH WEST
Parkhead Crescent	30/05/2016	SOUTH WEST
Parkhead Crescent	09/09/2016	SOUTH WEST
Parkhead Drive	30/05/2016	SOUTH WEST
Parkhead Drive	09/09/2016	SOUTH WEST
Parkhead Gardens	30/05/2016	SOUTH WEST

Parkhead Gardens	09/09/2016	SOUTH WEST
Parkhead Grove	31/05/2016	SOUTH WEST
Parkhead Grove	09/09/2016	SOUTH WEST
Parkhead Loan	31/05/2016	SOUTH WEST
Parkhead Loan	09/09/2016	SOUTH WEST
Parkhead Place	31/05/2016	SOUTH WEST
Parkhead Place	09/09/2016	SOUTH WEST
Parkhead Street	31/05/2016	SOUTH WEST
Parkhead Street	09/09/2016	SOUTH WEST
Parkhead Terrace	30/05/2016	SOUTH WEST
Parkhead Terrace	09/09/2016	SOUTH WEST
Parkhead View	30/05/2016	SOUTH WEST
Parkhead View	09/09/2016	SOUTH WEST
Parkside	07/04/2016	NORTH WEST
Parkside Street	16/04/2016	SOUTH EAST
Parkside Terrace	16/04/2016	SOUTH EAST
Parliament Square	29/05/2016	SOUTH EAST
Parrotshot	11/06/2016	NORTH EAST
Path Brae	30/03/2016	NORTH WEST
Paties Road	24/05/2016	SOUTH WEST
Patriothall	11/05/2016	NORTH WEST
Peacocktail Close	28/05/2016	NORTH EAST
Peebles Terrace	12/05/2016	NORTH WEST
Peel Terrace	09/04/2016	SOUTH EAST
Peffer Bank	04/06/2016	NORTH EAST
Peffer Place	04/06/2016	NORTH EAST
Peffer Street	04/06/2016	NORTH EAST
Peffermill Road	21/05/2016	NORTH EAST
Pennywell Cottages	26/05/2016	NORTH WEST
Pennywell Court	26/05/2016	NORTH WEST
Pennywell Gardens	26/05/2016	NORTH WEST
Pennywell Grove	26/05/2016	NORTH WEST
Pennywell Medway	26/05/2016	NORTH WEST
Pennywell Place	26/05/2016	NORTH WEST
Pennywell Road	26/05/2016	NORTH WEST
Pennywell Villas	26/05/2016	NORTH WEST
Pentland Terrace	25/03/2016	SOUTH EAST
Pentland View Road	31/03/2016	NORTH WEST
Perth Street	12/05/2016	NORTH WEST
Peveril Terrace	30/04/2016	SOUTH EAST
Picardy Place	29/05/2016	SOUTH EAST
Pier Place	16/08/2016	NORTH EAST
Piersfield Grove	14/07/2016	NORTH EAST
Piersfield Place	14/07/2016	NORTH EAST
Piersfield Terrace	14/07/2016	NORTH EAST
Piershill Lane	14/07/2016	NORTH EAST

Piershill Place	14/07/2016	NORTH EAST
Piershill Square East	14/07/2016	NORTH EAST
Piershill Square West	14/07/2016	NORTH EAST
Piershill Terrace	14/07/2016	NORTH EAST
Pilton Avenue	23/05/2016	NORTH WEST
Pilton Avenue Lane	23/05/2016	NORTH WEST
Pilton Crescent	23/05/2016	NORTH WEST
Pilton Drive	23/05/2016	NORTH WEST
Pilton Drive North	23/05/2016	NORTH WEST
Pilton Gardens	23/05/2016	NORTH WEST
Pilton Loan	23/05/2016	NORTH WEST
Pilton Park	23/05/2016	NORTH WEST
Pilton Place	23/05/2016	NORTH WEST
Pipe Lane	21/05/2016	NORTH EAST
Pipe Street	21/05/2016	NORTH EAST
Pitsligo Road	24/03/2016	SOUTH EAST
Pittville Street	21/05/2016	NORTH EAST
Pittville Street Lane	21/05/2016	NORTH EAST
Pleasance	16/04/2016	SOUTH EAST
Plewlandcroft	18/03/2016	NORTH WEST
Plewlands Avenue	08/03/2016	SOUTH EAST
Plewlands Avenue	15/05/2016	SOUTH EAST
Plewlands Gardens	08/03/2016	SOUTH EAST
Plewlands Gardens	15/05/2016	SOUTH EAST
Plewlands Terrace	08/03/2016	SOUTH EAST
Plewlands Terrace	15/05/2016	SOUTH EAST
Pleydell Place	30/04/2016	SOUTH EAST
Pollard Glebe	02/06/2016	SOUTH WEST
Pollard Glebe	07/09/2016	SOUTH WEST
Polwarth Grove	15/03/2016	SOUTH EAST
Polwarth Grove	22/05/2016	SOUTH EAST
Polwarth Terrace	15/03/2016	SOUTH EAST
Polwarth Terrace	22/05/2016	SOUTH EAST
Porterfield Road	10/05/2016	NORTH WEST
Portgower Place	10/05/2016	NORTH WEST
Portland Gardens	16/08/2016	NORTH EAST
Portland Place	16/08/2016	NORTH EAST
Portland Row	16/08/2016	NORTH EAST
Portland Street	16/08/2016	NORTH EAST
Portland Terrace	16/08/2016	NORTH EAST
Portobello High Street	21/05/2016	NORTH EAST
Portobello Road	14/07/2016	NORTH EAST
Portsburgh Square	29/05/2016	SOUTH EAST
Potterrow	05/04/2016	SOUTH EAST
Prestonfield Avenue	16/04/2016	SOUTH EAST
Prestonfield Bank	16/04/2016	SOUTH EAST

Prestonfield Crescent	16/04/2016	SOUTH EAST
Prestonfield Gardens	16/04/2016	SOUTH EAST
Prestonfield Road	16/04/2016	SOUTH EAST
Prestonfield Terrace	16/04/2016	SOUTH EAST
Priestfield Avenue	16/04/2016	SOUTH EAST
Priestfield Crescent	16/04/2016	SOUTH EAST
Priestfield Gardens	16/04/2016	SOUTH EAST
Priestfield Grove	16/04/2016	SOUTH EAST
Priestfield Road	16/04/2016	SOUTH EAST
Priestfield Road North	16/04/2016	SOUTH EAST
Priesthill Place	02/05/2016	SOUTH EAST
Priesthill Street	02/05/2016	SOUTH EAST
Primrose Bank Road	12/05/2016	NORTH WEST
Primrose Gardens	23/03/2016	NORTH WEST
Prince Regent Street	16/08/2016	NORTH EAST
Promenade	28/05/2016	NORTH EAST
Promenade	14/07/2016	NORTH EAST
Promenade -Cramond	09/06/2016	NORTH WEST
Provost Milne Grove	23/03/2016	NORTH WEST
Quality Street	03/05/2016	NORTH WEST
Quarry Close	05/04/2016	SOUTH EAST
Queen's Avenue	10/06/2016	NORTH WEST
Queen's Avenue Lane	17/05/2016	NORTH WEST
Queen's Avenue South	17/05/2016	NORTH WEST
Queen's Bay Crescent	21/05/2016	NORTH EAST
Queen's Crescent	09/04/2016	SOUTH EAST
Queen's Gardens	17/05/2016	NORTH WEST
Queen's Road	17/05/2016	NORTH WEST
Queen's Walk	04/06/2016	NORTH EAST
Queensferry Road	15/03/2016	NORTH WEST
Queensferry Road	29/03/2016	NORTH WEST
Queensferry Road	17/05/2016	NORTH WEST
Queensferry Street	01/06/2016	SOUTH EAST
Queensferry Street Lane	01/06/2016	SOUTH EAST
Queensferry Terrace	17/05/2016	NORTH WEST
Rackstraw Place	04/06/2016	NORTH EAST
Raeburn Mews	17/05/2016	NORTH WEST
Raeburn Place	17/05/2016	NORTH WEST
Raeburn Street	17/05/2016	NORTH WEST
Rae's Court	02/05/2016	SOUTH EAST
Railpath - Lower Granton Road to Granton Promenade	09/06/2016	NORTH WEST
Ramsay Place	04/06/2016	NORTH EAST
Randall Place	03/06/2016	NORTH WEST
Randolph Cliff	02/06/2016	SOUTH EAST
Randolph Crescent	02/06/2016	SOUTH EAST
Randolph Lane	02/06/2016	SOUTH EAST

Randolph Place	02/06/2016	SOUTH EAST
Rankeillor Street	16/04/2016	SOUTH EAST
Rankin Avenue	09/04/2016	SOUTH EAST
Rankin Drive	09/04/2016	SOUTH EAST
Rankin Road	09/04/2016	SOUTH EAST
Ratcliffe Terrace	07/04/2016	SOUTH EAST
Rathbone Place	04/06/2016	NORTH EAST
Ratho Mains	23/03/2016	SOUTH WEST
Ratho Park	23/03/2016	NORTH WEST
Ratho Park Road	23/03/2016	SOUTH WEST
Ravelston Dykes	17/05/2016	NORTH WEST
Ravelston Dykes Road	17/05/2016	NORTH WEST
Ravelston Park	17/05/2016	NORTH WEST
Ravelston Place	17/05/2016	NORTH WEST
Ravelston Place Lane	17/05/2016	NORTH WEST
Ravelston Terrace	17/05/2016	NORTH WEST
Ravenscroft Gardens	23/04/2016	SOUTH EAST
Ravenscroft Place	23/04/2016	SOUTH EAST
Ravenscroft Street	23/04/2016	SOUTH EAST
Ravenswood Avenue	17/04/2016	SOUTH EAST
Redgauntlet Terrace	17/04/2016	SOUTH EAST
Redhall House Drive	25/05/2016	SOUTH WEST
Regent Place	19/06/2016	NORTH EAST
Regent Road	02/06/2016	SOUTH EAST
Regent Street	04/06/2016	NORTH EAST
Regent Street Lane	04/06/2016	NORTH EAST
Regent Terrace	02/06/2016	SOUTH EAST
Regent Terrace Mews	02/06/2016	SOUTH EAST
Reid Terrace	11/05/2016	NORTH WEST
Reid's Close	02/06/2016	SOUTH EAST
Reid's Court	02/06/2016	SOUTH EAST
Relugas Place	09/04/2016	SOUTH EAST
Relugas Road	09/04/2016	SOUTH EAST
Restalrig Avenue	04/06/2016	NORTH EAST
Restalrig Circus	09/05/2016	NORTH EAST
Restalrig Crescent	04/06/2016	NORTH EAST
Restalrig Drive	04/06/2016	NORTH EAST
Restalrig Gardens	04/06/2016	NORTH EAST
Restalrig Road	04/06/2016	NORTH EAST
Restalrig Road South	11/06/2016	NORTH EAST
Restalrig Square	11/06/2016	NORTH EAST
Reynolds Road	16/05/2016	NORTH WEST
Richmond Lane	16/04/2016	SOUTH EAST
Richmond Place	16/04/2016	SOUTH EAST
Richmond Terrace	23/03/2016	SOUTH WEST
Richmond Terrace	27/06/2016	SOUTH WEST

Riddle's Court	02/06/2016	SOUTH EAST
Riego Street	02/06/2016	SOUTH EAST
Ringwood Place	30/04/2016	SOUTH EAST
Rintoul Place	11/05/2016	NORTH WEST
Riselaw Crescent	25/03/2016	SOUTH EAST
Riselaw Place	25/03/2016	SOUTH EAST
Riselaw Road	25/03/2016	SOUTH EAST
Riselaw Terrace	25/03/2016	SOUTH EAST
Riverside	07/04/2016	NORTH WEST
Riverside	07/04/2016	NORTH WEST
Robert Burns Drive	30/04/2016	SOUTH EAST
Robertson Avenue	23/03/2016	SOUTH WEST
Robertson Avenue	01/07/2016	SOUTH WEST
Robertson Gait	23/03/2016	SOUTH WEST
Robertson Gait	01/07/2016	SOUTH WEST
Robertson's Close	02/06/2016	SOUTH EAST
Robertson's Court	02/06/2016	SOUTH EAST
Robin Place	21/05/2016	NORTH EAST
Rocheid Park	11/05/2016	NORTH WEST
Rocheid Path	11/05/2016	NORTH WEST
Rodney Place	11/05/2016	NORTH WEST
Rodney Street	11/05/2016	NORTH WEST
Rose Park	12/05/2016	NORTH WEST
Rosebank Gardens	12/05/2016	NORTH WEST
Rosebank Grove	12/05/2016	NORTH WEST
Rosebank Road	12/05/2016	NORTH WEST
Rosebery Avenue	23/03/2016	NORTH WEST
Roseburn Path	17/05/2016	NORTH WEST
Rosefield Avenue	04/06/2016	NORTH EAST
Rosefield Avenue Lane	04/06/2016	NORTH EAST
Rosefield Place	04/06/2016	NORTH EAST
Rosefield Place Lane	04/06/2016	NORTH EAST
Rosefield Street	04/06/2016	NORTH EAST
Roseneath Place	16/03/2016	SOUTH EAST
Roseville Gardens	12/05/2016	NORTH WEST
Ross Gardens	09/04/2016	SOUTH EAST
Ross Place	09/04/2016	SOUTH EAST
Ross Road	09/04/2016	SOUTH EAST
Rothesay Mews	02/06/2016	SOUTH EAST
Rothesay Place	02/06/2016	SOUTH EAST
Rothesay Place Mews	02/06/2016	SOUTH EAST
Rothesay Terrace	02/06/2016	SOUTH EAST
Roxburgh Place	16/04/2016	SOUTH EAST
Roxburgh Street	16/04/2016	SOUTH EAST
Royal Circus	02/06/2016	SOUTH EAST
Royal Crescent	02/06/2016	SOUTH EAST

Royal Mile	02/06/2016	SOUTH EAST
Royal Terrace	02/06/2016	SOUTH EAST
Royal Terrace Mews	02/06/2016	SOUTH EAST
Royston Mains Avenue	17/05/2016	NORTH WEST
Royston Mains Close	17/05/2016	NORTH WEST
Royston Mains Crescent	17/05/2016	NORTH WEST
Royston Mains Gardens	17/05/2016	NORTH WEST
Royston Mains Green	17/05/2016	NORTH WEST
Royston Mains Place	17/05/2016	NORTH WEST
Royston Mains Road	17/05/2016	NORTH WEST
Royston Mains Street	17/05/2016	NORTH WEST
Royston Terrace	11/05/2016	NORTH WEST
Russell Place	19/05/2016	NORTH WEST
Russell Road	23/03/2016	SOUTH WEST
Russell Road	27/06/2016	SOUTH WEST
Rutherford Drive	30/04/2016	SOUTH EAST
Salisbury Place	07/04/2016	SOUTH EAST
Salisbury Road	09/04/2016	SOUTH EAST
Saltire Drive	19/05/2016	NORTH WEST
Saltire Square	19/05/2016	NORTH WEST
Saltire Street	19/05/2016	NORTH WEST
Salvesen Crescent	19/05/2016	NORTH WEST
Salvesen Gardens	19/05/2016	NORTH WEST
Salvesen Grove	19/05/2016	NORTH WEST
Salvesen Terrace	19/05/2016	NORTH WEST
Sauchiebank	27/06/2016	SOUTH WEST
Saughton Avenue	03/06/2016	SOUTH WEST
Saughton Avenue	06/09/2016	SOUTH WEST
Saughton Crescent	03/06/2016	NORTH WEST
Saughton Crescent	06/09/2016	NORTH WEST
Saughton Gardens	03/06/2016	NORTH WEST
Saughton Gardens	06/09/2016	NORTH WEST
Saughton Grove	03/06/2016	NORTH WEST
Saughton Grove	06/09/2016	NORTH WEST
Saughton Loan	03/06/2016	NORTH WEST
Saughton Loan	06/09/2016	NORTH WEST
Saughton Mains Avenue	02/06/2016	SOUTH WEST
Saughton Mains Avenue	07/09/2016	SOUTH WEST
Saughton Mains Bank	02/06/2016	SOUTH WEST
Saughton Mains Bank	07/09/2016	SOUTH WEST
Saughton Mains Drive	02/06/2016	SOUTH WEST
Saughton Mains Drive	07/09/2016	SOUTH WEST
Saughton Mains Gardens	02/06/2016	SOUTH WEST
Saughton Mains Gardens	07/09/2016	SOUTH WEST
Saughton Mains Grove	02/06/2016	SOUTH WEST
Saughton Mains Grove	07/09/2016	SOUTH WEST

Saughton Mains Loan	02/06/2016	SOUTH WEST
Saughton Mains Loan	07/09/2016	SOUTH WEST
Saughton Mains Park	02/06/2016	SOUTH WEST
Saughton Mains Park	07/09/2016	SOUTH WEST
Saughton Mains Place	02/06/2016	SOUTH WEST
Saughton Mains Place	07/09/2016	SOUTH WEST
Saughton Mains Street	02/06/2016	SOUTH WEST
Saughton Mains Street	07/09/2016	SOUTH WEST
Saughton Mains Terrace	02/06/2016	SOUTH WEST
Saughton Mains Terrace	07/09/2016	SOUTH WEST
Saughton Road	02/06/2016	SOUTH WEST
Saughton Road	06/09/2016	SOUTH WEST
Saunders Street	12/05/2016	NORTH WEST
Savile Place	09/04/2016	SOUTH EAST
Savile Terrace	09/04/2016	SOUTH EAST
Saxe-Coburg Place	12/05/2016	NORTH WEST
Saxe-Coburg Street	12/05/2016	NORTH WEST
Saxe-Coburg Terrace	12/05/2016	NORTH WEST
School Brae	26/04/2016	NORTH WEST
Sciennes	05/04/2016	SOUTH EAST
Sciennes Gardens	05/04/2016	SOUTH EAST
Sciennes Hill Place	05/04/2016	SOUTH EAST
Sciennes House Place	05/04/2016	SOUTH EAST
Sciennes Place	05/04/2016	SOUTH EAST
Sciennes Road	05/04/2016	SOUTH EAST
Scotland Street	02/06/2016	SOUTH EAST
Scotstoun Avenue	23/03/2016	NORTH WEST
Scotstoun Green	23/03/2016	NORTH WEST
Scotstoun Grove	23/03/2016	NORTH WEST
Scottish National Gallery of Modern Art Access Road	09/06/2016	NORTH WEST
Seafield Road	14/05/2016	NORTH EAST
Seafield Road East	14/05/2016	NORTH EAST
Seafield Street	14/05/2016	NORTH EAST
Seafield Way	14/05/2016	NORTH EAST
Seaforth Drive	26/05/2016	NORTH WEST
Seaforth Terrace	26/05/2016	NORTH WEST
Sealcarr Street	19/05/2016	NORTH WEST
Seaview Crescent	28/05/2016	NORTH EAST
Seaview Terrace	28/05/2016	NORTH EAST
Shandwick Place	02/06/2016	SOUTH EAST
Sharp Street	19/05/2016	NORTH WEST
Shaw's Square	02/06/2016	SOUTH EAST
Sheriff Bank	25/08/2016	NORTH EAST
Sheriff Brae	06/09/2016	NORTH EAST
Sheriff Park	06/09/2016	NORTH EAST
Shore	03/09/2016	NORTH EAST

Shore Place	03/09/2016	NORTH EAST
Shore Road	16/03/2016	NORTH WEST
Sibbald Walk	02/06/2016	SOUTH EAST
Sighthill Avenue	27/05/2016	SOUTH WEST
Sighthill Court	27/05/2016	SOUTH WEST
Sighthill Crescent	27/05/2016	SOUTH WEST
Sighthill Drive	27/05/2016	SOUTH WEST
Sighthill Gardens	27/05/2016	SOUTH WEST
Sighthill Grove	27/05/2016	SOUTH WEST
Sighthill Loan	27/05/2016	SOUTH WEST
Sighthill Neuk	27/05/2016	SOUTH WEST
Sighthill Park	27/05/2016	SOUTH WEST
Sighthill Place	27/05/2016	SOUTH WEST
Sighthill Rise	27/05/2016	SOUTH WEST
Sighthill Road	27/05/2016	SOUTH WEST
Sighthill Street	27/05/2016	SOUTH WEST
Sighthill Terrace	27/05/2016	SOUTH WEST
Sighthill View	27/05/2016	SOUTH WEST
Sighthill Wynd	27/05/2016	SOUTH WEST
Silverknowes Avenue	09/05/2016	NORTH WEST
Silverknowes Bank	11/05/2016	NORTH WEST
Silverknowes Brae	11/05/2016	NORTH WEST
Silverknowes Court	11/05/2016	NORTH WEST
Silverknowes Crescent	09/05/2016	NORTH WEST
Silverknowes Dell	06/05/2016	NORTH WEST
Silverknowes Drive	09/05/2016	NORTH WEST
Silverknowes Eastway	11/05/2016	NORTH WEST
Silverknowes Eastway	19/05/2016	NORTH WEST
Silverknowes Gardens	11/05/2016	NORTH WEST
Silverknowes Green	11/05/2016	NORTH WEST
Silverknowes Grove	06/05/2016	NORTH WEST
Silverknowes Grove	11/05/2016	NORTH WEST
Silverknowes Hill	09/05/2016	NORTH WEST
Silverknowes Loan	09/05/2016	NORTH WEST
Silverknowes Midway	11/05/2016	NORTH WEST
Silverknowes Neuk	03/05/2016	NORTH WEST
Silverknowes Neuk	26/05/2016	NORTH WEST
Silverknowes Parkway	09/05/2016	NORTH WEST
Silverknowes Place	09/05/2016	NORTH WEST
Silverknowes Road East	11/05/2016	NORTH WEST
Silverknowes Southway	11/05/2016	NORTH WEST
Silverknowes Terrace	09/05/2016	NORTH WEST
Silverknowes View	11/05/2016	NORTH WEST
Silvermills	26/05/2016	NORTH WEST
Sir Harry Lauder Road	23/07/2016	NORTH EAST
Slateford Road	06/06/2016	SOUTH WEST

Slater's Steps	02/06/2016	SOUTH EAST
Sleigh Drive	13/06/2016	NORTH EAST
Sleigh Gardens	13/06/2016	NORTH EAST
Smithfield Street	23/03/2016	SOUTH WEST
Smithfield Street	06/06/2016	SOUTH WEST
Society Road	18/03/2016	NORTH WEST
Society Road	29/07/2016	NORTH WEST
Sommerville Gardens	23/03/2016	NORTH WEST
South Barnton Avenue	04/05/2016	NORTH WEST
South Bridge	02/06/2016	SOUTH EAST
South Clerk Street	16/04/2016	SOUTH EAST
South East Circus Place	02/06/2016	SOUTH EAST
South Elixia Place	16/07/2016	NORTH EAST
South Ettrick Road	15/03/2016	SOUTH EAST
South Ettrick Road	22/05/2016	SOUTH EAST
South Gayfield Lane	02/06/2016	SOUTH EAST
South Gillsland Road	15/03/2016	SOUTH EAST
South Gillsland Road	22/05/2016	SOUTH EAST
South Gray Street	07/04/2016	SOUTH EAST
South Groathill Avenue	26/05/2016	NORTH WEST
South Laverockbank Avenue	12/05/2016	NORTH WEST
South Learmonth Avenue	06/06/2016	NORTH WEST
South Learmonth Gardens	06/06/2016	NORTH WEST
South Meadow Walk	16/03/2016	SOUTH EAST
South Mellis Park	16/07/2016	NORTH EAST
South Park	12/05/2016	NORTH WEST
South Parrotshot	11/06/2016	NORTH EAST
South Scotstoun	23/03/2016	NORTH WEST
South Trinity Road	12/05/2016	NORTH WEST
Southfield Bank	23/07/2016	NORTH EAST
Southfield Farm Grove	23/07/2016	NORTH EAST
Southfield Gardens East	25/06/2016	NORTH EAST
Southfield Gardens West	25/06/2016	NORTH EAST
Southfield Loan	23/07/2016	NORTH EAST
Southfield Place	16/07/2016	NORTH EAST
Southfield Road East	25/06/2016	NORTH EAST
Southfield Road West	25/06/2016	NORTH EAST
Southfield Square	25/06/2016	NORTH EAST
Southfield Terrace	23/07/2016	NORTH EAST
Southhouse Avenue	02/05/2016	SOUTH EAST
Southhouse Brae	02/05/2016	SOUTH EAST
Southhouse Broadway	02/05/2016	SOUTH EAST
Southhouse Close	02/05/2016	SOUTH EAST
Southhouse Crescent	02/05/2016	SOUTH EAST
Southhouse Crossway	02/05/2016	SOUTH EAST
Southhouse Drive	02/05/2016	SOUTH EAST

Southhouse Gardens	02/05/2016	SOUTH EAST
Southhouse Grove	02/05/2016	SOUTH EAST
Southhouse Loan	02/05/2016	SOUTH EAST
Southhouse Medway	02/05/2016	SOUTH EAST
Southhouse Path	02/05/2016	SOUTH EAST
Southhouse Place	02/05/2016	SOUTH EAST
Southhouse Road	02/05/2016	SOUTH EAST
Southhouse Square	02/05/2016	SOUTH EAST
Southhouse Terrace	02/05/2016	SOUTH EAST
Southhouse Walk	02/05/2016	SOUTH EAST
Soutra Court	02/05/2016	SOUTH EAST
Soutra Road	02/05/2016	SOUTH EAST
Spa Place	21/05/2016	NORTH EAST
Spence Street	09/04/2016	SOUTH EAST
Spencer Place	12/05/2016	NORTH WEST
Spittal Street	02/06/2016	SOUTH EAST
Spottiswoode Road	16/03/2016	SOUTH EAST
Spottiswoode Street	16/03/2016	SOUTH EAST
Spring Gardens	02/06/2016	SOUTH EAST
Springfield Crescent	21/03/2016	NORTH WEST
Springfield View	18/03/2016	NORTH WEST
Springfield View	29/07/2016	NORTH WEST
Springvalley Gardens	08/03/2016	SOUTH EAST
Springvalley Gardens	15/05/2016	SOUTH EAST
Springvalley Terrace	08/03/2016	SOUTH EAST
Springvalley Terrace	15/05/2016	SOUTH EAST
Springvalley Terrace Lane	08/03/2016	SOUTH EAST
Springvalley Terrace Lane	15/05/2016	SOUTH EAST
Springwell Place	23/03/2016	SOUTH WEST
Springwell Place	27/06/2016	SOUTH WEST
Springwood Park	30/04/2016	SOUTH EAST
Spylaw Road	15/03/2016	SOUTH EAST
Spylaw Road	22/05/2016	SOUTH EAST
St Alban's Road	09/04/2016	SOUTH EAST
St Bernard's Crescent	06/06/2016	NORTH WEST
St Bernard's Row	06/06/2016	NORTH WEST
St Catherine's Place	05/04/2016	SOUTH EAST
St Clair Terrace	07/03/2016	SOUTH EAST
St Clair Terrace	14/05/2016	SOUTH EAST
St Colme Street	02/06/2016	SOUTH EAST
St Fillan's Terrace	07/03/2016	SOUTH EAST
St Fillan's Terrace	14/05/2016	SOUTH EAST
St John Street	02/06/2016	SOUTH EAST
St Katharine's Brae	02/05/2016	SOUTH EAST
St Katharine's Crescent	02/05/2016	SOUTH EAST
St Katharine's Loan	02/05/2016	SOUTH EAST

St Leonard's Bank	16/04/2016	SOUTH EAST
St Leonard's Hill	16/04/2016	SOUTH EAST
St Leonard's Street	16/04/2016	SOUTH EAST
St Margaret's Place	24/03/2016	SOUTH EAST
St Margaret's Road	24/03/2016	SOUTH EAST
St Mark's Place	18/06/2016	NORTH EAST
St Martins Glebe	16/07/2016	NORTH EAST
St Mary's Place	21/05/2016	NORTH EAST
St Mary's Street	02/06/2016	SOUTH EAST
St Ninian's Terrace	07/03/2016	SOUTH EAST
St Ninian's Terrace	14/05/2016	SOUTH EAST
St Ronan's Terrace	07/03/2016	SOUTH EAST
St Ronan's Terrace	14/05/2016	SOUTH EAST
St Stephen Place	06/06/2016	NORTH WEST
St Stephen Street	06/06/2016	NORTH WEST
St Thomas Road	09/04/2016	SOUTH EAST
St Triduana's Rest	23/07/2016	NORTH EAST
St Vincent Place	06/06/2016	NORTH WEST
St Vincent Street	02/06/2016	SOUTH EAST
Stable Lane	08/03/2016	SOUTH EAST
Stable Lane	15/05/2016	SOUTH EAST
Stafford Street	02/06/2016	SOUTH EAST
Standingstone Road	01/04/2016	NORTH WEST
Stanley Place	23/07/2016	NORTH EAST
Stanley Road	09/05/2016	NORTH WEST
Stanley Street	16/07/2016	NORTH EAST
Stapeley Avenue	25/06/2016	NORTH EAST
Starbank Road	10/05/2016	NORTH WEST
Station Road	16/03/2016	NORTH WEST
Station Road	30/03/2016	NORTH WEST
Station Road	11/04/2016	NORTH WEST
Station Terrace	30/03/2016	NORTH WEST
Stenhouse Avenue	03/06/2016	SOUTH WEST
Stenhouse Avenue	31/08/2016	SOUTH WEST
Stenhouse Avenue West	03/06/2016	SOUTH WEST
Stenhouse Avenue West	31/08/2016	SOUTH WEST
Stenhouse Cottages	03/06/2016	SOUTH WEST
Stenhouse Cottages	31/08/2016	SOUTH WEST
Stenhouse Crescent	03/06/2016	SOUTH WEST
Stenhouse Crescent	31/08/2016	SOUTH WEST
Stenhouse Cross	03/06/2016	SOUTH WEST
Stenhouse Cross	31/08/2016	SOUTH WEST
Stenhouse Drive	03/06/2016	SOUTH WEST
Stenhouse Drive	31/08/2016	SOUTH WEST
Stenhouse Gardens	03/06/2016	SOUTH WEST
Stenhouse Gardens	31/08/2016	SOUTH WEST

Stenhouse Gardens North	03/06/2016	SOUTH WEST
Stenhouse Gardens North	01/09/2016	SOUTH WEST
Stenhouse Grove	03/06/2016	SOUTH WEST
Stenhouse Grove	31/08/2016	SOUTH WEST
Stenhouse Place West	03/06/2016	SOUTH WEST
Stenhouse Place West	01/09/2016	SOUTH WEST
Stenhouse Road	03/06/2016	SOUTH WEST
Stenhouse Road	01/09/2016	SOUTH WEST
Stenhouse Street East	02/06/2016	SOUTH WEST
Stenhouse Street East	01/09/2016	SOUTH WEST
Stenhouse Street West	03/06/2016	SOUTH WEST
Stenhouse Street West	01/09/2016	SOUTH WEST
Stenhouse Terrace	03/06/2016	SOUTH WEST
Stenhouse Terrace	01/09/2016	SOUTH WEST
Stevenlaw's Close	02/06/2016	SOUTH EAST
Stevenson Drive	06/09/2016	SOUTH WEST
Stevenson Road	16/05/2016	SOUTH WEST
Stewart Clark Avenue	23/03/2016	NORTH WEST
Stewart Place	29/03/2016	NORTH WEST
Stewart Terrace	17/03/2016	NORTH WEST
Stirling Road	12/05/2016	NORTH WEST
Stoneyflatts Crescent	21/03/2016	NORTH WEST
Stoneyflatts Park	21/03/2016	NORTH WEST
Strachan Gardens	06/06/2016	NORTH WEST
Strachan Road	06/06/2016	NORTH WEST
Straiton Place	21/05/2016	NORTH EAST
Straiton Road	02/05/2016	SOUTH EAST
Strathalmond Court	07/06/2016	NORTH WEST
Strathalmond Green	07/06/2016	NORTH WEST
Strathalmond Park	07/06/2016	NORTH WEST
Strathalmond Road	07/06/2016	NORTH WEST
Strathearn Place	24/03/2016	SOUTH EAST
Strathearn Road	16/03/2016	SOUTH EAST
Suffolk Road	09/04/2016	SOUTH EAST
Summer Place	06/06/2016	NORTH WEST
Summerhall	05/04/2016	SOUTH EAST
Summerside Place	09/05/2016	NORTH WEST
Summerside Street	09/05/2016	NORTH WEST
Summertrees Court	17/04/2016	SOUTH EAST
Sunbury Mews	10/05/2016	NORTH WEST
Sunbury Place	10/05/2016	NORTH WEST
Sunbury Street	10/05/2016	NORTH WEST
Sunnybank	16/07/2016	NORTH EAST
Sunnybank Place Lane	16/07/2016	NORTH EAST
Sunnybank Terrace	16/07/2016	NORTH EAST
Sydney Park	16/07/2016	NORTH EAST

Sydney Place	16/07/2016	NORTH EAST
Sydney Terrace	16/07/2016	NORTH EAST
Sylvan Place	05/04/2016	SOUTH EAST
Sylvan Place Lane	05/04/2016	SOUTH EAST
Tanfield	09/05/2016	NORTH WEST
Tanfield Lane	09/05/2016	NORTH WEST
Tantallon Place	05/04/2016	SOUTH EAST
Tarvit Street	16/03/2016	SOUTH EAST
Taylor Place	16/07/2016	NORTH EAST
Telfer Subway	23/03/2016	SOUTH WEST
Telfer Subway	27/06/2016	SOUTH WEST
Telferton	23/07/2016	NORTH EAST
Telford Drive	07/06/2016	NORTH WEST
Telford Gardens	07/06/2016	NORTH WEST
Telford Grove	07/06/2016	NORTH WEST
Telford March	07/06/2016	NORTH WEST
Telford Path	07/06/2016	NORTH WEST
Telford Path	10/06/2016	NORTH WEST
Telford Place	07/06/2016	NORTH WEST
Telford Road	07/06/2016	NORTH WEST
Teviotdale Place	02/06/2016	NORTH WEST
The Causeway	23/07/2016	NORTH EAST
The East Way	23/07/2016	NORTH EAST
The Glebe	01/04/2016	NORTH WEST
The Glebe	28/07/2016	NORTH WEST
The Green	03/05/2016	NORTH WEST
The High Way	23/07/2016	NORTH EAST
The Jewel	11/06/2016	NORTH EAST
The Loan	16/03/2016	NORTH WEST
The Murrays	02/05/2016	SOUTH EAST
The Murrays Brae	02/05/2016	SOUTH EAST
The North Way	23/07/2016	NORTH EAST
The Pottery	21/05/2016	NORTH EAST
The Square	30/03/2016	NORTH WEST
The Wisp	04/06/2016	NORTH EAST
Thirlestane Lane	16/03/2016	SOUTH EAST
Thirlestane Road	16/03/2016	SOUTH EAST
Thorters Place	30/04/2016	SOUTH EAST
Threipmuir Avenue	24/03/2016	SOUTH WEST
Tipperlinn Road	08/03/2016	SOUTH EAST
Tipperlinn Road	15/05/2016	SOUTH EAST
Toddshill Road	31/03/2016	NORTH WEST
Tolbooth Wynd	06/09/2016	NORTH EAST
Tressilian Gardens	30/04/2016	SOUTH EAST
Trinity Court	12/05/2016	NORTH WEST
Trinity Crescent	12/05/2016	NORTH WEST

Trinity Grove	12/05/2016	NORTH WEST
Trinity Mains	12/05/2016	NORTH WEST
Trinity Path	12/05/2016	NORTH WEST
Trinity Road	12/05/2016	NORTH WEST
Trinity Way	12/05/2016	NORTH WEST
Tron Square	02/06/2016	SOUTH EAST
Tynecastle Lane	23/03/2016	SOUTH WEST
Tynecastle Lane	01/07/2016	SOUTH WEST
Tynecastle Terrace	23/03/2016	SOUTH WEST
Tynecastle Terrace	01/07/2016	SOUTH WEST
Tytler Court	02/06/2016	SOUTH EAST
Tytler Gardens	02/06/2016	SOUTH EAST
Ulster Crescent	23/07/2016	NORTH EAST
Union Place	02/06/2016	SOUTH EAST
Union Street	02/06/2016	SOUTH EAST
Upper Bow	02/06/2016	SOUTH EAST
Upper Cramond Court	27/04/2016	NORTH WEST
Upper Damside	10/05/2016	NORTH WEST
Upper Dean Terrace	10/05/2016	NORTH WEST
Upper Gilmore Place	16/03/2016	SOUTH EAST
Upper Gilmore Terrace	16/03/2016	SOUTH EAST
Upper Gray Street	07/04/2016	SOUTH EAST
Valleyfield Street	16/03/2016	SOUTH EAST
Vandeleur Avenue	25/06/2016	NORTH EAST
Vandeleur Grove	25/06/2016	NORTH EAST
Vandeleur Place	25/06/2016	NORTH EAST
Veitch's Square	11/05/2016	NORTH WEST
Vennel	02/06/2016	SOUTH EAST
Ventnor Place	09/04/2016	SOUTH EAST
Ventnor Terrace	09/04/2016	SOUTH EAST
Vexhim Park	11/06/2016	NORTH EAST
Victoria Park Neuk	12/05/2016	NORTH WEST
Victoria Place	12/05/2016	NORTH WEST
Victoria Terrace	02/06/2016	SOUTH EAST
Viewcraig Gardens	16/04/2016	SOUTH EAST
Viewcraig Street	16/04/2016	SOUTH EAST
Viewforth	15/03/2016	SOUTH EAST
Viewforth	22/05/2016	SOUTH EAST
Viewforth Gardens	15/03/2016	SOUTH EAST
Viewforth Gardens	22/05/2016	SOUTH EAST
Viewforth Place	29/03/2016	NORTH WEST
Viewforth Road	29/03/2016	NORTH WEST
Viewforth Square	15/03/2016	SOUTH EAST
Viewforth Square	22/05/2016	SOUTH EAST
Viewforth Terrace	15/03/2016	SOUTH EAST
Viewforth Terrace	22/05/2016	SOUTH EAST

Vivian Terrace	05/05/2016	NORTH WEST
Wakefield Avenue	25/06/2016	NORTH EAST
Walker Drive	18/03/2016	NORTH WEST
Walker Drive	29/07/2016	NORTH WEST
Walker Street	02/06/2016	SOUTH EAST
Walter Scott Avenue	17/04/2016	SOUTH EAST
Warden's Close	02/06/2016	SOUTH EAST
Wardie Avenue	17/05/2016	NORTH WEST
Wardie Crescent	17/05/2016	NORTH WEST
Wardie Dell	17/05/2016	NORTH WEST
Wardie Grove	17/05/2016	NORTH WEST
Wardie House Lane	17/05/2016	NORTH WEST
Wardie Park	17/05/2016	NORTH WEST
Wardie Road	17/05/2016	NORTH WEST
Wardie Square	17/05/2016	NORTH WEST
Wardie Steps	17/05/2016	NORTH WEST
Wardieburn Drive	18/05/2016	NORTH WEST
Wardieburn Place East	18/05/2016	NORTH WEST
Wardieburn Place North	18/05/2016	NORTH WEST
Wardieburn Place South	18/05/2016	NORTH WEST
Wardieburn Place West	18/05/2016	NORTH WEST
Wardieburn Road	18/05/2016	NORTH WEST
Wardieburn Street East	18/05/2016	NORTH WEST
Wardieburn Street West	18/05/2016	NORTH WEST
Wardieburn Terrace	18/05/2016	NORTH WEST
Wardiefield	18/05/2016	NORTH WEST
Wardlaw Place	23/03/2016	SOUTH WEST
Wardlaw Place	01/07/2016	SOUTH WEST
Wardlaw Street	23/03/2016	SOUTH WEST
Wardlaw Street	01/07/2016	SOUTH WEST
Wardlaw Terrace	23/03/2016	SOUTH WEST
Wardlaw Terrace	01/07/2016	SOUTH WEST
Warrender Park Crescent	16/03/2016	SOUTH EAST
Warrender Park Road	16/03/2016	SOUTH EAST
Warrender Park Terrace	16/03/2016	SOUTH EAST
Warriston Avenue	12/05/2016	NORTH WEST
Warriston Crescent	12/05/2016	NORTH WEST
Warriston Drive	12/05/2016	NORTH WEST
Warriston Gardens	12/05/2016	NORTH WEST
Warriston Grove	12/05/2016	NORTH WEST
Warriston Place	12/05/2016	NORTH WEST
Warriston Road	12/05/2016	NORTH WEST
Warriston Terrace	12/05/2016	NORTH WEST
Warriston Walkway	12/05/2016	NORTH WEST
Water Street	25/08/2016	NORTH EAST
Waterfront Avenue	19/05/2016	NORTH WEST

Waterfront Broadway	19/05/2016	NORTH WEST
Waterfront Gait	19/05/2016	NORTH WEST
Waterfront Park	19/05/2016	NORTH WEST
Waterloo Place	02/06/2016	SOUTH EAST
Water's Close	25/08/2016	NORTH EAST
Watertoun Road	09/04/2016	SOUTH EAST
Waverley Park	02/06/2016	SOUTH EAST
Waverley Park Terrace	02/06/2016	SOUTH EAST
Webster's Land	02/06/2016	SOUTH EAST
Well Court	02/06/2016	NORTH WEST
Wellhead Close	23/03/2016	NORTH WEST
Werberside Mews	12/05/2016	NORTH WEST
West Bow	02/06/2016	SOUTH EAST
West Castle Road	15/03/2016	SOUTH EAST
West Castle Road	22/05/2016	SOUTH EAST
West Cherrybank	18/05/2016	NORTH WEST
West Craigs Avenue	28/06/2016	NORTH WEST
West Craigs Crescent	28/06/2016	NORTH WEST
West Crosscauseway	05/04/2016	SOUTH EAST
West End Place	23/03/2016	SOUTH WEST
West End Place	27/06/2016	SOUTH WEST
West Ferryfield	18/05/2016	NORTH WEST
West Grange Gardens	09/04/2016	SOUTH EAST
West Granton Access	10/06/2016	NORTH WEST
West Granton Access Cycleway	10/06/2016	NORTH WEST
West Granton Crescent	20/05/2016	NORTH WEST
West Granton Drive	20/05/2016	NORTH WEST
West Granton Gardens	20/05/2016	NORTH WEST
West Granton Green	20/05/2016	NORTH WEST
West Granton Place	20/05/2016	NORTH WEST
West Granton Road	20/05/2016	NORTH WEST
West Granton Row	20/05/2016	NORTH WEST
West Granton Terrace	20/05/2016	NORTH WEST
West Harbour Road	20/05/2016	NORTH WEST
West Kilnacre	16/07/2016	NORTH EAST
West Mains Road	09/04/2016	SOUTH EAST
West Mill Lane	17/05/2016	NORTH WEST
West Nicolson Street	05/04/2016	SOUTH EAST
West Park Place	27/06/2016	SOUTH WEST
West Pier	20/05/2016	NORTH WEST
West Pilton Avenue	20/05/2016	NORTH WEST
West Pilton Bank	22/05/2016	NORTH WEST
West Pilton Brae	22/05/2016	NORTH WEST
West Pilton Crescent	22/05/2016	NORTH WEST
West Pilton Crossway	22/05/2016	NORTH WEST
West Pilton Drive	22/05/2016	NORTH WEST

West Pilton Gardens	22/05/2016	NORTH WEST
West Pilton Green	22/05/2016	NORTH WEST
West Pilton Grove	22/05/2016	NORTH WEST
West Pilton Lea	22/05/2016	NORTH WEST
West Pilton Loan	22/05/2016	NORTH WEST
West Pilton March	22/05/2016	NORTH WEST
West Pilton Park	21/05/2016	NORTH WEST
West Pilton Place	21/05/2016	NORTH WEST
West Pilton Rise	21/05/2016	NORTH WEST
West Pilton Road	21/05/2016	NORTH WEST
West Pilton Street	21/05/2016	NORTH WEST
West Pilton Terrace	21/05/2016	NORTH WEST
West Pilton View	21/05/2016	NORTH WEST
West Pilton Way	21/05/2016	NORTH WEST
West Port	02/06/2016	SOUTH EAST
West Powburn	09/04/2016	SOUTH EAST
West Preston Street	09/04/2016	SOUTH EAST
West Richmond Street	16/04/2016	SOUTH EAST
West Savile Gardens	09/04/2016	SOUTH EAST
West Savile Road	09/04/2016	SOUTH EAST
West Savile Terrace	09/04/2016	SOUTH EAST
West Scotland Street Lane	02/06/2016	SOUTH EAST
West Shore Road	21/05/2016	NORTH WEST
West Silvermills Lane	11/05/2016	NORTH WEST
West Telferton	16/07/2016	NORTH EAST
West Tollcross	16/03/2016	SOUTH EAST
West Werberside	12/05/2016	NORTH WEST
West Winnelstrae	08/06/2016	NORTH WEST
West Woods	12/05/2016	NORTH WEST
Westbank Loan	04/06/2016	NORTH EAST
Westbank Place	04/06/2016	NORTH EAST
Westbank Street	04/06/2016	NORTH EAST
Westburn Grove	01/06/2016	SOUTH WEST
Westburn Park	23/05/2016	SOUTH WEST
Wester Drylaw Avenue	30/05/2016	NORTH WEST
Wester Drylaw Drive	30/05/2016	NORTH WEST
Wester Drylaw Park	30/05/2016	NORTH WEST
Wester Drylaw Place	30/05/2016	NORTH WEST
Wester Drylaw Row	30/05/2016	NORTH WEST
Wester Hailes Drive	20/05/2016	SOUTH WEST
Wester Hailes Park	23/05/2016	SOUTH WEST
Westfield Avenue	01/07/2016	SOUTH WEST
Westfield Court	01/07/2016	SOUTH WEST
Westfield Road	01/07/2016	SOUTH WEST
Westfield Street	01/07/2016	SOUTH WEST
Westhall Gardens	15/03/2016	SOUTH EAST

Westhall Gardens	22/05/2016	SOUTH EAST
Westland Cottages	23/04/2016	SOUTH EAST
Westside Plaza	23/05/2016	SOUTH WEST
Wheatfield Place	23/03/2016	SOUTH WEST
Wheatfield Place	06/06/2016	SOUTH WEST
Wheatfield Road	23/03/2016	SOUTH WEST
Wheatfield Road	06/06/2016	SOUTH WEST
Wheatfield Street	23/03/2016	SOUTH WEST
Wheatfield Street	06/06/2016	SOUTH WEST
Wheatfield Terrace	23/03/2016	SOUTH WEST
Wheatfield Terrace	06/06/2016	SOUTH WEST
White Park	23/03/2016	SOUTH WEST
Whitehall Court	16/05/2016	NORTH WEST
Whitehead Grove	23/03/2016	NORTH WEST
Whitehill Road	28/05/2016	NORTH EAST
Whitehill Street	28/05/2016	NORTH EAST
Whitehorse Close	02/06/2016	SOUTH EAST
Whitehouse Loan	16/03/2016	SOUTH EAST
Whitehouse Road	28/04/2016	NORTH WEST
Whitelea Crescent	24/03/2016	SOUTH WEST
Whitelea Road	24/03/2016	SOUTH WEST
Whitson Crescent	03/06/2016	SOUTH WEST
Whitson Crescent	03/08/2016	SOUTH WEST
Whitson Grove	03/06/2016	SOUTH WEST
Whitson Grove	03/08/2016	SOUTH WEST
Whitson Place East	06/06/2016	SOUTH WEST
Whitson Place East	03/08/2016	SOUTH WEST
Whitson Place West	06/06/2016	SOUTH WEST
Whitson Place West	03/08/2016	SOUTH WEST
Whitson Road	06/06/2016	SOUTH WEST
Whitson Road	03/08/2016	SOUTH WEST
Whitson Terrace	03/06/2016	SOUTH WEST
Whitson Terrace	03/08/2016	SOUTH WEST
Whitson Walk	06/06/2016	SOUTH WEST
Whitson Walk	03/08/2016	SOUTH WEST
Whitson Way	06/06/2016	SOUTH WEST
Whitson Way	03/08/2016	SOUTH WEST
Whyte Place	16/07/2016	NORTH EAST
Wilfrid Terrace	16/07/2016	NORTH EAST
William Black Place	23/03/2016	NORTH WEST
William Street	31/05/2016	SOUTH EAST
William Street North East Lane	31/05/2016	SOUTH EAST
William Street North West Lane	31/05/2016	SOUTH EAST
William Street South East Lane	31/05/2016	SOUTH EAST
William Street South West Lane	31/05/2016	SOUTH EAST
Willowbrae Avenue	16/07/2016	NORTH EAST

Willowbrae Gardens	16/07/2016	NORTH EAST
Willowbrae Road	16/07/2016	NORTH EAST
Wilson's Court	02/06/2016	SOUTH EAST
Wilton Road	09/04/2016	SOUTH EAST
Windmill Close	05/04/2016	SOUTH EAST
Wishaw Terrace	14/05/2016	NORTH EAST
Wolrige Road	02/05/2016	SOUTH EAST
Wolseley Crescent	23/07/2016	NORTH EAST
Wolseley Gardens	23/07/2016	NORTH EAST
Wolseley Place	23/07/2016	NORTH EAST
Wolseley Terrace	23/07/2016	NORTH EAST
Woodburn Terrace	24/03/2016	SOUTH EAST
Woodlands Grove	24/05/2016	NORTH EAST
Woodside Terrace	04/06/2016	NORTH EAST
Woodstock Place	30/04/2016	SOUTH EAST
Woolmet Place	04/06/2016	NORTH EAST
Wyvern Park	07/04/2016	SOUTH EAST
Yardheads	06/09/2016	NORTH EAST
Yewlands Crescent	30/04/2016	SOUTH EAST
Yewlands Gardens	30/04/2016	SOUTH EAST
York Lane	02/06/2016	SOUTH EAST
York Place	02/06/2016	SOUTH EAST
York Road	11/05/2016	NORTH WEST
Zetland Place	13/05/2016	NORTH WEST

QUESTION NO 2

By Councillor Corbett for answer by the Convener of the Finance and Resources Committee at a meeting of the Council on 22 September 2016

Question

What are the expectations about permitted vehicle access to the city chambers quadrangle and how is that monitored and implemented in practice?

Answer

A “No Parking” rule is enforced in the Quadrangle area with parking only allowed in the following circumstances:

- The Lord Provost’s car or civic cars when waiting to collect the Lord Provost or elected members;
- People with disabilities visiting the City Chambers and holding a valid disabled parking badge;
- Dropping off or collecting visitors, i.e. taxis, cars etc;
- Media vehicle with pre-authorised permission to park on the site; and.
- Other parking is at the discretion of the City Chambers Facility Manager, e.g., charging point for electric vehicles etc.

During normal working hours, parking is controlled by the Reception staff within the City Chambers.

Outside of normal working hours the Security team covering the City Chambers Reception monitor and ensure compliance with the above parking arrangements.

Supplementary Question

Thanks Depute Lord Provost I know Steve you’re really crestfallen there’s nothing controversial on the agenda so I’ll do my best with the supplementary if you don’t mind.

For the benefit of the webcast, I asked what permitted vehicle access was to the quadrangle and also how that was implemented and the answer, to paraphrase is, that the area is a no parking area with some limited exception such as disabled access or for drop-offs.

As all members will know Depute Lord Provost, the City Chambers is common good property. That means it belongs not to the City Council but to the people of Edinburgh as a whole, on whose behalf the City Council looks after it. It's one of the best civic spaces in Scotland's capital city and we get a glimpse of that at festival time when we see aside from the mayhem in the High Street the riotous mayhem in the High Street it's an oasis of calm, of shade, of a seat for people and an opportunity to admire the historic environment of the City. We also get a glimpse of how effective it is as a civic space on those rare events such as the Spokes Bike Breakfast or some of the events to mark our armed forces which I know the Lord Provost is personally very supportive of. Those uses of the quadrangle are all too infrequent, most of the time the quadrangle is crammed with cars and vans. Now there are some legitimate access uses such as disabled access and drop-off as we mentioned but members who've been around for longer than I have tell me that the use of the quadrangle as a car park is something that's crept up over time. It wasn't always like this, so at a time when other cities are discovering their economic well being of the city centre is based on making the pedestrian king and reducing traffic flow and also the fact that this is World Car Free Day which we're celebrating on Sunday I guess to make it less troublesome, so for the Convener, who of course is one of the Ward Councillors for the City Chambers area, can members have your assurance that access to the quadrangle will be more firmly implemented, that the quadrangle will see a noticeable reduction of vehicles squatting in it, and that opportunities to appreciate this valuable civic space much more fully will be taken.

**Comment by
the Depute
Convener**

Councillor Corbett can I thank you for your question. I didn't realise when you stood up said you were going to try to be controversial it was going to be regarding the length of the question rather than the content, but, Councillor Rankin

**Supplementary
Answer**

I thank Councillor Corbett for his question. As you'll see one of the responses to your question is to say that parking is at the discretion of the City Chambers Facilities Manager which includes things like charging of electric cars which I'm sure he approves of. If he thinks there are any enforcement issues I suggest that he talks to the appropriate manager and the matter can be dealt with in that way.

QUESTION NO 3

By Councillor Burgess for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 September 2016

Question

Further to the answer to my written question no.2 at the Council meeting of 25 August 2016, can the Convener

- a) Provide a breakdown in each Council ward of the number of missed bin collections in the period July 2015 to July 2016.
- b) Outline what steps have been taken since 25 August to address rising public concern about the operation of the waste and recycling collection service.

Answer

- a) Table 1 below provides a breakdown in each Council ward of the number of reports of missed bin collections in the period July 2015 to July 2016.

Of the 57,758 reports received in the 13 months to July 2016, 4,242 were duplicate complaints about the same issue. Therefore the true figure is 53,516.

Although logged as missed bin collections, many of the complaints are not actually the result of a service failure. The bin may not have been collected for a range of different reasons such as non-presentation, contamination, blocked access etc. while some of the 'missed bin' complaints relating to communal bins should in fact be logged as fly-tipping.

- b) Following the recent reports about the increase in the level of complaints, I along with the Vice Convener, arranged urgent discussions with the Director of Place and other relevant senior officers. Following this, at the Committee on 25 August 2016, the attached Capital Coalition motion was agreed. In addition, in conjunction with the Vice Convener, I requested and have received a draft action plan for Waste Services, with a view to a report being submitted to the next meeting of the Committee.

This action plan will address a wide range of issues, for example:

- how can we best tackle and respond to reports of communal bin hot spots;
- how can we tighten procedures to reduce missed collections including assisted collections;
- systems are customer focused and respond quickly to residents' needs.
- what action is required to ensure that garden waste collections remain on track particularly during peak season
- what further action is required to address/prevent misuse of communal bins by businesses illegally disposing of trade waste;
- consider adopting a more robust and proactive response to the problem of side waste;
- proposed charging on a per item basis for special uplifts;
- consider a redesign of our customer reporting and response procedures to ensure that the systems are customer focused and respond quickly to residents' needs.

In addition I, along with the Vice Convener, attended a meeting with all senior managers and staff in Waste Services to refine the Action Plan. During these discussions we both made clear our concerns over the level of complaints received. These discussions were very productive and the most recent complaints data indicates that action already taken is leading to an overall reduction in the total number of complaints received.

However more needs to be done and at the next meeting of the Committee on 1 November 2016. Members will have an opportunity to scrutinise and also feed into the action plan.

**Supplementary
Question**

My question is about missed bin collections in the City, my supplementary is in two parts.

Firstly would the Convener agree with me that the figures that she's provided in her answer clearly show that the problem with missed and overflowing bins in the City is not just in the city centre and not just during the festival period but that overflowing bins/missed bins are happening across the whole City and throughout the year?

And secondly, at the last Full council meeting the Convener gave me an assurance that she's giving the bins issue her full attention and in her answer today she mentions a waste action plan coming before Councillors at the beginning of November.

I very much welcome the outline of a plan to put the bins right. Our Group has also met with senior council officers and the unions about the issue and it does seem with good will on both sides and all sides, that the current problems are solvable.

When does the Convener hope that residents will start to see a significant improvement on their streets.

**Supplementary
Answer**

Since I've been told off I better speak to you directly Deputy Lord Provost or Deputy Convener but it's quite difficult to answer a question but to speak at two people at once so I'll try my best.

What Councillor Burgess hasn't said on camera to the public who may well be listening out there, there is a page and a half and also a motion in the answer which following myself and the Vice-Convener's concern about the number of complaints rising before yourself or before anyone else made that, we get on regular reports to Transport and Environment Committee but also as Convener and Vice-Convener we also get reports on complaints and the complaints are obviously rising. Now you have to take that in context Councillor Burgess of the amount of collections that we take, the amount of complaints

is 0.2% - 0.2% is the complaints so just take it in that context.

But yes, like you – before you I was concerned and the Vice-Convener was concerned about the increase in complaints. That's why the Convener and Vice-Convener brought it to the attention and the concern to both the Head of Waste and also to the Executive Director of Place and that's why at the last Transport and Environment Committee meeting where we talked about cleanliness of the City and we talked about recycling etc that myself and the Convener put a motion up which said, just for the people who are listening, by the Convener, myself, and the Vice-Convener we agreed to recommendations contained in the report the Cleanliness of the City "Committee further notes with concern the unacceptable level of waste complaints being experienced in the City and notes the Convener and Vice-Convener have called for a report by the Executive Director of Place to be submitted to the next meeting of the Committee with an action plan outlining specific proposals to address this issue. In addition Committee notes the report called for will address improvements required to the reporting system and feedback to residents who have contacted the Council re service complaints".

So, again, we, the Convener and the Vice-Convener, have taken that initiative and it was agreed by all the Committee, so your question was about being city-wide, these figures are no different from the figures on every year in terms of certain areas have got higher complaints processes than certain other areas and it's part of the system that goes to Transport and Environment Committee every single meeting where every elected member on that Committee can ask the questions. As I said right at the beginning, I've got concern, the Vice-Convener's got concern regarding the complaint's process. So we're getting on a weekly basis, and I'm pleased to say, those complaints are now going down so some of the action of the officers and some of the action we're pursuing seems to be making a difference and we hope that we can get that down - just to repeat 0.2% of complaints compared to the number of collections.

You asked about the action plan and again I don't want to go on for ever Deputy Convener but there is a list of some of the issues that we're going to address and some of the changes. I hope to get out tomorrow just a draft of that to all elected members so that they can see what improvements have happened over the last four and a half years and that's pretty significant, it's a lot of changes etc, not least the amount we're putting to landfill and the increase in our recycling. Also the challenges we have. I think we've got a real challenge as a society and as a city in that you will be aware as I am, the key issues for me are, how do you reduce the waste that we get in the first place, the packaging etc, how do we address that, how as a city, how as a Council, how as individuals can we do that.

Secondly how can we re-use – we live in a society that is throwaway, you see that in our streets that people feel they can throw away even though many of us can re-use them for relatives or whatever, or for some of the charity shops etc, and also how do we recycle. And you know these are the key issues and key challenges for us as a society and here in the city. So it's not simplistic it's complex but we're striving to do that and that will then address our key challenges which to me are about trade waste and quite shocking figures about the number of businesses who don't have a trade waste system – well over 50% of trade waste businesses in this City don't even have a certificate to say how they get rid of their waste. We've raised that, fly-tipping is a massive issue for us and also how do we deal with missed collections and complaints etc.

So I think there are a number of challenges and I do have a draft action plan as I say that we'll get out tomorrow to all of you to have a look at and then it will be submitted to the Transport and Environment Committee in November and could I say I welcome that the Greens that have had a meeting with the senior management and the trade unions. It's a bit better than some of the people over here who seem to just want headlines, never come up with any ideas other than privatise, privatise, privatise. They don't think at one single meeting not come up with one single idea in this city, so I thank the Greens and I hope that any ideas that they have

please bring them forward to myself as Convener and at the Committee because this is about us tackling the issue of waste as a city, as an individual, as a community and as a Council.

Table 1 – Complaints Received by Neighbourhood & Ward for 13 months from July 2015 to July 2016

Neighbourhood & Ward	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Grand Total
City Centre & Leith	553	604	493	603	517	881	1,089	880	588	641	870	732	792	9,243
11-City Centre	287	192	213	189	205	353	335	404	264	276	312	280	259	3,569
12-Leith Walk	133	256	105	234	199	288	380	286	145	182	377	273	296	3,154
13-Leith	133	156	175	180	113	240	374	190	179	183	181	179	237	2,520
East	326	341	466	657	487	646	956	642	520	438	431	458	464	6,832
14-Craigentinny/Duddingston	176	138	202	344	208	317	481	276	252	181	193	219	223	3,210
17-Portobello/Craigmillar	150	203	264	313	279	329	475	366	268	257	238	239	241	3,622
North	485	406	443	779	592	932	1,028	729	495	590	685	641	572	8,377
04-Forth	197	156	200	390	281	446	516	342	252	289	343	283	272	3,967
05-Inverleith	288	246	231	376	309	484	507	374	240	298	342	358	300	4,353
06-Corstorphine/Murrayfield		4	12	13	2	2	5	13	3	3				57
South	742	688	768	971	736	1,124	1,658	1,004	716	628	799	756	693	11,283
10-Meadows/Morningside	209	235	220	238	209	376	440	355	197	172	274	269	231	3,425
15-Southside/Newington	222	206	280	277	212	377	418	303	242	198	279	231	218	3,463
16-Liberton/Gilmerton	311	247	268	456	315	371	800	346	277	258	246	256	244	4,395

South West	1,077	810	826	813	644	1,473	1,877	1,110	783	606	680	826	769	12,294
02-Pentland Hills	286	198	208	180	189	495	592	332	239	165	132	172	165	3,353
07-Sighthill/Gorgie	270	211	224	198	189	380	444	302	192	165	174	267	241	3,257
08-Colinton/Fairmilehead	329	230	203	220	133	355	482	243	191	151	180	167	178	3,062
09-Fountainbridge/Craiglockhart	192	171	191	215	133	243	359	233	161	125	194	220	185	2,622
West	704	625	681	620	624	971	1,761	924	610	560	546	574	462	9,662
01-Almond	291	284	340	289	311	519	697	459	301	230	240	248	165	4,374
03-Drum Brae/Gyle	197	166	133	160	163	188	585	256	136	151	149	125	127	2,536
06-Corstorphine/Murrayfield	216	175	208	171	150	264	479	209	173	179	157	201	170	2,752
Grand Total	3,896	3,485	3,681	4,450	3,602	6,032	8,383	5,289	3,715	3,466	4,016	3,988	3,755	57,758

City of Edinburgh Council – Transport & Environment Committee 30 August 2016

Item No 7.6 Cleanliness of the City – Motion by Capital Coalition

Committee agrees the recommendations contained in the report.

Committee further notes with concern the current unacceptable level of waste complaints being experienced in the city and notes that the Convener and Vice Convener have called for a report by the Executive Director of Place to be submitted to the next meeting of the Committee with an action plan outlining specific proposals to address this issue.

In addition Committee notes that the report called for will address improvements required to the reporting systems and feedback to residents who have contacted the Council re service complaints.

Moved by

Seconded by

QUESTION NO 4

By Councillor Booth for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 September 2016

Question

Can the Convener list:

- 1) The number of full time equivalent (FTE) environmental wardens employed in each Neighbourhood Partnership area in each of the last four years.
- 2) The number of fixed penalty notices for littering and dog fouling issued in each Neighbourhood Partnership area in each of the last four years.
- 3) The number of complaints received in each neighbourhood partnership area for littering and dog fouling in each of the last four years.

Answer

Table 1 below shows the number of full time equivalent (FTE) Environmental Wardens employed in each Neighbourhood area in each of the last four years. This information includes Edinburgh Wardens which were introduced on a pilot basis from July 2013 to August 2014.

Table 2 below shows the number of fixed penalty notices for littering and dog fouling in each Neighbourhood Partnership area in each of the last four years. This information is collected by ward rather than by Neighbourhood Partnership area.

Tables 3a and b below show the number of complaints received in each Neighbourhood Partnership area for littering and dog fouling in each of the last four years. This information is collected by ward rather than by Neighbourhood Partnership area.

Table 1 Number of full time equivalent (FTE) Environmental Wardens employed in each Neighbourhood area in each of the last four years

Number of FTE Environmental Wardens Employed

	2012-2013	2013-2014	2014-2015	2015-2016
City Centre/Leith	6	6	8	8
East	5	5	3.5	3.5
North	6	6	6	6
South	4.5	4.5	4.5	4.5
South West	3.5	3.5	3.5	3.5
West	6	6	5	5
Night Team	3	3	3	4
Edinburgh Wardens*	0	10	4	0
Total	34	44	37.5	34.5

Table 2 Number of fixed penalty notices for littering and dog fouling issued in each Neighbourhood Partnership area in each of the last four years

	2012-2013		2013-2014		2014-2015		2015-2016		Grand Total
	Dog Fouling	Littering	Dog Fouling	Littering	Dog Fouling	Littering	Dog Fouling	Littering	
Almond	15	35	11	16	3	16	0	36	132
City Centre	1	305	3	1119	0	277	0	156	1,861
Craigentinny/Duddingston	31	54	34	14	8	2	2	2	147
Forth	54	110	55	95	23	61	24	40	462
Inverleith	20	169	4	92	3	84	2	83	457
Leith	20	81	6	44	3	32	1	24	211
Liberton/Gilmerton	13	14	10	3	3	1	6	1	51
Pentlands	19	47	14	28	9	4	2	2	125
Portobello/Craigmillar	16	91	20	16	4	3	9	12	171
South Central	7	188	7	85	5	25	2	12	331
South West	69	264	42	193	9	40	17	23	657
Western Edinburgh	26	217	25	131	3	84	1	222	709
Total	291	1575	231	1836	73	629	66	613	5,314

Tables 3a. and b. Number of complaints received in each Neighbourhood Partnership area for littering and dog fouling in each of the last four years

3a Number of Complaints Received by Environmental Wardens by Neighbourhood Partnership from 2012 to 2016

	2012-2013		2013-2014		2014-2015		2015-2016		Grand Total
	Dog Fouling	Littering	Dog Fouling	Littering	Dog Fouling	Littering	Dog Fouling	Littering	
Almond	74	26	63	16	54	16	38	30	317
City Centre	56	71	43	42	44	66	32	81	435
Craighentenny/Duddingston	161	24	169	22	160	27	172	23	758
Forth	154	26	182	28	133	19	91	39	672
Inverleith	76	24	53	25	53	36	50	19	336
Leith	255	62	169	35	147	64	145	55	932
Liberton/Gilmerton	138	18	94	14	107	25	108	30	534
Pentlands	115	9	101	43	144	48	153	49	662
Portobello/Craigmillar	118	21	116	23	96	25	92	23	514
South Central	133	45	124	50	119	59	77	73	680
South West	269	48	241	88	344	124	382	115	1,611
Western Edinburgh	210	46	141	29	96	38	96	38	694
Total	1,759	420	1,496	415	1,497	547	1,436	575	8,145

NB in the summarised Complaints Categories - Littering = Littering + Open Space Accumulations + Flyposting

3b Open Space Service Requests by Neighbourhood Partnership for Dog Fouling & Littering from spring 2014 to Sept 2016

	2014		2015		2016		
Neighbourhood Partnership	Dog Fouling	Litter	Dog Fouling	Litter	Dog Fouling	Litter	Grand Total
Almond	40	37	75	194	52	173	571
City Centre	104	511	148	1052	79	956	2,850
Craigentinny/Duddingston	64	29	225	231	123	245	917
Forth	84	122	119	392	87	408	1,212
Inverleith	34	83	74	274	52	293	810
Leith	207	266	455	1045	329	1069	3,371
Liberton/Gilmerton	79	49	147	260	79	223	837
Pentlands	78	56	148	286	120	235	923
Portobello/Craigmillar	40	51	88	218	79	258	734
South Central	83	142	140	528	100	504	1,497
South West	219	207	439	818	273	708	2,664
Western Edinburgh	75	73	216	312	123	233	1,032
Grand Total	1,108	1,628	2,276	5,620	1,496	5,311	17,439

NB: There are no Open Space figures available from before the transfer to Confirm in Spring 2014.

NB in the summarised Complaints Categories - Littering = Littering + Open Space Accumulations + Flyposting. All three of these categories could lead to a littering FPN being issued.

Item no 5.1

QUESTION NO 1

By Councillor Mowat for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 27 October 2016

Trade Waste

- Question** **(1)** How many users of the Council's trade waste service were there when the service stopped?
- Question** **(2)** How many of the 41% of businesses without a valid trade waste contract were previously using the Council Service?

Item no 5.2

QUESTION NO 2

**By Councillor Nick Cook for answer
by the Convener of the Transport and
Environment Committee at a meeting
of the Council on 27 October 2016**

Question

Please provide details of the total number of complaints received about the condition of roads in Edinburgh in the last twelve months and to provide a breakdown by individual ward.

Item no 5.3

QUESTION NO 3

**By Councillor Rose for answer by the
Convener of the Corporate Policy
and Strategy Committee at a meeting
of the Council on 27 October 2016**

Scottish Information Commissioner Appeals

Question

- (1)**
1. Please detail for each of the last five years the number of occasions when appeals have been lodged with the Scottish Information Commissioner against decisions by City of Edinburgh Council in response to Freedom of Information or Environmental Information requests.
 2. How many times has the Commissioner upheld or partially upheld the appeal in each of the past five years?
 3. How many has an upheld appeal been because information has not been supplied within the statutory limits?

Question

- (2)**
- Describe the ongoing governance, scrutiny and review processes in relation to these findings from the Scottish Information Commissioner.

Item no 5.4

QUESTION NO 4

By Councillor Rose for answer by the Deputy Leader of the Council at a meeting of the Council on 27 October 2016

Free Public Wi-Fi in Edinburgh

Question

- (1) "Free public wi-fi across Edinburgh by summer" was a headline in March 2014 following an Edinburgh Council communication reporting a deal following an allocation of £150m by the UK Government to 22 cities in the national Super Connected Cities Programme. Edinburgh was one of those cities and engaged Gowex SA to provide public wifi as headlined. In the summer of 2014 the company was made bankrupt amidst charges against it of fraud and the Edinburgh free wifi project collapsed.

How much did the Council receive as part of that Programme and where is that money now?

Question

- (2) "Free wi-fi set to hit Edinburgh's city centre" was the headline of a press release from Edinburgh Council in May 2016 announcing a phased rollout over the summer and autumn of 2016 in conjunction with *intechnology plc*. A short paragraph in an appendix to a report to the Governance, Risk and Best Value Committee, apparently written before the 'summer festival period' reported apparent progress and a publicity breakfast briefing in July.

When will it available?

Why is it later than indicated in the Council media briefing?

How much public money will it cost in finance and in kind?

Item no 5.5

QUESTION NO 5

By Councillor Booth for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 27 October 2016

Facilities for Disposal of Waste in Public Parks

Question

Please can the Convener provide, for each of the public parks maintained by the City Council, a list of facilities to dispose of waste other than to landfill, and in each case what type of waste is collected.

Answer



October 2016

#Edinburgh2050



What's great about Edinburgh? What could be better? What should the city be like in the year 2050? These are the questions we've been asking as we develop a '2050 Edinburgh City Vision'.

We have much to be proud of here in the Capital but we do need to start thinking seriously about what we want Edinburgh to look like in 10, 20, even 30 years' time.

It's important to note that this will not be a Council vision; rather officers' role will be to facilitate and support citywide collaboration and debate.

Already, people from all corners and sectors of the city have been having their say. Our launch event at Cortex HQ, attended by more than 100 guests, has been reported widely in the media and continues to be hotly debated on social media. Indeed, #edinburgh2050 trended on Twitter, reaching more than a million people!

If you haven't already, please have your say by answering our three simple questions at Edinburgh.org.uk/2050 and on social media [@edinburgh](https://twitter.com/edinburgh) using #Edinburgh2050.

Play your part in improving our services

Please help us to improve our services by playing your part in our [public engagement](#), which runs until 18 November. You can do this by completing our survey and / or contributing your ideas via our dialogue page.

Thanks to your previous feedback, we have already agreed draft spending and saving plans for the next three years and this year's engagement is focusing on three themes, namely: new ways of working, lean and agile services and working with partners.

Following the success of previous years, we are running another 'Question Time' event on 10 November in the City Chambers. This is designed to give you the opportunity to quiz our panel of senior councillors on the Council's budget proposals for next year and beyond.

The proceedings will be chaired by Evening News, Scotsman and Scotland on Sunday Deputy Editor, Euan McGrory. It will also be broadcast live via the Council website. If you would like to put a question to the panel, or just come along and be part of the audience, [please register online](#) by 7 November.

Billion pound boost

I'm delighted that work is underway on the £1bn Edinburgh St James development.

The Council and the Scottish Government both played a crucial role in helping the developers reach this major milestone for the project, which will transform the East End of Princes Street when complete in 2020.

The investment will provide much needed premium retail space and leisure facilities, a world class 5 star hotel as well as new homes in the heart of the city. This will create thousands of jobs and contribute millions to the Scottish economy each year.

A new centre for Pennywell and Muirhouse

I was excited to see the plans for the new civic centre for Pennywell and Muirhouse, which will be considered by councillors on 27 October. The £26m proposals include the construction of 160 energy efficient homes, a new shopping centre, new office space for local services and a new civic square and public realm.

This forms part of one of Scotland's largest housing-led regeneration schemes, which included the building of Craigmyle Community High School back in 2010. Construction of over 700 new homes and an NHS led partnership centre are already well underway and, over the next six to eight years, the area will be home to around 2000 new residents and over 180 staff.

The consultation on plans for the civic centre is continuing and local people can share their thoughts by popping into Muirhouse Library, the Community Shop on Pennywell Road, the Local Office on West Pilton Gardens or on the Council's [Consultation Hub](#) until 28 October.

Solar Co-operative success

Earlier this month the [Edinburgh Community Solar Co-operative](#) celebrated the completion of a project to install solar panels on 24 Council-owned venues. This will deliver cheaper, more sustainable energy to the buildings involved.

Now, I'm delighted to see the initiative has been shortlisted for the Best Community Project Award in this year's Scottish Green Energy Awards. This recognises close partnership working between the Council, the Co-operative, local people and organisations, highlighting their contribution to the renewable energy industry.

Involving the community and partner organisations to shape the way we deliver services is exactly the kind of collaborative approach we envision for Edinburgh's future. I wish all those involved the best of luck for the awards in December.

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10.00 am, Thursday, 27 October 2016

Appointments to Committees

Item number	7.1
Report number	
Executive/routine	
Wards	All

Executive summary

Councillor Godzik has intimated his resignation from the Education, Children and Families Committee. A Labour Group replacement is sought.

Council is also asked to appoint a replacement Convener for this Committee.

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Appointments to Committees

Recommendations

- 1.1 To appoint a Labour Group member in place of Councillor Godzik on the Education, Children and Families Committee.
- 1.2. To appoint a new Convener for the same Committee, on the basis that the member appointed will also take up the vacant position on the Corporate Policy and Strategy Committee.

Main report

- 2.1 Councillor Godzik has resigned as a member and also Convener of the Education, Children and Families Committee.
- 2.2 In terms of the Committee Terms of Reference and Delegated Functions his replacement should be a Labour Group member.
- 2.3 Council is also asked to appoint a new Convener to this Committee, with immediate effect.
- 2.4 The new Convener will also fill the vacancy on the Corporate Policy and Strategy Committee.

Measures of success

- 3.1 The Council appoints members to all its committees.

Financial impact

- 4.1 Not applicable.

Risk, policy, compliance and governance impact

- 5.1 Appointments are required to support the democratic decision-making process.

Equalities impact

- 6.1 Not applicable.

Sustainability impact

- 7.1 Not applicable.

Consultation and engagement

- 8.1 Not applicable.

Background reading/external references

[Minute of City of Edinburgh Council of 2 June 2016](#)

Andrew Kerr

Chief Executive

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10.00 am, Thursday, 27 October 2016

Appointments to Outside Organisations

Item number	7.2
Report number	
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Executive summary

Councillors Lunn and Perry have resigned as Council representatives on the Board of Edinburgh and Lothians Greenspace Trust. The Council is asked to nominate replacements.

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Appointments to Outside Organisations

Recommendations

- 1 To appoint two replacement members to the Board of the Edinburgh and Lothians Greenspace Trust.

Main report

- 2.1 Councillors Lunn and Perry have intimated their resignation from the Board of the Edinburgh and Lothians Greenspace Trust, citing a possible conflict of interest with their roles and Convener/Vice-Convener of the Planning Committee.
- 2.2 The Council is asked to appoint two replacement members.

Measures of success

- 3.1 The Council appoints members to the organisation's board.

Financial impact

- 4.1 Not applicable.

Risk, policy, compliance and governance impact

- 5.1 Not applicable.

Equalities impact

- 6.1 Not applicable.

Sustainability impact

- 7.1 Not applicable.

Consultation and engagement

- 8.1 Not applicable.

Background reading/external references

[Council Minute of 24 May 2012](#)

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10.00am, Thursday, 27 October 2016

Lothian Buses – Appointment of Executive Directors

Item number 7.3

Report number

Executive/routine

Wards

Executive Summary

Lothian Buses wishes to appoint up to three new Executive Directors to its Board to replace Executive Directors who have left, or are shortly to leave, the business. The appointment of Executive Directors is a consent matter reserved to City of Edinburgh Council under the shareholder agreement. This paper seeks consent for these appointments.

Links

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Lothian Buses –Appointment of Executive Directors

1. Recommendations

- 1.1 The Council:
- 1.1.1 agrees to the appointment of Sarah Boyd and Nigel Serafini to the Lothian Buses board; and
 - 1.1.2 notes that recruitment for a further Executive Director will take place over the coming months and delegates authority to the Chief Executive, in consultation with the Convener and Vice Convenor of the Transport & Environment Committee, to approve this appointment in due course on behalf of the Council.

2. Background

- 2.1 The Articles of Association of Lothian Buses, in accordance with the Transport Act 1985, direct that Lothian Buses must have a minimum of three Executive Directors, and up to four Executive Directors, appointed by the Directors (Executive and Non-Executive) of Lothian Buses, subject to reasonable consultation with the Council as Majority Shareholder.
- 2.2 The Majority Shareholder Agreement provides that the appointment of Executive Directors is a matter which requires the consent of the Council.

3. Main report

- 3.1 Lothian Buses currently has three Executive Directors:
- Richard Hall, Managing Director
 - Bill Devlin, Engineering Director
 - Norman Strachan, Finance Director
- 3.2 Bill Devlin and Norman Strachan will be leaving the business in January 2017. To ensure good governance and maintain operating capability, Lothian Buses requires to appoint two Executive Directors to replace them. The appointments of Executive Directors will be effected upon the resignations of Bill Devlin and Norman Strachan respectively, to maintain the requisite minimum three Executive Directors.

- 3.3 As at January 2015, the top level managerial structure of Lothian Buses had 14 staff, with a total remuneration of £1.74m. As part of a planned restructure of the management team, it is proposed that the new senior structure will have a total remuneration of £1.31m, a reduction of £430k. This will mostly be achieved through the removal of bonus payments for staff and recruiting successors at lower salary levels.
- 3.4 As part of the restructuring, on the recommendation of its Remuneration Committee, Lothian Buses wishes to appoint the following Executive Directors:
- Nigel Serafini, currently Head of Commercial, as Commercial Director; and
 - Sarah Boyd, currently Head of Operations, as Operations Director.
- 3.5 Council should note that there has been no formal advertising of these roles. However, in advance of this recommendation, Lothian Buses took a number of steps to assess their suitability for the positions, and enable the Remuneration Committee and Board to be satisfied that they are the correct appointees:
- 3.5.1 During the absence of an Executive Director, they both undertook his duties. They were set objectives to measure their performance, and these were assessed by Jim McFarlane as Chair and Interim General Manager.
- 3.5.2 The job descriptions for these roles were reviewed by the Managing Director in May 2016 based on his industry experience. Job descriptions for Directors and Heads of Function are assessed for validity and benchmarked against industry norms by KornFerry Hay, (previously Hay Group), the compensations and benefits professional service firm; this process is overseen by the Remuneration Committee.
- 3.5.3 The Managing Director reviewed the performance of the two proposed appointees and also received feedback from Board members on their performance and took soundings on comparisons with talent available in the industry as a whole; he also took feedback from the wider executive team.
- 3.5.4 Based on performance reviews, benchmarking and feedback, the business believes that both proposed appointees are the most competent, experienced and proven candidates in the market to undertake the critical roles of Operations and Commercial Director respectively.
- 3.6 As part of the new structure, it is proposed that a fourth Executive Director, a Finance Director, will be sought for the business. The process for this will commence shortly. Following the recommendation of the preferred candidate, the Council will be asked to consent to the appointment. It is proposed that once recommended by the Board of Lothian Buses, authority be delegated to the Chief Executive, in consultation with the Convener of the Transport & Environment Committee, to approve this appointment.
- 3.7 With regard to the timings of the relevant resignations and appointments, if approved, it is proposed that Nigel Serafini be appointed to the Board immediately,

with Sarah Boyd and any fourth Executive Director joining the Board once Bill Devlin and Norman Strachan leave the business in January 2017.

4. Measures of success

- 4.1 These appointments will strengthen the resilience and experience within Lothian Buses, ensuring the success of the business which relies on their continuing expertise to continue to serve the people of Edinburgh and the Lothians.

5. Financial impact

- 5.1 The Executive team is focused on reducing cost overheads. On a like for like basis the salary costs overall for the Executive Directors and Heads of Functions will have fallen by nearly 25% between January 2015 and October 2016. The Remuneration committee have approved salaries that contribute to this overhead reduction.

6. Risk, policy, compliance and governance impact

- 6.1 The appointment of Executive Directors is critical to the governance of Lothian Buses. Failure to ensure the requisite minimum of three Executive Directors would cause difficulties for Lothian Buses to trade.

7. Equalities impact

- 7.1 None.

8. Sustainability impact

- 8.1 Not applicable.

9. Consultation and engagement

- 9.1 Prior to formal submission of this report, Lothian Buses has consulted with Councillor Lesley Hinds, Transport Convenor, Andrew Kerr, Chief Executive and Paul Lawrence, Executive Director of Place.

10. Background reading/external references

- 10.1 None.

Paul Lawrence

Executive Director of Place

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11. Links

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The City of Edinburgh Council

10.00 am, Thursday, 27 October 2016

The City of Edinburgh (Electoral Arrangements) Order 2016

Item number	8.1
Report number	
Executive/routine	
Wards	All

Executive Summary

The City of Edinburgh (Electoral Arrangements) Order 2016 was laid before the Scottish Parliament on 14 September 2016 and came into force on 30 September 2016. It gives effect to proposals made by the Local Government Boundary Commission for Scotland as a result of their Fifth Review of Electoral Arrangements for the area of the City of Edinburgh Council.

The city remains divided into 17 wards but the new arrangement increases councillor numbers by 5 from 58 to 63 councillors. From 4 May 2017 there will be five wards with three members and twelve with four members. In addition, the Order changes the boundaries of every Ward to accommodate the increased number of councillors and to align better with local communities.

This report identifies the changes that have been made by the Order. Councillors and public will be consulted on a proposed new set of polling districts required as a result of these revised ward boundaries. In some cases changes to polling places may also be required and there will be consultation on any such proposals. A report to the November 2016 council meeting will seek Council's approval of a revised arrangement of polling districts and polling places for the city.

The City of Edinburgh (Electoral Arrangements) Order 2016

1. Recommendations

- 1.1 To note the new electoral arrangements for the City of Edinburgh Council area defined in The City of Edinburgh (Electoral Arrangements) Order 2016; and
- 1.2 To note that following consultation with elected members a revised arrangement of polling districts and places will be presented to Council for approval in November 2016.

2. Background

- 2.1 The Local Government Boundary Commission for Scotland is required by the Local Government (Scotland) Act 1973 to conduct electoral reviews of each council area at regular intervals. The overall purpose of the reviews is to allow effective and convenient local government. The fourth review in 2006 introduced multi-member wards but did not amend councillor numbers.
- 2.2 The fifth review has considered both councillor numbers and ward design. In determining councillor numbers the methodology was based on population size as in previous reviews, but also for the first time made allowance for the socio-economic characteristics of an area as an indicator of factors that impact the work of councillors.
- 2.3 Following a period of consultation with the Council and the public the Commission proposed a new set of Electoral Arrangements for the City of Edinburgh Council to Scottish Ministers in May 2016. These were approved by Ministers and put into effect by The City of Edinburgh (Electoral Arrangements) Order 2016 which came into force on 30 September 2016.
- 2.4 This report identifies the changes that have been made by this Order.

3. Main report

Councillor Numbers

- 3.1 With respect to Councillor Numbers the Commission's analysis of the City of Edinburgh indicated a predominantly urban area with below average levels of deprivation. For such an area their template proposed a ratio of 3,800 electors per councillor. However this would have meant an increase of councillor numbers to 91, well above the current level of 58. The Commission had set a ceiling of 10% on

the change in councillor numbers in any council area. Their initial 21 February 2014 proposal was therefore to increase councillor numbers by 5 to 63.

- 3.2 The City of Edinburgh Council responded highlighting further issues to be taken into account in the determination of councillor numbers for the capital, including the demands of capital city status, a growing population and the concentrated deprivation and poverty in some parts of the council area all of which might indicate a higher number of councillors. While this response was considered by the Commission, following public consultation and comment from other councils and COSLA with respect to the overall methodology, the Commission confirmed their approach and the final proposals agreed by Scottish Ministers were to increase in councillor numbers to 63.

Ward Design

- 3.3 The Local Governance (Scotland) Act 2004 specifies that each ward will return either 3 or 4 councillors with the number of wards chosen to deliver effective and convenient local government and to achieve general electoral parity such that there is roughly the same number of electors per councillor in all wards. Ward boundaries are intended to reflect local communities and local ties, taking into account easily identified boundaries and any special geographical considerations.
- 3.4 The Commission's review also revisited the ward design for the City of Edinburgh Council area making some changes to ward boundaries throughout the council area to reflect the increase in councillor numbers and to align wards better with what had been identified as natural neighbourhoods in the city. The Commission's initial proposals were again subject to consultation with the Council and the public.
- 3.5 Following this consultation the Commission's Final Recommendations for City of Edinburgh Council area presented an electoral arrangement of 63 councillors representing five 3-member wards and twelve 4-member wards, increasing councillor numbers across the area by 5. Wards 1 (Almond), 2 (Pentland Hills), 11 (City Centre), 14 (Craigentinny/Duddingston) and 17 (Portobello/Craigmillar) are now 4 member wards, having previously had 3 members. The name of Ward 10 has been revised to Morningside from Meadows/Morningside. The proposals are summarised in the table in Appendix 1.
- 3.6 These proposals were accepted by the Scottish Ministers and put into effect by the City of Edinburgh (Electoral Arrangements) Order 2016, which came into effect on 30 September 2016. These new electoral arrangements will apply to the local government elections with polling on 4 May 2017.

Review of Polling Arrangements

- 3.7 Local authorities have a duty to divide their area into polling districts and to designate a polling place for each district. The aim is to ensure the optimal facilities for voting to support turnout in electoral events. The polling arrangements should support participation in the political process, with polling places accessible to all electors, including those who are disabled.

- 3.8 Changes have been made to the boundaries of all 17 wards. Some of these are substantial with entire polling districts moving from one ward to another. Other changes are more minor with only small parts of polling districts affected. As a result of these revised boundaries the polling arrangements that were agreed by Council on 12 December 2013 may no longer be appropriate.
- 3.9 The table presented in Appendix 2 identifies the changes to each of the city's 17 wards, showing the areas that each ward is gaining from or losing to neighbouring wards.
- 3.10 Officers in the Strategy and Insight Division are currently working with the Electoral Registration Officer (ERO) to review the impact of the new ward boundaries on the current arrangement of polling districts and polling places in the city. An initial evaluation indicates that a revision to a number of polling districts is needed and that as a consequence some current polling places may need to be re-located.
- 3.11 Polling districts are structured to align with local communities and to remove wherever possible any obstacles to voters crossing the polling district to reach the polling place e.g. steep hills, major roads, railway lines, rivers. Any polling place designated will be assessed to ensure full accessibility and facilities for disabled voters

Consultation with Public and Elected members

- 3.12 A programme of consultation is planned with public and elected members. This will focus on any proposed changes to polling places and there will also be opportunity to comment on the revised polling districts.
- 3.13 A report to November Council will seek approval of a revised set of polling arrangements for the area of the City of Edinburgh Council identifying polling districts and polling places to be used for the 4 May 2017 Local Government Elections.
- 3.14 Where any polling place is changed those electors affected will be informed by letter, in addition to their poll cards, and signage placed at the new and former polling places for the next polling day

Future review of polling districts and boundaries

- 3.15 A full statutory review of all polling districts and polling places within the city must be undertaken every five years. The next full review in Edinburgh is scheduled for the autumn of 2018. The review to be undertaken as a result of the new ward boundaries is an interim measure ahead of that full review.

4. Measures of success

- 4.1 Not applicable

5. Financial impact

- 5.1 Not applicable

6. Risk, policy, compliance and governance impact

6.1 Not applicable

7. Equalities impact

7.1 Not applicable.

8. Sustainability impact

8.1 Not applicable.

9. Consultation and engagement

9.1 Not applicable

10. Background reading/external references

The City of Edinburgh (Electoral Arrangements) Order 2016

<http://www.legislation.gov.uk/ssi/2016/270/made>

Fifth Statutory Review of Electoral Arrangements Final Recommendations City of Edinburgh Council Area
Report to Scottish Ministers

http://www.lgbc-scotland.gov.uk/includes/downloadfile.asp?file=/reviews/5th_electoral/edinburgh/edinburgh_report.pdf

Map of new ward and previous ward boundaries

<http://edinburghcouncil.maps.arcgis.com/apps/webappviewer/index.html?id=1c291745a99f4abcb9bed0ef9aec08a>

Maps of the new ward boundaries are being made available for review in the Councillors lounge.

Statutory Review of Polling Districts and Polling Places report to Council 12 December 2013

http://www.edinburgh.gov.uk/download/meetings/id/41687/item_no_83_-_statutory_review_of_polling_districts_and_polling_places

Andrew Kerr

Chief Executive

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Appendices

1 – Summary of changes to councillor numbers

2 – Summary of impact of ward boundary changes

Appendix 1 - Summary of changes to councillor numbers

Ward no.	Ward name	Number of Councillors in the Ward from May 2017		Number of Councillors in the Ward up to May 2017
1	Almond	4	+1	3
2	Pentland Hills	4	+1	3
3	Drum Brae / Gyle	3	-	3
4	Forth	4	-	4
5	Inverleith	4	-	4
6	Corstorphine / Murrayfield	3	-	3
7	Sighthill / Gorgie	4	-	4
8	Colinton / Fairmilehead	3	-	3
9	Fountainbridge / Craiglockhart	3	-	3
10	Morningside * new ward name	4	-	4
11	City Centre	4	+1	3
12	Leith Walk	4	-	4
13	Leith	3	-	3
14	Craigentinny / Duddingston	4	+1	3
15	Southside / Newington	4	-	4
16	Liberton / Gilmerton	4	-	4
17	Portobello / Craigmillar	4	+1	3
Total number of councillors		63	+5	58

- The City of Edinburgh (Electoral Arrangements) Order 2016 has increased by 1 the number of councillors in Wards 1 (Almond), 2 (Pentland Hills), 11 (City Centre), 14 (Craigentinny/Duddingston) and 17 (Portobello/Craigmillar).
- Ward 10 is now called Morningside, having previously been called Meadows/Morningside.

Appendix 2 - Summary of impact of ward boundary changes

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
1	Almond	4 Increased from 3 councillors	Gains entire PDs WW04A and WW04B. Area around Gogar R/A WW03E All of Pinegrove Gardens/part of Queensferry Road and Part of Maybury Road I nWW03B Gives Nil
2	Pentland Hills	4 Increased from 3 councillors	Gains entire PD SWP07G. Part of SWP07H (Westside Plaza and area of Westburn). Most of SWP07M (leaving only small industrial area SE of canal). Part of SWP07N no elector part at Dumbryden Road Gives part of SWP02E to Ward 9 leaves only Kingsknowe golf course in Ward 2.
3	Drum Brae / Gyle	3	Gains entire PD SWW06J Gives area around Gogar Roundabout WW03E to Ward 1. Part of WW03B Pinegrove Gardens/part of Queensferry Road and part of Maybury Road to Ward 1. Part of WW03F south of Glasgow Road/west of Meadow Place Road to Ward 6.
4	Forth	4	Gains part of NN13A at Newhaven and two separate parts of NN13B at Hawthornvale and at Industry Lane Gives entire PDs WW04A and WW04B to Ward 1.

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
5	Inverleith	4	<p>Gains part of NN12C St Mark's Park area including small part of Warriston Road. Part of WC06C (one property) 195 Queensferry Road</p> <p>Gives all of WC05K and part of NC05J Blinkbonny/Ravelston to Ward 6 Part of NC05H India Street/NW Circus Place to Ward 11.</p>
6	Corstorphine / Murrayfield	3	<p>Gains Part of WW03F south of Glasgow Road/west of Meadow Place Road. All of WC05K and part of NC05J Blinkbonny/Ravelston.</p> <p>Gives entire PD SWW06J to Ward 3. Part of WC06C (one property) 195 Queensferry Road) to Ward 5. Part of WC06H at Coates to Ward 11.</p>
7	Sighthill / Gorgie	4	<p>Gains Nil</p> <p>Gives entire PD SWP07G Part of SWP07H (Westside Plaza and area of Westburn) Most of SWP07M and part of SWP07N at Dumbryden Road all to Ward 2. All of SWS07K to Ward 9.</p>
8	Colinton / Fairmilehead	3	<p>Gains Part of SWS09G containing Firhill High School</p> <p>Gives part of SP08D at Fox Spring etc to Ward 10</p>

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
9	Fountainbridge / Craiglockhart	3	<p>Gains part of SWP02E leaves only golf course in Ward 2 All of SWS07K</p> <p>Gives part of SWS09G containing Firhill High School to Ward 8.</p> <p>All of SS09F and part of SWC09D (square area Gilmore Place / Viewforth/Canal/Leamington Road) to Ward 10.</p> <p>Part of SWC09D (area around Fountainbridge/Gardiner Crescent) to Ward 11.</p>
10	Morningside * new ward name	4	<p>Previously named Meadows/Morningside</p> <p>Gains part of SP08D at Fox Spring etc (Oxgangs Young Peoples Centre).</p> <p>All of SS09F and part of SWC09D (square area Gilmore Place/ Viewforth/ Canal/ Leamington Road)</p> <p>Gives Part of SWC10D (Gillespie Crescent, Hailes Street, Lochrin Place etc) and part of EC10E (leaves only Bruntsfield Links Area and 22-32 Warrender Park Crescent) to Ward 11.</p> <p>Part of SS10G (part of Strathearn Road and Strathfillan Road)</p> <p>part of SS10F (part of Whitehouse Loan/Clinton Road/Pitsligo Road) to Ward 15.</p>

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
11	City Centre	4 Increased from 3 councillors	<p>Gains part of NC05H India Street/NW Circus Place.</p> <p>Part of WC06H at Coates.</p> <p>Part of SWC09D (area around Fountainbridge/Gardiner Crescent).</p> <p>Part of SWC10D (Gillespie Crescent, Hailes Street, Lochrin Place etc) and part of EC10E</p> <p>Part of EC15A (Dumbiedykes/Viewcraig)</p> <p>Gives part of EC11H at South College Street to Ward 15.</p> <p>Part of EE11K (All excluding Holyrood Palace and Croft An Righ) to Ward 14.</p>
12	Leith Walk	4	<p>Gains Nil</p> <p>Gives part of NN12C St Mark's Park area including small part of Warriston Road to Ward 5.</p> <p>Part of EN12H (Hawkhill Close/West Kilnacre area) and part of EN12K (Montrose Terr/Easter Road/East Norton Place/West Norton Place to Ward 14.</p>
13	Leith	3	<p>Gains Nil</p> <p>Gives part of NN13A at Nehaven and two separate parts of NN13B at Hawthornvale and at Industry Lane to Ward 4.</p> <p>All of EE13F to Ward 14.</p>

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
14	Craigentinny / Duddingston	4 Increased from 3 councillors	<p>Gains part of EE11K (All excluding Holyrood Palace and Croft An Righ).</p> <p>Part of EN12H (Hawkhill Close/West Kilnacre area) and part of EN12K (Montrose Terr/Easter Road/East Norton Place/West Norton Place).</p> <p>All of EE13F.</p> <p>Part of EE17A (Fishwives Causeway area)</p> <p>Gives part of EE14J (Durham/Hamilton/Southfield area) to Ward 17.</p>
15	Southside / Newington	4	<p>Gains part of SS10G (part of Strathearn Road and Strathfillan Road) and part of SS10F (part of Whitehouse Loan/Clinton Road/Pitsligo Road).</p> <p>Gives part of EC11H at South College Street All of ES16C.</p> <p>Part of SS16B (North of Glenallan Drive).</p> <p>Part of SS16A (North of Double Hedges Road)</p> <p>Gives part of EC15A (Dumbiedykes/Viewcraig) to Ward 11.</p> <p>Part of ES15H (Forkenford) to Ward 17.</p>
16	Liberton / Gilmerton	4	<p>Gains Nil</p> <p>Gives all of ES16C.</p> <p>Part of SS16B (North of Glenallan Drive).</p> <p>Part of SS16A (North of Double Hedges Road) to Ward 15.</p>

Ward no.	Ward name	Number of Councillors in the Ward from May 2017	Impact of changes
17	Portobello / Craigmillar	4 Increased from 3 councillors	Gains part of EE14J (Durham/Hamilton/Southfield area). Part of ES15H (Forkenford) Gives part of EE17A (Fishwives Causeway area) to Ward 14.
	Total number of councillors	63 Increased from 58 councillors	

10.00 am, Thursday, 27 October 2016

Leith Central Community Council Election

Item number	8.2
Report number	
Executive/routine	
Wards	Leith Central

Executive summary

The Community Council triennial elections commenced on 5 September 2016, with close of nominations on 26 October 2016.

Following the close of nominations, 17 nominations were received for the 16 places on Leith Central Community Council. As the number of nominations exceeded the available places a poll was therefore scheduled for 27 October 2016.

Subsequently, one of the candidates withdrew. The Governance Protocol for Community Council Elections contains no provision for candidate to withdraw after the deadline for doing so has passed., and an urgent decision was required on whether or not to proceed with the poll. The Lord Provost was consulted, and a decision taken under urgency provisions not to hold a poll in these circumstances. Council is asked to note this action.

Links

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Leith Central Community Council Election

Recommendations

1. To note the action taken, under urgency provisions, not to hold a poll for Leith Central Community Council.

Main report

- 2.1 Following closure of nominations, 17 nominations were received for the 16 places on Leith Central Community Council. Subsequently one of the candidates advised the Returning Officer (Councillor Ritchie) that he had withdrawn his nomination.
- 2.2 A poll had been scheduled to be held on 27 October 2016. This was likely to cost approximately £15k to stage.

If no action were taken and the election went ahead, people who voted for the candidate who has withdrawn from the election may feel misled or that they have wasted their vote leading to a dissatisfaction with the democratic process
- 2.3 In the circumstance, officers recommended that the poll for Leith Central Community Council was no longer needed. A Council decision was required, as the Governance Protocol for Community Council Elections does not address such a scenario.
- 2.4 Following consultation with the Lord Provost, the decision was taken under urgency provisions that no poll was required. Council is asked to note this action.

Measures of success

- 3.1 Appointments are made to all the available places on Leith Central Community Council.

Financial impact

- 4.1 Not applicable.

Risk, policy, compliance and governance impact

- 5.1 Without Council approval, any decision not to hold an election in these circumstances would be challengeable.

Equalities impact

- 6.1 Not applicable.

Sustainability impact

7.1 Not applicable.

Consultation and engagement

8.1 Consultation took place with the Lord Provost before the decision was taken.

Background reading/external references

Andrew Kerr

Chief Executive

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The City of Edinburgh Council

10.00am, Thursday 27 October 2016

City of Edinburgh Council – Report to Those Charged with Governance on the 2015/16 Audit – referral report from the Finance and Resources Committee

Item number	8.3
Report number	
Executive/routine	
Wards	

Executive Summary

On the 29 September 2016 the Finance and Resources Committee considered a referral report from the Governance, Risk and Best Value Committee detailing the principal findings of the external auditor's statutory review of the Council's Annual Accounts. The report has been referred to the City of Edinburgh Council for noting and to revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund.

Links

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Terms of Referral

City of Edinburgh Council – Report to Those Charged with Governance on the 2015/16 Audit

Terms of Referral

- 1.1 The review of all matters related to external audit formed part of the remit of the Governance, Risk and Best Value Committee and was an important aspect of the overall governance arrangements of the Council.
- 1.2 Given the Governance, Risk and Best Value Committee's scrutiny function, however, approval of the annual accounts was secured by the onward referral of the report to the Finance and Resources Committee on the 29 September 2016.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To approve the audited Annual Accounts for 2015/16.
 - 1.3.2 To refer the report to the Council for noting and to revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to:
 - 2.1.1 Note the report.
 - 2.1.2 Revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund.

Background reading/external references

Minute of the Finance and Resources Committee, 29 September 2016

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Veronica MacMillan, Committee Clerk

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

Links

Coalition Pledges

Council Priorities

**Single Outcome
Agreement**

Appendices

Finance and Resources Committee

10.00am, Thursday, 29 September 2016

City of Edinburgh Council – Report to Those Charged with Governance on the 2015/16 Audit – referral from the Governance, Risk and Best Value Committee

Item number	7.5
Report number	
Wards	All

Executive summary

The Governance, Risk and Best Value Committee on 26 September 2016 considered a report detailing the principal findings of the external auditor's statutory review of the Council's Annual Accounts.

The report has been referred to the Finance and Resources Committee for approval and thereon to Council for noting and revision of the level of in-year underspend transferred to the Council Priorities Fund.

Links

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

Terms of Referral

City of Edinburgh Council – Report to Those Charged with Governance on the 2015/16 Audit

Terms of referral

- 1.1 On 26 September 2016, the Governance, Risk and Best Value Committee considered the principal findings of the external auditor's statutory review of the Council's Annual Accounts.
- 1.2 The report by the Acting Executive Director of Resources provided an unqualified auditors opinion on the statements as well as a note of the failure of one of the Council's Significant Trading Operations to meet the statutory requirement to break even over a three year rolling period.
- 1.3 The Governance, Risk and Best Value Committee agreed:
 - 1.3.1 To note that, following the audit process, an unqualified audit opinion had been issued on the Council's Annual Accounts for 2015/16.
 - 1.3.2 To refer the audited Annual Accounts for 2015/16 to the Finance and Resources Committee for approval and thereon to Council for noting and to revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund.
 - 1.3.3 To note that, following approval by the Finance and Resources Committee, the audited Annual Accounts would be signed and submitted to the external auditor.
 - 1.3.4 To note the intention to consider the external auditor's more detailed Annual Audit Report at the meeting of the Governance, Risk and Best Value Committee on 17 November 2016.
 - 1.3.5 To request that information on the Common Good Fund and the General Fund be included in the full audit report scheduled to be submitted to the Governance, Risk and Best Value Committee on 17 November 2016.

For Decision/Action

- 2.1 The Finance and Resources Committee is asked:
- 2.1.1 to approve the audited Annual Accounts for 2015/16.
 - 2.1.2 to refer the report by the Acting Executive Director of Resources to the Council for noting and to revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund.

Background reading / external references

Minute of Governance, Risk and Best Value Committee – 26 September 2016

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Laura Millar, Assistant Committee Clerk

Email: laura.millar2@edinburgh.gov.uk | Tel: 0131 529 4319

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

2pm, Monday, 26 September 2016

City of Edinburgh Council – report to those charged with governance on the 2015/16 audit

Item number	7.5
Report number	
Executive/routine	
Wards	

Executive summary

The report advises members of the principal findings of the external auditor's statutory review of the Council's annual accounts, undertaken in compliance with the International Standard on Auditing (ISA260). An unqualified audit opinion has been issued on the statements but the auditor's report notes the failure of one of the Council's remaining Significant Trading Operations (STOs) to meet the statutory requirement to break even over a rolling three-year period.

The content of the Annual Audit Report (AAR), incorporating more detailed commentary on the financial statements and the Council's wider financial position, governance structures, use of resources and arrangements for securing best value is currently being finalised. It is therefore anticipated that the report will be considered by this Committee at its next meeting on 17 November.

City of Edinburgh Council – report to those charged with governance on the 2015/16 audit

Recommendations

- 1.1 Members are asked to:
 - 1.1.1 note that, following the audit process, an unqualified audit opinion has been issued on the Council's Annual Accounts for 2015/16;
 - 1.1.2 refer the audited Annual Accounts for 2015/16 to the Finance and Resources Committee for approval and thereon to Council for noting and to revise by £0.076m the level of in-year underspend transferred to the Council Priorities Fund;
 - 1.1.3 note that, following approval by the Finance and Resources Committee, the audited Annual Accounts will be signed and submitted to the external auditor; and
 - 1.1.4 note the intention to consider the external auditor's more detailed Annual Audit Report at this Committee's meeting on 17 November.

Background

- 2.1 The Council submitted its unaudited Annual Accounts to the external auditor by the required date of 30 June.
- 2.2 The review of all matters relating to external audit forms part of the remit of the Governance, Risk and Best Value Committee and is an important aspect of the overall governance arrangements of the Council. The external auditor will attend the Governance, Risk and Best Value Committee meeting to provide an overview of the accompanying report and respond to specific queries members may have on its content. Given the Committee's scrutiny function, however, approval of the annual accounts will be secured by onward referral to the Finance and Resources Committee meeting taking place on 29 September. The external auditor will also attend the Finance and Resources Committee meeting.
- 2.3 The external auditor is required to comply with ISA260. As part of the standard, the auditor is required to highlight:
 - Relationships that may bear on the independence, integrity and objectivity of the appointed auditor and audit staff;
 - The overall scope and approach to the audit, including any expected limitations, or additional requirements;
 - Expected modifications to the audit report;

- Management representations requested by him/her;
- Unadjusted misstatements other than those that are clearly trivial;
- Material weaknesses in internal control identified during the audit;
- Qualitative aspects of accounting practice and financial reporting, including accounting policies; and
- Matters specifically required by auditing standards to be communicated to those charged with governance and any other matters that are relevant to the audit.

Main report

- 3.1 There are no qualifications to the proposed audit certificate which is shown at Appendix A of the ISA260 in Appendix 1. Members are asked to note, however, that as of the time of writing, a small number of minor issues require to be resolved before the certificate's content can be finalised.
- 3.2 As in previous years, the certificate includes an explanatory paragraph in respect of significant trading organisations (STOs). The Edinburgh Catering Services – Other Catering STO failed, over the three-year rolling period to 2015/16, to meet the statutory requirement to break even. Changes being taken forward as part of the Council's wider Asset Management Strategy, including reducing the level of (loss-making) vending equipment, are planned to ensure cost reduction going forward, along with a new pricing policy aimed at increasing income from staff facilities and internal hospitality.
- 3.3 The ISA260 also makes a number of observations in respect of three other main areas that, in the auditor's view, require to be communicated to members of the Committee. These issues are as follows:
- (i) appropriate valuation of PPP1 assets as of the balance sheet date in light of subsequent defects affecting some of the Council's schools estate;
 - (ii) the accounting treatment of assets where disposal is effected by means of phased payments from purchasers;
 - (iii) presentation of the embedded derivative element of inverse LOBOs (Lender's Option, Borrower's Option).
- 3.4 In each case, the external auditor has concurred with the Council's proposed presentation of these matters in the Audited Accounts.
- 3.5 Members are advised that there were a small number of changes to the financial statements arising from the audit. These mainly related to a slight over-accrual of income due and changes to the assumed timing of asset disposals and the receipt of associated income.
- 3.6 The net effect of these changes was to decrease the reported surplus for the year from £0.861m to £0.785m. Details are shown in Appendix 3.

Measures of success

- 4.1 The Council receives an unqualified audit certificate from the external auditor by 30 September 2016.
- 4.2 Agreed measures are implemented to address any actions identified within the Annual Audit Report in accordance with the timescales indicated.

Financial impact

- 5.1 There is no direct additional impact arising from the report's contents, although the effectiveness of the Council's current financial management and planning arrangements has been noted in recent external reports.
- 5.2 As a result of the audit process, the Council's reported surplus for the year decreased by £0.076m. On this basis, Council approval will be sought to revise the sum set aside within the Council Priorities Fund, which forms part of the overall General Fund, by this amount. Members are reminded that Council has, subject to confirmation of the outturn, previously agreed to allocate £0.5m from the in-year underspend to take forward precautionary property surveys of buildings of similar construction to those delivered through the PPP1 schools programme.
- 5.3 The General Fund balance stood at £128.396m at 31 March 2016, comprising £115.371m earmarked for specific purposes and £13.025m as an unallocated General Fund balance against the likelihood of unfunded risks crystallising.

Risk, policy, compliance and governance impact

- 6.1 The Committee's remit includes the review of all matters relating to external audit, including reports and action plans to monitor implementation of external audit recommendations.

Equalities impact

- 7.1 There is no direct relevance of equalities and rights issues to the report's contents.

Sustainability impact

- 8.1 There are no impacts on carbon, adaptation to climate change and sustainable development arising directly from this report.

Consultation and engagement

- 9.1 The financial statements were made available for public inspection in July for a period of 15 working days in accordance with the provisions of Part VII of the Local Government (Scotland) Act 1973 and the Local Authority Accounts (Scotland) Regulations 2014. The Council received one request for further information under these Regulations during this period. Additionally, an individual lodged comments with Audit Scotland. These were, however, received outside the statutory timescales.

Background reading/external references

[Unaudited Annual Accounts 2015/16](#), City of Edinburgh Council, 30 June 2016

Hugh Dunn

Acting Executive Director of Resources

Contact: Catrina Montgomery, Senior Accountant

E-mail: catrina.montgomery@edinburgh.gov.uk | Tel: 0131 469 3497

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 agreed 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
Appendices	Appendix 1 - ISA260 letter on 2015/16 Financial Statements Appendix 2 - Audited 2015/16 Financial Statements Appendix 3 - Reconciliation of movement in outturn position

Governance, Risk and Best Value Committee
City of Edinburgh Council

26 September 2016

City of Edinburgh Council 2015/16 Annual Audit Report

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. This report sets out for the Governance, Risk and Best Value Committee's consideration the matters arising from the audit of the financial statements for 2015/16 that require to be reported under ISA260. We are drawing to your attention matters for your consideration before the financial statements are approved and certified.
2. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements prepared by management; however this does not relieve management of their responsibilities in this respect. This report has been prepared for the use of City of Edinburgh Council and no responsibility to any third party is accepted.

Status of the audit

3. Our work on the financial statements is now substantially complete. The issues arising from the audit were included in matters arising schedules issued to the Principal Accountant during the audit. The more significant issues arising were discussed with the Corporate Finance Manager at a meeting on 13 September.
4. We received the unaudited financial statements on 30 June 2016, in line with the agreed timetable. The working papers were of a high standard and the staff provided good support to the audit team as we completed our on-site fieldwork.

Matters to be reported to those charged with governance

Conduct and scope of the audit

5. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in the Annual Audit Plan presented to the Governance, Risk and Best Value Committee on 21 April 2016 and follows the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.

6. As part of the requirement to provide full and fair disclosure of matters relating to our independence we can confirm that we have not undertaken non-audit related services. The 2015/16 agreed fee for the audit was disclosed in the Annual Audit Plan and as we did not carry out any additional work outwith our planned audit activity this fee remains unchanged.

Fraud

7. In our Annual Audit Plan we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In presenting this report to the Governance, Risk and Best Value Committee we seek confirmation from those charged with governance of any actual, suspected or alleged fraud that should be brought to our attention. A specific confirmation from management in relation to fraud has been included in the draft letter of representation.

Audit opinion & representations

8. Subject to our ongoing peer review process, the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report by 30 September 2016. I draw attention, however, to a failure to achieve a prescribed financial objective. One significant trading operation, Edinburgh Catering Services - Other Catering, failed to achieve the statutory requirement of a cumulative break-even position over the three year period to 31 March 2016. Whilst this does not result in a qualified audit opinion I am required to report this matter by exception. The proposed independent auditor's report is attached at [Appendix A](#).
9. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected. We have no unadjusted misstatements to bring to your attention.
10. As part of the completion of our audit we seek written assurances from the Section 95 Officer on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 is attached at [Appendix B](#). This should be signed and returned by the Accountable Officer with the signed financial statements prior to the independent auditor's opinion being certified.
11. In presenting this report to the Governance, Risk and Best Value Committee we also seek confirmation from those charged with governance of any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Accounting and internal control systems

12. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements. We did however amend our planned financial statements procedures to take account of some system weaknesses identified during our controls review, including access controls within payroll and online banking systems, and documentation and processing issues around element of the council tax system.

Significant findings from the audit

13. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:
 - The auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
 - Significant difficulties encountered during the audit
 - Significant matters arising from the audit that were discussed, or subject to correspondence with management
 - Written representations requested by the auditor
 - Other matters which in the auditor's professional judgment, are significant to the oversight of the financial reporting process.
14. During the course of the audit we identified the following significant issues that, in our view, require to be communicated to you.

PPP Schools - impairment of assets

15. Following the collapse of a wall at Oxbgangs Primary in January 2016, property surveys were undertaken at other schools built as part of the same schools PPP1 contract. In April 2016, 17 schools were closed temporarily as a consequence of the survey findings, and alternative accommodation arrangements put in place for school pupils. The unaudited financial statements include a net book value of £176 million at 31 March 2016 in relation to the affected buildings.
16. A range of remedial work was undertaken by the PPP operator, Edinburgh Schools Partnership (ESP), with a phased return of schools to the council in operable condition between May and August 2016, prior to commencement of the new school term.
17. The condition surveys highlighting structural issues were not undertaken until after the end of the 2015/16 financial year end. However these surveys provided information relating to the condition of the assets at 31 March 2016, and in these circumstances it is appropriate to undertake an impairment review, to ascertain whether these conditions give rise to a reduction in carrying value of the asset at 31 March 2016.
18. An impairment review would usually be informed by an assessment of the cost of remediation. While the council has information around the condition of the assets from the property surveys, the information which would allow the council to determine the likely value of any impairment is held by the operator ESP, and not by the council.
19. In the absence of detailed cost information, it is difficult to ascertain what impairment of asset value at 31 March 2016 would be appropriate. Estimates available to the council do indicate the value is likely to be within our materiality limits. Furthermore, as the assets have now been restored to operable condition prior to certification of the annual accounts, any impairment to asset values as at 31 March 2016 would be temporary and would be reversed in the 2016/17 financial statements.
20. **Resolution:** Officers do not propose to adjust the carrying value of the affected assets in the annual accounts. However they intend to increase narrative disclosure within the financial statements to provide more information on this post balance sheet event. Following discussions with officers and ESP, and in view of the considerations noted at paragraph 19 above, we concur with this approach.

Disposal of assets

21. Our audit review highlighted a number of assets included in the balance sheet of the 2015/16 unaudited accounts where the asset had been sold in a previous financial year. The sale of an asset should be recognised when the significant risks and rewards of ownership have transferred to the purchaser. Normally, this transfer coincides with the transfer of legal title.
22. Although title to these assets was transferred at the point of sale, staged payments were agreed with the purchasers and standard securities written into the sale contracts, to provide the council with protection over the future monies due. The council has retained assets on the balance sheet until the discharge of the standard securities.
23. We have reviewed the council's approach to this matter and concluded that whilst the council retains some interest over the assets until the discharge of the standard securities, this is primarily to ensure flow of future monies, and does not reflect the significant risks and rewards of ownership. The council cannot, for example, sell the land covered by standard securities to another developer. The disposal of these assets should therefore be reflected in the financial statements at the point of title deed transfer.
24. Of the five identified disposals with staged payments, final payment was received in 2015/16 for three assets. The final disposal of these assets has therefore already been regularised through the balance sheet of the 2015/16 unaudited accounts. One of the remaining assets with a carrying value of £0.026 million was sold in 2015/16. The final asset identified in the review, with a carrying value at 31 March 2016 of £5.01 million, was sold in 2014/15. Final payments on both assets are scheduled for receipt in 2016/17.
25. **Resolution:** Officers propose to adjust the annual accounts to recognise the full disposal of these remaining two assets as at 31 March 2016. Debtor balances will be established at 31 March 2016 to reflect the remaining value of future payments from purchasers. Adjustments in relation to the other assets sold in 2014/15 have already been reflected in the 2015/16 closing balance sheet. We concur with the proposed approach.

Lender Option Borrower Option Loans - Embedded derivatives

26. Included within the council's £1.4 billion of borrowing are £280 million of Lender Option Borrower Option loans (LOBOs). These instruments differ from more traditional forms of loans as they have call points through the period of the loan where the lender can seek to vary the interest rate through to the next call period, ranging from 6 months to 5 years.
27. The lender option gives rise to an embedded derivative within the contract i.e. a provision that modifies the cashflow associated with the host contract. Normally, a council would not be required to separately account for the embedded derivative in a LOBO. However, within its LOBO portfolio, the council has £40 million of inverse LOBOs, where in addition to the lender call option, the rate payable also changes in relation to a specified market rate.
28. As the nature of inverse LOBOs is considerably different from standard LOBOs, we reviewed these to resolve whether separate disclosure of the embedded derivatives was necessary, which would also require the recognition of gains and losses in the income and expenditure statement each year.

29. **Resolution:** Our review concluded that the existing accounting treatment of inverse LOBOs within the council's financial statements is appropriate, and no modifications to the unaudited financial statements are required in respect of this matter.

Significant trading operations (STOs)

30. The council's trading activity (Edinburgh Catering Services – Other Catering) failed to achieve the statutory requirement to break even over a three year period. The deficit for 2015/16 was £232,000, with a cumulative three year deficit of £343,000.
31. **Resolution:** The failure to achieve a statutory requirement has resulted in a modification to the Independent Auditor's Opinion. The council has put in place a number of measures addressing the profitability of the service going forward, including a new pricing policy and reductions in vending equipment. The catering service is also included within the scope of the Property and Asset Management strategy which is currently being considered by the council.

Outstanding Information

32. **ISA 580 - Letter of representation:** The signed letter of representation is required prior to the auditor's certification of the financial statements.
33. **Audit evidence:** A small number of requested documents and explanations were outstanding or recently received at the time of writing this report. A verbal update on any issues arising from review of these will be provided at committee.

Acknowledgements

34. We would like to express our thanks to the staff of City of Edinburgh Council for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of City of Edinburgh Council and the Accounts Commission for Scotland

I certify that I have audited the financial statements of City of Edinburgh Council and its group for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise Movement in Reserves Statement, the group and council-only Comprehensive Income and Expenditure Statements, Balance Sheets, and Cash-Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the HRA Statement, the Council Tax Income Account, and the Non-domestic Rates Income Account, The Common Good Fund Movement in Reserves Statement, the Common Good Fund Comprehensive Income and Expenditure Statement, the Common Good Fund Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Acting Executive Director of Resources and auditor

As explained more fully in the Statement of Responsibilities, the Acting Executive Director of Resources is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the council and its group and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Acting Executive Director of Resources; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the council and its group as at 31 March 2016 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 Code; and

- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- there has been a failure to achieve a prescribed financial objective.

I have the following to report in respect of these matters.

Local authorities have a duty under section 10 of the Local Government in Scotland Act 2003 to conduct their significant trading operations so that income is not less than expenditure over each three year period. The council failed to comply with this statutory requirement for the three year period ending 31 March 2016 in respect of their significant trading operation, Edinburgh Catering Services - Other Catering.

I have nothing to report in respect of the other matters.

David McConnell, CPFA
Assistant Director
Audit Scotland
4th Floor, South Suite
8 Nelson Mandela Place
Glasgow
G2 1BT

XX September 2016

APPENDIX B: Letter of Representation (ISA 580)

David McConnell, Assistant Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear David

City of Edinburgh Council Annual Accounts 2015/16

1. This representation letter is provided in connection with your audit of the financial statements of City of Edinburgh Council for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of City of Edinburgh Council and its group, as at 31 March 2016 and its comprehensive net expenditure for the year then ended.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the corporate leadership team, the following representations given to you in connection with your audit of City of Edinburgh Council for the year ended 31 March 2016.

General

3. I acknowledge my responsibility and that of City of Edinburgh Council for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by City of Edinburgh Council have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.
4. The information given in the Annual Accounts, including the Management Commentary and Remuneration Report, presents a balanced picture of City of Edinburgh Council and is consistent with the financial statements.
5. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those identified in the auditor's report to those charged with governance (ISA260).

Financial Reporting Framework

6. Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and the Local Authority Accounts (Scotland) Regulations 2014 including all relevant presentation and disclosure requirements.

7. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of City of Edinburgh Council and its group for the year ended 31 March 2016.

Accounting Policies & Estimates

8. All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the financial statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
9. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

Going Concern

10. The council has assessed City of Edinburgh Council's ability to carry on as a going concern, as identified in the Statement of Accounting Policies, and has disclosed, in the financial statements, any material uncertainties that have arisen as a result.

Related Party Transactions

11. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of IAS24, as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Events Subsequent to the Balance Sheet Date

12. In April 2016, 17 schools built under the PPP contract were closed for remediation work following identification of issues with their construction. The building element of these assets has a net book value of £176 million. Work was undertaken by Edinburgh Schools Partnership (ESP), the PPP provider, with a phased return of all buildings by August 2016, prior to the commencement of the new school term.
13. Information on the costs of remediation lies with the provider, ESP, who consider this to be commercially sensitive information. The council is therefore unable to estimate with sufficient certainty what level of impairment to asset values as at 31 March 2016 had taken place. As the schools were returned to previous condition by August 2016, any impairment would be temporary, and reversed out in 2016/17. However, on the basis of indications from ESP of overall costs, including investigative work, any potential impairment is not considered to be material to the overall asset values within the council's balance sheet.
14. With the exception of the preceding issue, there have been no material events since the date of the balance sheet which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.

15. Other than as noted in the financial statements, there have been no events or transactions since the Balance Sheet date which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Corporate Governance

16. I acknowledge as Section 95 Officer my responsibility for the corporate governance arrangements. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.
17. The corporate governance arrangements have been reviewed and the disclosures I have made are in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16. There have been no changes in the corporate governance arrangements or issues identified, since the 31 March 2016, which require disclosure.

Fraud

18. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

Assets

19. The assets shown in the Balance Sheet at 31 March 2016 were owned by City of Edinburgh Council, other than assets which have been purchased under operating leases, and except for certain heritage assets which are held on long term loan to the council. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.
20. As noted in the accounting policies to the financial statements, it has not been possible to split out all heritage assets belonging to the common good fund, charities or trusts. Therefore the balance sheet may hold elements of heritage assets that belong to other entities.

Liabilities

21. All liabilities have been provided for in the books of account, including the liabilities for all purchases to which title has passed prior to 31 March 2016.

Carrying Value of Assets and Liabilities

22. With the exception of any impairment relating to PPP1 school buildings, as set out in paragraphs 12 and 13, the assets and liabilities have been recognised, measured, presented and disclosed in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16. There are no plans or intentions that are likely to affect the carrying value of classification of the assets and liabilities within the financial statements.

Provisions

23. Provisions have been made in the financial statements for all material liabilities which have resulted or may be expected to result, by legal action or otherwise, from events which had occurred by 31 March 2016 and of which City of Edinburgh Council could reasonably be

expected to be aware. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the present obligation at 31 March 2016.

Yours sincerely

Hugh Dunn
Acting Executive Director of Resources
Section 95 Officer



2015/2016

AUDITED ANNUAL ACCOUNTS

The City of Edinburgh Council

Annual Accounts

Year to 31 March 2016

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MANAGEMENT COMMENTARY

Basis of Accounts

The Audited Annual Accounts present the financial position and performance of the Council, together with the financial position of the wider Council Group for the year to 31 March 2016.

The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice.

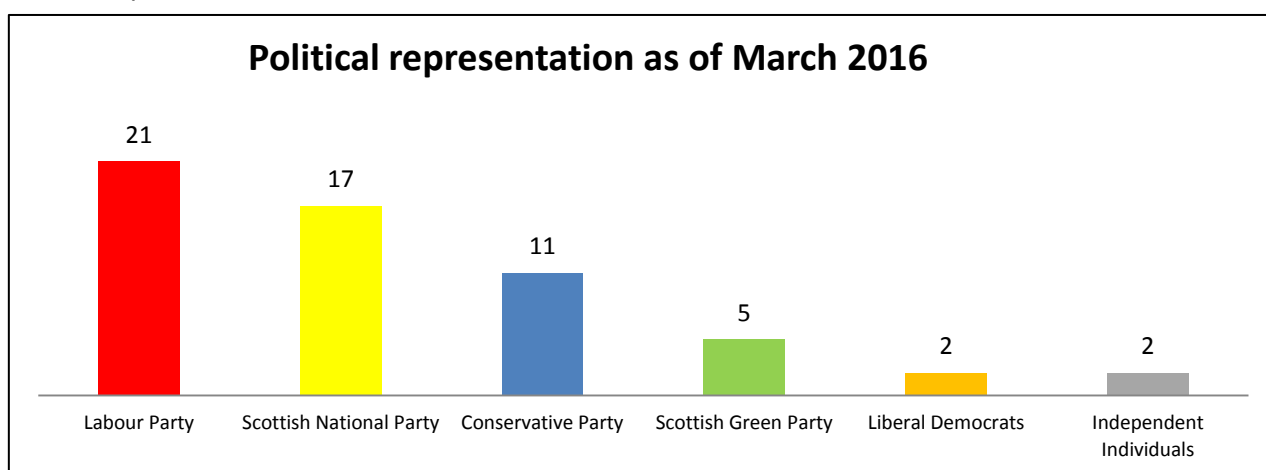
Statutory Background

The City of Edinburgh Council was constituted under the Local Government, etc. (Scotland) Act 1994 and became the unitary local authority to Scotland's capital city in April 1996. The Council brought together most of the services delivered by the previous regional and district councils, with its primary current frontline functions being the provision of education to school-age children within the city, social care services, economic development, a range of community-based services such as roads maintenance, street lighting and refuse collection and quality of life functions such as libraries, culture, recreation and parks. Services are delivered to just under half a million citizens across the 102 square mile Council area.

Comprehensive further detail of the services provided by the Council is included on its website and within the annual **Key Facts and Figures** publication.

The Council currently has 58 Councillors representing 17 wards within the city.

Political representation as of March 2016 was as follows:



The Labour and Scottish National Party groups together form the Capital Coalition for the City of Edinburgh, which is made up of 38 of the 58 Councillors.

The Capital Coalition leads the Council and fills the roles of Lord Provost, Leader of the Council and most committee convenerships.

The Full Council meets once a month and also delegates decisions to committees which meet regularly throughout the year.

Details of the senior councillors' remuneration and committee roles are disclosed in the Remuneration Report from page 142 of these financial statements.

MANAGEMENT COMMENTARY

Corporate Strategy

The current **Council Strategic Plan** was first developed in 2012 and outlines priorities for the period 2012-17. The plan forms the central part of the Council's planning and performance management framework and is reviewed and updated each year to take consideration of new developments, emerging priorities and actions.

A new Council strategic planning and performance framework was agreed in June 2015. This framework was developed to provide both a simple and clear articulation of the Council's vision and purposes and a concise set of shared strategic themes and principles around which all Council services can be built. Following these principles, the framework adopted a single vision for the city, shared with all Council partners, to ensure that Edinburgh is a thriving, sustainable capital city in which all forms of deprivation and inequality are reduced.

The **Council Business Plan for 2016/20** builds on the new strategic direction for the Council, providing a clear vision for the city and the type of organisation the Council needs to be in order to help deliver that vision. The plan sets out overlapping strategic themes common to the work of all service areas. These themes set out a commitment for the Council to:

- Improve quality of life for all our citizens
- Ensure economic vitality for Edinburgh, powering sustainable growth and jobs for a wide city region and
- Build excellent places, maintaining Edinburgh as an attractive place to live, work, visit and invest.

Across all of these themes, the plan sets out a further common commitment to provide best value and to deliver lean and agile Council services. In doing so, the plan incorporates budget savings plans and actions agreed as part of the budget setting process and the Council's 2016-20 Revenue and Capital Budget Framework, as well as activity undertaken and agreed as part of the Council Transformation Programme.

The business plan describes six future Council service principles to guide the development of all Council services over the next four years.

Focused on Customers

We are a Council in which services are designed around the needs of our customers, protecting the needs of our city's most vulnerable citizens

An Integrated Council

We are a Council of joined up services working together effectively with our partners

Empowered Communities

We are a Council which engages with our communities and enables community-led service design and delivery

A Sustainable Capital City

We are a low carbon, resource efficient Council, supporting resilient and sustainable communities in the rich natural setting of our city

Value for Money

We are a Council which makes best use of its resources, assets and facilities

High Performing Workforce

We are a Council where services are delivered by an engaged and empowered, high performing workforce

Within these themes, the plan also provides an overview of key priority outcomes for the Council, linked to priorities set out in existing service plans and strategies and to key priorities emerging from customer consultation and engagement work. The plan also incorporates all actions to re-shape services within the reduced financial resources we have available.

MANAGEMENT COMMENTARY

Risks and Uncertainty

In 2012, an external review of the Council's risk management arrangements concluded that they were inadequate for an organisation of its size, nature and complexity. The co-sourcing arrangements for the internal audit and risk management service subsequently put in place by the then Director of Corporate Governance therefore sought to enhance the Council's capacity and capability in this area and the extent of improvement has been noted in successive external assessments.

The Corporate Leadership Team's (CLT) **prioritised risks** as at January 2016 are outlined below. The report reflects the current highest priority risks of the Council along with the key controls in place to mitigate them;

Risk	Risk Description	Key Mitigating Controls
1. Maintenance of Capital Assets	Risk that the Council does not have sufficient resources to structure and maintain a capital portfolio that is fit for purpose and safe.	<ul style="list-style-type: none"> • Property Management report to CLT • Condition surveys performed routinely • Property Rationalisation work-stream
2. Cyber Security and Data Privacy	Risk that the Council's ICT infrastructure is overly exposed to cyber-attacks by external parties or former employees who may still have access to Council systems resulting in loss of data and significant reputational damage.	<ul style="list-style-type: none"> • Laptop and media encryption • Data awareness campaign • Service automation controls in place • Leavers process includes removal of access to IT applications • Implemented recommendations from Internal Audit Leavers Report
3. Integrated Care Programme	Risk over the affordability and delivery of the Adult Social Care, particularly due to demographic changes, impacting the outcomes and care for the people of Edinburgh.	<ul style="list-style-type: none"> • Integration Scheme • Strategic Commissioning Plan • Establishment of Shadow Board • Establishment of Leadership Group
4. ICT Infrastructure	Risk that the ICT infrastructure is not fit for purpose and doesn't meet the present or future needs of the Council through the transition phase to the new ICT provider.	<ul style="list-style-type: none"> • Consultation with staff to design correctly • Output specifications clearly identified • Engagement with staff and service providers • Change controls built into new contract • Single provider has been selected
5. Transformational Change Agenda	Risk that the Council's transformational change agenda is not implemented effectively with support from Elected Members and Trade Unions resulting in the Council failing to meet service delivery outcomes impacting cost reductions and staff morale.	<ul style="list-style-type: none"> • Transformational governance with full-time resource • External assurance and skills utilised • CLT monitoring and reporting on projects • Governance of major projects status reports • Ongoing consultations with Trade Unions • Maintain profile on Service Area risk registers
6. Savings Targets	Risk that the Council does not generate sufficient savings to meet budgets in the short and longer term resulting in under delivery of key services.	<ul style="list-style-type: none"> • Services budgets include a cost pressure contingency • Savings information reported monthly to CLT • External assistance to drive benefits realisation • Monthly budget monitoring and challenge meetings
7. Planning for Increased Demand	Risk of a lack of strategic planning in relation to increasing demand for critical services, taking into account the growth in the City's population as well as changing demographics, leading to a shortfall in funding and a lower quality of service.	<ul style="list-style-type: none"> • Demographic funding built into long term financial plans • Strategic workforce planning Board reporting to CLT • Continuing agenda item for CLT's consideration • Improved information to deliver stronger business case
8. Public Protection	Risk that the public in general and service users in particular experience harm and/or negative outcomes through either a lack of adequate resource or process failure.	<ul style="list-style-type: none"> • Established multi-agency public protection • Agreed infrastructure of multi-agency governance through protection committees and Edinburgh's Chief Officers' Group - Public Protection • Detailed audit and practice evaluation

MANAGEMENT COMMENTARY

Risks and Uncertainty - continued

A further review of the Council's key risks was undertaken in August 2016, with the results reported to the Governance, Risk and Best Value Committee on 26 September. This update considered, amongst others, potential risks arising from the referendum result on the UK's membership of the European Union and any implications for buildings of similar construction of the remedial works undertaken on PPP1 school buildings.

Performance Overview

While the Council is required by statute to report publicly on its performance across a range of areas set out by the Accounts Commission, a suite of additional measures, aligned to the Council's priorities, continues to be reported on a monthly basis to the Corporate Leadership Team and half-yearly to the Corporate Policy and Strategy Committee and relevant Executive Committees. This thematic reporting is intended to complement financial data in giving a more rounded and informed picture of overall performance. Progress is tracked against around forty key indicators covering the full range of Council services, with both absolute levels and trends in performance analysed to identify areas for remedial action and / or dissemination of best practice. Edinburgh-specific performance data for 2015/16 has also been provided through a range of other channels, including the Edinburgh People Survey, audits and inspections. Performance against a range of local-level, "quality of life" indicators is in addition monitored on a regular basis, with corresponding areas for improvement identified.

The Council's Best Value Audit report was published in May 2013 and recognised a range of improvements since the previous assessment in 2007, including good progress in improving outcomes for people and communities. In concluding that the Council's finances were well managed, the report nonetheless highlighted significant risks and uncertainties and, in light of these, the paramount importance of identifying savings that were both achievable and delivered.

A follow-up audit was undertaken in summer 2014, with the **Controller of Audit's findings** reported to the Council in December.

These findings noted improvements in a number of frontline services that had been highlighted in the May 2013 report, as well as to the Council's wider governance arrangements, risk management and internal audit functions. Despite progress in these areas, the report noted with concern that a means of fully addressing the Council's savings gap remained to be found, as well as the continued lack of a comprehensive workforce strategy and shortcomings in information and communications technology arrangements. A further update was subsequently reported to Council on 10 March 2016. The principal findings of this review were:

- Considerable progress has been made in addressing the Council's increasingly challenging financial position. The Council has a clear strategy for changing the way it delivers services, reducing its workforce and achieving substantial financial savings.
- Elected members and senior managers now have a shared understanding of the challenges facing the Council and the action that needs to be taken.
- The Council's various improvement projects have been consolidated into a single transformation programme. The programme is now being used to redesign services and change the way the Council operates.
- A workforce strategy has been developed, supported by more detailed plans, setting out the size and shape of its future workforce needs.

Under Section (1) (1) (a) of the Local Government Act 1992, the Accounts Commission has a statutory power to define the performance information that councils must publish locally in the following financial year with a view to facilitating comparison over time within, and across, authorities. The approach adopted in recent years has been largely non-prescriptive, with councils encouraged to develop their own comprehensive performance data sets, building on the Scotland-wide **Local Government Benchmarking Framework** to promote performance improvement and the targeting of resources to areas of greatest impact.

MANAGEMENT COMMENTARY

Performance Overview

Due to the time required for calculation, verification and publication of Scotland-wide figures, provisional 2015/16 data will not be available in sufficient time for inclusion in the unaudited or audited annual accounts. An overview of the Council's 2014/15 performance against the sixty efficiency- and outcome-related indicators comprising the framework and other relevant indicators as they related to the Council's then five strategic themes has, however, been produced, as well as more detailed briefings on the framework's seven elements. **These briefings** analyse not only existing performance but, more importantly, consider areas for improvement and planned or proposed actions to address these.

Comprehensive detail of both **Council-wide and service-specific performance** is also available on the Council's website.

Progress in delivering the **Capital Coalition's Pledges** is furthermore reported to Council on a six-monthly basis.

Financial Ratios

Financial ratios relating to Council Tax, debt and borrowing are shown below.

Council Tax	2015/16	2014/15	Notes on Ratios
In-year collection rate	96.10%	95.40%	This shows the % of Council Tax collected during the financial year that relates to bills issued for that year. It does not include collection of funding relating to previous financial years.
Council Tax income as a percentage of overall funding	25.02%	24.78%	This shows the proportion of total funding that is derived from Council Tax.
Debt and Borrowing - Prudence			Notes on Ratios
Capital Financing Requirement	£1,633.0m	£1,726.0m	The capital financing requirement represents the underlying need to borrow to fund expenditure on assets. Financing costs are provided for within the Council's Long-Term Financial Plan. Further details of the capital financing requirement can be seen in note 39 to the Financial Statements.
External debt levels	£1,622.9m	£1,677.2m	External debt levels include long-term commitments in respect of finance leases (mainly schools provided through PPP schemes) together with borrowing undertaken to finance capital expenditure. External debt levels are lower than the capital financing requirement as the Council has adopted a position of under borrowing, as set out in the Treasury Strategy.
Debt and Borrowing - Affordability			Notes on Ratios
Financing costs to net revenue stream - General Fund	11.80%	11.94%	These ratios show the proportion of total revenue funding that is used to meet financing costs. The ratios exclude any voluntary repayments of debt made during the year.
Financing costs to net revenue stream - HRA	33.23%	34.43%	
Impact of capital investment on Council Tax	-0.61%	0.96%	These ratios show incremental impact of financing costs (the increase in financing costs from the previous financial year) as a percentage of Council Tax, in respect of costs payable through the General Fund and house rents for the HRA.
Impact of capital investment on house rents	0.45%	-0.10%	

MANAGEMENT COMMENTARY

Financial Performance

Revenue - General Fund

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statement, which can be seen on page 19. This statement has been prepared using International Financial Reporting Standards. To show the net position of the Council, it is necessary to adjust the Comprehensive Income and Expenditure Statement for statutory items that require to be taken into account in determining the position on the General Fund and Housing Revenue Account for the year. These are summarised in the Movement in Reserves Statement (pages 15 to 17).

The outturn position for the General Fund, excluding accounting practice adjustments, compared to budget is summarised below.

	Budget 2015/16 £000	Actual 2015/16 £000	(Under) / Over Spend £000
General Fund services	846,022	841,671	(4,351)
Centrally funded release costs	11,000	20,942	9,942
Dividend income (net)	(5,000)	(4,925)	75
Loans charges / interest on revenue balances	115,082	113,529	(1,553)
Net contribution (from) / to earmarked balances	(10,174)	(10,174)	0
Total expenditure to be funded	956,930	961,043	4,113
Council Tax	(238,113)	(240,645)	(2,532)
Council Tax Reduction Scheme	26,621	24,255	(2,366)
Total - Council Tax income account	(211,492)	(216,390)	(4,898)
General revenue funding	(354,576)	(354,576)	0
Distribution from non-domestic rate pool	(390,862)	(390,862)	0
Funding	(956,930)	(961,828)	(4,898)
Transfer to Council Priorities Fund	0	(785)	(785)

Fees and charges levied by the Council have been offset against the cost of providing services and are included within the actual cost of General Fund Services shown above.

Budget performance - General Fund

While a balanced overall position against the Council's budget was again delivered in 2015/16, significant pressures were nonetheless apparent, particularly in Health and Social Care. These pressures were addressed through identification of corresponding savings across other service and corporate areas. Formal incorporation within the budget framework of additional investment in both Health and Social Care and Corporate Property gives the potential for these to be addressed on a sustainable basis. Crucial to this sustainability, however, is the delivery of an unprecedented level of savings in 2016/17 and these will be subject to on-going monthly monitoring and discussion at Corporate Leadership Team and regular scrutiny by elected members, particularly via the planned series of Budget Challenge meetings.

The main variances in the Council's outturn position arose in the following areas:

- An underspend within General Fund services of £4.351m, primarily due to the five service areas returning underspends against their revised budgets and favourable movements in non service specific payments and provisions during the year.
- Centrally funded release costs variance of £9.942m, as a result of £20.942m costs incurred as part of the Transformation Programme, see page 10. Funded from underspends elsewhere within the General Fund.
- A reduction of £1.553m on loan charges / interest received, mainly as a result of the Council's planned strategy not to undertake borrowing to finance capital investment during the year.

MANAGEMENT COMMENTARY

Financial Performance - continued

Budget performance - General Fund - continued

- Additional Council Tax receipts, compared to budget, of £2.532m, mainly as a result of additional properties on which tax can be levied, and a reduction in exemptions. A further saving of £2.366m compared to budget was achieved on the Council Tax Reduction Scheme.
- The Council transferred a net sum of £10.174m from earmarked reserves during 2015/16. The Council's reserves are covered on page 9 of the management commentary and in more detail in note 10.1.
- The surplus of £0.785m returned in 2015/16 was transferred to the Council Priorities Fund, which forms part of the earmarked proportion of the General Fund for contingency funding, as detailed in note 10.1.

Principal Sources of Funding - General Fund

The principal sources of funding used by the Council during the year were:

	£000
Council Tax, net of Council Tax Reduction Scheme (CTRS)	216,390
General revenue funding	354,576
Distribution from non-domestic rates pool	390,862
Total	<u>961,828</u>

Reconciliation to Amounts Reported for Resource Allocation Decisions

Note 32 to the Annual Accounts shows the amounts reported for resource allocation decisions. The service income and expenditure shown in note 32 can be reconciled back to the total shown for General Fund services as follows:

	Expenditure £000	Income £000	Net Expenditure £000	Budget £000
Children and Families	421,836	(22,833)	399,003	399,469
Corporate Governance	116,165	(36,355)	79,810	79,950
Economic Development	17,811	(5,949)	11,862	11,877
Health and Social Care	285,016	(77,535)	207,481	210,937
Lothian and Borders Valuation Joint Board	3,744	0	3,744	3,744
Services for Communities	383,430	(249,054)	134,376	134,395
Net cost of housing benefits / CTRS	225,171	(201,072)	24,099	26,559
Other non-departmental specific income	5,725	(174)	5,551	5,712
	<u>1,458,898</u>	<u>(592,972)</u>	<u>865,926</u>	<u>872,643</u>
General Fund services (as shown on page 7)			841,671	846,022
Council Tax Reduction Scheme (as shown on page 7)			<u>24,255</u>	<u>26,621</u>
			<u>865,926</u>	<u>872,643</u>

Classification of Community Safety Expenditure

In accordance with guidance issued by LASAAC in December 2014, the Council has not reclassified Community Safety expenditure as Housing Services. The following figures which relate to Community Safety are included in Environmental Services within the Comprehensive Income and Expenditure Statement. Relevant expenditure relates to crime reduction (payments to Police Scotland) and CCTV costs.

	2014/15 £000	2015/16 £000
Relevant Community Safety expenditure included in Environmental Services	3,461	3,455

MANAGEMENT COMMENTARY

Financial Performance - continued

Reserves

General Fund

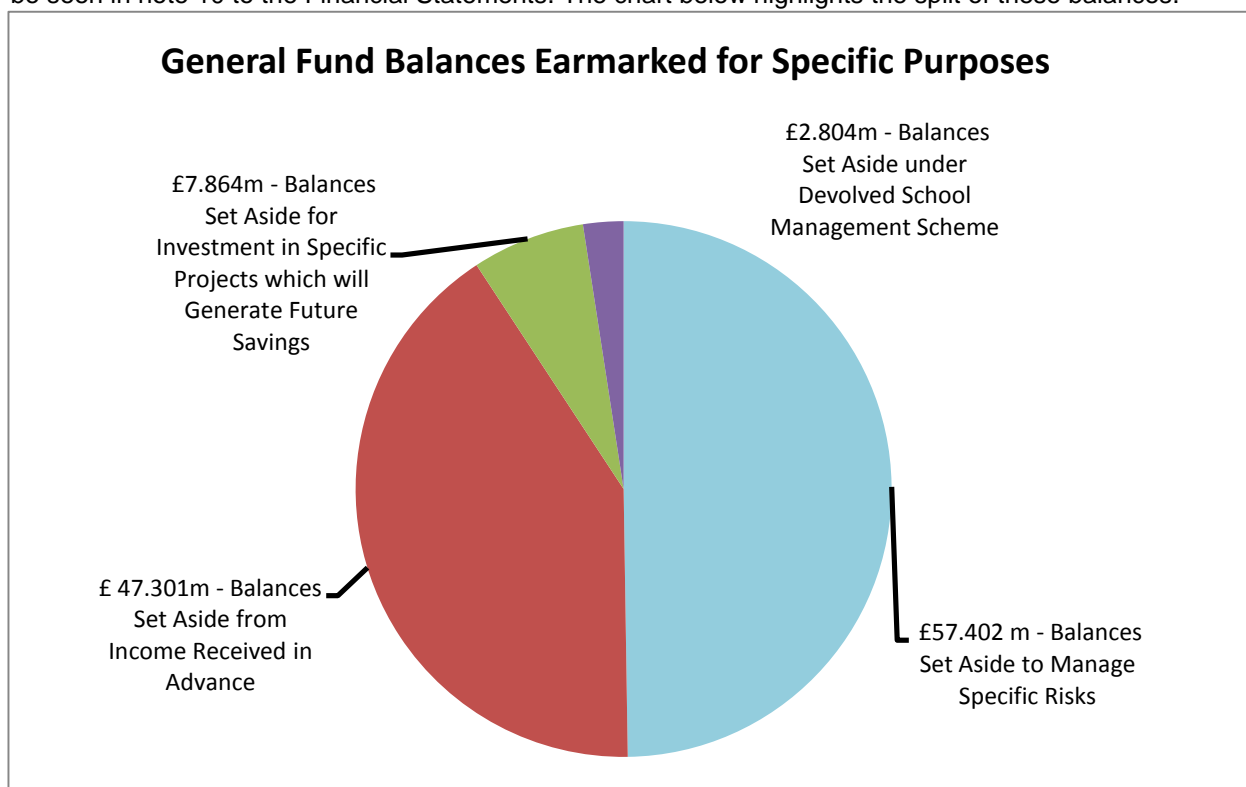
The Council's General Fund reserves comprise two elements:

- The unallocated General Fund; and
- Balances earmarked for specific purposes.

The unallocated General Fund is held against the risk of unanticipated expenditure and/or reduced income arising in any particular year. The level of this reserve is reviewed annually by the Council as part of the revenue budget process. This review considers the level of balances held, the financial risks which could be realised and the arrangements in place to manage these.

The **latest review** was in January 2016, as part of the 2016-2017 budget setting process. The unallocated General Fund balance remains at £13.025m, which equates to 1.36% of the annual budgeted net expenditure. There were no planned contributions to the unallocated General Fund for 2015/16.

In addition, the Council has a further £115.371m of balances earmarked for specific purposes. Details can be seen in note 10 to the Financial Statements. The chart below highlights the split of these balances.



These balances are held for a number of reasons:

- Balances set aside for specific financial risks which are likely to arise in the medium term future. Examples include monies earmarked for staff release costs and the insurance fund.
- Balances set aside from income received in advance are primarily from grant income, due to timing differences between the receipt of the grant income and the planned expenditure thereof.
- Balances set aside to enable the Council to undertake investment in specific projects which will deliver savings in future years. These savings are used, initially, to reimburse the earmarked balances.
- Balances held under the School Board Delegation Scheme (DSM), which permits balances on individual school budgets to be carried forward to the following financial year.

In summary, the level of reserves at 31 March 2016, together with the forward strategy, are considered appropriate in view of the financial liabilities and risks likely to face the Council in the short to medium term.

Other Reserves

The Council holds other usable reserves; these are the Capital Grants Unapplied Account with a balance of £2.657m, the Capital Fund with a balance of £68.793m and the Renewal and Repairs Fund with a balance of £38.194m.

MANAGEMENT COMMENTARY

Financial Performance - continued

On-Going and Future Developments

Transformation Programme

The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints. In response, the Council has developed a Transformation Programme aimed at building a lean and agile organisation, centred on customers, services and communities. On 25 June 2015, Council approved a report on the **Transformation Programme** which set out the future operating model for the Council.

As of **August 2016**, the first phase of organisational reviews is nearing conclusion, with new structures implemented and associated savings realised in seventeen areas. A further seven areas are in the consultation or matching and assignment phase and are on track to deliver new structures and associated savings in the coming weeks. Progress in delivery is being closely tracked and reported to CLT on a monthly basis and to elected members every two months. As at 5 August 2016, staff accounting for a total of 653.2 FTE have left or are confirmed to be leaving the organisation under VERA or VR arrangements. The one-off cost associated with these cases is £28.6m and the overall payback is 14.2 months, which is in line with planning assumptions.

Budget framework

On 21 January 2016, the Council approved a firm **balanced budget for 2016/17** and indicative balanced budgets for the following two years, subject to confirmation of actual grant funding allocations. With the intention of supporting the areas concerned to return to a sustainable financial footing, the approved budget framework includes additional service investment in both Health and Social Care and Corporate Property, funded by means of a range of transformation programme and service prioritisation-based savings within these functions and across the Council as a whole. The combined impact of this service investment, cost pressures arising from legislative change, continuing increases in demographic-led demand, inflationary uplifts and a cash-terms reduction in grant funding means that over £70m of savings require to be delivered in 2016/17 alone. Given this position and building on the improved scrutiny of the delivery of approved savings proposals and management of risks and pressures put in place for 2015/16, the first “budget challenge” meetings of the year involving Directors and key elected members have been held. These meetings are being supplemented by monthly Corporate Leadership Team consideration and discussion.

Following the Commission on Local Tax Reform report, the Scottish Government has announced changes to Council Tax to be implemented from the 2017/18 financial year, subject to parliamentary approval. The Council Tax band multipliers for properties in bands E, F G and H relative to Band D properties will increase, with the freeze lifted allowing a maximum increase of 3% per year, which is in-line with the Council's long-term financial plan assumptions. In the medium- to longer-term, the Scottish Government has also signalled the potential for councils to be assigned an element of income tax receipts generated in their respective areas as an incentive to encourage economic growth.

Health and Social Work Integration

The Public Bodies (Joint Working) (Scotland) Bill

The Public Bodies (Joint Working) (Scotland) Bill was given Royal Assent by the Public Bodies Act and was laid before the Scottish Parliament in the summer of 2015. Formal delegation of functions and resources to the Edinburgh Integration Joint board (EIJB) commenced on the 1st April 2016, following approval of the Strategic Plan by the EIJB. The Council's Internal Audit function audited the arrangements for Integration in Spring 2015 and the audit was signed off in July.

Governance

The Edinburgh Integrated Joint Board is now formally in place. A Tripartite agreement setting out the principles under which the Edinburgh Health and Social Care Partnership comprising the Edinburgh Integrated Joint Board (EIJB), NHS Lothian (NHS) and the City of Edinburgh Council (the Council) will operate was agreed in March 2016. It outlines support of the Integration Scheme, describes the sharing of duties, powers and responsibilities and risks and ensures compliance with statutory regulations and guidance.

The leadership arrangements in place up to the formal establishment of the Integrated Joint Board have been replaced by the Edinburgh Health and Social Care Partnership Interface Group. This group will ensure open dialogue between the parties and has a remit to; discuss financial matters, resolve any delivery issues, discuss operational matters in relation to directions and as the first point of discussion with regard to formal disputes.

The Chief Officer took up post on 2nd November 2015 and prior to this the Interim Chief Finance Officer was appointed in August 2015.

MANAGEMENT COMMENTARY

Financial Performance - continued

Health and Social Work Integration - continued

Resource

The Edinburgh Integrated Joint Board holds a combined budget of around £577 million of which approximately £185 million is derived from the Council budget. This brings together existing budgets from the Health and Social Care Service in the Council as well as those from NHS Lothian's Community Health Partnership. These budgets are to be delegated to the Integrated Joint Board for governance, planning and resourcing purposes. The Strategic Plan through directions will identify how the resources are to be spent to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings.

Housing Revenue Account

The Council has a statutory obligation to maintain a housing revenue account (HRA) which records all income and expenditure for the management of, and investment in, Council homes. All expenditure on homes let by the Council is funded through the rent and related service charges paid by its tenants.

The HRA Business plan supports delivery of the City Housing Strategy by:

- providing high quality housing services to tenants;
- improving the quality of existing homes and neighbourhoods; and
- building new, energy efficient affordable homes to address the shortage of affordable housing in the city.

Since 2006/07, the HRA has been supported by a rent strategy of annual rent increases to ensure that there was a robust financial framework for delivering the capital investment required to meet the Scottish Housing Quality Standard by 2015. Following this, consultation was carried out with tenants to identify their top investment priorities for 2015/16. Based on the outcome of this consultation, capital investment focused investment to reduce household energy costs and build more affordable homes.

The 2015/16 Capital Programme prioritised investment in energy efficiency measures to alleviate fuel poverty and contribute to the Council and national carbon saving targets. All Council homes need to meet the Energy Efficiency Standard for Social Housing (EESHS) by 2020. The Programme worked towards this target by accelerating the installation of new heating systems. The Capital Programme also focused delivery on an external fabric programme to improve energy efficiency in blocks across the city, through a combination of insulation and external render upgrades.

In addition to this, tenants have benefited from further modernisation investment to common areas including lift car upgrades, stair windows, door entry systems and external fabric improvements.

The majority of the delivery of the 2015/16 capital investment programme is through a new Housing Asset Management framework. The new framework has had a positive impact on value for money and quality to customers, achieving savings of up to 20% on certain elements of the programme. The new framework also gives the Council more flexibility and includes performance measures enabling robust contract management.

Significant progress has also been made in delivering new homes through the 21st Century Homes programme. In 2015/16 the programme was expanded to include an additional 400 homes. The current programme is set to deliver over 1,800 new homes, with at least 1,000 of these being let as affordable homes. The programme has been a catalyst for wider regeneration and has brought the Council recognition as a successful house builder, which has been evidenced through awards.

The capital programme supports investment in current homes and neighbourhoods and funds the construction of new affordable homes. The capital programme is funded mainly through prudential borrowing; however capital receipts, capital funded from current revenue and grants (Home Energy Efficiency Programme Scotland) also contribute to capital investment.

HRA income pays for housing management services and repairs and maintenance. It also meets the cost of servicing borrowing required for capital investment. Feedback from Council tenants shows satisfaction with the overall housing service is very high with many areas of satisfaction being top quartile or above average compared to other local authorities. The results show that the Council continues to be in the top three local authorities for satisfaction with the service, the local neighbourhood and quality of homes. There has also been a 14% increase in the number of tenants who think their rent provides value for money, placing the Council above average and amongst the top performing local authorities in this area.

MANAGEMENT COMMENTARY

Financial Performance - continued

Housing Revenue Account - continued

At the end of 2015/16, the HRA was balanced after making a contribution of £2.256m to the Renewal and Repairs Fund. These funds are earmarked for future capital investment in new homes through 21st Century Homes and as a contingency to manage the impact of welfare reform. In line with the HRA business plan, an additional £10.0m of debt was paid off in-year.

Throughout 2015/16 the Council extensively consulted tenants on their priorities for future investment and rent levels to inform the rent strategy from 2016/17 onwards. Many Council tenants are experiencing real and significant financial hardship and there are not sufficient homes being built in the housing market which meet current need and demand and the challenge of a growing population. In response to this a five year investment strategy has been developed which aims to significantly increase the number of affordable homes in the city from 3,000 to 8,000 over the next ten years and invest in services that will reduce tenants' cost of living.

Capital Expenditure

Capital expenditure is controlled through the Prudential Code that provides the framework for investing in infrastructure. In Scotland, local authorities are required by regulation to comply with the Prudential Code under Part 7 of the Local Government (Scotland) Act 2003. The key objectives of the Prudential Code are to ensure that capital plans are affordable, prudent and sustainable and that treasury decisions are taken in accordance with professional guidance and best practice.

In addition, capital plans must be consistent with, and support, local strategic planning, local asset management planning and proper option appraisal.

The outturn position for capital expenditure is summarised below:

	Revised Budget 2015/16 £000	Actual 2015/16 £000	(Slippage) / Acceleration £000
Capital expenditure			
General Fund services	165,277	156,289	(8,988)
Housing Revenue Account	48,830	35,626	(13,204)
Total capital expenditure	214,107	191,915	(22,192)
Capital receipts and other contributions			
- General Fund services	(36,564)	(80,938)	(44,374)
- Housing Revenue Account	(13,782)	(10,762)	3,020
Government and other grants			
- General Fund services	(89,853)	(89,503)	350
- Housing Revenue Account	(3,780)	(8,159)	(4,379)
Total capital income	(143,979)	(189,362)	(45,383)
Balance to be funded through borrowing			
- General Fund services	38,860	(14,152)	(53,012)
- Housing Revenue Account	31,268	16,705	(14,563)
Total advances from loans fund	70,128	2,553	(67,575)

Expenditure on General Fund services slipped in total by £8.988m. The majority of slippage related to delays on the Boroughmuir High School replacement, Portobello High School replacement and Early Years improvement projects, caused by factors largely out with the Council's control. Expenditure on the Housing Revenue Account slipped by £13.204m.

Capital receipts and other contributions for General Fund Services includes settlement of a planned but unbudgeted within year receipt for the sale of the Atria totalling £91.251m. This is presented net of a transfer to the capital fund totalling £51.889m which is earmarked to fund Council transformation costs, a top up to the Strategic Investment Fund and to redeem debt.

The Council received £57.461m of general capital grant. The support provided through general capital grant enables the Council to direct resources to its own priorities.

MANAGEMENT COMMENTARY

Financial Performance - continued

Capital Expenditure - continued

Capital expenditure for the year totalled £191.915m. Major capital projects undertaken during the year included:

- Educational properties - £57.452m;
- Investing in new council homes and enhancing existing assets through the Housing Revenue Account programme - £35.626m;
- Social housing through the housing development fund - £31.663m;
- Roads, carriageways and other infrastructure - £25.324m;
- Health and Social Care establishments - £6.531m;
- Recreational venues (including libraries, parks and open spaces) - £3.683m; and
- Providing funding for homes for mid market rent from private developers through the National Housing Trust - £1.498m.

Group Accounts

The Council's arm's-length companies have been affected by the economic climate. A number of the companies are involved in the property market and have seen the values of their property portfolios decrease as a direct result of the current economic conditions. In June 2014 the Council agreed a restructuring of its property companies. Waterfront Edinburgh Ltd, Parc Craigmillar Ltd and Shawfair Land Ltd became wholly owned subsidiaries of the EDI Group Ltd to ensure that there is a coherent strategy across the companies and to improve corporate governance.

Net assets for 2015/16 include a combined group pension liability of £426.753m (2014/15 £749.701m), as shown in note 43.9. The 2014/15 comparative has been restated to correct a prior year misstatement. This reflects the inclusion of pension liabilities relating to Council, other employees, including subsidiary companies and the incorporation of Lothian and Borders Valuation Joint Board as an associate within the group. This exceeds the value of distributable reserves held by the Group. It should be noted that this is a snapshot of the position at 31 March 2016. The actuarial valuation, which takes a longer term view, will consider the appropriate employers' contribution rates and these, together with employee contributions and revenues generated from fund investments, will be utilised to meet the financing of these liabilities. It is therefore appropriate to adopt a going concern basis for the preparation of the group financial statements.

ANDREW KERR
Chief Executive

29 September 2016

HUGH DUNN, CPFA
Acting Executive Director of Resources

29 September 2016

ANDREW BURNS
Council Leader

29 September 2016

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs, including group interests, and to secure that the proper officer of the authority has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer was the Head of Finance up until 5 January 2016, thereafter the Acting Executive Director of Resources.
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Finance and Resources Committee at its meeting on 29 September 2016.

ANDREW BURNS
Council Leader

29 September 2016

The Section 95 Officer's responsibilities

The Section 95 Officer is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Section 95 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (insofar as it is compatible with legislation), except where stated in the Policies and Notes to the Accounts.

The Section 95 Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Annual Accounts

I certify that the financial statements give a true and fair view of the financial position of the Council and its Group at the reporting date and the transactions of the Council and its Group for the year ended 31 March 2016.

HUGH DUNN, CPFA
Acting Executive Director of Resources
Section 95 Officer

29 September 2016

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council and its Group members. Reserves are analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation), most of which is already earmarked and other, unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Group's services, more details of which are shown in the Group Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for Council Tax setting and dwelling rent setting purposes. The net increase / decrease before transfers to earmarked reserves line shows the statutory General Fund and Housing Revenue Account balances before any discretionary transfers to or from earmarked reserves undertaken by the Council. Group reserves are shown as either usable or unusable reserves.

	General Fund Balance £000	Housing Revenue Account Balance £000	Renewal and Repairs Fund £000	Capital Receipts Reserve £000
2015/16				
Balance at 31 March 2015	117,524	0	35,833	0
Movement in reserves during 2015/16				
Surplus or (deficit) on the provision of services	(14,092)	15,568	0	0
Other Comprehensive Income and Expenditure	0	0	0	0
Total Comprehensive Income and Expenditure	(14,092)	15,568	0	0
Adjustments between accounting basis and funding basis under regulations (Note 9)	12,489	(13,312)	0	(116,763)
Net (increase) / decrease before transfers to statutory reserves	(1,603)	2,256	0	(116,763)
Transfer (to) / from other statutory reserves (Note 10.3)	12,475	(2,256)	2,361	116,763
Increase / (decrease) in year	10,872	0	2,361	0
Balance at 31 March 2016	128,396	0	38,194	0
	Capital Grants Unapplied Account £000	Capital Fund £000	Council's Total Usable Reserves £000	Group Usable Reserves £000
2015/16				
Balance at 31 March 2015	4,349	31,721	189,427	10,172
Movement in reserves during 2015/16				
Surplus or (deficit) on the provision of services	0	0	1,476	3,672
Other Comprehensive Income and Expenditure	0	0	0	29,244
Total Comprehensive Income and Expenditure	0	0	1,476	32,916
Adjustments between accounting basis and funding basis under regulations (Note 9)	(1,692)	0	(119,278)	476
Net (increase) / decrease before transfers to statutory reserves	(1,692)	0	(117,802)	33,392
Transfer (to) / from other statutory reserves (Note 10.3)	0	37,072	166,415	(2,938)
Increase / (decrease) in year	(1,692)	37,072	48,613	30,454
Balance at 31 March 2016	2,657	68,793	238,040	40,626

MOVEMENT IN RESERVES STATEMENT

	Total Usable Reserves £000	Council's Unusable Reserves £000	Group Unusable Reserves £000	Total Reserves £000
2015/16				
Balance at 31 March 2015	<u>199,599</u>	<u>1,449,087</u>	<u>99,107</u>	<u>1,747,793</u>
Movement in reserves during 2015/16				
Surplus or (deficit) on the provision of services	5,148	0	0	5,148
Other Comprehensive Income and Expenditure	<u>29,244</u>	<u>329,667</u>	<u>6,797</u>	<u>365,708</u>
Total Comprehensive Income and Expenditure	34,392	329,667	6,797	370,856
Adjustments between accounting basis and funding basis under regulations (Note 9)	<u>(118,802)</u>	<u>119,278</u>	<u>(476)</u>	<u>0</u>
Net (increase) / decrease before transfers to statutory reserves	(84,410)	448,945	6,321	370,856
Transfer (to) / from other statutory reserves (Note 10.3)	<u>163,477</u>	<u>(166,415)</u>	<u>2,938</u>	<u>0</u>
Increase / (decrease) in year	<u>79,067</u>	<u>282,530</u>	<u>9,259</u>	<u>370,856</u>
Balance at 31 March 2016	<u>278,666</u>	<u>1,731,617</u>	<u>108,366</u>	<u>2,118,649</u>

	General Fund Balance £000	Housing Revenue Account Balance £000	Renewal and Repairs Fund £000	Capital Receipts Reserve £000
(re-stated)				
2014/15 Comparative Data				
Balance at 31 March 2014	<u>123,310</u>	<u>0</u>	<u>22,504</u>	<u>0</u>
Movement in reserves during 2014/15				
Surplus or (deficit) on the provision of services	(5,004)	17,937	0	0
Other Comprehensive Income and Expenditure	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,479</u>
Total Comprehensive Income and Expenditure	(5,004)	17,937	0	21,479
Adjustments between accounting basis and funding basis under regulations (Note 9)	<u>7,629</u>	<u>(14,973)</u>	<u>0</u>	<u>(21,479)</u>
Net (increase) / decrease before transfers to statutory reserves	2,625	2,964	0	0
Transfer (to) / from other statutory reserves (Note 10.3)	<u>(8,411)</u>	<u>(2,964)</u>	<u>13,329</u>	<u>0</u>
Increase / (decrease) in year	<u>(5,786)</u>	<u>0</u>	<u>13,329</u>	<u>0</u>
Balance at 31 March 2015	<u>117,524</u>	<u>0</u>	<u>35,833</u>	<u>0</u>

MOVEMENT IN RESERVES STATEMENT

(re-stated) 2014/15 Comparative Data	Capital Grants Unapplied Account £000	Capital Fund £000	Council's Total Usable Reserves £000	Restated Group Usable Reserves £000
Balance at 31 March 2014	<u>1,994</u>	<u>22,379</u>	<u>170,187</u>	<u>23,450</u>
Movement in reserves during 2014/15				
Surplus or (deficit) on the provision of services	0	0	12,933	6,458
Other Comprehensive Income and Expenditure	<u>0</u>	<u>11,298</u>	<u>32,777</u>	<u>(27,719)</u>
Total Comprehensive Income and Expenditure	<u>0</u>	<u>11,298</u>	<u>45,710</u>	<u>(21,261)</u>
Adjustments between accounting basis and funding basis under regulations (Note 9)	<u>2,355</u>	<u>0</u>	<u>(26,468)</u>	<u>307</u>
Net (increase) / decrease before transfers to statutory reserves	<u>2,355</u>	<u>11,298</u>	<u>19,242</u>	<u>(20,954)</u>
Transfer (to) / from other statutory reserves (Note 10.3)	<u>0</u>	<u>(1,956)</u>	<u>(2)</u>	<u>7,676</u>
Increase / (decrease) in year	<u>2,355</u>	<u>9,342</u>	<u>19,240</u>	<u>(13,278)</u>
Balance at 31 March 2015	<u>4,349</u>	<u>31,721</u>	<u>189,427</u>	<u>10,172</u>

(re-stated) 2014/15 Comparative Data	Total Usable Reserves £000	Council's Unusable Reserves £000	Group Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2014	<u>193,637</u>	<u>1,607,797</u>	<u>108,949</u>	<u>1,910,383</u>
Movement in reserves during 2014/15				
Surplus or (deficit) on the provision of services	19,391	0	0	19,391
Other Comprehensive Income and Expenditure	<u>5,058</u>	<u>(185,180)</u>	<u>(1,859)</u>	<u>(181,981)</u>
Total Comprehensive Income and Expenditure	<u>24,449</u>	<u>(185,180)</u>	<u>(1,859)</u>	<u>(162,590)</u>
Adjustments between accounting basis and funding basis under regulations (Note 9)	<u>(26,161)</u>	<u>26,468</u>	<u>(307)</u>	<u>0</u>
Net (increase) / decrease before transfers to statutory reserves	<u>(1,712)</u>	<u>(158,712)</u>	<u>(2,166)</u>	<u>(162,590)</u>
Transfer (to) / from other statutory reserves (Note 10.3)	<u>7,674</u>	<u>2</u>	<u>(7,676)</u>	<u>0</u>
Increase / (decrease) in year	<u>5,962</u>	<u>(158,710)</u>	<u>(9,842)</u>	<u>(162,590)</u>
Balance at 31 March 2015	<u>199,599</u>	<u>1,449,087</u>	<u>99,107</u>	<u>1,747,793</u>

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

for the year ended 31 March 2016

(re-stated) 2014/15			Gross Expend.	Income	Net Expend.
£000		Notes	£000	£000	£000
	SERVICES				
340,451	Education Services		381,296	(25,505)	355,791
0	Contribution to Health Integration Joint Board		47	(45)	2
323,248	Social Work		400,017	(78,750)	321,267
(33,291)	Housing Revenue Account		83,864	(110,584)	(26,720)
30,314	Other Housing Services		299,979	(268,416)	31,563
49,113	Cultural and Related Services		59,850	(17,712)	42,138
72,290	Environmental Services		107,211	(28,548)	78,663
63,523	Roads and Transport		259,913	(192,893)	67,020
27,259	Planning and Development		59,883	(33,708)	26,175
13,540	Corporate and Democratic Core		13,470	(964)	12,506
18,600	Non-Distributed Costs		20,049	0	20,049
7,584	Services to the Public		24,528	(16,945)	7,583
10,040	Other Income and Expenditure		84,997	(69,938)	15,059
1,858	Associates and Joint Ventures Accounted for on an Equity Basis		21,462	(18,712)	2,750
924,529	COST OF SERVICES		<u>1,816,566</u>	<u>(862,720)</u>	953,846
(4,807)	Other Operating Income	11.			(36,148)
92,003	Financing and Investment Income and Exp.	12.			106,863
(1,031,116)	Taxation and Non-Specific Grant Income	13.			(1,029,709)
(19,391)	SURPLUS ON PROVISION OF SERVICES				(5,148)
(19,070)	Surplus on Revaluation of Non-Current Assets			(3,169)	
0	Defecit on Revaluation of Available for Sale Financial Assets			16	
(204,649)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			(37,286)	
361,397	Changes in Financial and Demographic Assumptions / Other Experience			(285,852)	
44,303	Other Unrealised (Gains) / Losses			<u>(39,417)</u>	
181,981	Other Comprehensive Income and Expend.				(365,708)
<u>162,590</u>	TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE				<u>(370,856)</u>

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing Council services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

for the year ended 31 March 2016

(re-stated) 2014/15			Gross Expend.	Income	Net Expend.
£000	SERVICES	Notes	£000	£000	£000
340,451	Education Services		381,296	(25,505)	355,791
0	Contribution to Health Integration Joint Board		47	(45)	2
323,248	Social Work		400,017	(78,750)	321,267
(33,291)	Housing Revenue Account		83,864	(110,584)	(26,720)
30,314	Other Housing Services		299,979	(268,416)	31,563
50,870	Cultural and Related Services		55,508	(11,133)	44,375
72,290	Environmental Services		107,211	(28,548)	78,663
70,815	Roads and Transport		124,219	(49,797)	74,422
32,695	Planning and Development		55,626	(27,241)	28,385
13,540	Corporate and Democratic Core		13,470	(964)	12,506
18,600	Non-Distributed Costs		20,049	0	20,049
7,584	Services to the Public		24,528	(16,945)	7,583
5,133	Other Income and Expenditure		80,171	(69,396)	10,775
932,249	COST OF SERVICES		<u>1,645,985</u>	<u>(687,324)</u>	958,661
(4,716)	Other Operating Income	11.			(36,146)
92,328	Financing and Investment Income and Exp.	12.			108,331
(1,032,794)	Taxation and Non-Specific Grant Income	13.			(1,032,322)
(12,933)	SURPLUS ON PROVISION OF SERVICES				(1,476)
(19,070)	Deficit / (Surplus) on Revaluation of Non-Current Assets			2,294	
(204,649)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			(37,286)	
361,397	Changes in Financial and Demographic Assumptions / Other Experience			(285,852)	
14,725	Other Unrealised Losses			(8,823)	
152,403	Other Comprehensive Income and Expend.				(329,667)
139,470	TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE				<u>(331,143)</u>

RECONCILIATION OF THE COUNCIL'S POSITION TO THE GROUP POSITION

£000		£000
139,470	Total Comprehensive (Income) and Expenditure on the Council's Comprehensive Income and Expenditure Statement (CIES)	(331,143)
829	Subsidiary and associate transactions included in the Council's CIES	(761)
15,161	(Surplus) / deficit arising from other entities included in the Group Accounts Subsidiaries	(34,752)
7,130	Associates	(4,200)
162,590	Group total Comprehensive (Income) / Expenditure for the year	<u>(370,856)</u>

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Group may use to provide services. The second category of reserves is those that the Group is not able to use to provide services. This category of reserves include reserves that hold unrealised gains and losses (for example, the revaluation reserve) where amounts would only become available to provide services if the assets are sold.

(re-stated) 31 March 2014 £000	(re-stated) 31 March 2015 £000		Notes	31 March 2016 £000	£000
3,292	4,954	Intangible Assets	16.		3,665
1,017,351	1,029,558	Council Dwellings		1,030,623	
1,763,693	1,732,117	Other Land and Buildings		1,613,201	
103,377	178,127	Vehicles, Plant, Furniture and Equipment		177,742	
941,347	912,496	Infrastructure Assets		872,920	
11,347	12,192	Community Assets		12,964	
17,150	12,624	Surplus Assets		2,420	
79,740	50,330	Assets under Construction		89,688	
3,934,005	3,927,444	Property, Plant and Equipment	14.		3,799,558
2,415	16,304	Investment Properties	15.		17,450
30,391	31,075	Heritage Assets	17.		31,116
17,379	21,179	Assets Held for Sale	22.		43,746
821	794	Available for Sale Financial Assets			733
258	297	Deferred Tax			202
11,524	0	Other Long-Term Assets (Pension)			17,936
5,127	11,553	Long-Term Investments			11,516
37,845	33,771	Investments in Associates and Joint Ventures			32,315
96,788	115,039	Long-Term Debtors	20.		94,648
4,139,845	4,162,410	Long-Term Assets			4,052,885
4,586	0	Short-Term Investments		13,022	
2,889	8,503	Assets Held for Sale	22.	683	
0	0	Available for Sale Financial Assets	18.	64,311	
17,220	12,057	Inventories	19.	17,661	
124,394	83,370	Short-Term Debtors	20.	96,785	
37,467	95,504	Cash and Cash Equivalents	21.	118,712	
186,556	199,434	Current Assets			311,174
(57,994)	(77,787)	Short-Term Borrowing		(87,321)	
(183,147)	(180,107)	Short-Term Creditors	23.	(174,802)	
(4,977)	(1,340)	Capital Grants Received in Advance		0	
(19,576)	(19,770)	Provisions	24.	(13,004)	
(265,694)	(279,004)	Current Liabilities			(275,127)

GROUP BALANCE SHEET

(re-stated) 31 March 2014	(re-stated) 31 March 2015			31 March 2016
£000	£000		Notes	£000 £000
(1,393,140)	(1,351,473)	Long-Term Borrowing		(1,298,248)
(205,184)	(232,435)	Other Long-Term Liabilities		(219,947)
(9,547)	(3,467)	Deferred Tax		(9,072)
(5,665)	(8,723)	Liabilities in Associates and Joint Ventures		(3,066)
<u>(536,787)</u>	<u>(738,949)</u>	Other Long-Term Liabilities (Pensions)		<u>(439,950)</u>
<u>(2,150,323)</u>	<u>(2,335,047)</u>	Long-Term Liabilities		<u>(1,970,283)</u>
<u>1,910,384</u>	<u>1,747,793</u>	Net Assets		<u>2,118,649</u>
913,078	905,886	Revaluation Reserve		856,303
1,307,623	1,340,067	Capital Adjustment Account		1,376,328
(51,049)	(49,159)	Financial Instruments Adjustment Account		(47,214)
0	0	Available for Sale Financial Assets Reserve		2
(535,498)	(726,969)	Pensions Reserve		(438,940)
(26,357)	(20,738)	Employee Statutory Adjustment Account		(14,862)
<u>108,950</u>	<u>99,107</u>	Group Unusable Reserves		<u>108,366</u>
<u>1,716,747</u>	<u>1,548,194</u>	Unusable Reserves	26.	1,839,983
1,994	4,349	Capital Grants Unapplied Account		2,657
22,379	31,721	Capital Fund		68,793
22,504	35,833	Renewal and Repairs Fund		38,194
123,310	117,524	General Fund		128,396
<u>23,450</u>	<u>10,172</u>	Group Usable Reserves		<u>40,626</u>
<u>193,637</u>	<u>199,599</u>	Usable Reserves	10.	278,666
<u>1,910,384</u>	<u>1,747,793</u>	Total Reserves		<u>2,118,649</u>

The unaudited accounts were issued on 24 June 2016. The audited accounts were authorised for issue on 29 September 2016.

HUGH DUNN, CPFA
Acting Executive Director of Resources
29 September 2016

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example, the capital fund that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves include reserves that hold unrealised gains and losses (for example, the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

(re-stated) 31 March 2014 £000	(re-stated) 31 March 2015 £000		Notes	31 March 2016 £000	£000
3,292	4,954	Intangible Assets	16.		3,665
1,017,351	1,029,558	Council Dwellings		1,030,623	
1,735,804	1,704,462	Other Land and Buildings		1,583,123	
35,755	104,027	Vehicles, Plant, Furniture and Equipment		105,961	
939,723	911,161	Infrastructure Assets		871,874	
11,347	12,192	Community Assets		12,964	
17,150	12,624	Surplus Assets		2,420	
79,740	50,330	Assets under Construction		89,688	
<u>3,836,870</u>	<u>3,824,354</u>	Property, Plant and Equipment	14.		3,696,653
2,215	16,104	Investment Properties	15.		17,250
30,391	31,075	Heritage Assets	17.		31,116
17,379	21,179	Assets Held for Sale	22.		43,746
23,335	23,510	Long-Term Investments			23,474
<u>100,287</u>	<u>118,539</u>	Long-Term Debtors	20.		<u>99,274</u>
<u>4,013,769</u>	<u>4,039,715</u>	Long-Term Assets			<u>3,915,178</u>
4,586	0	Short-Term Investments		13,022	
2,889	8,503	Assets Held for Sale	22.	683	
0	0	Available for Sale Financial Assets	18.	64,311	
2,537	2,749	Inventories	19.	2,699	
114,397	70,181	Short-Term Debtors	20.	86,600	
<u>20,167</u>	<u>81,948</u>	Cash and Cash Equivalents	21.	<u>97,991</u>	
<u>144,576</u>	<u>163,381</u>	Current Assets			265,306
(57,994)	(79,287)	Short-Term Borrowing		(87,321)	
(160,985)	(151,446)	Short-Term Creditors	23.	(148,008)	
(4,977)	(1,340)	Capital Grants Received in Advance		0	
<u>(16,752)</u>	<u>(17,994)</u>	Provisions	24.	<u>(11,532)</u>	
<u>(240,708)</u>	<u>(250,067)</u>	Current Liabilities			(246,861)

BALANCE SHEET

(re-stated) 31 March 2014	(re-stated) 31 March 2015			31 March 2016
£000	£000		Notes	£000 £000
(1,403,784)	(1,360,607)	Long-Term Borrowing	18.	(1,308,889)
(200,371)	(226,939)	Other Long-Term Liabilities	18.	(216,137)
<u>(535,498)</u>	<u>(726,969)</u>	Other Long-Term Liabilities (Pensions)	43.3	<u>(438,940)</u>
<u>(2,139,653)</u>	<u>(2,314,515)</u>	Long-Term Liabilities		<u>(1,963,966)</u>
<u>1,777,984</u>	<u>1,638,514</u>	Net Assets		<u>1,969,657</u>
913,078	905,886	Revaluation Reserve		856,303
1,307,623	1,340,067	Capital Adjustment Account		1,376,328
(51,049)	(49,159)	Financial Instruments Adjustment Account		(47,214)
0	0	Available for Sale Financial Assets Reserve		2
(535,498)	(726,969)	Pensions Reserve		(438,940)
<u>(26,357)</u>	<u>(20,738)</u>	Employee Statutory Adjustment Account		<u>(14,862)</u>
<u>1,607,797</u>	<u>1,449,087</u>	Unusable Reserves	26.	1,731,617
1,994	4,349	Capital Grants Unapplied Account		2,657
22,379	31,721	Capital Fund		68,793
22,504	35,833	Renewal and Repairs Fund		38,194
<u>123,310</u>	<u>117,524</u>	General Fund		<u>128,396</u>
<u>170,187</u>	<u>189,427</u>	Usable Reserves	10.	238,040
<u>1,777,984</u>	<u>1,638,514</u>	Total Reserves		<u>1,969,657</u>

The unaudited accounts were issued on 24 June 2016. The audited accounts were authorised for issue on 29 September 2016.

HUGH DUNN, CPFA
Acting Executive Director of Resources
29 September 2016

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

Year ended 31 March 2016

(re-stated)

2014/15

£000		Notes	£000	£000
	Operating Activities			
(216,370)	Taxation		(216,032)	
(1,074,651)	Grants		(1,056,916)	
(90,791)	Housing rents		(93,037)	
(543,907)	Sales of goods and rendering of services		(558,274)	
<u>(10,978)</u>	Interest and investment income received	27.	<u>(7,061)</u>	
(1,936,697)	Cash inflows from operating activities			(1,931,320)
647,531	Cash paid to and on behalf of employees		579,077	
202,498	Housing benefits paid out		200,635	
750,202	Cash paid to suppliers of goods and services		847,029	
3,546	Taxation paid		2,245	
<u>95,936</u>	Interest paid	27.	<u>97,540</u>	
<u>1,699,713</u>	Cash outflows from operating activities			<u>1,726,526</u>
(236,984)	Net cash flows from operating activities			(204,794)
	Investing Activities			
183,102	Net cash flows from investing activities	28.		130,808
	Financing Activities			
<u>(4,155)</u>	Net cash flows from financing activities	29.		<u>50,778</u>
<u>(58,037)</u>	Net decrease / (increase) in cash and cash equivalents			<u>(23,208)</u>
<u>(37,467)</u>	Cash and cash equivalents at 1 April			<u>(95,504)</u>
<u>(95,504)</u>	Cash and cash equivalents at 31 March	21.		<u>(118,712)</u>

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Year ended 31 March 2016

2014/15 £000		Notes	£000	£000
	Operating Activities			
(216,284)	Taxation		(216,461)	
(1,074,651)	Grants		(1,056,916)	
(90,791)	Housing rents		(93,037)	
(387,101)	Sales of goods and rendering of services		(394,200)	
<u>(10,748)</u>	Interest and investment income received	27.	<u>(6,849)</u>	
(1,779,575)	Cash inflows from operating activities			(1,767,463)
571,736	Cash paid to and on behalf of employees		582,155	
202,498	Housing benefits paid out		200,635	
694,796	Cash paid to suppliers of goods and services		699,262	
<u>95,470</u>	Interest paid	27.	<u>97,072</u>	
<u>1,564,500</u>	Cash outflows from operating activities			<u>1,579,124</u>
(215,075)	Net cash flows from operating activities			(188,339)
	Investing Activities			
159,224	Net cash flows from investing activities	28.		126,115
	Financing Activities			
<u>(5,930)</u>	Net cash flows from financing activities	29.		<u>46,181</u>
<u>(61,781)</u>	Net decrease / (increase) in cash and cash equivalents			<u>(16,043)</u>
<u>(20,167)</u>	Cash and cash equivalents at 1 April			<u>(81,948)</u>
<u>(81,948)</u>	Cash and cash equivalents at 31 March	21.		<u>(97,991)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The Annual Accounts for the year ended 31 March 2016 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code) and the Service Reporting Code of Practice. This is to ensure that the accounts 'present a true and fair view' of the financial position and transactions of the Council.

1.1 Accruals of Income and Expenditure

- The revenue and capital accounts have been prepared on an accruals basis in accordance with the Code of Practice.
- Provision has been made in the relevant accounts for bad and doubtful debts.

1.2 Debt Redemption

- The Council operates a consolidated loans fund under the terms of the Local Government (Scotland) Act 1975. Capital payments made by services are financed from the loans fund and repaid on an annuity basis.
- Gains or losses arising on the repurchase or early settlement of borrowing are recognised in the Comprehensive Income and Expenditure Statement in the period during which the repurchase or early settlement is made. Where the repurchase of borrowing is taken with a refinancing or restructuring option, gains or losses are recognised over the life of the replacement borrowing.

1.3 Cash and Cash Equivalents

Cash and cash equivalents includes:

- credit and debit funds held in banks; and
- investments maturing within three months of the Balance Sheet date in respect of the Council and two months of the Balance Sheet date in respect of other Group members.

1.4 Contingent Assets and Liabilities

Contingent assets are not recognised in the accounting statements. Where there is a probable inflow of economic benefits or service potential, this is disclosed in the notes to the financial statements.

Contingent liabilities are not recognised in the accounting statements. Where there is a possible obligation that may require a payment or transfer of economic benefit, this is disclosed in the notes to the financial statements.

1.5 Provisions

The value of provisions is based upon the Council's obligations arising from past events, the probability that a transfer of economic benefit will take place and a reasonable estimate of the obligation.

1.6 Employee Benefits

• Accruals of Holiday Leave

'Cost of services' within the Comprehensive Income and Expenditure Statement includes a charge for annual leave to which employees are entitled, but have not taken, as at the Balance Sheet date.

The Council is not required to raise Council Tax to cover the cost of accrued annual leave. These costs are a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account balances by way of an adjusting transaction with the employee statutory adjustment account.

• Pensions

The Council participates in two different pension schemes which meet the needs of employees in particular services. Both the schemes provide members with defined benefits related to pay and service. The schemes are as follows:

• Teachers

This is an unfunded scheme administered by the Scottish Public Pensions Agency. The pension cost charged in the accounts is the contribution rate set on the basis of a notional fund.

• Other Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.6 Employee Benefits - continued

- **Pensions - continued**

- **Other Employees - continued**

The Financial Statements have been prepared including pension costs as determined under International Accounting Standard 19 - Employee Benefits (IAS19). The cost of services includes expenditure equivalent to the amount of retirement benefits the Council has committed to during the year. The interest cost on defined benefit obligation and interest income on plan assets have been charged / credited to 'financing and investment income' in the Comprehensive Income and Expenditure Statement.

The pension costs charged to the Comprehensive Income and Expenditure Statement in respect of employees are not equal to contributions paid to the funded scheme for employees. The amount by which pension costs under IAS19 are different from the contributions due under the pension scheme regulations is disclosed in the Movement in Reserves Statement for the General Fund and Housing Revenue Account.

Pension assets have been valued at bid value (purchase price), as required under IAS19.

Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

1.7 Financial Instruments

- **Financial Liabilities**

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement (CIES) is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain / loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement for the General Fund Balance.

- **Financial Assets**

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Council may make loans to related parties at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable from the related party, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. For soft loans to subsidiary bodies, the writedown is accounted for as an additional investment in the subsidiary in the Council's Group Accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.7 Financial Instruments - continued

- **Financial Assets - continued**

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement.

Any gains and losses that arise on the de-recognition of the asset are credited / debited to the Comprehensive Income and Expenditure Statement.

Surplus funds on behalf of the Council and associated bodies and cash monies of Lothian Pension Funds are now managed by the Council under a formal management agreement in a pooled investment arrangement. While the monies continue to be shown as investments in Lothian Pension Funds' accounts, they are no longer shown as both liabilities and investments in the Council's accounts.

- **Available-for-Sale-Financial Instruments**

The Council has a significant financial interest in several companies and trusts which have been set up for specific purposes. Details of these appear in note 7 to the Financial Statements. These financial interests have been assessed under the requirements of IAS39 Financial Instruments: Measurement.

The Council's investments in Transport for Edinburgh, CEC Holdings Limited and CEC Recovery Limited (formerly tie Limited) have been assessed as outwith the scope of IAS39.

Unless otherwise stated, the accounts of these companies may be obtained on application to the Corporate Finance Senior Manager, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG.

1.8 Government and non-Government Grants and Contributions

- **Revenue**

Revenue grants and contributions have been included in the financial statements on an accruals basis.

Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, these amounts have been set aside in the General Fund.

- **Capital**

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement except to the extent there are conditions attached to them that have not been met.

Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account, where expenditure has been incurred and the unapplied capital grants account, where expenditure has not been incurred.

Where there are outstanding conditions attached to capital grants and contributions that have not been met at the Balance Sheet date, the grant or contribution will be recognised as part of capital grants receipts in advance. Once the condition has been met, the grant or contribution will be transferred from capital grants received in advance and recognised as income in the Comprehensive Income and Expenditure Statement, as above.

1.9 Intangible Assets

Intangible fixed assets represent software licences purchased by the Council.

- **Recognition**

Expenditure on the acquisition, creation or enhancement of intangible fixed assets has been capitalised on an accruals basis.

- **Measurement**

Intangible fixed assets are initially measured at cost.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.9 Intangible Assets - continued

- **Depreciation**

Software licences are depreciated over the period of the licence, commencing in the year after acquisition.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired through a non-exchange transaction are measured at their fair value as at the date of acquisition.

Inventories held for distribution at no charge or a nominal charge are measured at the lower of cost and current replacement cost.

1.11 Investment Properties

- **Measurement**

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value (the price that would be received for the asset in its highest and best use).

Any gains or losses arising from a change in the fair value of investment properties are recognised in the Comprehensive Income and Expenditure Statement for the period in which they arise.

- **Revaluation**

Investment properties are revalued annually.

- **Depreciation**

Investment properties held at fair value are not depreciated.

- **De-recognition**

Investment properties are de-recognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal.

The gain or loss arising from the retirement or disposal of an investment property is recognised in the 'surplus or deficit on provision of services' within the Comprehensive Income and Expenditure Statement in the period of the retirement or disposal.

1.12 Leases

- **Finance Leases**

Finance leases, which have substantially transferred to the authority the benefits and risks of ownership of a non-current asset, are treated as if the asset had been purchased outright.

- **Leased-in Assets**

Assets acquired under finance leases are included in non-current assets at the lower of the fair value or the present value of the minimum lease payments. The capital element of the lease is included as obligations under finance leases / creditors.

The lease rentals comprise capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to revenue on a straight line basis over the terms of the lease.

- **Operating Leases**

Leases that do not meet the definition of a finance lease are accounted for as operating leases.

- **Leased-in Assets**

Rental payments, net of benefits received, under operating leases are charged to the relevant service on a straight line basis over the life of the lease.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.12 Leases - continued

- **Operating Leases - continued**

- **Leased-out Assets**

Rental income received under operating leases is credited to the relevant service in accordance with the terms specified in the lease agreement.

1.13 Current and Non-Current Assets Held for Sale

Current assets held for sale are assets that the Council has identified as surplus to requirement, are being actively marketed and it is expected that the sale will be realised within twelve months of the Balance Sheet date.

Non-current assets held for sale are assets that the Council has identified as surplus to requirement, are being actively marketed, but it is not expected that the sale will be realised within twelve months of the Balance Sheet date.

- **Measurement**

Assets held for sale are measured at the lower of carrying value and fair value less costs to sell at the Balance Sheet date. Where the sale is expected to occur in more than twelve months, the cost is measured at present value.

- **Depreciation**

Current and non-current assets held for sale are not depreciated.

1.14 Overheads

The costs of support services are allocated to direct services. The allocations are made on a basis appropriate to the service provided, in order to match costs to service usage. Certain support service costs are recovered through direct charges during the year.

1.15 Public Private Partnership - School Buildings, Maintenance and Other Facilities

Public Private Partnership (PPP) contracts are agreements to receive services, where the responsibility for making available the non-current assets required to provide the services passes to the PPP contractor. As the Council is deemed to control the services that are provided under this scheme and as ownership of the schools and other facilities will pass to the Council at the end of the contracts for no additional charge, the Council carries the non-current assets used under the contracts on its Balance Sheet.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as other assets owned by the Council.

The amounts payable to the PPP operators each year are analysed into five elements:

- fair value of the services received during the year - debited to education services in the Comprehensive Income and Expenditure Statement.
- finance cost - an interest charge of 8.968% (PPP1 scheme), 5.895% (PPP2 scheme) and 8.236% (James Gillespies High School - JGHS) on the outstanding balance sheet liability - debited to 'financing and investment income' in the Comprehensive Income and Expenditure Statement.
- contingent rent - increases in the amount to be paid for the property arising during the contract - debited to 'financing and investment income' in the Comprehensive Income and Expenditure Statement.
- payment towards liability - applied to write down the value of the finance lease on the Balance Sheet.
- lifecycle replacement costs - recognised as non-current assets on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.16 Fair Value measurement - surplus assets and investment properties

Surplus assets, investment properties and relevant financial instruments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

Appropriate valuation techniques have been applied, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

1.17 Heritage Assets

- **Categories of Assets**

Heritage assets comprise the following:

Monuments and statues

Civic regalia and artefacts

Archival collections

Libraries' special collections

Museum and gallery collections

Intangible heritage assets represent three private vehicle registration plates.

It has not been practical or possible to split out all heritage assets belonging to the common good fund, charities or trusts. Therefore, the Council's Balance Sheet may hold elements of heritage assets that belong to other entities.

- **Recognition**

Expenditure on the acquisition, creation or enhancement of heritage assets has been capitalised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.17 Heritage assets - continued

- **Measurement**

Heritage asset valuations may be made by any method that is appropriate and relevant. Furthermore valuations need not be carried out by external valuers and there is no prescribed minimum period between valuations.

The following measurement bases have been applied to heritage assets based on the most relevant and appropriate information available. This is set in the context where it is not practicable to obtain up to date valuations for all heritage assets at a cost which is commensurate with the benefits to users of the Council's financial statements.

- | | |
|---------------------------------------|--|
| • Monuments and statues | Historic value |
| • Civic regalia and artefacts | Insurance purposes valuation |
| • Archival collections | Insurance purposes valuation, based on restoration costs only |
| • Libraries' special collections | Insurance purposes valuation |
| • Museum and gallery collections | Insurance purposes valuation |
| • Private vehicle registration plates | Cost or current value information is not readily available, therefore these assets have not been recognised on the Council's Balance Sheet |

- **Depreciation**

Heritage assets are deemed to have indeterminate lives and a high residual value; hence it is not considered appropriate to charge depreciation.

1.18 Property, Plant and Equipment

- **Categories of Assets**

Property, plant and equipment is categorised into the following classes:

Council dwellings	Other land and buildings
Vehicles, plant, furniture and equipment	Infrastructure assets, e.g. roads and footways
Community assets, e.g. parks	Assets under construction
Surplus assets (assets that are surplus to requirements, but there are no clear plans to sell these at the current time.)	

- **Recognition**

Expenditure on the acquisition, creation or enhancement of non-current assets has been capitalised on an accruals basis. Expenditure lower than £6,000 on individual assets is charged to revenue.

- **Measurement**

Infrastructure, community assets and assets under construction are measured at historical cost.

All other classes of property, plant and equipment are measured at fair value.

- Other land and buildings - fair value is the amount that would be paid for the assets in their existing use.
- Council dwellings - fair value is measured at existing use value - social housing.
- Vehicles, plant, furniture and equipment - fair value is the amount equivalent to depreciated historical cost for short life and/or low values assets. For assets with longer lives and/or high values, fair value is the amount that would be paid for the asset in its existing use or depreciated replacement cost for specialised /rarely sold assets where insufficient market-based evidence exists.
- Surplus assets - fair value is the price that would be paid for an asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.18 Property, Plant and Equipment - continued

- **Depreciation**

Depreciation is provided on all property, plant and equipment, other than freehold land, community assets and assets under construction.

The Council does not depreciate its non-current assets in the year of acquisition. The Council operates a five-year rolling revaluation programme for assets and provides for depreciation on a straight line basis on the opening book value over the remaining useful life of the asset. Thus the charge to the Comprehensive Income and Expenditure Statement for the year is not impacted by changes in asset value during the year arising from either revaluation or enhancements.

Component accounting is applied as part of the revaluation process. As a result, where a building asset is split down into further components for the first time in year, the depreciation charge is based on the opening book value over the opening remaining useful life of the asset rather than subsequent component values and associated lives. The difference is not considered material.

- **Charges to Revenue for use of Non-Current Assets**

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- impairment losses attributable to the clear consumption of economic benefits on property, plant and equipment used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Council is not required to raise council tax to cover depreciation or impairment losses. Depreciation and impairment losses are therefore a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account.

- **Revaluations**

Where assets are included in the Balance Sheet at fair value, revaluations are carried out at intervals of no more than five years. The Council operates a rolling programme for revaluations. The determination of fair value of land and buildings is undertaken by the Council's Estate Manager (Projects).

- **De-recognition**

An asset is de-recognised either on its disposal, or where no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an asset is included in 'surplus or deficit on the provision of services' within the Comprehensive Income and Expenditure Statement when the asset is de-recognised.

The gain or loss on de-recognition of property, plant and equipment assets is a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.18 Property, Plant and Equipment - continued

- **Components**

Component accounting is applied to all assets that comprise land and buildings. Land and buildings are treated as separate components of an asset and accounted for separately.

The building component of an asset is separated into further components primarily to those with a carrying value of over £5 million approximately. This policy is also applied to buildings with a carrying value of less than £5 million where enhancement expenditure is considered significant in relation to the overall carrying value of the building component.

Where it is necessary to break a building down into further components, the following categories are applied:

- Structural - includes external and internal walls, traditional roofing, doors, etc.
- Non-traditional roofing - includes flat roof, non-traditional roof coverings and industrial type roofs.
- Finishes - includes doors, windows and room finishes.
- Mechanical and electrical services - includes water, heat, ventilation, electrical, lifts, fire and communications.
- Fittings and furnishings - includes fittings, furnishings and sanitary appliances.

1.19 Reserves

Reserves held on the Balance Sheet are classified as either usable or unusable reserves.

Usable reserves hold monies that can be applied to fund expenditure or reduce Council Tax.

Unusable reserves cannot be applied to fund expenditure.

- **Usable Reserves**

The Council operates the following usable reserves:

- Capital receipts reserve - this represents capital receipts available to finance capital expenditure in future years.
- Capital grants unapplied account - holds capital grants and contributions that have been received towards specific works that have yet to be completed.
- Capital fund - under Schedule 3 of the Local Government (Scotland) Act 1975, certain receipts derived from the sale of property may also be used to create a capital fund "to be used for defraying any expenditure of the authority to which capital is properly applicable, or in providing money for repayment of the principal of loans".
- Renewal and repairs fund - holds monies set aside for the renewal and repair of Council property. This fund is operated under the terms of Schedule 3 to the Local Government (Scotland) Act 1975.
- General Fund - held to mitigate financial consequences of risks and other events impacting on the Council's resources. Monies within the General Fund can be earmarked for specific purposes.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies - continued

1.19 Reserves - continued

• Unusable Reserves

The Council operates the following unusable reserves:

- Revaluation reserve - holds unrealised gains arising since 1 April 2007 from holding non-current assets.
- Capital adjustment account - provides a mechanism between the different rates at which assets are depreciated and are financed through the capital controls system.
- Financial instruments adjustment account - provides a mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund.
- Available for sale financial assets - provides a mechanism to recognise the unrealised gains and losses on the revaluation of financial assets (such as investment bonds).
- Pension reserve - represents the net monies which the Council requires to meet its pension liability, as calculated under IAS19, Employee Benefits. The Council operates a pensions reserve fund under the terms of the Local Government Pension Reserve Fund (Scotland) Regulations 2003.
- Employee statutory adjustment account - represents the net monies which the Council requires to meet its short-term compensated absences for employees under IAS19.

1.20 Revenue Expenditure Funded from Capital Under Statute

Expenditure that may be capitalised under statutory provisions that does not result in the creation of assets for the Council has been charged to the 'net cost of services' in the Comprehensive Income and Expenditure Statement.

These costs are a reconciling item in the Movement in Reserves Statement for the General Fund by way of an adjusting transaction with the capital adjustment account.

1.21 Value Added Tax

Value added tax (VAT) is excluded from the financial statements unless it is not recoverable from HM Revenue and Customs.

1.22 Group Account Consolidation

IFRS 10, 'Consolidated Financial Statements', was issued in August 2011 and replaces the guidance on control and consolidation in IAS 27, 'Consolidated and Separate Financial Statements', and in SIC 12, 'Consolidation - Special Purpose Entities', along with other related code changes.

The group has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under IFRS 10 than under IAS 27. No differences were found.

Group accounts have been prepared on the following basis:

- Accounting policies for group members have been aligned where possible.
- The following methods of consolidation have been used:
 - Subsidiaries - line-by-line basis;
 - Associates - equity method.
- Transport for Edinburgh Limited's and CEC Holdings Limited's reporting periods are to 31 December. As this is within three months of the Council's reporting period (to 31 March), no consolidation adjustments have been made.
- Inter-company transactions have been eliminated on consolidation.
- Group members' financial statements have been prepared on an accruals basis, with the exception of the International Conference Centre Income Trust and International Conference Centre Expenditure Trust, which have been prepared on a cash basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Standards that have been Issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/17 Code:

- Amendments to IAS 19 Employee benefits (Defined benefit plans - employee contributions)
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendment to IFRS 11 Joint Arrangements
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- Amendment to IAS 1 Presentation of Financial Statements (Disclosure initiative)
- Changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis
- Changes to the format of the Pension Fund Account and the Net Assets Statement
- Change of accounting policy for the Highways Network Asset

The Code requires implementation from 1 April 2016 and there is therefore no impact on the 2015/16 financial statements.

Overall, the majority of these new or amended standards are not expected to have a significant impact on the financial statements. The adoption of amendments to IAS 1 and changes to the format of the Pension Fund Account and the Net Assets Statement represent a change in accounting policy which may require the restatement of the Balance Sheet at the beginning of the preceding period in the 2016/17 financial statements, if the changes are material. The adoption of changes to the format of the Comprehensive Income and Expenditure Statement, Movement in Reserves and the new Expenditure and Funding Analysis represent a change of accounting policy that will require the publication of a restated Balance Sheet at the beginning of the preceding period in the 2016/17 financial statements.

Change of accounting policy for the Highways Network Asset will see a significant change in balance sheet valuation as at 1 April 2016 but does not require any 2015/16 restatement.

3. Judgements Made in Applying Accounting Policies

In applying the accounting policies set out in Note 1 to the Financial Statements, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The most significant judgements made in these Financial Statements are detailed below:

3.1 Provision of School Buildings

The Council is deemed to control the services provided under the Public Private Partnership agreements (PPP1 and PPP2) and the Design, Build, Finance and Maintain (DBFM) for James Gillespies High School, for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership (PPP1), Axiom Education Limited (PPP2) and Hub South East Scotland (JGHS).

The accounting policies for public private partnerships have been applied to these arrangements and the schools (valued at net book value of £561.529m at 31 March 2016) are recognised as Property, Plant and Equipment on the Council's Balance Sheet.

3.2 Group Membership

The Council has an interest in a number of subsidiary and associate companies and trusts. Full details of these interests are shown in note 7 to the Financial Statements. The most significant of these companies in terms of the size of trading operations and other factors are included in the Group Accounts.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

NOTES TO THE FINANCIAL STATEMENTS

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The following table details uncertainties on assumptions and estimates, and outlines the potential effect if actual results differ from the assumptions made.

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. A reduction in spending on repairs and maintenance would bring into doubt the useful lives assigned to the assets.	If the useful life of assets is reduced, depreciation increases and the carrying value of the assets falls. It is estimated that the annual depreciation charge would increase and the carrying value would fall by £9.347m for each year that useful lives were reduced.
Long-Term Contracts	The Council's approved budget provides for inflationary uplifts on long-term contracts.	If inflation were to increase by 1%, this would result in an additional cost of £0.560m per annum.
Provisions	The Council has made a provision of £0.568m in respect of the remainder of anticipated equal pay settlements. This is based on the number of potential claimants and assumes similar settlement terms to those achieved previously. There is uncertainty surrounding both of these assumptions.	Should the settlement values increase by 10%, this would have the effect of adding £0.057m to the provision required.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured.
Arrears	At 31 March, the Council had a balance of sundry debtors of £32.217m. A review of significant balances suggested that an impairment of doubtful debts of £4.984m (15.5%) was appropriate. In the current economic climate it is not certain that this will be sufficient.	If collection rates were to deteriorate, a 5% increase in the rate of the impairment of doubtful debts would require an additional £1.611m to be set aside as an allowance.
VAT Recovery Status	The Council's accounts are prepared on the assumption that VAT charged on its purchases is fully recoverable and that it will not become partially exempt.	If the Council were to exceed its 5% de minimis level, a minimum repayment of £4.049m would be due to HM Revenue and Customs.

NOTES TO THE FINANCIAL STATEMENTS

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty - continued

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
Council Tax Arrears	The Council makes an assumption on the level of Council Tax that will be collected over a number of years. The Council currently assumes that 96.82% of Council Tax will be collected. An impairment for doubtful debts of £7.956m has been provided for in respect of sums due in the year. In the current economic climate it is not certain that this would be sufficient.	If collection rates were to deteriorate by 1%, the amount to be impaired would require an additional £2.502m to be set aside as an allowance.
House Rent Arrears	At 31 March, the Council had a balance of housing rent arrears of £6.779m. A review of significant balances suggested that an impairment of doubtful debts of £5.399m (79.6%) was appropriate. In the current economic climate it is not certain that this will be sufficient.	There has been a significant increase in arrears and the impairment set aside, which should help protect against additional welfare reforms such as Universal Credit and the reduction in the benefits cap announced in the UK government's budget which will potentially impact on the level of rent arrears.
Council Dwellings - Housing Stock	Council dwellings are valued using the Beacon Method which aggregates the vacant possession values of each unit of housing stock. The beacon discount factor is determined by applying a capitalisation yield to the gross rental income and comparing this to the aggregate value. This methodology takes account of regional variations in capital values, stock condition, rent arrears and voids. The discount factor applied is 48%.	<p>If the discount factor is increased by 1%, this would lead to a corresponding reduction in the total value of council dwellings of £19.372m.</p> <p>If the discount factor is reduced by 1%, this would lead to a corresponding increase in the total value of council dwellings of £19.372m.</p>

This list does not include assets and liabilities that are carried at fair value based on recently observed market prices.

5. Material Items of Income and Expense

The Council used £20.942m of general fund underspends, income surpluses and reserves to fund staff release costs arising during the year. The effect of this is included within the Comprehensive Income and Expenditure Statement.

6. Events After the Balance Sheet Date

A revaluation of the Lauriston Castle collection commenced in January 2016. It is likely there will be a significant increase in the value of these assets when the details of the revaluation become available, however this will not be until October 2016 and as such will only be reflected in the 2016/17 accounts prospectively.

17 schools within the PPP1 contract were closed in April 2016 due to findings of property surveys undertaken as a consequence of a wall collapse at Oxfangs Primary School. The valuation of the affected schools reported within these financial statements does not reflect any impairment in value as a result of the defects identified. Remedial works have been undertaken by Edinburgh Schools Partnership and inspected and certified, with all costs borne by them to bring the properties back into operational use. The impact of the remedial works is deemed to have brought the properties back to an equivalent value to that prior to the identification of the defects.

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates

The Council holds shares in various trading companies, either as a controlling or minority shareholder.

The Council is also represented on the Boards of various companies that are limited by guarantee and have no share capital. It participates in these companies by means of Board membership and the provision of funding and management support.

The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

Subsidiaries:	Shareholding	
• CEC Holdings Limited	100.00%	
• Transport for Edinburgh Limited	100.00%	
Associates:		
• Edinburgh Leisure	33.33%	Board representation
• Festival City Theatres Trust	33.33%	Board representation
• Lothian Valuation Joint Board	61.22%	Funding percentage
• Common Good	100.00%	

Trusts:

- International Conference Centre Income Trust
- International Conference Centre Expenditure Trust

The following companies are not consolidated into the Group Accounts. An assessment has been carried out on these companies, their activities and the level of Council control. These companies are not considered to be a material part of the Group and have therefore been excluded from the Group Accounts:

	Shareholding	
• Capital City Partnership Limited	100.00%	
• CEC Recovery Limited (formerly tie Limited)	100.00%	
• Marketing Edinburgh Limited	100.00%	
• LPFE Limited	100.00%	
Joint Venture	Interest	
• Edinburgh Integration Joint Board	50.00%	Board representation

Unless otherwise stated, the accounts of these bodies may be obtained on application to the Corporate Finance Senior Manager, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG.

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates - continued

7.1 Subsidiary Companies

• Capital City Partnership

The company is a private company limited by guarantee and is a charitable organisation. The Council became the sole member of the company in January 2012.

The principal activities of the company are to promote community regeneration, by bringing together key statutory, voluntary, community and private sector bodies.

The most recent audited results of the company are as follows:	31.03.16	31.03.15
	£000	£000
Net assets	1,149	858
Net (profit) / loss before taxation	180	(41)
Retained profit carried forward	567	243

• CEC Holdings Limited

The principal activities of the company are property development and the operation of an international conference centre. The company is wholly owned by the City of Edinburgh Council.

The most recent audited results of the company are as follows:	31.12.15	31.12.14
	£000	£000
Net assets	16,348	17,920
Net (profit) / loss before taxation	(99)	(415)
Retained loss carried forward	(51,153)	(51,716)

The Council inherited its interest in CEC Holdings Limited following the local government reorganisation in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

• CEC Recovery Limited (*formerly tie Limited*)

The principal activity of the company was previously the promotion, development, procurement, project management and implementation of certain nominated projects. The company did not actively trade in the year to 31 March 2016 and is actively pursuing the transferral of project documentation to Transport Scotland. The company changed its name from tie Limited to CEC Recovery Limited on 13 May 2013.

The City of Edinburgh Council owns 100% (1,000 shares) of the issued share capital through Transport Edinburgh Limited (a dormant company), the immediate parent company of CEC Recovery Limited. The most recent audited results of the company are as follows:

	31.03.16	31.03.15
	£000	£000
Net assets	0	0
Net deficit before taxation	0	0
Retained loss carried forward	(1)	(1)

• LPFE Limited

The company was incorporated on 11 February 2015 and commenced trading on 1 May 2015.

The principal activity of the company is the provision of staff to the City of Edinburgh Council and LPFI Limited in support of the administration of Pension Funds. All pension funds are part of the Local Government Pension Scheme in Scotland.

The first audited results of the company are as follows:	14 months to
	31.03.16
	£000
Net assets	(142)
Net (profit) / loss before taxation	66
Retained loss carried forward	(142)

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates - continued

7.1 Subsidiary Companies - continued

• Marketing Edinburgh Limited

The company is a private company limited by guarantee. The Council is the sole member.

The principal activities of the company are to increase economic activity within the Edinburgh area by promoting it as a destination to live, work, study, etc.

The most recent audited results of the company are as follows:	31.03.16	31.03.15
	£000	£000
Net assets	261	262
Net (profit) / loss before taxation	(2)	41
Retained profit carried forward	261	259

• Transport for Edinburgh Limited

The principal activities of the company are as a holding company for the City of Edinburgh Council's interest in public transport companies; Lothian Buses Limited and Edinburgh Trams Limited. The company is wholly owned by the City of Edinburgh Council.

The Council's major shareholding in Lothian Buses of 5,824,139 (91.01%) £1 ordinary shares (fully paid) was transferred to Transport for Edinburgh Limited in 2014.

The Council inherited its interest in Lothian Buses Limited, following the reorganisation of local government in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

Edinburgh Trams Limited commenced a fare paying revenue service on 31 May 2014.

The most recent audited results of the company are as follows:

	31.12.15	31.12.14
	£000	£000
Transport for Edinburgh Limited (Consolidated Group)		
Net assets	99,395	61,825
Net (profit) / loss before taxation	(8,936)	(9,579)
Retained earnings	18,320	(11,136)
Dividend paid	0	5,000

A copy of the latest accounts can be obtained by writing to the Finance Director, Lothian Buses Limited, Annandale Street, Edinburgh, EH7 4AZ.

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates - continued

7.2 Associates

• Edinburgh Leisure

This is a non-profit-distributing company limited by guarantee and registered as a Charity. Each member has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up.

The principal activity of the company is the provision of recreation and leisure facilities.

The City of Edinburgh Council is represented on the company's Board of Directors and contributes a substantial sum to the company towards the cost of operating sport and leisure facilities.

The City of Edinburgh Council leases its sport and leisure centres to the company.

The most recent audited results of the company are as follows:	31.03.16	31.03.15
	£000	£000
Net assets / (liabilities)	657	(6,440)
Net operating (profit) / loss	1,524	(968)
Earnings / (Losses) carried forward	657	(6,440)

Although Edinburgh Leisure is included in the Group Accounts, as the nature of its activities is a core part of Council policy, the Council has no legal interest in the assets or liabilities of the company.

The group share of the results of Edinburgh Leisure, based on 33.33% (2014/15 33.33%) Board Representation, is as follows:

	31.03.16	31.03.15
	£000	£000
Incoming resources	(9,826)	(10,092)
Net (profit) / loss	(2,365)	868
Net assets / (liabilities)	219	(2,146)
Total usable reserves	219	(2,146)

• Festival City Theatres Trust

This is a non-profit-distributing company limited by guarantee and registered as a Charity.

The City of Edinburgh Council is represented on the trust's board of directors and gives substantial financial assistance. The City of Edinburgh Council leases the King's Theatre and the Festival Theatre to the trust.

The most recent audited results of the company are as follows:	31.03.16	31.03.15
	£000	£000
Net assets	3,734	4,179
Net operational outgoing resources	597	197
Fund balances carried forward	3,734	4,179

Although Festival City Theatres Trust is included in the Group Accounts, due to the nature of its activities being a core part of the Council's policy, the Council has no legal interest in the assets or liabilities of the company.

The group share of the results of the Festival City Theatres Trust, based on 33.33% (2014/15 33.33%) Board representation, is as follows:

	31.03.16	31.03.15
	£000	£000
Incoming resources	(3,653)	(3,645)
Net outgoing resources	148	89
Net assets	1,245	1,393
Total usable reserves	1,245	1,393

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates - continued

7.2 Associates - continued

- **Lothian Valuation Joint Board**

The Lothian Valuation Joint Board provides Valuation Appeals, Lands Valuation, Electoral Registration and Council Tax Valuation Services.

The Board comprises 16 members of whom nine are elected by the City of Edinburgh, three by West Lothian and two each by East and Midlothian Councils.

Costs incurred by the Lothian Valuation Joint Board are apportioned in accordance with the non-domestic rateable subjects and dwellings valued for Council Tax within the areas of each constituent authority.

The group share of the results of the Lothian Valuation Joint Board, based on a 61.22% (2014/15 61.22%) funding percentage is as follows:

	31.03.16	Restated 31.03.15
	£000	£000
Funding - requisitions	(3,746)	(3,742)
Other income	(1,312)	(1,398)
Total income	<u>(5,058)</u>	<u>(5,140)</u>
Deficit for the year	<u>382</u>	<u>200</u>
Net liabilities	<u>(3,066)</u>	<u>(6,576)</u>
Usable reserves		0
Unusable reserves	<u>(3,066)</u>	<u>(6,576)</u>
Total reserves	<u>(3,066)</u>	<u>(6,576)</u>

- **Edinburgh Integration Joint Board**

The Edinburgh Integration Joint Board (EIJB) was established by order of Scottish Ministers on 27 June 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014. The Annual Accounts of EIJB are for the period from 27 June 2015 to 31 March 2016.

The Board comprises 10 voting members, made up of five elected members appointed by the City of Edinburgh Council and five NHS non-executive directors appointed by NHS Lothian, along with a number of non voting members.

The expenditure incurred by the EIJB is covered in full by income received from the partner bodies, NHS Lothian and the City of Edinburgh Council. EIJB will therefore commission services from the parent bodies based on the approved strategic plan.

	10 months to
The first audited results of the company are as follows:	31.03.16
	£000
Gross expenditure	97
Gross income	(97)
Current assets	47
Current liabilities	(47)

NOTES TO THE FINANCIAL STATEMENTS

7. Subsidiaries and Associates - continued

7.3 Audit Opinions noted on the Accounts of the Companies

Unless otherwise indicated, the companies' accounts are audited.

7.4 Shareholder Support to Council Companies

A number of companies within the group are currently dependent on the continued financial support of the Council. The companies are EICC Limited, a subsidiary of CEC Holdings Limited - (the Council owns 100% of the shares in CEC Holdings Limited), Festival City Theatres Trust and Edinburgh Leisure.

7.5 Financial Impact of Consolidation

The effect of inclusion of subsidiaries and associates on the Group Balance Sheet is to increase both reserves and net assets by £148.992m (2014/15 £109.279m re-stated) representing the Council's share of the realisable surpluses or deficits in these companies.

8. Trusts

● International Conference Centre Expenditure Trust

This Trust was set up to hold funds provided by the Council for its development of the Edinburgh International Conference Centre. The balance of unexpended funds held at 31 March 2016 was £4.183m (31 March 2015 £4.153m).

The Expenditure Trust received interest of £0.03m.

£0.479m transferred from the Income Trust noted below was transferred to the Council to defray the development and running costs of the new additional function space. Payments were also made to the EICC Limited for construction services (£0.072m) and for funding support (£0.600m).

● International Conference Centre Income Trust

This Trust was set up to hold funds received from the sale of land at the Edinburgh International Conference Centre site, pending their use for development and other costs of the centre. The balance of unexpended funds held at 31 March 2016 was £2.398m (31 March 2015 £3.551m).

Funds in the Income Trust have reduced by £1.153m during the year, relating to the transfer, noted above, to the International Conference Centre Expenditure Trust and management fees of £0.013m. The Income Trust received interest of £0.011m.

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

NOTES TO THE FINANCIAL STATEMENTS

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2015/16	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
Adjustments primarily involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)			
Charges for depreciation and impairment of non-current assets	154,075	23,285	0
Movements in the market value of investment properties	(1,146)	0	0
Amortisation and impairment of intangible assets	1,289	0	0
Capital grants and contributions applied	(63,094)	(7,439)	0
Capital funded from revenue	(215)	0	0
Revenue expenditure funded from capital under statute	38,846	0	0
Insertion of items not debited or credited to the CIES			
Statutory provision for the financing of capital investment	(70,297)	(27,328)	0
Capital expenditure charged against General Fund and HRA balances	(38,846)	0	0
Adjustments primarily involving the Capital Grant Unapplied Account			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
Adjustments primarily involving the Capital Receipts Reserve			
Net (gain) / loss on sale of property, plant and equipment and assets held for sale	(35,011)	(2,247)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(116,763)
Adjustments primarily involving the Financial Instruments Adjustment Account			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(1,440)	(488)	0
Adjustments primarily involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the CIES	104,720	2,676	0
Employer's pension contributions and direct payments to pensioners payable in the year	(70,594)	(1,693)	0
Adjustments primarily involving the Employee Statutory Adjustment Account			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	(5,798)	(78)	0
Total Adjustments	12,489	(13,312)	(116,763)

NOTES TO THE FINANCIAL STATEMENTS

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2015/16	Usable Reserves		
	Capital Grants Unapplied Account £000	Capital Fund £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)			
Charges for depreciation and impairment of non-current assets	0	0	(177,360)
Movements in the market value of investment properties	0	0	1,146
Amortisation of intangible assets	0	0	(1,289)
Capital grants and contributions applied	1,593	0	68,940
Capital funded from revenue	0	0	215
Revenue expenditure funded from capital under statute	0	0	(38,846)
Insertion of items not debited or credited to the CIES	0	0	
Statutory provision for the financing of capital investment	0	0	97,625
Capital expenditure charged against General Fund and HRA balances	0	0	38,846
Adjustments primarily involving the Capital Grant Unapplied Account			
Application of grants to capital financing transferred to the Capital Adjustment Account	(3,285)	0	3,285
Adjustments primarily involving the Capital Receipts Reserve			
Net gain / (loss) on sale of property, plant and equipment and assets held for sale	0	0	37,258
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	116,763
Adjustments primarily involving the Financial Instruments Adjustment Account			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	1,928
Adjustments primarily involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(107,396)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	72,287
Adjustments primarily involving the Employee Statutory Adjustment Account			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	5,876
Total Adjustments	(1,692)	0	119,278

NOTES TO THE FINANCIAL STATEMENTS

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2014/15 Comparative Data	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
Adjustments primarily involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)			
Charges for depreciation and impairment of non-current assets	133,556	18,266	0
Movements in the market value of investment properties	(13,889)	0	0
Amortisation of intangible assets	710	0	0
Capital grants and contributions applied	(64,652)	(4,747)	0
Capital funded from revenue	(25)	(5,649)	0
Revenue expenditure funded from capital under statute	32,641	0	0
Insertion of items not debited or credited to the CIES			
Statutory provision for the financing of capital investment	(70,285)	(23,123)	0
Capital expenditure charged against General Fund and HRA balances	(32,641)	0	0
Adjustments primarily involving the Capital Grant Unapplied Account			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
Adjustments primarily involving the Capital Receipts Reserve			
Net loss / (gain) on sale of property, plant and equipment and assets held for sale	(5,023)	307	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(21,479)
Adjustments primarily involving the Financial Instruments Adjustment Account			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(1,434)	(460)	0
Adjustments primarily involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the CIES	95,001	1,081	0
Employer's pension contributions and direct payments to pensioners payable in the year	(60,933)	(426)	0
Adjustments primarily involving the Employee Statutory Adjustment Account			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	(5,397)	(222)	0
Total Adjustments	7,629	(14,973)	(21,479)

NOTES TO THE FINANCIAL STATEMENTS

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

	Usable Reserves		
	Capital Grants Unapplied Account £000	Capital Fund £000	Movement in Unusable Reserves £000
2014/15 Comparative Data			
Adjustments primarily involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)			
Charges for depreciation and impairment of non-current assets	0	0	(151,822)
Movements in the market value of investment properties	0	0	13,889
Amortisation of intangible assets	0	0	(710)
Capital grants and contributions applied	3,298	0	66,101
Capital funded from revenue	0	0	5,674
Revenue expenditure funded from capital under statute	0	0	(32,641)
Insertion of items not debited or credited to the CIES			
Statutory provision for the financing of capital investment	0	0	93,408
Capital expenditure charged against General Fund and HRA balances	0	0	32,641
Adjustments primarily involving the Capital Grant Unapplied Account			
Application of grants to capital financing transferred to the Capital Adjustment Account	(943)	0	943
Adjustments primarily involving the Capital Receipts Reserve			
Net (loss) / gain on sale of property, plant and equipment and assets held for sale	0	0	4,716
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	21,479
Adjustments primarily involving the Financial Instruments Adjustment Account			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	1,894
Adjustments primarily involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(96,082)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	61,359
Adjustments primarily involving the Employee Statutory Adjustment Account			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	5,619
Total Adjustments	2,355	0	26,468

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves

10.1 Transfers to and from Usable Reserves

This note sets out the amounts set aside in the Group's and the Council's usable reserves and the amounts posted back from these reserves to meet expenditure during the year. Comparative data is included for 2014/15 which has been restated.

	Balance at 01.04.15 £000	Net Transfers Out 2015/16 £000	Net Transfers In 2015/16 £000	Balance at 31.03.16 £000
Group Reserves				
Subsidiaries				
CEC Holdings Limited				
Revenue reserves	(51,715)	0	562	(51,153)
Capital grants unapplied account	3,213	(484)	0	2,729
Transport for Edinburgh Limited				
Revenue reserves	48,523	0	29,726	78,249
Total Usable Reserves - Subsidiaries	21	(484)	30,288	29,825
Associates and Joint Ventures				
Common Good Fund				
Earmarked revenue reserve	2,836	(538)	0	2,298
Edinburgh Leisure				
Earmarked revenue reserve	576	(402)	0	174
Revenue reserves	(2,722)	0	2,766	44
International Conference Centre Trusts				
Income Trust	3,551	(1,153)	0	2,398
Expenditure Trust	4,153	0	30	4,183
Festival City Theatres Trust				
Earmarked capital reserve	1,457	(255)	0	1,202
Revenue reserves	(64)	0	107	43
Lothian Valuation Joint Board*				
Revenue reserves	364	0	95	459
Total Usable Reserves - Associates and Joint Ventures	10,151	(2,348)	2,998	10,801
Total Usable Reserves - Subsidiaries, Associates and Joint Ventures	10,172	(2,832)	33,286	40,626

* It was agreed in the 2015/16 financial year that a reserve could be set up for Lothian Valuation Joint Board. This reserve has been included in the accounts as if it was in place from the start of the 2015/16 financial year.

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves - continued

10.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.14 £000	Re-stated Net Transfers Out 2014/15 £000	Net Transfers In 2014/15 £000	Balance at 31.03.15 £000
Group Reserves				
Subsidiaries				
CEC Holdings Limited				
Revenue reserves	(54,951)		3,236	(51,715)
Capital grants unapplied account	3,632	(419)	0	3,213
Transport for Edinburgh				
Revenue reserves	61,852	(13,329)	0	48,523
Total Usable Reserves - Subsidiaries	10,533	(13,748)	3,236	21
Associates and Joint Ventures				
Common Good Fund				
Earmarked revenue reserves	1,651	0	1,185	2,836
Edinburgh Leisure				
Earmarked revenue reserve	419	0	157	576
Revenue reserves	(1,697)	(1,025)	0	(2,722)
International Conference Centre Trusts				
Income Trust	4,915	(1,364)	0	3,551
Expenditure Trust	5,890	(3,101)	1,364	4,153
Festival City Theatres Trust				
Earmarked capital reserve	1,606	(149)	0	1,457
Revenue reserves	(125)	0	61	(64)
Lothian Valuation Joint Board				
Revenue reserves	258	0	106	364
Total Usable Reserves - Associates and Joint Ventures	12,917	(5,639)	2,873	10,151
Total Usable Reserves - Subsidiaries, Associates and Joint Ventures	23,450	(19,387)	6,109	10,172

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves - continued

10.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.15 £000	Inter-Fund Transfer 2015/16 £000	Transfers Out 2015/16 £000	Transfers In 2015/16 £000	Balance at 31.03.16 £000
Council's Usable Reserves					
General Fund					
Unallocated General Fund	13,025	0	0	0	13,025
Balances held by schools under Devolved School Management (DSM)	1,054	0	(1,054)	2,804	2,804
Balances set aside for specific inv.	13,889	(3,000)	(2,661)	4,337	12,565
Contingency funding, workforce mgmt.	17,901	0	0	174	18,075
Council Priorities Fund	3,365	0	(3,022)	785	1,128
Dilapidations Fund	8,759	3,000	(402)	737	12,094
Energy Efficiency Fund	799	0	0	47	846
Insurance Funds	12,557	0	(250)	1,232	13,539
Licensing Income	1,402	0	(347)	339	1,394
Recycling balances	1,372	0	0	0	1,372
Revenue grants and contributions received in advance of planned expenditure	14,077	0	(3,912)	5,078	15,243
Council Tax Discount Fund	18,636	0	0	2,960	21,596
Spend to Save Fund and similar projects	7,469	0	(4,729)	4,277	7,017
Other earmarked balances	219	0	0	21	240
Strategic Acquisition Fund	3,000	0	(42)	4,500	7,458
Surplus on Housing Revenue Account transferred to Renewal and Repairs Fund	0	0	(2,256)	2,256	0
Total General Fund	117,524	0	(18,675)	29,547	128,396
Housing Revenue Account Balance	0	0	(2,256)	2,256	0
Renewal and Repairs Fund	35,833	0	0	2,361	38,194
Capital Fund	31,721	0	(18,198)	55,270	68,793
Capital Receipts Reserve	0	0	(116,763)	116,763	0
Capital Grants Unapplied Account	4,349	0	(3,285)	1,593	2,657
Total Usable Reserves - Council	189,427	0	(159,177)	207,790	238,040
Total Usable Reserves - Group	199,599	0	(162,009)	241,076	278,666

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves - continued

10.1 Transfers to and from Usable Reserves - continued

	(re-stated) Balance at 01.04.14 £000	Inter-Fund Transfer 2014/15 £000	Transfers Out 2014/15 £000	Transfers In 2014/15 £000	(re-stated) Balance at 31.03.15 £000
General Fund					
Unallocated General Fund	13,025	0	0	0	13,025
Balances held by schools under DSM	1,273	0	(1,273)	1,054	1,054
Balances set aside for specific inv.	12,028	496	(3,938)	5,303	13,889
Contingency funding, workforce mgmt.	22,832	0	(5,676)	745	17,901
Council Priorities Fund	10,895	0	(8,258)	728	3,365
Dilapidations Fund	8,154	0	(85)	690	8,759
Energy Efficiency Fund	983	0	(275)	91	799
Insurance Funds	11,928	0	(1,550)	2,179	12,557
Licensing Income	1,820	0	(447)	29	1,402
Recycling balances	1,464	0	(92)	0	1,372
Revenue grants and contributions received in advance of planned expend.	16,180	(496)	(6,915)	5,308	14,077
Council Tax Discount Fund	16,335	0	0	2,301	18,636
Spend to Save Fund and similar projects	6,196	0	(2,861)	4,134	7,469
Other earmarked balances	197	0	0	22	219
Strategic Acquisition Fund	0	0	0	3,000	3,000
Surplus on Housing Revenue Account transferred to Renewal and Repairs Fund	0	0	(2,964)	2,964	0
Total General Fund	123,310	0	(34,334)	28,548	117,524
Housing Revenue Account Balance	0	0	(2,964)	2,964	0
Renewal and Repairs Fund	22,504	0	0	13,329	35,833
Capital Fund	22,379	0	(2,048)	11,390	31,721
Capital Receipts Reserve	0	0	21,479	(21,479)	0
Capital Grants Unapplied Account	1,994	0	(943)	3,298	4,349
Total Usable Reserves - Council	170,187	0	(18,810)	38,050	189,427
Total Usable Reserves - Group	193,637	0	(38,197)	44,159	199,599

10.2 Devolved School Management

A net credit balance of £2.804m (2014/15 £1.054m) is held within the General Fund in accordance with the Devolved School Management scheme.

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves - continued

10.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves

2015/16

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(18,675)	(2,256)	0	(116,763)
Transfers in	29,547	2,256	2,361	116,763
Total movements in fund	10,872	0	2,361	0
Recognised in Comprehensive Income and Expenditure Statement	(1,603)	2,256	0	(116,763)
Transfers to other earmarked reserves	12,475	(2,256)	2,361	116,763
Total movements in fund	10,872	0	2,361	0
	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(3,285)	(18,198)	(2,832)	(162,009)
Transfers in	1,593	55,270	33,286	241,076
Total movements in fund	(1,692)	37,072	30,454	79,067
Recognised in Comprehensive Income and Expenditure Statement	(1,692)	0	33,392	(84,410)
Transfers to other earmarked reserves	0	37,072	(2,938)	163,477
Total movements in fund	(1,692)	37,072	30,454	79,067

2014/15 Comparative Data
(re-stated)

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(34,334)	(2,964)	0	21,479
Transfers in	28,548	2,964	13,329	(21,479)
Total movements in fund	(5,786)	0	13,329	0
Recognised in Comprehensive Income and Expenditure Statement	2,625	2,964	0	0
Transfers to other earmarked reserves	(8,411)	(2,964)	13,329	0
Total movements in fund	(5,786)	0	13,329	0

NOTES TO THE FINANCIAL STATEMENTS

10. Usable Reserves - continued

10.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves - continued

2014/15 Comparative Data (re-stated)	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(943)	(2,048)	(19,387)	(38,197)
Transfers in	3,298	11,390	6,109	44,159
Total movements in fund	<u>2,355</u>	<u>9,342</u>	<u>(13,278)</u>	<u>5,962</u>
Recognised in Comprehensive Income and Expenditure Statement	2,355	11,298	(20,954)	(1,712)
Transfers to other earmarked reserves	0	(1,956)	7,676	7,674
Total movements in fund	<u>2,355</u>	<u>9,342</u>	<u>(13,278)</u>	<u>5,962</u>

11. Other Operating Expenditure

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
(Gains) / losses on the disposal of non-current assets	(36,148)	(36,146)	(4,807)	(4,716)
	<u>(36,148)</u>	<u>(36,146)</u>	<u>(4,807)</u>	<u>(4,716)</u>

12. Financing and Investment Income and Expenditure

	2015/16		(re-stated) 2014/15	
	Group £000	Council £000	Group £000	Council £000
Interest payable and similar charges	95,552	95,138	94,064	93,657
Interest cost on defined benefit obligation	105,663	92,013	118,313	103,245
Interest receivable and similar income	(8,082)	(7,972)	(10,609)	(10,441)
Interest income on plan assets	(81,732)	(68,568)	(95,508)	(79,991)
Net income in relation to investment properties and changes in their fair value	(2,512)	(2,512)	(14,208)	(14,208)
Net (surplus) / deficit from trading activities	<u>(2,026)</u>	<u>232</u>	<u>(49)</u>	<u>66</u>
	<u>106,863</u>	<u>108,331</u>	<u>92,003</u>	<u>92,328</u>

13. Taxation and Non-Specific Grant Income

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Council Tax income	(216,351)	(216,351)	(212,976)	(212,976)
Non-domestic rates	(390,862)	(390,862)	(364,108)	(364,108)
Non-ring fenced government grants	(354,576)	(354,576)	(386,311)	(386,311)
Capital grants and contributions	(70,533)	(70,533)	(69,399)	(69,399)
Taxation expenses	<u>2,613</u>	<u>0</u>	<u>1,678</u>	<u>0</u>
	<u>(1,029,709)</u>	<u>(1,032,322)</u>	<u>(1,031,116)</u>	<u>(1,032,794)</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment

14.1 Depreciation

No depreciation is provided in the year of an asset's purchase. Assets in the course of construction are not depreciated until they are brought into use. Where depreciation is provided for, assets are depreciated using the straight line method over the following periods:

Council dwellings	50 years
Buildings	50 years (assets not subject to component accounting)
Buildings - structural	50 years
Buildings - non-traditional roofing	35 years
Buildings - finishes	25 years
Buildings - mechanical and electrical	20 years
Buildings - fittings and furnishings	15 years
PPP Schools	40 years (PPP1 schools) and 35 years (PPP2 schools)
Infrastructure assets	20 years
Vehicles, plant, furniture and equipment	5 years to 30 years, to reflect estimated useful life 3 years to 15 years, Group Companies

14.2 Capital Commitments

At 31 March 2016, the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment. These are budgeted to cost £78.159m. A number of these amounts relate to contract retentions, as projects are now complete. Similar commitments at 31 March 2015 were £64.920m.

	£000	Expected Completion Date
Portobello New High School	11,825	Oct-16
Boroughmuir New High School	19,173	Oct-16
Kirkliston Primary School extension	1,615	Aug-17
Liberton HS New Gym	1,494	Aug-16
Rising school rolls 4 School extensions	3,141	Aug-16
Rising school rolls 3 School extensions retention	80	Aug-16
Free School Meals kitchen retention	2,551	Aug-16
Kitchen and Bathrooms	3,889	1-2 years
Water of Leith Phase 2 (Flood defence works)	13,154	3 years
New Autism Day and Respite Centre retention	70	Apr-15
Royston Care Home	3,978	Sep-16
Calton Hill Restoration project	200	1 year
ICT capital investment / ICT transformational change investment	15,508	1 year
	<u>76,678</u>	

In November 2015, Transport for Edinburgh entered into an agreement to purchase 30 Open Top Tour vehicles and a V6e commentary system for £6,100,000. These are expected to be delivered during mid 2016.

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.3 Movements on Balances - Group Accounts Movements in 2015/16

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
Cost or Valuation				
At 1 April 2015	1,047,151	1,841,517	300,619	1,350,760
Additions	31,257	34,385	20,673	25,324
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(1,931)	(24,783)	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(3,539)	(42,827)	0	0
Derecognition - disposals	(6,870)	(68,381)	(8,421)	0
Derecognition - other	0	0	(455)	0
Assets reclassified (to) / from held for sale	(52)	(20,069)	0	0
Other movements in cost or valuation	0	4,867	0	0
At 31 March 2016	<u>1,066,016</u>	<u>1,724,709</u>	<u>312,416</u>	<u>1,376,084</u>
Accumulated Depreciation and Impairment				
At 1 April 2015	(17,593)	(109,400)	(122,492)	(438,264)
Depreciation charge	(18,457)	(47,356)	(19,965)	(64,900)
Depreciation charge written out to Revaluation Reserve	211	26,224	0	0
Depreciation written out to the Surplus on the Provision of Services	216	11,667	0	0
Derecognition - disposals	228	6,698	7,377	0
Derecognition - other	0	0	455	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	(49)	0
Other movements in cost or valuation	2	659	0	0
At 31 March 2016	<u>(35,393)</u>	<u>(111,508)</u>	<u>(134,674)</u>	<u>(503,164)</u>
Net book value				
At 31 March 2016	<u>1,030,623</u>	<u>1,613,201</u>	<u>177,742</u>	<u>872,920</u>
At 31 March 2015	<u>1,029,558</u>	<u>1,732,117</u>	<u>178,127</u>	<u>912,496</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.3 Movements on Balances - Group Accounts Movements in 2015/16

	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property Plant and Equipment £000
Cost or Valuation				
At 1 April 2015	12,192	12,634	50,330	4,615,203
Additions	1,328	137	44,485	157,589
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	2,553	0	(24,161)
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(556)	(142)	0	(47,064)
Derecognition - disposals	0	(2,917)	0	(86,589)
Derecognition - other	0	0	0	(455)
Assets reclassified (to) / from held for sale	0	(10,105)	0	(30,226)
Other movements in cost or valuation	0	260	(5,127)	0
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u>4,584,297</u>
Accumulated Depreciation and Impairment				
At 1 April 2015	0	(10)	0	(687,759)
Depreciation charge	0	(41)	0	(150,719)
Depreciation charge written out to Revaluation Reserve	0	0	0	26,435
Depreciation written out to the Surplus on the Provision of Services	0	0	0	11,883
Derecognition - disposals	0	16	0	14,319
Derecognition - other	0	0	0	455
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	(49)
Other movements in cost or valuation	0	35	0	696
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>(784,739)</u>
Net book value				
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u>3,799,558</u>
At 31 March 2015	<u>12,192</u>	<u>12,624</u>	<u>50,330</u>	<u>3,927,444</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.4 Movements on Balances - Group Accounts 2014/15 Comparative Data

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
Cost or Valuation				
At 1 April 2014	1,017,560	1,854,171	215,260	1,316,428
Additions	33,769	31,861	29,195	34,332
Revaluation increases / (decreases) recognised in the Revaluation Reserve	3,299	(16,956)	3,725	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	48	(16,657)	0	0
Derecognition - disposals	(7,525)	(5,241)	(2,878)	0
Derecognition - other	0	0	(8,632)	0
Assets reclassified (to) / from held for sale	0	(5,816)	0	0
Other movements in cost or valuation	0	155	63,949	0
At 31 March 2015	1,047,151	1,841,517	300,619	1,350,760
Accumulated Depreciation and Impairment				
At 1 April 2014	(209)	(90,478)	(111,883)	(375,081)
Depreciation charge	(17,746)	(47,658)	(17,731)	(63,183)
Depreciation charge written out to Revaluation Reserve	231	20,671	0	0
Depreciation written out to the Surplus on the Provision of Services	4	5,830	0	0
Derecognition - disposals	127	2,181	2,593	0
Derecognition - other	0	0	5,793	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	(1,264)	0
Other movements in cost or valuation	0	54	0	0
At 31 March 2015	(17,593)	(109,400)	(122,492)	(438,264)
Net book value				
At 31 March 2015	1,029,558	1,732,117	178,127	912,496
At 31 March 2014	1,017,351	1,763,693	103,377	941,347

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.4 Movements on Balances - Group Accounts 2014/15 Comparative Data

	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property Plant and Equipment £000
Cost or Valuation				
At 1 April 2014	11,347	17,243	79,740	4,511,749
Additions	1,164	89	34,694	165,104
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	(894)	0	(10,826)
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(319)	(1,906)	0	(18,834)
Derecognition - disposals	0	(850)	0	(16,494)
Derecognition - other	0	0	0	(8,632)
Assets reclassified (to) / from held for sale	0	(1,048)	0	(6,864)
Other movements in cost or valuation	0	0	(64,104)	0
At 31 March 2015	12,192	12,634	50,330	4,615,203
Accumulated Depreciation and Impairment				
At 1 April 2014	0	(93)	0	(577,744)
Depreciation charge	0	(66)	0	(146,384)
Depreciation charge written out to Revaluation Reserve	0	0	0	20,902
Depreciation written out to the Surplus on the Provision of Services	0	114	0	5,948
Derecognition - disposals	0	0	0	4,901
Derecognition - other	0	0	0	5,793
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	(1,264)
Other movements in cost or valuation	0	35	0	89
At 31 March 2015	0	(10)	0	(687,759)
Net book value				
At 31 March 2015	12,192	12,624	50,330	3,927,444
At 31 March 2014	11,347	17,150	79,740	3,934,005

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.5 Movements on Balances - City of Edinburgh Council Movements in 2015/16

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
Cost or Valuation				
At 1 April 2015	1,047,151	1,783,676	167,200	1,344,090
Additions	31,257	34,385	12,964	25,324
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(1,931)	(30,869)	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(3,539)	(42,827)	0	0
Derecognition - disposals	(6,870)	(65,455)	(193)	0
Derecognition - other	0	0	(455)	0
Assets reclassified (to) / from held for sale	(52)	(20,069)	0	0
Other movements in cost or valuation	0	4,867	0	0
At 31 March 2016	<u>1,066,016</u>	<u>1,663,708</u>	<u>179,516</u>	<u>1,369,414</u>
Accumulated Depreciation and Impairment				
At 1 April 2015	(17,593)	(79,214)	(63,173)	(432,929)
Depreciation charge	(18,457)	(47,091)	(10,788)	(64,611)
Depreciation charge written out to Revaluation Reserve	211	26,847	0	0
Depreciation written out to the Surplus on the Provision of Services	216	11,667	0	0
Derecognition - disposals	228	6,547	0	0
Derecognition - other	0	0	455	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	(49)	0
Other movements in cost or valuation	2	659	0	0
At 31 March 2016	<u>(35,393)</u>	<u>(80,585)</u>	<u>(73,555)</u>	<u>(497,540)</u>
Net book value				
At 31 March 2016	<u>1,030,623</u>	<u>1,583,123</u>	<u>105,961</u>	<u>871,874</u>
At 31 March 2015	<u>1,029,558</u>	<u>1,704,462</u>	<u>104,027</u>	<u>911,161</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.5 Movements on Balances - City of Edinburgh Council Movements in 2015/16

Cost or Valuation	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property Plant and Equipment £000	PPP Assets £000
At 1 April 2015	12,192	12,634	50,330	4,417,273	572,541
Additions	1,328	137	44,485	149,880	9,432
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	2,553	0	(30,247)	3,062
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(556)	(142)	0	(47,064)	(1,254)
Derecognition - disposals	0	(2,917)	0	(75,435)	0
Derecognition - other	0	0	0	(455)	0
Assets reclassified (to) / from held for sale	0	(10,105)	0	(30,226)	0
Other movements in cost or valuation	0	260	(5,127)	0	0
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u>4,383,726</u>	<u>583,781</u>
Accumulated Depreciation and Impairment					
At 1 April 2015	0	(10)	0	(592,919)	(15,231)
Depreciation charge	0	(41)	0	(140,988)	(13,085)
Depreciation charge written out to Revaluation Reserve	0	0	0	27,058	5,498
Depreciation written out to the Surplus on the Provision of Services	0	0	0	11,883	566
Derecognition - disposals	0	16	0	6,791	0
Derecognition - other	0	0	0	455	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	(49)	0
Other movements in cost or valuation	0	35	0	696	0
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>(687,073)</u>	<u>(22,252)</u>
Net book value					
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u>3,696,653</u>	<u>561,529</u>
At 31 March 2015	<u>12,192</u>	<u>12,624</u>	<u>50,330</u>	<u>3,824,354</u>	<u>557,310</u>

The disclosure for PPP assets is for information only. The costs and depreciation are included in 'Other Land and Buildings' and 'Assets Under Construction'.

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.6 Movements on Balances - City of Edinburgh Council 2014/15 Comparative Data

Cost or Valuation	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
At 1 April 2014	1,017,560	1,796,454	94,409	1,309,758
Additions	33,769	31,623	13,955	34,332
Revaluation increases / (decreases) recognised in the Revaluation Reserve	3,299	(16,956)	3,725	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	48	(16,657)	0	0
Derecognition - disposals	(7,525)	(5,127)	(206)	0
Derecognition - other	0	0	(8,632)	0
Assets reclassified (to) / from held for sale	0	(5,816)	0	0
Other movements in cost or valuation	0	155	63,949	0
At 31 March 2015	<u>1,047,151</u>	<u>1,783,676</u>	<u>167,200</u>	<u>1,344,090</u>
Accumulated Depreciation and Impairment				
At 1 April 2014	(209)	(60,650)	(58,654)	(370,035)
Depreciation charge	(17,746)	(47,186)	(9,089)	(62,894)
Depreciation charge written out to Revaluation Reserve	231	20,671	0	0
Depreciation written out to the Surplus on the Provision of Services	4	5,830	0	0
Derecognition - disposals	127	2,067	41	0
Derecognition - other	0	0	5,793	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	(1,264)	0
Other movements in cost or valuation	0	54	0	0
At 31 March 2015	<u>(17,593)</u>	<u>(79,214)</u>	<u>(63,173)</u>	<u>(432,929)</u>
Net book value				
At 31 March 2015	<u>1,029,558</u>	<u>1,704,462</u>	<u>104,027</u>	<u>911,161</u>
At 31 March 2014	<u>1,017,351</u>	<u>1,735,804</u>	<u>35,755</u>	<u>939,723</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.6 Movements on Balances - City of Edinburgh Council 2014/15 Comparative Data

	Community Assets £000	Surplus Assets £000	Total Assets Under Construction £000	Total Property Plant and Equipment £000	PPP Assets £000
Cost or Valuation					
At 1 April 2014	11,347	17,243	79,740	4,326,511	558,965
Additions	1,164	89	34,694	149,626	23,151
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	(894)	0	(10,826)	(9,629)
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(319)	(1,906)	0	(18,834)	0
Derecognition - disposals	0	(850)	0	(13,708)	0
Derecognition - other	0	0	0	(8,632)	0
Assets reclassified (to) / from held for sale	0	(1,048)	0	(6,864)	0
Other movements in cost or valuation	0	0	(64,104)	0	54
At 31 March 2015	12,192	12,634	50,330	4,417,273	572,541
Accumulated Depreciation and Impairment					
At 1 April 2014	0	(93)	0	(489,641)	(12,055)
Depreciation charge	0	(66)	0	(136,981)	(12,887)
Depreciation charge written out to Revaluation Reserve	0	0	0	20,902	9,711
Depreciation written out to the Surplus on the Provision of Services	0	114	0	5,948	0
Derecognition - disposals	0	0	0	2,235	0
Derecognition - other	0	0	0	5,793	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	(1,264)	0
Other movements in cost or valuation	0	35	0	89	0
At 31 March 2015	0	(10)	0	(592,919)	(15,231)
Net book value					
At 31 March 2015	12,192	12,624	50,330	3,824,354	557,310
At 31 March 2014	11,347	17,150	79,740	3,836,870	546,910

The disclosure for PPP assets is for information only. The costs and depreciation are included in 'Other Land and Buildings'.

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.7 Council Dwellings, Other Land and Buildings and Investment Properties

The Council carries out a rolling programme of revaluations that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out under the direction of the Council's Estate Manager (Projects), S. Sladdin RICS, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. Fixtures and fittings are included in the valuation of the buildings where appropriate.

The significant assumptions applied in estimating fair value are:

- Unless otherwise stated, all properties with a greater than de minimis value were assumed to be in a reasonable state of repair and have a life expectancy of more than fifty years. Where the Council has a planned replacement programme asset life is reviewed accordingly.
- The valuations were prepared using information from the Council's internal records, together with the valuation roll produced by Lothian Valuation Joint Board.
- Not all properties were inspected.

The following statement shows the progress of the Council's five-year rolling programme for the revaluation of property, plant and equipment.

Council assets	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
Carried at historical cost	55,506	49,545	110,867	1,369,414
Valued at fair value as at:				
31 March 2016	1,061	308,324	0	0
31 March 2015	1,425	272,141	67,674	0
31 March 2014	1,007,681	435,188	125	0
31 March 2013	343	470,428	850	0
31 March 2012	0	128,082	0	0
Total cost or valuation	1,066,016	1,663,708	179,516	1,369,414

Council assets	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at historical cost	12,964	0	89,688	1,687,984
Valued at fair value as at:				
31 March 2016	0	2,420	0	311,805
31 March 2015	0	0	0	341,240
31 March 2014	0	0	0	1,442,994
31 March 2013	0	0	0	471,621
31 March 2012	0	0	0	128,082
Total cost or valuation	12,964	2,420	89,688	4,383,726

NOTES TO THE FINANCIAL STATEMENTS

14. Property, Plant and Equipment - continued

14.8 Surplus Assets and Investment Properties - Fair Value Disclosure

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair Value as at 31 March 2016
	£000	£000	£000	£000
Surplus assets	0	2,420	0	2,420
Investment properties - advertising hoardings	0	17,250	0	17,250
Total cost or valuation	0	19,670	0	19,670

- There were no transfers between levels during the year.
- The fair value for surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in similar locations. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's surplus assets, the assumption has been made that these would be disposed for highest and best use consideration.
- The fair value for investment properties has been based on the market approach using current rent receivable with a capitalisation rate applied. The rate reflects the return that an investor would expect from the capital employed. There is evidence of lettings from the Council's property information systems which have been used to determine valuation parameters and the level of observable inputs is significant, leading to the investment properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

15. Investment Properties

15.1 Income and Expenses on Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Rental income from investment properties	(1,401)	(1,401)	(387)	(387)
Direct operating expenses arising from investment property	35	35	68	68
	(1,366)	(1,366)	(319)	(319)

There are no restrictions on the Council's ability to realise the value inherent in its investment properties or on the Council's right to the remittance of income and the proceeds of disposal.

NOTES TO THE FINANCIAL STATEMENTS

15. Investment Properties - continued

15.2 Movement in Fair Value

The following table summarises the movement in the fair value of investment properties over the year.

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	16,304	16,104	2,415	2,215
Additions:				
- Subsequent expenditure	0	0	0	0
Disposals	0	0	0	0
Net (loss) / gain from fair value adjustments	1,146	1,146	13,889	13,889
Transfers				
- (to) / from Inventories	0	0	0	0
- (to) / from Property, Plant and Equipment	0	0	0	0
- (to) / from Assets Held for Sale	0	0	0	0
Value at 31 March	<u>17,450</u>	<u>17,250</u>	<u>16,304</u>	<u>16,104</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Intangible Assets

Intangible assets mainly represent purchased software licences.

Software is given a finite useful life based on the period of the licence purchased.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £1.289m in 2015/16 (2014/15 £0.710m) was charged to the following services.

	2015/16 £000	2014/15 £000
Education services	45	56
Cultural and related services	0	0
Social Work	23	12
Services to the Public	1,221	642
Total amortisation	1,289	710

The movement on intangible asset balances during the year is as follows:

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Balance at 1 April				
Gross carrying amount	8,557	8,557	6,185	6,185
Less: Accumulated amortisation	(3,603)	(3,603)	(2,893)	(2,893)
Net carrying amount at 1 April	4,954	4,954	3,292	3,292
Additions during the year				
- Purchased intangible assets	0	0	2,372	2,372
Impairment during the year	0	0	0	0
Amortisation for the period	(1,289)	(1,289)	(710)	(710)
Net carrying amount at 31 March	3,665	3,665	4,954	4,954
Comprising:				
Gross carrying amounts	8,557	8,557	8,557	8,557
Accumulated amortisation	(4,892)	(4,892)	(3,603)	(3,603)
Net carrying amount at 31 March	3,665	3,665	4,954	4,954

The following items of capitalised software are individually material within intangible assets.

	Carrying Amount		Remaining
	2015/16 £000	2014/15 £000	Amortisation Period 31.03.16
Master data management software	666	887	3 years
Web-based solution software, including web forms	715	953	3 years
Integration engine software	608	846	3 years
Customer relationship management solutions	1,266	1,687	3 years
Security management software	213	285	3 years

NOTES TO THE FINANCIAL STATEMENTS

17. Heritage Assets

17.1 Reconciliation of the Carrying Value of Heritage Assets Movements in 2015/16

	Monuments and Statues £000	Civic Regalia and Artefacts £000	Archival Collections £000
Cost or Valuation			
At 1 April 2015	613	2,047	6,797
Additions	40	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reverse	1	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	0	0	0
At 31 March 2016	<u>654</u>	<u>2,047</u>	<u>6,797</u>
Accumulated Impairment			
At 1 April 2015	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>
Net book value			
At 31 March 2016	<u>654</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2015	<u>613</u>	<u>2,047</u>	<u>6,797</u>

	Libraries' Special Collections £000	Museum and Gallery Collections £000	Total Heritage Assets £000
Cost or Valuation			
At 1 April 2015	1,975	19,643	31,075
Additions	0	0	40
Revaluation increases / (decreases) recognised in the Revaluation Reverse	0	0	1
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	0	0	0
At 31 March 2016	<u>1,975</u>	<u>19,643</u>	<u>31,116</u>
Accumulated Impairment			
At 1 April 2015	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>
Net book value			
At 31 March 2016	<u>1,975</u>	<u>19,643</u>	<u>31,116</u>
At 31 March 2015	<u>1,975</u>	<u>19,643</u>	<u>31,075</u>

NOTES TO THE FINANCIAL STATEMENTS

17. Heritage Assets - continued

17.1 Reconciliation of the Carrying Value of Heritage Assets - continued 2014/15 Comparative Data

	Monuments and Statues £000	Civic Regalia and Artefacts £000	Archival Collections £000
Cost or Valuation			
At 1 April 2014	576	2,047	6,797
Additions	44	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	0	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(7)	0	0
At 31 March 2015	613	2,047	6,797
Accumulated Impairment			
At 1 April 2014	0	0	0
At 31 March 2015	0	0	0
Net book value			
At 31 March 2015	613	2,047	6,797
At 31 March 2014	576	2,047	6,797
	Libraries' Special Collections £000	Museum and Gallery Collections £000	Total Heritage Assets £000
Cost or Valuation			
At 1 April 2014	1,675	19,296	30,391
Additions	0	0	44
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	300	347	647
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	0	0	(7)
At 31 March 2015	1,975	19,643	31,075
Accumulated Impairment			
At 1 April 2014	0	0	0
At 31 March 2015	0	0	0
Net book value			
At 31 March 2015	1,975	19,643	31,075
At 31 March 2014	1,675	19,296	30,391

NOTES TO THE FINANCIAL STATEMENTS

17. Heritage Assets - continued

17.2 Details of Heritage Assets

- Monuments and Statues are valued on an historic basis and valuations are carried out under the direction of the Council's Estate Manager (Projects).
- Civic Regalia and artefacts include items such as the Lord Provost's Badge and Chain of Office and the Rosebery Jewel. The value of these assets is based on an insurance purposes valuation carried out in 1998.
- Archival collections include historical records which relate to the history of Edinburgh and its surrounding areas. The value of these assets is based on a current insurance purposes valuation based on restoration costs only. This valuation has not changed since 2008/09.
- Libraries special collections include items such as rare book collections and pictures in Calotype. The value of these assets is based on an insurance purposes valuation carried out in 2007 with a minor proportions valuation being updated in 2014.
- Museums and Gallery collections include various collections held at a number of museums across Edinburgh. They include items held within the Social History, Applied Art, Writers Museum, Childhood, City Art Centre and Picture Loan Scheme. The value of these assets is based on insurance purposes valuations carried out in 2003 along with a minor proportions valuation being updated in 2014. A small minority of the assets are based on insurance purposes valuations carried out in 1996.
- The valuations for heritage assets have all been carried out internally and although they are from earlier periods, they are considered the most appropriate and relevant. Carrying out valuations for the majority of collections held is very costly and time consuming so it is not practicable to obtain recent valuations at a cost which is commensurate with the benefits to users of the financial statements. The carrying amounts of these heritage assets will be reviewed with sufficient regularity in the future to ensure they are brought up to date and remain appropriate.
- It has not been practical or possible to split out all heritage assets belonging to common good, charities or trusts. Therefore, the Council's balance sheet may hold this element of heritage assets that belong to other entities.
- The Council has three private vehicle registration plates which meet the definition of intangible heritage assets. These have not been recognised on the balance sheet due to lack of information on cost or current value. They are limited registration numbers that rarely become available for sale and therefore no relevant or appropriate current value can be placed on these.

18. Financial Instruments

18.1 Categories of Financial Instruments

The following categories of financial instrument are carried on the Council's Balance Sheet

	Long-Term		Current	
	31.03.16	31.03.15	31.03.16	31.03.15
	£000	£000	£000	£000
Investments				
Loans and receivables	0	0	128,378	99,286
Available for sale	0	0	64,311	0
Unquoted equity investment at cost	23,474	23,510	0	0
Total investments	23,474	23,510	192,689	99,286
Debtors				
Loans and receivables	5,538	4,374	29,978	37,522
Total debtors	5,538	4,374	29,978	37,522
Borrowings				
Financial liabilities (principal amount)	(1,299,901)	(1,351,533)	(69,843)	(64,341)
Accrued interest	0	0	(17,513)	(17,856)
Cost of amortisation	(8,988)	(9,074)	35	13
Total borrowings	(1,308,889)	(1,360,607)	(87,321)	(82,184)

The Council's policy of investing in Treasury Bills with the intention of holding to maturity remains unchanged, despite the reclassification of Financial Instruments per Note 18.4.

NOTES TO THE FINANCIAL STATEMENTS

18. Financial Instruments - continued

18.1 Categories of Financial Instruments - continued

	Long-Term	
	31.03.16	31.03.15
	£000	£000
Other Long-Term Liabilities		
PPP and finance lease liabilities	(215,787)	(226,589)
Deferred liability	(350)	(350)
Total other long-term liabilities	<u>(216,137)</u>	<u>(226,939)</u>

Further detail on the finance lease and PPP liabilities can be seen in notes 40 and 41.

	Current	
	31.03.16	31.03.15
	£000	£000
Creditors		
Financial liabilities at amortised cost	(15,277)	(18,597)
PPP and finance leases due within 1 year	<u>(10,813)</u>	<u>(10,736)</u>
Total creditors	<u>(26,090)</u>	<u>(29,333)</u>

Lothian Regional Council entered into an agreement for the disposal of Norton Park Annex to the Tudor Trust. The terms of the disposal included the creation of a Title Company with share capital of 100 ordinary shares, held by the Tudor Trust, and 350,000 £1 preference shares held by City of Edinburgh Council. The preference shares carry rights that, in the event of the company being wound up or the property sold, the Council will receive the first £0.35m of the sale proceeds. This is reflected in the Balance Sheet as 'Other Long-term Liabilities' of £0.35m, as shown above and as a long-term investment.

18.2 Income, Expenses, Gains and Losses

	Financial Liabilities: Measured at Amortised Cost £000	Financial Assets: Loans and Receivables £000	Available for Sale £000	Unquoted Equity at Amortised Cost £000	Total £000
Interest expense	75,596	0	0	0	75,596
Total expense in Surplus on the Provision of Services	75,596	0	0	0	75,596
Interest income	0	(687)	(326)	0	(1,013)
Dividend Income	0	0	0	(4,925)	(4,925)
Total Interest and investment income	0	(687)	(326)	(4,925)	(5,938)
Net gain for the year	<u>75,596</u>	<u>(687)</u>	<u>(326)</u>	<u>(4,925)</u>	<u>69,658</u>

In addition to the above interest expense, £1.849m (2014/15 £1.877m) was charged to the loans pool from the financial instruments adjustment account during the year, but not reflected in the Comprehensive Income and Expenditure Statement. It also excludes £0.305m (2014/15 £0.279m) of loans fund expenses charged to the Council.

NOTES TO THE FINANCIAL STATEMENTS

18. Financial Instruments - continued

18.3 Fair Value of Assets and Liabilities

The Council has adopted IFRS 13 for the calculation of fair values. Financial assets classified as available for sale are carried in the Balance Sheet at fair value. For Treasury Bills and shares in Money Market Funds, the fair value is taken from the market price. Financial assets classified as loans and receivables and all financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2016, using the following methods and assumptions:

- Loans, including PWLB loans, borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans has been increased by the value of the embedded options.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- The fair value of soft loan assets has been calculated using the cash flows implied by the appropriate market interest rate which has been deemed to be the appropriate PWLB rate plus a credit spread of between 2% and 5% depending on the party to whom the advance has been made.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

The fair values are calculated as follows:

		31.03.16		31.03.15	
	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loans Board	2	(1,086,887)	(1,365,967)	(1,128,116)	(1,562,608)
Salix	2	(2,004)	(2,042)	(1,813)	(1,813)
Market debt	2	(289,443)	(497,978)	(293,496)	(508,695)
Temporary borrowing	n/a	(17,877)	(17,877)	(16,469)	(16,469)
Other bodies	n/a	0	0	(2,876)	(2,876)
Other long-term liabilities	n/a	(350)	(350)	(350)	(350)
Trade creditors	n/a	(15,277)	(15,277)	(18,597)	(18,597)
Finance Leases	3	(226,600)	(311,832)	(237,325)	(237,325)
Financial liabilities		<u>(1,638,438)</u>	<u>(2,211,323)</u>	<u>(1,699,042)</u>	<u>(2,348,733)</u>

The fair value is higher than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The relative reduction in fair value of the PWLB loans is due primarily to the requirement of IFRS13 to estimate the fair value of a financial liability using the price that would be paid to transfer it to another participant of equal credit standing rather than the PWLB Repayment Rate that had been used previously.

NOTES TO THE FINANCIAL STATEMENTS

18. Financial Instruments - continued

18.3 Fair Value of Assets and Liabilities - continued

		31.03.16		31.03.15	
	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Investments held at Fair Value					
Treasury Bills	1	38,455	38,455	2,490	2,490
Money Market Funds	1	25,856	25,856	28,287	28,287
		<u>64,311</u>	<u>64,311</u>	<u>30,777</u>	<u>30,777</u>
Investment held at Amortised Cost					
Bank Call Accounts	n/a	41,028	41,028	60,633	60,633
Building Society Deposits	2	0	0	2,491	2,491
Local Authority Loans	2	87,350	87,357	0	0
Certificate of Deposit	2	0	0	2,509	2,509
Other Bodies	n/a	0	0	2,876	2,876
Unquoted Equity investment at cost	n/a	23,474	23,474	23,511	23,511
		<u>151,852</u>	<u>151,859</u>	<u>92,020</u>	<u>92,020</u>
Debtors					
Loan Stock	n/a	4,626	4,626	3,500	3,500
Soft Loans	3	912	912	874	874
Other trade debtors	n/a	29,978	29,978	37,522	37,522
		<u>35,516</u>	<u>35,516</u>	<u>41,896</u>	<u>41,896</u>
Total Investments		<u>251,679</u>	<u>251,686</u>	<u>164,693</u>	<u>164,693</u>

18.4 Available for Sale Financial Assets

As part of the introduction of IFRS13 in the 2015/16 financial year, a review of the classification of Financial Instruments has been undertaken and as a result, investment in Treasury Bills and Money Market Funds have been reclassified as Available for Sale per the table below.

		31.03.16		31.03.15	
	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Investments held at Fair Value					
Treasury Bills	1	38,455	38,455	2,490	2,490
Money Market Funds	1	25,856	25,856	28,287	28,287
		<u>64,311</u>	<u>64,311</u>	<u>30,777</u>	<u>30,777</u>

The unrealised gain on the available for sale financial assets (Treasury Bills) was £1,857, which has been transferred to the Available for Sale Financial Assets Reserve in 2015/16 per Note 26.5.

NOTES TO THE FINANCIAL STATEMENTS

19. Inventories

Movements in 2015/16 and 2014/15

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Fuel Stocks				
Balance at 1 April	500	114	591	165
Purchases	22,162	2,162	26,043	2,771
Recognised as an expense in the year	(22,271)	(2,161)	(26,134)	(2,822)
Balance at 31 March	391	115	500	114
Gift Stock and Community Equipment	£000	£000	£000	£000
Balance at 1 April	1,165	1,165	831	831
Purchases	2,611	2,611	2,906	2,906
Held by a third party	34	34	33	33
Recognised as an expense in the year	(2,387)	(2,387)	(2,605)	(2,605)
Balance at 31 March	1,423	1,423	1,165	1,165
Construction and Other Raw Materials	£000	£000	£000	£000
Balance at 1 April	1,391	1,155	1,424	1,242
Purchases	17,324	3,413	23,433	8,081
Recognised as an expense in the year	(17,542)	(3,733)	(23,466)	(8,168)
Balance at 31 March	1,173	835	1,391	1,155
Items held for sale	£000	£000	£000	£000
Balance at 1 April	91	91	89	89
Purchases	376	376	329	329
Recognised as an expense in the year	(358)	(358)	(326)	(326)
Stock written off	(1)	(1)	(1)	(1)
Balance at 31 March	108	108	91	91
Work in Progress	£000	£000	£000	£000
Balance at 1 April	8,686	0	14,081	6
Purchases	5,662	0	0	0
Recognised as an expense in the year	0	0	(5,395)	(6)
Balance at 31 March	14,348	0	8,686	0
Clothing and Equipment	£000	£000	£000	£000
Balance at 1 April	90	90	79	79
Purchases	240	240	273	273
Recognised as an expense in the year	(235)	(235)	(262)	(262)
Balance at 31 March	95	95	90	90
Catering Stocks	£000	£000	£000	£000
Balance at 1 April	134	134	125	125
Purchases	2,847	2,847	2,630	2,630
Recognised as an expense in the year	(2,858)	(2,858)	(2,621)	(2,621)
Balance at 31 March	123	123	134	134

NOTES TO THE FINANCIAL STATEMENTS

19. Inventories - continued

	2015/16		2014/15	
	Group	Council	Group	Council
	£000	£000	£000	£000
Total				
Balance at 1 April	12,057	2,749	17,220	2,537
Purchases	51,222	11,649	55,614	16,990
Held by a third party	34	34	33	33
Recognised as an expense in the year	(45,651)	(11,732)	(60,809)	(16,810)
Stock written off	(1)	(1)	(1)	(1)
Balance at 31 March	17,661	2,699	12,057	2,749

20. Debtors

20.1 Long-term Debtors

	2015/16		(re-stated) 2014/15	
	Group	Council	Group	Council
	£000	£000	£000	£000
Central government bodies	25,016	25,016	34,865	34,865
Other local authorities	0	0	1,142	1,142
NHS bodies	0	0	97	97
Other entities and individuals	182,042	186,668	192,497	195,997
Total long-term debtors before provision for impairment	207,058	211,684	228,601	232,101
Less: Provision for impairment	(112,410)	(112,410)	(113,562)	(113,562)
Total net long-term debtors	94,648	99,274	115,039	118,539

20.2 Analysis of Long-term Debtors

Long-term debtors comprise the following elements:

	2015/16		(re-stated) 2014/15	
	Group	Council	Group	Council
	£000	£000	£000	£000
Capital advances				
Police Scotland	16,151	16,151	18,262	18,262
Fire Scotland	2,052	2,052	3,192	3,192
Council Tax	90,417	90,417	91,519	91,519
Non-Domestic Rates	1,700	1,700	1,757	1,757
CEC Holdings	0	4,626	0	3,500
NHT Loans (see note 34.3)	47,162	47,162	45,665	45,665
House rents	5,252	5,252	3,793	3,793
Car loan scheme	131	131	146	146
Shared equity scheme (see note 34.2)	485	485	484	484
Scheme of assistance (see note 34.2)	901	901	810	810
Other debtors	42,807	42,807	62,973	62,973
	207,058	211,684	228,601	232,101

Long-term debtors include £16.151m (2014/15 £18.262m) and £2.052m (2014/15 £3.192m) for sums recoverable from Police Scotland and Fire Scotland respectively. These sums relate to monies advanced to the former joint boards for capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS

20. Debtors - continued

20.3 Current Debtors

	2015/16		(re-stated) 2014/15	
	Group £000	Council £000	Group £000	Council £000
Central government bodies	25,971	23,364	30,932	28,645
Other local authorities	1,473	1,078	3,682	2,836
NHS bodies	1,642	1,641	1,645	1,645
Public corporations and trading funds	33	33	86	86
Other entities and individuals	163,144	155,962	137,690	127,634
Total current debtors before provision for impairment	192,263	182,078	174,035	160,846
Less: Provision for impairment	(95,478)	(95,478)	(90,665)	(90,665)
Total net current debtors	96,785	86,600	83,370	70,181

20.4 Provision for Impairment

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Long-term provision for impairment				
Council tax	(87,765)	(87,765)	(87,720)	(87,720)
Non-Domestic rates	(1,357)	(1,357)	(1,362)	(1,362)
Sundry debtors	(23,288)	(23,288)	(24,480)	(24,480)
Total long-term provision for impairment	(112,410)	(112,410)	(113,562)	(113,562)
Current provision for impairment				
Council tax	(84,367)	(84,367)	(80,090)	(80,090)
Non-Domestic rates	(60)	(60)	(190)	(190)
Sundry debtors	(11,051)	(11,051)	(10,385)	(10,385)
Total current provision for impairment	(95,478)	(95,478)	(90,665)	(90,665)

21. Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements. Investments maturing within two months of the balance sheet are deemed to be cash and cash equivalents.

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Cash held	385	385	385	385
Bank current accounts	2,972	(17,749)	(4,167)	(17,723)
Short-term deposits:				
With banks or building societies	41,028	41,028	65,007	65,007
With other local authorities	74,327	74,327	0	0
With money market fund	0	0	29,131	29,131
With treasury bills	0	0	2,565	2,565
Other	0	0	2,583	2,583
	118,712	97,991	95,504	81,948

Treasury bills and money market funds are no longer included in short-term deposits as these are classed as Available for Sale financial assets following reclassification under IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS

22. Assets Held for Sale

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
22.1 Non-Current Assets				
Balance at 1 April	21,179	21,179	17,379	17,379
Additions	174	174	95	95
Revaluation gains/(losses) recognised in the revaluation reserve	893	893	8,200	8,200
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	0	0	(537)	(537)
Assets reclassified as held for sale: Property, Plant and Equipment	29,528	29,528	5,585	5,585
Assets sold	(2,517)	(2,517)	(2,697)	(2,697)
Transfers from non-current to current	(5,511)	(5,511)	(6,846)	(6,846)
Balance at 31 March	<u>43,746</u>	<u>43,746</u>	<u>21,179</u>	<u>21,179</u>

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
22.2 Current Assets				
Balance at 1 April	8,503	8,503	2,889	2,889
Additions	49	49	22	22
Revaluation gains/(losses) recognised in the revaluation reserve	0	0	149	149
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	0	0	0	0
Assets reclassified as held for sale: Property, Plant and Equipment	3	3	1,190	1,190
Assets sold	(13,383)	(13,383)	(2,593)	(2,593)
Transfers from non-current to current	5,511	5,511	6,846	6,846
Balance at 31 March	<u>683</u>	<u>683</u>	<u>8,503</u>	<u>8,503</u>

23. Creditors

	2015/16		re-stated 2014/15	
	Group £000	Council £000	Group £000	Council £000
Central government bodies	(25,979)	(21,823)	(31,804)	(28,514)
Other local authorities	(8,278)	(7,136)	(15,305)	(14,296)
NHS bodies	(639)	(639)	(660)	(660)
Public corporations and trading funds	(11,500)	(11,500)	(2,426)	(2,426)
Other entities and individuals	(128,406)	(106,910)	(129,912)	(105,550)
	<u>(174,802)</u>	<u>(148,008)</u>	<u>(180,107)</u>	<u>(151,446)</u>

NOTES TO THE FINANCIAL STATEMENTS

24. Provisions

Provision has been made within the Group Financial Statements for outstanding payments of £13.004m (2014/15 £19.770m).

Of this amount, £11.532m (2014/15 £17.994m) relates to the Council. These include estimates of settlements on outstanding equal pay, compensation, insurance and other claims, land acquisition costs for the tram project and Council Tax discounts that require to be set aside for housing projects. The precise amount of these payments is unknown, however, provision has been made in the accounts, as summarised below, based on the Council's assessment of the costs.

	Trams £000	Equal Pay Claims £000	Council Tax Discounts £000
Balance at 1 April 2015	(3,629)	(2,644)	(1,512)
Additional provisions made during the year	(726)	0	(204)
Amounts used during the year	1,443	1,450	0
Transferred to debtor impairments	0	0	0
Unused amounts reversed during the year	0	626	0
Balance at 31 March 2016	<u>(2,912)</u>	<u>(568)</u>	<u>(1,716)</u>
	Housing Benefit Subsidy £000	Insurance Claims £000	Other Provisions £000
Balance at 1 April 2015	(170)	(177)	(9,862)
Additional provisions made during the year	0	(501)	(1,833)
Amounts used during the year	0	207	5,480
Transferred to debtor impairments	0	0	0
Unused amounts reversed during the year	0	0	520
Balance at 31 March 2016	<u>(170)</u>	<u>(471)</u>	<u>(5,695)</u>
	Total Council Provisions £000	Group Provisions £000	Total Provisions £000
Balance at 1 April 2015	(17,994)	(1,776)	(19,770)
Additional provisions made during the year	(3,264)	(746)	(4,010)
Amounts used during the year	8,580	1,050	9,630
Transferred from other long-term liabilities	0	0	0
Unused amounts reversed during the year	1,146	0	1,146
Balance at 31 March 2016	<u>(11,532)</u>	<u>(1,472)</u>	<u>(13,004)</u>

NOTES TO THE FINANCIAL STATEMENTS

25. Usable Reserves

Movements in the Group and the Council's usable reserves are detailed in the Movement in Reserves Statement (on pages 15 to 17) and Note 10.

26. Unusable Reserves

26.1 Summary of Unusable Reserves

	Re-stated Balance as at:	
	31 March 2016 £000	31 March 2015 £000
Revaluation Reserve	856,303	905,886
Capital Adjustment Account	1,376,328	1,340,067
Financial Instruments Adjustment Account	(47,214)	(49,159)
Available for Sale Financial Assets Reserve	2	0
Pensions Reserve	(438,940)	(726,969)
Employee Statutory Adjustment Account	(14,862)	(20,738)
Total Council Unusable Reserves	1,731,617	1,449,087
Subsidiaries, Associates and Joint Ventures	108,366	99,107
Total Group Unusable Reserves	<u>1,839,983</u>	<u>1,548,194</u>

26.2 Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

	2015/16 £000	re-stated 2014/15 £000
Balance at 1 April	n/a	918,790
Prior year re-statement		
Long-term debtor related to construction of asset	n/a	(5,712)
Balance at 1 April	<u>905,886</u>	<u>913,078</u>
Upward revaluation of assets	49,068	49,478
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(51,362)	(30,408)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Service	(2,294)	19,070
Difference between fair value depreciation and historical cost depreciation	(18,860)	(19,321)
Accumulated gains on assets sold	<u>(28,429)</u>	<u>(6,941)</u>
Amount written off to the capital adjustment account	(47,289)	(26,262)
Balance at 31 March	<u>856,303</u>	<u>905,886</u>

NOTES TO THE FINANCIAL STATEMENTS

26. Unusable Reserves - continued

26.3 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council to finance the costs for acquisition, construction and enhancement of non-current assets. The account also holds accumulated gains and losses on investment properties and evaluation gains accumulated on property, plant and equipment prior to 1 April 2007.

Note 9 provides details of the source of the transactions posted to this account, except those involving the revaluation reserve.

	2015/16 £000	re-stated 2014/15 £000
Balance at 1 April	n/a	1,306,580
Prior year re-statement		
Scheme of assistance / shared equity scheme	n/a	1,246
Creditor related to construction of asset	n/a	(203)
Balance at 1 April	1,340,067	1,307,623
<u>Reversal of items relating to capital expenditure debited or credited to the CIES</u>		
Charges for depreciation and impairment of non-current assets	(138,284)	(135,488)
Revaluation losses on property, plant and equipment heritage assets and assets held for sale	(36,323)	(13,577)
Amortisation of intangible assets	(1,289)	(710)
Capital funded from revenue	215	5,674
Revenue exp. funded from capital under statute	(38,846)	(32,641)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	(36,146)	4,716
	(250,673)	(172,026)
Adjusting amounts written out of the revaluation reserve	47,289	26,262
Net written out amount of the costs of non-current assets consumed in the year	(203,384)	(145,764)
<u>Capital financing applied in the year:</u>		
Use of the capital receipts reserve to finance new capital expenditure	120,690	21,479
Capital grants and contributions credited to the CIES that have been applied to capital financing	68,940	66,101
Application of grants from the capital grants unapplied account / capital fund	3,285	943
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	101,473	90,653
Capital expenditure charged against the General Fund and HRA balances	38,846	32,641
	333,234	211,817
Movements in the market value of investment properties credited to the CIES	1,146	13,889
Other unrealised losses debited to the CIES	(94,735)	(47,498)
Balance at 31 March	1,376,328	1,340,067

NOTES TO THE FINANCIAL STATEMENTS

26. Unusable Reserves - continued

26.4 Financial Instruments Adjustment Account

The financial instruments adjustment account provides a balancing mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund and Housing Revenue Account. This account also holds the equivalent interest rate adjustment on lender option / borrower option loans.

	2015/16 £000	2014/15 £000
Balance at 1 April	(49,159)	(51,049)
Proportion of premiums incurred in previous financial years to be charged against the General Fund and HRA balances in accordance with statutory requirements	1,849	1,877
Proportion of equivalent interest rate calculation on lender option / borrower option loans (LOBOs)	79	18
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	1,928	1,895
Difference between actual interest paid and interest rate assumed in equivalent interest rate calculation on transition	17	(5)
Balance at 31 March	<u>(47,214)</u>	<u>(49,159)</u>

The Council operates a loans pool on behalf of the General Fund and Housing Revenue Account. With the transfer of responsibility for Police and Fire services to the new national bodies, all movements are now reflected on the Council's Balance Sheet. An element of the cost, however, is recovered through the pooled interest rate and therefore there is no financial impact on the Council.

26.5 Available for Sale Financial Assets Reserve

The available for sale financial assets reserve provides a balancing mechanism for gains and losses arising on movements in fair value of financial assets (such as Treasury Bills and Money Market Funds).

	2015/16 £000	2014/15 £000
Balance at 1 April	0	0
Unrealised gains / (losses) on revaluation of assets	2	0
Balance at 31 March	<u>2</u>	<u>0</u>

26.6 Pensions Reserve

The pensions reserve provides a balancing mechanism arising from the different arrangements for accounting for post employment benefits (pension costs) and for funding pensions in accordance with statutory provisions. The Council accounts for pensions in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements, however, require benefits to be financed as the Council makes its contributions to Lothian Pension Fund or pays any pensions for which it is directly responsible.

NOTES TO THE FINANCIAL STATEMENTS

26. Unusable Reserves - continued

26.6 Pensions Reserve - continued

The debit balance on the pension reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources that the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits require to be paid.

	2015/16 £000	2014/15 £000
Balance at 1 April	(726,969)	(535,498)
Actuarial gains or losses on pension assets and liabilities	323,138	(156,748)
Reversal of items relating to retirement benefits debited or credited to the Surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement	(107,396)	(96,082)
Employer's pension contributions and direct payments to pensioners payable in the year	72,287	61,359
	<hr/>	<hr/>
Balance at 31 March	<u>(438,940)</u>	<u>(726,969)</u>

26.7 Employee Statutory Adjustment Account

The employee statutory adjustment account provides a balancing mechanism arising from the different arrangements that would otherwise impact on the General Fund and HRA balances from accruing for compensated absences earned but not taken in the year (annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund and HRA balances is mitigated by transfers to or from this account.

The amount accrued at the end of the 2015/16 is £5.875m lower than the previous year. This is mainly attributable to the timing of the Easter break and resulting impact on teachers' accrued leave and policy changes to the amount of unused leave that can be carried forward from year to year.

	2015/16 £000	2014/15 £000
Balance at 1 April	(20,738)	(26,357)
Settlement or cancellation of accrual made at the end of the preceding year	20,738	26,357
Amount accrued at the end of the current year	<u>(14,862)</u>	<u>(20,738)</u>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5,876	5,619
	<hr/>	<hr/>
Balance at 31 March	<u>(14,862)</u>	<u>(20,738)</u>

NOTES TO THE FINANCIAL STATEMENTS

26. Unusable Reserves - continued

26.8 Unusable Reserves - Group Members

	Balance as at:	
	31 March 2016 £000	31 March 2015 £000
Subsidiaries		
CEC Holdings Limited		
Capital adjustment account	64,466	64,465
Capital contribution	10,131	12,267
Transport for Edinburgh		
Revaluation reserve	11,309	6,337
Non Controlling Interest	8,527	5,598
Other Unusable Reserves	(4,514)	(4,457)
Total Unusable Reserves - Subsidiaries	89,919	84,210
Associates and Joint Ventures		
Common Good		
Capital adjustment account	(22)	(22)
Revaluation reserve	21,994	21,860
Lothian Valuation Joint Board		
Capital adjustment account	352	385
Employee statutory adjustment account	(57)	(59)
Pension reserve	(3,820)	(7,267)
Total Unusable Reserves - Associates and Joint Ventures	18,447	14,897
Total Usable Reserves - Subsidiaries, Associates and Joint Ventures	108,366	99,107

27. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Interest received	(2,136)	(1,924)	(7,978)	(7,748)
Interest paid	97,540	97,072	95,936	95,470
Investment income received	(4,925)	(4,925)	(3,000)	(3,000)
Net cash flows from interest and investment income	<u>90,479</u>	<u>90,223</u>	<u>84,958</u>	<u>84,722</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Cash Flow Statement - Investing Activities

	2015/16		(re-stated) 2014/15	
	Group £000	Council £000	Group £000	Council £000
Purchase of property, plant and equipment, investment property and intangible assets	142,105	134,408	157,496	142,282
Other payments for investing activities	44,348	43,854	60,064	51,133
Proceeds from the sale of property, plant and equip., inv. property and intangible assets	(121,627)	(118,175)	(16,766)	(16,499)
Net proceeds from short- and long-term investments	77,377	77,423	(4,410)	(4,410)
Other receipts from investing activities	(11,395)	(11,395)	(13,282)	(13,282)
Net cash flows from investing activities	<u>130,808</u>	<u>126,115</u>	<u>183,102</u>	<u>159,224</u>

29. Cash Flow Statement - Financing Activities

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Cash receipts of short- and long-term borrowing	(2,548)	(1,757)	(48,189)	(47,342)
Other payments for / (receipts) from financing activities	(7,797)	(7,797)	1,263	1,263
Cash payments for the reduction of the outstanding liabilities relating to finance leases	16,113	10,725	12,317	9,695
Repayments of short- and long-term borrowing	<u>45,010</u>	<u>45,010</u>	<u>30,454</u>	<u>30,454</u>
Net cash flows from investing activities	<u>50,778</u>	<u>46,181</u>	<u>(4,155)</u>	<u>(5,930)</u>

30. Analysis of Change in Financing Activities

	Balance 01.04.15 £000	Cash Trans. £000	Non Cash Trans. £000	Balance 31.03.16 £000
Group				
Debt due within 1 Year	(77,787)	(9,868)	334	(87,321)
Debt due after 1 Year	<u>(1,351,473)</u>	<u>53,129</u>	<u>96</u>	<u>(1,298,248)</u>
Total debt due	(1,429,260)	43,261	430	(1,385,569)
Other liquid resources	92,700	(5,670)	(576)	86,454
Finance leases	<u>(240,460)</u>	<u>13,187</u>	<u>0</u>	<u>(227,273)</u>
Total	<u>(1,577,020)</u>	<u>50,778</u>	<u>(146)</u>	<u>(1,526,388)</u>
Council				
Debt due within 1 Year	(79,287)	(8,368)	334	(87,321)
Debt due after 1 Year	<u>(1,360,607)</u>	<u>51,622</u>	<u>96</u>	<u>(1,308,889)</u>
Total debt due	(1,439,894)	43,254	430	(1,396,210)
Other liquid resources	101,351	(7,797)	1,126	94,680
Finance leases	<u>(237,324)</u>	<u>10,724</u>	<u>0</u>	<u>(226,600)</u>
Total	<u>(1,575,867)</u>	<u>46,181</u>	<u>1,556</u>	<u>(1,528,130)</u>

NOTES TO THE FINANCIAL STATEMENTS

31. Reconciliation of Movements in Cash Receipts and Repayments of Short- and Long-Term Borrowing

	Balance 01.04.15 £000	Cash Trans. £000	Non Cash Trans. £000	Balance 31.03.16 £000
Group				
Financing				
Temporary loans	(16,469)	(1,405)	(3)	(17,877)
PWLB	(1,128,116)	40,841	388	(1,086,887)
Market loans	(293,496)	4,000	53	(289,443)
Other Borrowing	8,821	(175)	(8)	8,638
Net financing	(1,429,260)	43,261	430	(1,385,569)
Council	£000	£000	£000	£000
Financing				
Temporary loans	(16,469)	(1,405)	(3)	(17,877)
PWLB	(1,128,116)	40,841	388	(1,086,887)
Market loans	(293,496)	4,000	53	(289,443)
Other Borrowing	(1,813)	(182)	(8)	(2,003)
Net financing	(1,439,894)	43,254	430	(1,396,210)

Accrued interest is included in the carrying value of investments and loans.

32. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service shown in the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocations are taken by the Council on the basis of budget reports analysed across departments. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made to departments in relation to capital expenditure, whereas depreciation, revaluation and impairment losses in excess of balances on the revaluation reserves are charged to services in the Comprehensive Income and Expenditure Statement.
- the cost of retirement benefits is based on the payment of employer's contributions to Lothian Pension Fund rather than the current service cost of benefits earned during the year.
- expenditure on support services is budgeted for within the relevant departments that provide the support services and not charged directly to services receiving the support services.

The income and expenditure for the Council's main service areas is shown separately on the following pages. Income and expenditure for the subsidiary, associate and joint venture companies is shown in total.

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.1 Departmental Income and Expenditure

2015/16	Children and Families £000	Economic Devt. £000	Corporate Governance £000
Fees, charges and other service income	(7,912)	(692)	(20,518)
Government grants and other contributions	(14,921)	(5,257)	(15,837)
Total Income	(22,833)	(5,949)	(36,355)
Employee expenses	263,163	4,296	42,031
Other service expenses	158,673	13,515	74,134
Total Expenditure	421,836	17,811	116,165
Net Expenditure / (Income)	399,003	11,862	79,810

	Health and Social Care £000	Housing Revenue Account £000	Valuation Joint Boards £000	Services for Communities £000
Fees, charges and other service income	(20,190)	(107,172)	0	(207,872)
Government grants and other contributions	(57,345)	(2,901)	0	(41,182)
Total Income	(77,535)	(110,073)	0	(249,054)
Employee expenses	104,128	13,754	0	127,570
Other service expenses	180,888	85,365	3,744	255,035
Support service recharges	0	8,698	0	825
Total Expenditure	285,016	107,817	3,744	383,430
Net Expenditure / (Income)	207,481	(2,256)	3,744	134,376

	Net Cost of Benefits £000	Centrally Funded Release Costs £000	Other Group Members £000	Total £000
Fees, charges and other service income	0	0	(131,087)	(495,443)
Net income from associates	0	0	(18,712)	(18,712)
Government grants and other contributions	(201,072)	0	(27,159)	(365,674)
Total Income	(201,072)	0	(176,958)	(879,829)
Employee expenses	0	20,942	89,684	665,568
Other service expenses	225,171	0	72,742	1,069,267
Support service recharges	0	0	0	9,523
Depreciation, amortisation and impairment	0	0	9,717	9,717
Total Expenditure	225,171	20,942	172,143	1,754,075
Net Expenditure / (Income)	24,099	20,942	(4,815)	874,246

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.1 Departmental Income and Expenditure - continued

(re-stated) 2014/15 Comparative Data	Children and Families £000	Economic Devt. £000	Corporate Governance £000
Fees, charges and other service income	(8,692)	(719)	(23,424)
Government grants and other contributions	(15,183)	(4,417)	(16,401)
Total Income	(23,875)	(5,136)	(39,825)
Employee expenses	260,755	4,516	44,158
Other service expenses	154,513	13,073	76,745
Total Expenditure	415,268	17,589	120,903
Net Expenditure / (Income)	391,393	12,453	81,078

	Health and Social Care £000	Housing Revenue Account £000	Joint Boards £000	Services for Communities £000
Fees, charges and other service income	(20,736)	(105,025)	0	(213,368)
Government grants and other contributions	(54,302)	(1,586)	0	(34,984)
Total Income	(75,038)	(106,611)	0	(248,352)
Employee expenses	103,675	10,968	0	126,824
Other service expenses	181,600	85,470	3,745	258,064
Support service recharges	0	7,209	0	780
Total Expenditure	285,275	103,647	3,745	385,668
Net Expenditure / (Income)	210,237	(2,964)	3,745	137,316

	Net Cost of Benefits £000	Equal Pay £000	Other Group Members £000	Total £000
Fees, charges and other service income	0	0	(132,710)	(504,674)
Net income from associates	0	0	(21,412)	(21,412)
Government grants and other contributions	(202,248)	0	(26,851)	(355,972)
Total Income	(202,248)	0	(180,973)	(882,058)
Employee expenses	0	(707)	83,591	633,780
Other service expenses	229,642	0	80,522	1,083,374
Support service recharges	0	0	0	7,989
Depreciation, amortisation and impairment	0	0	9,140	9,140
Total Expenditure	229,642	(707)	173,253	1,734,283
Net Expenditure / (Income)	27,394	(707)	(7,720)	852,225

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.2 Reconciliation of Departmental Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statements for the Group and the Council

	2015/16		(re-stated) 2014/15	
	Group £000	Council £000	Group £000	Council £000
Net expenditure in departmental analysis	874,246	879,061	852,225	859,945
Net expenditure of services and support services not included in the dept. analysis	(8,702)	(8,702)	33,053	33,053
Amounts in the Comprehensive Income and Expenditure Statement (CIES) not reported to management in departmental analysis	160,821	160,821	100,676	100,676
Amounts included in departmental analysis not included in CIES	(72,287)	(72,287)	(61,359)	(61,359)
Amounts included in the departmental analysis included below Cost of Services in the CIES	(232)	(232)	(66)	(66)
Cost of Services in CIES	<u>953,846</u>	<u>958,661</u>	<u>924,529</u>	<u>932,249</u>

32.3 Reconciliation to Subjective Analysis

Group 2015/16	Dept. Analysis £000	Services not in Analysis £000	Not Reported to Mgmt. £000
Fees, charges and other service income	(495,443)	7,939	1,561
Net income from associates and joint ventures	(18,712)	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	<u>(365,674)</u>	<u>6,627</u>	<u>0</u>
Total Income	<u>(879,829)</u>	<u>14,566</u>	<u>1,561</u>
Employee expenses	665,568	87,008	(17,828)
Other service expenses	1,069,267	(110,276)	(1,561)
Support service recharges	9,523	0	0
Depreciation, amortisation and impairment	<u>9,717</u>	<u>0</u>	<u>178,649</u>
Total Expenditure	<u>1,754,075</u>	<u>(23,268)</u>	<u>159,260</u>
Net Expenditure / (Income)	<u>874,246</u>	<u>(8,702)</u>	<u>160,821</u>

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

Group 2015/16	Not Included in CIES £000	Reported Below Cost of Services £000	Allocation of Recharges £000
Fees, charges and other service income	0	980	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	0	0	0
Total Income	0	980	0
Employee expenses	(72,287)	(587)	4,588
Other service expenses	0	(625)	4,935
Support service recharges	0	0	(9,523)
Depreciation, amortisation and impairment	0	0	0
Total Expenditure	(72,287)	(1,212)	0
Net Expenditure / (Income)	(72,287)	(232)	0

Group 2015/16	Cost of Services £000	Corporate Amounts £000	Total £000
Fees, charges and other service income	(484,963)	(3,527)	(488,490)
Net income from associates and joint ventures	(18,712)	0	(18,712)
Interest and investment income	0	(89,814)	(89,814)
Income from Council Tax	0	(216,351)	(216,351)
Government grants and other contributions	(359,047)	(815,971)	(1,175,018)
Total Income	(862,722)	(1,125,663)	(1,988,385)
Employee expenses	666,462	587	667,049
Other service expenses	961,740	1,015	962,755
Support service recharges	0	0	0
Depreciation, amortisation and impairment	188,366	0	188,366
Interest payments	0	201,215	201,215
Gain on disposal of assets	0	(36,148)	(36,148)
Total Expenditure	1,816,568	166,669	1,983,237
Net Expenditure / (Income)	953,846	(958,994)	(5,148)

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

Council 2015/16	Dept. Analysis £000	Services not in Analysis £000	Not Reported to Mgmt. £000
Fees, charges and other service income	(364,356)	7,939	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	(338,515)	6,627	0
Total Income	(702,871)	14,566	0
Employee expenses	575,884	87,008	(17,828)
Other service expenses	996,525	(110,276)	0
Support service recharges	9,523	0	0
Depreciation, amortisation and impairment	0	0	178,649
Total Expenditure	1,581,932	(23,268)	160,821
Net Expenditure / (Income)	879,061	(8,702)	160,821

Council 2015/16	Not Included in CIES £000	Reported Below Cost of Services £000	Allocation of Recharges £000
Fees, charges and other service income	0	980	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	0	0	0
Total Income	0	980	0
Employee expenses	(72,287)	(587)	4,588
Other service expenses	0	(625)	4,935
Support service recharges	0	0	(9,523)
Depreciation, amortisation and impairment	0	0	0
Total Expenditure	(72,287)	(1,212)	0
Net Expenditure / (Income)	(72,287)	(232)	0

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

Council 2015/16	Cost of Services £000	Corporate Amounts £000	Total £000
Fees, charges and other service income	(355,437)	(3,527)	(358,964)
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	(76,540)	(76,540)
Income from Council Tax	0	(216,351)	(216,351)
Government grants and other contributions	(331,888)	(815,971)	(1,147,859)
Total Income	(687,325)	(1,112,389)	(1,799,714)
Employee expenses	576,778	587	577,365
Other service expenses	890,559	660	891,219
Support service recharges	0	0	0
Depreciation, amortisation and impairment	178,649	0	178,649
Interest payments	0	187,151	187,151
Gain on disposal of assets	0	(36,146)	(36,146)
Total Expenditure	1,645,986	152,252	1,798,238
Net Expenditure / (Income)	958,661	(960,137)	(1,476)

(re-stated) Group 2014/15 Comparative Data	Dept. Analysis £000	Services not in Analysis £000	Not Reported to Mgmt. £000
Fees, charges and other service income	(504,674)	11,619	2,391
Net income from associates and joint ventures	(21,412)	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	(355,972)	9,490	0
Total Income	(882,058)	21,109	2,391
Employee expenses	633,780	116,082	(51,856)
Other service expenses	1,083,374	(104,138)	(2,391)
Support service recharges	7,989	0	0
Depreciation, amortisation and impairment	9,140	0	152,532
Total Expenditure	1,734,283	11,944	98,285
Net Expenditure / (Income)	852,225	33,053	100,676

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

(re-stated) Group 2014/15 Comparative Data	Not Included in CIES £000	Reported Below Cost of Services £000	Allocation of Recharges £000
Fees, charges and other service income	0	1,297	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	0	0	0
Total Income	0	1,297	0
Employee expenses	(61,359)	(701)	3,352
Other service expenses	0	(662)	4,637
Support service recharges	0	0	(7,989)
Depreciation, amortisation and impairment	0	0	0
Total Expenditure	(61,359)	(1,363)	0
Net Expenditure / (Income)	(61,359)	(66)	0

Group 2014/15 Comparative Data	Cost of Services £000	Corporate Amounts £000	Total £000
Fees, charges and other service income	(489,367)	(15,505)	(504,872)
Net income from associates and joint ventures	(21,412)	0	(21,412)
Interest and investment income	0	(106,117)	(106,117)
Income from Council Tax	0	(212,976)	(212,976)
Government grants and other contributions	(346,482)	(819,818)	(1,166,300)
Total Income	(857,261)	(1,154,416)	(2,011,677)
Employee expenses	639,298	701	639,999
Other service expenses	980,820	2,225	983,045
Support service recharges	0	0	0
Depreciation, amortisation and impairment	161,672	0	161,672
Interest payments	0	212,377	212,377
Gain on disposal of assets	0	(4,807)	(4,807)
Total Expenditure	1,781,790	210,496	1,992,286
Net Expenditure / (Income)	924,529	(943,920)	(19,391)

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

(re-stated) Council 2014/15 Comparative Data	Dept. Analysis £000	Services not in Analysis £000	Not Reported to Mgmt. £000
Fees, charges and other service income	(371,964)	11,619	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	(329,121)	9,490	0
Total Income	(701,085)	21,109	0
Employee expenses	550,189	116,082	(51,856)
Other service expenses	1,002,852	(104,138)	0
Support service recharges	7,989	0	0
Depreciation, amortisation and impairment	0	0	152,532
Total Expenditure	1,561,030	11,944	100,676
Net Expenditure / (Income)	859,945	33,053	100,676
Council 2014/15 Comparative Data	Not Included in CIES £000	Reported Below Cost of Services £000	Allocation of Recharges £000
Fees, charges and other service income	0	1,297	0
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	0	0
Income from Council Tax	0	0	0
Government grants and other contributions	0	0	0
Total Income	0	1,297	0
Employee expenses	(61,359)	(701)	3,352
Other service expenses	0	(662)	4,637
Support service recharges	0	0	(7,989)
Depreciation, amortisation and impairment	0	0	0
Total Expenditure	(61,359)	(1,363)	0
Net Expenditure / (Income)	(61,359)	(66)	0

NOTES TO THE FINANCIAL STATEMENTS

32. Amounts Reported for Resource Allocation Decisions - continued

32.3 Reconciliation to Subjective Analysis - continued

(re-stated)

Council

2014/15 Comparative Data

	Cost of Services £000	Corporate Amounts £000	Total £000
Fees, charges and other service income	(359,048)	(15,573)	(374,621)
Net income from associates and joint ventures	0	0	0
Interest and investment income	0	(90,432)	(90,432)
Income from Council Tax	0	(212,976)	(212,976)
Government grants and other contributions	(319,631)	(819,818)	(1,139,449)
Total Income	(678,679)	(1,138,799)	(1,817,478)
Employee expenses	555,707	701	556,408
Other service expenses	902,689	730	903,419
Support service recharges	0	0	0
Depreciation, amortisation and impairment	152,532	0	152,532
Interest payments	0	196,902	196,902
Gain on disposal of assets	0	(4,716)	(4,716)
Total Expenditure	1,610,928	193,617	1,804,545
Net Expenditure / (Income)	932,249	(945,182)	(12,933)

33. Trading Operations

The following services continue to meet the definition of significant trading operations under the terms of the Local Government in Scotland Act 2003, as amended.

33.1 Edinburgh Catering Services - Other Catering

Edinburgh Catering Services - Other Catering is a quality accredited trading operation providing a catering service to staff and the public across seven Council buildings which includes civic hospitality in Waverley Court and the City Chambers.

Civic hospitality which includes external customers accounts for approximately 45% of the business turnover within this contract.

	2015/16 £000	2014/15 £000	2013/14 £000	Cumulative £000
Turnover	980	1,297	1,355	n/a
(Deficit) / Surplus	(232)	(66)	(45)	(343)

Edinburgh Catering Services - Other Catering failed to achieved its statutory obligation to break even over the three-year period, due to a downturn in turnover on internal hospitality, an increase in other staffing and equipment costs. Reductions in vending equipment are planned to ensure cost reduction going forward, along with a new pricing policy aimed at increasing income from staff facilities and internal hospitality.

The results of Edinburgh Catering Services - Other Catering are included within 'Financing and Investment Income and Expenditure' in the Comprehensive Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS

33. Trading Operations - continued

33.2 Refuse Collection, including Trade Waste

This trading operation provides refuse collection services for over 239,000 households, with the majority of these properties being served by a containerised waste collection system. Trade waste provides a collection and disposal service to producers of commercial waste throughout the city. In addition the service provides uplifts of bulky household refuse.

	2015/16 £000	2014/15 £000	2013/14 £000	Cumulative £000
Turnover	16,723	17,155	17,319	n/a
Surplus / (deficit)	(242)	2,279	2,997	5,034

Refuse Collection achieved its statutory obligation to break even over the three-year period.

In 2015/16, a citywide scheme was introduced to improve the appearance of the capital's streets. Businesses were no longer permitted to permanently store their waste containers in public and were required to present their waste during timed collection windows. As a consequence, there was an increase in staff and vehicle costs to support this initiative.

The results of Refuse Collection / Trade Waste are included within 'Environmental Services' in the Comprehensive Income and Expenditure Statement.

34. Financial Support and Guarantees

34.1 Loans and guarantees

The Council has made loans to the following organisations at less than market interest rates (soft loans).

	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
	Transport for Edinburgh Ltd.	Transport for Edinburgh Ltd.	Spartan Community Football Academy	Spartan Community Football Academy
Opening Balance	824	0	51	50
New Loans	0	1,000	0	0
Increase in the Discounted Amount	37	20	4	4
Fair Value Adjustment	0	(196)	0	0
Loan Repayment	0	0	(3)	(3)
Balance Carried Forward	<u>861</u>	<u>824</u>	<u>52</u>	<u>51</u>
Nominal Value Carried Forward	<u>1,000</u>	<u>1,000</u>	<u>105</u>	<u>108</u>

Adjustments have been made under the requirements of IAS 39 as required by the Code.

The Transport for Edinburgh loan relates to two £500,000 loans to Transport for Edinburgh Ltd. to provide a loan facility to Tramco for its general working capital purposes and funding its business and activities.

The Spartans loan relates to the lease of an area of ground lying immediately to the west of Ainslie Park Leisure Centre, Pilton Drive, Edinburgh. The original outstanding payment was £120,000, with £3,000 to be paid on or before 31 March each year for ten consecutive years from 31 March 2012 and £9,000 to be paid for ten consecutive years on or before 31 March from 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

34. Financial Support and Guarantees - continued

34.2 Shared Equity Scheme / Scheme of Assistance

In 2010/11, the Council approved a shared equity scheme to help buyers purchase homes from PARC. The Council provided assistance to sixteen purchasers, at a cost of £0.484m. No further assistance has been provided since 2012/13.

The monies are required to be repaid to the Council either on sale of the property or after twenty years, whichever occurs earlier.

Interest for the period up to 2014/15 was charged to PARC and thereafter to the purchasers. Purchasers have the option to pay interest annually or accumulate charges on the same terms as the original equity. Sums due to the Council, including accrued interest, where owners have opted to defer interest, are included in long-term debtors.

The assisted purchase scheme was an initiative administered on behalf of the Council to allow home owners to enter into a lifetime mortgage agreement to finance repairs to their properties. Forty loans were made between 2007 and 2012, with an original loan principal value of £0.762m. These sums are included in long-term debtors.

The loans are repayable on sale of the property or on the death of the home owner. The amount repayable is a minimum of the original loan principal and a maximum of the original loan as a percentage of the property value on signing the agreement, as applied to the value on redeeming the loan.

34.3 National Housing Trust

The National Housing Trust (NHT) is a housing initiative developed by the Scottish Government, in partnership with the Scottish Futures Trust (SFT) and local authorities. The aim is to deliver new homes for mid-market rent while at the same time stimulating the housing market. The scheme is underwritten by the Scottish Government, by way of a guarantee against the borrowing and associated interest costs. The Council works with the Scottish Government and SFT to procure private developers to build homes for mid-market rent and enter into joint ventures with the Council, by way of Limited Liability Partnerships through the NHT initiative.

Phase 1 of investment in NHT saw 422 new homes delivered, by June 2014, across four sites, at a cost of £45.67m.

Phase 2 of NHT was approved in June 2014, for the delivery of up to 96 new affordable housing units. Investment totalling £11.92m will be required with £1.498m of expenditure incurred in 2015/16 and the remaining balance of £10.422m forecast for 2016/17.

A third phase of NHT has been approved and will deliver up to 413 mid-market rent homes across three separate sites by December 2019. The estimated cost of phase 3 is £48.122m.

The Council has advanced the following sums through the NHT scheme:

Developer	Development Site	Total No. of Units	2015/16 £000	Prior Years £000
Places for People	Lochend North	126	0	13,323
Places for People	Lighthouse Court	62	0	6,492
Teague Homes Limited	Salamander Place / Leith Links	145	0	15,551
Miller Homes	Telford North	89	0	10,299
FP Newhaven Ltd	Sandpiper Road	12	1,498	0
			<u>1,498</u>	<u>45,665</u>

These sums are included within long-term debtors, as detailed in note 20.2.

NOTES TO THE FINANCIAL STATEMENTS

35. Agency Income and Expenditure

The Council has entered into agency agreements with other local public bodies to provide and receive services, the income and expenditure for which is included in the Comprehensive Income and Expenditure Statement. The main activities were:

	2015/16 £000	2014/15 £000
Expenditure		
Payments to other local authorities in respect of:		
Area waste project	71	279
Educational services for children	2,176	1,842
Care services for children	1,653	1,491
Scottish Cities Alliance Investment Fund (see note 48.)	900	1,337
Others		
Police officers	2,560	2,600
Police Scotland - cab inspection	120	299
Scottish Cities Alliance Investment Fund (see note 48.)	180	0
Total Expenditure	7,660	7,848
Income		
Receipts in respect of library services:		
Health Boards	(19)	(19)
Scottish Prison Service	(16)	(16)
Receipts in respect of translation and Interpretation services:		
Lothian Health Board	(1,377)	(1,026)
Receipts in respect of rates collection services:		
Scottish Water	(1,680)	(1,680)
Midlothian Council	(62)	(61)
Receipts from other local authorities in respect of:		
Criminal justice services	(975)	(1,055)
Educating pupils	(634)	(741)
Pentland Hills Regional Park management	(78)	(78)
Care services for children	(958)	(867)
Risk Factory	(35)	(39)
Social work undertakings	(3,995)	(4,302)
Total Income	(9,829)	(9,884)

36. Audit Costs

The fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice are £0.691m (2014/15 £0.691m). The Council has re-charged £0.048m of the audit fee to Lothian Pension Funds in respect of its audit (2014/15 £0.048m), and £0.004m (2014/15 £nil) to The City of Edinburgh Council Charitable Trusts.

In addition, the Council paid audit fees to Scott Moncrieff for the audit of CEC Recovery Limited's accounts (formerly tie Limited). The Council paid £0.002m during 2015/16 (2014/15 £0.002m) for the audit of 2014/15 financial statements.

NOTES TO THE FINANCIAL STATEMENTS

37. Grant Income

Grants and contributions credited to the Comprehensive Income and Expenditure Statement include the following:

	2015/16		2014/15	
	£000	£000	£000	£000
Revenue Funding				
Credited to taxation and non-specific grant income				
General revenue funding	(354,576)		(386,311)	
Non-domestic rates	<u>(390,862)</u>		<u>(364,108)</u>	
		(745,438)		(750,419)
Credited to services				
Government grants	(19,611)		(20,594)	
Department for Work and Pensions				
- Housing benefits	(202,668)		(202,325)	
- Other funding	(4,537)		(4,515)	
N.H.S. Lothian	(41,348)		(37,093)	
Other Local Authorities	(3,447)		(3,929)	
Scottish Water	(1,758)		0	
International Conference Centre Inc. Trust	(621)		(1,627)	
Edinburgh Leisure	(684)		(679)	
Scottish Prison Service	(489)		(489)	
Lottery funding	(21)		(25)	
SportScotland	<u>(881)</u>		<u>(1,012)</u>	
		<u>(276,065)</u>		<u>(272,288)</u>
Total		<u><u>(1,021,503)</u></u>		<u><u>(1,022,707)</u></u>
Capital Funding				
Scottish Government		(63,499)		(63,942)
Transport Scotland		347		(42)
Other grants and contributions, including contributions from developers and individuals		(3,896)		(3,366)
Port of Leith Housing Association		(985)		(105)
Kirkliston Consortium		(1,979)		(951)
Henderson Global		533		28
Cruden Homes		(507)		(242)
Historic Scotland		(431)		(173)
Forth Estuary Transport Authority		0		(235)
Royal Bank of Scotland		0		(56)
Museum Galleries Scotland		0		(56)
Midlothian Council		(4)		(9)
Scottish Borders Council		(112)		0
Edinburgh Tram Ltd.		0		(17)
Edinburgh Tourist Board		<u>0</u>		<u>(233)</u>
Total		<u><u>(70,533)</u></u>		<u><u>(69,399)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

38. Related Parties

During the year, the Council entered into a number of transactions with related parties. The most material of these transactions, not disclosed elsewhere, are shown below.

38.1 Subsidiaries and Other Organisations - Revenue Income and Expenditure

	2015/16 £000	2014/15 £000
• Revenue Expenditure		
Capital City Partnership	4,056	4,249
CEC Holdings (including EDI Group, EICC, Waterfront Edinburgh, and PARC)	152	220
Changeworks Recycling	0	7
Edinburgh Festival Theatres	800	771
Edinburgh Leisure Limited		
Revenue funding	8,419	9,590
Other expenditure	52	303
Edinburgh Trams Ltd	688	2,851
Edinburgh World Heritage Trust	58	49
Integration Joint Board	54	0
Lothian Buses Limited		
Supported bus services	891	840
Other expenditure	1,457	3,954
NHS Bodies	2,294	2,398
Other Local Authorities	2,995	2,638
Scottish Government	163	171
Scottish and Southern Energy	111	264
Subsidiaries / Voluntary Organisations		
Criminal Justice Bodies	678	747
Dean and Cauvin Charitable Trust	817	837
Edinburgh International Festival Society	2,409	2,506
Festivals Edinburgh Ltd	178	175
Handicab	448	448
Health Projects	151	156
Lifecare Edinburgh	342	539
Marketing Edinburgh	953	977
Royal Lyceum Theatre Co Ltd	369	382
Total Revenue Expenditure	28,535	35,072
• Revenue Income		
CEC Holdings Limited (EDI Group Limited)		
Loan interest	(221)	(196)
Edinburgh Festival Theatres	(149)	(59)
Professional services, rents, other grants and funding		
CEC Holdings Limited (including EICC Limited)	(18)	(1)
Edinburgh Leisure	(17)	(6)
Lothian Valuation Joint Board	(8)	(5)
Other Local Authorities	(1,095)	(2,971)
Scottish Government	(404)	(588)
Scottish Court Service	0	70
Lothian Health Board		
Change Fund	(5,881)	(2,065)
Resource transfers	(21,499)	(21,077)
Other Grants and Fees	(91)	(384)
Total Revenue Income	(29,383)	(27,282)

NOTES TO THE FINANCIAL STATEMENTS

38. Related Parties - continued

38.1 Subsidiaries and Other Organisations - Revenue Income and Expenditure - continued

	2015/16 £000	2014/15 £000
<ul style="list-style-type: none"> Joint Board Requisitions 		
Lothian Valuation Joint Board	3,744	3,745
Total Joint Board Requisitions	3,744	3,745
<ul style="list-style-type: none"> Central Support Income 		
Forth Estuary Transport Authority	(30)	(109)
Lothian Valuation Joint Board	(61)	(65)
Pension Funds	(279)	(322)
Total Central Support Income	(370)	(496)
<ul style="list-style-type: none"> Interest on Revenue Balances 		
Forth Estuary Transport Authority	0	(11)
Lothian Valuation Joint Board	3	3
Pension Funds	33	22
SESTRAN	0	(1)
Total Interest on Revenue Balances	36	13
<ul style="list-style-type: none"> Loans Charges Recovered 		
Lothian and Borders Fire and Rescue Board	(1,306)	(1,503)
Lothian and Borders Police Board	(3,060)	(3,130)
Total Loans Charges	(4,366)	(4,633)

38.2 Subsidiaries and Other Organisations - Capital Expenditure

<ul style="list-style-type: none"> Capital Expenditure 		
CEC Holdings (including EDI Group, EICC, Waterfront Edinburgh and PARC)	2,021	1,334
Edinburgh Leisure	165	165
Hubco	15,773	4,468
Other Local Authorities	1,163	2,320
Scottish Government	5,565	261
Sport Scotland	0	151
Total Capital Expenditure	24,687	8,699

NOTES TO THE FINANCIAL STATEMENTS

38. Related Parties - continued

38.3 Related Parties - Indebtedness

The following represent material amounts due to / (by) the Council, at 31 March 2016:

	2015/16 £000	2014/15 £000
CEC Holdings Limited (including all subsidiaries)	(442)	(169)
Edinburgh Military Tattoo	52	0
Forth Estuary Transport Authority	0	509
Hubco	(310)	(770)
Integration Joint Board	(3)	0
Lothian and Borders Criminal Justice Authority	227	2,599
Scottish Fire and Rescue Service	676	1,228
Police Scotland	37	48
Lothian Valuation Joint Board	(1,302)	(1,233)
Lothian Buses	14	0
NHS Bodies	1,411	540
Pension Funds	(1,981)	(6,361)
Scottish Government	14,006	7,079
Scottish Water	70	70
SESTRAN	613	1,090
SUSTRANS	872	710
Transport Scotland	0	422
	13,940	5,762
• Other Indebtedness		
HM Revenue and Customs - VAT	8,089	8,879
HM Revenue and Customs - PAYE and NI	(9,035)	(9,397)
	(946)	(518)
• Investments held on behalf of, and repayable to:		
CEC Holdings	0	(120)
Common Good	0	(2,756)
	0	(2,876)

In 2014/15, cash investments managed on behalf of CEC Holdings and the Common Good Fund as part of the Council's Treasury Cash Fund arrangements, were shown in the Council's accounts as both investments and creditors. Separate Treasury Cash Fund investment management agreements are now held for both entities, the cash investments are therefore no longer shown on the Council's balance sheet as either investments or creditors.

The Common Good Fund position is detailed in the Common Good Fund Balance Sheet (page 134).

NOTES TO THE FINANCIAL STATEMENTS

39. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred during the year is shown below (including the value of assets acquired under finance leases and PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years through charges to revenue (loan charges), capital expenditure results in an increase in the capital financing requirement. This shows the amount of capital expenditure that has yet to be financed. The capital financing requirement is analysed below.

	2015/16		2014/15	
	£000	£000	£000	£000
Opening capital financing requirement		1,726,030		1,728,465
Capital Investment				
Property, plant and equipment	149,880		149,626	
Heritage Assets	40		44	
Assets held for sale	223		117	
Intangible assets	0		2,372	
Capital Receipts transferred to Capital Fund	55,141		11,298	
National Housing Trust - Consent to borrow (see note 34.3)	1,498		9,696	
Revenue expenditure funded from capital under statute	38,846		32,641	
Adjustments to PPP schools during the year	<u>(9,195)</u>		<u>12,610</u>	
		236,433		218,404
Sources of Finance				
Capital receipts	(116,763)		(21,479)	
Capital Funded from Current Revenue	(215)		(5,674)	
Government grants and other contributions	(116,901)		(99,372)	
Loans fund / finance lease repayments	<u>(95,763)</u>		<u>(94,314)</u>	
		<u>(329,642)</u>		<u>(220,839)</u>
Closing capital financing requirement		<u><u>1,632,821</u></u>		<u><u>1,726,030</u></u>
Explanation of movements in year				
(Decrease) / increase in underlying need to borrow		(83,209)		(37,331)
Voluntary debt repayment - HRA		(10,000)		(6,123)
Assets acquired under finance leases		0		7,172
Assets acquired under PFI/PPP contracts		0		33,847
(Decrease) / Increase in capital financing requirement		<u><u>(93,209)</u></u>		<u><u>(2,435)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

40. Leases

40.1 Assets Leased in - Finance Leases

The Council has classified one building and its IT equipment as finance leases. The assets classified under these leases are included in property, plant and equipment in the Balance Sheet:

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	12,658	9,523	13,768	8,011
Additions during the year	0	0	7,172	7,172
Reclassification to operating lease during the year	0	0	(2,840)	(2,840)
Repayments during the year	(5,278)	(2,816)	(5,442)	(2,820)
Value at 31 March	7,380	6,707	12,658	9,523
Other land and buildings	63	63	126	126
Vehicles, plant, equipment and furniture	7,317	6,644	12,532	9,397
Value at 31 March	7,380	6,707	12,658	9,523

The Council is committed to making minimum lease payments under these leases, comprising settlement of the long-term liability for the interest in the assets acquired and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are shown below:

	2015/16		2014/15	
	Group £000	Council £000	Group £000	Council £000
Finance lease liabilities:				
Current	3,310	2,797	5,275	2,816
Non-current	4,070	3,910	7,383	6,707
Finance costs payable	531	531	751	751
Minimum lease payments	7,911	7,238	13,409	10,274

The minimum lease payments will be payable over the following periods:

Minimum Finance Lease Repayments

	at 31.03.16		at 31.03.15	
	Group £000	Council £000	Group £000	Council £000
Not later than one year	3,528	3,015	5,495	3,036
Later than one year and not later than five years	4,383	4,223	7,914	7,238
Later than five years	0	0	0	0
	7,911	7,238	13,409	10,274

	£000	£000	£000	£000
Finance Lease Liabilities				
Not later than one year	3,310	2,797	5,275	2,816
Later than one year and not later than five years	4,070	3,910	7,383	6,707
Later than five years	0	0	0	0
	7,380	6,707	12,658	9,523

NOTES TO THE FINANCIAL STATEMENTS

40. Leases - continued

40.2 Assets Leased in - Operating Leases

The Group leases in property, vehicles and copying equipment financed under the terms of operating leases. The amount charged to the Comprehensive Income and Expenditure Statement under these arrangements and the value of future payments under operating leases is shown below.

In 2015/16, the Council revised its car leasing scheme which it now operates in association with an external provider. The amounts recognised as an expense during the year include £0.047m of contributions paid by employees towards cost of car leasing (2014/15 £0.277m).

Under these operating leases, the Group and Council is committed to paying the following sums, of which £0.030m is recoverable from employees (2014/15 £0.362m):

	2015/16		(re-stated) 2014/15	
	Group	Council	Group	Council
Future Repayment Period	£000	£000	£000	£000
Not later than one year	2,467	2,074	2,484	2,081
Later than one year and not later than five years	5,402	4,350	7,026	5,823
Later than five years	6,755	5,286	7,842	6,164
	14,624	11,710	17,352	14,068
Value at 31 March				
Other land and buildings	13,613	11,598	15,532	13,355
Vehicles, plant, equipment and furniture	1,011	112	1,820	713
	14,624	11,710	17,352	14,068
Recognised as an expense during the year	2,565	2,094	2,875	2,454

The 2014/15 comparative has been restated to correct a prior year misstatement.

40.3 Assets Leased Out by the Council - Operating Leases

The Council leases out property and equipment under operating leases for a number of purposes, including:

- for economic development purposes, including regeneration and to provide suitable affordable accommodation for local businesses.
- to arm's length companies for the provision of services such as sport and leisure and theatres.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2015/16 £000	2014/15 £000
Not later than one year	14,625	14,116
Later than one year and not later than five years	41,975	41,346
Later than five years	151,887	157,676
	208,487	213,138

The Council has a number of leases that are agreed for a period of over 100 years, the majority of which relate to land.

NOTES TO THE FINANCIAL STATEMENTS

41. Public Private Partnerships and Similar Contracts

41.1 PPP - Education Projects

In 2001, the Council entered into a Public Private Partnership (PPP1) for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership. This agreement was supplemented by a further agreement in April 2004, which now requires Edinburgh Schools Partnership either to replace or substantially renovate ten primary, five secondary and two special schools, together with one close support unit and a community wing, and to maintain these schools to a high standard. When the agreement ends in July 2033 the schools will be handed to the Council with a guaranteed maintenance-free life of five years.

In April 2007, the Council entered into a second Public Private Partnership (PPP2) for the provision of school buildings, maintenance and other facilities with Axiom Education Limited. This required Axiom Education Limited to replace six secondary schools and two primary schools and to maintain these schools to a high standard. When the agreement ends in July 2038 the schools will be handed to the Council with a guaranteed maintenance-free life of five years.

In December 2013, the Council entered in to an agreement with Hub South East Scotland for the provision of a new building for James Gillespies High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with Hub South East Scotland. Construction of the new facility is phased, with the initial phase (comprising the main teaching block) being completed in April 2015, and final phases (including sports hall, social / assembly buildings) due for completion in July 2016. The concession is due to terminate in July 2041.

Under the agreements the Council is committed to paying the following sums as detailed in the contractor's final bid model:

	Payment for Services £000	Reimburse. of Capital Expenditure £000	Interest £000	Total £000
Payable in 2016/17	16,818	8,016	18,629	43,463
Payable within two to five years	76,156	32,552	72,497	181,205
Payable within six to ten years	117,530	41,212	81,867	240,609
Payable within eleven to fifteen years	134,421	51,495	71,495	257,411
Payable within sixteen to twenty years	113,926	54,881	52,800	221,607
Payable within twenty one to twenty five years	45,038	30,824	18,634	94,496
Payable within twenty six to thirty years	185	913	112	1,210
	<u>504,074</u>	<u>219,893</u>	<u>316,034</u>	<u>1,040,001</u>

Payments due under the following schemes have been inflated by 1.11% per annum for the PPP1 scheme, 1.67% per annum for the PPP2 scheme and 2.5% per annum for the James Gillespies High School scheme, reflecting the terms of the separate contracts. The actual level of payment to be made in 2016/17 will be adjusted to reflect non-availability of a number of school facilities over the period between April and July 2016.

The amounts disclosed as reimbursement of capital expenditure are included in other long-term liabilities on the Balance Sheet.

The unitary charges paid to the service providers include amounts to compensate them for the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the service providers for capital expenditure incurred is as follows:

	2015/16 £000	2014/15 £000
Balance at 1 April	227,802	200,831
PPP unitary charge restatement adjustment	0	64
Additions during the year	0	33,847
Repayments during the year	<u>(7,909)</u>	<u>(6,940)</u>
Balance at 31 March	<u>219,893</u>	<u>227,802</u>

NOTES TO THE FINANCIAL STATEMENTS

41. Public Private Partnerships and Similar Contracts - continued

41.2 Provision of Information Technology services

In 2015 the Council entered into a seven year contract for the provision of information technology services. This contract became operational on 1 April 2016.

Under the agreement the Council is committed to paying the following sums in cash terms (assuming an inflationary uplift at the level shown). The repayments during the first year of the contract include up to £15m of one off costs.

Future Repayment		Inflationary
Period	£000	Uplift
2016/17	37,139	2.0%
2017/18 - 2020/21	88,488	2.0%
2021/22 - 2022/23	38,039	2.0%
	163,666	

The cost of information technology is included in overheads and is re-allocated to services.

41.3 Provision of Parking Enforcement

The Council has entered into a five year contract with NSL for the provision of parking enforcement. The contract commenced on 1 October 2014 and ends on 30 September 2019. There is also a five year extension clause at the end of this period.

Under the agreement the Council is committed to paying the following sums in cash terms: (renegotiated annually)

Future Repayment	
Period	£000
2016/17	5,761
2017/18 - 2019/20	14,401
	20,162

41.4 Waste Disposal

The Council entered into a twenty year contract with Viridor in 2000 to supply waste to their landfill site in Dunbar. The contract requires the Council to supply an agreed tonnage to the landfill site each calendar year. Fees are subject to review twice a year, based on civil engineering indices.

Under the agreement the Council is committed to paying the following sums in cash terms (assuming an increase of 2% per annum):

Future Repayment	
Period	£000
2016/17	3,538
2017/18 - 2020/21	12,631
	16,169

41.5 Food Waste Contract

In 2015 the Council entered into a twenty year contract with Alauna Renewable Energy to supply food waste treatment at Millerhill from 1 April 2016.

Future Repayment		Inflationary
Period	£000	Uplift
2016/17	309	2.50%
2017/18 - 2020/21	2,156	2.50%
2021/22 - 2025/26	2,896	2.50%
2026/27 - 2030/31	3,136	2.50%
2031/32 - 2035/36	3,406	2.50%
	11,903	

41.6 Other Rolling Contracts

The Council has entered into a number of rolling contracts to provide services, which are mainly care orientated through 'Supporting People'. The annual value of these contracts is £19.443m.

NOTES TO THE FINANCIAL STATEMENTS

42. Pension schemes accounted for as defined contribution schemes

The Scottish Teachers' Superannuation Scheme is an unfunded scheme administered by the Scottish Public Pensions Agency. The scheme is excluded from the accounting requirements of IAS 19 as it is a national scheme which does not allow for the identification of pension liabilities consistently and reliably between participating authorities. The accounts, therefore, only include the payments made by the Council to the scheme in year and do not reflect the estimated pension assets or liabilities of the scheme. The exception to this are payments in relation to unfunded pension enhancements for members of the scheme as they are administered through the Local Government Pension Scheme and are taken into consideration in accounting for pension costs under IAS 19.

	2015/16		2014/15	
	£000	%	£000	%
Amount paid to Scottish Government in respect of teachers' pension costs	19,715		18,335	
As a percentage of teachers' pensionable pay		17.20		14.90
Amount paid in respect of added years	0		0	
As a percentage of teachers' pensionable pay		0.00		0.00
Capitalised value of discretionary awards entered into prior to 2014/15	19,296		21,123	

At 31 March 2016, creditors include £2.731m (2014/15 £2.487m) in respect of teachers' superannuation. The increase in the percentage of teachers' pensionable pay came into effect in September 2015.

43. Defined Pension Schemes

43.1 Participation in Pension Scheme

The Council makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make payment for those benefits and to disclose them at the time that employees earn their future entitlement.

Employees other than teachers are eligible to join the Local Government Pension Scheme. The pension costs charged to Services in respect of these employees have been calculated under IAS 19 - Employee Benefits.

In terms of this scheme, in 2015/16 the Council paid an employer's contribution of £55.446m (2014/15 £54.843m) into the Lothian Pension Fund, representing 21.3% (2014/15 21.3%) of pensionable pay. Contribution rates are determined by the Fund's Actuary based on triennial actuarial valuations of the pension fund. The latest review was in March 2014.

The Fund's Actuary is unable to provide an analysis of IAS19 pension costs by individual service. The charge in the Comprehensive Income and Expenditure Statement applied against each service included in 'Cost of Services' reflects an apportionment of costs in line with the actual cash payments made by the Council to Lothian Pension Fund.

43.2 Transactions Relating to Post-Employment Benefits

The cost of pension benefits, as assessed by the Fund's Actuary and reflected within 'Cost of Services', differed from the cash payment to the Fund charged against Council Tax. The following summarises the entries reflected within the Comprehensive Income and Expenditure Statement in respect of accounting for pensions under IAS19. The amount by which pension costs calculated in accordance with IAS19 are different from the contributions due under the pension scheme regulations is included in the Movement in Reserves Statement.

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.2 Transactions Relating to Post-Employment Benefits - continued

	2015/16		2014/15	
	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	82,023		72,084	
Past service costs	2,087		744	
Effect of Settlements	<u>(159)</u>		<u>0</u>	
		83,951		72,828
<i>Financing and investment income:</i>				
Net interest expense		<u>23,445</u>		<u>23,254</u>
Total post employee benefit charged to the surplus on the provision of services		107,396		96,082
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Re-measurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount incl. in the net interest expense above.	(37,286)		(204,649)	
Actuarial (gains) and losses arising on changes in financial assumptions	(253,389)		284,632	
Actuarial (gains) and losses arising on changes in demographic assumptions	0		103,126	
Other experience	<u>(32,463)</u>		<u>(26,361)</u>	
		<u>(323,138)</u>		<u>156,748</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>(215,742)</u>		<u>252,830</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(107,396)</u>		<u>(96,082)</u>
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		66,297		55,002
Contributions in respect of unfunded benefits		<u>5,990</u>		<u>6,357</u>
		<u>72,287</u>		<u>61,359</u>

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligations in respect of its defined benefit plan is as follows:

	2015/16 £000	2014/15 £000
Fair value of employer assets	2,247,877	2,144,897
Present value of funded liabilities	(2,605,380)	(2,782,482)
Present value of unfunded liabilities	<u>(81,437)</u>	<u>(89,384)</u>
Net liability arising from defined benefit obligation	<u>(438,940)</u>	<u>(726,969)</u>

43.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2015/16 £000	2014/15 £000
Opening fair value of scheme assets	2,144,897	1,862,816
Effect of settlements	(1,917)	0
Interest income	68,568	79,991
Re-measurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	37,286	204,649
Contributions from employer	66,297	55,002
Contributions from employees into the scheme	16,502	16,416
Contributions in respect of unfunded benefits	5,990	6,357
Benefits paid	(83,756)	(73,977)
Unfunded benefits paid	<u>(5,990)</u>	<u>(6,357)</u>
Closing fair value of scheme assets	<u>2,247,877</u>	<u>2,144,897</u>

Reconciliation of Present Value of the Scheme Liabilities

	2015/16 £000	2014/15 £000
Present value of funded liabilities	(2,782,482)	(2,311,390)
Present value of unfunded liabilities	<u>(89,384)</u>	<u>(86,924)</u>
Opening balance at 1 April	(2,871,866)	(2,398,314)
Current service cost	(82,023)	(72,084)
Interest cost	(92,013)	(103,245)
Contributions from employees into the scheme	(16,502)	(16,416)
Re-measurement gain / (loss):		
Change in financial assumptions	253,389	(284,632)
Change in demographic assumptions	0	(103,126)
Other experience	32,463	26,361
Past service cost	(2,087)	(744)
Effects of settlements	2,076	0
Benefits paid	83,756	73,977
Unfunded benefits paid	<u>5,990</u>	<u>6,357</u>
Closing balance at 31 March	<u>(2,686,817)</u>	<u>(2,871,866)</u>

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2015/16 £000	%	2014/15 £000	%
Consumer *	342,338	15	300,827	14
Manufacturing *	265,121	12	252,298	12
Energy and Utilities *	178,558	8	214,314	10
Financial Institutions *	190,391	8	176,717	8
Health and Care *	149,425	7	146,156	7
Information technology *	134,677	6	134,141	6
Other *	128,664	6	96,065	4
Sub-total Equity Securities	1,389,174		1,320,518	
Debt Securities:				
Corporate Bonds (investment grade) *	0	0	0	0
Corporate Bonds (non-investment grade) *	0	0	0	0
UK Government *	144,656	6	124,200	6
Other *	56,864	3	52,894	3
Sub-total Debt Securities	201,520		177,094	
Private Equity				
All *	25,228	1	0	0
All	73,078	3	248,710	12
Sub-total Private Equity	98,306		248,710	
Real Estate:				
UK Property	192,281	9	140,297	7
Overseas Property	0	0	21,751	1
Sub-total Real Estate	192,281		162,048	
Investment Funds and Unit Trusts:				
Equities *	0	0	23,272	1
Equities	0	0	0	0
Bonds *	6,032	0	6,161	0
Bonds	12,180	1	0	0
Commodities *	6,235	0	6,854	0
Infrastructure *	12,509	1	12,898	1
Infrastructure	136,998	6	0	0
Other *	0	0	6,933	0
Other	53,855	2	7,662	0
Sub-total Investment Funds and Unit Trusts	227,809		63,780	
Derivatives:				
Foreign Exchange *	(130)	0	3,289	0
Other *	0	0	0	0
Sub-total Derivatives	(130)		3,289	
Cash and Cash Equivalents				
All *	138,917	6	169,458	8
Sub-total Cash and Cash Equivalents	138,917		169,458	
Total Fair Value of Employer Assets	2,247,877	100	2,144,897	100

Scheme assets marked with an asterisk (*) have quoted prices in active markets.

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2016 were those from the beginning of the year (i.e. 31 March 2015) and have not been changed during the year. The main assumptions in the calculations are:

Investment returns

Actual return for period from 1 April 2015 to 31 December 2015	1.30%
Estimated return for period from 1 April 2015 to 31 March 2016	4.90%

Average future life expectancies at age 65:

		31.03.16	31.03.15
Current pensioners	male	22.1 years	22.1 years
Current pensioners	female	23.7 years	23.7 years
Future pensioners	male	24.2 years	24.2 years
Future pensioners	female	26.3 years	26.3 years

Period ended	31.03.16	31.03.15
Pension increase rate	2.2%	2.4%
Salary Increase rate	4.2%	4.3%
Discount rate	3.5%	3.2%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2016 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

For example, to quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption and changes in some of the assumptions may be interrelated.

Change in assumptions at 31 March 2016	Approximate % Increase to Employer	Approximate Monetary Amount £000
0.5% decrease in Real Discount Rate	10%	271,586
1 year increase in member life expectancy	3%	80,604
0.5% increase in the Salary Increase Rate	3%	89,601
0.5% increase in the Pension Increase Rate	7%	176,900

43.7 Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a contribution stability mechanism with the scheme's actuary until 31 March 2018. Thereafter, for the next actuarial valuation period of three years, rates could vary from this rate by a maximum increase of 0.5% or a maximum decrease of (0.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.8 Information about the defined benefit obligation

	Liability Split		Weighted Average Duration
	£000	%	
Active members	1,434,118	55.1	23.1
Deferred members	297,842	11.4	22.4
Pensioner members	873,420	33.5	11.9
Total	2,605,380	100.0	18.3

The above figures are for funded obligations only and do not include the unfunded pensioner liabilities. The durations are effective as at the previous formal valuation as at 31 March 2014.

The unfunded pensioner liability at 31 March 2016 comprises approximately £62.141m (2014/15 £68.26m) in respect of LGPS unfunded pensions and £19.296m (2014/15 £21.123m) in respect of teachers' unfunded pensions. For unfunded liabilities as at 31 March 2016, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension between 37.5% and 50% of the member's pension as at the date of the member's death.

43.9 Pension Reserves - Group Position

The pension reserves shown in the Group Balance Sheet relate to the Council. Pension reserves for the Valuation Joint Board are included in unusable reserves. Local government legislation provides that local authorities have an obligation to meet the expenditure of the joint boards of which they are constituent members. As a consequence, the City of Edinburgh Council has obligations to meet the liabilities arising from the joint board pension deficits as they fall due. Pension reserves for other companies in the group are included in usable reserves. The value of the pension reserves is shown separately below.

	2015/16 Pension Reserve £000	2014/15 Pension Reserve £000
Unusable Reserves		
Council	(438,940)	(726,969)
Lothian Valuation Joint Board	(3,820)	(7,267)
	<u>(442,760)</u>	<u>(734,236)</u>
Usable Reserves		
CEC Holdings	(1,010)	(1,483)
Festival City Theatres Trust	(75)	(122)
Edinburgh Leisure	(844)	(3,363)
Transport for Edinburgh Ltd	17,936	(10,497)
	<u>16,007</u>	<u>(15,465)</u>

NOTES TO THE FINANCIAL STATEMENTS

43. Defined Pension Schemes - continued

43.10 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2017

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Current service cost	0	(70,548)	(70,548)	(26.8%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(70,548)	(70,548)	(26.8%)
Interest income on plan assets	78,519	0	78,519	29.9%
Interest cost on defined benefit obligation	0	(94,032)	(94,032)	(35.8%)
Total Net Interest Cost	78,519	(94,032)	(15,513)	(5.9%)
Total included in Profit or Loss	78,519	(164,580)	(86,061)	(32.7%)

The Council's estimated contribution to Lothian Pension Fund for 2016/17 is £55.906m.

43.11 Strain on the Pension Fund

Lothian Pension Fund has the right to require the Council to make additional payments to the pension fund to reflect the extra cost to the pension fund of immediate payment of benefits to employees who retire early on efficiency, redundancy or voluntary grounds. This amounted to £7.994m, including accrued payments (2014/15 £2.705m).

43.12 Further Information

Further information on Lothian Pension Fund can be found in the Council's Pension Fund's Annual Report which is available upon application to the Chief Executive Officer, Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

44. Contingent Liabilities

- There may be outstanding liability claims or claims to be submitted against the Council in relation to insured and uninsured losses or incidents. The actual cost and timing of any claims cannot be estimated with reasonable accuracy and consequently no specific provision has been made in the financial statements in respect of any such claims.
- The provision for equal pay claims includes an estimate of the costs for all staff with unsettled equal pay claims against the Council as at 31 March 2016. Additional equal pay liabilities may arise if further eligible claims are made. This potential additional liability will be confirmed only by further eligible claims being lodged and its amount cannot be estimated with reasonable accuracy. Consequently, no provision has been made in the financial statements in respect of this.
- Whilst the Council has made an impairment provision for statutory repairs debtors, there may also be further liability claims against the Council in relation to works carried out under statutory repair notices served by the Council. The actual cost of these claims cannot be estimated with reasonable accuracy. It is also not possible to estimate precisely when these claims could become due.
- There may be claims submitted against the Council in relation to a decision by the European Court of Justice under the Working Time Directive. The actual cost and timing of any claims cannot be estimated with reasonable accuracy and consequently no specific provision has been made in the financial statements in respect of any such claims.

NOTES TO THE FINANCIAL STATEMENTS

45. Nature and Extent of Risks Arising from Financial Instruments

45.1 Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The Council complies with the CIPFA Prudential Code and has adopted the CIPFA Treasury Management in the Public Services Code of Practice. Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
 - the Council's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum and minimum exposures in the maturity structure of its debt;
- by selecting investment counterparties in compliance with the Council's Treasury Policy Statement.

The annual treasury management strategy which incorporates the prudential indicators was approved by the Council on 10 March 2016 and is available on the Council website. The key issues within the strategy are:

- The authorised limit for 2016/17 has been set at £1.818bn. This is the maximum limit for external borrowings and other short and long term liabilities.
- The operational boundary for 2016/17 has been set at £1.718bn. This is the expected upper level of borrowing and other short and long term liabilities during the year.
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 75% of the Council's net debt respectively.

The prudential indicators are reported and approved as part of the Council's annual budget setting process. Actual performance is also reported annually to members of the Council.

45.2 Key Risks

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

45.3 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are with banks, building societies, and other institutions in line with the Council's prevailing counterparty limits as set out in the Council's treasury policy statement. Investment decisions are considered daily as part of the daily cash flow management by the Council's Treasury Team who can, and do, restrict the list further in light of market conditions.

The Council's funds are managed along with those of Lothian Pension Fund and some other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk, low return basis, with security of the investments the key consideration while at the same time seeking innovative and secure cash investment opportunities. This arrangement has allowed a better management of the Council's risk in the exceptional financial and market circumstances in recent years.

NOTES TO THE FINANCIAL STATEMENTS

45. Nature and Extent of Risks Arising from Financial Instruments - continued

45.3 Credit Risk - continued

As well as lending monies to other local authorities, the Council purchases UK Government Treasury Bills and has previously purchased Bonds and Floating Rate Notes with an explicit UK Government Guarantee. At 31 March 2016, the Council had £13.0m in short term investments, all of which were loans to other local authorities. Of the net Cash and Cash Equivalents, 41.4% were loans to other local authorities, a further 21.4% were UK Government Treasury Bills, 14.4% was held in two AAA rated Money Market Funds, leaving only 22.8% with banks. All of the monies held on deposit with banks at 31 March 2016 was in call or near call accounts.

The Council's cash holding under its treasury management arrangements at 31 March 2016 was £192.5 million (31 March 2015: £96.4m). This was held with the following institutions:

Summary	Standard and Poors Rating	Principal Outstanding 31.03.16 £000	Carry Value 31.03.16 £000	Fair Value 31.03.16 £000	Carry Value 31.03.15 £000
Money Market Funds					
Deutsche Bank AG, London	AAA	25,661	25,672	25,672	14,152
Goldman Sachs	AAA	181	183	183	14,135
Bank Call Accounts					
Bank of Scotland	A	12,603	12,608	12,608	9,108
Royal Bank of Scotland	BBB+	2,042	2,042	2,042	1,278
Santander UK	A	16	16	16	8,839
Barclays Bank	A-	13,025	13,048	13,048	9,238
Svenska Handelsbanken	AA-	13,284	13,295	13,295	14,373
Clydesdale Bank	AA-	0	0	0	3,736
HSBC Bank Plc	AA-	19	19	19	14,061
Floating Rate Note					
Rabobank	A+	0	0	0	2,509
Building Society Fixed Term Deposits					
Nationwide Building Society	A	0	0	0	2,491
UK Pseudo-Sovereign Risk Instruments					
Local Authorities (see below)	n/a	87,295	87,350	89,357	0
UK Government Treasury Bills	AAA	38,364	38,455	38,455	2,490
		<u>192,490</u>	<u>192,688</u>	<u>194,695</u>	<u>96,410</u>

Local Authorities are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2016 would have been 'AAA' from S&P) due to their tax raising powers and the perceived government support. Very few have their own credit rating, but of the £87.35m above, £5.93m is with a local authority which had an 'Aa2' credit rating from Moodys.

The Council's maximum exposure to credit risk in relation to its direct investments in banks and building societies of £41.0m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but the Council takes a low risk approach to investment. Despite continuing concerns over the European Sovereign Debt crisis and the effects that this might have on the banking system, there was no evidence at 31 March 2016 that this risk was likely to crystallise.

NOTES TO THE FINANCIAL STATEMENTS

45. Nature and Extent of Risks Arising from Financial Instruments - continued

45.3 Credit Risk - continued

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits. In October 2008 the Icelandic banking sector defaulted on its obligations. The Council has never had any exposure to Icelandic banks and had no investment in the sector at that time.

In line with the Investment Regulations governing local authorities introduced in 2010, the Council approved an annual investment strategy and treasury policy statement for both the Council and the Cash Fund at its March 2016 meeting. The papers are available on the Council's website. A full list of the deposits outstanding at 31 March 2016 is contained in the Treasury Cash Fund Investment Report for Quarter 1 2016. This is available on request from the Council's Treasury Section - Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG.

All Council invoices become due for payment on issue. Excluding pre-payments of £2.769m (2014/15 £1.767m), trade debtors past due date can be analysed by age as follows:

	2015/16 £000	2014/15 £000
Less than two months	13,163	18,283
Two to four months	1,055	2,008
Four to six months	786	2,066
Six months to one year	4,088	2,849
More than one year	10,886	11,093
Total	29,978	36,299

Collateral – During the reporting period the Council held no collateral as security.

45.4 Liquidity risk

The Council carries out short and medium term cash flow management to ensure that it will have sufficient liquidity to cover all of its payment obligations. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs. The Council also has ready access to borrowings from the money markets to cover any day to day cash flow needs. It is anticipated that some short to medium term borrowing is likely to be required within the next financial year to meet cashflow and working capital requirements. This will be managed as part of the Council's short- and medium-term cashflow monitoring as required.

Whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to the Council. The Council is also required by statute to provide a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through cash flow management procedures required by the Code of Practice.

45.5 Re-financing and Maturity Risk

The Council maintains significant debt and investment portfolios. The re-financing risk to the Council relates to managing the exposure to replacing financial instruments as they mature. As shown in the chart in 45.6, the majority of the Council's debt portfolio consists of fixed rate longer term loans, and as such, the Council has a relatively low re-financing risk on its liabilities. However, the Council has market debt which allows the lender the option to ask for a rate increase at set dates and at that point the Council may choose to repay the loan at no additional cost. This gives a potential re-financing risk which the Council monitors and manages.

NOTES TO THE FINANCIAL STATEMENTS

45. Nature and Extent of Risks Arising from Financial Instruments - continued

45.5 Re-financing and Maturity Risk - continued

The Council's approved treasury strategy addresses the main risks and the treasury team address the operational risks within approved parameters. This includes monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt. However, with the increase in borrowing rates announced in the Government's Comprehensive Spending Review in October 2010, it is now unlikely that there will be much scope for any substantial debt rescheduling.

The maturity analysis of the principal outstanding on the Council's financial liabilities is as follows:

	2015/16 £000	2014/15 £000
Less than one year	(80,656)	(75,077)
Between one and two years	(66,155)	(65,227)
Between two and five years	(188,770)	(188,310)
Between five and ten years	(264,343)	(260,587)
More than ten years	<u>(996,419)</u>	<u>(1,063,998)</u>
Financial Liabilities	<u>(1,596,343)</u>	<u>(1,653,199)</u>

All trade and other payables are due to be paid in less than one year and trade creditors of £15.277m (2014/15 £18.597m) are not shown in the table above. The above figures show the principal outstanding, therefore, neither accrued interest of £17.513m (2014/15 £17.854m) nor net equivalent interest rate (EIR) adjustments of £8.954m (2014/15 £9.041m) to the carrying amounts of market debt shown in the financial liabilities are included.

The only investment which the Council has with a maturity of greater than one year is £4.6m in EDI loan stock.

45.6 Market risk

Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall;
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement or Movement in Reserves Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movement in Reserves Statement, unless the investments have been designated as fair value through the Comprehensive Income and Expenditure Statement.

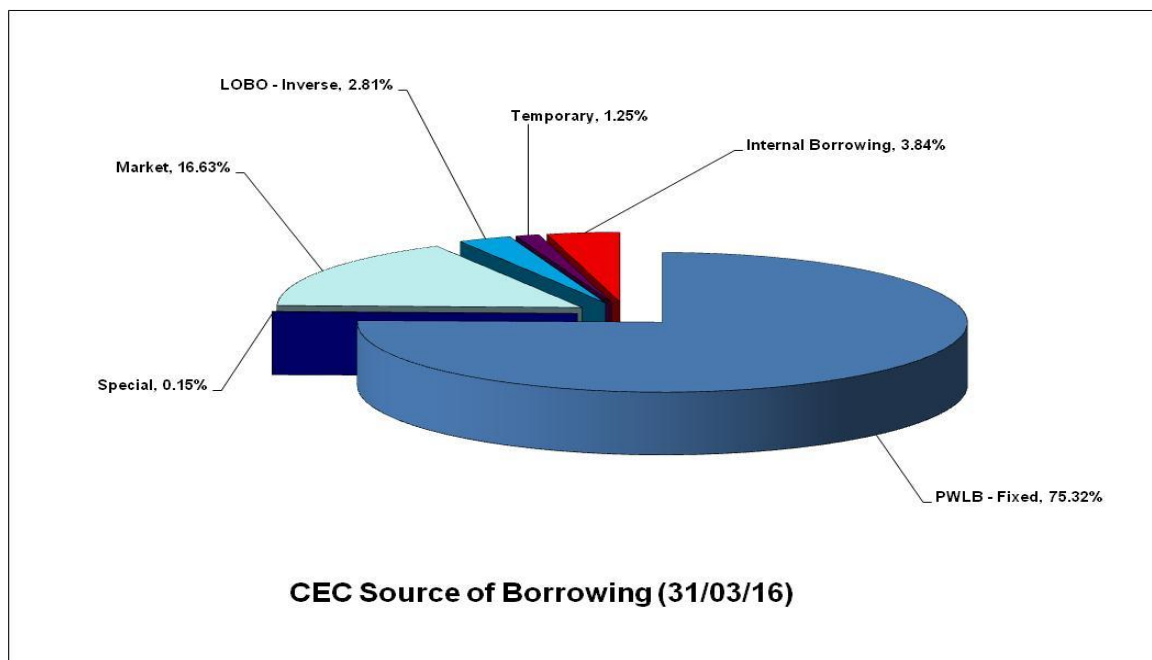
The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy includes a forecast for short and longer term interest rates. The treasury team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns. Any such strategy is run within the short and medium term liquidity requirements of the Council.

NOTES TO THE FINANCIAL STATEMENTS

45. Nature and Extent of Risks Arising from Financial Instruments - continued

45.6 Market risk - continued

The following chart shows the source of the Council's borrowing. Most of the Council's borrowings are from the Government by way of the Public Works Loans Board (PWLB). As interest rates are historically low, none of the PWLB borrowing was variable rate.



Price Risk

The Council does not generally invest in equity shares but does have shareholdings of £23.474m (2014/15 £23.511m) in a number of Council owned Companies and joint ventures. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

46. Business Improvement District Scheme

The Council acts as the Billing Authority for a number of Business Improvement Districts (BID). The Council collects a levy from the business rate payers on behalf of the BID bodies, Essential Edinburgh, Greater Grassmarket, Queensferry Ambition and Edinburgh's West End.

	2015/16 £000	2014/15 £000
Monies to be recovered from ratepayers at 1 April	190	29
BID Levy Income	3,637	2,389
Less: Payments made / due to schemes	(3,478)	(2,228)
Monies still to be recovered from ratepayers at 31 March	349	190

The monies raised through the BIDs are used to fund activities around similar key themes, including:

- area promotion - advertising, marketing and events
- clean and attractive area - cleaning teams, floral displays, street décor, cleanliness surveys
- safe and secure area - CCTV, improved lighting, transport marshals
- accessibility - pedestrian friendly environment, parking promotions, signage; and
- business initiatives - grants, skills partnerships, start up advice

NOTES TO THE FINANCIAL STATEMENTS

47. The City of Edinburgh Council Charitable Funds

The City of Edinburgh Council administers a number of charitable funds. Over the last few years, the Council has rationalised the number of charitable trusts down from over a hundred to seven. In 2011/12, 28 charities were consolidated into one new charity, the Edinburgh Education Trust.

47.1 Purpose, and financial position, of the largest of the charitable funds

- **Jean F. Watson Bequest (Scottish Charity Reg. No. SC018971)**

The purpose of the fund is to purchase works of art by artists who have connections with the city.

The financial results of the fund are as follows:	31.03.16	31.03.15
	£000	£000
Income	(27)	(25)
Expenditure	7	1
Assets	6,173	6,198
Liabilities	0	0

- **Lauriston Castle (Scottish Charity Reg. No. SC020737)**

The purpose of the fund is for the advancement of arts, heritage and culture linked to Lauriston Castle.

The financial results of the fund are as follows:	31.03.16	31.03.15
	£000	£000
Income	(1)	(1)
Expenditure	1	1
Assets	7,039	7,041
Liabilities	0	0

- **Edinburgh Education Trust (Scottish Charity Reg No SC042754)**

The purposes of the Trust include the advancement of education, citizenship and community development, and the organisation of recreational activities.

The financial results of the fund are as follows:	31.03.16	31.03.15
	£000	£000
Income	(21)	(21)
Expenditure	17	5
Assets	852	886
Liabilities	0	0

47.2 The funds are:

	Scottish Charity Registration Number	Market Value 31.03.16 £000	Market Value 31.03.15 £000
Scottish Registered Charities			
Lauriston Castle	SC020737	7,039	7,041
Jean F. Watson	SC018971	6,173	6,198
Edinburgh Education Trust	SC042754	852	886
Nelson Halls	SC018946	214	224
Boyd Anderson	SC025067	118	120
Usher Hall Appeal	SC030180	68	70
Royal Scots Memorial Trust	SC018945	30	33
Total market value		<u>14,494</u>	<u>14,572</u>

These funds do not represent assets of the Council and are not included in the Consolidated Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

47. The City of Edinburgh Council Charitable Funds - continued

47.3 Financial Position of the Scottish Registered Charity Funds

2014/15 Income and Expenditure Account £000	2015/16 £000
Income	
(64) Investment income	(54)
0 Other non-investment income	(2)
<u>(64)</u>	<u>(56)</u>
Expenditure	
10 Prizes, awards and other expenses	24
9 Governance Costs	13
<u>19</u>	<u>37</u>
<u>(45)</u> Surplus for the year	<u>(19)</u>
2014/15 Balance Sheet £000	2015/16 £000
Long-Term Assets	
1,940 Investments	1,843
5,232 Artworks - Jean Watson Trust	5,232
7,020 Heritable property	7,020
<u>14,192</u> Total Long-Term Assets	<u>14,095</u>
Current Assets	
413 Cash and bank	420
<u>413</u>	<u>420</u>
Current Liabilities	
(33) Creditors	(21)
<u>(33)</u>	<u>(21)</u>
<u>14,572</u> Total Assets less Liabilities	<u>14,494</u>
Funds	
4,301 Capital at 1 April	3,194
45 Surplus for the year	19
140 Realised and unrealised gains on investments	0
0 Realised and unrealised losses on investments	(97)
(1,292) Surplus Fire Fund Transfer to EVOT	0
<u>3,194</u>	<u>3,116</u>
<u>11,378</u> Revaluation reserve	<u>11,378</u>
<u>14,572</u> Funds at 31 March	<u>14,494</u>

At the request of the Office of the Scottish Charity Regulator, a separate Trustee's Report and Accounts have been prepared which give further information on the Scottish registered charities in the trusteeship of the Council. A copy of this document may be obtained from the Council's Finance Division - Business Centre 2.6, Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG.

NOTES TO THE FINANCIAL STATEMENTS

47. The City of Edinburgh Council Charitable Funds - continued

47.4 Financial Position of Other Funds

2014/15 Income and Expenditure Account		2015/16
£000	Income	£000
0	Investment income	0
0		0
Expenditure		
1	Administrative expenses	1
1		1
1	(Surplus) / Deficit for the year	1
Re-stated		
2014/15 Balance Sheet		2015/16
£000	Current Assets	£000
48	Cash and bank	45
48		45
Current Liabilities		
(3)	Balance with City of Edinburgh Council	(1)
(3)		(1)
45	Total Assets less Liabilities	44
46	Capital at 1 April	45
(1)	Deficit for the year	(1)
0	Compensation fund paid	0
45	Capital at 31 March	44

48. Scottish Cities Alliance

The Scottish Cities Alliance was created in 2012 to promote collaboration between Scotland's cities and the Scottish Government to grow city economies, create jobs and deliver benefits across the country. Total Scottish Government investment funding of £7m has been provided to take forward a range of relevant initiatives. The Council undertakes, on an agency basis, the associated financial administration. During the year, £0.9m was paid out to the respective lead authorities of the projects concerned.

	2015/16		2014/15	
	£000	£000	£000	£000
Balance as at 1 April		4,819		6,045
Contribution from Scottish Government		90		90
Investment income		17		21
Less: Payments made:				
Aberdeen City Council	(4)		(64)	
City of Edinburgh Council	(4)		(749)	
Dundee City Council	0		(140)	
Glasgow City Council	(409)		(367)	
Highland Council	(37)		(15)	
Perth and Kinross Council	(102)		(2)	
Stirling Council	(344)		0	
		(900)		(1,337)
Contribution to SCDI				
2014/15	(90)		0	
2015/16	(90)		0	
		(180)		0
Balance as at 31 March		3,846		4,819

As of April 2016, the Alliance had approved total project funding allocations of £4.66m (£3.96m April 2015), covering a range of initiatives spanning the areas of Infrastructure, Investment Promotion, Low Carbon and Smart Cities.

NOTES TO THE FINANCIAL STATEMENTS

49. Prior Period Adjustments

49.1 The following prior period adjustments have been made. The changes are adopted retrospectively for the prior period 2014/15, in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. The 31 March 2014 and 31 March 2015 Balance Sheets and 2014/15 comparative figures have been restated in this statement of accounts to reflect these adjustments.

- **Re-categorisation of long-term debtors**

In 2010/11 the Council approved a shared equity scheme to help buyers purchase homes from PARC, to which the Council provided funding of £0.484m. A prior period adjustment has been made to re-categorise this to long-term debtors from the Capital Adjustment Account.

The Council approved an assisted purchase initiative administered on their behalf to advance monies to home owners to assist with property repairs. Loans were made between 2007 and 2012 and were recorded through the Capital Adjustment Account, with an original loan principal value of £0.762m. A prior period adjustment has been made to re-categorise this to long-term debtors and include estimated valuation increases in proportion to the property values.

- **Re-statement of housing rent**

A prior year adjustment has been made to record an understatement of HRA rental income since 2012, due to a system interface error. The prior year adjustment recognises the income in the long and short-term debtors and the renewal and repairs reserve.

- **Re-classification of creditor**

The Council received monies as a contribution towards the development of the additional function space at EICC. These monies were repayable in the event of a future sale and should therefore have been accounted for on this basis. A prior year adjustment has been made to record this as a creditor.

Group Account Changes

- **Lothian Valuation Joint Board - Re-categorisation of Creditor balance**

The Board previously carried forward unspent requisitions in the form of a creditor balance which was contrary to the Valuation Joint Boards (Scotland) Order 1995. Within the Group accounts these are included in Liabilities in Associates and Joint Ventures.

Unspent requisition balances have now been recorded in the form of a usable reserve.

49.2 Impact on Financial Statements

Movement in Reserves Statement	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	Lothian Valuation Board £000	2014/15 Re-stated £000
<u>Balance at 31 March 2014</u>						
General Fund Balance	123,309	1	0	0	0	123,310
Renewal and Repairs Fund	21,936	0	568	0	0	22,504
Capital Fund	25,835	0	0	(3,456)	0	22,379
Council's Total Usable Reserves	173,074	1	568	(3,456)	0	170,187
Group Usable Reserves	23,192	0	0	0	258	23,450
Total Usable Reserves	196,266	1	568	(3,456)	258	193,637
Council's Unusable Reserves	1,612,466	1,246	0	(5,915)	0	1,607,797
Total Reserves	1,917,681	1,246	568	(9,370)	258	1,910,383
<u>Surplus on (deficit) on provision of service</u>						
General Fund Balance	(4,301)	47	0	(750)	0	(5,004)
HRA Balance	17,476	0	461	0	0	17,937
Council's Total Usable Reserves	13,175	47	461	(750)	0	12,933
Group Usable Reserves	6,350	0	0	0	108	6,458
Total Usable Reserves	19,525	47	461	(750)	108	19,391
Total Reserves	19,525	47	461	(750)	108	19,391

NOTES TO THE FINANCIAL STATEMENTS

49. Prior Period Adjustments - continued

49.2 Impact on Financial Statements - continued

Movement in Reserves Statement - continued	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	Valuation Board £000	2014/15 Re-stated £000
<u>Transfers (to) / from other statutory reserves</u>						
General Fund Balance	(9,161)	0	0	750	0	(8,411)
HRA Balance	(2,503)	0	(461)	0	0	(2,964)
Renewal and Repairs Fund	12,868	0	461	0	0	13,329
Capital Fund	(1,206)	0	0	(750)	0	(1,956)
	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	2014/15 Re-stated £000	
<u>Balance at 31 March 2015</u>						
General Fund	117,476	48	0	0	117,524	
Renewal and Repairs Fund	34,804	0	1,029	0	35,833	
Capital Fund	35,927	0	0	(4,206)	31,721	
Council's Total Usable Reserves	192,556	48	1,029	(4,206)	189,427	
Council's Unusable Reserves	1,453,756	1,246	0	(5,915)	1,449,087	
Group Comprehensive Income and Expenditure Statement			Council 2014/15 Statements £000	Adjustment (see below) £000	Lothian Valuation Board £000	2014/15 Re-stated £000
Housing Revenue Account		(32,830)	(461)	0	-33,291	
Associates and Joint Ventures Accounted for on an Equity Basis		1,966	0	(108)	1,858	
Cost of Services		925,098	(461)	(108)	924,529	
Financing and investment income		91,300	703	0	92,003	
Surplus on provision of service		(19,525)	242	(108)	-19,391	
Total Comprehensive Expenditure		162,456	242	(108)	162,590	
Council Comprehensive Income and Expenditure Statement	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	2014/15 Re-stated £000	
Housing Revenue Account	(32,830)	0	(461)	0	(33,291)	
Cost of Services	932,710	0	(461)	0	932,249	
Financing and investment income	91,625	(47)	0	750	92,328	
Surplus on provision of service	(13,175)	(47)	(461)	750	(12,933)	
Total Comprehensive Expenditure	139,228	(47)	(461)	750	139,470	

NOTES TO THE FINANCIAL STATEMENTS

49. Prior Period Adjustments - continued

49.2 Impact on Financial Statements - continued

Group Balance Sheet Statement	2014/15 Statements £000	Council Adjustment (see below) £000	Lothian Valuation Board £000	2014/15 Re-stated £000
Long-term assets				
- Long-term debtors	113,146	1,893	0	115,039
Current assets				
- Short-term debtors	82,940	430	0	83,370
Current liabilities				
- Short-term creditors	(169,986)	(10,121)	0	(180,107)
Long-term liabilities				
- Liabilities in Associates / Joint Ventures	(9,087)	0	364	(8,723)
Net assets	1,755,227	(7,798)	364	1,747,793
Revaluation Reserve	911,395	(5,509)	0	905,886
Capital Adjustment Account	1,339,227	840	0	1,340,067
Unusable Reserves	1,552,863	(4,669)	0	1,548,194
Capital Fund	35,927	(4,206)	0	31,721
Renewal and Repairs Fund	34,804	1,029	0	35,833
General Fund	117,476	48	0	117,524
Group Usable Reserves	9,808	0	364	10,172
Usable Reserves	202,364	(3,129)	364	199,599
Total reserves	1,755,227	(7,798)	364	1,747,793

Group Balance Sheet Statement	2013/14 Statements £000	Council Adjustment (see below) £000	Lothian Valuation Board £000	2013/14 Re-stated £000
Long-term assets				
- Long-term debtors	95,766	1,022	0	96,788
Current assets				
- Short-term debtors	123,600	794	0	124,394
Current liabilities				
- Short-term creditors	(173,775)	(9,372)	0	(183,147)
Long-term liabilities				
- Liabilities in Associates / Joint Ventures	(5,923)	0	258	(5,665)
Net assets	1,917,681	(7,555)	258	1,910,384
Revaluation Reserve	918,790	(5,712)	0	913,078
Capital Adjustment Account	1,306,580	1,043	0	1,307,623
Unusable Reserves	1,721,415	(4,668)	0	1,716,747
Capital Fund	25,835	(3,456)	0	22,379
Renewal and Repairs Fund	21,936	568	0	22,504
General Fund	123,309	1	0	123,310
Group Usable Reserves	23,192	0	258	23,450
Usable Reserves	196,266	(2,887)	258	193,637
Total reserves	1,917,681	(7,555)	258	1,910,384

NOTES TO THE FINANCIAL STATEMENTS

49. Prior Period Adjustments - continued

49.2 Impact on Financial Statements - continued

Council Balance Sheet Statement	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	2014/15 Re-stated £000
Long-term assets					
- Long-term debtors	116,646	1,294	599	0	118,539
Current assets					
- Short-term debtors	69,751	0	430	0	70,181
Current liabilities					
- Short-term creditors	(141,325)	0	0	(10,121)	(151,446)
Net assets	1,646,312	1,294	1,029	(10,121)	1,638,514
Revaluation Reserve	911,395	0	0	(5,509)	905,886
Capital Adjustment Account	1,339,227	1,246	0	(406)	1,340,067
Unusable Reserves	1,453,756	1,246	0	(5,915)	1,449,087
Capital Fund	35,927	0	0	(4,206)	31,721
Renewal and Repairs Fund	34,804	0	1,029	0	35,833
General Fund	117,476	48	0	0	117,524
Usable Reserves	192,556	48	1,029	(4,206)	189,427
Total reserves	1,646,312	1,294	1,029	(10,121)	1,638,514

Council Balance Sheet Statement	2013/14 Statements £000	L-T Debtors £000	Housing Rent £000	Creditor £000	2013/14 Re-stated £000
Long-term assets					
- Long-term debtors	99,266	763	258	0	100,287
Current assets					
- Short-term debtors	113,602	484	311	0	114,397
Current liabilities					
- Short-term creditors	(151,613)	0	0	(9,372)	(160,985)
Net assets	1,785,540	1,247	569	(9,372)	1,777,984
Revaluation Reserve	918,790	0	0	(5,712)	913,078
Capital Adjustment Account	1,306,580	1,246	0	(203)	1,307,623
Unusable Reserves	1,612,466	1,246	0	(5,915)	1,607,797
Capital Fund	25,835	0	0	(3,456)	22,379
Renewal and Repairs Fund	21,936	0	568	0	22,504
General Fund	123,309	1	0	0	123,310
Usable Reserves	173,074	1	568	(3,456)	170,187
Total reserves	1,785,540	1,247	568	(9,371)	1,777,984

NOTES TO THE FINANCIAL STATEMENTS

49. Prior Period Adjustments - continued

49.2 Impact on Financial Statements - continued

Group Cash Flow Statement	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	L-T Creditor £000	2014/15 Re-stated £000
Operating activities					
- Interest and investment income received	(11,680)	(47)	0	749	(10,978)
Cash inflows form operating activities	(1,937,399)	(47)	0	749	(1,936,697)
- Cash paid to suppliers of goods and services	750,951	0	0	(749)	750,202
Cash outflows from operating activities	1,700,462	0	0	(749)	1,699,713
Net cash flows from operating activities	(236,937)	(47)	0	0	(236,984)
Investing activities					
- Other receipts from investing activities	(13,329)	47	0	0	(13,282)
Net cash flows form investing activities	183,055	47	0	0	183,102
Council Cash Flow Statement	2014/15 Statements £000	L-T Debtors £000	Housing Rent £000	L-T Creditor £000	2014/15 Re-stated £000
Operating activities					
- Interest and investment income received	(11,450)	(47)	0	749	(10,748)
Cash inflows form operating activities	(1,780,277)	(47)	0	749	(1,779,575)
- Cash paid to suppliers of goods and services	695,545	0	0	(749)	694,796
Cash outflows from operating activities	1,565,249	0	0	(749)	1,564,500
Net cash flows from operating activities	(215,028)	(47)	0	0	(215,075)
Investing activities					
- Other receipts from investing activities	(13,329)	47	0	0	(13,282)
Net cash flows form investing activities	159,177	47	0	0	159,224
Housing Revenue Account Income and Expenditure Statement			2014/15 Statements £000	Housing Rent £000	2014/15 Re-stated £000
Income					
Dwelling rents			(90,840)	(461)	(91,301)
Surplus for the year on HRA services			(17,476)	(461)	(17,937)
Movement on the HRA Statement					
Surplus for the year on the HRA Income and Exp Account			17,476	461	17,937
Contribution to renewal and repairs fund, via the General Fund			(2,503)	(461)	(2,964)

HOUSING REVENUE ACCOUNT

INCOME AND EXPENDITURE STATEMENT for the year ended 31 March 2016

The Housing Revenue Account (HRA) Income and Expenditure Statement shows in more detail the income and expenditure on HRA services included in the Council's Comprehensive Income and Expenditure Statement.

(re-stated)		2015/16	
2014/15		£000	£000
£000	EXPENDITURE		
27,256	Repairs and maintenance	27,765	
21,453	Supervision and management	26,132	
18,266	Depreciation and impairment of non-current assets	23,285	
5,719	Other expenditure	5,609	
1,325	Impairment of debtors	1,073	
<u>74,019</u>			83,864
	INCOME		
(91,301)	Dwelling rents	(93,015)	
(377)	Non-Dwelling rents (gross)	(467)	
<u>(15,632)</u>	Other income	<u>(17,102)</u>	
<u>(107,310)</u>			<u>(110,584)</u>
(33,291)	Net expenditure / (income) for HRA Services (as included in the Council's Comprehensive Income and Expenditure Statement)		(26,720)
319	HRA share of corporate and democratic core		274
72	HRA share of other amounts included in the Council's Net Cost of Services but not allocated to specific services		1,005
<u>(32,900)</u>	Net expenditure / (income) for HRA Services		<u>(25,441)</u>
	HRA share of other operating expenditure included in the Council's Comprehensive Income and Expenditure Statement		
307	(Gain) / loss on sale of HRA fixed assets	(2,247)	
18,936	Interest payable and similar charges	19,021	
2,434	Interest cost on defined benefit obligation (<i>pension-related</i>)	2,494	
(81)	Interest and investment income	(98)	
(1,886)	Interest income on plan assets (<i>pension-related</i>)	(1,858)	
<u>(4,747)</u>	Capital grants and contributions	<u>(7,439)</u>	
<u>14,963</u>			<u>9,873</u>
<u><u>(17,937)</u></u>	Surplus for the year on HRA services		<u><u>(15,568)</u></u>

HOUSING REVENUE ACCOUNT

MOVEMENT ON THE HRA STATEMENT

(re-stated) 2014/15 £000		2015/16 £000
0	Balance on the HRA at the end of the previous year	0
17,937	Surplus for the year on the HRA Income and Exp Account	15,568
(14,973)	Adjustments between accounting basis and funding basis under statute	(13,312)
<u>2,964</u>	Net increase before transfers to reserves	<u>2,256</u>
(2,964)	Contribution to renewal and repairs fund, via the General Fund	(2,256)
<u>0</u>	Balance on the HRA at the end of the current year	<u>0</u>

Adjustments Between Accounting Basis and Funding Basis Under Regulations

£000		£000
	Adjustments primarily involving the Capital Adjustment Account	
	Reversal of items debited or credited to the Income and Expenditure Statement	
18,266	Charges for depreciation and impairment of non-current assets	23,285
(4,747)	Capital grants and contributions applied	(7,439)
	Insertion of items not debited or credited to the Income and Expenditure Statement	
(23,123)	Statutory provision for the financing of capital investment	(27,328)
(5,649)	Capital funded from revenue	0
	Adjustments primarily involving the Capital Receipts Reserve	
307	Transfer of cash sale proceeds credited as part of the gain / loss on disposal of assets	(2,247)
	Adjustments primarily involving the Financial Instruments Adjustment Account	
(460)	Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(488)
	Adjustments primarily involving the Pensions Reserve	
1,081	Reversal of items relating to retirement benefits debited or credited to the Income and Expenditure Statement	2,676
(426)	Employer's pension contributions and direct payments to pensioners payable in the year	(1,693)
	Adjustments primarily involving the Employee Statutory Adjustment Account	
(222)	Amount by which officer remuneration charged to the Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(78)
<u>(14,973)</u>		<u>(13,312)</u>

HOUSING REVENUE ACCOUNT

Notes to the Housing Revenue Account

1. The number and types of dwellings in the authority's housing stock at 31 March 2016 are as follows:

Types of Houses	2016		2015	
	Number	Annual Average Rent (£)	Number	Annual Average Rent (£)
Main provision Council dwellings				
1 Apartment	302	3,726.00	302	3,653.00
2 Apartment	5,459	4,177.00	5,473	4,100.00
3 Apartment	10,145	4,842.00	10,184	4,752.00
4 Apartment	3,426	5,579.00	3,458	5,473.00
5 Apartment	516	6,015.00	521	5,891.00
6 Apartment	9	6,043.00	9	5,924.00
7 Apartment	4	5,854.00	4	5,739.00
8 Apartment	1	5,854.00	1	5,739.00
Mid-market rent dwellings				
2 Apartment	21	5,447.00	6	5,337.00
3 Apartment	75	6,706.00	39	6,878.00
4 Apartment	22	8,430.00	7	7,924.00
	<u>19,980</u>		<u>20,004</u>	

The stock figure represents all types of residential properties, including furnished tenancies, sheltered housing and homelessness units.

2. The amount of rent arrears included as debtors in the Council's Consolidated Balance Sheet was £6.779m (£5.402m 2014/15) against which a provision amounting to £5.399m (£4.326m 2014/15), has been created in respect of non collectable debts. The 14/15 figure has been restated by £1.029m as a result of a prior year adjustment to record an understatement of HRA rental income since 2012, due to a system interface error.
3. Significant non-residential income includes ground rent at Broomhouse Drive of £0.160m per annum.
4. The total value of uncollectable void rents for main provision properties was £0.464m (2014/15 £0.545m). This has been netted against rental income.

COUNCIL TAX INCOME ACCOUNT

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

for the year ended 31 March 2016

2014/15 £000		2015/16 £000 £000	
(297,767)	Gross council tax levied and contributions in lieu		(300,827)
48,938	Less: - Exemptions and other discounts	49,860	
8,333	- Provision for bad debts	7,956	
25,785	- Council Tax Reduction Scheme	24,255	
2,107	- Other reductions	2,689	
<u>85,163</u>			<u>84,760</u>
(212,604)			(216,067)
<u>(307)</u>	Previous years' adjustments		<u>(324)</u>
<u>(212,911)</u>	Total transferred to General Fund		<u>(216,391)</u>

Notes to the Council Tax Income Account

The in-year collection rate for Council Tax was 96.1% (2014/15 95.4%).

Each household or occupied dwelling is allocated to a Council Tax band by the Assessor. The charge per Council Tax band is calculated as a proportion of band D - these proportions are determined by legislation.

A Council Tax bill is reduced by 25% where a dwelling has only one occupant or, with certain exceptions, 10% where the property is a second home. Unoccupied properties are eligible for 10% discount for up to 12 months, from the date the property was last occupied, thereafter 100% additional charge, with certain exceptions. For Council Tax purposes, students and certain other categories of people are not regarded as occupants. Reductions in Council Tax payable are also granted for physically disabled people.

Charges in respect of water and sewerage are the responsibility of Scottish Water. The Council collects both water and sewerage charges and makes payment to the Water Authority.

Calculation of the Council Tax Base 2015/16

Band	Number of Properties	Disabled Relief	Exemptions	Discounts	Effective Properties	Ratio to Band D	Band D Equivalents	Charges per Band
A Up to £27,000	23,248	79	(3,209)	(3,452)	16,666	6/9	11,111	£779.33
B £27,001 - £35,000	47,011	68	(3,728)	(6,904)	36,447	7/9	28,348	£909.22
C £35,001 - £45,000	43,969	(23)	(3,247)	(5,439)	35,260	8/9	31,342	£1,039.11
D £45,001 - £58,000	37,823	61	(2,845)	(4,123)	30,916	9/9	30,916	£1,169.00
E £58,001 - £80,000	40,177	(24)	(3,383)	(3,682)	33,088	11/9	40,441	£1,428.78
F £80,001 - £106,000	24,402	(38)	(1,343)	(1,955)	21,066	13/9	30,429	£1,688.56
G £106,001 - £212,000	20,893	(93)	(531)	(1,244)	19,025	15/9	31,708	£1,948.33
H Over £212,000	3,910	(30)	(146)	(191)	3,543	18/9	7,086	£2,338.00
Total							211,381	
Add: Contributions in Lieu							499	
Less: Provision for Non-Payment							<u>(6,738)</u>	
Council Tax Base							<u>205,142</u>	

NON-DOMESTIC RATES INCOME ACCOUNT

The Non-Domestic Rate Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national Non-Domestic Rate pool.

for the year ended 31 March 2016

2014/15		2015/16	
£000		£000	£000
(439,173)	Gross rates levied and contributions in lieu		(444,260)
82,712	Less: - Reliefs and other deductions	85,276	
4,588	- Uncollectable debt written off and provision for impairment	4,752	
<u>87,300</u>			<u>90,028</u>
(351,873)			(354,232)
7,684	Previous years' adjustments		13,161
<u>(344,189)</u>	Net Non-Domestic Rates Income		<u>(341,071)</u>
	Allocated to:		
(344,628)	Contribution to National Non-Domestic Rates Pool		(341,540)
439	Adjustments for years prior to introduction of National Non-Domestic Rates Pool		469
<u>(344,189)</u>			<u>(341,071)</u>

Notes to the Non-Domestic Rates Income Account

Rateable Values as at 1 April 2015		Rateable Value
	Number	£000
Shops, offices and other commercial subjects	14,174	647,392
Industrial and freight transport	2,731	73,733
Telecommunications	9	25
Public service subjects	354	49,186
Miscellaneous	2,734	141,443
	<u>20,002</u>	<u>911,779</u>

Contribution to / from National Non-Domestic Rates Pool

The contribution to the National Non-Domestic Rates Pool of £341.540m (2014/15 £344.628m) is the non-domestic rates contributed by the Council through pooling arrangements for government grant purposes. The amount distributed to the Council under these arrangements was £390.862m (2014/15 £364.108m).

With effect from 2011/12, authorities retain in full the income raised locally up to the baseline level assumed in the Local Government Financial Settlement. Any variation from this assumed level is then met by means of a corresponding transfer of funds to or from the Scottish Government.

Poundage

Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for Edinburgh. The non-domestic rate poundage is determined by the Scottish Ministers, and was 48.0p per £ in 2015/16 (2014/15 47.1p per £).

Properties with a rateable value greater than £35,000 (2014/15 £35,000) had their rate charges calculated using the poundage of 49.3p per £ (2014/15 48.2p per £).

From 1 April 2008, the Scottish Government introduced the Small Business Bonus Scheme. Business properties with a rateable value of £18,000 or less may have received relief as set out below:

100% Relief	below	£10,000
50% Relief	£10,001 to	£12,000
25% Relief	£12,001 to	£18,000
Upper limit for combined rateable value		£35,000

COMMON GOOD FUND

The Common Good Fund stands separate from the Council's accounts and has been described as "the ancient patrimony of the community". It was originally derived from the grants by the Sovereigns of Scotland at various times. The present fund is an amalgam of the funds of the City and Royal Burgh of Edinburgh and the Royal Burgh of South Queensferry.

A report on the (Edinburgh) Common Good prepared by the Town Clerk and City Chamberlain in 1905 set out the historical background of the fund and listed its then assets in some detail. The report also stated a "General Principle" that the Fund should be administered "for the purpose of upholding the dignity and suitable hospitality of the City; performing the duties incumbent upon a Royal Burgh maintaining the municipal establishment and managing the municipal affairs; vindicating or extending the corporate rights of the community and defending its interests; acquiring additional land or property for the corporate benefit, or improving existing corporation property, and generally for any purpose which, in the bona fide judgement of the Town Council, is for the good of the community as a whole, or in which the inhabitants at large may share, as distinct from the separate interests or benefit of any particular individual or class, however deserving or needy. The purpose must be limited to those which concern the City and its interests".

The Local Government etc. (Scotland) Act 1994 confirms this interpretation that use of the Fund shall "have regard to the interests of all the inhabitants" of the area.

During 2015/16, the Council acquired Custom House, 69 Commercial Street, Leith for £671,540 to use the building as a museum for the benefit of Leith and the wider city. In addition to the acquisition of Custom House, the Council generated two capital receipts for the Common Good. Cathedral Lane was sold with a receipt of £108,000 and land at Granton Road was sold with a receipt of £51,480, both of which were credited to the Common Good Fund. There has been no reduction in the value of the existing Common Good assets in year.

The sale of East Market Street garage as part of package of properties was completed in 2014/15. The Common Good account was credited with a receipt of £1.182m. The receipt, net of costs associated with the disposal, was transferred to the Common Good fund and will be utilised to fund a planned property maintenance programme on Common Good assets as agreed at the January 2016 Finance and Resources Committee. The resulting balance of the Common Good Fund is £2.297m as at 31 March 2016. (£1.654m 2014/15).

COMMON GOOD FUND - MOVEMENT IN RESERVES STATEMENT

	Common Good Fund £000	Property Maintenance Fund £000	FFF Earmarked Fund £000	Capital Adjust. Account £000	Reval. Reserve £000	Total Reserves £000
2015/16 Movements						
Balance at 31 March 2015	1,654	0	1,182	(22)	21,860	24,674
Movement in reserves during 2015/16						
(Deficit) / Surplus on the provision of service	(538)	0	0	0	0	(538)
Revaluation Reserve	0	0	0	0	134	134
Total Comprehensive Income and Expenditure	(538)	0	0	0	134	(404)
Adjustments between accounting basis and funding basis under regulations:	0	0	0	0	0	0
Net increase / decrease before transfers to earmarked reserves	(538)	0	0	0	134	(404)
Transfer (to) / from reserves	(818)	2,000	(1,182)	0	0	0
Increase / (decrease) in year	(1,356)	2,000	(1,182)	0	134	(404)
Balance at 31 March 2016	298	2,000	0	(22)	21,994	24,270

COMMON GOOD FUND - MOVEMENT IN RESERVES STATEMENT

	Common Good Fund £000	FFF Earmarked Fund £000	Capital Adjust. Account £000	Reval. Reserve £000	Total Reserves £000
2014/15 Comparative Data					
Balance at 31 March 2014	<u>1,650</u>	<u>0</u>	<u>(20)</u>	<u>23,928</u>	<u>25,558</u>
Movement in reserves during 2014/15					
Surplus on the provision of services	1,186	0	0	0	1,186
Revaluation Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>(885)</u>	<u>(885)</u>
Total Comprehensive Income and Expenditure	1,186	0	0	(885)	301
Adjustments between accounting basis and funding basis under regulations:	0	0	(2)	(1,183)	(1,185)
Net increase / decrease before transfers to earmarked reserves	1,186	0	(2)	(2,068)	(884)
Transfer (to) / from reserves	<u>(1,182)</u>	<u>1,182</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase / (decrease) in year	<u>4</u>	<u>1,182</u>	<u>(2)</u>	<u>(2,068)</u>	<u>(884)</u>
Balance at 31 March 2015	<u><u>1,654</u></u>	<u><u>1,182</u></u>	<u><u>(22)</u></u>	<u><u>21,860</u></u>	<u><u>24,674</u></u>

COMMON GOOD FUND - COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2014/15 £000	2015/16 £000	£000
EXPENDITURE		
44 Common Good Fund	38	
44 TOTAL EXPENDITURE	<u>38</u>	
INCOME		
0 TOTAL INCOME	<u>0</u>	
44 COST OF SERVICES		<u>38</u>
(1,218) (Gain) / Loss on disposal of Fixed Assets	511	
(2) Income from redemption of investment bonds	0	
(10) Interest and investment income	(11)	
(1,230) Other Comprehensive Income and Expenditure		<u>500</u>
(1,186) (Surplus) / Deficit on Provision of Services		538
885 (Surplus) / Deficit on revaluation of non-current assets	(134)	
<u>(301) TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE</u>		<u><u>404</u></u>

COMMON GOOD FUND - BALANCE SHEET

31 March 2015 £000		31 March 2016 £000 £000	
21,757	Community Assets	21,892	
21,757	Property, Plant and Equipment		21,892
103	Heritage Assets	103	
0	Long-term Investments	0	
103	Long-term Assets		103
2,756	Short-Term Investments	322	
58	Cash and Cash Equivalents	1,953	
2,814	Current Assets		2,275
24,674	Net Assets		24,270
21,860	Revaluation Reserve	21,994	
(22)	Capital Adjustment Account	(22)	
21,838	Unusable Reserves		21,972
1,654	Common Good Fund	298	
1,182	Earmarked Reserve	2,000	
2,836	Usable Reserves		2,298
24,674	Total Reserves		24,270

The unaudited accounts were issued on 24 June 2016. The audited accounts were authorised for issue on 29 September 2016.

HUGH DUNN, CPFA
Acting Executive Director of Resources
29 September 2016

COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

1. Property, Plant and Equipment and Heritage Assets

1.1 Movements on Balances

	Community Assets £000	Total Property, Plant and Equipment £000	Heritage Assets £000
Cost or Valuation			
At 1 April 2015	21,757	21,757	103
Revaluation increases / (decreases) recognised in the Revaluation Reserve	135	135	0
At 31 March 2016	21,892	21,892	103
Accumulated Depreciation			
At 1 April 2015	0	0	0
At 31 March 2016	0	0	0
Net Book Value			
At 31 March 2016	21,892	21,892	103
At 31 March 2015	21,757	21,757	103
Cost or Valuation			
At 1 April 2014	23,824	23,824	104
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(2,067)	(2,067)	(1)
At 31 March 2015	21,757	21,757	103
Accumulated Depreciation			
At 1 April 2014	0	0	0
At 31 March 2015	0	0	0
At 31 March 2015	21,757	21,757	103
At 31 March 2014	23,824	23,824	104

1.2 Information on Assets Held

Assets owned by the Common Good Fund at 31 March 2016 include:

Monuments and statues	20
Parks and open spaces and other properties	31
Shops, industrial units and other commercial lettings	18

2. Usable Reserves

Movements in the Common Good's usable reserves are detailed in the Movement in Reserves Statement (on page 132).

COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

3. Unusable Reserves

3.1 Revaluation Reserve

The revaluation reserve contains the gains made by the Common Good Fund arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

	2015/16		2014/15
	£000	£000	£000
Balance at 1 April		21,860	23,928
Upward revaluation of assets	134		412
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	0		(1,297)
Deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Service		134	(885)
Derecognition of asset disposals			(1,183)
Balance at 31 March		21,994	21,860

3.2 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis).

The account also holds revaluation gains accumulated on property, plant and equipment prior to 1 April 2007, the date the revaluation reserve was created to hold such gains.

	2015/16		2014/15
	£000		£000
Balance at 1 April	(22)		(20)
Adjustment for revaluation of Government investment bonds	0		(2)
Balance at 31 March	(22)		(22)

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The City of Edinburgh Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, effectively and ethically. The Council also has a statutory duty under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is defined as continuous improvement in the way its functions are carried out.

In discharging these responsibilities, Elected Members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end, the Council has adopted a Local Code of Corporate Governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) framework 'Delivering Good Governance in Local Government'. This statement outlines how the City of Edinburgh Council delivers good governance and reviews the effectiveness of those arrangements.

This statement explains how the Council has complied with the Local Code of Corporate Governance and how it meets the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

This statement also covers the organisations included in the Council's Group Accounts, a list of which is included on page 39 of the Accounts.

The Group's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Group is directed and controlled. It also describes the way it engages with, accounts to and leads its communities. It enables the Group to monitor the achievement of its objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's Local Code of Corporate Governance is supported by evidence of compliance which is regularly reviewed and considered by the Governance, Risk & Best Value Committee. The rest of the Group observes the principles of the code.

The Council has implemented arrangements for monitoring each element of the framework and providing evidence of compliance. The Council's Governance and Democratic Services manager reviewed the arrangements and is satisfied that the Code continues to be adequate and effective. Internal Audit has also reviewed the annual assurance questionnaire process in relation to Arms-Length Companies and has found that this provides the Chief Executive with a level of assurance on the adequacy of the governance arrangements. The Council's Corporate governance framework meets the principles of effective governance.

The key elements of the framework are set out below:

- The Council's key corporate vision and priorities are set out and published in the City of Edinburgh Council Business Plan 2016-2020. The plan forms part of a single planning and performance framework that connects the strategic vision of the Council and its partners to the detailed operational plans which guide the delivery of our frontline services, and the Community Plan for the delivery of services in our communities. Audit Scotland has reported its view that "the Council has a clear strategy for changing the way that it delivers services, reducing its workforce, and achieving substantial financial savings."
- The Edinburgh Partnership Community Plan 2015-2018 sets out the shared objectives of the Council and its community planning partners and details their vision, strategic priorities and intended outcomes for the Edinburgh area, its citizens and service users. The Edinburgh Partnership Community Plan 2015-2018 has been agreed by the Council and community planning partners. There are nine strategic partnerships and twelve Neighbourhood Partnerships, which all form part of the Edinburgh Partnership and help deliver the community plan and neighbourhood plans.
- Governance arrangements for the Edinburgh Partnership Community Plan include the Edinburgh Partnership Board to lead the Partnership and be responsible for its effectiveness; a Partnership Executive to act as a vehicle for wider advice, consultation, involvement and communication; and designated strategic partnerships for delivery of intervention and prevention areas.

ANNUAL GOVERNANCE STATEMENT

The key elements of the framework are set out below - continued

- Empowered communities. The Council has created four localities and is using these to restructure and deliver a range of frontline services. This will ensure integrated local services and improved outcomes for citizens. This locality model operates in co-terminosity with our partners (such as police and fire services) enabling closer working and integration of services around our citizens. This is underpinned by formal local community planning arrangements to support and engage with community planning groups and Community Councils, joint working locality teams and Locality Community Plans.
- The Council's long term financial plan sets out how pressures arising from demographic change, inflation and legislative reform, coupled with reducing real-terms resource levels, will need to be addressed on a sustainable basis whilst still meeting the needs of our customers. This is aligned to a re-design of our service structures to make them more efficient and a transformation of the way that services are provided. Audit Scotland noted in February 2016 that "the Council has made substantial progress in developing its longer-term savings plans" and a four year budget framework and business plan which sets out how it is proposed to deliver a balanced budget until 2018/19 has been agreed by Council. Audit Scotland also confirmed that "there is growing evidence that these savings are being achieved."
- Our programme of transformation focuses efforts on achieving priority outcomes by reducing internal business costs, applying channel shift to reduce the cost of simple transactions and enabling customers and staff to do more through self service.
- A performance management framework, incorporating internal and public performance reporting, which focuses on continuous improvement of our services, applying reliable improvement methods to ensure that services are consistently well designed based on the best evidence and are delivered on a right first time basis. Audit Scotland has specifically complimented progress in stating that "the introduction of regular performance 'dashboard' reports is a step forward in summarising complex issues, such as workforce reductions and savings plans, and highlighting areas of concern." They further noted that "Members are provided with regular progress reports and updates on the various strands of the Council's transformation programme and savings plans."
- The Council is embedding a culture of commercial excellence to ensure that our services always deliver Best Value. Focused work is underway to further improve standards in buying practices and processes across the Council and in mainstreaming a consistent and commercial approach to maximising income from our assets and services.
- The submission of reports, findings and recommendations from Audit Scotland, the external auditor, other inspectorates and internal audit, to the Corporate Leadership Team, Governance, Risk and Best Value Committee and Council, where appropriate, supports effective scrutiny and service improvement activities.
- The roles and responsibilities of Elected Members and Officers are defined in Procedural Standing Orders, Committee Terms of Reference and Delegated Functions, Contract Standing Orders, Scheme of Delegation to Officers, the Member/officer protocol and Financial Regulations. These are subject to annual review.
- The Chief Executive has overall responsibility to Council, as head of paid service, for all aspects of operational management and overall responsibility for ensuring the continued development and improvement of systems and processes concerned with ensuring appropriate direction, accountability and control.
- The Chief Finance Officer has overall responsibility for ensuring appropriate advice is given to the Council and Group on all financial matters, keeping proper financial records of accounts and maintaining an effective system of internal financial control.
- The Chief Internal Auditor has overall responsibility to review, appraise and report to management and the Governance, Risk and Best Value Committee on the adequacy of the Council's internal control and corporate governance arrangements and on risks relating to approved policies, programmes and projects.

ANNUAL GOVERNANCE STATEMENT

The key elements of the framework are set out below - continued

- The Council's Governance and Democratic Services Manager, reporting to the Head of Strategy and Insight, has responsibility for advising the Council on corporate governance arrangements.
- The Governance, Risk and Best Value Committee provides the Council with independent assurance of the adequacy of the governance and risk management frameworks and internal control environment. It also provides independent scrutiny of the Council's financial and non-financial performance, approves and monitors the progress of the Internal Audit risk based plan, and monitors performance of the internal audit service.
- The risk management policy and framework set out the responsibilities of Elected Members, the Governance, Risk and Best Value Committee, management and staff for the identification and management of risks to key corporate priorities.
- The Community Risk Register, Council Risk Register and Service area risk registers identify risks and proposed treatment or actions. These registers are regularly reviewed, updated and reported to the Corporate Leadership Team and Governance, Risk and Best Value Committee for scrutiny and challenge.
- Resilience and business continuity plans are in place for all essential Council services. These set out arrangements for continuing to deliver essential services in the event of an emergency or other disruption.
- Senior management and Heads of Service have formal objectives, with performance reviewed by the appropriate chief officer. Officers have personal work objectives, and receive feedback on their performance through the Council-wide performance review and development process.
- An Elected Members' remuneration and expenses scheme is in place and is consistent with the Scottish Government's 'Councillors' Remuneration: allowances and expenses – Guidance'. Information on the amounts and composition of Elected Members' salaries, allowances and expenses is published on the Council's website.
- The Council's Governance and Democratic Services Manager ensures that induction training on roles and responsibilities, and ongoing development opportunities, are provided for Elected Members.
- Codes of Conduct that set out the standards of behaviour expected from Elected Members and officers are in place.
- The Employee Code of Conduct, Anti Bribery Policy and Policy on Fraud Prevention set out the responsibilities of officers and Elected Members in relation to fraud and corruption, and are reinforced by the Councillors' Code of Conduct, the Code of Ethical Standards and the Financial Regulations. Under the mandatory policy awareness programme it is an annual requirement that officers confirm their awareness and understanding of these key policies.
- The Whistleblowing policy provides a process for disclosure in the public interest about the Council and its activities by officers, Elected Members and others.
- A Register of Members' Interests and Registers of Officers' interests are maintained and available for public inspection.

A significant element of the governance framework is the system of internal controls, which is based on an ongoing process to identify and prioritise risks to the achievement of the Group's objectives. These arrangements were in place throughout the year and up to the signing of the Accounts.

Review of Effectiveness

The Local Code of Governance details the Council's arrangements for monitoring each element of the framework and providing evidence of compliance. The Council's Governance and Democratic Services Manager has reviewed the effectiveness of the Code and the result was reported to the Governance, Risk and Best Value Committee in August 2016.

The Council's Governance and Democratic Services manager reviewed the arrangements and is satisfied that the Code continues to be adequate and effective. Governance arrangements will continue to be monitored and self assessment information provided to the Governance, Risk and Best Value Committee on an annual basis.

ANNUAL GOVERNANCE STATEMENT

The Internal Audit Section operates in accordance with CIPFA's Code of Practice for Internal Audit. The Section undertakes an annual work programme based on agreed audit strategy and formal assessments of risk that are reviewed regularly. During the year, the Chief Internal Auditor reported to the Head of Legal and Risk (Interim) but had free access to the Chief Executive, all Executive Directors and Elected Members along with reporting directly to the Governance, Risk and Best Value Committee.

The Chief Internal Auditor and Council's Head of Strategy and Insight (Interim) have provided an assurance statement on the effectiveness of the system of internal control, which was informed by:

- The work of the Corporate Leadership Team which develops and maintains the governance environment;
- The certified annual assurance statements provided by all Executive Directors;
- The certified assurance statements provided by the Chief Executives and Directors of Finance of the Council's group companies;
- Council officers' management activities;
- The Chief Internal Auditor's annual report and internal audit reports, risk-based, across a range of Council services;
- An annual review by the Council's Governance and Democratic Services Manager of the Council's compliance with the Local Code of Corporate Governance, reported to the Governance, Risk and Best Value Committee;
- Reports from the Council's external auditor; and
- Reports by external, statutory inspection agencies.

In compliance with standard accounting practice, the Chief Finance Officer has provided the Chief Executive with a statement of the effectiveness of the Group's internal financial control system for the year ended 31st March 2016. It is the Chief Finance Officer's opinion that reasonable assurance can be placed upon its effectiveness.

Each Executive Director has reviewed the arrangements in his / her service area and reported on their assessment of the effectiveness of control arrangements, together with any potential areas requiring improvement, to the Chief Executive. Where improvement actions are identified, an action plan will be developed and subject to regular monitoring. In reviewing the overall governance framework, the Council has also considered any relevant third party reviews and recommendations. Reliance has also been placed on each organisation's most recent audited accounts together with the Council's detailed knowledge of these organisations as a consequence of their continued involvement with these organisations. These reviews have not identified any fundamental weaknesses in the framework of governance, risk management and control at the Council. Indeed, Internal Audit have reported that "The Council is on a journey of improvement with regard to the governance, risk management and internal control framework of the Council." Improvements are, however, required to enhance the adequacy and effectiveness of governance, risk management and control. In particular, these reviews have identified the following actions, which have been incorporated with the Council's Business Plan and service plans, to continue to develop in the following activities:-

By the Council:

- To continue to mitigate risks – faced by all councils – regarding uncertainties around future funding and service demands - the Council's expenditure and income assumptions will continue to be reviewed on an at-least quarterly basis, with a particular emphasis on developing transformational and preventative initiatives delivering sustainable savings as part of a longer-term framework;
- To continue to mitigate risks inherent in the Council's major projects portfolio and ensure that the Council retains the necessary skills and management capacity to secure Best Value through successfully implementing the projects; The major projects area is being refreshed and a new model and unit developed that will adopt a best-practice portfolio management approach to the management, delivery and governance of programmes and projects across the Council;

ANNUAL GOVERNANCE STATEMENT

- To continue to mitigate risks inherent in the Council's transformation programme and ensure that the Council retains the necessary skills and management capacity to secure Best Value through successfully implementing the programme. A Programme Management Office (PMO) has been put in place for the Transformation Programme to support delivery and among its functions it will closely monitor and manage risk and escalate wherever risk tolerances are exceeded;
- To deliver savings and improve service delivery through our Asset Management Strategy. Governance and implementation will be delivered by a Project Management Board that reports to the Council Leadership Team every month and the Finance and Resources committee every two cycles;
- To address recommendations within the internal audit reports issued in 2015/16 with a specific focus on addressing unresolved recommendations. All open audit actions will be reported to the Corporate Leadership Team on a monthly basis;
- To implement action plans agreed with external inspection agencies (Service lead - All);
- To continue to mitigate risks surrounding the delivery of the integrated care programme in respect of Adult Social Care; (Service lead - Chief Officer Edinburgh Health and Social Care Partnership/All); and
- To implement all other actions identified by Executive Directors in statements of assurance (Service lead - All).

By the Group:

- long-term financial planning and links to outcomes; and
- embedding and building on recent structural changes and improvements in governance arrangements to take advantage, as appropriate, of improved economic conditions.

The proposed improvements do not indicate any significant gaps or weaknesses in the existing governance framework.

Certification

It is our opinion that in light of the foregoing, reasonable assurance can be placed upon the adequacy and effectiveness of City of Edinburgh Council and its Group's systems of governance. The annual review demonstrates sufficient evidence that the Code is operated effectively and the Council and its Group comply with the Local Code of Corporate Governance in all significant respects.

ANDREW KERR
Chief Executive

ANDREW BURNS
Council Leader

HUGH DUNN
Acting Executive Director of
Resources

29 September 2016

29 September 2016

29 September 2016

REMUNERATION REPORT

The Council is required under statute to provide information on the remuneration of each senior officer and each senior elected member, together with any other officer not otherwise included whose remuneration is over £150,000 per annum. In addition, the Council is required to provide information for the most senior employee within each of its subsidiary companies, together with all other employees whose remuneration exceeds £150,000 per annum.

All information disclosed in the tables on pages 142 to 153 in this remuneration report has been audited by Audit Scotland. The other sections of the remuneration report will be reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

Remuneration Arrangements

Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended by the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (the Lord Provost), senior councillors or councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of Councillors' remuneration, Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC's recommendations were first implemented for councillors elected in the local government elections in May 2007. SLARC was stood down as a committee in February 2013, but the principles of its work continue.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2015/16, the remuneration for the Leader of the City of Edinburgh Council was £50,180. The Regulations permit the Council to remunerate one Civic Head. The Regulations set out the maximum remuneration that may be paid to the Civic Head (the Lord Provost). For 2015/16 this was £37,635. The Council's policy is to pay the Lord Provost at the national maximum.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have (24 for the City of Edinburgh Council). The maximum yearly amount that may be paid to a Senior Councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all of Senior Councillors shall not exceed £652,340. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their remuneration within these maximum limits. The Council's current policy is summarised below. Posts in *italics* were remunerated until the dates shown.

	No. of Posts	% of amount payable to Leader of the Council
Depute Leader of the Council	1	75%
Depute Convener	1	50%
Conveners of Children and Families, Culture and Sport, Economy, Education, Finance and Resources, Planning, Regulatory, Transport and Environment and Health, Social Care and Housing Committees	8	65%
Convener of Licensing Board	1	60%
Convener of Governance, Risk and Best Value	1	50%
Convener of Communities and Neighbourhoods	1	45%
Convener of Police and Fire Scrutiny	1	40%
Vice-Conveners of Children and Families, Culture and Sport, Economy, Education, Finance and Resources, Planning, Regulatory, Transport and Environment and Health, Social Care and Housing Committees	8	45%
Opposition Group Leaders - Conservative and Green Groups	2	50%

In addition, the Council remunerated the Conveners and Vice Conveners of Joint Boards. The Council has an arrangement with the Joint Boards to reimburse the Council for the additional costs for councillors that arise from their being a Convener or Vice Convener of the Joint Boards.

REMUNERATION REPORT

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for Chief Executives of Scottish local authorities. Circular CO/148 set the amount of salary for the Chief Executive of the City of Edinburgh Council for the period April 2015 to March 2017. Circular CO/148 provides a revised Scheme of Salaries and Conditions of Service for Chief Officials.

There is no formal percentage relationship for salaries between the Chief Executive and other chief officers. The national salary points to be applied to Executive Directors and Head of Service posts are determined using the Hay job evaluation method. The decision on whether there is to be an annual pay increase applied to the national salary points, and at what level, for Chief Executive and Chief Officer posts is made by the SJNC for local authority services and thereafter applied locally by the Council.

The Director of Health and Social Care was a joint appointment and the terms and conditions, including pay for the post, are those set by NHS Lothian, who employed the post holder directly. The Integration Joint Board Chief Officer is a joint appointment and the terms and conditions, including pay for the post, are set by the Council, who employ the post holder directly. The appropriate costs are then recharged to NHS Lothian and the Integration Joint Board.

The Council's role in determining the remuneration policies for its companies is currently under review.

Remuneration Paid

The following tables provide details of the remuneration paid to the Council's Senior Councillors, Senior Employees and the remuneration paid to the Chief Executive (or the most senior manager of that body) of each of the Council's subsidiary bodies. Details on roles held by Councillors are set out on pages 143 and 144. Where a Councillor has held more than one post during the year, he/she is only included once within the following table. Salary, fees and allowances represents the total amount received during the year, regardless of whether a senior Councillor role was held for the full year.

	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits- -in-kind £	Total Remun. 2015/16 £	Total Remun. 2014/15 £
Council's Leader, Civic Head and Senior Councillors					
A. Burns, Leader of the Council	50,180	0	256	50,436	49,897
D. Wilson, Lord Provost	37,635	0	827	38,462	37,882
S. Cardownie, Depute Leader of the Council (<i>until 12.03.15</i>), <i>Depute Convener (from 28.05.15) (Note 1)</i>	23,786	44	417	24,247	35,163
S. Howat, Depute Leader of the Council (<i>from 12.03.15 until 09.03.16</i>) and Vice Convener Planning (<i>until 12.03.15</i>)	36,398	0	732	37,130	23,873
F. Ross, Convener of Economy (<i>until 09.03.16</i>) Depute Leader (<i>from 10.03.16</i>)	32,914	0	626	33,540	34,560
D. Brock, Depute Convener (<i>until 18.05.15</i>)	4,843	0	17	4,860	25,235
R. Lewis, Convener of Culture and Sport	32,617	0	248	32,865	34,127
P. Godzik, Convener Education, Children and Families	32,617	0	638	33,255	32,561
A. Rankin, Convener Finance and Resources	32,617	23	807	33,447	33,004
R. Henderson, Convener Health, Social Care and Housing	32,617	0	726	33,343	33,002
I. Perry, Convener Planning	32,617	0	214	32,831	32,481

REMUNERATION REPORT

Remuneration Paid - continued

	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits- -in-kind £	Total Remun. 2015/16 £	Total Remun. 2014/15 £
Council's Leader, Civic Head and Senior Councillors					
G. Barrie, Convener Regulatory (until 09.03.16) Convener Economy (from 10.03.16)	32,617	0	151	32,768	33,002
L. Hinds, Convener Transport and Environment	32,617	0	758	33,375	33,557
E. Milligan, Convener Licensing Board	30,108	179	0	30,287	30,482
M. Child, Convener Communities and Neighbourhoods	22,581	0	96	22,677	22,452
J. Balfour, Convener Governance, Risk and Best Value	25,090	0	351	25,441	25,282
M. Bridgman, Convener Police and Fire Scrutiny (until 09.03.16) Convener Regulatory (from 10.03.16)	20,814	706	136	21,656	20,567
W. Henderson, Convener Police and Fire Scrutiny (from 10.03.16)	16,924	0	96	17,020	n/a
<u>Vice-Conveners</u>					
N. Austin-Hart, Vice Convener of Culture and Sport	22,581	0	0	22,581	22,357
G. Munro, Vice Convener of Economy	22,581	0	752	23,333	23,065
C. Fullerton, Vice Convener Education, Children and Families	22,581	0	111	22,692	22,501
B. Cook, Vice Convener Finance and Resources	22,581	0	0	22,581	22,357
C. Day, Vice Convener Health, Social Care and Housing	22,581	0	47	22,628	22,851
A. Blacklock, Vice Convener Regulatory	22,581	0	805	23,386	23,115
A. McVey, Vice Convener Transport and Environment	22,581	0	726	23,307	23,065
D. Dixon, Vice Convener Planning (from 12.03.15 until 09.03.16)	22,235	135	101	22,471	17,386
A. Lunn, Vice Convener Planning (from 10.03.16)	17,072	0	724	17,796	n/a
<u>Opposition Group Leaders</u>					
C. Rose, Conservative Group Leader	25,090	0	0	25,090	24,940
S. Burgess, Green Group Leader	25,090	0	936	26,026	25,774
Councillors					
N Work, Convener Lothian Valuation Joint Board (Note 2)	20,909	103	1,696	22,708	21,670

Notes:

1. The 2014/15 salary for S Cardownie has been restated as the change in role was only processed in 2015/16.
2. The amount recharged to Lothian Valuation Joint Board in 2015/16 was £4,183 (2014/15 £4,142). Expenses relate to Councillor role.

REMUNERATION REPORT

Remuneration Paid - continued Members' Salaries and Expenses

The Council paid the following amounts to members of the Council during the year (these sums include the totals shown above):

	2015/16 £	2014/15 £
Salaries	1,271,704	1,266,880
Expenses		
Claimed by councillors	1,723	2,486
Paid directly by the Council	27,072	28,732
Total	1,300,499	1,298,098

Remuneration paid to Senior Officers	Salary, Fees and Allowances £	Compensation for Loss of Office £	Total Remun. 2015/16 £	Total Remun. 2014/15 £
Council's Senior Officers				
A. Kerr, Chief Executive (<i>from full year equivalent</i>)	111,652	0	111,652 164,168	n/a
S. Bruce, Chief Executive (<i>until full year equivalent</i>)	67,392	0	67,392 161,741	161,741
A. Maclean, Deputy Chief Executive (<i>full year equivalent</i>)	110,881	0	110,881 147,427	134,760
G. Tee, Director Children and Families (<i>until 31.12.15 full year equivalent</i>)	145,816	0	145,816 147,427	143,505
A. Gaw, Acting Director of Communities and Families (<i>from 05.01.16 full year equivalent</i>)	35,272	0	35,272 148,901	n/a
R. McCulloch-Graham, Integration Joint Board Chief Officer (<i>from 26.10.15 full year equivalent</i>)	31,903	0	31,903 74,451	n/a
P. Gabbittas, Director Health and Social Care (<i>until 31.07.15 full year equivalent</i>)	24,587	0	24,587 82,928	65,202
P. Lawrence, Executive Director of Place (<i>from 30.11.15 full year equivalent</i>)	49,552	0	49,552 148,901	n/a
J. Bury, Acting Director Services for Communities (<i>from 08.05.14 until 18.10.15 full year equivalent</i>)	67,380	0	67,380 134,760	120,994 134,760
G. Ward, Director of Economic Development (<i>until 30.11.15 full year equivalent</i>)	79,390	0	79,390 127,758	99,747
M. Miller, Head of Safer and Stronger Communities and Chief Social Work Officer	101,243	0	101,243	99,747

REMUNERATION REPORT

Remuneration Paid - continued

Remuneration paid to Senior Officers - continued

	Salary, Fees and Allowances £	Compensation for Loss of Office £	Total Remun. 2015/16 £	Total Remun. 2014/15 £
Council's Senior Officers				
H. Dunn, Head of Finance (<i>until 05.01.16</i>) and Acting Executive Director of Resources (<i>from 06.01.16</i>)	116,241	0	116,241	105,003
M. Boyle, Head of Older People and Disability Service (<i>until 31.01.16</i>)	90,436	122,076	212,512	n/a
G. Crosby, Senior Manager Disabilities (<i>until 31.01.16</i>)	74,293	91,870	166,163	n/a
P. Campbell, Senior Manager Older People (<i>until 31.01.16</i>)	77,371	87,199	164,570	n/a
M. Turley, Director Services for Communities (<i>until 30.06.14</i>) (<i>full year equivalent</i>)	n/a	n/a	n/a	69,118
			n/a	134,760
Total	1,183,409	301,145	1,484,554	999,817

Notes:

1. Remuneration shown above excludes any fees payable in respect of returning officer or other election duties. A Kerr received £408 for Returning Officer Duties in 2015/16.
2. A. Kerr was appointed Chief Executive in July 2015. Salaries shown for A. Kerr and S. Bruce relate to the responsibilities as shown.

H. Dunn was appointed Acting Executive Director of Resources in January 2016. Salaries shown for H. Dunn and A. Maclean relate to the responsibilities as shown.

J. Bury was appointed Acting Director of Services for Communities in May 2014, with P. Lawrence appointed Executive Director of Place in November 2015. Salaries shown for J. Bury and P. Lawrence relate to the responsibilities as shown.

A. Gaw was appointed Acting Director of Communities and Families in January 2016. Salaries shown for A. Gaw and G. Tee relate to the responsibilities as shown.

R. McCulloch-Graham was appointed Integration Joint Board Chief Officer in October 2015. Salaries shown for R. McCulloch-Graham and P. Gabbitas relate to the responsibilities as shown.
3. P. Gabbitas was employed by NHS Lothian and 50% of his salary costs were recharged to the Council. The above figures therefore show the Council's share. R. McCulloch-Graham was employed by the Council with 50% of his salary costs reflected above.
4. Pay in lieu of notice is included within Salary, Fees and Allowances where applicable.

REMUNERATION REPORT

Remuneration Paid - continued

Remuneration paid to Senior Officers - continued

Council Subsidiary Companies

EDI Group and EICC are subsidiary companies of CEC Holdings Limited. Figures shown for these companies, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the year ended 31 December 2015 and 2014 respectively.

	Salary, Fees and Allowances £	Bonus £	Other Benefits £	Total Remun. 2015/16 £	Restated Total Remun. 2014/15 £
Council's Subsidiary Companies					
E. Adair, Operations and Finance Director, EDI Group	103,458	0	2,286	105,744	104,129
H. Rissmann, Chief Executive, EICC (until 31.03.15) (full year equivalent)	51,665	0	0	51,665 170,191	158,034
M. Dallas, Chief Executive, EICC (from 01.10.14) (full year equivalent)	131,950	26,520	0	158,470	32,500 130,000
J. Donnelly, Chief Executive, Marketing Edinburgh Ltd (Note 2)	116,600	0	0	116,600	116,600
J. Rafferty, Chief Executive, Capital City Partnership	72,795	0	0	72,795	71,720
<u>LPFE Limited</u>					
C. Scott, Chief Executive Officer	78,384	0	0	78,384	n/a
<u>Lothian Buses Ltd.</u>					
I. Craig, Managing Director	197,997	0	13,209	211,206	199,526
W. Campbell, Operations Director	114,831	0	1,245	116,076	155,224
W. Devlin, Engineering Director (Note 3)	154,804	46,441	2,262	203,507	202,614
N. Strachan, Finance Director (Note 3)	154,804	46,441	681	201,926	201,158
G. Hughes, HR Director (Note 3)	n/a	n/a	n/a	n/a	198,309
<u>Edinburgh Trams Ltd.</u>					
T. Norris, Director and General Manager (until 26.06.15) (full year equivalent)	39,838	0	3,636	43,474 80,705	91,835
	<u>1,217,126</u>	<u>119,402</u>	<u>23,319</u>	<u>1,359,847</u>	<u>1,531,649</u>

Notes:

- Other benefits paid relate to car allowance, healthcare and telephone provision, within Lothian Buses Ltd. Others benefits paid relate to car allowance and personal healthcare within Edinburgh Trams Ltd.
- Marketing Edinburgh Limited entered into two contracts with John P Donnelly Associates Limited for the services of J. Donnelly in the role of Chief Executive. The cost of these contracts is £116,600 in 2015/16, of which £6,600 is VAT (2014/15 £116,600, £6,600).
- W Devlin and N Strachan were paid a bonus for 2014 in 2016, hence the restatement of the figures for that financial year. G Hughes was paid an exit package of £85,779 in February 2015.
- The only director to be remunerated by Edinburgh Trams was T. Norris. Following his departure, I. Craig was the most senior officer in Edinburgh Trams up to and beyond the reporting date. His costs for the period are included within Lothian Buses.

REMUNERATION REPORT

Remuneration Paid - continued

Number of Employees by Pay Band

The total number of Council employees receiving more than £50,000 remuneration for the year (including early retirement / voluntary release costs) is shown below.

	2015/16	2014/15		2015/16	2014/15
£50,000 - £54,999	192	203	£135,000 - £139,999	1	0
£55,000 - £59,999	139	94	£140,000 - £144,999	1	1
£60,000 - £64,999	58	31	£145,000 - £149,999	1	0
£65,000 - £69,999	46	32	£150,000 - £154,999	0	0
£70,000 - £74,999	29	37	£155,000 - £159,999	0	0
£75,000 - £79,999	32	4	£160,000 - £164,999	1	1
£80,000 - £84,999	12	2	£165,000 - £169,999	1	0
£85,000 - £89,999	7	3	£170,000 - £174,999	0	0
£90,000 - £94,999	3	1	£175,000 - £179,999	0	0
£95,000 - £99,999	4	15	£180,000 - £184,999	0	0
£100,000 - £104,999	9	1	£185,000 - £189,999	0	0
£105,000 - £109,999	3	1	£190,000 - £194,999	0	0
£110,000 - £114,999	3	0	£195,000 - £199,999	0	0
£115,000 - £119,999	2	0	£200,000 - £204,999	0	0
£120,000 - £124,999	2	0	£205,000 - £209,999	0	0
£125,000 - £129,999	1	0	£210,000 - £214,999	1	0
£130,000 - £134,999	0	2			
Total No. of Employees				548	428

Exit Packages

The number of exit packages provided for by the Council and the Group during the year, together with the total cost of those packages is shown in the table below. The total cost shown includes pension strain costs and the capitalised value of compensatory added years payments.

Exit package cost band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16 £000	2014/15 £000
£0 - £20,000								
- Council	0	0	203	32	203	32	2,150	267
- Group companies	0	2	0	0	0	2	0	6
£20,001 - £40,000								
- Council	0	0	203	29	203	29	5,741	915
- Group companies	0	0	0	0	0	0	0	0
£40,001 - £60,000								
- Council	0	0	70	9	70	9	3,505	419
- Group companies	0	0	0	0	0	0	0	0
£60,001 - £80,000								
- Council	0	0	31	3	31	3	2,164	210
- Group companies	0	0	0	0	0	0	0	0
£80,001 - £100,000								
- Council	0	0	33	2	33	2	2,939	181
- Group companies	0	0	0	1	0	1	0	86
£100,001 - £150,000								
- Council	0	0	34	6	34	6	3,952	702
- Group companies	0	0	0	0	0	0	0	0
£150,001 - £200,000								
- Council	0	0	3	0	3	0	511	0
- Group companies	0	0	0	0	0	0	0	0
£200,001 - £250,000								
- Council	0	0	1	0	1	0	203	0
- Group companies	0	0	0	0	0	0	0	0
£250,001 - £300,000								
- Council	0	0	2	0	2	0	554	0
- Group companies	0	0	0	0	0	0	0	0
	0	2	580	82	580	84	21,719	2,786

REMUNERATION REPORT

Pension Rights

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. The councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

For local government employees the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age for both councillors and employees is linked to the state pension age (but with a minimum of age 65).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and members' contribution rates for 2015/16 were as follows:

	Contribution rate
Whole Time Pay	
On earnings up to and including £20,500 (2015 £20,235)	5.50%
On earnings above £20,500 and up to £25,000 (2015 £20,235 to £24,853)	7.25%
On earnings above £25,000 and up to £34,400 (2015 £24,853 to £34,096)	8.50%
On earnings above £34,400 and up to £45,800 (2015 £34,096 to £45,393)	9.50%
On earnings above £45,800 (2015 £45,393)	12.00%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment.

REMUNERATION REPORT

Pension Benefits - continued

Pension Rights - continued

Council's Leader, Civic Head and Senior Councillors

The pension entitlements of senior councillors for the year to 31 March 2016 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
Council's Leader and Civic Head					
A. Burns, Leader of the Council	10,739	10,582	Pension	6	2
			Lump Sum	3	1
D. Wilson, Lord Provost	8,054	7,937	Pension	4	1
			Lump Sum	2	0
<u>Senior Councillors</u>					
R. Lewis	6,980	6,879	Pension	2	0
			Lump Sum	0	0
F. Ross	7,044	6,879	Pension	2	1
			Lump Sum	0	0
S. Howat	7,789	4,933	Pension	2	1
			Lump Sum	0	0
P. Godzik	6,980	6,879	Pension	4	1
			Lump Sum	2	0
A. Rankin	6,980	6,879	Pension	3	1
			Lump Sum	0	0
R. Henderson	6,980	6,879	Pension	4	1
			Lump Sum	2	0
I. Perry	6,980	6,879	Pension	4	1
			Lump Sum	2	0
G. Barrie	6,980	6,879	Pension	4	1
			Lump Sum	2	0
L. Hinds	6,980	6,879	Pension	6	2
			Lump Sum	6	0
E. Milligan	6,443	6,463	Pension	4	1
			Lump Sum	2	0
M. Child	4,832	4,762	Pension	8	1
			Lump Sum	15	1
M. Bridgman	4,454	4,280	Pension	4	0
			Lump Sum	1	0
W. Henderson	3,622	n/a	Pension	1	n/a
			Lump Sum	0	n/a
N. Austin Hart	4,832	4,762	Pension	3	1
			Lump Sum	1	0
G. Munro	4,832	4,763	Pension	3	0
			Lump Sum	2	0
D. Dixon	4,758	3,594	Pension	1	0
			Lump Sum	0	0

REMUNERATION REPORT

Pension Benefits - continued

Pension Rights - continued

Council's Leader, Civic Head and Senior Councillors

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
A. Blacklock	4,832	4,762	Pension	3	1
			Lump Sum	2	0
A. McVey	4,832	4,762	Pension	2	0
			Lump Sum	0	0
A. Lunn	3,653	n/a	Pension	0	n/a
			Lump Sum	0	n/a
C. Rose	5,369	5,291	Pension	3	1
			Lump Sum	1	0
Councillors					
N. Work (<i>including role as Convener of Lothian Valuation Joint Board</i>)	4,475	4,410	Pension	3	0
			Lump Sum	2	0

All senior councillors shown in the above table are members of the Local Government Pension Scheme. Not all senior councillors are members of the Local Government Pension Scheme. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, including any service with a Council subsidiary body, and not just their current position.

Senior Employees

The pension entitlements of senior employees for the year to 31 March 2016 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
A. Kerr, Chief Executive (<i>from 27.07.15</i>) (<i>including returning officer role</i>)	23,981	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
S. Bruce, Chief Executive (<i>until 31.08.15</i>) (<i>including returning officer role</i>)	14,422	34,450	Pension	81	1
			Lump Sum	191	0
A. Maclean, Depute Chief Executive (<i>until 05.01.16</i>)	23,517	28,704	Pension	16	1
			Lump Sum	0	0
G. Tee, Director Children and Families (<i>until 31.12.15</i>)	83,567	30,567	Pension	78	3
			Lump Sum	184	3
A. Gaw, Acting Director of Communities and Families (<i>from 05.01.16</i>)	24,031	n/a	Pension	49	n/a
			Lump Sum	106	n/a
R. McCulloch-Graham, Integration Joint Board Chief Officer (<i>from 26.10.15</i>)	6,827	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
P. Gabbittas, Director Health and Social Care (<i>Council proportion</i>) (<i>until 31.07.15</i>)	3,664	8,859	Pension	10	n/a
			Lump Sum	29	n/a

REMUNERATION REPORT

Pension Benefits - continued

Pension Rights - continued

Senior Employees

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
P. Lawrence, Executive Director of Place (<i>from 30.11.15</i>)	10,604	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
J. Bury, Acting Director Services for Communities (<i>from 08.05.14 until 18.10.15</i>)	14,419	25,772	Pension	63	5
			Lump Sum	155	16
G. Ward, Director Economic Development (<i>until 30.11.15</i>)	16,979	21,141	Pension	27	2
			Lump Sum	51	2
M. Miller, Head of Safer and Stronger Communities and Chief Social Work	21,666	21,246	Pension	39	2
			Lump Sum	81	1
H. Dunn, Head of Finance (<i>until 05.01.16</i>) and Acting Executive Director of Resources (<i>from 06.01.16</i>)	24,876	22,366	Pension	47	3
			Lump Sum	101	0
M. Boyle, Head of Older People and Disability Service (<i>until 31.01.16</i>)	55,481	n/a	Pension	48	n/a
			Lump Sum	108	n/a
G. Crosby, Senior Manager Disabilities (<i>until 31.01.16</i>)	13,960	n/a	Pension	34	n/a
			Lump Sum	76	n/a
P. Campbell, Senior Manager Older People (<i>until 31.01.16</i>)	45,989	n/a	Pension	31	n/a
			Lump Sum	67	n/a
M. Turley, Director Services for Communities (<i>until 30.06.14</i>)	n/a	99,521	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Total	<u>383,983</u>	<u>292,626</u>			

Notes:

All senior employees shown in the previous table above, with the exception of P. Gabbitas are members of the Local Government Pension Scheme. P. Gabbitas was a member of the National Health Service Superannuation Scheme (Scotland). The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government / public service and not just their current appointment. Accrued pension benefits relate to the position as at 31 March 2016, or the date of leaving, if that is earlier. Employees contribute towards their pensions in accordance with the rates set out on page 149. The contribution rate for P. Gabbitas was 14.7% (2014/15 14.7%).

There are no accrued pension benefits included in the table above if the employee has been a member of the pension scheme for less than 2 years.

The in-year pension contributions include pension strain costs where applicable.

Council's Subsidiary Companies

The pension entitlements of senior employees within the Council's subsidiary bodies for the year to 31 March 2016 are shown below, together with the contribution made to each senior employee's pension during the year.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
E. Adair, Operations and Finance Director, EDI Group	20,237	19,753	Pension	25	2
			Lump Sum	41	1
H. Rissmann, Chief Executive, EICC (<i>until 31.03.15</i>)	5,203	20,813	Pension	n/a	n/a
			Lump Sum	n/a	n/a

REMUNERATION REPORT

Pension Benefits - continued

Council's Subsidiary Companies - continued

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.16 £	For year to 31.03.15 £		As at 31.03.16 £000	Difference from 31.03.15 £000
M. Dallas, Chief Executive, EICC (from 01.10.14)	16,836	3,737	Pension Lump Sum	n/a n/a	n/a n/a
<u>Lothian Buses Ltd.</u>					
I. Craig, Managing Director	40,075	38,201	Pension Lump Sum	27 19	3 0
W. Campbell, Operations Director	33,128	31,579	Pension Lump Sum	36 55	3 0
W. Devlin, Engineering Director	33,128	31,579	Pension Lump Sum	46 83	4 0
N. Strachan, Finance Director	33,128	31,579	Pension Lump Sum	41 70	3 0
G. Hughes, HR Director	n/a	10,353	Pension Lump Sum	n/a n/a	n/a n/a
<u>Edinburgh Trams Ltd.</u>					
T. Norris, Director and General Manager (until 26.06.15)	3,614	7,400	Pension Lump Sum	n/a n/a	n/a n/a
<u>Capital City Partnership</u>					
J. Rafferty, Chief Executive	14,073	16,280	Pension Lump Sum	30 66	1 1
<u>LPFE Limited</u>					
C. Scott, Chief Executive Officer	16,069	n/a	Pension Lump Sum	13 10	n/a n/a
Total	<u>173,215</u>	<u>166,971</u>			

EDI Group and EICC are subsidiary companies of CEC Holdings Limited. Figures shown for these companies, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the year ended 31 December 2015 and 31 December 2014 respectively.

E. Adair and J. Rafferty are the only members of the Local Government Pension Scheme in the above table. The pension figures shown relate to the benefits that the person has accrued as consequence of their total relevant service and not just their current appointment.

ANDREW KERR
Chief Executive

29 September 2016

ANDREW BURNS
Council Leader

29 September 2016

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of City of Edinburgh Council and the Accounts Commission for Scotland

I certify that I have audited the financial statements of City of Edinburgh Council and its group for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise Movement in Reserves Statement, the group and council-only Comprehensive Income and Expenditure Statements, Balance Sheets, and Cash-Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the HRA Statement, the Council Tax Income Account, and the Non-domestic Rates Income Account, The Common Good Fund Movement in Reserves Statement, the Common Good Fund Comprehensive Income and Expenditure Statement, the Common Good Fund Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Acting Executive Director of Resources and auditor

As explained more fully in the Statement of Responsibilities, the Acting Executive Director of Resources is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the council and its group and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Acting Executive Director of Resources; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the council and its group as at 31 March 2016 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

INDEPENDENT AUDITOR'S REPORT

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- there has been a failure to achieve a prescribed financial objective.

I have the following to report in respect of these matters.

Local authorities have a duty under section 10 of the Local Government in Scotland Act 2003 to conduct their significant trading operations so that income is not less than expenditure over each three year period. The council failed to comply with this statutory requirement for the three year period ending 31 March 2016 in respect of their significant trading operation, Edinburgh Catering Services - Other Catering.

I have nothing to report in respect of the other matters.

David McConnell, CPFA
Assistant Director
Audit Scotland
4th Floor, South Suite
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2016

Appendix 3

Reconciliation of Outturn Position

	£m	£m
Outturn position as shown in the Revenue monitoring 2015/16 outturn report (surplus)		(0.861)
Changes arising from the audit of the Financial Statements:		
- Decrease in accrual for parking income	0.085	
- Edinburgh Integration Joint Board VAT adjustments	(0.009)	
	<hr/>	0.076
Revised surplus		<hr/> <hr/> (0.785)

The City of Edinburgh Council

10.00am, Thursday, 27 October 2016

Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund – Referral from the Pensions Committee

Item number	8.4
Report number	
Wards	All

Executive summary

Audit Scotland had undertaken its statutory audit of the Annual Report 2016 of the three pension funds administered by the City of Edinburgh Council (Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund).

The report is now referred to the Council for information. This is considered best practice given the Council's statutory role as administering authority of the Lothian Pension Funds.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Appendix 1 - Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by Audit Scotland – report by the Acting Executive Director of Resources Appendix 2 - Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit, in accordance with

International Standard on Auditing (UK and Ireland) 260 (ISA 260)

Appendix 3 - Audited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

Terms of Referral

Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

Terms of referral

- 1.1 On 28 September 2016 the Pensions Committee considered and agreed a report regarding the audited Financial Account of Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund.
- 1.2 The report is now referred to the Council for information. This is considered best practice given the Council's statutory role as administering authority of the Lothian Pension Funds.
- 1.3 The Pensions Committee agreed:
 - 1.3.1 To note the "Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit" (at Appendix 2).
 - 1.3.2 To approve the audited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund (at Appendix 3).
 - 1.3.3 To communicate to the Chartered Institute of Public Finance and Accountancy (CIPFA), Audit Scotland and the Scheme Advisory Board (of the Local Government Pension Scheme in Scotland), the Committee's disquiet with the relaxation of the principle of full cost transparency of investment management fees, as explicit in CIPFA's revised guidance "Accounting for Local Government Pension Scheme Management Costs", dated March 2016.
 - 1.3.4 To refer the report, for information, to the City of Edinburgh Council, in its role as administering authority of the Pension Funds.

For Decision/Action

- 2.1 To note the report.

Background reading / external references

Pensions Committee 28 September 2016.

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Stuart McLean, Committee Clerk

E-mail: stuart.mclean@edinburgh.gov.uk | Tel: 0131 529 4106

Links

Coalition pledges See attached report

Council outcomes See attached report

Single Outcome Agreement See attached report

Appendices

Appendix 1 - Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by Audit Scotland – report by the Acting Executive Director of Resources

Appendix 2 - Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit, in accordance with International Standard on Auditing (UK and Ireland) 260 (ISA 260)

Appendix 3 - Audited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

Pensions Committee

2.00 p.m., Wednesday, 28 September 2016

Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by Audit Scotland

Item number	5.4
Report number	
Executive/routine	
Wards	All

Executive summary

The unaudited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund has now been considered by the external auditor, Audit Scotland.

International Standard on Auditing (ISA) 260 requires the external auditor to communicate his findings to those charged with governance of the Funds. Accordingly, the “Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit” is included at Appendix 1.

The review of the unaudited financial statements concluded that no numerical adjustments were required. Some presentational changes have been reflected in the full revised report at Appendix 2 – “Audited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund”.

Audit Scotland has provided an unqualified opinion that the financial statements give a true and fair view of the transactions of the funds during the year ended 31 March 2016, and of the amount and disposition at that date of their assets and liabilities.

Links

Coalition pledges

Council outcomes [CO26](#)

Single Outcome Agreement

Audited Annual Report 2016 of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, including Annual Report by Audit Scotland

Recommendations

Committee is requested to:

- 1.1 Invite the Pension Board to raise any relevant matters or concerns which the Committee should consider;
- 1.2 Highlight any points that it would like to raise at the Pensions Committee on 28 September 2016;
- 1.3 Note the “Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit” (at Appendix 1);
- 1.4 Approve the audited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund (at Appendix 2).
- 1.5 Instruct the Committee Clerk to communicate, to the Chartered Institute of Public Finance and Accountancy (CIPFA), Audit Scotland and the Scheme Advisory Board (of the Local Government Pension Scheme in Scotland), the Committee's and Convenor's disquiet with the relaxation of the principle of full cost transparency of investment management fees, as explicit in CIPFA's revised guidance “Accounting for Local Government Pension Scheme Management Costs”, dated March 2016.
- 1.6 Refer this report, for information, to the City of Edinburgh Council, in its role as administering authority of the Pension Funds.

Background

ISA 260 annual report by Audit Scotland

- 2.1 Under statutory accounting guidance issued by the Scottish Government, Administering Authorities are required to issue a separate Annual Report covering the Local Government Pension Scheme (LGPS) funds that they are responsible for. These Annual Reports are subject to a separate external audit.
- 2.2 International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires the External Auditor to communicate his findings to those charged with governance

of the Funds. This summarises any matters arising from the audit of the financial statements prior to the formal signing of the independent auditor's report.

2.3 As part of the standard, the External Auditor is required to provide his view of the following:

- Any significant qualitative aspects within the Funds' accounting practice;
- Any significant difficulties encountered during the audit;
- Any material weakness in the design, implementation or operating effectiveness of the system of internal control;
- Any significant matters arising from the audit discussed with management;
- Any representations that have been requested from management; and
- Any other matter that is significant.

2.4 Pensions Committee noted the Unaudited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund at its meeting on 27 June 2016, with the Council noting this same report at its meeting on 30 June 2016.

2.5 As reported to Pensions Committee on 27 June 2016;

"In July 2014, CIPFA published guidance "Accounting for Local Government Pension Scheme Management Costs", which promoted greater transparency of investment management fees. These principles were adopted as best practice in the presentation of the unaudited Annual Report 2015.....In March 2016, CIPFA revised and updated this guidance. Whilst the underlying principle of transparency of investment cost remains unchanged, there has been a degree of relaxation to full cost disclosure. Specifically, for complex "Fund of Fund" structures, the new guidance states that "Investment costs incurred by a separate legal entity, or in respect of investment decisions over which the pension fund has no control, should not be included in the (Pension) Fund Account.....If pension funds wish to provide information about the total cost of Fund of Fund investments, this should be included as part of the Investments section in the Annual Report". The financial statements of Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, however, do include full transparency of all investment management fees."

Main report

Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit

- 3.1 The report by the external auditor on the financial statements is included at Appendix 1 – "Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit", together with accompanying letter from David McConnell, MA CPFA, Assistant Director, Audit Scotland.
- 3.2 This report will be presented to Committee by Stephen O'Hagan, Senior Audit Manager, Audit Scotland.

- 3.3 "Significant findings from the audit in accordance with ISA260" at Table 1, Page 9 of the annual audit report details two issues identified. The first finding refers to "Investment management fees" and specifically that "Officers require to consider the new CIPFA guidance on how best to reflect the investment management fees within the financial statements going forward". This point is included in the report's "Appendix III, Action Plan No.1".
- 3.4 The Chief Executive Officer, Lothian Pension Fund, has responded to this point. "CIPFA's guidance quotes the Government's criteria for the pooling of LGPS assets as follows: "To really drive savings within the Scheme, it is essential that these hidden costs are better understood and reported as transparently as possible. Although many of these costs are not paid out in cash, they do erode the value and so should also be scrutinised and the opportunities for savings explored." The Funds believe that CIPFA's revised guidance is inconsistent with the aim of transparency. The Pensions Committee, at its meeting on 28 September 2016 will be "recommended to instruct the Committee Clerk to communicate its disquiet, and that of the Convenor, on this matter not only to CIPFA, but also both to Audit Scotland and the Scheme Advisory Board (of the Local Government Pension Scheme in Scotland)."
- 3.5 The second "finding from the audit in accordance with ISA260" refers to the annual reconciliation of employee contributions receivable, "comparing the expected amountto the actual amounts received." Reconciliation has been attained to within acceptable tolerance (0.3% of the contributions receivable from the seven largest employers). Audit Scotland has concluded that "this is not material and no further action is required".
- 3.6 In addition to members of the Pensions Committee and Pensions Audit Sub-Committee, Audit Scotland has also sent the report to the Controller of Audit and has advised that the report will be published on its web-site in due course.

Audited Annual Report 2016 for Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund

- 3.7 With the completion of the work by Audit Scotland, the Audited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund has been finalised and is included at Appendix 2.
- 3.8 No numerical adjustments were required to be made on the unaudited financial statements following the Fund's audit. Some minor presentational changes have also been incorporated.
- 3.9 Audit Scotland has provided an unqualified opinion that the financial statements give a true and fair view of the transactions of the funds during the year ended 31 March 2016, and of the amount and disposition at that date of their assets and liabilities.

CIPFA guidance “Accounting for Local Government Pension Scheme Management Costs”, revised March 2016, and its implications for transparency of investment costs

- 3.10 Committee is reminded of the relaxation to the principle of full cost disclosure of investment management fees, specifically in relation to complex external Fund of Fund arrangements, which has been explicitly reflected by CIPFA in its revised accounting guidance.
- 3.11 This is considered to be a retrograde step, and one which may have significant and unintended consequences in rendering comparability and public accountability of investment performance across the sphere of local government pension funds much more opaque.
- 3.12 Accordingly, Committee is recommended to instruct the Committee Clerk to communicate its disquiet, and that of the Convenor, on this matter not only to CIPFA, but also both to Audit Scotland and the Scheme Advisory Board (of the Local Government Pension Scheme in Scotland).

Measures of success

- 4.1 The prime objective of the Council, as administering authority of the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund, is to ensure an unqualified audit opinion of the Annual Report 2016. This has been achieved.
- 4.2 Planned management action in relation to the point raised by Audit Scotland is stated at Appendix 1 (Appendix III, Page 28 of that report).

Financial impact

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

Risk, policy, compliance and governance impact

- 6.1 The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and also in compliance with the requirements of the Local Government Scotland Act 1973.
- 6.2 The annual report summarises the opinions and conclusions of Audit Scotland, in accordance with International Standards on Auditing (UK and Ireland) and the principles contained in the Code of Practice issued by Audit Scotland in May 2011. Appendix I (of the Audit Scotland report sets out the significant audit risks identified at the planning stage and how the auditor addressed each risk in arriving at his opinion on the financial statements. Appendix III is an action plan setting out the high level risks identified from the audit. Officers have considered

the issues and agreed to take the specific steps in the column headed “Management action / response”.

Equalities impact

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

Sustainability impact

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

Consultation and engagement

9.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the Funds.

Background reading/external references

None.

Hugh Dunn

Acting Executive Director of Resources

Contact: John Burns, Chief Finance Officer

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Links

Coalition pledges

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

Single Outcome Agreement

Appendices Appendix 1 – Audit Scotland 2015/16 annual audit report to Members and the Controller of Audit, in accordance with International Standard on Auditing (UK and Ireland) 260 (ISA 260)
Appendix 2 - Audited Annual Report 2016 for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund



Lothian Pension Fund

2015/16 Annual audit
report to Members and
the Controller of Audit



September 2016

Key contacts

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The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies (www.audit-scotland.gov.uk/about/ac/). Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General (www.audit-scotland.gov.uk/about/).

The Accounts Commission has appointed David McConnell as the external auditor of Lothian Pension Funds for the period 2011/12 to 2015/16. This report has been prepared for the use of City of Edinburgh Council as Lothian Pension Funds administrator and no responsibility to any member or officer in their individual capacity or any third party is accepted.

The information in this report may be used for the Accounts Commission's annual overview report on local authority audits published on its website and presented to the Local Government and Regeneration Committee of the Scottish Parliament.

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Key messages

Audit of financial statements

- An unqualified auditor's report was issued on the 2015/16 financial statements of Lothian pension, Buses and Scottish Homes Funds.
- No adjustments were required to the Funds' financial statements.

Financial management and sustainability

- Lothian Pension and Lothian Buses Funds' net assets increased by 6.4% to £5,434 million and 2.2% to £394.4 million, respectively, at 31 March 2016. Scottish Homes Pension Fund net assets decreased by 2.9% to £150.3 million at 31 March 2016.
- The Lothian Pension Fund currently receives more in contributions from employers and members than it pays in benefits to pensioners. The Lothian Buses and Scottish Homes Pension Funds receive less in contributions from employers and members than it pays in benefits to pensioners.
- This is the first year of LPFE being operational and has resulted in consolidated financial statements of LPF.
- Overall, satisfactory financial management arrangements are in place.

Governance and transparency

- Arrangements for the prevention and detection of fraud and corruption are satisfactory.
- New governance arrangements have operated effectively during 2015/16 with the Pensions Committee and Pension Board meeting concurrently.
- Appropriate systems of control were in place in 2015/16.
- Training of councillors and board members continues to be important to effective governance going forward and a training programme is in place.



Best Value

- The Funds' returns on investments for the 2015/16 financial year have met or exceeded relevant benchmarks.
- The Lothian Pension, Lothian Buses and Scottish Homes Funds have a ratio of management expenses to net assets (total expense ratio) of 0.66%, 0.45% and 0.15% respectively which compares well with other funds.



Outlook

- The global investment outlook remains volatile due to political and economic challenges including Brexit, a slowdown in the Chinese economy, weak growth in the Eurozone, recession in emerging markets and uncertainty about further interest rate rises in the USA.
- Scrutiny of investment performance and scheme management costs is likely to come under increasing scrutiny and Scottish Ministers have already expressed an interest in the views of the national scheme advisory board on fund structure and asset pooling. The Scheme advisory board have convened a working group with a view to producing an options paper in December.

Introduction

1. This report is a summary of our findings arising from the 2015/16 audit of Lothian Pension Funds (the Funds). The report is divided into sections which reflect our public sector audit model.
2. The management of the Funds is responsible for:
 - preparing financial statements which give a true and fair view
 - implementing appropriate internal control systems
 - putting in place proper arrangements for the conduct of its affairs
 - ensuring that the financial position is soundly based.
3. Our responsibility, as the external auditor of the Funds, is to undertake our audit in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.
4. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements; this does not relieve management of their responsibility for the preparation of financial statements which give a true and fair view.
5. **Appendix I** lists the audit risks that we identified in the annual audit plan we issued in March 2016. It also summarises the assurances provided by management to demonstrate that risks are being addressed as well as the conclusions of our audit work.
6. **Appendix II** is an action plan setting out our recommendations to address the high level risks we have identified during the course of the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". We recognise that not all risks can be eliminated or even minimised. What is important is that the Funds understands its risks and has arrangements in place to manage these risks. The Pension Committee and senior management should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.
7. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.
8. 2015/16 is the final year of the current five year audit appointment. From 2016/17 the auditor of the Funds will be Scott Moncrieff. In accordance with agreed protocols and International Standards on Auditing we will be liaising with the incoming auditors as part of this transition.
9. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

Audit of the 2015/16 financial statements

Audit opinion	<ul style="list-style-type: none">• We have completed our audit and issued an unqualified independent auditor's report.
Going concern	<ul style="list-style-type: none">• The financial statements of the Lothian Pension, Lothian Buses and Scottish Homes Funds have been prepared on the going concern basis. We are unaware of any events or conditions that may cast significant doubt on the pension funds' ability to continue as a going concern.
Annual report & other information	<ul style="list-style-type: none">• We review and report other information published with the financial statements, including the management commentary, annual governance statement and governance compliance statement. We have nothing to report as a result of our review.

Submission of financial statements for audit

10. We received the unaudited financial statements on 10 June 2016, in accordance with the agreed timetable. The working papers were of a good standard and pension fund staff provided good support to the audit team which assisted the delivery of the audit to deadline.

Overview of the scope of the audit of the financial statements

11. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in our Annual Audit Plan presented to the Pension Committee on 15 March 2016.

12. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2015/16 agreed fee for the audit was set out in the Annual Audit Plan and, as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
13. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a number of key audit risks which involved the highest level of judgement and impact on the financial statements and consequently had the greatest effect on the audit strategy, resources and effort.

14. We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. [Appendix I](#) sets out the significant audit risks identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.
15. Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Materiality

16. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, an item contrary to law).
17. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.
18. We summarised our approach to materiality in our Annual Audit Plan and set materiality at 0.5% of net assets and 1% of total contributions received for each separate Fund. We set a lower level, known as performance materiality, when defining our audit

procedures. Based on the unaudited financial statements, we revised our materiality for 2015/16 as illustrated at **Exhibit 1**.

Exhibit 1: Materiality levels.

Financial statements	Materiality £000s	Performance Materiality £000s
Lothian Pension Fund		
Net assets	27,170	20,380
Fund account	2,055	1,540
Reporting threshold - £100k		
Lothian Buses Pension Fund		
Net assets	1,970	1,480
Fund account	95	70
Reporting threshold - £15k		
Scottish Homes Pension Fund		
Net assets	750	565
Fund account	7	5
Reporting threshold - £1k		

Source: Lothian Pension Funds audited financial statements 2015/16

Evaluation of misstatements

19. There were no misstatements identified during the audit which exceeded our misstatement threshold. Therefore, no amendments have been made to the financial statements which impact upon either the net returns on investments for the year or the net assets position at 31 March 2016.
20. A number of presentational issues were identified within the financial statements during the course of our audit. These were discussed with relevant officers who agreed to amend the unaudited financial statements.

Significant findings from the audit

21. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:
- The auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
 - Significant difficulties encountered during the audit.
 - Significant matters arising from the audit that were discussed, or subject to correspondence with management.
 - Written representations requested by the auditor.
 - Other matters which in the auditor's professional judgment, are significant to the oversight of the financial reporting process.

22. **Table 1** below details those issues or audit judgements that, in our view, require to be communicated to those charged with governance in accordance with ISA 260.

Table 1: Significant findings from the audit

Significant findings from the audit in accordance with ISA260

Investment management fees: The Funds' officers have previously worked closely with CIPFA on the development of guidance on accounting for pension scheme management costs. CIPFA introduced guidance to increase transparency of investment costs relevant to fund of funds and for 2015/16, LPF has continued to identify fund of funds transactions. However, during 2015/16 further guidance has been released which indicates that the Funds should only report direct costs. Going forward, officers have indicated that they plan to continue to provide this detailed analysis as they feel that it is fully transparent for investment costs.

Officers require to consider the new CIPFA guidance on how best to reflect the investment management fees within the financial statements going forward.

See Action Plan No.1

Contributions Received: Officers compile an annual reconciliation of the employee contributions received from the seven largest employers of the Lothian Pension Fund, comparing the expected amount per the pension administration system to the actual amounts received. As at 7 September 2016, the reconciliation indicated that contributions received were £0.113m more than anticipated within the Pension administration system. This equates to 0.3% of the contributions receivable by the fund for the seven employers.

Solution

Officers have confirmed that these should represent valid contributions and the reconciliation differences arose due to delays in the notification of the entry of new members to the scheme. We have concluded that this is not material and no further action is required.

Future accounting and auditing developments

Code of Audit Practice

23. A new Code of Audit Practice will apply to all audits from financial year 2016/17. There will be a focus on four areas:
- Financial sustainability
 - Financial management
 - Governance and transparency; and
 - Value for money
24. The new Code increases the transparency of our work by making more audit outputs available on Audit Scotland's website. In addition, as well as the annual audit report, other significant outputs, such as the annual audit plan, will be published on Audit Scotland's website. This is irrespective of whether the body meets in public or makes documents such as Audit Committee papers routinely available on its own website.

Code of Practice on Local Authority Accounting

25. The financial statements of pension funds are prepared in accordance with the Code of Practice on Local Authority Accounting in the UK (the Code) which interprets and adapts International Financial Reporting Standards (IFRS) to the local authority context.

26. From 2016/17, the following changes to the code will apply:

- Amendments to the format of the accounts to be consistent with the new Financial Reports of Pension Schemes – A Statement of Recommended Practice 2015.
- New disclosure requirements for investments measured at fair value.
- Recommendations for a new disclosure on investment management transaction costs.

Financial management and sustainability – Lothian Pension Fund

Net Assets

Increase in net assets
£327.8m
6.4%

Closing net assets
£5,434m

Contributions vs benefits

Contributions received
£205.5m

Benefits paid
£194m

Investment performance

6.5%
Return on investments 2015-
16

9.5%
Return on investments over
5 years

Financial management

27. In this section we comment on the pension fund's financial outcomes and assess financial management arrangements.
28. Pension fund finances are independently assessed every three years by the fund actuary. This assessment determines the employer contribution rates and deficit funding payments for the upcoming 3 year period and takes account of the strength of employer covenants and the fund's investment strategy.
29. Setting the fund's investment strategy and monitoring performance against it is a key part of financial management. Investment strategy is a complex area and has to take account of factors such as the overall fund deficit, cash flows from dealing with members and the maturity of fund membership. Balancing the risks and rewards from various asset types and approaches is something that the fund takes advice on from professional advisors.
30. The strategy of lowering risk was rewarded over 2015/16 as the Funds' produced the following returns compared to benchmark (See **Exhibit 2**).

Exhibit 2: Investment returns compared to benchmark 2015-16

Fund	1 year Return / benchmark	5 years Return / benchmark	10 years Return / benchmark
Lothian	+6.5 % / +0.2%	+9.1% / +7.1%	+6.5% / +5.1%
Buses	+3.1% / +1.2%	+9.6% / +7.8%	+7.8% / +6.3%
Scottish Homes	+1.7% / +1.9%	+9.6% / +9.6%	+8.6% / +8.4%

Source: Lothian Pension Funds audited financial statements 2015/16

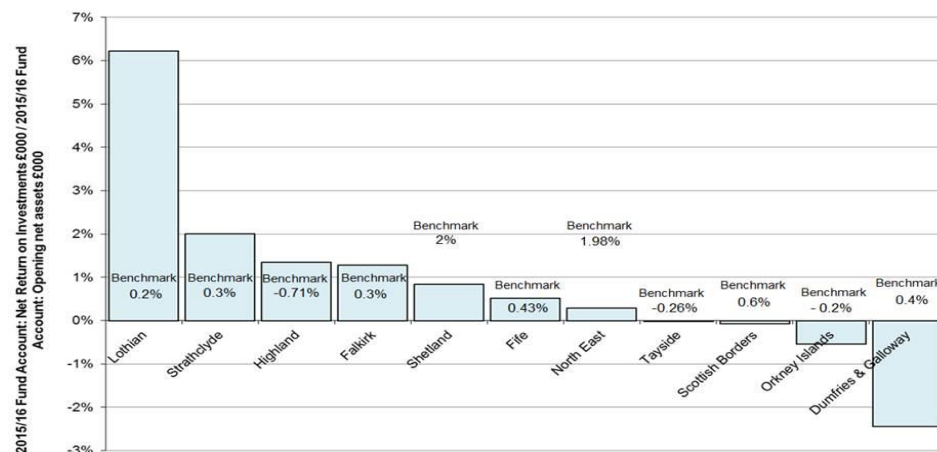
31. Getting the investment strategy right for the Funds is vitally important and often overshadows other aspects of financial management in relation to areas such as administration cost, for example. However, with financial pressures on pension funds and other employers these areas are coming under increased scrutiny.

Financial outcomes

32. The Lothian Pension Fund reported an increase in net assets of £327.8 million (6.4%). This relates mainly to investment valuations, both realised and unrealised, which showed a significant increase on the year before (£5,106.2 million) and illustrates the volatility associated with investment returns. There was also a decrease of £7.9 million of net additions from dealing with members from 2014/15.

33. Lothian Buses reported an increase in net assets of £8.7 million and a decrease of £0.505 in net withdrawals from dealing with members compared to 2014/15.
34. Scottish Homes Pension Fund reported a decrease in net assets of £4.4 million and an increase of £0.206 million in net withdrawals from dealing with members compared to 2014/15.
35. Invest performance is the main constituent on movements in net assets. In terms of Investment performance, 2015-16 has not been a good year for Scottish pension funds, however, the Funds performance contrasts with the general trend noted at **Exhibit 3**.

Exhibit 3: Net return on investments 2015-16



Source: draft Scottish Pension Funds financial statements 2015/16

Financial management arrangements

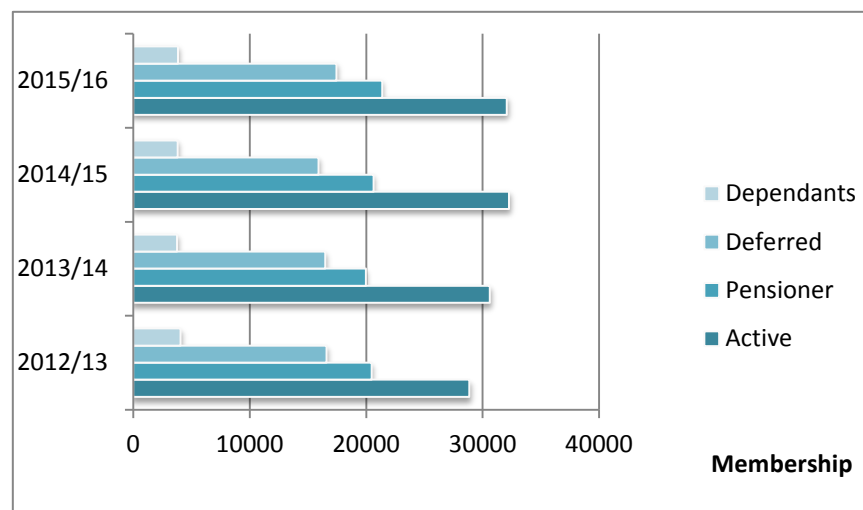
36. As auditors, we need to consider whether the pension fund has established adequate financial management arrangements. We do this by considering a number of factors, including whether:
 - the proper officer and fund manager have sufficient status within the council to be able to deliver good financial management
 - financial regulations are comprehensive, current and adhered to
 - reports monitoring performance against budgets are accurate and provided regularly to members
 - monitoring reports do not just contain financial data but are linked to information about performance
 - members provide a good level of challenge on significant variances and under performance.
37. We assessed the role and status of the proper officer against CIPFA's "Statement on the role of the Chief Financial Officer in Local Government" and concluded that the Funds' comply with the statement's five principles.
38. Our review noted that the proper officer (the Chief Finance Officer) has sufficient status to deliver good financial management of the Funds.
39. The Funds do not have their own financial regulations, however they comply with City of Edinburgh Council's (administering authority) financial regulations. Our review of the Council's financial regulations concluded that they are comprehensive and current. The financial regulations are available on the council's website.

- 40. Regular reporting on budget monitoring and investment performance updates is provided to the Pensions Committee members on a regular basis throughout the year.
- 41. Reports are comprehensive and we have observed a good level of review and scrutiny by board members. We have concluded that the Funds' overall financial management arrangements are satisfactory.

Financial sustainability

- 42. The Funds give their members a guarantee that in exchange for contributions during their employment, the fund will pay a pension until the end of each member's life.
- 43. There is a timing difference of many years between the receipt of contributions and the payment of pensions. Financial sustainability means that the fund maintains the capacity to meet the current and future needs of its members, despite changes of investment performance and life expectancy.
- 44. In assessing financial sustainability we are concerned with whether:
 - the Funds liabilities are greater or smaller than the Funds' assets (the actuarial position)
 - contribution rates strike an appropriate balance between the needs of the schemes and the needs of employers
 - where there is a deficit, long term recovery measures are in place
 - the Funds' investments have a profile of risk that is consistent with expected cash flows.
- 45. Effective investment strategy, investment management and regular actuarial review are crucial to sustainability.
- 46. The Lothian Pension Fund is a multi-employer fund with schedule bodies and admitted bodies. Given the nature of these employers the funding risk associated with default is seen as relatively low and the fund currently plans to recoup deficits over a 20 year period for most of the employers liabilities.
- 47. The new LGPS includes a cost sharing arrangement which will cap employer costs in relation to current service and help ensure that the schemes remains affordable for employers.
- 48. Additionally, the retirement age for most LGPS members going forward is linked to the state retirement age and this may also act to limit scheme liabilities for active members.
- 49. The current membership profile is shown at **Exhibit 4**. The combined impact of active members outweighing pensioners and the set levels of contributions rates by the actuary means that contribution rates continue to exceed benefits payable.

Exhibit 4: Membership



Source: Lothian Pension Funds audited financial statements 2015/16

50. The split of employer contributions between current service, past service and deficit funding is shown in **Exhibit 5**.
51. Contribution rates and fixed payments required to support the Funds back to its fully funded status will be re-reviewed by the Actuary following the next triennial funding valuation as at 31 March 2017.

Exhibit 5: Employer contributions

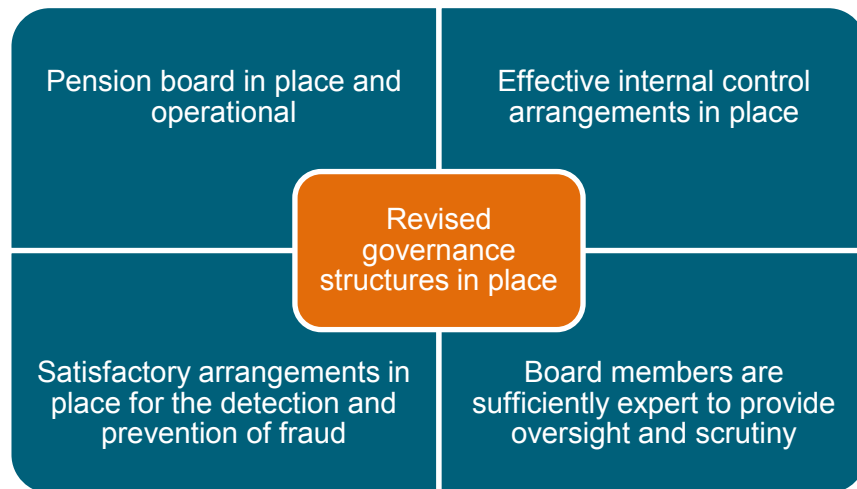
Employer	Current service £m	Deficit funding contributions £m	Strain on the fund £m	Total £m
Lothian Pension	133.035	7.357	19.480	159.872
Lothian Buses	7.425	0	0.113	7.538
Scottish Homes	0.100	0.575	0	0.675

Source: Lothian Pension Funds audited financial statements 2015/16

Outlook

52. The financial outlook across the public sector and in local government in particular remains challenging. Recent revisions to the LGPS should help ensure that the scheme is affordable to employers going forward whilst the scheme remains attractive to employees.
53. It is perhaps inevitable that management costs and investment performance will come under increasing scrutiny given the financial pressures faced by employers and employees alike. As a result, pension funds may need to be more radical in their approaches to administration and investments going forward.

Governance and transparency



- 54. City of Edinburgh Council is the administering body for the Funds. The council has delegated responsibility for governance to the Pensions Committee.
- 55. Members of the Pensions Committee, supported by the pensions board, is responsible for establishing arrangements to ensuring the proper conduct of the affairs of the Funds in accordance with the law and proper standards and for monitoring the adequacy and effectiveness of these arrangements. We concluded that the council has effective overarching and supporting governance arrangements

which provide an appropriate framework for organisational decision making.

- 56. As part of our work we reviewed various aspects of governance that apply to the fund including standing orders, financial regulations, Codes of Conduct for officers and members, anti-fraud and corruption arrangements, and arrangements for reporting to the Pension Regulator on breaches of regulation.
- 57. Members of the Funds should be able to hold the Funds to account for the services these provide. Transparency means that fund members should have access to understandable, relevant and timely information about how the fund is taking decisions and how it is using its resources.
- 58. Overall, we concluded that the council is open and transparent.

Governance structure

- 59. The corporate governance framework for the Funds is centred on the Pensions Committee which is supported by a Pensions Audit Sub-Committee. City of Edinburgh Council's Acting Executive Director of Resources has delegated authority for the implementation of the Funds' investment strategy.
- 60. Based on our observations and audit work our overall conclusion is that the governance arrangements within the Funds are operating effectively and are open and transparent.

Governance processes and committees

61. City of Edinburgh Council acts as the administering authority for the Funds. It is responsible for managing and administering the scheme for scheduled and admitted bodies.
62. The Council has delegated the administration, management and investment of the Funds to the Pensions Committee. The committee comprises councillors from City of Edinburgh Council and representatives from employers and members of the schemes.
63. The Public Service Pension Act 2013 introduced new governance arrangements for LGPS pension funds and from 1 April 2015, funds were required to introduce local pension boards. The remit of the Pension Board is to support the Pension Committee in compliance with regulations and with requirements imposed by the Pension Regulator. The Pension Board meets quarterly on the same cycle as the committee.
64. The Pension Board consists of five employer representatives and five union representatives. The Chair is alternated on an annual basis between the representatives. If at least half the members of the Pension Board disagree with a decision of the Pension Committee then they can request in writing that the Pension Committee review that decision. There have been no requests to review decisions in 2015/16.
65. A key aspect to the operating effectiveness of the Pensions Board is the retention of knowledge and understanding to support the role.

66. A register of training for committee members is maintained by the Funds' detailing a range of training opportunities and time spent training. Our review noted that all Pension Board and Pension Committee members undertook at least 3 days training during 2015/16.
67. As the Council is the administering authority for the Lothian Pension Funds the day to day administration of the Funds is carried out by the Investment and Pensions Division. The Chief Finance Officer has been delegated section 95 responsibility for the Funds.

Pension Regulator public service code

68. The Pension Regulator issued a code on the governance and administration of public service pension schemes in January 2015. The Funds have undertaken a high level review against the code in 2015-16 and have concluded that they are compliant in all major respects.

Investment Operations

69. The Pensions Committee and subsequently City of Edinburgh Council, agreed in October 2014 to the creation of two special purpose vehicles wholly owned and controlled by the council to be established for the purpose of seeking Financial Conduct Authority (FCA) authorisation for the activities of this team and directly employing certain key staff associated with the Funds investment function to minimise the risk of not retaining staff.

- 70. The employment of the internal investment team was transferred to LPFE Limited in May 2015 with revised terms and conditions of employment agreed including longer notice periods which have reduced the risk to the Funds.
- 71. LPFE Limited has also been established to support the investment programme of the in-house investment team by providing operational efficiencies and carrying out business from a vehicle authorised by the Financial Conduct Authority (FCA). Authorisation from the FCA is pending and is expected in the summer of 2016.
- 72. The impact of creating the special purpose vehicles in relation to the accounting treatment and presentation within the financial statements was discussed in detail with the Funds' officers during 2015/16.
- 73. Following accounting guidance provided by Scott-Moncrieff and Audit Scotland, it was agreed that the two companies should be consolidated into the Lothian Pension Fund with a recharge of costs to the other two pension funds,
- 74. Taking account of the group transactions, there is no material difference for LPF. The only key change being the retirement benefit obligation of £0.180 million within the group.

Annual Governance Statement and Governance Compliance Statement

- 75. The Code of Practice on local authority accounting in the United Kingdom 2014/15 has been amended to require the Funds Annual

Report and Financial Statements to include both an annual governance statement and an annual compliance statement.

- 76. Our review of the 2015/16 Annual Governance Statement noted a positive development from previous years where it had been based primarily on the content of the council's Annual Governance Statement.
- 77. The governance compliance statement is designed to compare the Funds' governance arrangements against the standards set out in the guidance issued by the Scottish Ministers. We reviewed the governance compliance statement and are satisfied that it complies with the guidance issued by the Scottish Ministers.
- 78. The governance structures have been working well with no issues relating to openness, reporting or scrutiny. The information reported in the governance compliance statement is consistent with our knowledge and understanding of the Funds' governance arrangements, based on our audit knowledge, attendance at meetings, and review of papers and minutes.

Internal control

- 79. The Accounts Regulations 2014 require the Pension Committee to consider the findings of an annual review of the system of internal control and to approve the Annual Governance Statement for the Funds.

- 80. The Funds' financial systems are run alongside those of the City of Edinburgh Council. We obtained confirmation from the external auditors of the council that there were no significant weaknesses in the internal controls for those systems for 2015/16.
- 81. As part of our work we also took assurance from key controls within the Funds' financial systems. We concluded that no material weaknesses in the accounting and internal control systems were identified which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.
- 84. The Public Sector Internal Audit Standards require internal audit to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
- 85. The annual internal audit opinion should conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. It should also contain certain information, including a summary of the work that supports the opinion; a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Internal audit

- 82. Internal audit is an important element of the Funds governance structure. Internal audit provides the Pensions Sub-Audit Committee, Pension Committee members and management of the Funds' with independent assurance on risk management, internal control and corporate governance processes. We are required by international auditing standards to make an assessment of internal audit to determine the extent to which we can place reliance on its work. To avoid duplication, we place reliance on internal audit work where possible.
- 83. The internal audit service is provided by City of Edinburgh Council via a co-source arrangement with PricewaterhouseCoopers. Our review of internal audit concluded that it complies with the main requirements of the Public Sector Internal Audit Standards and has sound documentation standards and reporting procedures in place.
- 86. Internal Audit conducted three pension fund reviews during 2015/16 on immediate payments, pension compliance and externally managed investments. This work was considered in our assessment of the internal controls put in place by the Funds.
- 87. Internal Audit has not identified any fundamental weaknesses in the framework of governance, risk management and control. Therefore, Internal Audit provided an opinion in compliance with the above requirements, and it was presented to the Pensions Audit Sub Committee on 22 June 2016 along with other key assurance statements, as part of the consideration of the unaudited financial statements. Overall, we concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards.

Arrangements for the prevention and detection of fraud

88. The Funds comply with the relevant fraud and irregularity policies of City of Edinburgh Council and these have been reviewed as part of our audit of the Council. No issues have been identified for inclusion in this report.

Arrangements for the detection and prevention of fraud and corruption

89. Councillors and board members have received training on council policies in this area and have also considered the Pension Regulator toolkit on conflicts of interest.
90. There has been a proactive approach to the use of National Fraud Initiative data in relation to checks on deceased members' pensions. The Funds also promoted awareness of liberation fraud amongst its members.
91. The arrangements for the prevention and detection of corruption in the Funds are satisfactory and we are not aware of any specific issues that we need to record.

Transparency

92. The management commentary within the financial statements includes management's assessment of the financial performance of the fund, and the risks that are managed. It also includes indicators of administrative performance.

93. Financial monitoring reports are provided to attendees at the Pension Funds Sub-Audit Committee and Pension Board going forward. Information about the pension fund is published on the Funds' website and there is a good level of transparency around pension fund business. Overall we concluded that the Funds administration is open and transparent.

Outlook

94. The change to Career Average Related Earnings (CARE) and the introduction of new governance arrangements have been major changes for the pension fund which demand ongoing investment in terms of governance and administration. Changes to the state pension arrangements and the need for Guaranteed Minimum Pension reconciliations have also added to workloads.
95. Going forward the operation of cost sharing mechanisms may well increase levels of interest and scrutiny in pension fund business. We understand that preparations are underway for the Government Actuary Department (GAD) to undertake a review in relation to cost sharing on behalf of Scottish Ministers.
96. There is a move to the pooling of fund assets through collective investment vehicles south of the border and Scottish Ministers have already indicated that this is an area where the views of the national Scheme Advisory Board's may be requested in due course.

Best Value

97. The Funds have a duty to ensure best value in the provision of services and to report performance publicly so that pension fund members, employers and other stakeholders know the quality of service being delivered and what they can expect in the future.
98. The Funds have not been subject to a Best Value review however, it is covered by the overall Best Value arrangements of the administering authority, City of Edinburgh Council.

Investment performance

99. Investments are managed both by external fund managers and the Funds' internal investment management team. Through the use of mandates, responsibility for the management of the Funds' investments has been divided up. **Exhibit 6** shows the allocation of investments to fund managers for the Lothian Pension Fund as at 31 March 2016.
100. Approximately 47% of the Lothian Buses Pension Fund is managed by in-house investment managers, with the remainder allocated between 2 separate external investment managers, Baillie Gifford (43%) and Standard Life (10%).
101. Approximately 40% of the Scottish Homes Pension Fund investments are managed by in-house investment managers, with the remainder allocated between 2 separate external investment managers State Street (55%) and Standard Life (5%).

Exhibit 6: Fund managers' allocation 2015-16 (Lothian Pension Fund)

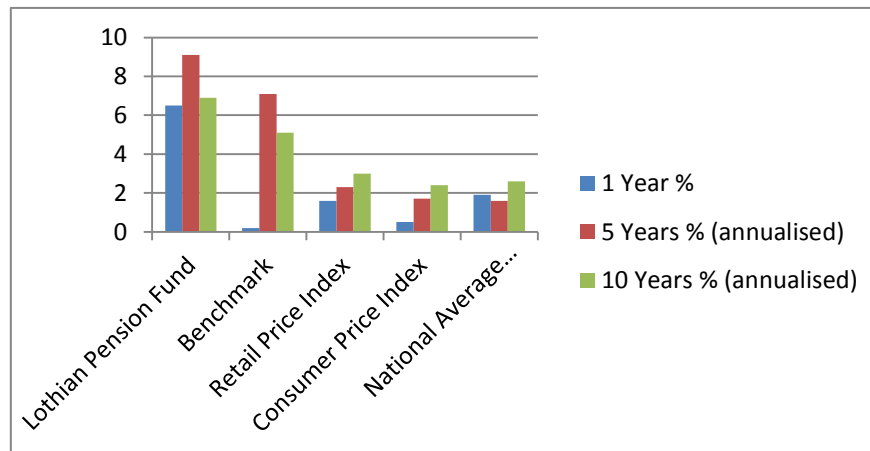
Fund Manager	Market Value £'000	% of Total Fund Value
In-house Investment Managers	4,565,947	84.6
Harris	186,652	3.5
Nordea	223,912	4.1
Standard Life	422,452	7.8
Total	5,398,963	100

Source: Lothian Pension Funds audited financial statements 2015/16

102. The main mechanism for measuring investment performance is through an analysis of the returns achieved by each of the Funds' fund managers. Each active Investment Manager has a defined performance benchmark and objective, against which performance will be measured. Their performance, in terms of achieving benchmarks, is subject to independent verification by an external specialist provider and is regularly reported to the Pensions Committee and investment strategy panel.
103. Investment returns of the Lothian Pension Fund have outperformed benchmark targets over the short, medium and longer term, as illustrated in **Exhibit 7**. The table also shows that over a period of one, five and ten years the pension fund has out performed the relevant measures of inflation.

- 104.** Lothian Buses Pension Fund investment returns exceeded the required performance benchmark levels for 2015/16. The portfolio as a whole made returns of 3.1% against the benchmark target of 1.2%.
- 105.** Scottish Homes Pension Fund investment returns did not meet the required performance benchmark levels for 2015/16. The portfolio as a whole made returns of 1.7% against the benchmark target of 1.9%.

Exhibit 7: Investment Performance – Lothian Pension Fund



Source: Lothian Pension Funds audited financial statements 2015/16

Administrative performance

- 106.** The Funds' Administration Strategy was approved by the Pensions Committee in September 2013. It contains the standards which are required of the participating employers to ensure that the Funds meet their statutory obligations and are able to deliver services efficiently. The strategy contains a variety of performance measures against which the Funds and the participating employers are assessed.
- 107.** In accordance with Local Government Regulations, the Funds' annual report discloses performance against the measures detailed in the Pension Administration Strategy. In relation to 2015/16 the Funds' performance was broadly in line with the annual targets set.

Investment strategies

- 108.** The Funds' investment strategies 2012-17, as agreed by the Pensions Committee in October 2012, have continued to be implemented during 2015/16. The key objective of the Funds' investment strategies is to maximise the investment return within reasonable and considered risk parameters, as illustrated in **Exhibit 8**.
- 109.** The Lothian Pension Fund had a higher position in equities and was lower in alternatives compared to the interim strategy at 31 March 2016.

Exhibit 8: Allocation of Investments to Investment strategy

Funds	Allocation 31 March 2016 %	Strategy 31 March 2016 %
Lothian Pension Fund		
Equities	67.8	67.0
Index-Linked Assets	7.0	7.0
Alternatives	24.0	25.0
Cash	1.0	1.0
Lothian Buses Fund		
Equities	60.0	58.5
Index-Linked Assets	12.0	14.0
Alternatives	26.0	27.5
Cash	2.0	0
Scottish Homes Fund		
Equities	30.2	30.0
Bonds	64.5	65.0
Property	5.3	5.0

Source: Lothian Pension Committee June 2016 - Annual Investment updates

110. As illustrated in the table, a number of changes to existing allocations are required to bring into line with the agreed strategy and Funds are continuing to work towards this.

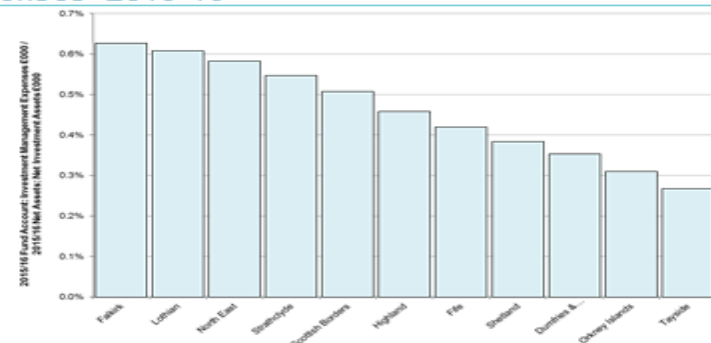
Management expenses

111. There are three main categories of management expense, with the largest being investment management costs. Other expenses are the cost of the administration services provided by the council and the governance fees for actuarial and audit services.
112. In 2015/16 the investment management costs of the Lothian Pension Fund rose from £25.951 million to £32.814 million. **Exhibit 9** shows provisional figures for total management costs for each Scottish pension fund based on unaudited financial statements.

Exhibit 9: Management costs as percentage of net assets of Scottish LGPS funds

Accounts - Investment management expenses 2015-16

ACCOUNTS COMMISSION



Source: Draft Scottish Pension Funds financial statements 2015/16

- 113. At 0.66%, the Lothian Pension Fund's management costs are comparatively low, which contributes to long term asset growth.
- 114. It is noted at this stage that there is inconsistency in the level of cost transparency between funds and that management costs will be heavily influenced by the asset allocation of a Fund.

Outlook

- 115. Recent developments in English Local Government Pension Schemes (LGPS) have seen the introduction of a National LGPS Framework being introduced in effort to reduce the cost of procurement of the LGPS sector. The framework, being coordinated by Norfolk County Council, sought to appoint companies to advise on actuarial, governance and benefit matters and is being backed by 7 English LGPS.
- 116. With financial austerity within the public sector likely to continue and increased pressure from employers to keep costs and contributions down makes it imperative for funds to be able to demonstrate best value and continued improvement. Just as council's themselves are having to look to new models of service delivery pension funds may need to reconsider the costs and benefits of shared services, procurement exercises and asset pooling.

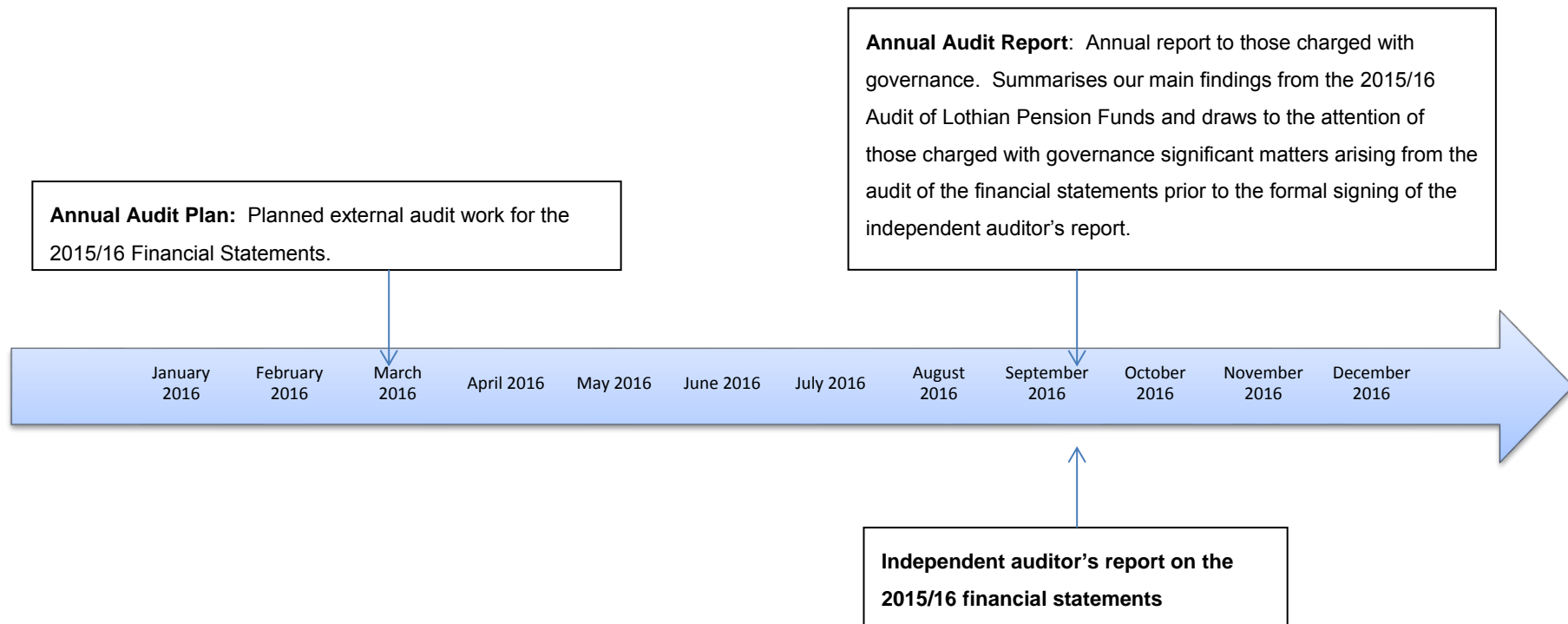
Appendix I: Significant audit risks

The table below sets out the financial statement audit risks we identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit Risk	Assurance procedure	Results and conclusions
Risk of material misstatement		
<p>Management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates for bias. • Evaluating significant transactions that are outside the normal course of business. 	<p>We undertook detailed testing of journal entries, accruals and prepayments. We also reviewed accounting estimates and transactions for appropriateness.</p> <p>We did not identify any incidents of management override of controls.</p> <p>Satisfactory</p>
<p>Group Accounting</p> <p>Investment and other senior staff have been transferred to a new company created to provide the Funds more flexibility in the terms and conditions on which staff are recruited and investment transactions. There is a risk that transactions between the Funds and the newly established company may not be recorded and disclosed in accordance with the accounting</p>	<ul style="list-style-type: none"> • Substantive testing of transaction between the Funds and the newly established company. • Review of the disclosures made in the Funds' 2015/16 financial statements concerning the relationship between the Funds and the company against the requirements of 'The Code' and sector specific guidance. 	<p>We discussed the impact of preparing group accounts for LPFE with management during 2015/16. We also undertook detailed testing of transactions between LPF and LPFE and reviewed group disclosure notes. We did not identify any material issues.</p> <p>Satisfactory</p>

Audit Risk	Assurance procedure	Results and conclusions
requirements of 'The Code'.		
<p>Changes to LGPS</p> <p>The Public Service Pension Act 2013 and associated regulations replaced a final salary scheme with a career average revalued earnings (CARE) scheme from 1 April 2015. There is a risk of increased complexity of pension calculations and increased workload of the Funds Administration which may result in an increase in errors.</p>	<ul style="list-style-type: none"> • Review of Funds performance reporting. • Substantive testing of pension calculations during financial statements audit. 	<p>We undertook detailed testing of pension calculations and no issues were noted. We also reviewed the Funds performance reported within the annual report and compared this to what has been reported to the Pensions Committee. No issues identified.</p> <p>Satisfactory</p>
<p>Annual governance statement</p> <p>The Funds Annual Governance Statement in the past has been based primarily on the content of the council's Annual Governance Statement. However, there is a risk that the disclosures are not focused on the governance arrangements of the Pension Funds.</p>	<ul style="list-style-type: none"> • Review of compliance as part of the detailed financial statements review for 2015/16. 	<p>We undertook a detailed review of the governance statement to ensure that it complied with the regulations and was more in-line with a more specific pension fund annual governance statement. No significant issues identified.</p> <p>Satisfactory</p>

Appendix II: Summary of Lothian Pension Funds local audit reports 2015/16



Appendix III: Action plan

No. AS ref.	Paragraph ref.	Issue/risk/Recommendation	Management action/response	Responsible officer / Target date
1.	21	<p>Issue: The Funds are correctly compliant with the required CIPFA guidance 2014 disclosures which promoted greater transparency of investment management fees. However, the new CIPFA guidance that comes into force in 2016/17 has revised their opinion resulting in fees incurred which the Funds have no control should not now be incurred by the Funds.</p> <p>Risk: The Funds may not be compliant with the new CIPFA guidelines.</p> <p>Recommendation: The Funds should review their disclosure arrangements for investment management fees in light of the new guidance.</p>	<p>CIPFA's guidance quotes the Government's criteria for the pooling of LGPS assets as follows: "To really drive savings within the Scheme, it is essential that these hidden costs are better understood and reported as transparently as possible. Although many of these costs are not paid out in cash, they do erode the value of the assets available for investment and so should also be scrutinised and the opportunities for savings explored."</p> <p>The Funds believe that CIPFA's revised guidance is inconsistent with the aim of transparency.</p> <p>The Pensions Committee, at its meeting on 28 September 2016 will be "recommended to instruct the Committee Clerk to communicate its disquiet, and that of the Convenor, on this matter not only to CIPFA, but also both to Audit Scotland and the Scheme Advisory Board (of the Local Government Pension Scheme in Scotland).</p>	n/a

Lothian Pension Fund

12 September 2016

Lothian Pension Funds 2015/16 Annual Audit Report

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We are drawing to your attention matters for your consideration before the financial statements are approved and certified. We also present for your consideration our draft annual report on the 2015/16 audit which identifies significant findings from the financial statements audit. The section headed "Significant findings from the audit in accordance with ISA260" in the attached annual audit report sets out the issues identified. This report will be issued in final form after the financial statements have been certified.
2. Our work on the financial statements is now substantially complete. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 28 September 2016 (the proposed report is attached at Appendix A). There are no anticipated modifications to the audit report.
3. In presenting this report to the Pensions Audit Sub-Committee and the Pensions Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.
4. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected. We have no unadjusted misstatements to bring to your attention.
5. As part of the completion of our audit we seek written assurances from the Chief Finance Officer on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 is attached at [Appendix B](#). This should be signed and returned by the Chief Finance Officer with the signed financial statements prior to the independent auditor's opinion being certified.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of City of Edinburgh Council as administering body for Lothian Pension Funds and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Lothian Pension Funds for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the fund accounts, the net assets statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the financial transactions of the funds during the year ended 31 March 2016, and of the amount and disposition at that date of their assets and liabilities;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Opinion on other prescribed matter

In my opinion the information given in the management commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- the Governance Compliance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

David McConnell, MA, CPFA
Assistant Director
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
GLASGOW
G2 1BT

Date: September 2016

APPENDIX B: Letter of Representation (ISA 580)

David McConnell
Assistant Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear David

Lothian Pension Funds

Annual Accounts 2015/16

1. This representation letter is provided in connection with your audit of the financial statements of the Lothian Pension Funds for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial transactions of the funds during the year ended 31 March 2016, and of the amount and disposition at that date of its assets and liabilities.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the relevant officers, the following representations given to you in connection with your audit of Lothian Pension Funds for the year ended 31 March 2016.

General

3. I acknowledge my responsibility and that of the Lothian Pension Funds for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the funds have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.
4. The information given in the Annual Report to the financial statements and Management Commentary presents a balanced picture of the Lothian Pension Funds and is consistent with the financial statements.
5. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those identified in the auditor's report to those charged with governance (ISA260).

Legality of Financial Transactions

6. The financial transactions of the funds are in accordance with the relevant legislation and regulations governing its activities.

Financial Reporting Framework

7. The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and in accordance with the requirements of Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003, including all relevant presentation and disclosure requirements.
8. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of the funds for the year ended 31 March 2016.

Accounting Policies & Estimates

9. All material accounting policies adopted are as shown in the Statement of accounting policies and general notes included in the financial statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
10. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

Actuarial Assumptions

11. The pension assumptions made by the actuary in the IAS19 report on the funds have been reviewed and I can confirm that they are consistent with management's own view.

Fraud

12. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

Corporate Governance

13. I acknowledge, as the officer with responsibility for the proper administration of the funds financial affairs under section 95 of the Local Government (Scotland) Act 1973, my responsibility for the corporate governance arrangements and internal controls. I have reviewed the Annual Governance Statement and the disclosures I have made comply with the guidance from the Scottish Ministers and in accordance with Delivering Good Governance in Local Government. Also, I have reviewed the Corporate Governance Compliance statement and the disclosures I have made comply with the guidance from the Scottish Ministers. There have been no changes in the corporate governance arrangements or issues identified, since the 31 March 2016 which require disclosure.

Related Party Transactions

14. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of IAS24, as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Investment Assets and Current Assets

15. On realisation in the ordinary course of the funds business the investment and current assets in the net asset statement are expected, in my opinion, to produce at least the amounts at which they are stated. In particular, adequate provision has, in my opinion, been made against all amounts owing which are known or may be expected to be irrecoverable.

Investment Liabilities and Current Liabilities

16. All liabilities have been provided for in the books of account as at 31 March 2016.

Contractual commitments

17. All outstanding call payments due to unquoted limited partnership funds have been fully included in the accounts for the period to 31 March 2016.

Employer / Employee Contributions

18. A high level analysis is carried out at the year end comparing the total monthly contributions in the pension system with the amounts recorded in the financial ledger. In addition, monthly checks are performed on contributions received from employers during the year with any unexpected differences followed-up and investigated.

Events Subsequent to the Date of the Net Asset Statement

19. There have been no material events since the date of the net asset statement which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.
20. Since the date of the net asset statement no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Yours sincerely

John Burns

Chief Finance Officer (Section 95 Officer for pensions)



Audited Annual Report and Financial Statements 2015/16

**Lothian Pension Fund
Lothian Buses Pension Fund
Scottish Homes Pension Fund**

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Foreword



As Convener of the Pensions Committee with responsibility for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund, I am pleased to introduce the 2015/16 Annual Report and Financial Statements.

We are witnessing one of the most challenging periods in modern times within the pensions arena. The wide reaching and radical reforms - to the State Pension and all public service pension schemes, alongside the introduction of auto enrolment and flexible access to pensions savings under the 'Freedom and Choice' initiative - will have an impact for generations to come.

We aim to ensure that those 70,000 people who are members of our scheme have confidence that we are managing it effectively and efficiently on their behalf.

Good governance should be at the heart of any pension fund and changes required by the Public Sector Pensions Act 2013 are shining a greater light on governance across all public sector schemes. We welcome this. The Scottish LGPS Scheme Advisory Board has been established to advise Scottish ministers on changes which may be required to the LGPS and I am privileged to be a member of that Board. Locally we established our Pension Board, its members being employer and member representatives, on 1 April 2015. The Board has played an active role in the Funds' governance.

Unusually within the public sector, the LGPS is a funded scheme. Over the last year, the Lothian Pension Fund's assets have increased by £328million, with investments returning 6.5% over the last year. It is pleasing to see that our low-cost, lower-risk investment strategy is providing protection in volatile investment markets. The Funds also paid £149million of pension benefits to our members, primarily into the local economy where most of our members live.

I would like to take this opportunity to record my thanks to colleagues on the Pensions Committee, Pension Board, our advisors, employers and the Lothian Pension Fund team.

Councillor Alasdair Rankin
Pensions Committee Convener
The City of Edinburgh Council

Report by the Convener of the Pensions Audit Sub-Committee



The role of the Pensions Audit Sub-Committee is to assess the control of the Funds to ensure effective and efficient operations and to make appropriate recommendations to the Pensions Committee. It consists of three members of the Pensions Committee and it draws on appropriate specialist knowledge, understanding and expertise to scrutinise the operation of the pension funds. Two members of the Pension Board, one member representative and one employer representative, and the independent professional observer also attend.

Over the 2015/16 year, the Sub-Committee met three times and considered the 2014/15 accounts including the external audit of these accounts. It also reviewed findings from internal audits, fraud prevention, recovery of income tax on investment income and the service from the

Funds' investment custodian.

I believe the Audit Sub-Committee plays a valuable role in the governance of the pension funds and adds value to members and employers.

Councillor Cameron Rose
Audit Sub Committee Convener
The City of Edinburgh Council

Report by the Chair of the Pension Board

As required by regulations, a Pension Board was established on 1 April 2015 to help ensure that the operation of the pension funds is in accordance with the applicable law and regulation.

The Board is made up of employer and member representatives and replaced the Consultative Panel which was similarly constructed. While the Board has additional regulatory powers and hence has needed to be operated more formally, I am pleased that the Board has worked with the pension funds in an equally transparent and collaborative manner. The Board is very grateful for work of all the Fund staff whose skills and dedication have again produced a positive position for the funds.

The Board attends all meetings of the Pensions Committee and Audit Sub-Committee and actively participates in the Funds' governance. Members of the Board have also undertaken training to understand their role, general pensions issues and the operations of the pension Funds.



As required by the constitution, the chair of the Pension Board rotates annually between employer and member representatives. Jim Anderson, a member from Scottish Water nominated by UNISON, was selected by the Board to take on the role from 1 April 2016 and I know the Board will continue to support the pension funds in a constructive manner in the future.

Eric Adair
Finance Director of EDI (an admitted body in Lothian Pension Fund) and Chair of the Pension Board

Report by the Independent Professional Observer

My role as an Independent Professional Observer for the pension funds is to assist the Pensions Committee and Pension Board in exercising their governance responsibilities as effectively and as efficiently as possible. My experience as a pension trustee and knowledge of institutional investment help me to undertake the role.

During the year the Pensions Committee and Pension Board worked collaboratively and with constructive challenge to ensure that the new governance arrangements bedded in well and added value to the efficient oversight of the pension funds. As well as overseeing the normal day to day management of the funds, the Committee and Board have considered a number of emerging issues in relation to funding and investment, including the monitoring of the financial strength of employers and consideration of climate change exposure within the investment portfolio.

The level of debate within and between the Pensions Committee and Pension Board continues to be of a very high quality, and members continue to demonstrate high levels of engagement in searching for continuous incremental improvements to the overall governance standards of funds.



Sarah Smart
Independent Professional Observer

Introduction

Funding and investments

Uncertainty over economic growth, particularly in emerging markets, brought volatility to investment markets over 2015/16. Lothian Pension Fund's innovative strategy, targeting stable, income generating global equities, has delivered strong returns in these uncertain markets, returning +6.5% over the year despite equities falling in most regions.

Infrastructure investment has received much publicity over the past year as the UK and Scottish governments look to encourage Local Government Pension Schemes to increase their investment in this area. Lothian Pension Fund has built up a large and diverse infrastructure portfolio over a number of years, developing its reputation, network and execution capabilities to secure access to investment opportunities within this market niche.

An experienced team manages the majority of investments internally, with strong oversight and support from the Investment Strategy Panel. Not only is an internal team better aligned with the Funds' interests, but employers and members benefit from lower costs. A new corporate structure was established to facilitate further development of the in-house investment team and generate efficiencies for stakeholders. A limited company wholly owned and controlled by the City of Edinburgh Council as the administering authority of the Funds, provides staff resources to the pension fund and facilitates recruitment and retention of specialist staff. In addition, a regulated investment company, LPFI Limited, has applied to the Financial Conduct Authority for authorisation. The company will enable us to collaborate more effectively with other institutional investors on infrastructure and other alternative investments to benefit from economies of scale. These companies have been consolidated into Lothian Pension Fund's financial statements as Lothian Pension Fund Group.

Scheme changes

Significant changes were made to the Local Government Pension Scheme on 1 April 2015. The Fund participated in an ambitious joint communications programme covering all Scottish Funds to inform members of these changes and the Fund's communications officer played a key role. The initiative produced a dedicated website, video and pension modeller. In addition, the Fund provided its own members with newsletters and e-newsletters and produced posters and a comprehensive toolkit for employers. Approximately 2,500 members attended over 50 roadshows. Communications reinforced the message that the scheme remains a valuable part of remuneration.

Customers

Efforts to speed up the transfer of membership data from employers to the Fund continued. As well as helping us to provide a better service to members, it improves accuracy which is required to administer the new career average pension scheme.

Employers in the Lothian Pension Fund continue to face organisational changes and there is increased pressure on employer contributions. The results of the 2014 actuarial valuation and employer covenant analysis highlighted the need for different funding and investment options for certain employers. Consideration of appeals from some employers demonstrated that we are committed to ensuring commitments to the Fund are honoured whilst adopting as flexible an approach as possible to funding.

We had over 80,000 visits to our website, www.lpf.org.uk over the year and over 19,000 members are registered to use the My Pension Online service. We recently used the online facility during a large-scale voluntary early release programme allowing members to see their potential pension benefits before expressing an interest. This facility significantly reduced work for both the employer and Fund.

Awards

During the year, the Funds, once again demonstrated their commitment to customers by retaining the Customer Service Excellence award. In order to further develop our service, we have joined the Pension Administration Standards Association, the first local government pension fund to do so. We also won two awards at the Local Government Investment Awards 2015, Fund of the Year (over £5billion) for Lothian Pension Fund and Fund of the Year (under £750million) for Lothian Buses Pension Fund.

Challenges

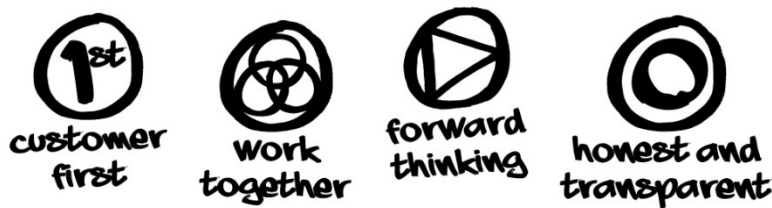
The changes to the pension scheme, pension taxation allowances and new pension freedoms make the administration of the Local Government Pension Scheme more complex and more difficult for members to understand. We will continue to develop communications, including different communications channels, strive for efficiencies and use industry standards to improve our service.

Continuing budgetary constraints across the public sector are expected to lead to further reductions in employee numbers and an increasing number of admitted bodies seeking to exit Lothian Pension Fund. There is also a risk that members decide to opt-out of the Fund on grounds of affordability or lack of appreciation of the value of pension benefits. Together with the new pension freedom and pension auto-enrolment, these could impact on the Fund membership, its liabilities and cashflow.

Economic growth in most parts of the world appears to be stuttering and yields on government bonds continue to move to historic lows. Collaboration could offer efficiencies and improved governance, particularly with the Fund's internal investment team. The Fund will continue to take a proactive approach to collaboration, assisted by authorisation from the Financial Conduct Authority.

There has always been interest from members and specific campaign groups in investments and over recent years this has increased significantly. There is a need to continue to be open and transparent with each Fund investments and communicating its investment strategy. The Funds must act in the best interests of members and employers and this remains paramount in all decision making.

To ensure we meet these challenges we have four objectives for our service to:



- We put our customers first and aim to provide the very best service.
- Our people are at the very heart of our business and we work together to deliver our service.
- We strive to improve our services by thinking ahead and developing new solutions.
- We are committed to supporting a culture of honesty and transparency.

Hugh Dunn
Acting Executive Director of Resources
The City of Edinburgh Council
28 September 2016

Clare Scott
Chief Executive
Lothian Pension Fund
28 September 2016

Governance

Pension Committee and Pension Board

The City of Edinburgh Council acts as administering authority for the Local Government Pension Scheme in the Lothian area. There are three Funds, Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund.

Pensions Committee and Pensions Audit Sub-Committee

The City of Edinburgh Council, in its role as administering authority, delegates pension matters to the Pensions Committee and Pensions Audit Sub-Committee whose members act as 'quasi trustees'. The Pensions Committee held five meetings during the year and the Pensions Audit Sub-Committee met three times. Membership of the Committees from 1 April 2015 to 31 March 2016 was as follows:

Membership

Pensions Committee

Councillor Alasdair Rankin (Convener)
Councillor Maureen Child
Councillor Jim Orr
Councillor Bill Cook
Councillor Cameron Rose
John Anzani (elected member representative, Midlothian Council)
Richard Lamont (employer representative, VisitScotland)

Pensions Audit Sub-Committee

Councillor Cameron Rose (Convener)
Councillor Jim Orr
Councillor Bill Cook

The Pension Board

The Public Services Pensions Act 2013 and the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 came into force on 1 April 2015. This resulted in the Consultative Panel being disbanded on 31 March 2015 and being replaced by a new Pension Board on 1 April 2015.

The role of the Pension Board is to help ensure that the operation of the Funds is in accordance with the applicable law and regulation. The Board attends all Pensions Committee meetings and has appointed two representatives to attend Pensions Audit Sub-Committee meetings. The membership comprises of ten members, five representatives appointed from the employer bodies and five members appointed by trade unions representing the membership of the Funds.

The Pension Board membership for the period 1 April 2015 to 31 March 2016 was as follows:

Employer representatives

Eric Adair (Chair)	EDI Group
Darren May	Scottish Water
Linda McDonald	Handicabs
Simon Belfer*	Napier University
Rucelle Soutar	The Royal Edinburgh Military Tattoo

Member representatives

Graeme Turnbull	UCATT
John Rodgers	UNITE
Thomas Carr Pollock	GMB
Catrina Warren*	Unison
Jim Anderson	Unison

(*Pension Board member appointed to attend the Pensions Audit Sub-Committee meetings.)

Pensions Committee and Pension Board training

The Committee and Board members must attend no less than 21 hours of training per year as outlined in the Funds' training policy which is available on our website at www.lpf.org.uk. All new members of the Pensions Committee and Pension Board attended induction training. Other training covered key areas including pension legislation, investment, accounting, auditing standards and actuarial practices. All members of the Committee and Board achieved the required training hours during 2015/16. Committee members collectively attended 293 hours of training over the year. Pension Board members undertook 314 training hours.

Scheme Advisory Board

The Public Service Pensions Act 2013 requires a Scheme Advisory Board for the Local Government Pension Scheme in Scotland and this was established on 1 April 2015. Its main function is to advise Scottish ministers, when requested, on the desirability of changes to the Scheme. They can also provide advice to scheme managers and pension boards in relation to effective and efficient administration and management of the Scheme.

The membership of the Board comprises of seven member representatives and seven employer representatives and a Joint Secretary is appointed in support of each of the Member and Employer groups. Councillor Rankin has been appointed a member of the Scheme Advisory Board. Officers of Lothian Pension Fund have also been called upon to advise the Board and its Joint Secretaries.

Lothian Pension Fund staff

The Investment and Pensions Division of the Resources Directorate of the City of Edinburgh Council carries out the day-to-day running of all three pension Funds. The Division functions include investment, pension administration and payroll, communications and accounting. The investment responsibilities include carrying out in-house investment management and monitoring and selecting external investment managers.

In February 2015, two limited companies (LPFE Limited and LPFI Limited) were established to facilitate the development of the internal investment capabilities and improve governance as well as delivering efficiencies for the administration of the Funds. Both companies are wholly owned and controlled by the City of Edinburgh Council as the administering authority of the Funds.

LPFI Limited has been established to support the investment programme of the in-house investment team by providing operational and other efficiencies; carrying out business from a vehicle authorised by the Financial Conduct Authority (FCA). Authorisation from the FCA was achieved on 24 June 2016.

The employment of the internal investment team was transferred to LPFE Limited in May 2015. Revised terms and conditions of employment have been put in place, including longer notice periods which have reduced risk to the Funds. In-sourcing of investment management over recent years has delivered significant savings to the Funds.

Over the year, senior officers were:

Alastair Maclean, Director of Corporate Governance, The City of Edinburgh Council (to 31 December 2015)
Hugh Dunn, Acting Executive Director of Resources, The City of Edinburgh Council (from 1 January 2016)
Clare Scott, Chief Executive of Lothian Pension Fund
Bruce Miller, Chief Investment Officer of Lothian Pension Fund
Struan Fairbairn, Chief Risk Officer of Lothian Pension Fund
John Burns, Chief Finance Officer of Lothian Pension Fund
Esmond Hamilton, Financial Controller of Lothian Pension Fund.

Investment Strategy Panel

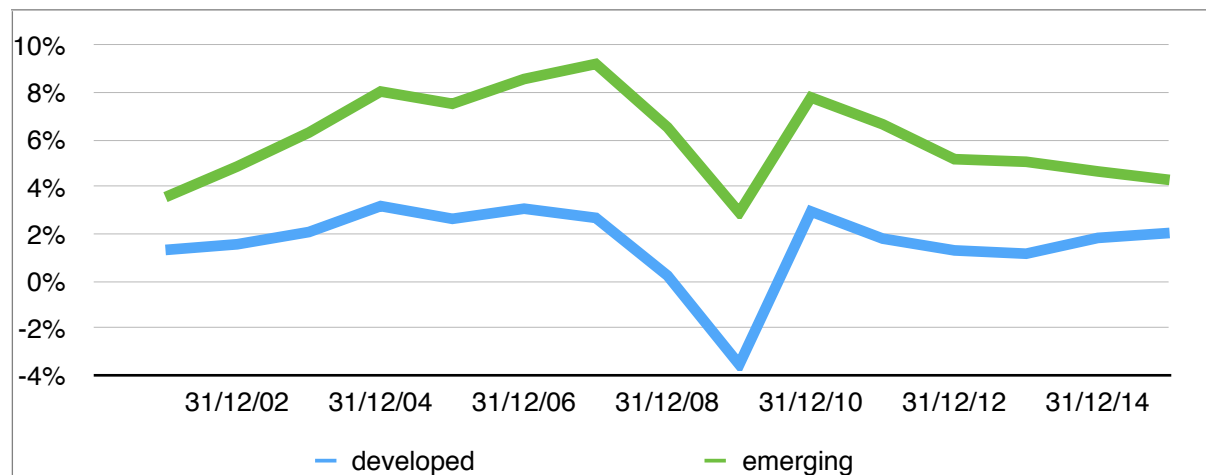
The Pensions Committee sets the overall investment strategy with the implementation of that strategy, including investment monitoring, delegated to the Executive Director of Resources who takes advice from the Investment Strategy Panel. The Investment Strategy Panel meets quarterly and comprises the Executive Director of Resources of the City of Edinburgh Council and the Chief Executive, Chief Financial Officer and Chief Investment Officer of Lothian Pension Fund along with three external advisers. The external advisers are Gordon Bagot, Scott Jamieson and KPMG, represented by David O'Hara.

Investment

Investment markets

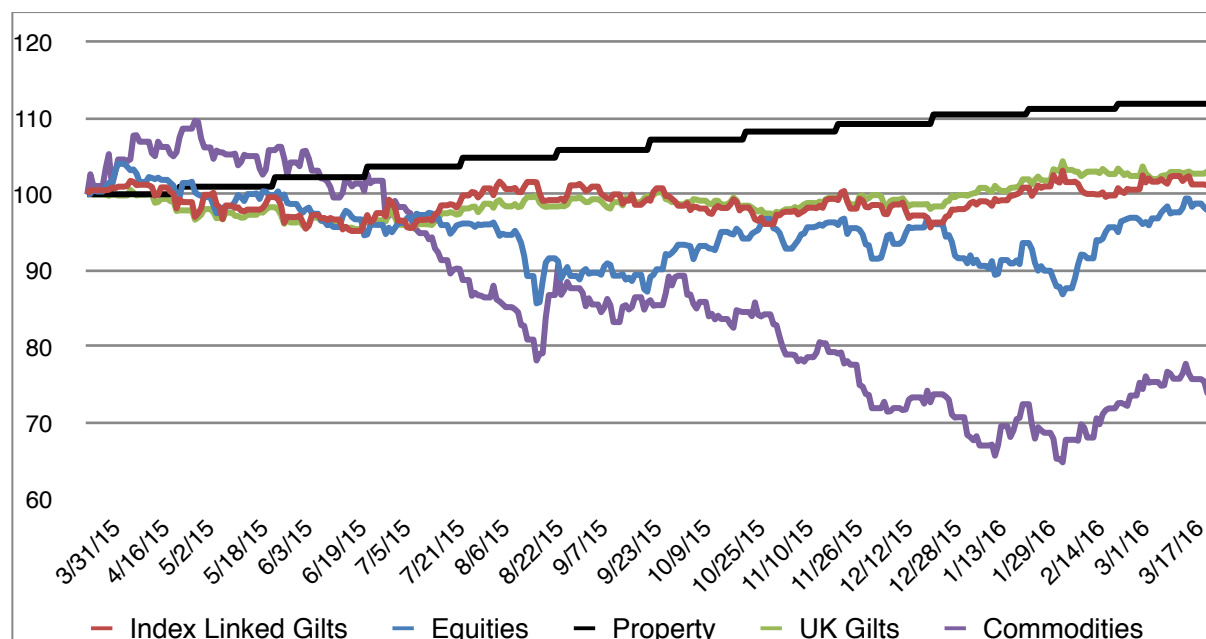
UK economic growth moderated somewhat in 2015, slowing from 2.9% in 2014 to 2.4% in 2015. The recovery in the labour market continued with unemployment falling to a 10 year low of 5%. Despite this, wage growth has remained subdued, with average earnings staying around 2%. The big surprise of 2015 was inflation falling below zero as oil and other commodity prices continued their slump. Other global economies showed quite diverse growth rates. Growth in developed economies have broadly returned to levels prior to the 2007/08 global financial crisis, around 2%. Growth in emerging markets on the other hand, has reduced significantly over recent years. Brazil and Russia are in recession and growth in China has slowed markedly.

Divergence between Developed Market and Emerging Market Economic Growth



Asset markets gave relatively lacklustre but volatile returns during 2015/16. Equity market returns were mainly negative, with only the US giving a positive return to UK investors, of 3%. The UK, Eurozone and Japan all gave returns of between -4% and -7% to a UK investor. The worst performing equity markets were those of the emerging markets, with Brazil and China returning -9% and -16% respectively in Sterling terms. The UK index-linked government bond market produced a modest positive return of 2%. Property returns were strongly positive, giving a return of +11%.

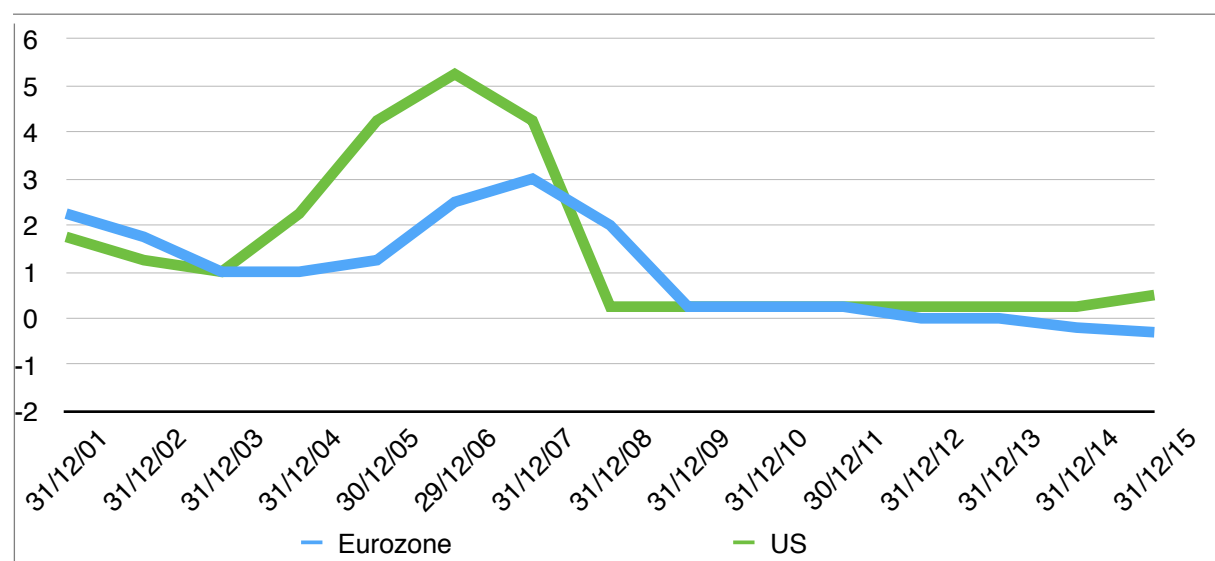
One Year Asset Class Returns – Major Markets (rebased to 100)



The outlook for asset markets relies on developed markets continuing to grow and for emerging markets to recover. In the US, the Federal Reserve has felt confident enough in the growth outlook to raise rates by 0.25%, the first monetary tightening in 9 years. Only a very slow and gradual further increase in interest rates is expected, due to low US inflation and the weakness of the global economy. Both Eurozone and Japan have continued to ease monetary policy in the face of domestic economic weakness and falling inflation. Further easing in both areas is expected in 2016. Growth expectation in the UK is between the US and Eurozone. Brexit fears have weighed on the currency and investment intentions. UK monetary policy has been unchanged for over 7 years.

Higher US rates, lower European rates

The outcome of the Brexit referendum, the speed of interest rate rises in the US and the performance of emerging economies will have a major impact on global assets. Longer term, asset returns are likely to remain low as global growth, inflation and interest rates all remain subdued.



Investment strategies

Over 2015/16, both Lothian Pension Fund and Lothian Buses Pension Fund reduced their equity allocations and continued to make new commitments to alternative assets, including timber and infrastructure investments in Scotland, UK and overseas. Investments in index-linked government bonds were modestly increased.

Scottish Homes Pension Fund adjusted its asset allocation in response to changes in its funding level during the year, and between 31 March 2015 and 31 March 2016, it increased its equity allocation and decreased its bond allocation due to a small decrease in the funding level.

Strategies are implemented utilising our experienced internal team of investment professionals. The guiding principle is to use strong internal investment capabilities to their maximum potential and to retain external managers for specialist mandates.

Over the past 6-7 years, the internal team has expanded with very positive effects on costs and capabilities. This is reflected in two structural shifts. Firstly, the percentage of Lothian Pension Fund's listed equity assets managed internally has risen from 23% to more than 85% and the majority of publicly traded bond assets are also managed internally. Secondly, the Fund has altered the construction of the listed equity assets, increasing the global mandates from 32% to more than 85%. Despite these large changes in the Fund, equity returns have been ahead of benchmark by 1.5% per year over the last five years and this has been achieved with lower risk than the benchmark.

Lothian Pension Fund and Lothian Buses Pension Fund also invest in private markets, selecting specialist managers to access a wide range of opportunities that are not available in the public markets. Over the past 10 years, the investment team has built a portfolio of private market assets in equity, debt, real estate, timber and especially in infrastructure, which is the largest proportion of the private market assets held and are described in more detail below.

The review of investment strategies for all three Funds during 2012 resulted in five year plans (2012-17) to achieve a reduction in investment risk. The investment strategies were again reviewed during 2015, taking into account the results of the 2014 actuarial valuations.

For Lothian Pension Fund, the Pensions Committee agreed that there was no reason to change its long term strategic allocation of assets as agreed in the 2012-17 investment strategy. The Fund will continue to implement that strategy over 2016 and 2017.

For Lothian Buses Pension Fund, the review of strategy has greater implications. In March 2016, the Pensions Committee agreed a revised long term strategy allocation for the five year period 2016-21. This makes meaningful changes to asset allocation over that timeframe reflecting the requirement for greater funding stability as the Fund matures. In addition, as Lothian Buses Pension Fund is defined in regulations as a sub-fund of Lothian Pension Fund, the Pensions Committee agreed that the option for it to be merged into Lothian Pension Fund would be explored in consultation with stakeholders.

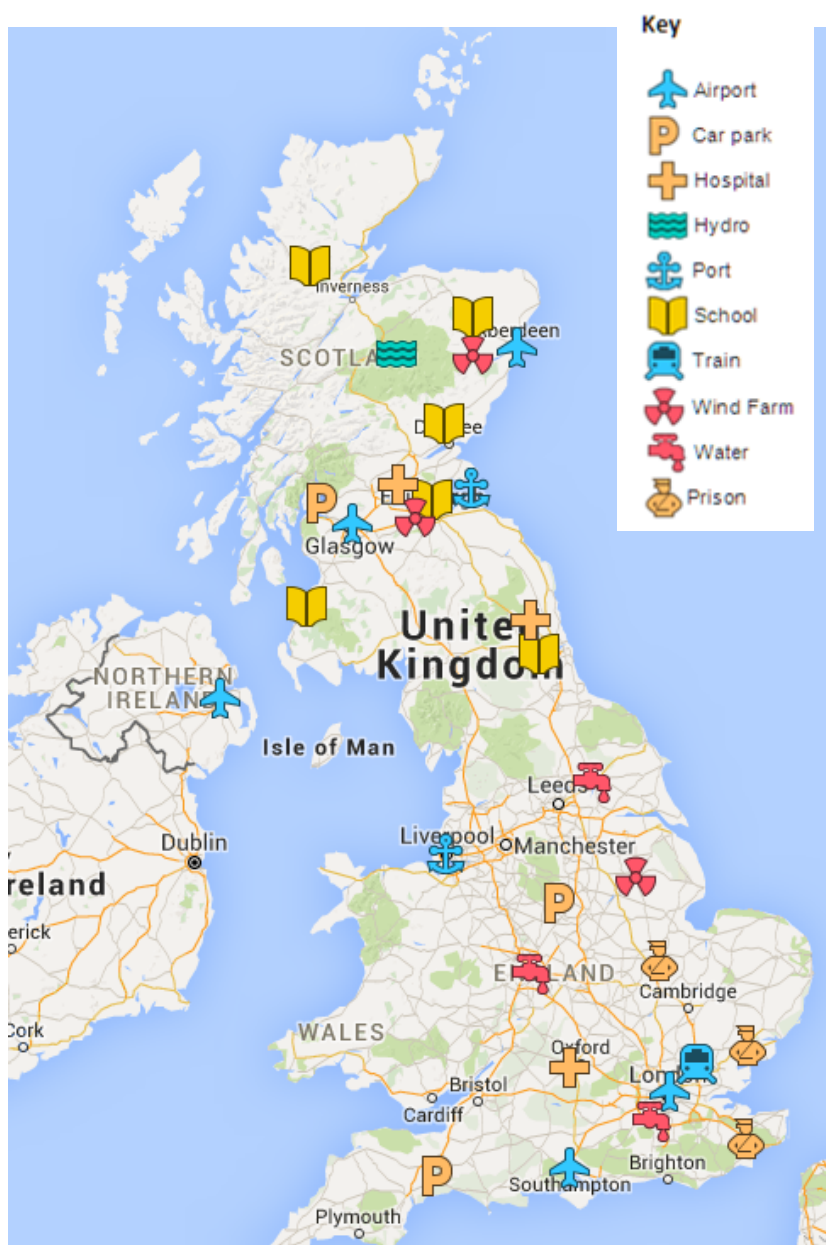
For Scottish Homes Pension Fund, the review concluded that a less prescriptive investment and funding strategy would allow a higher-yielding investment strategy and a more flexible approach to setting contributions. The current investment strategy adjusts asset allocation based on the evolution of the funding level. It is a bond-focused strategy, which generates an annual income yield of less than 2%, and so the Fund is required to sell assets on a regular basis to pay pensions. Proposals have been put forward to the Scottish Government to change and update its funding agreement and it has agreed to consider alternatives to the existing funding approach. Until options are explored further, Scottish Homes Pension Fund will continue to implement the existing investment strategy.

Infrastructure investment

Infrastructure investment has received much publicity over the past year as the UK and Scottish governments encourage Local Government Pension Schemes to increase their investment in this area. Infrastructure investments may offer the potential to generate attractive risk-adjusted returns based on cash flows that are often linked to inflation and can play a diversifying role in the Funds' strategies.

Lothian Pension Fund operates a dedicated multi-strategy real assets team to manage its infrastructure allocation. Over the last decade, it has developed its reputation, network and execution capabilities to secure access to investment opportunities within this market niche. Our experienced team appraises, models and invests in primary and secondary funds as well as co-investments to achieve its target allocation in a cost effective manner. An important element of the implementation strategy is to work with managers to ensure execution certainty and to understand transaction fees fully.

Infrastructure investments represented 8% of the value of the Lothian Pension Fund at 31 March 2016, one of the largest and most diversified allocations compared with other UK Local Government Pension Funds. Lothian Buses Pension Fund investments in infrastructure accounted for 6% at 31 March 2016. Of the £439million invested in infrastructure, 55% is invested in a diverse range of projects in the UK. The map below shows some of the infrastructure projects.



During 2015/16, Lothian Pension Fund completed one primary fund investment, acquired five secondary fund interests at material discounts to net asset value and invested in four co-investment and/or single asset investment vehicles. Approximately £182million has been invested over the year in UK, European and infrastructure assets, including UK hydro, wind, solar, gas distribution and the Thames Tideway Tunnel.

Over the last year, we have collaborated with Falkirk Council Pension Fund on five infrastructure investments. A staff secondment arrangement shares internal staff costs between the funds, supports Falkirk's strategy to increase its allocation to UK infrastructure and gives them access to opportunities that would not have otherwise been available.

Financial Conduct Authority approval (once obtained) will enable us to more effectively collaborate in this sector, and for Lothian to benefit from scale in the market whilst further supporting other institutional pension funds in accessing infrastructure markets.

Responsible investment

We strive to be active shareholders in order to enhance the long-term value of our investments. We consider environmental, social and governance issues in the investment process in a manner which is consistent with the fiduciary duty to provide the highest standard of stewardship on behalf of the members and employers.

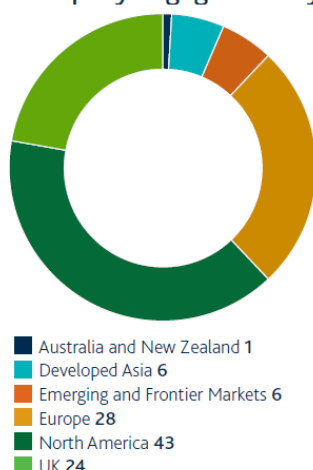
Robust arrangements are in place to ensure that our shareholdings are monitored and appropriate voting and engagement activity is undertaken with the aim of bringing about positive long term change at companies through a focused and value oriented approach.

We are a signatory to the Principles for Responsible Investment and publish how we meet the Financial Reporting Council UK Stewardship Code requirements, which promote public disclosure of stewardship activities. We undertake voting and engagement activities through Hermes Equity Ownership Services for the majority of our investments. Baillie Gifford and State Street take direct responsibility for stewardship issues for the investments they manage on our behalf.

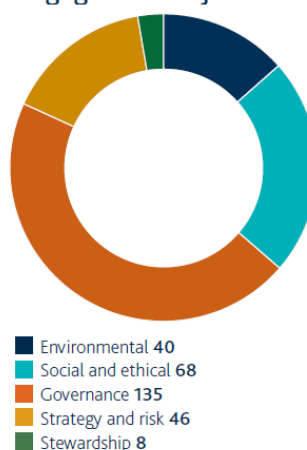
Over the year, we voted at shareholder meetings of more than 600 companies in which we were invested. We voted on over 9,000 resolutions and opposed over 600 of them. Hermes Equity Ownership Services engaged on our behalf with companies across the world on topics such as board structure, executive compensation, climate change and community relations. We supported the "Aiming for A" coalition which seeks transparency over climate change risks and opportunities in mining companies and we co-filed a shareholder resolution at Rio Tinto.

Global engagement activity

Company engagement by region (108)



Engagement objectives by theme (297)



Councillor Cameron Rose, a member of the Pensions Committee, is Vice Chair of the Local Authority Pension Fund Forum (LAPFF), which promotes the investment interests of local authority pension funds and seeks to maximise their influence as shareholders. In his LAPFF role, Councillor Rose meets with boards of companies and attends company Annual General Meetings to represent shareholders' interests.

Financial performance

Administrative expenses

A summary of the Division's administrative expenditure for 2015/16, against the budget approved by Pensions Committee, is shown in the table below.

The budget focuses on controllable expenditures and therefore excludes all benefit payments and transfers of pensions from the Fund. Similarly, income does not include contributions receivable and pension transfers to the Fund. The total net cost outturn of £11,118k against budgeted of £11,894k represented an underspending of £776k (6.5%) for the pension fund. The key budget variances serving to generate this underspending were:-

- Other third party payments - £633k underspend. This saving arose primarily from investment broker research costs continuing to be paid via commission, rather than being invoiced directly. The budget also included provision for preliminary expenses incurred in exploring potential investments but not concluding in an asset purchase. In the event, no such outlays were written off and the budget of £200k was not utilised. Miscellaneous other costs amounted to £67k in excess of budget.
- Employees - £319k underspend. This arose from savings in unfilled posts and also the timing of recruitment.
- Supplies and services - £226k underspend. Savings were realised across a range of budgets within this cost classification. These included lower than anticipated outlays for investment legal fees, £60k; investment asset system costs, £45k; establishment of wholly-owned companies, LPFE Limited and LPFI Limited, including application to Financial Conduct Authority for the latter, £30k, printing and postage expenditures, £25k. Miscellaneous other savings totalled £66k.
- Investment management fees - £191k underspend. This saving arose from greater use of in-house investment management expertise, with three external fund mandates being terminated and assets transferred. This occurred late in the financial year and therefore realised savings were proportionately lower. Investment management fees are also linked to asset performance. Investment returns remained lower than the prudent assumption of an 8% return used to derive the budgeted fee expenditure. Savings of £450k, however, were offset by additional fee outlays in pursuit of infrastructure investments.
- Income - £586k lower receipts than budgeted. Securities lending commission fell significantly short of budget. This reflected the generally lower than anticipated volume of securities lending activity in investment markets, particularly in the United States, and also reflected changes to the underlying asset holdings. Specifically, 50% of stock lending commission received by the Division in the previous year had been derived from a single stock. The income from this stock proved less reliable in the first quarter of this year and was sold, on investment grounds, during the second quarter.

	Approved budget	Actual outturn	Actual variance
	£000	£000	£000
Employees	2,489	2,170	(319)
Property	188	194	6
Plant and Transport	37	32	(5)
Supplies and Services	1,095	869	(226)
Investment Managers Fees - Invoiced	8,100	7,909	(191)
Other Third Party Payments	1,286	653	(633)
Capital funding - Depreciation	80	83	3
Direct Expenditure	13,275	11,910	(1,365)
Support Costs	276	279	3
Income	(1,657)	(1,071)	586
Total net controllable cost to the Funds	11,894	11,118	(776)

	Actual outturn
	£000
Actual outturn on budgeted items above	11,118
Add back securities lending revenue included in income above	892
Investment property administration costs	497
Investment transaction costs	2,260
Investment management fees deducted from capital	23,126
Securities lending management fee	255
IAS19 LPFE retirement benefits	180
LPFE deferred tax on retirement benefits	(36)
LPFE corporation tax losses utilised by CEC group	(5)
Total cost to the Funds (inclusive of full investment management fees)	38,287
Per Fund Accounts	
Lothian Pension Fund	36,286
Lothian Buses Pension Fund	1,779
Scottish Homes Pension Fund	222
Total	38,287

Funding and cash-flow

Cashflow to and from a pension fund is very dependent upon the profile of its membership. Specifically, a maturing membership, where the proportion of active to deferred and pensioner members is reducing, will result in a relative reduction in contributions received, together with additional outlays on payments to pensioners.

For Lothian Pension Fund, a significant early retirement initiative from the largest employer, the City of Edinburgh Council, resulted in a marginal decrease in the total active membership (-0.6%) over the year. The impact on funding was that net additions from dealing with members, although remaining positive at £11.4million, fell by £7.9million (40.9%). The impact of higher lump sum and pension payments was offset by the policy of the Fund that any pension strain cost associated with early retirement is paid in full immediately on the member's retirement.

As a fund which is closed to new entrants, the income and expenditures of Lothian Buses Pension Fund reflect this relative maturity. As at 31 March 2016, outlays from dealing with members remained in excess of receipts by £1.3million. This represents a change of £0.5million on the position as at 31 March 2015, where net outlays totalled £1.8million. Primarily, this resulted from the phased increase in contributions from the employer, £0.4million, as agreed at the 2014 actuarial valuation.

Scottish Homes Pension Fund is a mature fund with no active members. As a result, pension outlays are met from investment income and asset sales, supplemented by funding from the Scottish Government. Net pension outlays were £7.0million, an increase of £0.2million (3.0%) on the previous year.

Membership statistics for the three Funds and funding statements from the Actuary are provided at the Fund accounts section.

Investment cost benchmarking

Investment strategy focuses on risk adjusted returns net of costs. Investment data is provided to CEM, an independent benchmarking expert for global pension funds. CEM calculates a benchmark for the Lothian Pension Fund based on fund size and asset mix, which are key drivers of investment costs.

Reflecting the Fund's commitment to internal management, including the ability to implement transitions, investment costs are below that of CEM's benchmark of global peers. The latest analysis shows Lothian Pension Fund's investment costs at 0.39% are significantly lower than CEM's benchmark cost of 0.50% an equivalent saving of approximately £5million a year.

Investment management cost transparency

Local authorities are required to account for pension funds in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Financial Reporting Council where these provide additional guidance. The Code now requires that preparers have regard to CIPFA guidance "Accounting for Local Government Pension Scheme Management Costs"

CIPFA published guidance "Accounting for Local Government Pension Scheme Management Costs" in July 2014, which promoted greater transparency of investment management fees. These principles were adopted as best practice in the presentation of the Lothian Pension Fund audited Annual Report 2015. In June 2016, CIPFA revised its guidance including the following - "Investment costs incurred by a separate legal entity, or in respect of investment decisions over which the pension fund has no control, should not be included in the Fund Account."

There revised guidance changes the disclosure of fees for fund of funds investment arrangements. A "fund of funds" is an investment holding a portfolio of other investment funds rather than investing directly in stocks/securities. Typically fees are due to the "fund of funds" manager as well as to the managers of the underlying funds they are invested in. Generally, under the revised guidance from CIPFA this second layer of fees would not be disclosed with just the fees from the "fund of funds" manager disclosed.

In the preparation of Lothian Pension Fund's 2014/15 Annual Report the Fund made efforts to be completely transparent on the totality of costs incurred for managing its investment assets. The Fund's disclosures included all layers of fees.

The Fund believes that full transparency of investment costs is crucial to providing a full understanding to the most significant cost of managing a pension fund. Accordingly, the Fund will continue to maintain this principle in its financial statements and it will disclose all investment cost in its financial statements, therefore not complying with the revised CIPFA guidance which comes into effect from 1 April 2016. The Fund feels that the principle of full transparency on its investment management cost should be maintained, and has demonstrated in the below table the difference in reporting between CIPFA's recommendations and full transparency for its 2015/16 investment costs.

	Investment Management expenses in compliance with CIPFA	Investment Management expenses per 2015/16 financial statements	Variance from full disclosure
	£000	£000	£000
Lothian Pension Fund	27,625	34,400	6,775
Lothian Buses Pension Fund	1,309	1,677	368
Scottish Homes Pension Fund	169	169	0
TOTAL	29,103	36,246	7,143

Risk management

The Funds are committed to a strong control environment to ensure that risks are identified, understood, managed and monitored appropriately. The risks faced by the Funds change over time and ongoing management of risk is crucial. The Funds also have a compliance policy and each manager is responsible for ensuring compliance within their area of responsibility.

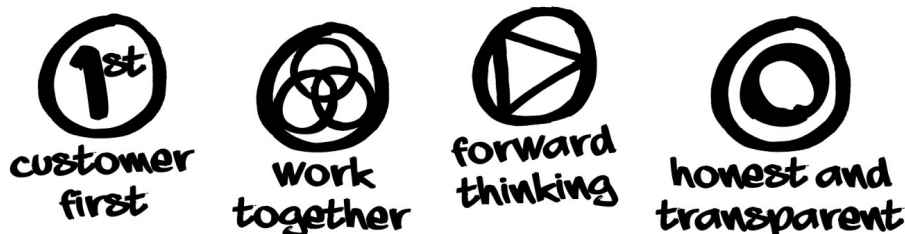
As at 31 March 2016, the most significant risks (after taking account of risk reduction controls), as assessed using a score out of 10 by the Investment and Pensions Service Management Team, were as follows:

Description	Impact	Likelihood	Risk score
Adverse investment performance leading to pressure on employer contributions	5	4	20
Adverse movement against non-investment funding assumptions leading to pressure on employer contributions	5	6	30
Collapse/restructuring of an employer body leading to pressure on other employers	4	8	32
Recruitment and retention of key staff	5	7	35

Performance

The Fund has a strong commitment to customer service. We continually develop our services to ensure the best possible service for customers whilst recognising potential demands of the future. Our vision, objectives and key actions are shown in our service plan along with how we measure their success. Our progress is reported regularly to the Pensions Committee and Pension Board.

To ensure we meet this aim we have set the following objectives for our service:



In 2015/16, we have delivered the following achievements:

- Implemented LGPS2015 scheme changes, the most significant changes to the Scheme since it began
- Established a new Pension Board and embedded it into the Funds' governance
- Set up two new companies LPFE Limited and LPFI Limited and transferred investment staff to LPFE Limited
- Submitted an application to the Financial Conduct Authority for the registration of LPFI Limited
- Established a new data quality team and developed enhanced performance measures to monitor membership data
- Participated in discussions being undertaken by LGPS funds in England and Wales on investment pooling
- Commenced implementation of investment unitisation system
- Commenced work to undertake Guaranteed Minimum Pension (GMP) reconciliation with HMRC
- Continued to provide a shared service to Falkirk Pension Fund.

Performance against key objectives



We put our customers first and aim to provide the very best service.

	Target	Actual
Maintain Customer Service Excellence Standard	Retain	Retained
Overall satisfaction of employers, active members and pensioners with our services as measured by surveys	87%	86%
Proportion of active members receiving a benefit statement by 31 August 2015	96%	98%

Customer Service Excellence

To maintain our commitment to customer service, we use the Customer Service Excellence (CSE) framework which ensures we are continuously making improvements. We are assessed annually by an external assessor and at our assessment in February 2016, we retained the CSE award for another year. We also gained an additional Compliance Plus award bringing the number held to five for areas such as complaint handling and working with employers.



In 2016, the assessor said, "All told a very sound submission from what is clearly a very customer focussed organisation."

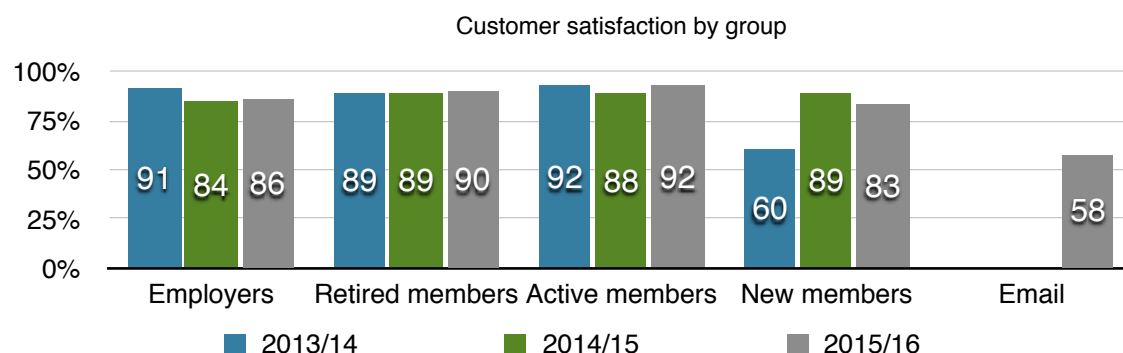
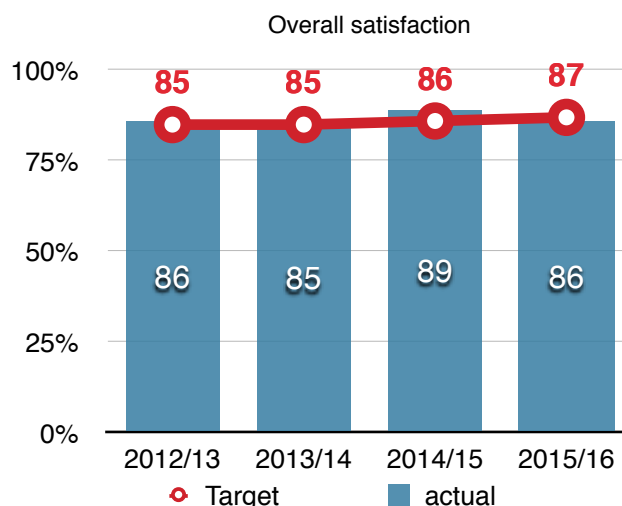
Customer satisfaction

Our overall customer satisfaction over the year was 86%, just below the target of 87%. The chart on the left shows actual satisfaction against target since 2012/13.

The chart below shows customer satisfaction broken down by customer groups.

The year 2015/16 was the first time we have measured the satisfaction of those receiving services via email. As a result of feedback received, improvements have been implemented over the year to email service including quicker and more-focussed responses.

These have resulted in increased satisfaction over the course of the year, from 49% in the first quarter to 74% in the last quarter.



Complaints

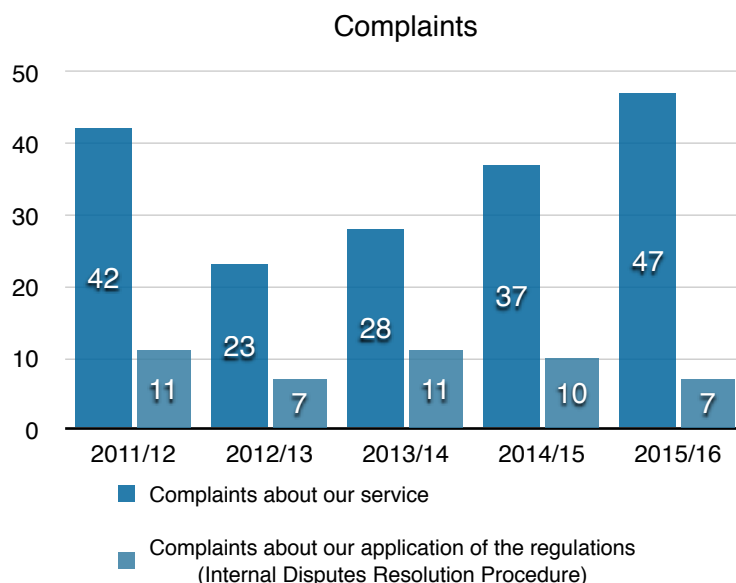
We monitor the complaints we receive on a monthly basis. We respond promptly to any complaints, investigate them and learn from them to improve the service. We categorise our complaints in two ways:

- Complaints about our service
- Complaints about our application of the regulations

The graph shows the number of complaints in each of the categories. These represent less than 0.2% percentage of the procedures (over 23,000) we carried out in 2015/16. The most common cause of complaint during 2015/16 was the delay in processing requests for transfers out of the Funds.

Following changes to the Scheme on 1 April 2015 there was a delay in updating the pension administration software used by all Scottish LGPS Funds. Increased public awareness of the new Freedom and Choice available from 6 April 2015 increased the number of requests for transfers and this compounded the problem. As soon as the software was updated in September, resource was immediately focussed on dealing with the requests.

Another theme identified was that members did not understand the complex scheme rules on trivial commutation (taking a small pension as a one-off cash lump sum where the payment extinguishes rights to benefits under the scheme). We used feedback to improve our retirement communications and now explain the triviality rules and the tax implications.



Annual benefit statements and data quality

We issued 98% of benefit statements by 31 August 2015. High quality data is essential to provide an excellent service to our members and for the provision of benefit statements and to meet The Pension Regulator's target of all members receiving their benefit forecast by 31 August. During the year more than 85 employers submitted monthly contribution data, leading to cleaner membership data, quicker services to members and fewer queries at the end of the year.

Along with our employer web portal, introduced to assist with the transfer of data, we have adopted other initiatives to improve member information. These include participation in specialist longevity and data analyses through "Club Vita", a service provided by the Funds' Actuary. We also carry out quarterly checks with the General Register Office and participate in the National Fraud Initiative. In 2014, we carried out a matching exercise for deferred members where we have lost touch with them. The project is currently being followed up with contact being made where a possible match has been found.

Following the end of contracting-out of the Second State Pension (S2P) on 5 April 2016, pension schemes need to reconcile the GMP values they hold for members with those calculated by HMRC. Schemes will be obliged to pay whatever GMPs are attributed to them, even those that may be incorrectly calculated or have been transferred out. An initial assessment shows 54% matching HMRC records and reconciliation is underway for the remaining records.



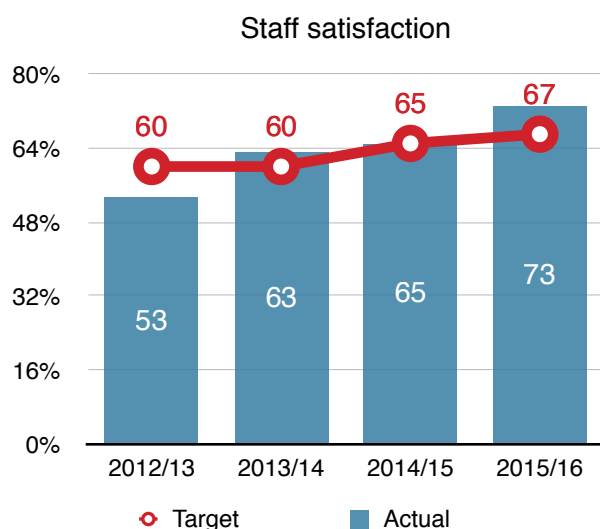
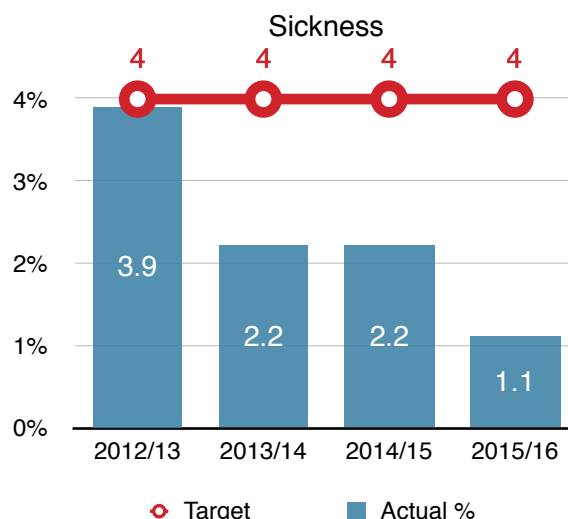
Our people are at the very heart of our business and we work together to deliver our service.

	Target	Actual
All staff complete at least two days training	Yes	Yes
Level of sickness absence	4%	1.1%
Staff survey satisfaction	67%	73%

Key indicators for staff in 2015/16 were overall staff satisfaction, sickness absence levels and training hours completed. All targets were achieved.

Over the last financial year, staff participated in regular training. As well as attendance at external seminars and training for qualifications, we held in-house sessions covering topics such as investments, annual accounts and funding.

The sickness absence rate was very low again at 1.1%.



Overall job satisfaction is measured during the annual staff survey. Overall satisfaction has continued to increase from 65% to 73% in 2015/16. This year's survey also saw the highest response rate with 49 out of 54 staff responding to the survey.



We strive to improve our services by thinking ahead and developing new solutions.

	Target	Actual
Proportion of critical pensions administration work completed within standards	Greater than 90%	93%

Our in-house pension administration team provides a dedicated service for the three pension Funds. We monitor the time taken to complete our procedures. Key procedures include processing of retirement and dependent benefits, providing information for new members, transfers and retirement quotes.

The Scheme changes from April 2015 have seen administration becoming more complex for both the Fund and employers. We continue to review our processes to improve our performance so that the Fund is in a position to meet new challenges. Despite the challenging environment, 93% of key procedures in 2015/16 completed in target.

In order to ensure we receive the necessary data from employers to administer pensions, we reviewed and updated our Pensions Administration Strategy to take into account recent regulatory changes and to further enhance data quality and service standards.

The Pensions Administration Strategy sets out the roles and responsibilities of both the Fund and employers and specifies the level of services the parties will provide to each other.

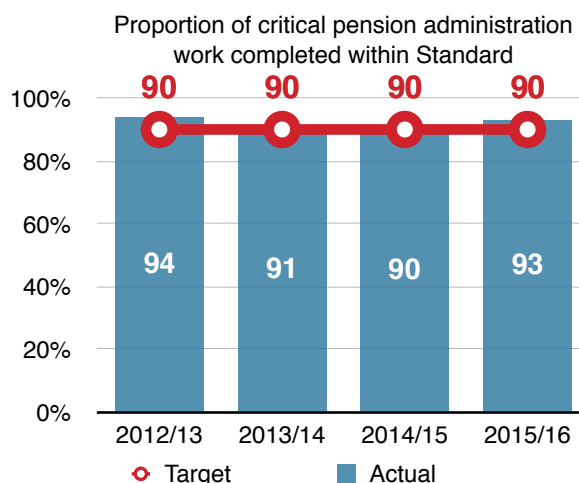
The Pensions Committee agreed to pass on costs of poor performance from employers, and the revised Strategy now includes reference to charges in four key areas:

- Late payment of contributions
- Late submission of membership information at the end of the year
- Failure to provide the Fund with information required to provide members with pensions savings statements
- Failure to provide details of member contributions on a monthly basis.

These areas are particularly important to ensure compliance with legislation, including accurate data to administer the new career average pension scheme and the new requirement to provide members with a pension forecast by 31 August each year. Charges for late payment of contributions are as stated in the Scheme regulations whilst other charges have been set to reflect the additional time spent in resolving queries and pursuing late information.

The Fund monitors employer performance against the standards set out in the Pension Administration Strategy. Results are reported to employers by way of an annual performance report and more frequently for larger employers.

Overall employer performance for 2015/16 is shown below, with 2014/15 shown for comparison purposes.



Case type	Target (working days)	2014/15			2015/16		
		Number received	Number within target	% within target	Number received	Number within target	% within target
New members	20	4,741	3,631	77%	4,653	4,074	88%
Leavers	20	2,430	1,189	49%	2,377	1,207	51%
Retirements	20	931	373	40%	1,156	398	34%
Deaths in Service	10	29	7	24%	40	11	28%

In 2015/16, the proportion of new member, leaver and death in service cases where the information was received from employers within target timescales has improved from 2014/15. However, information continues to be received later than target for a significant proportion of these cases.

In contrast the provision of information for retirements within target timescales has worsened over the year. In part this was due to one of the largest employers carrying out a large-scale early retirement exercise. Of the retirements within 2015/16, 77% were due to members retiring early or on redundancy or efficiency grounds. 10% of the retirements were due to ill health.



We are committed to supporting a culture of honesty and transparency.

	Target	Actual
Audit of annual report	Unqualified opinion	Yes
Monthly pension payroll paid on time	Yes	Yes
Contributions received within 19 days of the end of the month to which they relate	99.0%	98.9%
Data quality - compliance with best practice as defined by The Pensions Regulator	Fully compliant	Yes

Our annual report and accounts are audited by Audit Scotland and has received an unqualified audit opinion since the Fund began providing its own annual report in 2011. The Funds also paid over £145million of pension benefits to our members, primarily into the local economy where most of our members live.

We also measure the payment of employer contributions which are to be paid by the 19th day of the month to which they relate. 98.9% of employer contributions were received in the timescale against the target was 99%. Of the £2.0m paid late, £1.4m represented three payments from two employers. The employers who paid late are listed in the Funding section.

Pension record keeping standards are also measured against The Pension Regulator's best practice guidance and appropriate assurance has been attained for the second year since introduction.

Common data	Target	Actual
New data (Post June 2010)	100%	100%
Old data (pre June 2010)	95%	96%
Conditional and numerical data		
Fund specific measurement including date of joining, pensionable remuneration, date of leaving and reasons for leaving etc.	98%	98%

Funding

Funding Strategy Statement

The Funding Strategy Statement sets out how we balance the potentially conflicting aims of affordability and stability of employers' pension contributions whilst taking a prudent long-term view of funding pension liabilities. The Funding Strategy Statement was revised at the 2014 Actuarial Valuation and further revised in November 2015. It can be viewed on our website at www.lpf.org.uk/publications. The Statement covers the funding strategies of each of the three Funds.

Employer appeals

The revised Funding Strategy Statement included a change for those employers with less than five active members and/or those who were within two valuation periods (6 years) of leaving Lothian Pension Fund. Such employers were invested in lower-risk investments, i.e. index-linked government bonds, with employer contribution rates set accordingly. This was in order to address the previous inconsistency between the actuarial and cessation valuations, raise awareness of pension deficits and reduce risk of employers being unable to pay deficits when the last member leaves.

Following representation from employers at Pensions Committee in March 2015, those affected were given leave to appeal their new contribution rates on affordability grounds. Of the 27 employers affected, 14 appeals were received.

The appeals were considered by the Pensions Committee at a special meeting in November 2015 and decisions were agreed for each of the employers. A revised rates and adjustments certificate with revised contribution rates was prepared by the Actuary. The Funding Strategy Statement was amended to include reference to these determinations and to clarify other issues raised by employers during the appeals process.

Unitisation of assets

Lothian Pension Fund is seeking to enhance the transparency of the fund assets attributable to each employer and, to that end, has procured a system of investment unitisation (asset tracking). This enables investment assets for each employer to be tracked on a monthly basis, with the cash flow of an employer resulting in either a purchase or sale of units. The aim is to implement this change at the coming actuarial valuation, as at 31 March 2017, and data has been loaded to the system retrospectively in readiness. Another benefit of the system is that it also facilitates the future provision of more tailored strategies to employers.

Employer contributions – late payments

The Pensions Act 1995 requires employers to pay pension contributions by the 19th of the month following the deduction from an employee's pay. This requirement is highlighted in the Fund's Pensions Administration Strategy.

We monitor this requirement via our key performance indicators to ensure compliance with the Act. The target for 2015/16 year was 99.0% pension contributions paid in time. 98.9% of contributions by value were paid on time.

Of the 1,180 payments made to the Fund in 2015/16, in total 71 were paid later than the target of the 19th of the month. The number of late payments for each employer is provided overleaf.

Management commentary approved by:

COUNCILLOR ALASDAIR RANKIN Pensions Committee Convener The City of Edinburgh Council 28 September 2016	ANDREW KERR Chief Executive The City of Edinburgh Council 28 September 2016	CLARE SCOTT Chief Executive Lothian Pension Fund 28 September 2016	JOHN BURNS Chief Financial Officer Lothian Pension Fund 28 September 2016
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Employer	Number of late payments
Centre for the Moving Image	1
Children's Hearing Scotland	2
Citadel Youth Centre	4
Dawn Construction	2
Edinburgh Cyrenians Trust	3
Edinburgh Festival Society	1
Edinburgh World Heritage Trust	1
Edinburgh Leisure	1
ELCAP	1
Enjoy East Lothian	1
Festival City Theatres Trust	2
Forth & Oban	1
Four Square	8
Granton Information Centre	2
Homeless Action Scotland [1]	7
Fire Training College	1
Link In	1
Lothian Buses	1
Museums Galleries Scotland	5
National Mining Museum	1
Open Door Accommodation Project	1
Pilton Equalities Project	2
Scottish Police Authority	2
Royal Edinburgh Military Tattoo	1
Scotland's Learning Partnership [1]	5
Scottish Fire & Rescue Service	2
Skanska	1
SSERC Ltd	1
Stepping Out Project	3
Victim Support Scotland	4
West Granton Community Trust	1
West Lothian College	1
Young Scot Enterprise	1
TOTAL	71

[1] includes contributions paid in part

Lothian Pension Fund

Membership records

Status	Membership at 31 March 2013	Membership at 31 March 2014	Membership at 31 March 2015	Membership at 31 March 2016
Active	28,869	30,622	32,273	32,079
Deferred	16,600	16,482	15,916	17,444
Pensioners	20,484	19,972	20,636	21,371
Dependants	4,064	3,770	3,810	3,849
Total	70,017	70,846	72,635	74,743

Investment Strategy

Following completion of the 2014 Actuarial Valuation, the Investment Strategy Panel and Pensions Committee reviewed the Fund's investment strategy in light of developments in pension fund membership, expected cash flow, funding level, investment risk and returns.

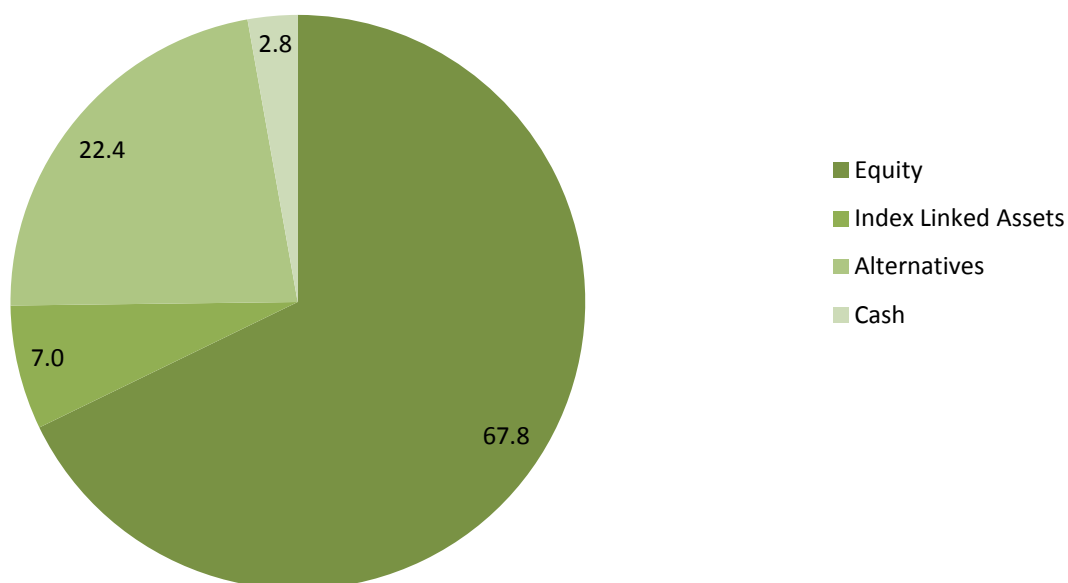
Lothian Pension Fund manages two investment strategies, which provides employers with access to an appropriate level of risk dependent on their individual characteristics (covenant strength, funding position, liability profile and time horizon). Most employer liabilities are funded in Strategy 1, which invests in a diversified portfolio of assets that are expected to generate positive real returns over the long term, but which will be volatile over shorter periods. Employers accounting for less than 1% of the Fund's liabilities are funded on a 'gilts' basis in Strategy 2, which invests in a portfolio of index-linked gilts to minimise risk for these employers.

Following completion of the 2014 Actuarial Valuation, the Fund's Investment Strategy was reviewed. The Pensions Committee agreed in December 2015 that the Investment Strategy 2012-17 remained appropriate for the vast majority of employer liabilities. This strategy, Strategy 1, reduces the allocation to equities (including private equity) from 71.5% at the end of 2012 to 65% by the end of 2017 and increases the allocation to index-linked gilts and alternatives. (Alternatives include property, infrastructure, timber and fixed income assets, such as corporate bonds and other debt investments.) The strategy recognises a gradually changing risk profile for the Fund, but retains significant exposure to investments, such as index-linked gilts and equities, which have a history of protecting or enhancing purchasing power after the effects of inflation have been taken into account.

The long term strategy for 2012-17 is set out in the table below along with the current interim strategy allocation and the asset allocation limits under normal financial conditions.

Strategy 1	Strategic Allocation 31/03/2016 %	Long term Strategy 2012 - 2017 %	Permitted ranges %
Equities	67	65	50 - 75
Index Linked Assets	7	7	0 - 20
Alternatives	25	28	20 - 35
Cash	1	0	0 - 10
Total	100	100	n/a

Actual Asset Allocation (%) at 31 March 2016



The implementation of the Investment Strategy 2012-17 continued to proceed at a measured pace over 2015/16 as investment opportunities became available and as research on opportunities was completed. Progress towards the long term strategy allocation involves the interim strategy allocation and the actual asset allocation changing gradually over time. The pace of change can be accelerated or slowed depending on asset prices, the availability of alternative investments and research conclusions on new investment opportunities.

The most significant changes to the Fund over 2015/16 were the terminations of three external equity managers (one active global equity mandate and two active emerging market mandates) with the assets transitioned into internally managed, lower risk, global equity mandates. Approximately 88% of the Fund's equities are now managed internally with the majority of these in low cost, low turnover strategies, which are expected to enhance the Fund's risk-adjusted returns over the long term. The Fund continues to outsource investment management services for specialist mandates, which complement the portfolio strategies employed internally.

Investment performance

The objectives of the Fund are:

- over long-term economic cycles (typically 5 years or more) the achievement of the same return as that generated by the strategic allocation
- over shorter periods, the Fund should perform better than the strategic allocation if markets fall significantly.

The Fund has achieved returns in excess of the strategic allocation over the last year and over the longer term timeframes shown in the table. The benchmark return shown in the table is the strategic allocation and comprises equity, index-linked gilts and cash indices as well as an inflation-linked index for the alternatives allocation.

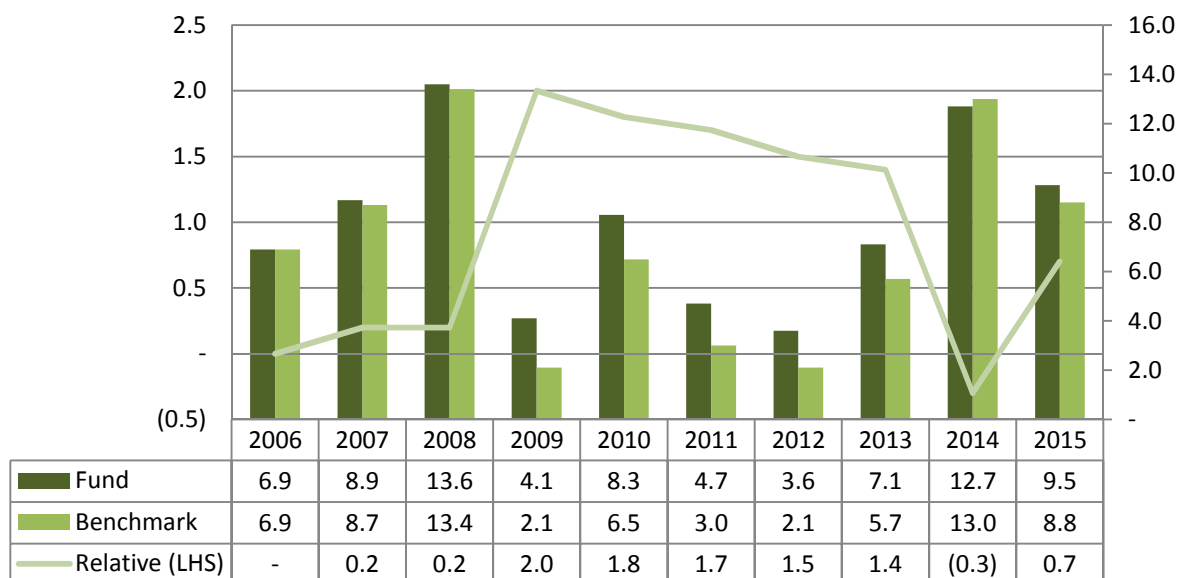
Returns relative to the benchmark over a one year period need to be placed in the context that there are no ideal benchmarks for many of the assets held in the Fund, especially the Alternatives. The Fund's benchmark for Alternatives is inflation plus 3.5% per annum, which makes sense over the long term as the Fund's liabilities are linked to inflation. However, over shorter periods, there is less information content in the relative returns of the Fund because the development of asset prices is much more volatile than that of UK retail or consumer prices. The Investment Strategy Panel assesses the underlying risks of the portfolios that make up the asset allocation to ensure that these are consistent with the long term objectives of the Fund.

The strong performance relative to the benchmark over 2015/16 was largely attributable to equities (especially the large internally managed global portfolios) and the alternative investments, driven primarily by double digit return from the property and infrastructure portfolios, which benefited from the purchase of infrastructure assets at attractive valuations.

Annualised returns to 31 March 2016 (% per year)	1 year	5 year	10 years
Lothian Pension Fund	6.5	9.1	6.9
Benchmark	0.2	7.1	5.1
Actuarial Valuation Assumptions - Strategy 1 *	5.0	5.7	5.9
- Strategy 2 *	3.5	5.4	5.8
Retail Price Index (RPI)	1.6	2.3	3.0
Consumer Price Index (CPI)	0.5	1.7	2.4
National Average Earnings	1.9	1.6	2.2

*estimated

Annualised 5 yearly returns ending 31 March (% per year) for Strategy 1



Lothian Pension Fund Group

Fund Account for year ended 31 March 2016

This statement shows a summary of the income and expenditure that the Pension Fund has generated and consumed in delivering the Local Government Pension Scheme. Included is the income generated from employers' and employees' contributions and investment income, as well as the cost of providing benefits and administration of the Fund.

Restated*			Lothian Pension Fund Parent 2015/16 £000	Lothian Pension Fund Group 2015/16 £000
2014/15 £000		Note		
	Income			
142,437	Contributions from employers	5	159,872	159,872
42,343	Contributions from members	6	42,800	42,800
6,452	Transfers from other schemes	7	2,780	2,780
191,232			205,452	205,452
	Less: expenditure			
128,701	Pension payments including increases	8	133,624	133,624
31,456	Lump sum retirement payments	9	46,315	46,315
3,593	Lump sum death benefits	10	5,336	5,336
423	Refunds to members leaving service		519	519
407	Premiums to State Scheme		417	417
5,580	Transfers to other schemes	11	6,075	6,075
1,780	Administrative expenses	12a	1,743	1,766
171,940			194,029	194,052
19,292	Net additions from dealing with members		11,423	11,400
	Returns on investments			
122,876	Investment income	13	134,113	134,113
613,941	Change in market value of investments	15, 21b	216,646	216,646
(27,413)	Investment management expenses	12b	(34,400)	(34,520)
709,404	Net returns on investments		316,359	316,239
728,696	Net increase in the Fund during the year		327,782	327,639
4,377,536	Net assets of the Fund at 1 April 2015		5,106,232	5,106,232
5,106,232	Net assets of the Fund at 31 March 2016		5,434,014	5,433,871

* The results for the year ended 31 March 2015 have been restated to reflect a change in the accounting policy on securities lending revenue and the related management charges. The effect is to increase both investment income and investment management expenses by £472k. There is no change in the net return on investment. See note 2 for details.

Lothian Pension Fund Group

Net Assets Statement as at 31 March 2016

This statement provides a breakdown of type and value of all net assets at the year end.

			Lothian Pension Fund Parent	Lothian Pension Fund Group
31 March 2015			31 March 2016	31 March 2016
£000		Note	£000	£000
Investments				
5,077,632	Assets		5,413,590	5,413,590
(5,048)	Liabilities		(14,627)	(14,627)
5,072,584	Net investment assets	14	5,398,963	5,398,963
Fixed assets				
365	Computer systems		332	332
365			332	332
Non current assets				
-	Debtors	25	451	451
-	Deferred tax	30b	-	36
-			451	487
Current assets				
6,352	The City of Edinburgh Council	29	4,287	4,287
36,350	Cash balances	22, 29	41,327	41,331
9,769	Debtors	26	12,670	12,703
52,471			58,284	58,321
Non current liabilities				
-	Retirement benefit obligation	31	-	(180)
-			-	(180)
Current liabilities				
(19,188)	Creditors	27	(24,016)	(24,052)
(19,188)			(24,016)	(24,052)
5,106,232	Net assets of the Fund at 31 March 2016		5,434,014	5,433,871

The unaudited accounts were issued on 27 June 2016 and the audited accounts were authorised for issue on 28 September 2016.

JOHN BURNS FCMA CGMA

Chief Finance Officer, Lothian Pension Fund

28 September 2016

Notes to the net asset statement

The financial statements summarise the transactions of the Fund during the year and its net assets at the year end. They do not take account of the obligations to pay pensions and benefits which fall due after the end of the year. The actuarial position of the Fund, which does take account of such obligations, is discussed in the Actuarial Valuation section of this report and these financial statements should be read in conjunction with that information. In addition, as required by IAS26, the Actuarial Present Value of Promised Retirement Benefits is disclosed in the notes to these financial statements.

Notes to the Accounts

1 Statement of Accounting Policies

The statement of accounting policies for all Funds' can be found on page 112.

2 Prior year adjustment

During the year, the Fund has changed its accounting policy in respect to securities lending revenue that has required the restatement of the 2014/15 results.

Previously securities lending revenue was recognised net of fees, as management charges were deducted at source. The new treatment recognises the gross income from securities lending and impacts both the investment income of the Fund and investment management expenses.

	2014/15 Audited £000	Adjustment £000	2014/15 Restated £000
Investment income	122,404	472	122,876
Investment management expenses	(26,941)	(472)	(27,413)

3 Lothian Pension Fund Group

Basis of consolidation, presentation of financial statements and notes

Commencing with the year ended 31 March 2016, Consolidated Financial Statements have been prepared for Lothian Pension Fund. The Financial Statements of Lothian Buses Pension Fund and Scottish Homes Pension Fund continue to be prepared on a single entity basis.

The Consolidated Financial Statements for Lothian Pension Fund are prepared by combining the Financial Statements of the Fund (the parent entity) and its controlled entity (LPFE Limited) as defined in accounting standard IAS27 - Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the Consolidated Financial Statements. All inter-entity balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation.

Because LPFE limited activities are focussed of the provision of seconded staff, its consolidation has a limited impact on the figures included in the Fund Account and Net Assets Statement of Lothian Pension Fund. An additional column has been added in both the Fund Account and Net Assets Statement, with the figures prior to consolidation being identified as "Parent" and after consolidation as "Group". In the notes to the accounts, where there is a difference between the parent and group figures they are identified as either "Parent " or "Group".

As LPFE Limited commenced trading on 1 May 2015, the prior year comparative figures consist only of the results of Lothian Pension Fund.

Notes to the Accounts

3 Lothian Pension Fund Group (cont)

Notes relevant to LPFE Limited and the consolidation

The following notes provides more information in respect of LPFE Limited:

Note	Description
29	Related parties Describes the loan facility agreement that provides the working capital of the Company and the staff services agreement.
30a	Consolidated Lothian Pension Fund group - LPFE Limited - Corporation Tax utilised by CEC group Describes the tax loss of the Company utilised by another member of the City of Edinburgh Corporation Tax Group. The tax loss of the Company is transferred to another company in the Tax Group in exchange for a cash amount.
30b	Consolidated Lothian Pension Fund group - LPFE Limited - deferred tax Describes the deferred tax non-current asset of the Company. See 2 f) ii) in the Statement of Accounting Policies and General notes for more information.
30c	Consolidated Lothian Pension Fund group - LPFE Limited - share capital Describes the share capital of the Company.
31	Retirement benefits obligation - group Provides the information on the retirement benefits obligation of the Company as required under IAS19 - Employee Benefits. See 2 q) ii) in the Statement of Accounting Policies and General notes for more information.

4 Events after the Reporting Date

There have been no events since 31 March 2016, and up to the date when these accounts were authorised, that require any adjustments to these accounts.

5 Contributions from employers

The total contributions receivable for the administering authority, other scheduled bodies and admitted bodies were as follows:-

By category	2014/15 £000	2015/16 £000
Future service rate	111,692	133,035
Past service deficit	24,698	7,357
Strain costs	5,131	9,984
Cessation contributions	916	9,496
	142,437	159,872

By employer type		
Administering Authority	55,795	63,459
Other Scheduled Bodies	67,980	77,198
Community Admission Bodies	18,411	18,784
Transferee Admission Bodies	251	431
	142,437	159,872

Notes to the Accounts

5 Contributions from employers (cont)

Employer contributions, as calculated by the Fund Actuary, comprise two elements:

- An estimate of the cost of benefits accruing in the future, referred to as the "future service rate", which is expressed as a percentage of payroll and;
- an adjustment for the solvency of the Fund based on the benefits already accrued. If there is a surplus, there may be a contribution reduction; if there is a deficit there may be a contribution increase. For all employers, contributions to cover any Past Service Deficit are expressed as a fixed monetary sum, rather than as a percentage of payroll and are payable on a monthly basis that is one twelfth of the annual total.

Where an employer makes certain decisions which result in benefits being paid early, this results in a "strain" on the Fund. The resulting pension strain costs are calculated and recharged in full to that employer.

Any employer that ceases to have at least one actively contributing member is required to pay a cessation contribution.

6 Contributions from members

By employer type	2014/15 £000	2015/16 £000
Administering Authority	16,544	16,389
Other Scheduled Bodies	19,751	20,226
Community Admission Bodies	5,988	6,074
Transferee Admission Bodies	60	111
	42,343	42,800

7 Transfers in from other pension schemes

	2014/15 £000	2015/16 £000
Group transfers	703	-
Individual transfers	5,749	2,780
	6,452	2,780

8 Pensions payable

By employer type	2014/15 £000	2015/16 £000
Administering Authority	60,636	65,447
Other Scheduled Bodies	56,688	56,115
Community Admission Bodies	11,234	11,902
Transferee Admission Bodies	143	160
	128,701	133,624

Notes to the Accounts

8 Pensions payable (cont)

Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 [Section 31] allows employers to pay additional pensions on a voluntary basis.

As is typical within the Local Government Pension Schemes (LGPS), arrangements exist whereby additional teachers pensions and employee pensions are paid with the payment of funded pensions. In order that such are not regarded as “unauthorised payments” by HMRC these pension payments are met by the administering authority through a general fund bank account and recharged to the body or service which granted the benefits.

As “unfunded payments” are discretionary benefits, they are not relevant to the sums disclosed in the Fund accounts. As such Lothian Pension Fund provides payment and billing services to certain employers on a no charge agency agreement basis.

9 Lump sum retirement benefits payable

By employer type	2014/15 £000	2015/16 £000
Administering Authority	12,330	27,160
Other Scheduled Bodies	15,783	15,336
Community Admission Bodies	3,301	3,685
Transferee Admission Bodies	42	134
	31,456	46,315

10 Lump sum death benefits payable

By employer type	2014/15 £000	2015/16 £000
Administering Authority	1,191	2,745
Other Scheduled Bodies	2,020	1,964
Community Admission Bodies	382	627
Transferee Admission Bodies	-	-
	3,593	5,336

11 Transfers out to other pension schemes

	2014/15 £000	2015/16 £000
Group transfers	-	-
Individual transfers	5,580	6,075
	5,580	6,075

Notes to the Accounts

12a Administrative expenses

	LPF 2014/15 £000	LPF Parent 2015/16 £000	LPF Group 2015/16 £000
Employee Costs	985	992	994
The City of Edinburgh Council - other support costs	134	133	133
System costs	208	228	228
Actuarial fees	89	50	50
External audit fees	44	44	44
Legal fees	3	15	15
Printing and postage	94	77	77
Depreciation	67	57	57
Office costs	88	108	108
Sundry costs less sundry income	68	39	39
IAS19 retirement benefit adjustments - see note 31	-	-	27
Deferred tax on retirement benefit obligation - see note 30b	-	-	(6)
Corporation tax losses utilised by CEC group - see note 30a	-	-	-
	1,780	1,743	1,766

The Investment and Pensions Division of the Council is responsible for administering the three pension Funds. The Division receives an allocation of the overheads of the Council. In turn the Division allocates administration and investment costs to the three pension funds. Costs directly attributable to a specific fund are charged to the relevant Fund, costs that are common to all three funds are allocated on a defined basis. Other costs are allocated on the basis of the number of members in each pension fund.

12b Investment management expenses

	Restated LPF 2014/15 £000	LPF Parent 2015/16 £000	LPF Group 2015/16 £000
External management fees -			
invoiced	7,113	7,123	7,123
deducted from capital (direct investment)	9,519	15,603	15,603
deducted from capital (indirect investment)	5,755	6,775	6,775
Securities lending fees	472	212	212
Transaction costs	1,971	2,201	2,201
Property operational costs	648	497	497
Employee costs	841	961	963
Custody fees	375	304	304
Engagement and voting fees	71	76	76
Performance measurement fees	50	46	46
Consultancy fees	70	78	78
System costs	141	185	185
Legal fees	107	103	103
The City of Edinburgh Council - other support costs	161	124	124
Depreciation	-	7	7
Office costs	57	71	71
Sundry costs less sundry income	62	34	34
IAS19 retirement benefit adjustments - see note 31	-	-	153
Deferred tax on retirement benefit obligation - see note 30b	-	-	(30)
Corporation tax losses utilised by CEC group - see note 30a	-	-	(5)
	27,413	34,400	34,520

Notes to the Accounts

12b Investment management expenses (cont)

Investment costs directly attributable to a specific fund are charged to the relevant Fund, costs that are common to all three funds are allocated based on the value of the Funds as at the year end.

Any indirect costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions or in the proceeds of investment sales (see note 15 - Reconciliation of movements in investments and derivatives).

It should be noted that Lothian Pension Funds disclosure on investment management fees goes further than CIPFA's LGPS Management Cost revised guidance on cost transparency which comes into effect from 1st April 2016. Consistent with previous years, the Fund recognises fees deducted from investments not within its direct control (such as fund of fund fees) to give a full picture of its investment management costs. Further details can be found on page 16. This further disclosure highlights an extra £6.8m in costs (2015 £5.8m)

The external investment management fees (deducted from capital) above include £12m (£7.9m direct, £4.1m indirect) in respect of performance-related fees. (2014/15 £2.3m direct, £3.0m indirect).

12c Total management expenses

	Restated LPF 2014/15 £000	LPF Parent 2015/16 £000	LPF Group Group 2015/16 £000
Administrative costs	1,550	1,570	1,582
Investment management expenses	25,951	32,814	32,900
Oversight and governance costs	1,692	1,759	1,804
	29,193	36,143	36,286

In accordance with CIPFA, the above analysis looks at the combined administration and investment management expenses in note 12a and b and splits out the costs to include a third heading covering oversight and governance expenditure.

13 Investment income

	Restated 2014/15 £000	2015/16 £000
Income from fixed interest securities	4,857	3,898
Dividends from equities	88,527	94,637
Unquoted private equity and infrastructure	7,924	13,581
Income from pooled investment vehicles	861	1,026
Gross rents from properties	18,754	20,914
Interest on cash deposits	1,130	1,237
Stock lending and sundries	2,933	1,142
	124,986	136,435
Irrecoverable withholding tax	(2,110)	(2,322)
	122,876	134,113

Notes to the Accounts

14 Net investment assets

	Region	31 March 2015 £000	31 March 2016 £000
Investment Assets			
Fixed interest securities			
Public sector fixed interest	Overseas	288,651	153,740
Public sector index linked gilts quoted	UK	125,679	380,290
		414,330	534,030
Equities			
Quoted	UK	609,702	561,064
Quoted	Overseas	2,658,273	2,887,886
		3,267,975	3,448,950
Pooled investment vehicles			
Private equity, infrastructure, private debt & timber	UK	127,587	165,547
Private equity, infrastructure, private debt & timber	Overseas	436,583	550,617
Property	UK	55,035	82,453
Other	UK	13,835	17,275
		633,040	815,892
Properties			
Direct property	UK	316,169	356,281
		316,169	356,281
Derivatives			
Derivatives - forward foreign exchange		29,879	-
		29,879	-
Cash deposits			
Deposits		400,497	227,409
		400,497	227,409
Other investment assets			
Due from broker		4,585	18,648
Dividends and other income due		11,157	12,380
		15,742	31,028
		5,077,632	5,413,590
Investment liabilities			
Derivatives			
Derivatives - forward foreign exchange		(79)	(13,183)
		(79)	(13,183)
Other financial liabilities			
Due to broker		(4,969)	(1,444)
		(4,969)	(1,444)
Total investment liabilities		(5,048)	(14,627)
Net investment assets		5,072,584	5,398,963

Notes to the Accounts

15 Reconciliation of movement in investments and derivatives

	Market value at 31 March 2015 £000	Purchases at cost & derivative payments £000	Sale & derivative receipts £000	Change in market value £000	Market value at 31 March 2016 £000
Fixed interest	414,330	308,910	(202,855)	13,645	534,030
Equities	3,267,975	1,256,575	(1,143,580)	67,979	3,448,949
Pooled investment vehicles	633,040	141,787	(81,080)	122,146	815,893
Property	316,169	25,153	(2,295)	17,253	356,280
Derivatives - futures	-	5	87	(92)	-
Derivatives - forward foreign exchange	29,800	4,316	(40,895)	(6,404)	(13,183)
	4,661,314	1,736,746	(1,470,618)	214,527	5,141,969
Other financial assets / liabilities					
Margin balances	-			-	-
Cash deposits	400,497			1,751	227,409
Broker balances	(384)			368	17,205
Dividend due etc	11,157			-	12,380
	411,270			2,119	256,994
Net financial assets	5,072,584			216,646	5,398,963

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Any indirect costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions and in the proceeds from sales and are therefore included in the tables above.

	Market value at 31 March 2014 £000	Purchases at cost & derivative payments £000	Sale & derivative receipts £000	Change in market value £000	Market value at 31 March 2015 £000
Fixed interest	318,215	325,346	(313,907)	84,676	414,330
Equities	2,866,444	878,347	(860,763)	383,947	3,267,975
Pooled investment vehicles	598,687	76,731	(103,020)	60,642	633,040
Property	270,753	11,375	(2,143)	36,184	316,169
Derivatives - futures	213	(99)	(521)	407	-
Derivatives - forward foreign exchange	9,709	3,281	(26,068)	44,878	29,800
	4,064,021	1,294,981	(1,306,422)	610,734	4,661,314
Other financial assets / liabilities					
Margin balances	894			-	-
Cash deposits	257,749			3,190	400,497
Broker balances	6,579			17	(384)
Dividend due etc	14,067			-	11,157
	279,289			3,207	411,270
Net financial assets	4,343,310			613,941	5,072,584

Notes to the Accounts

16 Derivatives - forward foreign exchange

Summary of contracts held at 31 March 2016

Contract settlement within	Currency bought	Currency sold	Local currency bought 000	Local currency sold 000	Asset value £000	Liability value £000
Up to one month	GBP	AUD	97,473	45,533	-	(6,609)
Up to one month	GBP	CAD	157,811	79,124	-	(5,761)
One to six months	GBP	EUR	24,750	19,062	-	(576)
One to six months	USD	AUD	1,037	762	-	(19)
One to six months	USD	CHF	10,038	10,253	-	(218)

Open forward currency contracts at 31 March 2016

-	(13,183)
Net forward currency contracts at 31 March 2016	(13,183)

Prior year comparative

Open forward currency contracts at 31 March 2015

29,879	(79)
Net forward currency contracts at 31 March 2015	29,800

The above table summarises the contracts held by maturity date, all contracts are traded on an over-the-counter basis.

In order to maintain appropriate diversification of investments in the portfolio and take advantage of wider opportunities, the Lothian Pension Fund invests over half of the fund in overseas markets. A currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the extent to which the Fund is exposed to certain currency movements.

17 Investment managers and mandates

Manager	Mandate	Market value at 31 March 2015 £000	% of total 31 March 2015 %	Market value at 31 March 2016 £000	% of total 31 March 2016 %
In-house	UK all cap equities	101,918	2.0	106,884	2.0
In-house	UK mid cap equities	103,346	2.0	105,980	2.0
Total UK equities		205,264	4.0	212,864	4.0
In-house	European ex UK equities	102,665	2.0	105,479	2.0
In-house	US equities	118,528	2.3	117,119	2.2
Mondrian	Emerging markets	104,048	2.1	-	-
UBS	Emerging markets	121,954	2.4	-	-
Total regional overseas equities		447,195	8.8	222,598	4.2

Notes to the Accounts

17 Investment managers and mandates (cont)

		Market value at 31 March 2015 £000	% of total 31 March 2015 %	Market value at 31 March 2016 £000	% of total 31 March 2016 %
Manager	Mandate				
In-house	Global high dividend	675,666	13.3	759,254	14.1
In-house	Global low volatility	886,891	17.5	966,835	17.8
In-house	Global value	333,310	6.6	824,967	15.2
Cantillon	Global equities	265,575	5.2	-	-
Harris	Global equities	205,125	4.0	186,652	3.5
Nordea	Global equities	203,667	4.0	223,912	4.1
Total global equities		2,570,234	50.7	2,961,620	54.7
In-house	Currency hedge	29,251	0.6	(12,370)	(0.2)
Total currency overlay		29,251	0.6	(12,370)	(0.2)
Total listed equities		3,251,944	64.1	3,384,712	62.7
In-house	Private equity unquoted	186,536	3.7	168,904	3.1
In-house	Private equity quoted	57,866	1.1	57,145	1.1
Total private equity		244,402	4.8	226,049	4.2
Total equity		3,496,346	68.9	3,610,761	66.9
In-house	Index linked gilts	296,300	5.8	357,163	6.6
In-house	Gold	15,897	0.3	17,020	0.3
Total inflation linked bonds and gold		312,197	6.2	374,183	6.9
In-house	Property	47,241	0.9	50,003	0.9
Standard Life	Property	382,694	7.5	422,452	7.8
Total property		429,935	8.5	472,455	8.7
In-house	Infrastructure unquoted	251,099	5.0	384,028	7.1
In-house	Infrastructure quoted	29,932	0.6	30,060	0.6
In-house	Timber	101,826	2.0	125,313	2.3
Total other real assets		382,857	7.5	539,401	10.0
In-house	Secured loans	13,927	0.3	13,770	0.3
In-house	Treasury bills	129,614	2.6	134,399	2.5
In-house	Private debt	-	0.0	37,918	0.7
Total other bonds		143,541	2.8	186,087	3.5
In-house	Cash	294,537	5.8	137,886	2.6
In-house	Transitions	13,171	0.3	32,905	0.6
Total cash and sundries		307,708	6.1	170,791	3.2
Strategy One financial assets		5,072,584	100.0	5,353,678	99.2
In-house	Mature employer gilts	-	-	45,285	0.8
Strategy Two financial assets		-	-	45,285	0.8
Net financial assets		5,072,584	100.0	5,398,963	100.0

Notes to the Accounts

18 Investments representing more than 5% of the net assets of the Fund or 5% of any investment class

	Market value at 31 March 2015 £000	% of asset class 31 March 2015	Market value at 31 March 2016 £000	% of asset class 31 March 2016
Fixed interest				
US Treasury Bill 0.375% 31/05/16	-	-	133,396	25.0
UK Gov 0.125% Index Linked 2044	-	-	47,630	8.9
UK Gov 1.25% Index Linked 2055	23,934	5.8	41,499	7.8
UK Gov 0.125% Index Linked 22/03/68	-	-	36,048	6.8
UK Gov 0.125% Index Linked 22/03/58	-	-	34,099	6.4
UK Gov 1.125% Index Linked 22/11/37	23,300	5.6	29,311	5.5
US Treasury Bill 1.25% 31/10/19	68,626	16.6	-	-
US Treasury Bill 1% 30/11/19	57,054	13.8	-	-
UK Gov 0.5% Index Linked 22/03/50	21,458	5.2	-	-
Pooled funds				
Stafford Elm Inc	42,650	6.5	45,094	5.5
Macquarie Infrastructure A & B LP	-	-	43,748	5.4
Property				
London, 119-125 Wardour St	24,750	7.8	28,050	7.9
Martlesham Heath, Retail Park	24,375	7.7	24,650	6.9
London, 100 St John Street	20,600	6.5	22,500	6.3
Sheffield, Bochum Parkway	19,600	6.2	19,850	5.6
Exeter, David Lloyd Leisure	17,575	5.6	17,875	5.0

Over the last two years no single investment represented more than 5% of the net assets of the Fund.

19 Securities lending

During the year Lothian Pension Fund participated in a securities lending arrangement with the Northern Trust Company. As at 31 March 2016, £49.8m (2015 £92.1m) of securities were released to third parties. Collateral valued at 107.6% (2015 107.1%) of the market value of the securities on loan was held at that date.

Notes to the Accounts

20 Property holdings

	2014/15 £000	2015/16 £000
Opening balance	270,753	316,169
Additions	11,375	25,153
Disposals	(2,143)	(2,295)
Net change in market value	36,184	17,253
Closing balance	316,169	356,280

As at 31 March 2016, there were no restrictions on the realisability of the property or the remittance of income or sale proceeds. The Fund is not under any contractual obligations to purchase or construct any of these properties. However, at year end the Fund was due the final payment to the developer of Waterfront North Leisure Park, Walsall. This totalled £3.3m and was settled in April 2016. The Fund also has the responsibility of repairs and maintenance on any properties that are unlet.

The future minimum lease payments receivable by the Fund are as follows

	2014/15 £000	2015/16 £000
Within one year	19,140	22,018
Between one and five years	65,238	67,158
Later than five years	103,665	94,517
	188,043	183,693

21 Financial Instruments

21a Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

All financial instruments are marked to market (at fair value) in the Fund's accounting records hence there is no difference between the carrying value and fair value.

Notes to the Accounts

21a Classification of financial instruments (cont)

Classification of financial instruments - parent

	31 March 2015			31 March 2016		
	Designated as fair value through fund account	Loans and receivables	Financial liabilities at amortised cost	Designated as fair value through fund account	Loans and receivables	Financial liabilities at amortised cost
	£000	£000	£000	£000	£000	£000
Investment assets						
Fixed interest	414,330	-	-	534,030	-	-
Equities	3,267,975	-	-	3,448,950	-	-
Pooled investments	633,040	-	-	815,892	-	-
Property Leases	9,497	-	-	7,905	-	-
Derivative contracts	29,879	-	-	-	-	-
Margin balances	-	-	-	-	-	-
Cash	-	400,497	-	-	227,409	-
Other balances	-	15,742	-	-	31,029	-
	4,354,721	416,239	-	4,806,777	258,438	-
Other assets						
City of Edinburgh Council	-	6,352	-	-	4,287	-
Cash	-	36,350	-	-	41,327	-
Debtors - current	-	9,769	-	-	12,670	-
Debtors - non-current	-	-	-	-	451	-
	-	52,471	-	-	58,735	-
Assets total	4,354,721	468,710	-	4,806,777	317,173	-
Financial liabilities						
Investment liabilities						
Derivative contracts	(78)	-	-	(13,183)	-	-
Other investment balances	(4,970)	-	-	(1,444)	-	-
	(5,048)	-	-	(14,627)	-	-
Other liabilities						
Creditors	-	-	(19,188)	-	-	(24,016)
Liabilities total	(5,048)	-	(19,188)	(14,627)	-	(24,016)
Total net assets	4,349,673	468,710	(19,188)	4,792,150	317,173	(24,016)

Total net financial instruments	4,799,195	5,085,307
Amounts not classified as financial instruments	307,037	348,707
Total net assets - parent	5,106,232	5,434,014

Notes to the Accounts

21a Classification of financial instruments (cont)

Classification of financial instruments - adjustments to parent to arrive at group

	31 March 2015			31 March 2016		
	Designated as fair value through fund account	Loans and receivables	Financial liabilities at amortised cost	Designated as fair value through fund account	Loans and receivables	Financial liabilities at amortised cost
	£000	£000	£000	£000	£000	£000
Other assets						
Cash	-	-	-	-	4	-
Debtors - current	-	-	-	-	33	-
Debtors - non-current	-	-	-	-	36	-
	-	-	-	-	73	-
Assets total	-	-	-	-	73	-
Other liabilities						
Retire. benefit obligation	-	-	-	-	-	(180)
Creditors	-	-	-	-	-	(36)
Liabilities total	-	-	-	-	-	(216)
Total net assets	-	-	-	-	73	(216)
Total adjustments to net financial instruments		-				(143)
Total net assets - group		5,106,232				5,433,871

21b Net gains and losses on financial instruments

	2014/15 £000	2015/16 £000
Designated as fair value through fund account	571,760	197,274
Loans and receivables	3,207	2,119
Financial liabilities at amortised cost	-	-
Total	574,967	199,393
Gains and losses on directly held freehold property	38,974	17,253
Change in market value of investments per fund account	613,941	216,646

21c Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities and unit trusts.

Quoted investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Notes to the Accounts

21c Valuation of financial instruments carried at fair value

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in unquoted private equity, infrastructure, timber and European real estate are based on valuations provided by the general partners to the funds in which the Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines or similar guidelines provided by the British Venture Capital Association, which follow the valuation principles of International Financial Reporting Standards (IFRS). The valuations are typically undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

	31 March 2016			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets - parent				
Designated as fair value through fund account	3,491,275	534,030	781,472	4,806,777
Loans and receivables	317,173	-	-	317,173
Total financial assets	3,808,448	534,030	781,472	5,123,950
Financial liabilities - parent				
Designated as fair value through fund account	(14,627)	-	-	(14,627)
Financial liabilities at amortised cost	(24,016)	-	-	(24,016)
Total financial liabilities	(38,643)	-	-	(38,643)
Net financial assets - parent	3,769,805	534,030	781,472	5,085,307
Adjustments to parent to arrive at group				
Financial assets - loans and receivables	73	-	-	73
Financial liabilities at amortised cost	(216)	-	-	(216)
Net financial assets - parent	3,769,662	534,030	781,472	5,085,164

Notes to the Accounts

21c Valuation of financial instruments carried at fair value (cont)

	31 March 2015			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Financial assets				
Designated as fair value through fund account	3,344,192	414,330	596,199	4,354,721
Loans and receivables	468,710	-	-	468,710
Total financial assets	3,812,902	414,330	596,199	4,823,431
Financial liabilities				
Designated as fair value through fund account	(5,048)	-	-	(5,048)
Financial liabilities at amortised cost	(19,188)	-	-	(19,188)
Total financial liabilities	(24,236)	-	-	(24,236)
Net financial assets	3,788,666	414,330	596,199	4,799,195

22 Nature and extent of risk arising from financial instruments

Risk and risk management

The Fund's primary aim is to ensure that all members and their dependants receive their benefits when they become payable. The investment strategy aims to maximise the returns from investments within reasonable risk parameters and hence minimise the long-term cost to employers. The Fund achieves this by investing in a diverse range of assets to reduce risk to an acceptable level. In addition, the Fund ensures that sufficient cash is available to meet all liabilities when they are due to be paid.

Responsibility for the Fund's overall investment strategy rests with the Pensions Committee. The Investment Strategy Panel and the internal investment team monitor investment risks on a regular basis. Investment risk management tools are used to identify and analyse risks faced by the Fund's investments.

Consideration of the Fund's investment risk is part of the overall risk management of the pensions operations. Risks are reviewed regularly to reflect changes in activity and market conditions.

Types of investment risk

There are various ways of considering investment risks for pension funds. For the purposes of this note, market risk is the potential for an investor to experience losses from falls in the prices of investments. All financial instruments, including cash deposits, present a risk of loss of capital and risks vary depending on different asset classes.

Market risk also changes over time as economic conditions and investor sentiment change. The Fund considers overall fluctuations in prices arising from a variety of sources: market risk, foreign exchange risk, interest rate risk, credit risk, etc. The different risks may, to some extent, offset each other.

The overall market risk of the Fund depends on the actual mix of assets and encompasses all the different elements of risk.

Notes to the Accounts

22 Nature and extent of risk arising from financial instruments (cont)

The Fund manages these risks in a number of ways:

- assessing and establishing acceptable levels of market risk when setting overall investment strategy. Importantly, risk is considered relative to the liabilities of the Fund
- diversification of investments in terms of type of asset, investment styles, investment managers, geographical and industry sectors as well as individual securities
- taking stewardship responsibilities seriously and pursuing constructive engagement with the companies in which we invest
- monitoring market risk and market conditions to ensure risk remains within tolerable levels
- using equity futures contracts from time to time to manage market risk. Exchange traded options are not used by the Fund.

Sensitivity analysis

Asset prices have a tendency to fluctuate. The degree of such fluctuation is known as “volatility” and it differs by asset class. The table sets out the long-term volatility assumptions used in the Fund’s asset-liability modelling undertaken by the Fund’s investment adviser KPMG:

Asset type	Potential price movement (+ or -)
Equities - Developed Markets	20.5%
Equities - Emerging Markets	30.0%
Private Equity	30.0%
Timber and Gold	18.0%
Secured Loans	14.0%
Fixed Interest Gilts	6.7%
Index-Linked Gilts	10.8%
Infrastructure	18.0%
Property	13.0%
Cash	1.1%

Volatility is the standard deviation of annual returns. Broadly speaking, in two years out of three, the asset’s change in value (which could be a gain or a loss) is expected to be lower than the volatility figure, but in one year out of three, the change in value is expected to be higher than the volatility figure.

Asset classes do not always move in line with each other. The extent to which assets move together is known as their “correlation”. A lower correlation means that there is less risk of assets losing value at the same time.

The overall Fund benefits from “diversification” because it invests in different asset classes, which don’t all move in line with each other. Consequently, the aggregate risk at the Fund level is less than the total risk from all the individual assets in which the Fund invests. The following table shows the risks at the asset class level and the overall Fund level, with and without allowance for correlation.

Notes to the Accounts

22 Nature and extent of risk arising from financial instruments (cont)

	Value at 31 March 2016 £m	% of fund %	Potential Change +/- %	Value on increase £m	Value on decrease £m
Equities - Developed Markets	3,161	58.6	20.5	3,809.0	2,513.0
Equities - Emerging Markets	238	4.4	30.0	309.4	166.6
Private Equity	226	4.2	30.0	293.8	158.2
Timber and Gold	142	2.6	18.0	167.6	116.4
Secured Loan	52	1.0	14.0	59.3	44.7
Fixed Interest Gilts	134	2.5	6.7	143.0	125.0
Index-Linked Gilts	402	7.4	10.8	445.4	358.6
Infrastructure	414	7.7	18.0	488.5	339.5
Property	472	8.7	13.0	533.4	410.6
Cash and forward foreign exchange	158	2.9	1.1	159.7	156.3
Total [1]	5,399	100.0	18.7	6,409.1	4,388.9
Total [2]			15.7	6,246.6	4,551.4
Total [3]			15.7	6,246.6	n/a

[1] No allowance for correlations between assets

[2] Including allowance for correlations between assets

[3] Including allowance for correlation between assets and liabilities.

The value on increase/decrease columns illustrate the monetary effect of the percentage change in the volatility column. The actual annual change in value is expected to be lower than this in two years out of three, but higher in one year out of three.

It can be seen that the risk to the overall Fund assets [2] is lower than the total of the risks to the individual assets.

However, because the purpose of a pension scheme is to make payments to scheme beneficiaries, the true risk of a pension scheme is not measured in absolute terms, but relative to its liabilities [3].

This risk analysis incorporates volatility from market, interest rate, foreign exchange, credit, and all other sources of risk, and, importantly, makes allowance for how these risks may offset each other.

Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the value of the Fund's assets and liabilities (as outlined in Market Risk above).

In essence, the Fund's entire investment portfolio is exposed to some sort of credit risk. However, through the selection of counterparties, brokers and financial institutions the Fund reduces the credit risk that may occur through the failure to settle a transaction in a timely manner.

Cash deposits, derivatives and securities lending are the major areas of credit exposure where credit risk is not reflected in market prices.

Notes to the Accounts

22 Nature and extent of risk arising from financial instruments (cont)

Cash deposits

At 31 March 2016, cash deposits represented £268.7m, 4.94% of total net assets. This was held with the following institutions:

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Held for investment purposes			
Northern Trust Global Investment Limited - liquidity funds	Aaa-mf	100,507	78,223
Northern Trust Company - cash deposits	Aa2	76,374	66,450
The City of Edinburgh Council - treasury management	See below	223,616	82,736
Total investment cash		400,497	227,409
Held for other purposes			
The City of Edinburgh Council - treasury management	See below	36,350	41,327
Total cash - parent		436,847	268,736
Cash held by LPFE Limited			
Royal Bank of Scotland	A3	-	4
Total cash - group		436,847	268,740

The majority of Sterling cash deposits of the Fund are managed along with those of the administering authority (the City of Edinburgh Council) and other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk basis, with security of the investments the key consideration.

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Money market funds			
Deutsche Bank AG, London	Aaa-mf	38,167	117
Goldman Sachs	Aaa-mf	38,123	16,539
Bank call accounts			
Bank of Scotland	A1	24,567	8,123
Royal Bank of Scotland	A3	3,448	1,316
Santander UK	A1	23,840	10
Barclays Bank	A2	24,894	8,395
Svenska Handelsbanken	Aa2	38,765	8,562
HSBC Bank	Aa2	37,927	12
Commonwealth Bank of Australia	Aa2	10,079	-
Floating rate note			
Rabobank	Aa2	6,720	-
Building society fixed term deposits			
Nationwide Building Society	A1	6,719	-
UK Pseudo-Sovereign risk instruments			
Other Local Authorities [1]	Aa1	-	24,726
UK Government Treasury Bills	Aa1	6,717	56,263
		259,966	124,063

[1] Very few Local Authorities have their own credit rating but they are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2016 was 'Aa1').

Notes to the Accounts

22 Nature and extent of risk arising from financial instruments (cont)

The Council has in place institutional restrictions on investments and counterparty criteria. These include -

- (a) UK Government and other UK local Authorities with no limit, other public bodies up to £20 million per organisation.
- (b) Money market funds (MMFs) no more than £30 million or 15% with any one Fund.
- (c) Financial Institutions: Banks and Building Societies with multiple criteria based on a range of short and long term credit ratings, as well as any security, provided from maximum of £60 million / 20% of assets under management (AUM) for institutions with the highest criteria to £10 million / 5% of AUM for institutions with the lowest acceptable criteria.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Fund does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Securities lending

The Fund participates in a securities lending programme as described above. The Fund is potentially exposed to credit risk in the event of the borrower of securities defaults. This risk is mitigated by the contractual commitment that borrowers provide collateral in excess of 100% of the value of the securities borrowed. In addition, Northern Trust has signed an agreement requiring it to make good any losses arising from the lending programme.

Derivatives

The Fund transacts foreign currency derivatives over-the-counter and hence is exposed to credit risk in the event of a counterparty defaulting on the net payment or receipt that remains outstanding. This risk is minimised by the use of counterparties that are recognised financial intermediaries with acceptable credit ratings and by netting agreements. At 31 March 2016, the Fund owed £13.2m on over-the-counter foreign currency derivatives.

Refinancing risk

Refinancing risk is the risk that the Fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Fund is not bound by any obligation to replenish its investments and hence is not exposed to refinancing risk.

Liquidity risk

Liquidity risk reflects the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore ensures that there is adequate cash and liquid resources to meet its commitments. Cash flow projections are prepared on a regular basis to understand and manage the timing of the Fund's cash flows.

The majority (estimated to be approximately 79%) of the Fund's investments could be converted to cash within three months in a normal trading environment.

23 Actuarial statement

The Scheme Actuary has provided a statement describing the funding arrangements of the Fund. This can be found at the end of this section.

24 Actuarial present value of promised retirement benefits

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standard 19 (IAS19) assumptions, is estimated to be £6,266m (2015 £6,663m). This figure is used for statutory accounting purposes by Lothian Pension Fund and complies with the requirements of IAS26. The assumptions underlying the figure match those adopted for the Administering Authority's FRS17/IAS19 reports at each year end.

Notes to the Accounts

24 Actuarial present value of promised retirement benefits (cont)

The figure is only prepared for the purposes of IAS26 and has no validity in other circumstances. In particular, it is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

	31 March 2015 % p.a.	31 March 2016 % p.a.
Inflation / pensions increase rate	2.4	2.2
Salary increase rate*	4.3	4.2
Discount rate	3.2	3.5

Longevity assumptions

The life expectancy assumption is based on Fund specific statistical analysis with improvements in line with the CMI 2012 model, assuming that the current rate of improvements has reached a peak and will converge to a long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies, in years, at age 65 are summarised below:

	31 March 2015		31 March 2016	
	Males	Females	Males	Females
Current pensioners	22.1 years	23.7 years	22.1 years	23.7 years
Future pensioners (assumed to be currently 45)	24.2 years	26.3 years	24.2 years	26.3 years

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

25 Non current debtors

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Contributions due - employers' cessation	-	451	451
	-	451	451

Analysis of non current debtor

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Administering Authority	-	-	-
Other Scheduled Bodies	-	-	-
Community Admission Bodies	-	451	451
Transferee Admission Bodies	-	-	-
Other Local Authorities	-	-	-
Central Government Bodies	-	-	-
Other entities and individuals	-	-	-
	-	451	451

Notes to the Accounts

26 Debtors

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Contributions due - employers	7,373	10,219	10,219
Contributions due - members	1,995	2,067	2,067
Benefits paid in advance or recoverable	-	-	-
Sundry debtors	160	109	137
Corporation tax losses utilised by CEC group	-	-	5
Prepayments	241	275	275
	9,769	12,670	12,703

Analysis of debtors

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Administering Authority	305	6,987	6,992
Other Scheduled Bodies	6,671	3,526	3,526
Community Admission Bodies	2,624	1,812	1,812
Transferee Admission Bodies	27	26	26
Other Local Authorities	7	-	29
Central Government Bodies	-	-	-
Other entities and individuals	135	319	318
	9,769	12,670	12,703

27 Creditors

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Benefits payable	3,793	8,375	8,375
VAT, PAYE and State Scheme premiums	1,210	1,399	1,495
Contributions in advance	11,899	11,845	11,845
Miscellaneous creditors and accrued expenses	2,137	2,083	2,121
Office - operating lease	149	216	216
LPFE Loan facility - see note 29	-	6	-
Intra group creditor - see note 29	-	92	-
	19,188	24,016	24,052

Notes to the Accounts

27 Creditors (cont)

Analysis of Creditors

	LPF 31 March 2015 £000	LPF Parent 31 March 2016 £000	LPF Group 31 March 2016 £000
Administering Authority	63	5,970	5,970
Other Scheduled Bodies	11,890	13,526	13,526
Community Admission Bodies	-	721	721
Transferee Admission Bodies	-	98	-
Central Government Bodies	1,247	1,399	1,495
Other entities and individuals	5,988	2,302	2,340
	19,188	24,016	24,052

28 Additional Voluntary Contributions

Active members of the Lothian Pension Fund have the option to pay additional voluntary contributions (AVCs). These AVCs are invested separately from the main funds, securing additional benefits on a money purchase basis for those members that have elected to contribute. The investment of the AVCs is managed by Standard Life and Prudential.

In accordance with regulation 4 (2) (b) of the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010, AVCs are not included in the pension fund financial statements.

Total contributions during year for Lothian Pension fund	2014/15 £000	2015/16 £000
Standard Life	404	395
Prudential	1,369	1,593
	1,773	1,988

Total value at year end for Lothian Pension Fund	31 March 2015 £000	31 March 2016 £000
Standard Life	6,342	5,665
Prudential	3,158	3,863
	9,500	9,528

29 Related parties

The City of Edinburgh Council

The Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund are administered by the City of Edinburgh Council. Consequently there is a strong relationship between the Council and the Pension Funds.

The Investment and Pensions Division of the Council is responsible for administering the three Pension Funds. The Division receives an allocation of the overheads of the Council, based on the amount of central services consumed. In turn, the Division allocates its costs to the three Pension Funds. Costs directly attributable to a specific Fund are charged to the relevant Fund; costs that are common to all three Funds are allocated on a defined basis.

Notes to the Accounts

29 Related parties (cont)

The Council is also the single largest employer of members of the Fund and contributed £63.5m to the Fund during the year (2014/15 £55.8m).

Transactions between the Council and the Fund are managed via a holding account. Each month the Fund is paid a cash sum leaving a working balance in the account to cover the month's pension payroll costs and other expected costs.

	31 March 2015 £000	31 March 2016 £000
Year end balance of holding account	6,352	4,287
	6,352	4,287

Part of the Fund's cash holdings are invested on the money markets by the treasury management operations of the Council, through a service level agreement. During the year to 31 March 2016, the fund had an average investment balance of £219.0m (2014/15 £204.1m). Interest earned was £1,032.5k (2014/15 £950.3k).

Year end balance on treasury management account	31 March 2015 £000	31 March 2016 £000
Held for investment purposes	223,616	82,736
Held for other purposes	36,350	41,327
	259,966	124,063

Office accommodation - 144 Morrison Street, Edinburgh

Investment and Pensions Division of the Council entered into an internal agreement with the Council for the provision of office accommodation at 144 Morrison Street in Edinburgh. The terms of the agreement are equivalent to those that would have been obtained had the accommodation been let on a commercial basis. In the accounts of the Fund the arrangement has been treated as a operational lease. The Investment and Pensions Division is committed to making the following future payments. City of Edinburgh Council sold the property on 31 March 2016, the lease with the new landlord is on the same terms as the internal agreement.

	31 March 2015 £000	31 March 2016 £000
Within one year	-	42
Between one and five years	272	345
After five years	1,107	992
	1,379	1,379
Recognised as an expense during the year	91	92

The above expense has been allocated across the three Funds, Lothian Pension Fund's share is £84.9k.

Governance

As at 31 March 2016, all members of the Pensions Committee, with the exception of Councillor Bill Cook and Richard Lamont, and all members of the Pensions Board, with the exception of Graham Turnbull, were active members of the Lothian Pension Fund or Lothian Buses Pension Fund.

Each member of the Pensions Committee and Pensions Board is required to declare any financial and non-financial interests they have in the items of business for consideration at each meeting, identifying the relevant agenda item and the nature of their interest.

Notes to the Accounts

29 Related parties (cont)

During the period from 1 April 2015 to the date of issuing of these accounts, a number of employees of the City of Edinburgh Council and its wholly owned subsidiary, LPFE Limited, held key positions in the financial management of the Lothian Pension Fund. With effect from 1 May 2015, all the employees listed below, with the exception of the Executive Director of Resources, were employed by LPFE Limited. These employees and their financial relationship with the Fund (expressed as cash-equivalent transfer values or CETV) are set out below:

Name	Position held	Accrued CETV as at 31 March 2015	Accrued CETV as at 31 March 2016
		£000	£000
Hugh Dunn*	Acting Executive Director of Resources	734	755
Clare Scott	Chief Executive, Lothian Pension Fund	147	175
Bruce Miller	Chief Investment Officer, Lothian Pension Fund	139	185
Struan Fairbairn	Chief Risk Officer, Lothian Pension Fund	19	30
John Burns	Chief Finance Officer, Lothian Pension Fund	426	474
Esmond Hamilton	Financial Controller	138	161

* Also disclosed in the financial statements of the City of Edinburgh Council.

There is no need to produce a remuneration report for 2015/16, as the Pension Fund did not directly employ any staff.

Staff are either employed by City of Edinburgh Council or LPFE Ltd, and their costs reimbursed by the Pension Fund. The Councillors, who are members of the Pensions Committee, are also remunerated by City of Edinburgh Council.

LPFE Limited - loan facility

LPFE Limited is wholly owned by the City of Edinburgh Council and has entered into a shareholder agreement with the Council to address governance matters. The company has a loan facility agreement with the City of Edinburgh Council for the purpose of the provision of short term working capital. The current agreement covers the period to 1 May 2020 and provides that interest is payable at 2% above the Royal Bank of Scotland base lending rate on the daily balance. In order to minimise the amount of interest payable, the company returns any cash not immediately required and this can result in short periods when the company has returned more cash than has been drawn. On such days the loan interest is negative, reducing the amount of interest payable.

Interest payable during the period was £968, of which £194 was due at the year end. At 31 March 2016, the balance on the loan facility was £6,157 due to LPFE Limited.

LPFE Limited - staffing services

Staffing services are provided to Lothian Pension Fund for the purposes of administering the Funds under a intra-group resourcing agreement. The agreement also provides for the running costs of the company to be covered as part of a service charge and anticipates the provision of staffing services to LPFI Limited (also wholly owned by the City of Edinburgh Council) on that entity beginning to trade. During the year to 31 March 2016, the Fund was invoiced £820k for the services of LPFE Limited staff, £92k of this remained payable at year end.

Notes to the Accounts

30a Consolidated Lothian Pension Fund group - LPFE Limited - Corporation Tax utilised by CEC group

	LPF Group 2015/16 £000
Tax credit for the period	5
	5

The credit for the period can be reconciled to the loss per the Financial Statements of LPFE Limited of £66k as follows:

	LPF Group 2015/16 £000
Loss for the year at the effective rate of corporation tax of 20%	(13)
Effect of:	
Expenses not deductible for tax purposes	8
Group relief utilised	5
Due from group entities for losses utilised	5
	5

30b Consolidated Lothian Pension Fund group - LPFE Limited - deferred tax Movement in deferred tax asset (Non-current asset)

	LPF Group 2015/16 £000
At 1 April 2015	-
Credit for year to Fund Account	36
At 31 March 2016	36

Elements of closing deferred tax asset

	LPF Group 31 March 2016 £000
Pension liability	36
	36

30c Consolidated Lothian Pension Fund group - LPFE Limited - share capital

	31 March 2016 £
Allotted, called up and fully paid Ordinary shares of £1 each	1
	1

One ordinary share of £1 was issued to Lothian Pension Fund at par value on incorporation. Due to the low value this does not show on the Net Assets Statement.

Notes to the Accounts

31 Retirement benefits obligation - group

The retirement benefit obligation described in this note relates only to the employees of LPFE Limited. This is because obligation in respect of the staff employed by the City of Edinburgh Council is disclosed in the City of Edinburgh Council's Financial Statements.

On 1 May 2015 LPFE Limited commenced trading and its staff transferred their employment from the City of Edinburgh Council to the Company on that date. On 1 May the Company also entered into appropriate admission arrangements with the City of Edinburgh Council with respect to the transferring individuals continuing to be members of the Lothian Pension Fund and in relation to its obligations as an employer in that Fund.

The present value of the defined benefit obligation, and related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Fund assets

The LPFE Limited's share of the fair value of the Fund's assets which are not intended to be realised in the short term and may be subject to significant change before they are realised, were comprised as follows:

Asset		Fair value at 31 March 2016 £000	% of total 31 March 2016 %
Equity securities:	Consumer	319	15.0
	Manufacturing	247	12.0
	Energy and utilities	167	8.0
	Financial institutions	178	8.0
	Health and care	139	7.0
	Information technology	126	6.0
	Other	120	6.0
Debt securities:	UK Government	135	6.0
	Other	53	3.0
Private equity:	All	92	4.0
Real property	UK property	179	9.0
Investment funds and unit trusts:	Commodities	6	-
	Bonds	17	1.0
	Infrastructure	139	7.0
	Other	50	2.0
Cash and cash equivalents:	All	130	6.0
		2,097	100.0

Amounts recognised in the Net Assets Statement

	LPF Group 31 March 2016 £000
Fair value of Fund assets	2,097
Present value of Fund liabilities	(2,277)
	(180)

Notes to the Accounts

31 Retirement benefits obligation - group (cont)

Movement in the defined benefit obligation during the period

	LPF Group 2015/16 £000
At 1 May 2015	2,107
Current service cost	174
Interest cost on obligation	69
Fund participants contributions	54
Benefits paid	-
Actuarial losses arising from changes in financial assumptions	(378)
Actuarial losses arising from changes in demographic assumptions	-
Other actuarial losses	251
At 31 March 2016	2,277

Movement in the fair value of Fund assets during the period

	LPF Group 2015/16 £000
At 1 May 2015	1,826
Benefits paid	-
Interest income on Fund assets	60
Contributions by employer	121
Contributions by member	54
Contributions in respect of unfunded benefits	-
Unfunded benefits paid	-
Return on assets excluding amounts included in net interest	36
At 31 March 2016	2,097

Amounts recognised in the Fund Account

	LPF Group 2015/16 £000
Interest received on Fund assets	(60)
Interest cost on Fund liabilities	69
Current service costs	174
Transfer of opening retirement benefit obligation on 1 May 2015	(281)
Actuarial gains due to re-measurement of the defined benefit obligation	127
Return on Fund assets (excluding interest above)	36
	65

Principal actuarial assumptions used in this valuation

	1 May 2015* % p.a.	31 March 2016 % p.a.
Inflation / pensions increase rate	2.7	2.2
Salary increase rate	4.6	4.2
Discount rate	3.4	3.6

* Date of transfer of opening retirement benefit obligation.

Notes to the Accounts

31 Retirement benefits obligation - group (cont)

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. Best estimate has been interpreted to mean that the proposed assumptions are 'neutral' – there is an equal chance of actual experience being better or worse than the assumptions proposed.

The financial assumptions used for reporting in the financial statements are the responsibility of the employer. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate can have a significant effect on the value of the liabilities reported.

A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of a similar magnitude. There is also uncertainty around life expectancy of the UK population – the value of current and future pension benefits will depend on how long they are assumed to be in payment.

Life expectancy is based on Fund specific statistical analysis with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.25% p.a.

	31 March 2016	
	Males	Females
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

Expected employer contributions to the defined benefit plan for the year ended 31 March 2017 are £132,000, based on a pensionable payroll cost of £646,000.

32 Contractual commitments

The Fund has commitments relating to outstanding call payments due on unquoted funds held in the private equity, timber, property and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing, taking place over a number of years from the date of each original commitment. The outstanding commitments at the year end are as follows:

	31 March 2015 £000	31 March 2016 £000
Outstanding investment commitments	146,403	160,891
	146,403	160,891

As disclosed in note 29 on related party transactions the Investment and Pensions Division has a commitment to make future payments equivalent to rent in respect office accommodation at 144 Morrison Street. Details of the future payments are provided in that note.

33 Contingent assets and liabilities

At 31 March 2016 the Fund had entered into negotiations for two infrastructure co-investments in which it is exposed to the potential risk of investment abort costs. At 31 March 2016, Lothian Pension Fund's exposure is approximately £204.6k.

There were no material contingent assets at year end.

Notes to the Accounts

34 Impairment losses

During the year the Fund recognised an increase in impairment losses in respect of specific benefit over payments for which reimbursement has been requested of £14.5k. This increased the impairment to £46.4k at the year end.

Lothian Pension Fund

Actuarial Statement for 2015/16

This statement has been prepared in accordance with Regulation 55(1)(d) of the Local Government Pension Scheme (Scotland) Regulations 2014. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2015. In summary, the key funding principles are as follows:

- To ensure solvency of the Fund;
- to ensure the solvency of each individual employers' share of the Fund based on their expected term of participation in the Fund;
- to minimise the degree of short-term change in employer contribution rates;
- maximise the returns from investments within reasonable and considered risk parameters, and hence minimise the cost to the employer;
- to ensure that sufficient cash is available to meet all liabilities as they fall due for payment;
- to help employers manage their pension liabilities; and
- where practical and cost effective, to make allowance for the different characteristics of different employers and groups of employers.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 32 of the Local Government Pension Scheme (Scotland) (Administration) Regulations 2008 was as at 31 March 2014. This valuation revealed that the Fund's assets, which at 31 March 2014 were valued at £4,379 million, were sufficient to meet 91% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2014 valuation was £417 million.

Individual employers' contributions for the period 1 April 2015 to 31 March 2018 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the valuation report dated 31 March 2015.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

Lothian Pension Fund

Actuarial Statement for 2015/16

The key financial assumptions adopted for the 2014 valuation were as follows:

Financial assumptions	31 March 2014	
	% p.a. Nominal	% p.a. Real
Discount rate	5.0%	2.3%
Pay increases*	5.0%	2.3%
Price inflation/Pension increases	2.7%	-

*2% p.a. for 2014/15 and 2015/16, reverting to 5.0% thereafter.

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI_2012 model, assuming the current rate of improvements has reached a peak and will converge to long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.1 years	23.7 years
Future Pensioners *	24.2 years	26.3 years

*Future pensioners are assumed to be at the 2014 valuation aged 45.

Copies of the 2014 valuation report and Funding Strategy Statement are available on request from The City of Edinburgh Council, the Administering Authority to the Fund.

Experience over the period since April 2014

Experience has been worse than expected since the last formal valuation (excluding the effect of any membership movements). Real bond yields have fallen dramatically placing a higher value on liabilities. The effect of this has been only partially offset by the effect of strong asset returns. Funding levels are therefore likely to have worsened and deficits increased over the period.

The next actuarial valuation will be carried out as at 31 March 2017. The Funding Strategy Statement will also be reviewed at that time.

Richard Warden FFA
Fellow of the Institute and Faculty of Actuaries
For and on behalf of Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

21 April 2016

List of active employers at 31 March 2016

Employer	Type
Amey Services	CAB
Audit Scotland	CAB
BAM Construction Ltd	TAB
Barony Housing Association Ltd	CAB
Baxter Storey	TAB
Broomhouse Centre Representative Council	CAB
Canongate Youth Project	CAB
Capital City Partnership	CAB
Centre for Moving Image (The)	CAB
Children's Hearing Scotland	CAB
Children's Hospice Association Scotland	CAB
Citadel Youth Centre	CAB
City of Edinburgh Council (The)	SB
Compass Chartwell	TAB
Convention of Scottish Local Authorities	CAB
Dawn Group Ltd	TAB
Dean Orphanage and Cauvin's Trust	CAB
Donaldson's Trust	CAB
East Lothian Council	SB
EDI Group Ltd	CAB
Edinburgh Business School	CAB
Edinburgh College	SB
Edinburgh Cyrenians Trust	CAB
Edinburgh Development Group	CAB
Edinburgh International Festival Society	CAB
Edinburgh Leisure	CAB
Edinburgh Napier University	CAB
Edinburgh Rape Crisis Centre	CAB
Edinburgh World Heritage Trust	CAB
ELCAP	CAB
Enjoy East Lothian	CAB
Family & Community Development West Lothian	CAB
Family Advice and Information Resource	CAB
Festival City Theatres Trust	CAB
First Step	CAB
Forth and Oban Ltd	TAB
Four Square (Scotland)	CAB
Freespace Housing Association	CAB
Granton Information Centre	CAB
Handicabs (Lothian) Ltd	CAB
Hanover (Scotland) Housing Association	CAB
Health in Mind	CAB
Heriot-Watt University	SB
Homeless Action Scotland	CAB
Homes for Life Housing Partnership	CAB
HWU Students Association	CAB
Improvement Service (The)	CAB
Into Work	CAB
ISS UK Ltd	TAB

Employer	Type
Keymoves	CAB
Link In	CAB
Lothian Valuation Joint Board	SB
LPFE Ltd	TAB
Melville Housing Association	CAB
Midlothian Council	SB
Mitie PFI	TAB
Morrison Facilities Services Ltd	TAB
Museums Galleries Scotland	CAB
Newbattle Abbey College	CAB
North Edinburgh Dementia Care	CAB
NSL Ltd	TAB
Open Door Accommodation Project	CAB
Penumbra	CAB
Pilton Equalities Project	CAB
Pilton Youth and Children's Project	CAB
Queen Margaret University	CAB
Queensferry Churches Care in the Community Project	CAB
Royal Edinburgh Military Tattoo	CAB
Royal Society of Edinburgh	CAB
Scotland's Rural College (SRUC)	SB
Scotland's Learning Partnership	CAB
Scottish Adoption Agency	CAB
Scottish Fire and Rescue Service	SB
Scottish Futures Trust	CAB
Scottish Legal Complaints Commission	CAB
Scottish Mining Museum	CAB
Scottish Police Authority	SB
Scottish Schools Education Research Centre (SSERC)	CAB
Scottish Water	SB
SESTRAN	SB
Skanska UK	TAB
St Andrew's Children's Society Limited	CAB
St Columba's Hospice	CAB
Stepping Out Project	CAB
Streetwork UK Ltd	CAB
University of Edinburgh (Edin College of Art)	CAB
Victim Support Scotland	CAB
Visit Scotland	SB
Waverley Care	CAB
Weslo Housing Management	CAB
West Granton Community Trust	CAB
West Lothian College	SB
West Lothian Council	SB
West Lothian Leisure	CAB
Wester Hailes Land and Property Trust	CAB
Young Scot Enterprise	CAB
Youthlink Scotland	CAB

SB - Scheduled bodies

CAB - Community Admitted Bodies

TAB - Transferee Admitted Bodies

Lothian Buses Pension Fund

Membership records

Status	Membership at 31 March 2013	Membership at 31 March 2014	Membership at 31 March 2015	Membership at 31 March 2016
Active	1,335	1,268	1,196	1,130
Deferred	1,163	1,146	1,131	1,104
Pensioners	1,163	1,191	1,222	1,253
Dependants	310	320	332	350
Total	3,971	3,925	3,881	3,837

Investment Strategy

Over the course of 2015/16, the implementation of the Investment Strategy 2012-17 continued to proceed at a measured pace as investment opportunities became available and as research on opportunities was completed. Progress towards the long term strategy allocation involved the interim strategy allocation and the actual asset allocation changing gradually over time. The most significant changes to the actual allocation of the Fund over 2015/16 were the reduction in equities from 63% to 60% and the increase in other real assets (primarily infrastructure) from 6% to over 9%.

Following completion of the 2014 actuarial valuation, the Investment Strategy Panel and the Pensions Committee undertook an in depth review of Lothian Buses Pension Fund's investment strategy. The review was supported by asset liability modelling carried out by the Fund's investment adviser. The Panel reviewed developments in pension fund membership, expected cash flow, funding level, investment risk and returns and the employer covenant, the ability and willingness of the employer to pay contributions.

The review highlighted the potential future funding level volatility on the employing company's balance sheet and contributions. It afforded the opportunity to clarify the funding approach for this increasingly mature pension fund (it is closed to new entrants) in the event of the funding level worsening and also at the point when the last active member leaves the Fund. After discussions with the majority shareholder and company, Lothian Buses has agreed to continue paying deficit contributions (if required) after the last active member has left the Fund. With this clarity, the Fund is able to continue to adopt a long-term investment approach.

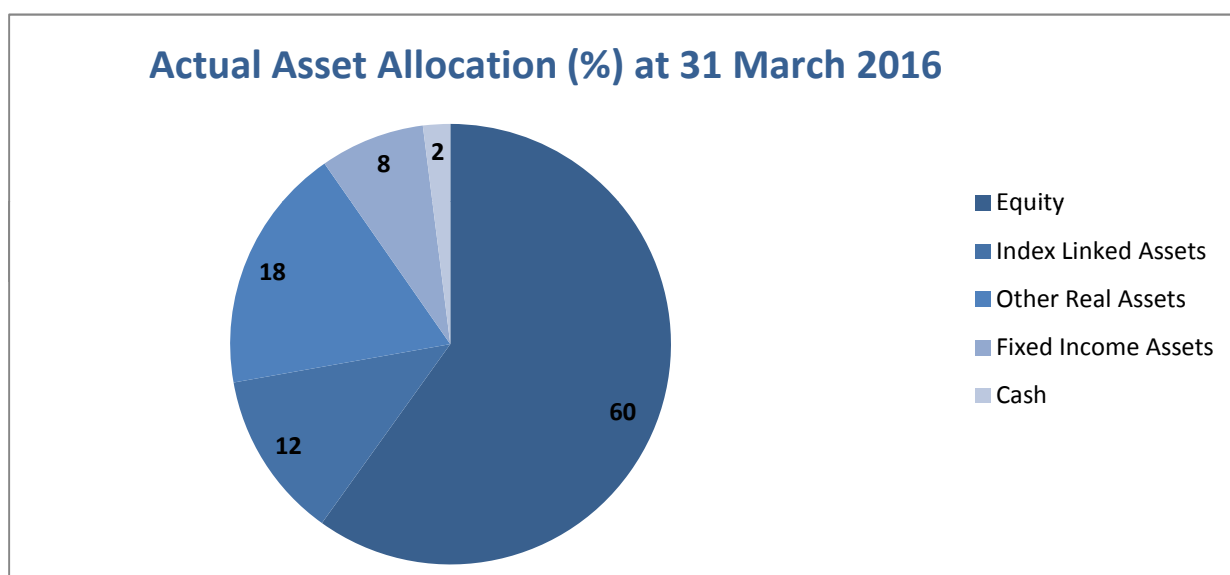
The Pensions Committee approved a revised Investment Strategy 2016-21 for Lothian Buses Pension Fund in March 2016. The main changes from the previous Investment Strategy are a reduction in equities from 55% to 40%, an increase in index-linked assets from 15% to 20% and the creation of a distinct fixed income asset class with an effective allocation increase from 12% to 22%, to be implemented by the end of 2021.

A significant allocation to equities is retained as they have higher long term return expectations than bonds as equity risk, as measured by short term volatility, is expected to diminish over the long term. Implementation of the strategy will include further de-risking within equities, lengthening the duration of the Fund's bond allocation to provide greater downside protection in the event of further reductions in interest rates (a key driver of liability values) and also investment in suitable fixed income assets.

The long term strategy for 2016-21 is set out in the table below along with the current interim strategy allocations.

	Strategic Allocation 31/03/2016 %	Long term Strategy 2016 - 2021 %
Equities	58.5	40.0
Index Linked Assets	14.0	20.0
Other Real Assets	17.5	18.0
Fixed Income Assets	10.0	22.0
Cash	-	-
Total	100.0	100.0

The investment strategy is now set at the broad asset class level of equities, index-linked assets, other real assets and fixed income assets, the latter two of which had previously been categorised within Alternatives. These broad groupings are the key determinants of investment risk and return. Equities includes listed and unlisted equities; index-linked assets includes index-linked gilts/bonds and gold; other real assets includes property, infrastructure and timber; and fixed income assets includes listed and unlisted debt investments.



Investment performance

The objectives of the Fund are:

- over long-term economic cycles (typically 5 years or more) the achievement of the same return as that generated by the strategic allocation
- over shorter periods, the Fund should perform better than the strategic allocation if markets fall significantly.

The Fund has achieved returns in excess of the strategic allocation over the last year and over the longer timeframes shown in the table below. The benchmark return shown in the table is the strategic allocation and comprises equity, index-linked gilt and cash indices as well as an inflation-linked index for Alternatives investments.

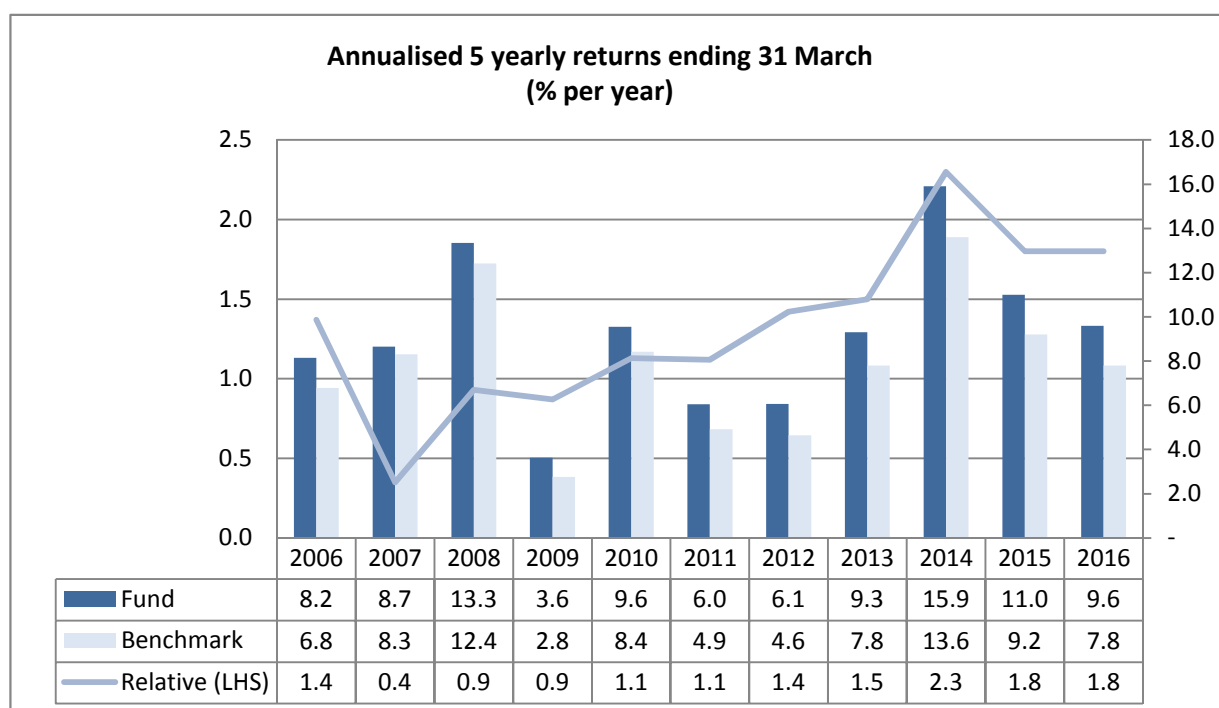
Annualised returns to 31 March 2016 (% per year)	1 year	5 year	10 years
Lothian Buses Pension Fund	3.1	9.6	7.8
Benchmark	1.2	7.8	6.3
Actuarial Valuation Assumptions *	5.0	5.7	5.9
Retail Price Index (RPI)	1.6	2.3	3.0
Consumer Price Index (CPI)	0.5	1.7	2.4
National Average Earnings	1.9	1.6	2.2

*estimate

The strong performance relative to the benchmark over 2015/16 was largely attributable to the global equity portfolios, one internally managed and one externally managed by Baillie Gifford, which together rose in value by 1.4% while the benchmark fell. The Fund's Alternative investments were also a significant contributor, driven primarily by a double digit return from the infrastructure portfolio, which benefited from the purchase of infrastructure assets at attractive valuations.

Returns relative to the benchmark over a one year period need to be placed in the context that there are no ideal benchmarks for many of the assets held in the Fund, especially the Alternatives. The Fund's benchmark for Alternatives is inflation plus 3.5% per annum, which makes sense over the long term as the Fund's liabilities are linked to inflation. However, over shorter periods, there is less information content in the relative returns of the Fund because the development of asset prices is much more volatile than that of UK retail or consumer prices. The Investment Strategy Panel assesses the underlying risks of the portfolios that make up the asset allocation to ensure that these are consistent with the long term objectives of the Fund.

The chart below shows the rolling 5 year performance of the Fund against its strategic benchmark over the last 10 years. The upward sloping line shows that relative returns have been on an improving trend since 2007. It also shows that the Fund has consistently outperformed its benchmark over rolling 5 year periods.



Lothian Buses Pension Fund

Fund Account for year ended 31 March 2016

This statement shows a summary of the income and expenditure that the Pension Fund has generated and consumed in delivering the Local Government Pension Scheme. Included is the income generated from employers' and employees' contributions and investment income, as well as the cost of providing benefits and administration of the Fund.

Restated*			
2014/15			2015/16
£000		Note	£000
	Income		
7,094	Contributions from employer	4	7,538
2,162	Contributions from members		2,129
-	Transfers from other schemes		-
9,256			9,667
	Less: expenditure		
7,790	Pension payments including increases		8,087
2,864	Lump sum retirement payments		2,101
262	Lump sum death benefits		530
-	Refunds to members leaving service		2
17	Transfers to other schemes	5	129
112	Administrative expenses	6a	102
11,045			10,951
(1,789)	Net withdrawals from dealing with members		(1,284)
	Returns on investments		
8,426	Investment income	7	8,076
43,422	Change in market value of investments	9, 15b	3,532
(1,400)	Investment management expenses	6b	(1,677)
50,448	Net returns on investments		9,931
48,659	Net increase in the Fund during the year		8,647
337,125	Net assets of the Fund at 1 April 2015		385,784
385,784	Net assets of the Fund at 31 March 2016		394,431

* The results for the year ended 31 March 2015 have been restated to reflect a change in the accounting policy on securities lending revenue and the related management charges. The effect is to increase both investment income and investment management expenses by £80k. There is no change in the net return on investment. See note 2 for details.

Lothian Buses Pension Fund

Net Assets Statement as at 31 March 2016

This statement provides a breakdown of type and value of all net assets at the year end.

31 March 2015 £000		Note	31 March 2016 £000
Investment Assets			
13,209	Fixed interest securities	8	19,661
242,863	Equities	8	236,417
105,943	Pooled investment vehicles	8	121,923
-	Derivatives - forward foreign exchange	10	-
19,174	Cash Deposits		11,811
1,072	Other investment assets		1,291
382,261			391,103
Investment Liabilities			
-	Derivatives - forward foreign exchange	10	(32)
(98)	Other investment assets		(283)
(98)			(315)
382,163	Net investment assets	9, 11	390,788
Current assets			
1,113	The City of Edinburgh Council	22	400
2,026	Cash balances	16, 22	2,867
726	Debtors	19	828
3,865			4,095
Current liabilities			
(244)	Creditors	20	(452)
(244)			(452)
3,621	Net current assets		3,643
385,784	Net assets of the Fund at 31 March 2016		394,431

The unaudited accounts were issued on 27 June 2016 and the audited accounts were authorised for issue on 28 September 2016.

JOHN BURNS FCMA CGMA

Chief Finance Officer, Lothian Pension Fund

28 September 2016

Notes to the net asset statement

The financial statements summarise the transactions of the Fund during the year and its net assets at the year end. They do not take account of the obligations to pay pensions and benefits which fall due after the end of the year. The actuarial position of the Fund, which does take account of such obligations, is discussed in the Actuarial Valuation section of this report and these financial statements should be read in conjunction with that information. In addition, as required by IAS26, the Actuarial Present Value of Promised Retirement Benefits is disclosed in the notes to these financial statements.

Notes to the Financial Statements

1 Statement of Accounting Policies

The statement of accounting policies for all three Funds' can be found on page 112.

2 Prior year adjustment

During the year, the Fund has changed its accounting policy in respect to securities lending revenue that has required the restatement of 2014/15 results.

Previously securities lending revenue was recognised net of fees, as management charges were deducted from source. The new treatment recognises the gross income from securities lending revenue that impacts both the investment income of the Fund and the investment management expenses.

	2014/15 Audited £000	Adjustment £000	2014/15 Restated £000
Investment income	8,346	80	8,426
Investment management expenses	(1,320)	(80)	(1,400)

3 Events after the Reporting Date

There have been no events since 31 March 2016, and up to the date when these accounts were authorised, that require any adjustments to these accounts.

4 Contributions from employer

By category	2014/15 £000	2015/16 £000
Normal (ongoing contributions)	7,094	7,425
Deficit contribution	-	-
Strain costs and augmentation contribution	-	113
	7,094	7,538

The Lothian Buses Pension Fund is a single employer pension fund for employees of Lothian Buses Ltd. The Lothian Buses Fund was set up in 1986 under the Local Government Superannuation (Funds) (Scotland) regulations 1986 (SSI 115/1986).

From 2015/16 onwards, no deficit funding was required (as stated in the actuarial valuation of 31 March 2014). The employer contribution rate was 21.7% for the period from 1 April 2015 to 31 December 2015 then 22.9% of pensionable pay for service currently being accrued for the remainder of the financial year.

Where the employer makes certain decisions which result in additional benefits being paid out to a member, or benefits being paid early, this results in a "strain" on the Fund. The resulting pension strain costs are calculated and recharged in full to the employer.

Notes to the Financial Statements

5 Transfers out to other pension schemes

	2014/15 £000	2015/16 £000
Group transfers	-	-
Individual transfers	17	129
	17	129

6a Administrative expenses

	2014/15 £000	2015/16 £000
Employee Costs	53	52
The City of Edinburgh Council - other support costs	7	7
System costs	12	13
Actuarial fees	21	13
External audit fees	2	2
Legal fees	-	-
Printing and postage	5	4
Depreciation	4	3
Office costs	5	6
Sundry costs less sundry income	3	2
	112	102

The Investment and Pensions Division of the Council is responsible for administering the three pension Funds. The Division receives an allocation of the overheads of the Council. In turn the Division allocates administration and investment costs to the three pension funds. Costs directly attributable to a specific fund are charged to the relevant Fund, costs that are common to all three funds are allocated on a defined basis. Other costs were allocated based on the number of members of each Fund.

6b Investment management expenses

	Restated 2014/15 £000	2015/16 2015/16 £000
External management fees -		
invoiced	539	704
deducted from capital (direct investment)	381	329
deducted from capital (indirect investment)	208	368
Securities lending fees	80	43
Transaction costs	31	59
Employee costs	63	70
Custody fees	36	34
Engagement and voting fees	5	6
Performance measurement fees	17	17
Consultancy fees	-	12
System costs	11	13
Legal fees	8	3
The City of Edinburgh Council - other support costs	12	9
Depreciation	-	1
Office costs	4	5
Sundry costs less sundry income	5	4
	1,400	1,677

Notes to the Financial Statements

6b Investment management expenses (cont)

Any costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions or in the proceeds of investment sales (see note 9 - Reconciliation of movements in investments and derivatives).

It should be noted that Lothian Buses Pension Funds disclosure on investment management fees goes further than CIPFA's LGPS Management Cost revised guidance on cost transparency which comes into effect from 1st April 2016. Consistent with previous years, the Fund recognises fees deducted from investments not within its direct control (such as fund of fund fees) to give a full picture of its investment management costs. Further details can be found on page 16. This further disclosure highlights an extra £368k in costs (2014/15 £208k)

The external investment management fees above include £0.1m in respect of performance-related fees (2014/15 £0.1m).

6c Total Management expenses

	Restated 2014/15 £000	2015/16 £000
Administrative costs	84	80
Investment management expenses*	1,339	1,621
Oversight and governance costs	89	78
	1,512	1,779

* includes £368k (2014/15 £208k) in costs above CIPFA guidance

In accordance with CIPFA, the above analysis looks at the combined administration and investment management expenses in note 6a and b and splits out the costs to include a third heading covering oversight and governance expenditure.

Notes to the Financial Statements

7 Investment income

	Restated 2014/15 £000	2015/16 £000
Income from fixed interest securities	84	92
Dividends from equities	6,230	6,025
Income from pooled investment vehicles	1,747	1,751
Interest on cash deposits	50	53
Stock lending and sundries	400	214
	8,511	8,135
Irrecoverable withholding tax	(85)	(59)
	8,426	8,076

8 Analysis of investments

	Region	31 March 2015 £000	31 March 2016 £000
Investment Assets			
Fixed Interest securities			
Public sector fixed interest securities	Overseas	-	1,122
Public sector index linked gilts quoted	UK	13,209	18,539
		13,209	19,661
Equities			
Quoted	UK	39,225	32,849
Quoted	Overseas	203,638	203,568
		242,863	236,417
Pooled investment vehicles *			
Managed funds - property	UK	34,201	37,492
Managed funds - index linked	UK	28,449	28,326
Managed funds - other bonds	UK	27,380	27,221
Timber funds - unquoted	Overseas	6,341	8,023
Infrastructure - unquoted	UK	2,053	4,424
Infrastructure - unquoted	Overseas	7,519	13,583
Private debt funds - unquoted	UK	-	1,051
Private debt funds - unquoted	Overseas	-	1,803
		105,943	121,923

Notes to the Financial Statements

9 Reconciliation of movement in investments and derivatives

	Market value at 31 March 2015 £000	Purchases at cost & derivative payments £000	Sales & derivative receipts £000	Change in market value £000	Market value at 31 March 2016 £000
Fixed interest	13,209	10,193	(4,284)	543	19,661
Equities	242,863	27,541	(31,081)	(2,906)	236,417
Pooled investment vehicles	105,943	12,172	(1,947)	5,755	121,923
Derivatives - fwd foreign exchange	-	31	(7)	(56)	(32)
	362,015	49,937	(37,319)	3,336	377,969
Other financial assets / (liabilities)					
Cash deposits	19,174			112	11,811
Broker balances	(17)			84	(73)
Dividend due etc	991			-	1,081
	20,148			196	12,819
	382,163			3,532	390,788

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Any costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions and in the proceeds from sales and are therefore included in the tables above.

	Market value at 31 March 2014 £000	Purchases at cost & derivative payments £000	Sales & derivative receipts £000	Change in market value £000	Market value at 31 March 2015 £000
Fixed interest	6,511	5,185	(391)	1,904	13,209
Equities	221,274	20,545	(27,165)	28,209	242,863
Pooled investment vehicles	87,978	5,319	(779)	13,425	105,943
	315,763	31,049	(28,335)	43,538	362,015
Other financial assets / (liabilities)					
Cash deposits	19,521			(113)	19,174
Broker balances	(850)			(3)	(17)
Dividend due etc	911			-	991
	19,582			(116)	20,148
Net financial assets	335,345			43,422	382,163

Notes to the Financial Statements

10 Derivatives - forward foreign exchange

Summary of contracts held at 31 March 2016

Contract settlement within	Currency bought	Currency sold	Local currency bought 000	Local currency sold 000	Asset value £000	Liability value £000
Up to one month	GBP	EUR	1,055	(1,370)	-	(32)
Open forward currency contracts at 31 March 2016					-	(32)
Net forward currency contracts at 31 March 2016						(32)

Prior year comparative

Open forward currency contracts at 31 March 2015

Net forward currency contracts at 31 March 2015

-	-
	-

The above table summarises the contracts held by maturity date, all contracts are traded on an over the counter basis.

In order to maintain appropriate diversification of investments in the portfolio and take advantage of wider opportunities, the Lothian Buses Pension Fund invests in overseas markets. Forward foreign exchange contracts, were used to the extent to which the Fund is exposed to certain currency movements.

Notes to the Financial Statements

11 Investment managers and mandates

		Market value at 31 March 2015 £000	% of total 31 March 2015 %	Market value at 31 March 2016 £000	% of total 31 March 2016 %
Manager	Mandate				
Baillie Gifford	Global equities	120,728	31.7	112,761	28.9
In-house	Global high dividend	113,824	29.8	116,638	29.8
In-house	Private equity quoted	4,753	1.2	4,659	1.2
Total global equities		239,305	62.7	234,058	59.9
Baillie Gifford	Index linked gilts	28,449	7.5	28,326	7.2
In-house	Index linked gilts	13,915	3.6	19,771	5.1
Total inflation linked bonds		42,364	11.1	48,097	12.3
Baillie Gifford	Corporate bonds	27,380	7.2	27,221	7.0
In-house	Secured loans quoted	530	0.1	4	0.0
In-house	Secured loans unquoted	-	-	2,855	0.7
Total fixed income assets		27,910	7.3	30,080	7.7
Standard Life	Property	34,201	8.9	37,491	9.6
In-house	Infrastructure unquoted	7,915	2.1	18,007	4.6
In-house	Infrastructure quoted	7,026	1.8	6,660	1.7
In-house	Timber	6,341	1.7	8,022	2.1
In-house	Alternatives Cash	1,657	0.4	515	0.1
Total other real assets		57,140	14.9	70,695	18.1
In-house	Cash	11,986	3.1	7,858	2.0
In-house	Transition	3,458	0.9	-	-
Total cash and sundries		15,444	4.0	7,858	2.0
Net financial assets		382,163	100.0	390,788	100.0

12 Investments representing more than 5% of the net assets of the Fund

	Market value at 31 March 2015 £000	% of net assets 31 March 2015	Market value at 31 March 2016 £000	% of net assets 31 March 2016
Standard Life Property Fund	34,201	8.9	37,491	9.5
Baillie Gifford Index Linked Gilt Fund	28,449	7.4	28,326	7.2
Baillie Gifford Inv Grade Bond Fund	27,380	7.1	27,221	6.9

Notes to the Financial Statements

13 Investments representing more than 5% of any investment class

	Market value at 31 March 2015 £000	% of asset class 31 March 2015	Market value at 31 March 2016 £000	% of asset class 31 March 2016
Fixed interest				
UK Gov 0.125% Index Linked 22/03/44	1,151	8.7	3,142	16.0
UK Gov 1.25% Index Linked 2055	758	5.7	2,341	11.9
UK Gov 0.125% Index Linked 22/03/68	-	-	1,981	10.1
UK Gov 0.125% Index Linked 22/03/58	-	-	1,847	9.4
UK Gov 2% Index Linked 26/01/35	1,368	10.4	1,360	6.9
UK Gov 0.625% Index Linked 22/03/40	1,215	9.2	1,228	6.2
UK Gov 1.125% Index Linked 22/11/37	1,472	11.1	1,213	6.2
UK Gov 0.25% Index Linked 22/03/52	-	-	1,133	5.8
UK Gov 0.375% Index Linked 22/03/62	866	6.6	919	4.7
UK Gov 0.75% Index Linked 22/11/2047	880	6.7	877	4.5
UK Gov 1.25% Index Linked 22/11/2032	1,125	8.5	797	4.1
UK Gov 0.75% Index Linked 22/03/34	1,161	8.8	-	-
UK Gov 4.125% Index Linked 22/07/30	878	6.6	-	-
Pooled funds				
Standard Life Property Fund	34,201	32.3	37,491	30.8
Baillie Gifford Index Linked Gilt Fund	28,449	26.9	28,326	23.2
Baillie Gifford Inv Grade Bond Fund	27,380	25.8	27,221	22.3

14 Securities lending

During the year Lothian Buses Pension Fund participated in a securities lending arrangement with the Northern Trust Company. As at 31 March 2016, £10.4m (2015 £10.5m) of securities were released to third parties. Collateral valued at 110.26% (2015 106.1%) of the market value of the securities on loan was held at that date.

15 Financial Instruments

15a Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

All financial instruments are marked to market (at fair value) in the Fund's accounting records hence there is no difference between the carrying value and fair value.

Notes to the Financial Statements

15a Classification of financial instruments

	31 March 2015			31 March 2016		
	Designated as fair value through fund account £000	Loans and receivables £000	Financial liabilities at amortised cost £000	Designated as fair value through fund account £000	Loans and receivables £000	Financial liabilities at amortised cost £000
Financial assets						
Investment assets						
Fixed interest	13,209	-	-	19,661	-	-
Equities	242,863	-	-	236,417	-	-
Pooled investments	105,943	-	-	121,923	-	-
Cash	-	19,174	-	-	11,811	-
Other balances	-	1,071	-	-	1,291	-
	362,015	20,245	-	378,001	13,102	-
Other assets						
City of Edinburgh Council	-	1,113	-	-	400	-
Cash	-	2,027	-	-	2,867	-
Debtors	-	726	-	-	828	-
	-	3,866	-	-	4,095	-
Assets total	362,015	24,111	-	378,001	17,197	-
Financial liabilities						
Investment liabilities						
Derivative contracts	-	-	-	(32)	-	-
Other investment balances	(98)	-	-	(283)	-	-
	(98)	-	-	(315)	-	-
Other liabilities						
Creditors	-	-	(244)	-	-	(452)
Liabilities total	(98)	-	(244)	(315)	-	(452)
Total net assets	361,917	24,111	(244)	377,686	17,197	(452)
Total net financial assets			385,784			394,431

15b Net gains and losses on financial instruments

	2014/15 £000	2015/16 £000
Designated as fair value through fund account	43,538	3,336
Loans and receivables	(116)	196
Financial liabilities at amortised cost	-	-
Total	43,422	3,532

Notes to the Financial Statements

15c Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities and unit trusts.

Quoted investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in unquoted private debt, infrastructure and timber are based on valuations provided by the general partners to the funds in which the Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines or similar guidelines provided by the British Venture Capital Association, which follow the valuation principles of International Financial Reporting Standards (IFRS). The valuations are typically undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Notes to the Financial Statements

15c Valuation of financial instruments carried at fair value (cont)

	31 March 2016			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Designated as fair value through fund account	329,457	19,661	28,883	378,001
Loans and receivables	17,197	-	-	17,197
Total financial assets	346,654	19,661	28,883	395,198
Financial liabilities				
Designated as fair value through fund account	(315)	-	-	(315)
Financial liabilities at amortised cost	(452)	-	-	(452)
Total financial liabilities	(767)	-	-	(767)
Net financial assets	345,887	19,661	28,883	394,431

	31 March 2015			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Designated as fair value through fund account	332,875	13,209	15,931	362,015
Loans and receivables	24,111	-	-	24,111
Total financial assets	356,986	13,209	15,931	386,126
Financial liabilities				
Designated as fair value through fund account	(98)	-	-	(98)
Financial liabilities at amortised cost	(244)	-	-	(244)
Total financial liabilities	(342)	-	-	(342)
Net financial assets	356,644	13,209	15,931	385,784

16 Nature and extent of risk arising from financial instruments

Risk and risk management

The Fund's primary aim is to ensure that all members and their dependants receive their benefits when they become payable. The investment strategy aims to maximise the returns from investments within reasonable risk parameters and hence minimise the long-term cost to employers. The Fund achieves this by investing in a diverse range of assets to reduce risk to an acceptable level. In addition, the Fund ensures that sufficient cash is available to meet all liabilities when they are due to be paid.

Responsibility for the Fund's overall investment strategy rests with the Pensions Committee. The Investment Strategy Panel and the internal investment team monitor investment risks on a regular basis. Investment risk management tools are used to identify and analyse risks faced by the Fund's investments.

Consideration of the Fund's investment risk is part of the overall risk management of the pensions operations. Risks are reviewed regularly to reflect changes in activity and market conditions.

Notes to the Financial Statements

16 Nature and extent of risk arising from financial instruments (cont)

Types of investment risk

There are various ways of considering investment risks for pension funds. For the purposes of this note, market risk is the potential for an investor to experience losses from falls in the prices of investments. All financial instruments, including cash deposits, present a risk of loss of capital and risks vary depending on different asset classes.

Market risk also changes over time as economic conditions and investor sentiment change. The Fund considers overall fluctuations in prices arising from a variety of sources: market risk, foreign exchange risk, interest rate risk, credit risk, etc. The different risks may, to some extent, offset each other.

The overall market risk of the Fund depends on the actual mix of assets and encompasses all the different elements of risk.

The Fund manages these risks in a number of ways:

- assessing and establishing acceptable levels of market risk when setting overall investment strategy. Importantly, risk is considered relative to the liabilities of the Fund
- diversification of investments in terms of type of asset, investment styles, investment managers, geographical and industry sectors as well as individual securities
- taking stewardship responsibilities seriously and pursuing constructive engagement with the companies in which we invest
- monitoring market risk and market conditions to ensure risk remains within tolerable levels
- using equity futures contracts from time to time to manage market risk. Exchange traded options are not used by the Fund.

Sensitivity analysis

Asset prices have a tendency to fluctuate. The degree of such fluctuation is known as “volatility” and it differs by asset class. The table sets out the long-term volatility assumptions used in the Fund’s asset-liability modelling undertaken by the Fund’s investment adviser KPMG:

Asset type	Potential price movement (+ or -)
Equities - Developed Markets	20.5%
Private Equity	30.0%
Timber and Gold	18.0%
Secured Loans	14.0%
Corporate Bonds	6.0%
Index-Linked Gilts	10.8%
Infrastructure	18.0%
Property	13.0%
Cash	1.1%

Volatility is the standard deviation of annual returns. Broadly speaking, in two years out of three, the asset’s change in value (which could be a gain or a loss) is expected to be lower than the volatility figure, but in one year out of three, the change in value is expected to be higher than the volatility figure.

Notes to the Financial Statements

16 Nature and extent of risk arising from financial instruments (cont)

Asset classes do not always move in line with each other. The extent to which assets move together is known as their “correlation”. A lower correlation means that there is less risk of assets losing value at the same time.

The overall Fund benefits from “diversification” because it invests in different asset classes, which don’t all move in line with each other. Consequently, the aggregate risk at the Fund level is less than the total risk from all the individual assets in which the Fund invests. The following table shows the risks at the asset class level and the overall Fund level, with and without allowance for correlation.

	Value at 31 March 2016 £000	% of fund %	Potential Change +/- %	Value on increase £000	Value on decrease £000
Equities - Developed Markets	229,399	58.7	20.5	276,426	182,372
Private Equity	4,659	1.2	30.0	6,057	3,261
Timber and Gold	8,023	2.1	18.0	9,467	6,579
Secured Loan	2,859	0.7	14.0	3,259	2,459
Corporate Bonds	27,221	7.0	6.0	28,854	25,588
Index-Linked Gilts	48,097	12.3	10.8	53,291	42,903
Infrastructure	24,667	6.3	18.0	29,107	20,227
Property	37,491	9.6	13.0	42,365	32,617
Cash and forward foreign exchange	8,372	2.1	1.1	8,464	8,280
Total [1]	390,788	100.0	17.0	457,290	324,286
Total [2]			14.1	446,083	335,493
Total [3]			14.2	446,344	n/a

[1] No allowance for correlations between assets

[2] Including allowance for correlations between assets

[3] Including allowance for correlation between assets and liabilities.

The value on increase/decrease columns illustrate the monetary effect of the percentage change in the volatility column. The actual annual change in value is expected to be lower than this in two years out of three, but higher in one year out of three.

It can be seen that the risk to the overall Fund assets [2] is lower than the total of the risks to the individual assets.

However, because the purpose of a pension scheme is to make payments to scheme beneficiaries, the true risk of a pension scheme is not measured in absolute terms, but relative to its liabilities [3].

This risk analysis incorporates volatility from market, interest rate, foreign exchange, credit, and all other sources of risk, and, importantly, makes allowance for how these risks may offset each other.

Notes to the Financial Statements

16 Nature and extent of risk arising from financial instruments (cont)

Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the value of the Fund's assets and liabilities (as outlined in Market Risk above).

In essence, the Fund's entire investment portfolio is exposed to some sort of credit risk. However, through the selection of counterparties, brokers and financial institutions the Fund reduces the credit risk that may occur through the failure to settle a transaction in a timely manner.

Cash deposits, derivatives and securities lending are the major areas of credit exposure where credit risk is not reflected in market prices.

Cash deposits

At 31 March 2016, cash deposits represented £14.2m, 3.6% of total net assets. This was held with the following institutions:

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Held for investment purposes			
Northern Trust Global Investment Limited - liquidity funds	Aaa-mf	3,285	2,384
Northern Trust Company - cash deposits	Aa2	3,903	8,509
The City of Edinburgh Council - treasury management	See below	11,986	918
Total investment cash		19,174	11,811
Held for other purposes			
The City of Edinburgh Council - treasury management	See below	2,026	2,867
Total cash		21,200	14,678

The majority of Sterling cash deposits of the Fund are managed along with those of the administering authority (the City of Edinburgh Council) and other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk basis, with security of the investments the key consideration.

The Council has in place institutional restrictions on investments and counterparty criteria. These include -

- UK Government and other UK local Authorities with no limit, other public bodies up to £20 million per organisation.
- Money market funds (MMFs) no more than £30 million or 15% with any one Fund.
- Financial Institutions: Banks and Building Societies with multiple criteria based on a range of short and long term credit ratings, as well as any security provided, from maximum of £60 million / 20% of assets under management (AUM) for institutions with the highest criteria to £10 million / 5% of AUM for institutions with the lowest acceptable criteria.

Notes to the Financial Statements

16 Nature and extent of risk arising from financial instruments (cont)

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Money market funds			
Deutsche Bank AG, London	Aaa-mf	2,057	505
Goldman Sachs	Aaa-mf	2,055	4
Bank call accounts			
Bank of Scotland	A1	1,324	248
Royal Bank of Scotland	A3	186	40
Santander UK	A1	1,285	-
Barclays Bank	A2	1,341	256
Svenska Handelsbanken	Aa2	2,090	261
HSBC Bank	Aa2	2,045	-
Commonwealth Bank of Australia	Aa2	543	-
Floating rate note			
Rabobank	Aa2	362	-
Building society fixed term deposits			
Nationwide Building Society	A1	362	-
UK Pseudo-Sovereign risk instruments			
Other Local Authorities [1]	Aa1	-	1,717
UK Government Treasury Bills	Aa1	362	754
		14,012	3,785

[1] Very few Local Authorities have their own credit rating but they are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2016 was 'Aa1').

No breaches of the Council's counterparty criteria occurred during the reporting period and the Fund does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Securities lending

The Fund participates in a securities lending programme as described above. The Fund is potentially exposed to credit risk in the event of the borrower of securities defaults. This risk is mitigated by the contractual commitment that borrowers provide collateral in excess of 100% of the value of the securities borrowed. In addition, Northern Trust has signed an agreement requiring it to make good any losses arising from the lending programme.

Derivatives

The Fund transacts foreign currency derivatives over-the-counter and hence is exposed to credit risk in the event of a counterparty defaulting on the net payment or receipt that remains outstanding. This risk is minimised by the use of counterparties that are recognised financial intermediaries with acceptable credit ratings and by netting agreements. At 31 March 2016, the Fund was owed £32k on over-the-counter foreign currency derivatives.

Refinancing risk

Refinancing risk is the risk that the Fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Fund is not bound by any obligation to replenish its investments and hence is not exposed to refinancing risk.

Notes to the Financial Statements

16 Nature and extent of risk arising from financial instruments (cont)

Liquidity risk

Liquidity risk reflects the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore ensures that there is adequate cash and liquid resources to meet its commitments. Cash flow projections are prepared on a regular basis to understand and manage the timing of the Fund's cash flows.

The majority (estimated to be approximately 83%) of the Fund's investments could be converted to cash within three months in a normal trading environment.

17 Actuarial statement

The Scheme Actuary has provided a statement describing the funding arrangements of the Fund. This can be found at the end of this section.

18 Actuarial present value of promised retirement benefits

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standard 19 (IAS19) assumptions, is estimated to be £374m (2015 £400m). This figure is used for statutory accounting purposes by Lothian Pension Fund and complies with the requirements of IAS26. The assumptions underlying the figure match those adopted for the Administering Authority's FRS17/IAS19 reports at each year end.

The figure is only prepared for the purposes of IAS26 and has no validity in other circumstances. In particular, it is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

Financial assumptions	31 March 2015	31 March 2016
	% p.a.	% p.a.
Inflation/pensions increase rate	2.4	2.2
Salary increase rate	4.3	4.2
Discount rate	3.2	3.5

Longevity assumptions

The life expectancy assumption is based on Fund specific statistical analysis with improvements in line with the CMI 2012 model, assuming that the current rate of improvements has reached a peak and will converge to a long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies, in years, at age 65 are summarised below:

	31 March 2015		31 March 2016	
	Males	Females	Males	Females
Current pensioners	20.4 years	22.6 years	20.4 years	22.9 years
Future pensioners (assumed to be currently 45)	23.5 years	25.9 years	23.5 years	25.9 years

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Notes to the Financial Statements

19 Debtors

	2014/15 £000	2015/16 £000
Contributions due - employer	528	576
Contributions due - members	161	158
Sundry debtors	37	94
	726	828

Analysis of debtors

	31 March 2015 £000	31 March 2016 £000
Administering Authority	1	1
Other Scheduled Bodies	689	818
Other entities and individuals	36	9
	726	828

20 Creditors

	31 March 2015 £000	31 March 2016 £000
Benefits payable	73	275
Miscellaneous creditors and accrued expenses	171	177
	244	452

Analysis of creditors

	31 March 2015 £000	31 March 2016 £000
Other entities and individuals	244	452
	244	452

21 Additional Voluntary Contributions

Active members of the Lothian Buses Pension Fund have the option to pay additional voluntary contributions (AVCs). These AVCs are invested separately from the main funds, securing additional benefits on a money purchase basis for those members that have elected to contribute. The investment of the AVCs is managed by Standard Life and Prudential.

In accordance with regulation 4 (2) (b) of the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010, AVCs are not included in the pension fund financial statements.

Notes to the Financial Statements

21 Additional Voluntary Contributions (cont)

Total contributions during year for Lothian Buses Pension fund	2014/15 £000	2015/16 £000
Standard Life	9	6
Prudential	73	61
	82	67

Total value at year end for Lothian Buses Pension Fund	31 March 2015 £000	31 March 2016 £000
Standard Life	167	170
Prudential	251	315
	418	485

22 Related party transactions

The City of Edinburgh Council

The Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund are administered by the City of Edinburgh Council. Consequently there is a strong relationship between the Council and the Pension Funds.

The Investment and Pensions Division of the Council is responsible for administering the three Pension Funds. The Division receives an allocation of the overheads of the Council, based on the amount of central services consumed. In turn, the Division allocates its costs to the three Pension Funds. Costs directly attributable to a specific Fund are charged to the relevant Fund; costs that are common to all three Funds are allocated on a defined basis.

Transactions between the Council and the Fund are managed via a holding account. Each month the Fund is paid a cash sum leaving a working balance in the account to cover the month's pension payroll costs and other expected costs.

	31 March 2015 £000	31 March 2016 £000
Year end balance of holding account	1,113	400
	1,113	400

Part of the Fund's cash holdings are invested on the money markets by the treasury management operations of the Council, through a service level agreement. During the year to 31 March 2016, the fund had an average investment balance of £9.5m (2015 £6.8m). Interest earned was £12.2k (2015 £31k).

Year end balance on treasury management account	31 March 2015 £000	31 March 2016 £000
Held for investment purposes	11,986	918
Held for other purposes	2,026	2,867
	14,012	3,785

Notes to the Financial Statements

22 Related party transactions (cont)

Office accommodation - 144 Morrison Street, Edinburgh

Investment and Pensions Division of the Council entered into an internal agreement with the Council for the provision of office accommodation at 144 Morrison Street in Edinburgh. The terms of the agreement are equivalent to those that would have been obtained had the accommodation been let on a commercial basis. In the accounts of the Fund the arrangement has been treated as a operational lease. The Investment and Pensions Division is committed to making the following future payments. City of Edinburgh Council sold the property on 31 March 2016, the lease with the new landlord is on the same terms as the internal agreement.

	31 March 2015 £000	31 March 2016 £000
Within one year	-	42
Between one and five years	272	345
After five years	1,107	992
	1,379	1,379
Recognised as an expense during the year	91	92

The above expense has been allocated across the three Funds, Lothian Buses Pension Fund's share is £2.7k.

Governance

As at 31 March 2016, all members of the Pensions Committee, with the exception of Councillor Bill Cook and Richard Lamont, and all members of the Pensions Board, with the exception of Graham Turnbull, were active members of the Lothian Pension Fund or Lothian Buses Pension Fund.

Each member of the Pensions Committee and Pension Board is required to declare any financial and non-financial interests they have in the items of business for consideration at each meeting, identifying the relevant agenda item and the nature of their interest.

During the period from 1 April 2015 to the date of issuing of these accounts, a number of employees of the City of Edinburgh Council and its wholly owned subsidiary, LPFE Limited, held key positions in the financial management of the Lothian Pension Fund. With effect from 1 May 2015, all the employees listed below, with the exception of the Executive Director of Resources, were employed by LPFE Limited. These employees and their financial relationship with the Fund (expressed as cash-equivalent transfer values or CETV) are set out below:

Name	Position held	Accrued CETV as at 31 March 2015 £000	Accrued CETV as at 31 March 2016 £000
Hugh Dunn*	Acting Executive Director of Resources	734	755
Clare Scott	Chief Executive Officer, Lothian Pension Fund	147	175
Bruce Miller	Chief Investment Officer, Lothian Pension Fund	139	185
Struan Fairbairn	Chief Risk Officer, Lothian Pension Fund	19	30
John Burns	Chief Finance Officer, Lothian Pension Fund	426	474
Esmond Hamilton	Financial Controller	138	161

* Also disclosed in the financial statements of the City of Edinburgh Council.

Notes to the Financial Statements

22 Related party transactions (cont)

Governance

There is no need to produce a remuneration report for 2015/16, as the Pension Fund did not directly employ any staff.

Staff are either employed by City of Edinburgh Council or LPFE Limited, and their costs reimbursed by the Pension Fund. The Councillors, who are members of the Pensions Committee are also remunerated by City of Edinburgh Council.

23 Contractual commitments

The Fund has commitments relating to outstanding call payments due on unquoted funds held in the private debt, timber and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing, taking place over a period of years from the date of each original commitment. The outstanding commitments at the year end are as follows:

	31 March 2015 £000	31 March 2016 £000
Outstanding investment commitments	5,387	6,722
	5,387	6,722

As disclosed in note 22 on related party transactions the Investment and Pensions Division has a commitment to make future payments equivalent to rent in respect office accommodation at 144 Morrison Street. Details of the future payments are provided in that note.

24 Contingent assets and liabilities

At 31 March 2016 the Fund had entered into negotiations for two infrastructure co-investments in which it is exposed to the potential risk of investment abort costs. Lothian Buses Pension Fund's exposure to this is approximately £15k.

There were no contingent assets at year end.

25 Impairment losses

No impairment losses have been identified during the year.

Lothian Buses Pension Fund

Actuarial Statement for 2015/16

This statement has been prepared in accordance with Regulation 55(1)(d) of the Local Government Pension Scheme (Scotland) Regulations 2014. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2015. In summary, the key funding principles are as follows:

- To ensure solvency of the Fund;
- To minimise the degree of short-term change in employer contribution rates;
- Reduce risk of the investment strategy over time;
- To ensure that sufficient cash is available to meet all liabilities as they fall due for payment

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 32 of the Local Government Pension Scheme (Scotland) (Administration) Regulations 2008 was as at 31 March 2014. This valuation revealed that the Fund's assets, which at 31 March 2014 were valued at £337 million, were sufficient to meet 117% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2014 valuation was £48 million.

On the more prudent gilts basis, the Fund's assets as at 31 March 2014 were sufficient to meet 88% of the liabilities accrued to that date. The resulting deficit at the 2014 valuation, on the gilts basis, was £45 million.

The employer contributions for the period 1 April 2015 to 31 March 2018 were set in accordance with the Fund's funding policy as set out in its Funding Strategy Statement.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the valuation report dated 31 March 2014.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

Lothian Buses Pension Fund

Actuarial Statement for 2015/16

The key financial assumptions adopted for the 2014 valuation were as follows:

Financial assumptions	31 March 2015	
	% p.a. Nominal	% p.a. Real
Discount rate	5.0%	2.3%
Pay increases*	5.0%	2.3%
Price inflation/Pension increases	2.7%	-

*2% p.a. for 2014/15 and 2015/16, reverting to 5.0% thereafter.

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI_2012 model, assuming the current rate of improvements has reached a peak and will converge to long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	20.4 years	22.6 years
Future Pensioners *	23.5 years	25.9 years

*Future pensioners are assumed to be at the 2014 valuation aged 45.

Copies of the 2014 valuation report and Funding Strategy Statement are available on request from The City of Edinburgh Council, the Administering Authority to the Fund.

Experience over the period since April 2014

Experience has been worse than expected since the last formal valuation (excluding the effect of any membership movements). Real bond yields have fallen dramatically placing a higher value on liabilities. The effect of this has been only partially offset by the effect of strong asset returns. The funding level is therefore likely to have worsened over the period.

Richard Warden FFA
Fellow of the Institute and Faculty of Actuaries
For and on behalf of Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

22 April 2016

Scottish Homes Pension Fund

Membership records

Status	Membership at 31/03/2013	Membership at 31/03/2014	Membership at 31/03/2015	Membership at 31/03/2016
Active	-	-	-	-
Deferred	626	595	562	522
Pensioners	978	956	928	922
Dependants	308	298	293	291
Total	1,912	1,849	1,783	1,735

Investment strategy

The funding agreement with the Scottish Government and the investment strategy are designed to reduce investment risk as the Fund is closed to new members and the liabilities will mature over time. They allow for acceleration in the sale of equities and property and purchase of bonds if the actual funding level improves to the target funding level. The 2014 Actuarial Valuation showed that the actual funding level (88.8%) was below the target funding level (91.5%).

Following the results of the 2014 Actuarial Valuation, the Pensions Committee approved a revised investment strategy for Scottish Homes Pension Fund in December 2014, with a reducing equity allocation, and corresponding increases in the bond allocation dependent on funding level. The target funding levels from 2014 to 2026 are shown in the table below along with the corresponding target allocations.

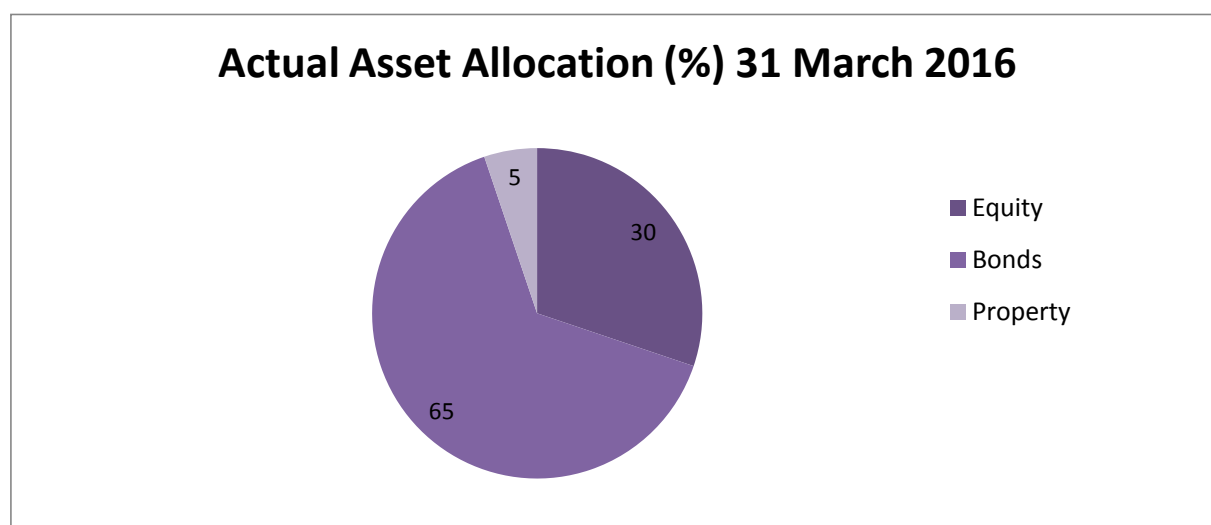
Year [1]	Target Funding Level %	Target Equity Allocation %
2014	91.5	30
2017	93.0	25
2020	94.5	20
2023	95.5	15
2026	96.5	10

[1] The Scottish Government guarantee agreement sets out the increasing target funding levels every 3 years until 2044.

Over 2015/16, the actual funding level fluctuated above and below the target funding level reflecting movements in market interest rates and fund asset prices. Action was taken to vary the equity allocation between 25% and 30% over the year, consistent with the funding approach. The strategic asset allocation at the end of the 2015 and 2016 financial years are shown below.

	Strategic Allocation 31 March 2015 %	Strategic Allocation 31 March 2016 %
Equities	27.5	30.0
Bonds	67.5	65.0
Property	5.0	5.0
Cash	-	-
Total	100.0	100.0

The actual asset allocation at 31 March 2016 is shown in the pie chart below.



During 2015/16, there were three changes in strategy: a reduction in equities in April 2015 to 25%, an increase in equities in October 2015 to 27.5% and a further increase in equities to 30% in February 2016. These changes were made to take advantage of movements in financial markets.

Following a review of the investment strategy during 2015/16, proposals have been put forward to the Scottish Government to change and update its funding agreement. The Scottish Government has agreed to consider alternatives to the existing funding approach. The current bond-focused investment strategy provides income yield of less than 2%, and so the Fund is required to sell assets on a regular basis to pay pensions. The review concluded that a less prescriptive investment and funding strategy would allow a higher-yielding investment strategy and a more flexible approach to setting contributions. Further development of an alternative investment strategy will be taken forward in 2016.

Investment performance

The objectives of the Fund are:

- over long-term economic cycles (typically 5 years or more), the achievement of the same return as that generated by the strategic allocation;
- over shorter periods, the Fund should perform better than the strategic allocation if markets fall significantly.

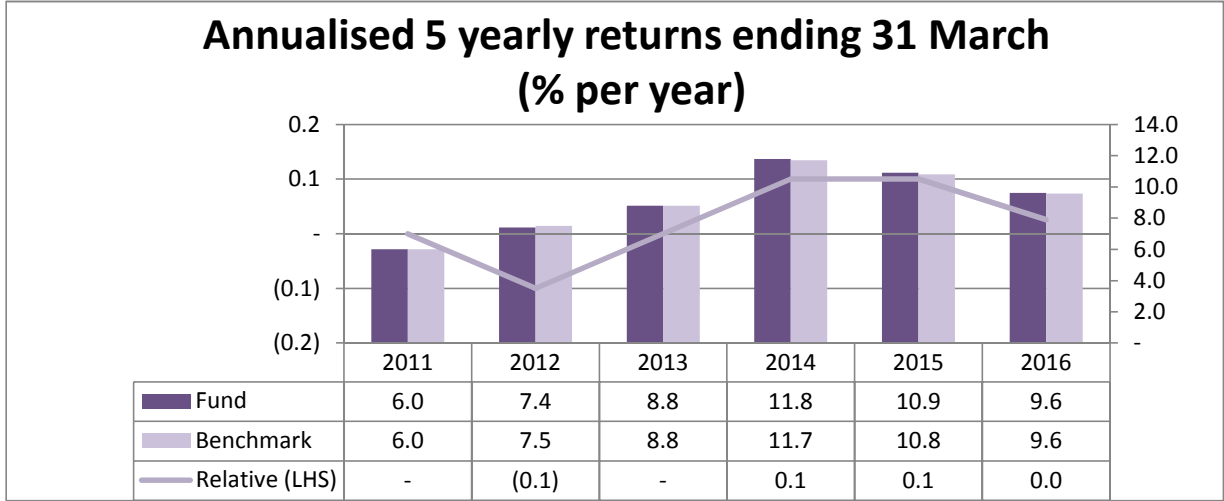
The Fund's annualised performance over the year and longer-term periods is shown in the table below. The Fund has performed broadly in line with its benchmark over all time periods.

Annualised returns to 31 March 2016 (% per year)	1 year	5 years	10 years
Scottish Homes Pension Fund	1.7	9.6	7.8
Benchmark	1.9	9.6	7.8
Actuarial Valuation Assumptions *	1.0	3.6	4.0
Retail Price Index (RPI)	1.6	2.3	3.0
Consumer Price Index (CPI)	0.5	1.7	2.4
National Average Earnings	1.9	1.6	2.2

* estimated

The absolute performance of Scottish Homes Pension Fund over the 12-month period was 1.7% and 5 year performance was 9.6% per annum. The Fund's large holdings of bonds made a small gain of 1.6% over 2015/16 while equities fell 2.1%. Property was the best performing asset class in the Fund over the year returning 11.4%. The Fund's equity and bond assets are currently managed passively, pending the review of strategy. The Fund's risk has been slightly lower than that of the benchmark over the last year and 5 years. Schroder (property portfolio) slightly underperformed its benchmarks over the year while the internally managed gilt portfolio performed in line with its benchmark. Since inception, in July 2005, the Fund has returned +8.5% per annum, well ahead of measures of inflation and of national average earnings.

Annualised 5 yearly returns ending 31 March (% per year)



Scottish Homes Pension Fund

Fund Account for year ended 31 March 2016

This statement shows a summary of the income and expenditure that the Pension Fund has generated and consumed in delivering the Local Government Pension Scheme. Included is the income generated from employers' and employees' contributions and investment income, as well as the cost of providing benefits and administration of the Fund.

2014/15 £000		Note	2015/16 £000
	Income		
771	Contributions from employer	3	675
-	Transfers from other schemes		-
771			675
	Less: expenditure		
7,057	Pension payments including increases		6,890
372	Lump sum retirement payments		472
11	Lump sum death benefits		7
93	Transfers to other schemes	4	290
69	Administrative expenses	5b	53
7,602			7,712
(6,831)	Net withdrawals from dealing with members		(7,037)
	Returns on investments		
569	Investment income	6	799
24,861	Change in market value of investments	7, 10b	1,962
(184)	Investment management expenses	5c	(169)
25,246	Net returns on investments		2,592
18,415	Net increase/(decrease) in the Fund during the year		(4,445)
136,305	Net assets of the Fund at 1 April 2015		154,720
154,720	Net assets of the Fund at 31 March 2016	10	150,275

Scottish Homes Pension Fund

Net Assets Statement as at 31 March 2016

This statement provides a breakdown of type and value of all net assets at the year end.

31 March 2015 £000		Note	31 March 2016 £000
Investment Assets			
54,147	Fixed interest securities		59,749
97,503	<u>Pooled investment vehicles</u>		88,661
7,875	- UK managed fund - Property		7,788
42,611	- UK managed fund - Equity		44,928
47,017	- UK managed fund - Gilts		35,945
244	Cash Deposits		11
173	Other investment assets		177
152,067			148,598
Investment Liabilities			
-	Other investment assets		-
-			-
152,067	Net investment assets	8	148,598
Current assets			
219	The City of Edinburgh Council	16	95
2,433	Cash balances	11, 16	1,610
27	Debtors	14	22
2,679			1,727
Current liabilities			
(26)	Creditors	15	(50)
(26)			(50)
2,653	Net current assets		1,677
154,720	Net assets of the Fund at 31 March 2016	10	150,275

The unaudited accounts were issued on 27 June 2016 and the audited accounts were authorised for issue on 28 September 2016.

JOHN BURNS FCMA CGMA
Chief Finance Officer, Lothian Pension Fund
28 September 2016

Note to the net asset statement

The financial statements summarise the transactions of the Fund during the year and its net assets at the year end. They do not take account of the obligations to pay pensions and benefits which fall due after the end of the year. The actuarial position of the Fund, which does take account of such obligations, is discussed in the Actuarial Valuation section of this report and these financial statements should be read in conjunction with that information. In addition, as required by IAS26, the Actuarial Present Value of Promised Retirement Benefits is disclosed in the notes to these financial statements.

Notes to the Financial Statements

1 Statement of Accounting Policies

The statement of accounting policies for all Funds can be found on page 112.

2 Events after the Reporting Date

There have been no events since 31 March 2016, and up to the date when these Financial Statements were authorised, that require any adjustments to these Financial Statements.

3 Contributions from employer

	2014/15 £000	2015/16 £000
Deficit funding	671	575
Administration expenses	100	100
	771	675

The Scottish Homes Pension Fund is a single employer pension fund for former employees of Scottish Homes. The Scottish Homes Pension Fund was set up under (Scottish) Statutory Instrument 315/2005, when Scottish Homes became Communities Scotland, an agency of the Scottish Government.

Following the actuarial valuation at 31 March 2014, deficit funding of £575,000 per year is being paid by the Scottish Government over the period April 2015 to March 2018. In addition, the Scottish Government agreed to pay £100,000 every year towards the cost of ongoing administration.

Where the Scottish Government makes certain decisions which result in additional benefits being paid out to a member, or benefits being paid early, this results in a "strain" on the Fund. The resulting pension strain costs are calculated and recharged in full.

The Fund consists of only deferred and pensioner members, hence no employee contributions were paid during the year.

4 Transfers out to other pension schemes

	2014/15 £000	2015/16 £000
Group transfers	-	-
Individual transfers	93	290
	93	290

5a Total Management expenses

	2014/15 £000	2015/16 £000
Administrative costs	40	38
Investment management expenses	159	149
Oversight and governance costs	54	35
	253	222

This analysis of costs for the Scottish Homes Pension Fund has been prepared in accordance with CIPFA guidance. The analysis looks at the combined administration and investment management expenses in note 9b and c and splits out the costs to include a third heading covering oversight and governance expenditure.

Notes to the Financial Statements

5b Administrative expenses

	2014/15 £000	2015/16 £000
Employee Costs	25	23
The City of Edinburgh Council - other support costs	3	3
System costs	7	7
Actuarial fees	25	12
External audit fees	1	1
Printing and postage	2	2
Depreciation	2	1
Office costs	2	2
Sundry costs less sundry income	2	2
	69	53

The Investment and Pensions Division of the Council is responsible for administering the three Pension Funds. The Division receives an allocation of the overheads of the Council. In turn the Division apportioned administration and investment costs to the three pension funds. Costs directly attributable to a specific fund are charged to the relevant Fund, costs that are common to all three funds are apportioned on a defined basis.

5c Investment management expenses

	2014/15 £000	2015/16 £000
External management fees - invoiced	59	52
External management fees - deducted from capital (direct)	60	52
External management fees - deducted from capital (indirect)	-	-
Transaction costs	-	1
Employee costs	25	25
Custody fees	18	17
Engagement and voting fees	2	2
Performance measurement fees	5	5
Consultancy fees	-	2
System costs	4	5
Legal fees	2	-
The City of Edinburgh Council - other support costs	5	3
Office costs	2	2
Sundry costs less sundry income	2	3
	184	169

Any indirect costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions or in the proceeds of investment sales (see note 7a - Reconciliation of movements in investments).

The Fund has not incurred any performance-related investment management fees in 2015/16 or 2014/15.

Notes to the Financial Statements

6 Investment income

	2014/15 £000	2015/16 £000
Income from fixed interest securities	250	512
Income from pooled investments - property	308	277
Interest on cash deposits	11	10
	569	799
Irrecoverable withholding tax	-	-
	569	799

7 Reconciliation of movement in investments

	Market value at 31 March 2015 £000	Purchases at cost £000	Sales & proceeds £000	Change in market value £000	Market value at 31 March 2016 £000
Fixed interest securities	54,147	5,698	-	(96)	59,749
Pooled investment vehicles	97,503	13,987	(24,887)	2,058	88,661
	151,650	19,685	(24,887)	1,962	148,410
Other financial assets / (liabilities)					
Cash deposits	244			-	11
Dividend due etc	173			-	177
	417			-	188
Net financial assets	152,067			1,962	148,598

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Any indirect costs incurred through the bid-offer spread on some pooled investment vehicles are reflected in the cost of investment acquisitions and in the proceeds from sales and are therefore included in the tables above.

	Market value at 31 March 2014 £000	Purchases at cost £000	Sales & proceeds £000	Change in market value £000	Market value at 31 March 2015 £000
Fixed interest securities	-	49,838	-	4,309	54,147
Pooled investment vehicles	133,761	-	(56,810)	20,552	97,503
	133,761	49,838	(56,810)	24,861	151,650
Other financial assets / (liabilities)					
Cash deposits	-			-	244
Dividend due etc	-			-	173
	-			-	417
Net financial assets	133,761			24,861	152,067

Notes to the Financial Statements

8 Investment managers and mandates

		Market value at 31 March 2015 £000	% of total 31 March 2015 %	Market value at 31 March 2016 £000	% of total 31 March 2016 %
Manager	Mandate				
State Street	UK equities	9,199	6.0	10,060	6.8
Total UK equities		9,199	6.0	10,060	6.8
State Street	N American equities	12,575	8.3	13,752	9.2
State Street	European (ex UK) equities	8,580	5.6	8,994	6.1
State Street	Pacific (ex Japan) equities	3,544	2.3	3,617	2.4
State Street	Japanese equities	5,264	3.5	4,834	3.3
State Street	Emerging markets equities	3,449	2.3	3,672	2.5
Total regional overseas equities		33,412	22.0	34,869	23.5
In-house	UK Index linked gilts	54,564	35.9	59,937	40.3
State Street	UK Fixed interest gilts	21,362	14.0	19,777	13.3
State Street	UK Index linked gilts	25,655	16.9	16,167	10.9
Total fixed interest and inflation linked bonds		101,581	66.8	95,881	64.5
Standard Life	Property	7,875	5.2	7,788	5.2
Total property		7,875	5.2	7,788	5.2
Net financial assets		152,067	100.0	148,598	100.0

The Fund's investments with State Street are structured in Unitised Insurance Policies.

9 Investments representing more than 5% of the net assets of the Fund

	Market value at 31 March 2015 £000	% of total 31 March 2015 %	Market value at 31 March 2016 £000	% of total 31 March 2016 %
UK Gov 1.125% Index Linked 22/11/27	26,489	17.4	26,386	17.6
State Street UK Index Linked Gilts Over 15 Years	25,655	16.9	16,167	10.8
State Street UK Conventional Gilts Over 15 Years	21,362	14.0	19,777	13.2
UK Gov 1.25% Index Linked 22/11/32	16,401	10.8	16,380	10.9
State Street MPF North America Equity Index	12,575	8.3	13,752	9.2
UK Gov 1.125% Index Linked 22/11/37	11,257	7.4	11,321	7.5
State Street MPF UK Equity Index	9,199	6.0	10,060	6.7
State Street MPF Europe ex-UK Equity Index	8,580	5.6	8,994	6.0
Schroders UK Real Estate Income Units	7,874	5.2	7,788	5.2

Notes to the Financial Statements

10 Financial Instruments

10a Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

All financial instruments are marked to market (at fair value) in the Fund's accounting records hence there is no difference between the carrying value and fair value.

	31 March 2015			31 March 2016		
	Designated as fair value through fund account £000	Loans and receivables £000	Financial liabilities at amortised cost £000	Designated as fair value through fund account £000	Loans and receivables £000	Financial liabilities at amortised cost £000
Financial assets						
Investment assets						
Fixed interest	54,147	-	-	59,749	-	-
Pooled investments	97,503	-	-	88,661	-	-
Cash	-	244	-	-	11	-
Other balances	-	173	-	-	177	-
	151,650	417	-	148,410	188	-
Other assets						
City of Edinburgh Council	-	219	-	-	95	-
Cash	-	2,433	-	-	1,610	-
Debtors	-	27	-	-	22	-
	-	2,679	-	-	1,727	-
Assets total	151,650	3,096	-	148,410	1,915	-
Financial liabilities						
Other liabilities						
Creditors	-	-	(26)	-	-	(50)
Liabilities total	-	-	(26)	-	-	(50)
Total net assets	151,650	3,096	(26)	148,410	1,915	(50)

Total net financial instruments	154,720		150,275
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10b Net gains and losses on financial instruments

	2014/15 £000	2015/16 £000
Designated as fair value through fund account	24,681	1,962
Loans and receivables	-	-
Financial liabilities at amortised cost	-	-
Total	24,681	1,962

Notes to the Financial Statements

10c Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities and unit trusts.

Quoted investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investments in unquoted private equity, infrastructure, timber and European real estate are based on valuations provided by the general partners to the funds in which the Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines or similar guidelines provided by the British Venture Capital Association, which follow the valuation principles of International Financial Reporting Standards (IFRS). The valuations are typically undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

	31 March 2016			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Designated as fair value through fund account	88,661	59,749	-	148,410
Loans and receivables	1,915	-	-	1,915
Total financial assets	90,576	59,749	-	150,325
Financial liabilities				
Designated as fair value through fund account	-	-	-	-
Financial liabilities at amortised cost	(50)	-	-	(50)
Total financial liabilities	(50)	-	-	(50)
Net financial assets	90,526	59,749	-	150,275

Notes to the Financial Statements

10c Valuation of financial instruments carried at fair value (cont)

	31 March 2015			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Designated as fair value through fund account	97,503	54,147	-	151,650
Loans and receivables	3,096	-	-	3,096
Total financial assets	100,599	54,147	-	154,746
Financial liabilities				
Designated as fair value through fund account	-	-	-	-
Financial liabilities at amortised cost	(26)	-	-	(26)
Total financial liabilities	(26)	-	-	(26)
Net financial assets	100,573	54,147	-	154,720

11 Nature and extent of risk arising from financial instruments

Risk and risk management

The Fund's primary aim is to ensure that all members and their dependants receive their benefits when they become payable. The investment strategy aims to maximise the returns from investments within reasonable risk parameters and hence minimise the long-term cost to employer. The Fund achieves this by investing in a diverse range of assets to reduce risk to an acceptable level. In addition, the Fund ensures that sufficient cash is available to meet all liabilities when they are due to be paid.

Responsibility for the Fund's overall investment strategy rests with the Pensions Committee. The Investment Strategy Panel and the internal investment team monitor investment risks on a regular basis. Investment risk management tools are used to identify and analyse risks faced by the Fund's investments.

Types of investment risk

There are various ways of considering investment risks for pension funds. For the purposes of this note, market risk is the potential for an investor to experience losses from falls in the prices of investments. All financial instruments, including cash deposits, present a risk of loss of capital and risks vary depending on different asset classes.

Market risk also changes over time as economic conditions and investor sentiment change. The Fund considers overall fluctuations in prices arising from a variety of sources: market risk, foreign exchange risk, interest rate risk, credit risk, etc. The different risks may, to some extent, offset each other. The overall market risk of the Fund depends on the actual mix of assets and encompasses all the different elements of risk.

The Fund manages these risks in a number of ways:

- assessing and establishing acceptable levels of market risk when setting overall investment strategy. Importantly, risk is considered relative to the liabilities of the Fund
- diversification of investments in terms of type of asset, investment styles, investment managers, geographical and industry sectors as well as individual securities
- taking stewardship responsibilities seriously and pursuing constructive engagement with the companies in which we invest
- monitoring market risk and market conditions to ensure risk remains within tolerable levels

Notes to the Financial Statements

11 Nature and extent of risk arising from financial instruments (cont)

Sensitivity analysis

Asset prices have a tendency to fluctuate. The degree of such fluctuation is known as "volatility" and it differs by asset class. The table sets out the long-term volatility assumptions used by the Fund's investment adviser KPMG:

Asset type	Potential price movement (+ or -)
Equities - Developed Markets	20.5%
Equities - Emerging Markets	30.0%
Fixed Interest Gilts	6.7%
Index-Linked Gilts	10.8%
Property	13.0%

Volatility is the standard deviation of annual returns. Broadly speaking, in two years out of three, the asset's change in value (which could be a gain or a loss) is expected to be lower than the volatility figure, but in one year out of three, the change in value is expected to be higher than the volatility figure.

Asset classes don't always move in line with each other. The extent to which assets move together is known as their "correlation". A lower correlation means that there is less risk of assets losing value at the same time. The overall Fund benefits from "diversification" because it invests in numerous different asset classes, which don't all move in line with each other. Consequently, the aggregate risk at the Fund level is less than the total risk from all the individual assets in which the Fund invests.

The following table shows the risks at the asset class level and the overall Fund level.

	Value at 31 March 2016 £000	% of fund %	Potential Change +/- %	Value on increase £000	Value on decrease £000
Equities - Developed Markets	41,256	27.8	20.5	49,713	32,799
Equities - Emerging Markets	3,672	2.5	30.0	4,774	2,570
Fixed Interest Gilts	19,777	13.3	6.7	21,102	18,452
Index-Linked Gilts	76,105	51.2	10.8	84,324	67,886
Property	7,788	5.2	13.0	8,800	6,776
Total [1]	148,598	100.0	13.5	168,713	128,483
Total [2]			9.4	162,566	134,630
Total [3]			8.3	160,932	n/a

[1] No allowance for correlations between assets

[2] Including allowance for correlations between assets

[3] Including allowance for correlation between assets and liabilities.

The value on increase/decrease columns illustrate the monetary effect of the percentage change in the volatility column. The actual annual change in value is expected to be lower than this in two years out of three, but higher in one year out of three.

It can be seen that the risk to the overall Fund assets [2] is lower than the total of the risks to the individual assets [1].

Notes to the Financial Statements

11 Nature and extent of risk arising from financial instruments (cont)

However, because the purpose of a pension scheme is to make payments to scheme beneficiaries, the true risk of a pension scheme is not measured in absolute terms, but relative to its liabilities [3]. The risk is lower than the absolute asset risk, due to the impact of correlation with the discount rate used to value the liabilities.

This risk analysis incorporates volatility from market, interest rate, foreign exchange, credit, and all other sources of risk, and, importantly, makes allowance for how these risks may offset each other.

Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the value of the Fund's assets and liabilities (as outlined in Market Risk above).

In essence, the Fund's entire investment portfolio is exposed to some sort of credit risk. However, through the selection of counterparties, brokers and financial institutions the Fund reduces the credit risk that may occur through the failure to settle a transaction in a timely manner.

Cash deposits are the major areas of credit exposure where credit risk is not reflected in market prices.

Cash deposits

At 31 March 2016, cash deposits represented £1.6m, 1% of total net assets. This was held with the following institutions:

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Held for investment purposes			
Northern Trust Company - cash deposits	Aaa-mf	244	11
Held for other purposes			
The City of Edinburgh Council - treasury management	See below	2,433	1,610
Total cash		2,677	1,621

The majority of Sterling cash deposits of the Fund are managed along with those of the administering authority (the City of Edinburgh Council) and other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk basis, with security of the investments the key consideration. The Council has in place counterparty criteria.

The Council has in place institutional restrictions on investments and counterparty criteria. These include -

- UK Government and other UK local Authorities with no limit, other public bodies up to £20 million per organisation.
- Money market funds (MMFs) no more than £30 million or 15% with any one Fund.
- Financial Institutions: Banks and Building Societies with multiple criteria based on a range of short and long term credit ratings, as well as any security provided, from maximum of £60 million / 20% of assets under management (AUM) for institutions with the highest criteria to £10 million / 5% of AUM for institutions with the lowest acceptable criteria.

Notes to the Financial Statements

11 Nature and extent of risk arising from financial instruments (cont)

	Moody's Credit Rating at 31 March 2016	Balances at 31 March 2015 £000	Balances at 31 March 2016 £000
Money market funds			
Deutsche Bank AG, London	Aaa-mf	357	215
Goldman Sachs	Aaa-mf	357	2
Bank call accounts			
Bank of Scotland	A1	230	105
Royal Bank of Scotland	A3	32	17
Santander UK	A1	223	-
Barclays Bank	A2	233	109
Svenska Handelsbanken	Aa2	363	111
HSBC Bank	Aa2	355	-
Commonwealth Bank of Australia	Aa2	94	-
Floating rate note			
Rabobank	Aa2	63	-
Building society fixed term deposits			
Nationwide Building Society	A1	63	-
UK Pseudo-Sovereign risk instruments			
Other Local Authorities [1]	Aa1	-	730
UK Government Treasury Bills	Aa1	63	321
		2,433	1,610

[1] Very few Local Authorities have their own credit rating but they are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2016 was 'Aa1').

No breaches of the Council's counterparty criteria occurred during the reporting period and the Fund does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Refinancing risk

Refinancing risk is the risk that the Fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Fund is not bound by any obligation to replenish its investments and hence is not exposed to refinancing risk.

Liquidity risk

Liquidity risk reflects the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore ensures that there is adequate cash and liquid resources to meet its commitments. Cash flow projections are prepared on a regular basis to understand and manage the timing of the Fund's cash flows.

All of the Fund's investments could be converted to cash within three months in a normal trading environment.

12 Actuarial statement

The Scheme Actuary has provided a statement describing the funding arrangements of the Fund. This can be found at the end of this section.

Notes to the Financial Statements

13 Actuarial present value of promised retirement benefits

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standard 19 (IAS19) assumptions, is estimated to be £130m (2015 £141m). This figure is used for statutory accounting purposes by Scottish Homes Pension Fund and complies with the requirements of IAS26. The assumptions underlying the figure match those adopted for the Administering Authority's FRS17/IAS19 reports at each year end.

The figure is only prepared for the purposes of IAS26 and has no validity in other circumstances. In particular, it is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Fund.

	31 March 2015 % p.a.	31 March 2016 % p.a.
Inflation/pensions increase rate	2.1%	2.2%
Discount rate	3.1%	3.5%

Longevity assumptions

The life expectancy assumption is based on Fund specific statistical analysis with improvements in line with the CMI 2012 model, assuming that the current rate of improvements has reached a peak and will converge to a long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies, in years, at age 65 are summarised below:

	31 March 2015		31 March 2016	
	Males	Females	Males	Females
Current pensioners	24.5 years	25.4 years	24.5 years	25.4 years
Future pensioners (assumed to be currently 45)	26.8 years	28.6 years	26.8 years	28.6 years

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

14 Debtors

	31 March 2015 £000	31 March 2016 £000
Sundry debtors	27	22
	27	22

Analysis of debtors

	31 March 2015 £000	31 March 2016 £000
Administering Authority	1	1
Other entities and individuals	26	21
	27	22

Notes to the Financial Statements

15 Creditors

	31 March 2015 £000	31 March 2016 £000
Benefits payable	5	8
Miscellaneous creditors and accrued expenses	21	42
	26	50

Analysis of creditors

	31 March 2015 £000	31 March 2016 £000
Other entities and individuals	26	50
	26	50

16 Related party transactions

The City of Edinburgh Council

The Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund are administered by the City of Edinburgh Council. Consequently there is a strong relationship between the Council and the Pension Funds.

The Investment and Pensions Division of the Council is responsible for administering the three Pension Funds. The Division receives an allocation of the overheads of the Council, based on the amount of central services consumed. In turn, the Division allocates its costs to the three Pension Funds. Costs directly attributable to a specific Fund are charged to the relevant Fund; costs that are common to all three Funds are allocated on a defined basis.

Transactions between the Council and the Fund are managed via a holding account. Each month the Fund pays a cash sum to the Council leaving a working balance in the account.

	31 March 2015 £000	31 March 2016 £000
Year end balance of holding account	219	95
	219	95

Part of the Fund's cash holdings are invested on the money markets by the treasury management operations of the Council, through a service level agreement. During the year to 31 March 2016, the fund had an average investment balance of £2.2m (2015 £2.5m). Interest earned was £10.5k (2015 £11.5k).

Year end balance on treasury management account	31 March 2015 £000	31 March 2016 £000
Held for investment purposes	-	-
Held for other purposes	2,433	1,610
	2,433	1,610

Notes to the Financial Statements

16 Related party transactions (cont)

Office accommodation - 144 Morrison Street, Edinburgh

Investment and Pensions Division of the Council entered into an internal agreement with the Council for the provision of office accommodation at 144 Morrison Street in Edinburgh. The terms of the agreement are equivalent to those that would have been obtained had the accommodation been let on a commercial basis. In the accounts of the Fund the arrangement has been treated as a operational lease. The Investment and Pensions Division is committed to making the following future payments. City of Edinburgh Council sold the property on 31 March 2016, the lease with the new landlord is on the same terms as the internal agreement.

	31 March 2015 £000	31 March 2016 £000
Within one year	-	42
Between one and five years	272	345
After five years	1,107	992
	1,379	1,379
Recognised as an expense during the year	91	92

The above expense has been allocated across the three Funds, Scottish Homes Pension Fund's share is £2.2k.

Governance

As at 31 March 2016, all members of the Pensions Committee, with the exception of Councillor Bill Cook and Richard Lamont, and all members of the Pensions Board, with the exception of Graham Turnbull, were active members of the Lothian Pension Fund or Lothian Buses Pension Fund.

Each member of the Pensions Committee is required to declare any financial and non-financial interests they have in the items of business for consideration at each meeting, identifying the relevant agenda item and the nature of their interest.

During the period from 1 April 2015 to the date of issuing of these Financial Statements, a number of employees of the City of Edinburgh Council and its wholly owned subsidiary, LPFE Limited, held key positions in the financial management of the Lothian Pension Fund. With effect from 1 May 2015, all the employees listed below, with the exception of the Executive Director of Resources, were employed by LPFE Limited. These employees and their financial relationship with the Fund (expressed as cash-equivalent transfer values or CETV) are set out below:

Name	Position held	Accrued CETV as at 31 March 2015 £000	Accrued CETV as at 31 March 2016 £000
Hugh Dunn*	Acting Executive Director of Resources	734	755
Clare Scott	Chief Executive, Lothian Pension Fund	147	175
Bruce Miller	Chief Investment Officer, Lothian Pension Fund	139	185
Struan Fairbairn	Chief Risk Officer, Lothian Pension Fund	19	30
John Burns	Chief Finance Officer, Lothian Pension Fund	426	474
Esmond Hamilton	Financial Controller	138	161

* Also disclosed in the financial statements of the City of Edinburgh Council.

Notes to the Financial Statements

16 Related party transactions (cont)

There is no need to produce a remuneration report for 2015/16, as the Pension Fund did not directly employ any staff.

Staff are either employed by City of Edinburgh Council or LPFE Ltd, and their costs reimbursed by the Pension Fund. The Councillors, who are members of the Pensions Committee are also remunerated by City of Edinburgh Council.

17 Contingent assets/liabilities and contractual commitments

There were no contingent liabilities or contractual commitments at the year end.

18 Impairment losses

No impairment losses have been identified during the year.

Scottish Homes Pension Fund

Actuarial Statement for 2015/16

This statement has been prepared in accordance with Regulation 55(1)(d) of the Local Government Pension Scheme (Scotland) Regulations 2014. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The administering authority's Funding Strategy Statement, dated November 2015, states that a bespoke funding strategy has been adopted for the Fund.

The strategy aims for the Fund to be 100% solvent by 2044 using a discount rate based on government bonds. It includes target funding levels at each actuarial valuation. Contributions from the Scottish Government are determined by reference to the target funding levels. The deficit recovery period is 8 years.

The Funding strategy is designed to reduce investment risk as the Fund is closed to new members and the liabilities will mature over the time, with a reducing allocation to equities over time reflecting the requirements of the Scottish Government to lock away any surpluses that may occur over time by accelerating the transfer into bonds.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 32 of the Local Government Pension Scheme (Scotland) (Administration) Regulations 2008 was as at 31 March 2014. This valuation revealed that the Fund's assets, which at 31 March 2014 were valued at £136 million, were sufficient to meet 89% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2014 valuation was £17 million.

The Guarantor's contributions for the period 1 April 2015 to 31 March 2018 were set in accordance with the Fund's funding policy as set out in its Financial Strategy Statement.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the valuation report dated 4 December 2014.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund's assets at their market value.

Scottish Homes Pension Fund

Actuarial Statement for 2015/16

The key financial assumptions adopted for the 2014 valuation were as follows:

Assumption	Description
Price Inflation (CPI) (deferreds and pensioners)	Bank of England implied (RPI) curve less 0.8% p.a.
Discount rate (deferreds and pensioners)	Bank of England nominal yield curve

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI_2012 model, assuming the current rate of improvements has reached a peak and will converge to long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	24.5 years	25.4 years
Future Pensioners *	26.8 years	28.6 years

*Future pensioners are assumed to be aged 45 at the 2014 valuation

Copies of the 2014 valuation report and Funding Strategy Statement are available on request from The City of Edinburgh Council, the Administering Authority to the Fund.

Experience over the period since April 2014

The administering authority monitors the funding position on a regular basis as part of its risk management programme. The funding level at 31 March 2016 is estimated to be 92%, an increase of 3% since the formal funding valuation at 31 March 2014.

The next actuarial valuation will be carried out as at 31 March 2017. The Funding Strategy Statement will also be reviewed at that time.

Richard Warden FFA
Fellow of the Institute and Faculty of Actuaries
For and on behalf of Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

21 April 2016

Statement of Accounting Policies and General Notes

1 Basis of preparation

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The Financial Statements summarise the transactions of the Funds for the year ended 31 March 2016 and report on the net assets available to pay pension benefits as at 31 March 2016. The Financial Statements do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present values of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, are disclosed in the Notes to the Financial Statements.

2 Summary of significant accounting policies

General

a) Basis of consolidation

Commencing with the year ended 31 March 2016, Consolidated Financial Statements have been prepared for Lothian Pension Fund. The Financial Statements of Lothian Buses Pension Fund and Scottish Homes Pension Fund continue to be prepared on a single entity basis.

The Consolidated Financial Statements for Lothian Pension Fund are prepared by combining the Financial Statements of the Fund (the parent entity) and its controlled entity (LPFE Limited) as defined in accounting standard IAS27 - Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the Consolidated Financial Statements. All inter-entity balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation.

As LPFE Limited commenced trading on 1 May 2015, the prior year comparative figures consist only of the results of Lothian Pension Fund. Further details of the consolidation are provide in the Notes to the Financial Statements of Lothian Pension Fund.

LPFE Limited is wholly owned by the City of Edinburgh Council. As the purpose of the Company is to provide staff services in respect of investment and general management of the Pension Funds, it is considered appropriate to consolidate the Company's Financial Statements with those of Lothian Pension Fund.

Fund account - revenue recognition

b) Contribution income

Normal contributions, both from the members and from employers, are accounted for on an accruals basis at the rate certified by the Scheme Actuary in the payroll period to which they relate.

Similarly, employer deficit funding contributions are accounted for on the due date on which they are payable as certified by the scheme actuary.

Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

c) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Statement of Accounting Policies and General Notes

d) Investment income

i) Interest income

Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) Income from unquoted private equity and infrastructure investments

Income from the above sources is recognised when it is notified by the manager. Distributions are split into capital and income elements with the latter being included under investment income in the Fund Account.

v) Property related income

Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the fund is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental income is reported gross with the operational costs of the properties included in investment management expenses.

Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

vi) Movement in the net market value of investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account - expense items

e) Benefits payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

f) Taxation

i) Pension Funds

The Local Government Pension Scheme is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

Statement of Accounting Policies and General Notes

ii) Controlled entity - LPFE Limited

The Company is a mutual trader and is therefore not liable to corporation tax on any surpluses generated from services provided in respect of the Pension Funds. The tax charge for the period is based on any profit for the period from non-mutual trade, adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the period end date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g) Administrative expenses

All administrative expenses are accounted for on an accruals basis. The Investment and Pensions Division of the Council is responsible for administering the three Pension Funds. The Division receives an allocation of the overheads of the Council, this is based on the amount of central services consumed. In turn, the Division allocates its costs to the three Pension Funds.

Costs directly attributable to a specific Fund are charged to the relevant Fund. Investment management costs that are common to all three Funds are allocated in proportion to the value of the Funds as at the end of the year. Other administration costs are allocated in proportion to the number of members in each of the Funds at the end of the year.

h) Investment management expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. For some investment managers, an element of their fee is performance related. The amount of any performance related fees paid is disclosed in the note to the accounts on investment management expenses provided for each Fund.

The cost of administering the Local Government Pension Scheme in the UK has come under increasing scrutiny in recent years. As a result, the decision to recognise investment management costs that are deducted from the value of an investment and recognised this as a cost in the Fund Account rather than as a reduction in the change in market value of investments. Investment transaction costs that are added to an investment purchase price or deducted from the proceeds of a sale are also recognised as a cost in the Fund Account rather than as a reduction in the change in market value of investments.

Statement of Accounting Policies and General Notes

h) Investment management expenses (cont)

In March 2016, CIPFA revised and updated its guidance "Accounting for Local Government Pension Scheme Management Costs". Whilst the underlying principle of transparency of investment costs remains unchanged, there has been a degree of relaxation to full cost disclosure. Specifically, for complex "Fund of Funds" structures, the new guidance states that "Investment costs incurred by a separate legal entity, or in respect of investment decisions over which the pension fund has no control, should not be included in the (Pension) Fund Account.....If pension funds wish to provide information about the total cost of Fund of Fund investments, this should be included as part of the Investments section in the Annual Report". The impact of this is that investment management costs deducted from any underlying fund in a "Fund of Funds" investment would not be included in the costs disclosed in the Fund Account. As this would significantly under-report investment management costs the decision has been made not to adopt this element of the CIPFA guidance. However, this type of cost is separately identified as "external management fees - deducted from capital (indirect)" in the notes on investment management expenses.

Any indirect costs incurred through the bid-offer spread on some pooled investment vehicles are not treated as an expense. Such costs are accounted for as part of the acquisition costs or sale proceeds.

The cost of obtaining investment advice from external consultants is included in investment management charges.

The costs of the in-house fund management team are charged to the Funds. The basis of allocation is as described in section g) above.

During the year, the policy on accounting for securities lending revenue has been revised. Previously, this revenue was stated net of the agent's management fee. The new policy is to report the revenue gross and include the fee in investment management expenses. The results for 2014/15 have been restated but there is no change in the net return on investments for the year.

i) Operating lease

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease. In accordance with SIC 15, lease incentives are recognised as a reduction in the lease expense over the term of the lease on a straight-line basis.

Net assets statement

j) Financial assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of asset are recognised by the fund.

The values of investments as shown in the net assets statement have been determined as follows:

i) Market quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

Statement of Accounting Policies and General Notes

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the council expects to receive on wind-up, less estimated realisation costs.
- securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
- directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
- investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
- the values of the direct investments in unquoted private equity, infrastructure, timber and real estate are based on valuations provided by the general partners to the funds in which the Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. The valuations are usually undertaken at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

iv) Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

v) Freehold and leasehold properties

The properties were valued at fair value at 31 March 2016 by John Symes-Thompson FRICS and Genine Terry MRICS of independent external valuers CB Richard Ellis Ltd. The valuations have been prepared in accordance with the RICS Valuation – Professional Standards global – January 2014 and the RICS Valuation Professional Standards UK January 2014 (revised April 2015), (“the Red Book”). The valuer’s opinion of fair value was primarily derived using comparable recent market transactions on arm’s-length terms.

k) Foreign currency transactions and balances

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of the transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

l) Derivatives

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in change in market value.

The value of futures contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

Statement of Accounting Policies and General Notes

l) Derivatives (cont)

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract.

m) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

n) Financial liabilities

The Funds recognise financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised.

o) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits of each of the Funds is assessed on an annual basis by the Scheme Actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS26, the Funds have opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statements.

p) Additional voluntary contributions

The Lothian Pension Fund and Lothian Buses Pension Fund provide an additional voluntary contributions (AVC) scheme for their members, the assets of which are invested separately from those of the Funds. The Funds have appointed Standard Life and Prudential as their AVC providers. AVCs are paid to the AVC providers by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

In accordance with regulation 5(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998, AVCs are not included in the pension fund financial statements. Details of contributions paid and the total value of funds invested are disclosed by way of note.

q) Employee benefits

i) Pension Funds

Staff working on the administration of the Pension Funds that are employed by the City of Edinburgh Council are eligible to join the Lothian Pension. As these people are employees of the Council, it's the Council that accounts for the benefits of the defined benefits scheme under IAS19. The Council recharges employment costs to the Pension Funds, including employer contributions to the Lothian Pension Fund.

ii) Controlled entity - LPFE Limited

The employees of LPFE Limited are eligible to participate in the Lothian Pension Fund and the Company contributes to the defined benefits scheme on behalf of its employees.

In the Consolidated Financial Statements the current service cost for the period is charged to the Fund Account. The assets of Lothian Pension Fund are held separately from those of the Company. The Company has fully adopted the accounting principles as required by IAS19 – Employee Benefits.

Statement of Accounting Policies and General Notes

ii) Controlled entity - LPFE Limited (cont)

The liability recognised in the Net Asset Statement in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in a currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Net Asset Statement in the period in which they arise.

Past-service costs are recognised immediately in the Net Asset Statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

3 Accounting Standards that have been issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/17 Code:

- Annual Improvements to IFRSs 2010 – 2012 Cycle
- Annual Improvements to IFRSs 2012 – 2014 Cycle
- The changes to the format of the Pension Fund Account and the Net Assets Statement.

The amendments are generally minor or principally providing clarification. Overall, these new or amended standards are not expected to have a significant impact on the financial statements.

4 Critical judgements in applying accounting policies

Unquoted private equity and infrastructure investments

It is important to recognise the highly subjective nature of determining the fair value of private equity and infrastructure investments. They are inherently based on forward-looking estimates and judgements involving many factors. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines or similar guidelines provided by the British Venture Capital Association, which follow the valuation principles of IFRS.

For the Lothian Pension Fund, the value of unquoted private equity, infrastructure and timber investments at 31 March 2016 was £716.2m (2015 £564.2m).

For the Lothian Buses Pension Fund, the value of unquoted private equity, infrastructure and timber investments at 31 March 2016 was £26.0m (2015 £14.3m).

Statement of Accounting Policies and General Notes

Actuarial present value of promised retirement benefits

Each Fund is required to disclose the estimated actuarial present value of promised retirement benefits as at the end of the financial year. These estimates are prepared by the Fund's Actuary. These values are calculated in line with International Accounting Standard 19 (IAS19) assumptions and comply with the requirements of IAS26. However, the results are subject to significant variances based on changes to the underlying assumptions.

The figures are only prepared for the purposes of IAS26 and has no validity in other circumstances. In particular, it is not relevant for calculations undertaken for funding purposes and setting contributions payable to the Funds.

5 Assumptions made about the future and other major sources of estimation uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council; private equity and infrastructure managers; other providers of valuation information; and the Scheme Actuary about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the net assets statement at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

a) Actuarial present value of promised retirement benefits Uncertainties

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Fund Actuary advises on the assumptions to be applied and prepares the estimates.

Effect if actual results differ from assumptions - Lothian Pension Fund

The effects on the net pension liability of changes in individual assumptions can be illustrated as follows:

Change in assumptions - year ended 31 March 2016	Approx % increase in liabilities %	Approx monetary amount £m
0.5% decrease in discount rate	11	669
1 year increase in member life expectancy	3	188
0.5% increase in salary increase rate	4	241
0.5% increase in pensions increase rate	7	414

Effect if actual results differ from assumptions - Lothian Buses Pension Fund

Change in assumptions - year ended 31 March 2016	Approx % increase in liabilities %	Approx monetary amount £m
0.5% decrease in discount rate	11	40
1 year increase in member life expectancy	3	11
0.5% increase in salary increase rate	4	14
0.5% increase in pensions increase rate	7	25

Statement of Accounting Policies and General Notes

a) Actuarial present value of promised retirement benefits (cont)

Uncertainties

Effect if actual results differ from assumptions - Scottish Homes Pension Fund

The effects on the net pension liability of changes in individual assumptions can be illustrated as follows:

Change in assumptions - year ended 31 March 2016	Approx % increase in liabilities %	Approx monetary amount £m
0.5% decrease in discount rate	6	7
1 year increase in member life expectancy	3	4
0.5% increase in pensions increase rate	6	7

b) Valuation of unquoted private equity and infrastructure investments

Uncertainties

These investments are not publicly listed and therefore there is a degree of estimation involved in their valuation (see 2j (iii) above for more details on the valuation methodology).

Effect if actual results differ from assumptions

There is a risk that these investments may be under or overstated in the accounts at any point in time. The actual financial return of this type of investment is only known with certainty when they reach the end of their lifecycles and the final distributions are made to investors.

c) Quantifying the cost of investment fees deducted from capital

Uncertainties

Section 2 h) describes the accounting policy for investment management expenses in relation to expenses deducted from the capital value of investments. Quantification of these costs involves asking the relevant managers for information and only some of this information can be independently verified. In cases where the charges relate to an investment as a whole, an estimate needs to be made of the costs applicable to the holding owned by the relevant Fund.

Effect if actual results differ from assumptions

There is a risk that the cost of investment fees deducted from capital may be under or overstated. However, as the costs are included in the fund account by adjusting the change in market value of investments, any inaccuracy in the cost estimate will not change the reported net change in the fund for the year.

Statement of responsibilities for the Statement of Accounts

The responsibilities of the Administering Authority

The Administering Authority's responsibilities require it to:

- make arrangements for the proper administration of the financial affairs of the pension funds in its charge and to secure that one of its officers has the responsibility for the administration of those affairs. The Acting Executive Director of Resources serves as the Section 95 Officer for all of the Council's accounting arrangements, including those of the Lothian Pension Funds. For the Lothian Pension Funds, however, this Section 95 responsibility has been delegated to the Chief Finance Officer, Lothian Pension Fund.
- manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Pensions Committee at its meeting on 28 September 2016.

COUNCILLOR ALASDAIR RANKIN
Pensions Committee Convener
28 September 2016

Statement of responsibilities for the Statement of Accounts

The responsibilities of the Chief Finance Officer, Lothian Pension Fund

The Chief Finance Officer, Lothian Pension Fund, is responsible for the preparation of the Pension Funds' statement of accounts which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code of Practice), is required to present a true and fair view of the financial position of the Pension Funds at the accounting date and their income and expenditure for the year (ended 31 March 2016).

In preparing this statement of accounts, the Chief Finance Officer, Lothian Pension Fund, has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice.

The Chief Finance Officer, Lothian Pension Fund, has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents a true and fair view of the financial position of the Pension Funds as at 31 March 2016, and their income and expenditure for the year ended 31 March 2016.

JOHN BURNS, FCMA CGMA
Chief Finance Officer, Lothian Pension Fund
28 September 2016

Independent Auditor's Report

Independent auditor's report to the members of City of Edinburgh Council as administering body for Lothian Pension Funds and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Lothian Pension Funds for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the fund accounts, the net assets statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the financial transactions of the funds during the year ended 31 March 2016, and of the amount and disposition at that date of their assets and liabilities;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Independent Auditor's Report

Opinion on other prescribed matter

In my opinion the information given in the management commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- the Governance Compliance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

David McConnell, MA, CPFA
Assistant Director
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
GLASGOW
G2 1BT
28 September 2016

Annual Governance Statement

Roles and responsibilities

The City of Edinburgh Council (the “Council”) has statutory responsibility for the administration of the Local Government Pension Scheme (LGPS) in the Lothian area of Scotland. This responsibility is for three separate Funds: Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund (the “Pension Funds”).

The main functions of the Administering Authority are administration of scheme benefits and the investment of the assets of the Funds. These functions are conducted in accordance with the Local Government Pension Scheme (Scotland) Regulations which are statutory instruments made under the Superannuation Act 1972.

The role of Administering Authority is carried out via:

- The Pensions Committee and the Pensions Audit Sub-Committee.
- The Pension Board
- The Investment and Pensions Division of the Resources Directorate of the Council
- The Investment Strategy Panel
- LPFE Limited and LPFI Limited (not yet trading at 31/3/16), wholly owned subsidiaries of the Council

Further details on the above arrangements can be found in the Governance section of the Management Commentary towards the front of this document.

Scope of Responsibility

As the Administering Authority of the Funds, the City of Edinburgh Council is responsible for ensuring that its business, including that of the Funds, is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is defined as continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, elected members and senior officers are responsible for implementing effective arrangements for governing the Council’s affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk. The Pensions Committee has delegated responsibility from Council for additional arrangements specific to the Pension Funds.

To this end, the Council has adopted a Local Code of Corporate Governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) framework ‘Delivering Good Governance in Local Government’. This statement explains how the City of Edinburgh Council delivers good governance and reviews the effectiveness of those arrangements.

This statement explains how the Council has complied with the Local Code of Corporate Governance and how it meets the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

This statement also covers the organisations (LPFE Limited and LPFI Limited (dormant as at 31/3/16)) included in the pension funds group accounts.

Annual Governance Statement

The Governance Framework

The Pension Funds operate within the wider governance framework of the Council to which is added arrangements specific to the Pension Funds themselves. The governance framework comprises the systems, processes, cultures and values by which the Pension Funds are directed and controlled. It also describes the way the Pension Funds engage with and account to stakeholders. It enables the Pension Funds to monitor the achievement of their objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services. The framework also applies to any subsidiary companies including LPFE Limited and LPFI Limited which are members of the Council's Group.

The Council's Local Code of Corporate Governance is supported by evidence of compliance which is regularly reviewed and considered by the Governance, Risk & Best Value Committee. The rest of the Group observes the principles of the code.

The Council has a self assessment assurance process to support the Annual Governance Statement given by the Council each year in their Audited Annual Accounts. As part of this process, each Council Company is required to self assess the controls framework within their Company. The Chief Executive Officer of the Pension Funds reviewed the underlying controls framework and confirmed that no significant control problems or other matters existed that should prevent the signing of the Council's Annual Governance Statement.

The Council's Governance and Democratic Services manager reviewed the Evidence of Assurance provided by the Pension Funds and was satisfied with the effectiveness of the controls described. The annual assurance questionnaire process provides the Council's Chief Executive with a level of assurance on the adequacy of the governance arrangements in place within each of the Arms Length Companies for which the Council is the majority shareholder. Internal Audit are due to review LPFE Limited's governance arrangements in 2016, while the companies financial statements have been audited by Scott-Moncrieff. LPFI Limited is currently dormant. The Council's Corporate Governance Framework meets the principles of effective governance.

The Funds place reliance upon the internal financial controls within the Council's financial systems and the monitoring in place to ensure the effectiveness of these controls. The relevant key elements of the Council's corporate governance framework, with specific additional reference as appropriate to the arrangements for the Funds, are set out below:

Elements of the governance framework specific to the Pension Funds include:

- Identifying the objectives of the Funds in the Funding Strategy Statement, Statement of Investment Principles and Service Plan.
- With effect from April 2015 the Pensions Regulator is responsible for setting standards of governance and administration for Local Government and other Public Sector pension schemes. The Pension Funds have taken steps to fully integrate compliance with these standards within the overall governance framework operated by the Funds.
- A systematic approach to monitoring service performance by the Pensions Committee, Pensions Audit Sub-Committee, senior officers and stakeholders, including the Pension Board and Independent Professional Observer.
- A structured programme to ensure that Pensions Committee members have the required standard of knowledge and understanding of Local Government Pension Scheme matters.
- Operating within clearly established investment guidelines defined by the Local Government Pension Scheme Investment Regulations and the Funds' Statement of Investment Principles;

Annual Governance Statement

- Compliance with the CIPFA Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme.
- With the exception of managed funds, unlisted investments and property, all investments are held under custody by a global custodian. The Funds benefit from the custodian's extensive internal control framework.
- Benchmarking of services in terms of standards and cost against other pension funds.

Elements of the governance framework of the Council that are relevant to the Pension Funds include:

- The Council's key corporate vision and priorities are set out and published in the City of Edinburgh Council Business Plan 2016-2020.
- A performance management framework, incorporating internal and public performance reporting, which focuses on continuous improvement of our services, applying reliable improvement methods to ensure that services are consistently well designed based on the best evidence and are delivered on a right first time basis.
- The Council is embedding a culture of commercial excellence to ensure that our services always deliver Best Value. Focused work is underway to further improve standards in buying practices and processes across the Council
- The submission of reports, findings and recommendations from Audit Scotland, the external auditor, other inspectorates and internal audit, to the Corporate Leadership Team, Governance, Risk and Best Value Committee and Council, and to the Pensions Committee and Pensions Audit Sub-Committee for all matters affecting the Funds, where appropriate, supports effective scrutiny and service improvement activities.
- The roles and responsibilities of Elected Members and Officers are defined in Procedural Standing Orders, Committee Terms of Reference and Delegated Functions, Contract Standing Orders, Scheme of Delegation to Officers, the Member/officer protocol and Financial Regulations. These are subject to annual review.
- The Chief Executive has overall responsibility to Council, as head of paid service, for all aspects of operational management and overall responsibility for ensuring the continued development and improvement of systems and processes concerned with ensuring appropriate direction, accountability and control.
- The Acting Executive Director of Resources, as Section 95 Officer, has overall responsibility for ensuring appropriate advice is given to the Council and Group on all financial matters, keeping proper financial records of accounts and maintaining an effective system of internal financial control. For the Funds, the Section 95 officer responsibility has sub-delegated to the Chief Finance Officer, Lothian Pension Fund.
- The Chief Internal Auditor has overall responsibility to review, appraise and report to management and the Governance, Risk and Best Value Committee, and for Pension Fund matters to the Pensions Committee and Pensions Audit Sub-Committee, on the adequacy of the Council's internal control and corporate governance arrangements and on risks relating to approved policies, programmes and projects.
- The Council's Governance and Democratic Services Manager, reporting to the Head of Strategy and Insight, has responsibility for advising the Council on corporate governance arrangements.

Annual Governance Statement

- The Governance, Risk and Best Value Committee, and for Pension Fund matters, the Pensions Committee and Pensions Audit Sub-Committee, provides the Council with independent assurance of the adequacy of the governance and risk management frameworks and internal control environment. Also providing independent scrutiny of financial and non-financial performance, approving and monitoring the progress of the Internal Audit risk based plan, and monitoring performance of the internal audit service.
- The risk management policy and framework set out the responsibilities of elected members, Governance, Risk and Best Value Committee, and for Pension Fund matters, the Pensions Committee and Pensions Audit Sub-Committee, management and staff for the identification and management of risks to corporate and service related priorities.
- The Community Risk Register, Council Risk Register and Service area risk registers identify risks and proposed treatment or actions. These registers are regularly reviewed, updated and reported to the Corporate Leadership Group, which reviews Council-wide risk and reports to the Governance, Risk and Best Value Committee for scrutiny and challenge. For Pension Fund matters the Pensions Committee and Pensions Audit Sub-Committee are responsible for scrutiny and challenge.
- Resilience and business continuity plans are in place for all essential Council services. These set out arrangements for continuing to deliver essential services in the event of an emergency or other disruption.
- Senior management and Heads of Service have formal objectives, with performance reviewed by the appropriate chief officer. Officers have personal work objectives, and receive feedback on their performance through the Council-wide performance review and development process.
- An Elected Members remuneration and expenses scheme is in place and is consistent with the Scottish Government's 'Councillors Remuneration: allowances and expenses – Guidance'. Information on the amounts and composition of elected members salaries, allowances and expenses is published on the Council's website.
- The Council's Governance and Democratic Services Manager ensures that induction training on roles and responsibilities, and ongoing development opportunities, are provided for Elected Members. For the Pension Funds, a policy on Committee and Board member training has been adopted.
- Codes of Conduct that set out the standards of behaviour expected from Elected Members and officers are in place.
- The Employee Code of Conduct, Anti Bribery Policy and Policy on Fraud Prevention set out the responsibilities of officers and Elected Members in relation to fraud and corruption, and are reinforced by the Councillors' Code of Conduct, the Code of Ethical Standards and the Financial Regulations. An annual refresher exercise is undertaken for officers to confirm that they have read and understood the relevant policies.
- The Whistleblowing policy provides a process for disclosure in the public interest about the Council and its activities by officers, Elected Members and others.
- A Register of Members' Interests and Registers of Officers' interests are maintained and available for public inspection.

A significant element of the governance framework is the system of internal controls, which is based on an ongoing process to identify and prioritise risks to the achievement of the Council's objectives, including those relevant to the Pension Funds. Following the establishment of the wholly-owned subsidiary companies, LPFE Limited and LPFI Limited, the Council continues to have appropriate assurance processes and procedures in relation to the responsible officers involved in the administration of the Pension Funds.

Annual Governance Statement

Review of Effectiveness

The Local Code of Governance details the Council's arrangements for monitoring each element of the framework and providing evidence of compliance. The Council's Governance and Democratic Services manager reviewed the arrangements and is satisfied that the Code continues to be adequate and effective. Governance arrangements will continue to be monitored and self-assessment information provided to the Governance, Risk and Best Value Committee on an annual basis.

The Internal Audit Section operates in accordance with CIPFA's Code of Practice for Internal Audit. The Section undertakes an annual work programme based on agreed audit strategy and formal assessments of risk that are reviewed regularly. During the year, the Chief Internal Auditor reported to the Head of Legal and Risk (Interim) but had free access to the Chief Executive, all executive directors and Elected Members along with reporting directly to the Governance, Risk and Best Value Committee and Pensions Committee.

The Chief Internal Auditor has also provided an assurance statement to the Pensions Committee and Pensions Audit Sub-Committee on the effectiveness of the system of internal control. The opinion in the assurance statement states:

"Whilst Internal Audit have not identified any fundamental weaknesses in the framework of governance, risk management and control at the Fund, based on our work performed in the year (set out below), the management recommendations that remain outstanding at the date of this report, and the work performed during the year over governance, risk management and controls at the City of Edinburgh Council, Internal Audit considers that there are some weaknesses in the framework of governance, risk management and controls which could potentially put the achievement of organisational objectives at risk if not addressed and there are instances of non-compliance with controls that, if not addressed, may put the achievement of organisational objectives at risk. We consider that addressing the matters identified will further enhance the adequacy and effectiveness of governance, risk management and control."

During the year the Internal Audit Section conducted three specific reviews of the internal controls operating within the Pension Funds. The first, review looked at systems for making one-off payments to members (including retirement lump sums, death benefits and transfer payments). Two medium risk and three low risk findings were reported. At the date of preparation of this Statement all of these findings have been addressed with the exception of one of low risk. This relates to the level of checking of retirement quotations not being as rigorous as the checking applied to actual benefit payments. Procedures are being reviewed to address this risk.

The second review looked at the compliance of the Pension Funds with the LGPS Regulations. Two medium risk and two low risk findings were reported. At the date of preparation of this Statement all of these findings have been addressed with the exception of one of medium risk. This relates to the value of Scottish Homes Pension Fund investments held as a single insurance policy exceeding the threshold in the Regulations of 25%. This matter is currently being resolved with the external investment manager, so that the holdings are within the threshold. The third review considered the controls applied to externally managed investments. No risks were identified as a result of this review.

The assurance statement also refers to one finding from 2014/15, this relates to the performance of monthly contribution reconciliations and was originally due to be completed by 31 March 2015. Implementation has proved more difficult than was anticipated with some employer organisations and the completion date for this has been reset to 30 April 2016 with the agreement of the Pensions Committee. Under the revised Pension Administration Strategy, a fine will be levied on any employer failing to submit monthly contribution returns. Any such charge will be effective for the year 2016/17. The Chief Finance Officer of Lothian Pension Fund has assessed progress at 30 April 2016 and is happy that significant improvement has been achieved.

Annual Governance Statement

In compliance with standard accounting practice, the Acting Executive Director of Resources has provided the Chief Executive with a statement of the effectiveness of the Group's internal financial control system for the year ended 31st March 2016. It is the Acting Executive Director of Resources' opinion that "The system of control can provide reasonable, but not absolute, assurance that material control weaknesses or irregularities do not exist, and that there is no unacceptable risk of material error, loss, fraud or breach of legislation."

The Chief Finance Officer of Lothian Pension Fund has provided a statement of the effectiveness of the internal financial control system for the year ended 31st March 2016 for the Pension Funds. It is the Chief Finance Officer's opinion "that reasonable assurance can be placed upon the adequacy and effectiveness of the system of internal control for the Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund."

Certification

It is our opinion, in light of the foregoing, that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance that operate within the Group in its administration of the Funds. We consider the governance and internal control environment operating during the financial year from 1 April 2015 to 31 March 2016 to provide reasonable and objective assurance that any significant risks impacting on the Group and its ability to achieve its objectives in properly administering the Funds have and will continue to be identified and actions have and will be taken to avoid or mitigate the impact of any such risks.

Where areas for improvement have been identified and action plans agreed, we will ensure that they are treated as priority and progress towards implementation is reviewed through the governance structures and processes established for the Group and summarised herein. We will continue to review and enhance, as necessary, our governance arrangements.

COUNCILLOR ALASDAIR RANKIN
Pensions Committee Convener
28 September 2016

ANDREW KERR
Chief Executive of the City of Edinburgh Council
28 September 2016

HUGH DUNN
Acting Executive Director of Resources of the City of
Edinburgh Council
28 September 2016

CLARE SCOTT
Chief Executive Officer of the Lothian Pension Fund
28 September 2016

Governance Compliance Statement

The Regulations that govern the management of Local Government Pension Scheme in Scotland require that a Governance Compliance Statement is published. This statement sets out the extent to which governance arrangements comply with best practice.

The statement below discusses arrangements at 31 March 2016, prior to the introduction of new governance arrangements on 1 April 2016. Please also see the How the Fund works section for an overview of the changes implemented.

Principle		Full Compliance	Comments
Structure	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	Yes	<p>The City of Edinburgh Council acts as administering authority and delegates all pension scheme matters to a committee of seven members (Pensions Committee) made up as follows:</p> <ul style="list-style-type: none"> - Five City of Edinburgh elected members - Two external members - one drawn from the membership of the fund and one drawn from the employers that participate in the funds.
	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Yes	<p>The Pensions Committee includes two external places for pension fund stakeholders i.e. one each from the employer and member representatives.</p> <p>Fund members and employers are also represented within Lothian Pension Funds' Pension Board. Membership includes five employer representatives and five member representatives.</p> <p>All members of the Pension Board are invited to attend the meeting of the Pensions Committee and receive the relevant papers prior to those meetings.</p> <p>Two members of the Pension Board attend the Pensions Audit Sub Committee.</p>
	That where a secondary committee or board has been established, the structure ensures effective communication across both levels.	Yes	<p>The Pensions Audit Sub-Committee, consisting of three members of the Pensions Committee, report to the Pensions Committee on their findings and recommendations. Two members of the Pension Board attend the Pensions Audit Sub-Committee in a non-voting capacity.</p> <p>The Pension Board attends the Pensions Committee meetings and takes part in training events.</p> <p>Implementation of investment strategy is delegated to the Executive Director of Resources, who takes advice from the Investment Strategy Panel. The Panel meets quarterly and reports to the Pensions Committee annually.</p>

Governance Compliance Statement

Principle		Full Compliance	Comments
Structure (cont'd)		Yes	The Investment Strategy Panel consists of the Executive Director of Resources, Chief Executive of the Lothian Pension Fund, Chief Finance Officer, Chief Investment Officer and three experienced external industry advisers.
Representation	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include employing authorities (including non-scheme employers, e.g. admitted bodies) and scheme members (including deferred and pensioner scheme members).	Yes	The Pension Board consists of a mix of representatives: - Five employer representatives from non-administering authority employers; - Five member representatives appointed by the Trade Unions in accordance with the approach required under Scottish statute.
	Where appropriate, independent professional observers, and expert advisors (on an ad-hoc basis).	Yes	An Independent Professional Observer was appointed in March 2013 to help Committee scrutinise advice. Three external investment advisers sit on the Investment Strategy Panel. A separate specialist Pensions Audit Sub-Committee consisting of three members (including at least two elected members from the City of Edinburgh Council) undertake the audit scrutiny of the pension funds.
	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Yes	The Pension Board attends the Pensions Committee meetings to help ensure that the operation of the pension funds is in accordance with the applicable law and regulation. The Pension Board takes part in all Committee training events. The Pensions Committee takes account of the views of the Pension Board when making decisions.

Governance Compliance Statement

Principle		Full Compliance	Comments
Selection and Role of Lay Members	That committee or board members are made fully aware of the status, role and function that they are required to perform on either a main or secondary committee.	Yes	A comprehensive training programme including induction is in place. Members of the Pensions Committee and Pension Board are expected to attend no less than three days of training (21 hours) per year. The non-elected members confirm that they have read, signed and will abide by a Code of Conduct (specifically tailored for the Committee and Board) prior to their appointment to the Pensions Committee and Pension Board. The elected members are required to read, sign and abide by the Councillors' Code of Conduct.
	That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Yes	The declaration of members' interests is a standard item on the agenda for meetings of the Pensions Committee, Pensions Audit Sub-Committee and Pension Board. A Code of Conduct also applies to all members of the Pensions Committee and the Pension Board.
Voting	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Yes	Five of the seven places of the Pensions Committee are held by elected members of the City of Edinburgh Council, which is required to retain a 2/3 majority in line with the Local Government (Scotland) Act 1973. The Nomination and Appointments Policy of the Lothian Pension Fund, available on the Fund's website, clearly documents how employer and member representatives will be elected to the Pensions Committee and Pension Board.
Training / Facility Time / Expenses	a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision making process.	Yes	A Training and Attendance Policy is in place covering training requirements and reimbursement of expenses. The policy is available on the Fund's website www.lpf.org.uk
	b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Yes	The Training and Attendance Policy applies to both the Pensions Committee and the Pension Board. Advisers have their own professional development obligations.

Governance Compliance Statement

Principle		Full Compliance	Comments
Training / Facility Time / Expenses (cont)	c) That the administering authority considers the adoption of annual training plans for committee and board members and maintains a log of all such training.	Yes	Each Pensions Committee and Pension Board member is expected to attend no less than three days training per year (21 hours) per year. Attendance at meetings and training is monitored and reported.
Meetings frequency	a) That an administering authority's main committee or committees meet at least quarterly.	Yes	The Pensions Committee meets at least four times a year.
	b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committees sits.	Yes	The Pension Board attends all the Pensions Committee meetings and separately meets in advance of each such meetings. Further meetings are held if necessary. The Pensions Audit Sub-Committee is held before the Pensions Committee at least three times a year with further meetings held if necessary. The Investment Strategy Panel meets quarterly or more frequently as required.
	c) That an administering authority who does not include lay members in their formal governance arrangements must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Not applicable	
Access	That subject to any rules in the council's constitution, all members of main and secondary committees or boards have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Yes	Committee papers and minutes are publicly available on the Council's website and all Committee and Pension Board members have equal access, receiving electronic copies and/or paper copies suitable to their own circumstances.

Governance Compliance Statement

Principle		Full Compliance	Comments
Scope	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Yes	<p>The Pensions Committee deals with all matters relating to both the administration and investment of the Funds.</p> <p>A separate specialist Pensions Audit Sub-Committee consisting of three members (including at least two elected members from the City of Edinburgh Council) undertake the audit scrutiny of the pension funds.</p> <p>The Convener of the Pensions Committee is also a member of the National Scheme Advisory Board which considers matters on a national level.</p>
Publicity	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Yes	<p>Pensions Committee</p> <p>The City of Edinburgh Council is responsible for the appointment of non elected members to the Pensions Committee.</p> <p>Where required to fill a vacancy, employer bodies that participate in the funds are invited to nominate a suitable representative to be considered for the Pensions Committee. Where required to fill a vacancy, the members of the funds will be invited to nominate themselves to be considered for selection for the Pensions Committee.</p> <p>Pension Board</p> <p>Where required to fill a vacancy or vacancies, employer bodies are invited to nominate suitable representative(s). Similarly trade union representatives are asked to invite nominations, elect and put forward suitable individuals for appointment as Employee Member(s) to the Pension Board.</p> <p>Governance documents, policies and details of Pension Board membership are on the Fund's website. The Fund also communicates regularly with employers and scheme members.</p>

COUNCILLOR ALASDAIR RANKIN
Pensions Committee Convener
28 September 2016

ANDREW KERR
Chief Executive of the City of Edinburgh Council
28 September 2016

HUGH DUNN
Acting Executive Director of Resources of the City of Edinburgh Council
28 September 2016

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Chief Executive Officer of the Lothian Pension Fund
28 September 2016

Additional information

Key documents online

You can find further information on what we do and how we do it, on our website at www.lpf.org.uk/policy

- Actuarial Valuation reports
- Pension Board constitution
- Annual Report and Accounts
- Statement of Investment Principles
- Pension Administration Strategy
- Communications strategy
- Funding Strategy Statement
- Service Plan
- Training and attendance policy

Fund advisers

Actuaries:

Auditor:

Bankers:

Investment consultancy:

Investment custodians:

Investment managers:

Additional Voluntary Contributions (AVC) managers:

Property valuations:

Solicitors:

Hymans Robertson LLP

David McConnell, Assistant Director of
Audit, Audit Scotland
Royal Bank of Scotland

KPMG LLP, Gordon Bagot and Scott
Jamieson

The Northern Trust Company

Details can be found in the notes to the
accounts.

Standard Life and Prudential

CB Richard Ellis Ltd

Dedicated in-house resource

Comments and suggestions

We appreciate your comments and suggestions on this report. Please let us know which sections you found useful and if you have any suggestions for items to be included in the future. Please email your comments to pensions@lpf.org.uk

Accessibility

You can get this document on tape, in Braille, large print and various computer formats if you ask us. Please contact the Interpretation and Translation Service (ITS) on 0131 242 8181 and quote reference number 00819. The ITS can also give information on community language translations.

Contact details

If you would like further information about Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Home Pension Fund, please contact us.

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The City of Edinburgh Council

10.00am, Thursday, 27 October 2016

Pennywell/Muirhouse Civic Centre - Redevelopment

Item number	8.5
Report number	
Executive/routine	Executive
Wards	4- Forth

Executive Summary

The purpose of this report is to seek approval to place a project order with Willmott Dixon Construction Ltd using the Scape Group Ltd (Scape) framework, to enable the redevelopment of the Pennywell/ Muirhouse Civic Centre (Civic Centre) within a target project budget of £25.997 million.

In addition, Council is asked to agree a series of recommendations outlined within this report that will enable delivery of this project.

It is anticipated that around 160 energy efficient homes, 13 retail units, new office space for co-location of key service providers and high quality public realm will be delivered in a phased manner over an estimated three to four year period, creating a much needed new 'civic heart' within this neighbourhood.

The redevelopment of the civic centre will complete the regeneration of this area, consolidating public and private investment made to date in the award winning 21st Century Homes development of over 700 new homes and the delivery of an NHS led partnership centre adjacent to the new Craigroyston Community High School.

The principle benefit to the Council of using the Scape framework is immediate access to a pre-procured single contractor who is successfully delivering affordable homes and community benefits at the 21st Century Homes Pennywell development. In addition, there will be significant time savings on procurement.

Links

Coalition Pledges	P8 , P9 , P10 , P11 , P13 , P14 , P17 and P50
Council Priorities	CP4 , CP8 , CP9 , CP10 and CP12
Single Outcome Agreement	SO4

Report

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1 agrees to place a Project Order with Willmott Dixon Construction Ltd for the redevelopment of the Civic Centre using the Scape Framework;
 - 1.1.2 agrees a project budget of £25.997m for the redevelopment of the Civic Centre. Up to £23.908m of the project budget will be contracted through the Scape framework.
 - 1.1.3 agrees the additional £5.190m of capital expenditure associated with this project to be included as part of 2017/18 – 2021/22 HRA capital investment programme;
 - 1.1.4 designates the Executive Director of Place to enter into a Delivery Agreement through Scape on the condition that the total cost does not exceed the project budget;
 - 1.1.5 agrees to apply for Scottish Government funding to support the delivery of around 109 homes for social rent;
 - 1.1.6 approves the demolition of the area, subject to compliance with the Edinburgh City Local Plan (ECLP) and the Scottish Historic Environmental Policy (SHEP);
 - 1.1.7 agrees the re-housing and award of silver priority for existing Council tenants and homeowners (if required) and the buyback of six former Council homes;
 - 1.1.8 agrees to the Council managing the existing leases within the development area to allow redevelopment to take place in a phased manner, through negotiations with current tenants; and
 - 1.1.9 agrees the transfer of land at 15a Pennywell Road and 36, 34 and 34a Muirhouse Crescent from the General Fund to the HRA.

2. Background

- 2.1 Pennywell/Muirhouse is one of Scotland's largest, most significant, award winning, housing led regeneration projects. The transformation of this area is proving hugely successful with the opening of the new Craigroyston Community High School in 2010 and construction of over 700 new homes and an NHS led partnership centre well underway. With a commitment to date of around £150m of public and private investment, this area will become home to around 2,000 new residents and 180 staff over the next six to eight years.

- 2.2 The approved Central Area Masterplan for Pennywell/Muirhouse received Planning Permission in Principle on 16 August 2012 (Planning reference 12/00996/PPP). The masterplan contains a civic centre, (delineated within the red dotted line within Appendix 1) in addition to around 270 homes for sale and rent.
- 2.3 The current masterplan sets out the general principles for the Civic Centre in the context of the surrounding homes and the NHS led Partnership Centre. At the time of masterplanning the architects were limited in their scope due to the current Muirhouse shopping centre, which is a dominant feature, being in private ownership. The majority of this structure was therefore retained on the plan in its current form.
- 2.4 Ongoing consultation as part of the regeneration programme has highlighted a strong local desire for more extensive redevelopment in order to create a 'civic heart' that can meet the needs of the community both now and in the future. The purchase of the Muirhouse Shopping Centre by the Council in October 2014 provided an opportunity to review the scope of potential redevelopment in line with the overall aims and objectives of the regeneration programme.
- 2.5 On 2 February 2016, Finance and Resources Committee approved the appointment of Willmott Dixon Construction Ltd who sub-contract all their works in Scotland to Robertson Construction Group (Robertson), through the Scape contract to undertake a feasibility study for redevelopment of the Civic Centre. Scape is a local authority controlled company that set up a number of frameworks in respect of different works/services.
- 2.6 There are six delivery partners on the OJEU procured Scape National Framework. Willmott Dixon Construction Ltd, is the delivery partner for major works projects over £2m in the UK. The Council will therefore have a Delivery Agreement with Willmott Dixon Construction Ltd, but through an assignment arrangement the Council will work with Robertson.
- 2.7 Robertson is the construction partner of the Urban Union consortium that is currently delivering over 700 affordable and private homes in Pennywell and Muirhouse through a Development Agreement with the Council. Around 190 new homes have completed with construction works ongoing on Phases 1 and 2 of the project. In March 2016 the Pennywell housing development won the City Regeneration of the Year award at the Scottish Property Awards and in April it won the Royal Institute of Chartered Surveyors award for Regeneration.

3. Main report

- 3.1 Building on the success of the current award winning regeneration taking place within Pennywell/Muirhouse, a feasibility study for the redevelopment of the Civic Centre has been carried out by Robertson. The key outputs of the feasibility study are: concept development plans, 3-D sketches, accommodation schedules, risk and cost plans. An overarching energy strategy has also been provided as well as a budget and programme for developing the sites. Consultation has taken place with the Council's Planning and Transport services regarding the urban context, development proposals and 'place making' principles for this site. The proposals (as shown within Appendix 2) provide for:
- An anchor convenience store and 12 smaller retail units which will replace the current dilapidated 1960's shopping centre which no longer serves traders or the community well, as demonstrated by low footfall, empty units and anti social behaviour.
 - Around 160 new energy efficient affordable homes will replace 48 homes integrated within the existing shopping centre. Over 90 of these homes will be built specifically for older people with lift access and communal meeting space in a safe, secure and inclusive environment. The aim being to support residents to remain independent within their community for longer. This supports the Edinburgh Health and Social Care Partnership Strategic Plan.
 - A modern, energy efficient multi-use office for key service providers will replace the existing library and social work building, both of which are poorly designed inefficient buildings. The latter is due to be vacated late 2017 when staff move to the new NHS led partnership centre which is located adjacent to these buildings. This new office space will be of a flexible design to allow for future co-location of services, this includes space for the library service, helping ensure better partnership working and efficiencies. The land currently occupied by the existing library and social work building will be transferred from the General Fund to the HRA for a capital receipt to allow future redevelopment to take place.
 - The Council has been successful in its bid to the Scottish Government's Regeneration Capital Grant Fund, securing £1.52m together with £0.59m match funding to undertake works to provide a high quality public realm with a focus on placemaking, linking this area with the surrounding community.
- 3.2 There is a strong desire within the community to see this area transformed into a new 'civic heart' for the existing, new and emerging population, safeguarding this area as a local centre and community hub for future generations. The North Edinburgh Arts Centre will remain in its current location.

- 3.3 The energy strategy for this site will minimise the energy required (and therefore costs to tenants) to heat the home with a 'fabric first' approach that exceeds the new Building Regulations 2015. The 'fabric first' approach is designed to minimise heat loss and ensures that fabric insulation is incorporated into construction elements that would be difficult and costly to upgrade in future. The specification for the homes includes: high levels of fabric insulation; wider than the traditional 50mm external wall cavities; high levels of air tightness; Photovoltaic PV Solar panels high energy efficient 'Energy Related Product (ERP)' compliant boilers with real time electricity resources display monitors. The solar PV installation will achieve the required carbon reduction levels and also afford benefit to the tenants via generation and export of electricity to the Grid.
- 3.4 Following Committee approval a Project Order will be placed with Scape to enable detailed designs and cost plans to be developed by Robertson. The Council will only enter into a building contract for the delivery of a site when the Council's independent cost consultant certifies that the fixed price proposed by Robertson has been market tested and represents value for money for the Council.
- 3.5 It is proposed that the budget for the Civic Centre will be capped at £25.997m. Progress with delivering the programme will be reported to the Council's 21st Century Homes Programme Board and Health, Social Care and Housing Committee.
- 3.6 Development of the Civic Centre will complete the regeneration of the area, help accelerate housebuilding in the city, address demand for affordable homes and ensure that a vibrant local centre is retained for future generations.

4. Measures of success

- 4.1 New vibrant local retail centre delivered on this site.
- 4.2 Delivery of around 160 new, modern, energy efficient homes.
- 4.3 Co-location of key services within new office accommodation.
- 4.4 Enhanced public realm linking key services, retail and homes.
- 4.5 Support for the local economy and community benefits.
- 4.6 Best value programme delivery.

5. Financial impact

- 5.1 The estimated cost of redevelopment of this site is £25.997 million. This figure includes consultancy fees; land costs and tenant incentives alongside demolition, design and construction. These costs have been reviewed by independent cost consultants David Adamson Partnership (DAP) who have advised that they are competitive and value for money for the Council.

- 5.2 The project will be funded by £17.347m HRA borrowing, £12.157m is contained within the HRA budget 2016/17 – 2020/21 as approved by Council on 21 January 2016. The remaining £5.19m will be included as part of the 2017/18 – 2021/22 HRA budget proposal. The overall loan charges associated with the borrowing over a 30 year period would be a principal amount of £17.347m, interest of £17.842m, resulting in a total cost of £35.189m based on a loans fund rate of 5.18%. The loan charges will be interest only in the first year, at a cost of £0.449m, followed by an annual cost of £1.158m for 30 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy and is provided for an overall programme basis rather than for individual capital projects.
- 5.3 The remaining £8.65m assumes £6.54m subsidy from Scottish Government in respect of the 109 social rented units, £1.52m in respect of Scottish Government Regeneration Capital Grant Funding and £0.59m match funding for the placemaking element of this project.
- 5.4 There will be a positive net cash flow generated for the HRA over the period from development to repayment in 30 years.
- 5.5 In addition, in order to carry out the demolition, the Council requires to buy back six flats which will be concluded through negotiation with the owners. Valuations have not been carried out on these properties. The most recent sales carried out in 2015 through the right to buy had valuations in the region of £65,000. This will be contained within the HRA capital programme for buy backs.
- 5.6 Loss of rental income from the existing properties is largely offset by the void, repair and maintenance costs with the remainder accounted for within the 30 year HRA business plan.
- 5.7 There is an existing debt on the shopping centre of £0.937m with an annual debt charge of £0.081m. The annual debt repayments will be met by the transfer of land assets from the General Fund to the HRA for the purpose of accelerating house building.
- 5.8 The existing library building with adjoining annex has an annual revenue expenditure of around £76,000 and backlog maintenance and repair costs of around £58,000, this currently sits with the General Fund. It is anticipated that the services (including Skills Path) will co-locate alongside other providers within new accommodation in block 4 (see appendix 2) with the aim of containing costs within current expenditure levels.

6. Risk, policy, compliance and governance impact

- 6.1 Scape System Build Limited (Scape) is a local authority-controlled company that set up a number of frameworks in respect of different works/services. Local authorities may call-off relevant contractors from a particular framework thereby awarding the contract to a particular contractor. Willmott Dixon Construction have been appointed to the framework following an open procurement process.
- 6.2 A gateway review process is in place for the Scape framework which enables approvals to be sought at key stages from the 21st Century Homes programme

board, including approval to enter into Delivery Agreements for sites. The Scape Delivery Agreement incorporates a standard, fixed price building contract. Delivery Agreements will only be entered into if sites can be delivered within the Council's £25.997 m budget and represents value for money.

- 6.3 The estimated pre-tender cost for this project is £1.106m, which includes items such as site investigations, design and planning fees. In the event that the construction project could not be delivered within budget and a decision was made not to enter into a Delivery Agreement, the Council would be liable for meeting pre-construction costs. These costs will be contained within the HRA with a gateway review process adopted to manage risk of any abortive cost to the HRA.
- 6.4 Once a Delivery Agreement has been entered into, there is provision within the building contract for variation to the works. The Council will not instruct demolition of the current library until agreement is reached on service provision within the proposed new building. It is anticipated that the library service will co-locate with other services within this hub and that expenditure level will not exceed that outlined within section 5.8.
- 6.5 Progress in delivering the 21st Century Homes programme is monitored by the 21st Century Homes programme board and the Corporate Programme Office.

7. Equalities impact

- 7.1 A full Equalities Impact Assessment was carried out on this project. Development of affordable homes and new retail/service units and enhanced public realm would have a positive impact on equalities by improving the overall quality of life of those living within an area of multiple deprivation.

8. Sustainability impact

- 8.1 It is anticipated that development of this area will provide opportunities for job creation and training during the construction phase, and that partners will comply with building regulations with minimal environmental impact.
- 8.2 New homes are built to high standards in terms of energy efficiency and sustainability. Robertson Construction is committed to addressing fuel poverty through an energy strategy for this site. This has been included as part of the feasibility study.

9. Consultation and engagement

- 9.1 Consultation during September and October 2016, included the following:
 - Improving Muirhouse Pennywell (IMP) development group which is made up of representatives from Community Councils; Residents Association; Council

officers; regeneration partners and ward Councillors. The group is chaired by the Vice Convener of the Health, Social Care and Housing Committee.

- Drop in events for the residents of the homes and the tenants that are occupying the retail units within the shopping centre to provide information regarding the proposals and next steps.
- Community placemaking event held at Muirhouse Shopping Centre.

9.2 Key stakeholder and wider on-street community consultation was carried out in October 2016 and will continue into November, forming part of the Pre Application Notice stage (PAN) in advance of the planning application which is anticipated to be submitted early next year.

10. Background reading/external references

- 10.1 Pennywell/Muirhouse Civic Centre feasibility Study, Award of Contract – 2 February 2016 (B Agenda)
- 10.2 [Better Health through Housing - Health, Social Care and Housing Committee, 21 April 2015.](#)
- 10.3 [Strategic Housing Investment Plan 2015-19 - Health, Social Care and Housing Committee, 11 November 2014](#)
- 10.4 [21st Century Homes Future Programme - Health, Social Care and Housing Committee, 11 November 2014](#)
- 10.5 [North West Edinburgh Partnership Centre – The City of Edinburgh Council, 11 December 2014](#)
- 10.6 [21st Century Homes Progress Report on Pennywell Housing Development – Finance and Resources Committee, 20 March 2014](#)

Paul Lawrence

Executive Director of Place

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11. Links

Coalition Pledges	<p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>P9 – Work in partnership with Scottish Government to release more funds for Council homes for rent.</p> <p>P11 – Encourage the development of co-operative housing arrangements.</p> <p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p> <p>P35 – Continue to develop the diversity of services provided by our libraries.</p> <p>P50 – Meet greenhouse gas targets, including the national target of 42% by 2020.</p>
Council Priorities	<p>CP4 – Safe and empowered communities.</p> <p>CP8 – A vibrant sustainable economy.</p> <p>CP9 – An attractive city.</p> <p>CP10 – A range of quality housing options.</p> <p>CP12– A built environment to match our ambition.</p>
Single Outcome Agreement	<p>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric</p>
Appendices	<p>Appendix 1 – Central Area Masterplan</p> <p>Appendix 2 – Proposed Redevelopment Plans (subject to consultation)</p>

Appendix 1 – Existing Central Area Masterplan

Austin, Smith Lord (2012)



Red dashed line delineates central 'hub' area within the existing masterplan



Appendix 2 – Proposed Redevelopment Plans (Subject to consultation)



New Design – Placemaking

- 1 32 affordable homes and 8 retail units inclusive of anchor convenience store
- 2 8 affordable homes and 2 retail units
- 3 93 affordable homes for older people with lift access and communal living/ kitchen areas; 3 retail units
- 4 27 affordable homes and one service hub or five smaller offices
- 5 New public realm which will be visible from Pennywell Rd and include small access road into new homes/ services and civic square.
- 6 New NHS led Partnership centre
- 7 Existing North Edinburgh Arts Centre

The City of Edinburgh Council

10am, Thursday 27 October 2016

Recommendations of the Social Work Complaints Review Committee

Item number	8.6
Report number	
Wards	All

Links

Coalition pledges
Council outcomes
Single Outcome Agreement SO2

Gerrard Clark

Chair, Social Work Complaints Review Committee

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Recommendations of the Social Work Complaints Review Committee

Summary

To refer to The City of Edinburgh Council recommendations of the Social Work Complaints Review Committee on consideration of a complaint against the social work service within Communities and Families.

For decision/action

The Social Work Complaints Review Committee has referred its recommendations on an individual complaint against the social work service within Communities and Families for consideration.

Main report

- 1 Complaints Review Committees (CRCs) are established under the Social Work (Representations) Procedures (Scotland) Directions 1996 as the final stage of a comprehensive Client Complaints system. They require to be objective and independent in their review of responses to complaints.
- 2 The CRC met in private on 21 July 2016 to consider a complaint against the social work service within Communities and Families. The complainant and the service representatives attended throughout.
- 3 The complainant was dissatisfied with the Council's response to the following main points:
 - i) The lack of confidentiality by his social worker with Safer Families Edinburgh in their dealings with the complainant.
 - ii) That the complainant believed that his social worker had assured him that the information provided to her was confidential, but the social worker had passed this information to his ex-partner in order to criticise him and demonstrate his weakness.
 - iii) That the complainant did not feel that he was fairly treated by his social worker, which contributed to his son being taken into care in 2015.
 - iv) The complainant did not believe that the Children and Families Service took into account information that could have helped to keep his son safe.
 - v) The complainant cited, as evidence of his view, police intervention at his ex-partner's flat, and believed that his ex-partner was intoxicated at times when she was supposed to be caring for their son.

- vi) That the complainant believed that his social worker from the Children and Families Service said that she had received the police report but that she had made no reference to it in a social work report.
- 4 The complainant believed that his social worker had a conflict of interest as she was working with the complainant and his ex-partner at the same time. During a period of time during 2014 that the complainant's ex-partner's social worker was off sick, the complainant's social worker supported both the complainant and his ex-partner. When the complainant's ex-partner's social worker returned to work, the complainant's social worker continued to remain in contact with the complainant's ex-partner on an informal basis. The complainant believed that his social worker obtained information about him from his ex-partner and she used it to criticise him. The complainant believed that his social work could not have acted objectively in this situation.
 - 5 The complainant felt that there had been several instances in which the social work department had presented inaccurate information about the complainant and his actions.
 - 6 The complainant explained that he did not make any unannounced visits to his ex-partner's residence. Specifically, the complainant's ex-partner had been notified of the visit of 21 December 2014, and the visit of 24 December 2014 had been pre-planned.
 - 7 The complainant had attempted to provide evidence that his ex-partner had been looking after their son when she had been under the influence of alcohol but this evidence had been ignored. The week before the 1 November 2014 the complainant had a video of his ex-partner sleeping in a chair when he was supposed to be looking after their son.
 - 8 He further stated that on 1 November 2014, his ex-partner had been drinking again when she was looking after their son, and refused to let their son go when the complainant came to pick him up. The complainant notified police officers who were already in the area who came to the property and recorded the incident. The complainant believed that the Children and Families Service social worker said she had a copy of the police report, but the complainant was not aware that this has been noted in the file.
 - 9 The members of the Committee were given the opportunity to ask questions of the complainant.
 - 10 The Service Representative advised that there was no conflict of interest when the social worker worked with the complainant and his ex-partner at the same time. The project was to provide help and support for men that had demonstrated a history of controlling and/or abusive behaviour, and support to their partners too. The social worker therefore believed that it was important to provide support to the complainant and his ex-partner.
 - 11 The policy that the service had of communicating with the complainant and his ex-partner had been explained to the complainant both verbally and in writing.

The social worker had passed on information to the complainant's ex-partner about the residence order as she thought it may be detrimental to the complainant's ex-partner and their son. The complainant's social worker had worked hard to support him and had noticed a change in the complainant's behaviour when he was hospitalised and his ex-partner took over full-time care of their son.

- 12 The Service Representative advised that the Police had been called by the complainant and his ex-partner and they had made allegations against one another. The Children and Families social worker was concerned that the complainant consistently contacted his ex-partner when their son was in her care and was trying to control the contact his ex-partner had with their son.
- 13 The members of the Committee were then given the opportunity to ask questions of the Investigating Officer.
- 14 Following this, the complainant, and the Service Representatives and the Investigating Officer withdrew from the meeting to allow the Committee to deliberate in private.

Recommendations

After full consideration of the complaints the Committee reached the following decisions/recommendations:

- 1) That the complaint not be upheld for the following reasons:
 - a) The department's policy was clear on confidentiality and was set out in the contract that the complainant had entered into.
 - b) That it was unfortunate that the complainant did not understand the limits of confidentiality in regards to child protection.
 - c) The Council's explanations in relation to the social worker from Safer Families Edinburgh's considerable efforts to look after the complainant's son's best interests were accepted.
 - d) The Children and Families Service did take into account information that helped to keep the son of the complainant safe.
 - e) the service acted appropriately and complied with Children's Hearings guidance.
- 2) The Committee noted:
 - a) that the Council had agreed to insert and amend the chronological order of the complainant's son's social work records, which was to be commended.

Background reading/external references

Agenda, confidential papers and minutes for the Complaints Review Committee of 21 July 2016.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

Appendices

None.