

# Notice of meeting and agenda

## The City of Edinburgh Council

**10.00 am, Thursday, 29 June 2017**

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**

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- 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**

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- 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**

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- 3.1 Power to the People Group
- 3.2 Gracemount Primary School Parent Council (in relation to item 8.10 Outcome of the Statutory Consultation Process on the Proposal to Establish a New primary School etc in South East Edinburgh) – letter from the Chair of the Parent Council (circulated)
- 3.3 Spokes (in relation to item 9.1 – Motion by Councillor Macinnes - Action to Improve Conditions for Vulnerable Road Users)

## **4. Minutes**

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- 4.1 The City of Edinburgh Council of 27 April 2017 (circulated) – submitted for approval as a correct record
- 4.2 The City of Edinburgh Council of 18 and 25 May 2017 (reconvened on 25 May 2017) (circulated) – submitted for approval as a correct record

## **5. Questions**

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- 5.1 By Councillor Young – Congestion at Kirkliston Cross Roads – for answer by the Convener of the Transport and Environment Committee
- 5.2 By Councillor Young – Traffic Study into Lauriston Farm Road – for answer by the Convener of the Transport and Environment Committee
- 5.3 By Councillor Young – Improvements to Standard and Consistency of Waste Collection in the City – for answer by the Convener of the Transport and Environment Committee
- 5.4 By Councillor Osler – Repairs to Water of Leith Walkway – for answer by the Convener of the Transport and Environment Committee
- 5.5 By Councillor Lang – Burnshot Bridge – for answer by the Convener of the Transport and Environment Committee

- 5.6 By Councillor Lang – Edinburgh Airport Flight Paths – for answer by the Leader of the Council
- 5.7 By Councillor Lang – Review of Janitorial Services – for answer by the Convener of the Finance and Resources Committee
- 5.8 By Councillor Brown – Pavement Slurry Works – for answer by the Convener of the Transport and Environment Committee
- 5.9 By Councillor Mowat – Domestic Missed Bin Complaints – for answer by the Convener of the Transport and Environment Committee
- 5.10 By Councillor Rose – Meadows Festival Parking – for answer by the Convener of the Transport and Environment Committee
- 5.11 By Councillor Rust – Redford Barracks – for answer by the Convener of the Housing and Economy Committee
- 5.12 By Councillor Jim Campbell – Planning Applications, Building Warrants and Enforcement – for answer by the Convener of the Planning Committee

## **6. Leader's Report**

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- 6.1 Leader's report (circulated)

## **7. Appointments**

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- 7.1 Appointments to Outside Organisations 2017-22 – report by the Chief Executive (circulated)
- 7.2 Appointment of Members to Committees, Boards and Joint Boards – report by the Chief Executive (circulated)

## **8. Reports**

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- 8.1 Grenfell Tower – Council Response to Fire Safety and Contingency Planning – report by the Executive Director of Place (circulated)
- 8.2 Edinburgh Schools Inquiry – report by the Chief Executive (circulated)
- 8.3 Council Diary 2017/18 – report by the Chief Executive (circulated)
- 8.4 Operational Governance Framework 2017 – report by the Chief Executive (circulated)
- 8.5 Urgent Actions – report by the Chief Executive (circulated)
- 8.6 Monitoring Officer Investigation – report by the Monitoring Officer (circulated)

- 8.7 Unaudited Annual Accounts 2016-17 – report by the Executive Director of Resources (circulated)
- 8.8 Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund Annual Report 2017 (and Financial Statements) Unaudited – report by the Executive Director of Resources (circulated)
- 8.9 Outcome of the Statutory Consultation on the Proposal to Relocate Victoria Primary School to a New Building in the Western Harbour– report by the Executive Director of Communities and Families (circulated)
- 8.10 Outcome of the Statutory Consultation Process on the Proposal to Establish a New Non-Denominational Primary School and Implement Catchment Changes to Address School Capacity and Accommodation Pressures in South East Edinburgh - report by the Executive Director of Communities and Families (circulated)
- 8.11 Outcome of the Consultation Process for the Proposal to Close Panmure St Ann’s Special School – report by the Executive Director of Communities and Families (circulated)
- 8.12 Independent Advocacy Services – report by the Chief Officer, Edinburgh Health and Social Care Partnership (circulated)
- 8.13 Framework Agreement for Day Support Services for Adults with Learning Disabilities – report by the Chief Officer, Edinburgh Health and Social Care Partnership (circulated)
- 8.14 Recommendations of the Social Work Complaints Review Committee – 28 April 2017
  - (a) Report by the Chair of the Social Work Complaints Review Committee (circulated)
  - (b) Response to Outcome of the Complaints Review Committee – report by the Chief Officer, Edinburgh Health and Social Care Partnership (circulated)
- 8.15 Recommendations of the Social Work Complaints Review Committee – 24 May 2017 – report by the Chair of the Social Work Complaints Review Committee (circulated)

## 9. Motions

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### 9.1 By Councillor Macinnes - Action to Improve Conditions for Vulnerable Road Users

“Recognising that officials have already started to examine issues of cycle safety, in light of the recent tragic death of Zhi Min Soh, a promising University of Edinburgh medical student, while cycling at the west end of Princes Street, the Council wishes to consider and implement measures to improve cycle safety and provide a greater sense of security for cyclists on Edinburgh’s roads.

Council therefore agrees to:

- 1) A review of the infrastructure at the junction at the west end of Princes Street where it meets Shandwick Place/Queensferry Street/Hope Street/Lothian Road/Rutland Square, to ensure that pedestrians and cyclists can use this junction safely and conveniently. This will include early engagement with, and consideration of suggestions from, cyclist and pedestrian groups on this review;
- 2) A continued roll-out of the proposed West-East cycleway (previously known as the Roseburn-Leith route);
- 3) A thorough infrastructure review of the tram line, focussing on the section between Haymarket Yards and York Place, and including points at South Gyle and Edinburgh Park where pedestrians and cyclists interact with the route; to recommend design, infrastructure, and traffic light phasing improvements to increase cyclist and pedestrian safety and convenience; this review to engage with cyclist and pedestrian groups at an early stage; and a scoping report on this work to be brought to Transport and Environment Committee within 2 cycles;
- 4) Steps taken to ensure design of any future tram line extension reflects council's policies to prioritise pedestrian and cyclist safety and convenience including consideration of segregated cycle lanes;
- 5) A medium-term action plan, to be implemented before the end of this Council term, to improve the public realm in the city centre with the aim of improving conditions for, and prioritising access for pedestrians, cyclists and public transport users; and for a scoping report on this work to be brought to Transport & Environment Committee within 2 cycles.
- 6) That regular progress reports on this work will be made to the Transport and Environment Committee.”

## 9.2 By Councillor Miller – Attracting and Retaining Carers

“Council:

- 1) Notes that there is a shortfall of 3,000 hours of care per month in Edinburgh which is leaving individuals without suitable packages of care and is preventing timely discharge of patients from hospital;
- 2) Notes that the Integration Joint Board has commissioned research on what would be required to attract and retain the number of care workers we need;
- 3) Agrees to call for a report into the improvements in pay and conditions that could attract and retain care workers, in comparison to other employment options, and meet the shortfall in care provision, taking into account the results of the research.”

## 9.3 By Councillor Burgess – Rent Pressure Zone

“Council agrees to call for a report on the steps that need to be taken to implement a city-wide Rent Pressure Zone to limit increases in high rents in the private rented sector in the City.”

## 9.4 By Councillor Doggart – Leith Walk Works

- “1) Council regrets the inconvenience caused by the collapse of the Council’s contractor Land Engineering, the company responsible for undertaking the Phase 4 repairs to Leith Walk between Pilrig Street and McDonald Road. Council specifically regrets the additional disruption caused to the residents and businesses of Leith Walk and Leith by the company’s collapse and the inevitable delays incurred to the works programme.
- 2) Council instructs the Executive Director of Place to report within one cycle on the circumstances of the appointment and subsequent collapse of Land Engineering detailing the procurement processes used.
- 3) In particular, the report should detail:
  - the work undertaken, if any, to assess the financial viability of Land Engineering in light of the company's large losses in 2015.
  - an explanation of whether and when any subsequent reviews of the company's financial position took place after the awarding of the contract.

- whether any bonds, or other indemnities, were included in the contract.
  - the financial consequences of the demise of Land Engineering for council tax payers.
- 4) Council further instructs the Executive Director of Resources to provide a report to the appropriate Committee detailing any potential improvements to procurement processes that could be undertaken to improve financial checks on contractors' viability both before and for the duration of any future long term contracts."

9.5 By Councillor McLellan – Councillor Code of Conduct

"The City of Edinburgh Council affirms a councillors' first duty is to the people who elect them, that the safeguards for fair public scrutiny in the Councillor's

Code of Conduct should be strengthened, and that the Code should explicitly safeguard councillors' rights to freedom of expression in public hearings under Article 10 of the European Convention of Human Rights.

The Council further believes that inquiries into alleged code breaches by the Standards Commission of Scotland should be expedited much more timeously than is currently the case.

Council therefore requests that the leader of the council write to the Cabinet Secretary for Local Government and Housing to request that he undertakes a review of the contents and application of the Code of Conduct by the Standards Commission of Scotland."

9.6 By Councillor Mitchell – Pride Month

"That the City of Edinburgh Council acknowledges that June is Pride month and congratulates the organisers of Edinburgh Pride. Council recognises that it is a positive celebration of diversity and unity celebrated in our city for those who identify as LGBTI and those who don't, as well as acknowledging the work done on improving rights of the LGBTI community by organisations like Stonewall in striving for equality, increasing the community's presence in terms of visibility, continuing to remove any sort of stigma, and acknowledging there is still work to be done across our country, our continent and the world to help those who face discrimination and prejudice."

9.7 By Councillor Mowat – Edinburgh's Multi Storey Blocks

"Council recognises the concerns that residents will have after the tragic fire at Grenfell Tower in London and thanks officers for their immediate work to reassure residents and provide councillors with information about the construction and refurbishment of multi storey blocks in Edinburgh and fire safety and calls for this initial response to be followed up by:

A report detailing:

- 1) the construction method of each block, any subsequent refurbishment with date and details of materials used;
- 2) Fire inspection schedules detailing when each block was last inspected, the type and extent of this inspection;
- 3) Future fire inspection schedules to include:
  - (a) whole block assessments;
  - (b) quarterly reports of the number of flats given individual fire inspections and advice by fire officers;
- 4) Communication plans with tenants and residents associations to ensure that their concerns can be addressed both in the short and long term and that this is clearly understood;
- 5) What process would need to be undertaken to consider the retro fitting of sprinkler systems in blocks constructed prior to 2005;
- 6) How any recommendations coming forward from any investigations into the Grenfell Tower fire will be reported to Committee, communicated to residents and given due consideration as to whether to implement any such recommendations.”

9.8 By Councillor Rust – St Mark’s RC Primary School

“Council congratulates St Mark’s R.C. Primary School, Firrhill on its 50th anniversary, which was recognised with Mass in St. Mark’s R.C. Church, Oxfangs celebrated by His Grace Archbishop Cushley, followed by a reception in the school for families and present and former staff; and recognises the huge contribution the school makes to the local community.”

9.9 By Councillor Laidlaw – Weeds Issues Across the City

“Council recognises that the current surfeit of weeds and overgrown vegetation on our streets, pavements, footpaths and verges is unacceptable, undermines the fabric of the city and has not been properly addressed since the ban of the use of glyphosate and that current arrangements to split weed control between Waste and Cleansing and Parks, Greenspace and Cemeteries are under-resourced and have failed to address the problem and that sporadic use of eight gardeners and one soon to be delivered weed stripper is not sufficient.

Council notes that current arrangements do not meet DEFRA's Best Practice Guidance Notes for Integrated and Non-Chemical Amenity Hard Surface Weed Control which state 'local authorities have a duty of care to the public untreated weeds in block paving may create a trip hazard.' and that weed build up is also covered by the Environmental Protection Act.

Council instructs the Director of Place to take immediate action on the recommendations of the report of the Transport & Environment Committee, 1 November 2016, Item 7.3 'Alternatives to the use of glyphosate based herbicide to control weeds on streets and green spaces be revisited' to be put into action within one cycle, particularly targeted on the worst affected areas, including a particular focus on the world heritage site ahead of the Festival season.

Council asks for a report from the new Transport & Environment Committee to review full integration of weed removal into the Waste and Cleansing function as part of proposed improvements to street cleaning."

## **Laurence Rockey**

Head of Strategy and Insight

### **Information about the City of Edinburgh Council meeting**

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The City of Edinburgh Council consists of 63 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**

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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](mailto: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](http://www.edinburgh.gov.uk/cpol).

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

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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.

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Alistair Gaw  
Acting Executive  
Director of Communities and Families  
City of Edinburgh Council  
Waverley Court  
Level 1:2 4  
East Market Street  
Edinburgh  
EH8 8BG

### **Gracemount Primary Public Consultation**

Dear Alistair

I am writing on behalf of the Gracemount Primary Parent Council following the report on the Proposal to Establish a New Non-Denominational Primary School and Implement Catchment Changes to Address School Capacity and Accommodation Pressures in South East Edinburgh. There were a number of parents that attended the meeting on 9<sup>th</sup> February who felt that their comments were not followed up. The recommendations that come out are poor. We acknowledge that there is a recommendation 3.25 that The Council will continue to liaise with Edinburgh Leisure with the intention of securing additional outdoor space for Gracemount Primary School, but there is no deadline and this must be addressed now. The other comments regarding capacity and space requirements were not acted on with the main problem in regards to facilities management not looking after the building. There is no action about the janitor's house which is a major concern to the future safety of the children even though we have suggested that it is used for early year's provision.

We would like these comments to be brought up at the meeting on 29<sup>th</sup> June.

Kind Regards

Richard Darke  
Chair  
Gracemount Primary Parent Council

Cc: all ward councillors, Edinburgh evening news

## The City of Edinburgh Council

Edinburgh, Thursday 27 April 2017

**Present:-**

### **LORD PROVOST**

**The Right Honourable Donald Wilson**

### **COUNCILLORS**

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

Sandy Howat  
Allan G Jackson  
Karen Keil  
David Key  
Richard Lewis  
Alex Lunn  
Melanie Main  
Mark McInnes  
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

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### Decision

To approve the minute of the Council of 16 March 2017 as a correct record.

## 2. Questions

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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

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

- Tributes to 25 members leaving the Council and in particular to the service of Councillors Milligan, Jackson, Hinds and Cardownie
- Appreciation of Council Staff
- Appreciation of the work of the Lord Provost

This was the last meeting of the present Council. The Leader and Leaders of each political group led tributes to:

The Lord Provost for his hard work and dedication to his role.

Those elected members who had chosen not to stand for re-election to the Council.

Staff in the Leader's office

All Group support staff

The Chief Executive and his team and all Council staff.

The following questions/comments were made:

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|-----------------|---|
| Councillor Rose | - Thanks to the leader for the manner in which he has responded to questions – his manner and tone had been exemplary. Dealings with other members had been direct, courteous and measured. |
|                 | - Quality of life of those in Edinburgh – any regrets leaving office when problems with roads and pavements and refuse collection were still ongoing?                                       |

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|----------------------|---|
| Councillor Burgess   | <ul style="list-style-type: none"> <li>- Acknowledged the Leader's significant contribution and the way in which he had conducted himself</li> <li>- Local Government in a stronger position now that when he was first elected 18 years ago?</li> </ul>  |
| Councillor Aldridge  | <ul style="list-style-type: none"> <li>- Thanks to the Leader for his manner in dealing with Council Questions – wish Leader every success for future</li> <li>- The Coalition's biggest weakness and what would the leader have done differently</li> </ul>  |
| Councillor Aitken    | <ul style="list-style-type: none"> <li>- Roll out of ParentPay</li> </ul>   |
| Councillor McVey     | <ul style="list-style-type: none"> <li>- Demonstration in support of Scottish families affected by rape clause policy</li> </ul>  |
| Councillor Tymkewycz | <ul style="list-style-type: none"> <li>- Statutory Notices – review – settlement of statutory notices</li> </ul>  |
| Councillor Godzik    | <ul style="list-style-type: none"> <li>- Mental Health Strategy - progress</li> </ul>   |
| Councillor Rust      | <ul style="list-style-type: none"> <li>- 20mph – review before further implementation</li> <li>- Luxury hotel chain</li> </ul>  |
| Councillor Day       | <ul style="list-style-type: none"> <li>- North Edinburgh childcare – 20 years of providing high quality childcare in the city</li> <li>- Councillor Redpath - appreciation</li> <li>- Appreciation to Lord Provost, Lady Provost and city officers for work they have done while in office</li> </ul> |
| Councillor Gardner   | <ul style="list-style-type: none"> <li>- Appreciation to the Lord Provost and Leader of the Council</li> <li>- Janatorial and school ancillary service providers</li> </ul>   |
| Councillor Heslop    | <ul style="list-style-type: none"> <li>- Have colleagues demonstrated just, constructive and loyal qualities?</li> </ul>  |
| Councillor Hinds     | <ul style="list-style-type: none"> <li>- Appreciation to Lord Provost</li> <li>- Appreciation to Leader – dignity and respect for all Councillors providing a stable local government</li> <li>- Reporting of Councillors to Standards Commission</li> </ul>  |

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|------------------------|--|
| Councillor Lewis       | <ul style="list-style-type: none"> <li>- Appreciation to Councillors standing down, in particular Councillors Aitken and Cardownie and the Council Leader</li> <li>- General election called when governing party is under investigation for electoral fraud and hope that the forthcoming Council elections are free from such allegations</li> </ul> |
| Councillor Austin-Hart | <ul style="list-style-type: none"> <li>- Thanks to the Lord Provost for supporting the proposed role of a music champion for Edinburgh</li> </ul>  |
| Councillor Cardownie   | <ul style="list-style-type: none"> <li>- Commend Councillor Burns for ensuring that the Capital Coalition worked</li> <li>- Allegations about members of the Council to the Standards Commission on social media</li> </ul>  |

The Chief Executive noted that mutual respect between members and officers had been at the core of this Council. He indicated that members of the Council had shown due respect, leadership and dedication to the Council which was greatly appreciated.

He acknowledged the time and commitment that members had put in to represent their City, thanked those who were seeking re-election and wished those who were leaving well for the future.

#### **Declaration of Interests**

Councillor Tymkewycz declared a financial interest in the above item as the owner of a portfolio of property within Edinburgh.

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

## **4. Rolling Actions Log**

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Details were provided on the outstanding actions arising from decisions taken by the Council from May 2015 to March 2017.

#### **Decision**

1) To agree to close the following actions:

Action 1      -      Future Investment in the School Estate – Wave 4

- Action 4 - Executive Management Structure
- Action 5 - Formal Collaboration Proposal for Edinburgh, Lothians, Borders and Fife Councils
- Action 6 - Funding Package Proposal for a New Meadowbank
- Action 8 - Common Good Asset Register
- Action 10 - Governance – Operational Governance Framework Annual Review 2016
- Action 11 - Silent Fireworks

2) To otherwise note the Rolling Actions Log.

(References – Act of Council No 12 of 25 June 2015; report by the Chief Executive, submitted)

## **5. Appointment to the Board of Transport for Edinburgh and Lothian Buses**

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Approval was sought for the retrospective appointment of Mr Steve Cassidy to the board of Transport for Edinburgh as a Non-Executive Director for the period 18 December 2015 to 17 December 2018, in line with all other appointments to the company Board. Approval was also sought for the re-appointment of Mr Cassidy to the Board of Lothian buses for the period 6 February 2017 to 5 February 2019.

### **Decision**

- 1) To approve the retrospective appointment of Mr Steve Cassidy to the Board of Transport for Edinburgh for the period 18 December 2015 to 17 December 2018.
- 2) To approve the appointment of Mr Steve Cassidy to the Board of Lothian Buses for the period 6 February 2017 to 5 February 2019.

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

## **6. Establishmnet of Muirhouse/Salvesen Community Council**

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Details were provided on the submission of a petition by over 20 electors requesting that a Community Council be established in Muirhouse/Salvesen and approval sought for the process and timetable to deliver this.

## **Decision**

- 1) To approve the process of combined online, postal and polling place voting, should a poll be required.
- 2) To approve the timetable for the election of Muirhouse/Salvesen Community Council.
- 3) To appoint the Election Manager as Returning Officer.

(Reference - report by the Chief Executive, submitted)

## **7. Community Empowerment (Scotland) Act 2015 – Update Following Release of Scottish Government Guidance – referral from the Corporate Policy and Strategy Committee**

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The Corporate Policy and Strategy Committee had referred a report on proposed revisions to the Interim Community Asset Transfer Policy to the Council for adoption of the principles detailed in the Interim Policy.

## **Decision**

To agree to adopt the principles detailed in the Interim Policy as being the agreed Policy together with the amendments recommended in the report by the Corporate Policy and Strategy Committee and as detailed in the appendices to the report.

(References: Corporate Policy and Strategy Committee 28 March 2017 (item 5); referral report by the Corporate Policy and Strategy Committee, submitted)

## **9. Bus Service 40/40A – South Queensferry/Dalmeny to Edinburgh – Motion by Councillor Hinds**

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

“Council expresses its disappointment and concern at the recent announcement by Stagecoach that they will withdraw the 40/40A bus service to South Queensferry and Dalmeny from June 2017.

Council commits to do everything in its power to ensure an accessible, affordable service to this part of the City of Edinburgh.

Council therefore authorises the Executive Director of Place to continue discussions with Lothian Buses and other service providers and delegates authority to the Executive Director, in consultation with the Convener and Vice Convener of

Transport and Environment Committee, to take appropriate action within existing budgets to ensure this vital public transport link is maintained for the community.”

### **Decision**

To approve the motion by Councillor Hinds.

## **10. Proposed Ban on Plastic Carrier Bag Use in Scotland – Motion by Councillor Munro**

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

“Council recognises the unqualified success of the 5p levy on plastic carrier bags, introduced by the Scottish Government in 2014, which resulted in an estimated 80% reduction in the number of plastic bags handed out in Scotland in the first year alone of the levy, equivalent to 650 million bags.

Council notes that Scottish Government research concludes that a reduction of 650 million bags means a net saving to the Country of more than 4,000 tonnes of plastic and other materials each year.

Council further notes that this is equivalent to more than 500 million single-use carrier bags, once it is offset by estimated increases in other forms of plastic bag use, such as bags for life.

Council also notes the positive Environmental impact of this measure which includes a net carbon saving of more than 2,500 tonnes of CO2 equivalent annually, along with a consequential reduction in street and marine litter.

In view of the above, Council calls on the Scottish Government to consider the implications of extending these measures to include a total ban on the sale of single use plastic carrier bags in Scotland, and to determine how best to introduce such a ban to maximise its impact and benefit, particularly in relation to the effect on charities who currently benefit from the 5p levy.”

### **Decision**

To approve the motion by Councillor Munro.

## 11. The Sustainable Cities ‘Basque Declaration’ – Motion by Councillor Burgess

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

“This Council:

Recognises that the ‘[Basque Declaration](#)’ promoted by ICLEI – Local Governments for Sustainability outlines new pathways for European Cities and Towns to create productive, sustainable and resilient cities for a liveable and inclusive Europe;  
<http://www.sustainablecities.eu/endorse-the-basque-declaration/>

Notes that this declaration was acclaimed by the participants of the [8<sup>th</sup> European Conference on Sustainable Cities & Towns](#), held in the Basque Country in 2016;

Welcomes that the Declaration acknowledges the need for transformation in order to decarbonise energy systems, create sustainable urban mobility patterns, protect and enhance biodiversity and ecosystem services, reduce the use of greenfield land and natural space, protect water resources and air quality, adapt to climate change, improve public space, provide adequate housing, guarantee social inclusion, and strengthen local economies;

Agrees that the Council Leader should endorse the Basque Declaration on behalf of the City of Edinburgh Council.”

### **Motion**

To approve the motion.

- moved by Councillor Burgess, seconded by Councillor Main

### **Amendment**

To take no action on the motion.

- moved by Councillor Rose, seconded by Councillor Whyte

### **Voting**

For the motion	-	43 votes
For the amendment	-	9 votes

### **Decision**

To approve the motion by Councillor Burgess.

## **17 Collaboration Update – referral from the Pensions Committee**

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The Council, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 6 of Part 1 of Schedule 7(A) of the Act.

The Pensions Committee had referred a report which provided an update concerning the approach taken regarding collaboration with other LGPS funds to the Council for approval.

### **Decision**

To approve the report by the Pensions Committee.

(Reference – Pensions Committee of 20 March 2017 (item 15); referral report by the Pensions Committee, submitted)

### **Declaration of Interests**

Councillor Aldridge declared a financial interest in the above item as Chief Executive of an admitted organisation of the Lothian Pensions Fund and left the meeting during the Council's consideration of the above item.

Councillor Robson declared a financial interest in the above item as a member of an admitted organisation of the Lothian Pensions Fund and left the meeting during the Council's consideration of the above item.

## Appendix 1

(As referred to in Act of Council No 2 of 27 April 2017)

### QUESTION NO 1

**By Councillor Bagshaw for answer  
by the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 27 April 2017**

#### Question

Given the impact of congestion on bus journey times within Edinburgh, what action is being taken to record particular areas of delay caused by such congestion?

#### Answer

Through investing in Active Travel and the city's public transport network (buses, trams and Park and Ride) the Council is helping deliver a modal shift away from car use – something which not only cuts congestion but also improves air quality and health and wellbeing.

Further to this, the Council has developed, and is currently implementing, a 'city centre congestion action plan'. This sets out a variety of activities to tackle congestion across the city centre.

The Traffic Control Room monitors traffic and congestion in the city and enables regular amendments to signal timings at peak times to help traffic flow.

Regular engagement with bus operators and public utility companies take place through:

- The Citywide Traffic Management Group (CWTMG)
- Traffic Management Review Panels
- Bus operators forum

In planning for events, the Events Planning Operations Group (EPOG) consider the likely impact on congestion.

## QUESTION NO 2

**By Councillor Corbett for answer by the Convener of the Finance and Resources Committee at a meeting of the Council on 27 April 2017**

**Question** (1) Will the Convener confirm that when Redhall House was sold by the Council in December 2007, it was a condition of sale that the house be developed for use within 2 years and 3 months of sale?

**Answer** (1) This is correct

**Question** (2) Subject to the answer in 1. above, what action has been taken to enforce that condition of sale?

**Answer** (2) There have been numerous reports considered by the Finance and Resources Committee as follows:

[http://www.edinburgh.gov.uk/download/meetings/id/53307/item\\_711\\_Redhall\\_house\\_and\\_grounds\\_7\\_redhall\\_house\\_drive\\_edinburgh](http://www.edinburgh.gov.uk/download/meetings/id/53307/item_711_Redhall_house_and_grounds_7_redhall_house_drive_edinburgh)

[http://www.edinburgh.gov.uk/download/meetings/id/48667/item\\_712\\_-\\_redhall\\_house\\_and\\_lawn\\_-\\_progress\\_report](http://www.edinburgh.gov.uk/download/meetings/id/48667/item_712_-_redhall_house_and_lawn_-_progress_report)

[http://www.edinburgh.gov.uk/download/meetings/id/47298/item\\_714\\_-\\_redhall\\_house\\_and\\_lawn\\_progress\\_report](http://www.edinburgh.gov.uk/download/meetings/id/47298/item_714_-_redhall_house_and_lawn_progress_report)

[http://www.edinburgh.gov.uk/download/meetings/id/45358/item\\_77\\_-\\_redhall\\_house\\_and\\_lawn\\_progress\\_report](http://www.edinburgh.gov.uk/download/meetings/id/45358/item_77_-_redhall_house_and_lawn_progress_report)

[http://www.edinburgh.gov.uk/download/meetings/id/43415/item\\_71\\_-\\_redhall\\_house\\_and\\_lawn\\_-\\_options\\_for\\_action](http://www.edinburgh.gov.uk/download/meetings/id/43415/item_71_-_redhall_house_and_lawn_-_options_for_action)

The Council have instigated legal action against the owner, however this has been sisted following advice from Legal Services as the owner is in the process of preparing a new planning application.

**Question** (3) Will the Convener detail what assessments have been made of the condition of the property, starting from December 2007 to date; and outline what those assessments have shown?

**Answer** (3) Planning Officers have conducted regular visits to the property to visually inspect the security and monitor the condition of the building. Meetings with representatives of the owners have also taken place on site where discussions concerning the remedial measures required to secure and make the building wind and water tight were covered.

An agreement concerning the regular monitoring of the condition of the building on a weekly basis has been agreed between the owners of Redhall House and the Council.

On a number of occasions, the visual inspections revealed issues concerning the security of the building. The remedial measures required to address these issues were primarily in connection with the windows and doors of the property and have generally been implemented by the owners without delay.

### QUESTION NO 3

**By Councillor Main for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 27 April 2017**

The opening of the new Boroughmuir High School originally scheduled in August 2016, has been delayed for a sixth time, to January 2018.

At the Governance, Risk Best Value Committee on 24 October 2016 serious concerns were raised about continuing delays and an Assurance Review of the new Boroughmuir High School was requested and oversight of the project increased. However Boroughmuir High School's contractors, O'Hare & McGovern, have recently informed the Council that they are now unable to achieve the handover date of 16 June and are proposing a new date of 11 August just six days before the start of term.

**Question** (1) What was the reason given by the contractor for each of the delays?

**Answer** (1) There have been six delays in relation to when the contractor will hand over the building to the Council. Only the first two have been accepted as official delays in terms of the contract due to ground conditions and inclement weather. No accepted evidence for any of the further delays has been submitted by the contractor within the terms of the contract.

**Question** (2) For each of the delays, what penalty or changes to fees have been agreed with the contractor as the result of the delay?

**Answer** (2) The contract is not a public document and while it does contain appropriate provision for liquidated and ascertained damages, given the ongoing issues, it is not appropriate to discuss the details of the contract in a public forum.

**Question** (3) What are the detailed additional costs associated with keeping the school on the current site and fit for purpose until 2018, and who will bear those costs?

**Answer**

- (3)** The project budget has always included provision for costs related to the transfer period between the existing school and the new school building. Whilst these will vary slightly based on the length of the transition period, the project budget has adequate provision for the relatively low level of additional cost. All such costs will be tracked and options for compensation considered at the appropriate time.

**QUESTION NO 4**

**By Councillor Heslop for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 27 April 2017**

**20 mph signposts**

- Question** (1) How many new signposts have been erected showing the 20mph and what is the cost?
- Answer** (1) As part of the 20mph scheme, 566 existing poles have been removed as part of an effort to minimise street clutter. To date, approximately 382 new poles have been erected to house 20mph signs. This means an overall reduction of 184 poles across the city. The cost to erect each pole is in the region of £800, including excavation, traffic management, installation, etc. This equates to a cost of approximately £305,600.
- Question** (2) How many of these signposts have subsequently been removed, or removed and replaced with painted 20mph signs on the road.
- Answer** (2) Following feedback from residents, residents' associations and local elected members, 8 sign-poles were removed and replaced with 16 roundels.
- Question** (3) What is the cost?
- Answer** (3) The cost of removing the sign-poles and replacing with roundels is approximately £5,500. This is contained within the overall scheme budget.

**Supplementary  
Question**

Thank you Convener. For the benefit of the millions of people across Britain and throughout the Commonwealth who are no doubt watching these proceedings, can I just ask the Transport Convener, I'm very grateful for her answer, does she not think that the cost of putting up these poles, these 20mph poles and then removing them is quite a cost. Is this further evidence of a botched job? I didn't have an intention to ask a supplementary but I would like to allow this charming retiring matinee star the opportunity to say a few words.

**Supplementary  
Answer**

Thank you Dom. I did think that you would probably have a supplementary question. I also would like an opportunity to say a few words as well and to thank Dom. Unlike the current Conservative leader, Dom will, I would say, be missed in this Chamber for his humour, for his dignity and his intelligence and who will ever forget many of his phrases and the ones that will always come to me is the occasional state visit. I think we will all miss as I say your humour, your intelligence and we'll all miss you and it's unfortunate that you are going and leaving us and we'll all miss that. I certainly am sure that you will also go back on and will listen I'm sure to the recordings of Council meetings to see if there's anyone else who could take your place in terms of humour and intelligence.

So to answer your question, as you are my constituent and I've still never been invited to have my little glass of sherry with you, I remember I did offer you Havana Club from Cuba but you didn't take me up on that offer, so since we both have a little bit of time after next week I'm sure we can meet up either in my house in Drylaw if you would ever be able to come to that area or perhaps in the Stockbridge area we could obviously meet up or we could meet on mutual ground, perhaps a hostelry or some pub or whatever, or somewhere we could meet up, I'm sure that we could do that.

But I have to say Dom, I'm a little bit concerned as one of my constituents, that in Danube Street, there was a bit of graffiti and vandalism that happened in Danube Street, can you believe it, in Danube Street, there was vandalism happened and as I was going along delivering leaflets to

Jason, my special delivery by myself as a former Lord Provost, I'm sure you will appreciate that, I noticed that the sign which said 20mph had been vandalised and put "no" and I assume the "no" was "no" to a second referendum. So you and I Dom have the same views on that I'm sure – "no" to a second referendum Dom, but will you actually admit it was you that carried out this vandalism?

**QUESTION NO 5**

**By Councillor Rose for answer by the  
Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 27 April 2017**

**Garden Waste Collection**

**Question**

From the beginning of March 2017 garden waste collections changed to a three weekly rota year round.

It is noted that householders are receiving the following message:

**We are not able to supply the new garden waste collection information or reminder emails for Edinburgh at present. We hope this will be available soon. We are sorry for any inconvenience.**

When will this be resolved?

**Answer**

This message is not displayed on the Council website, which is currently providing accurate, up-to-date information for householders on garden waste collection arrangements in the city.

I understand that the message referred to above was displayed on the private company website <http://www.greenboxday.co.uk/default.asp>. We provided the company with the up-to-date information on our garden waste collection schedule, with a request that they update their website message relating to Edinburgh as a matter of urgency. The company has now confirmed that this will be carried out in the next few days.

## The City of Edinburgh Council

Edinburgh, Thursday 18 and 25 May 2017 (reconvened on 25 May 2017)

Present:- 18 May 2017

### LORD PROVOST

The Right Honourable Frank Ross

### COUNCILLORS

Robert C Aldridge  
Scott Arthur  
Gavin Barrie  
Eleanor Bird  
Chas Booth  
Mark A Brown  
Graeme Bruce  
Steve Burgess  
Lezley Marion Cameron  
Ian Campbell  
Jim Campbell  
Kate Campbell  
Mary Campbell  
Maureen M Child  
Nick Cook  
Gavin Corbett  
Cammy Day  
Alison Dickie  
Denis C Dixon  
Phil Doggart  
Marion Donaldson  
Karen Doran  
Scott Douglas  
Catherine Fullerton  
Neil Gardiner  
Gillian Gloyer  
George Gordon  
Ashley Graczyk  
Joan Griffiths  
Ricky Henderson  
Derek Howie

Graham J Hutchison  
Andrew Johnston  
David Key  
Callum Laidlaw  
Kevin Lang  
Lesley Macinnes  
Melanie Main  
John McLellan  
Amy McNeese-Mechan  
Adam McVey  
Claire Miller  
Max Mitchell  
Joanna Mowat  
Gordon J Munro  
Hal Osler  
Ian Perry  
Susan Rae  
Alasdair Rankin  
Lewis Ritchie  
Cameron Rose  
Neil Ross  
Jason Rust  
Stephanie Smith  
Alex Staniforth  
Mandy Watt  
Susan Webber  
Iain Whyte  
Donald Wilson  
Norman J Work  
Louise Young

**Present:- 25 May 2017**

## **LORD PROVOST**

**The Right Honourable Frank Ross**

## **COUNCILLORS**

Scott Arthur  
Gavin Barrie  
Eleanor Bird  
Chas Booth  
Claire Bridgman  
Mark A Brown  
Graeme Bruce  
Steve Burgess  
Lezley Marion Cameron  
Ian Campbell  
Jim Campbell  
Kate Campbell  
Mary Campbell  
Maureen M Child  
Nick Cook  
Gavin Corbett  
Cammy Day  
Alison Dickie  
Denis C Dixon  
Phil Duggart  
Marion Donaldson  
Scott Douglas  
Catherine Fullerton  
Neil Gardiner  
Gillian Gloyer  
George Gordon  
Ashley Graczyk  
Joan Griffiths  
Ricky Henderson  
Derek Howie

Andrew Johnston  
David Key  
Callum Laidlaw  
Kevin Lang  
Lesley Macinnes  
Melanie Main  
John McLellan  
Amy McNeese-Mechan  
Adam McVey  
Claire Miller  
Max Mitchell  
Joanna Mowat  
Gordon J Munro  
Hal Osler  
Ian Perry  
Susan Rae  
Alasdair Rankin  
Lewis Ritchie  
Cameron Rose  
Neil Ross  
Jason Rust  
Stephanie Smith  
Alex Staniforth  
Mandy Watt  
Susan Webber  
Iain Whyte  
Donald Wilson  
Norman J Work  
Louise Young

## 1. Chair

In accordance with Section 4(4) of the Local Government etc (Scotland) Act 1994, Andrew Kerr, Returning Officer, presided at the meeting until the election of the Lord Provost.

## 2. Roll of Council

The Roll of Council showing the Councillors for the various wards of the City of Edinburgh was submitted as follows:

Ward	Name	Ward	Name
1 Almond	Graham J Hutchison	10 Morningside	Nick Cook
	Kevin R Lang		Melanie Main
	Norrie Work		Neil J Ross
	Louise A L Young		Mandy Watt
2 Pentland Hills	Graeme J Bruce	11 City Centre	Karen Doran
	Neil T Gardiner		Claire H I Miller
	Ricky Henderson		Joanna Mowat
	Susan J Webber		Alasdair C M Rankin
3 Drum Brae/Gyle	Robert C Aldridge	12 Leith Walk	Marion Donaldson
	Claire E Bridgman		Amy McNeese-Mechan
	Mark A Brown		Susan J Rae
4 Forth	Eleanor M Bird	13 Leith	John L Ritchie
	James B Campbell		Chas Booth
	Cameron B Day		Adam R McVey
5 Inverleith	George A Gordon	14 Craigentinny/ Duddingston	Gordon J Munro
	Gavin K Barrie		Ian D Campbell
	Max Mitchell		Joan Griffiths
	Harriet E G Osler		John C McLellan
6 Corstorphine/ Murrayfield	Iain Whyte	15 Southside Newington	Alexander Staniforth
	William Scott Douglas		Steve Burgess
	Gillian E Gloyer		Alison M Dickie
7 Sighthill/Gorgie	Frank Ross	16 Liberton/Gilmerton	Ian Perry
	Denis C Dixon		Cameron Rose
	Catherine Fullerton		Lezley M Cameron
	Ashley Graczyk		Derek H Howie
8 Colinton/ Fairmilehead	Donald C Wilson	17 Portobello/ Craigmillar	Lesley J Macinnes
	Scott Arthur		Stephanie J H Smith
	Philip A Daggart		Kate Campbell
9 Fountainbridge/ Craiglockhart	Jason Rust		Mary Campbell
	Gavin Corbett		Maureen M Child
	Andrew Johnston		Callum Laidlaw
	David Key		

### 3. Election of Lord Provost

---

The Council was invited to elect a Lord Provost.

#### **Motion**

To appoint Councillor Frank Ross as Lord Provost.

- moved by Councillor McVey, seconded by Councillor Macinnes

#### **Amendment 1**

To appoint Councillor Lezley Marion Cameron as Lord Provost.

- moved by Councillor Rose, seconded by Councillor Gloyer

#### **Amendment 2**

To appoint Councillor Aldridge as Lord Provost.

- moved by Councillor Lang, seconded by Councillor Whyte

With the agreement of the mover and seconder, Amendment 1 was withdrawn.

#### **Voting**

The requisite number of members having so required in terms of Standing Order 22.1, the vote was taken by calling the roll.

The voting was as follows:

For the Motion, to appoint Councillor Ross

Councillor Barrie, Councillor Bird, Councillor Booth, Councillor Burgess, Councillor Ian Campbell, Councillor Kate Campbell, Councillor Mary Campbell, Councillor Corbett, Councillor Dickie, Councillor Dixon, Councillor Fullerton, Councillor Gardiner, Councillor Gordon, Councillor Howie, Councillor Key, Councillor Macinnes, Councillor Main, Councillor McNeese-Mechan, Councillor McVey, Councillor Miller, Councillor Rae, Councillor Rankin, Councillor Ritchie, Councillor Frank Ross, Councillor Staniforth and Councillor Work - 26 votes

For the Amendment to appoint Councillor Aldridge

Councillor Aldridge, Councillor Brown, Councillor Bruce, Councillor Jim Campbell, Councillor Nick Cook, Councillor Doggart, Councillor Douglas, Councillor Gloyer, Councillor Graczyk, Councillor Hutchison, Councillor Johnston, Councillor Laidlaw, Councillor Lang, Councillor McLellan, Councillor Mitchell, Councillor Mowat, Councillor Osler, Councillor Rose, Councillor Neil Ross, Councillor Rust, Councillor Smith, Councillor Webber, Councillor Whyte and Councillor Young – 24 votes

## Abstentions

Councillor Arthur, Councillor Cameron, Councillor Child, Councillor Day, Councillor Donaldson, Councillor Doran, Councillor Griffiths, Councillor Henderson, Councillor Munro, Councillor Perry, Councillor Watt and Councillor Wilson

## Decision

To approve the motion by Councillor McVey to appoint Councillor Frank Ross as Lord Provost.

## 4. Motion by Councillor Booth – Air Quality

---

The Lord Provost ruled in terms of Standing Order 27(1), that this item, which included a recommendation which, if accepted, would require a change to a decision taken by the Transport and Environment Committee on 17 January 2017 (item 4), should be considered due to a material change in circumstances.

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

“Council:

- 1) Notes that in the last air quality update, presented to Transport and Environment Committee on 17 January 2017, that the annual mean nitrogen dioxide objective was exceeded at 26 monitoring locations across the city in 2015;
- 2) Notes that Scottish air quality objectives for PM10 were exceeded at Salamander Street, and Scottish air quality objectives for PM2.5 were estimated to have been exceeded at four sites across the city;
- 3) Notes and welcomes the downward trend in most pollutants but believes that faster progress could and should be made in delivering cleaner air for Edinburgh;
- 4) Notes that four out of five parties represented on the council have made public commitments to introduce a low emission zone (LEZ) in the city in order to tackle poor air quality;
- 5) Notes that the Scottish Government aims to have a single Low Emission Zone in place in Scotland by 2018, is currently seeking a local authority to take the lead on this, and that some Scottish Government funding may be available from the Scottish Government for the first Scottish LEZ only, therefore notes that this is a matter of urgency;
- 6) Therefore agrees that the Council should be prepared to take the lead in progressing a Low Emission Zone for Edinburgh, and calls for additional funding for the Zone to be identified from partners such as the Scottish Government;

- 7) Agrees that the Council Chief Executive will urgently write to the Scottish Government offering to work towards establishing Scotland’s first Low Emission Zone in Edinburgh, with the expectation that the Scottish Government can make a significant contribution towards the cost of establishing the Zone, and offering early talks to discuss the practical details of bringing this about.”

### **Motion**

To approve the motion.

- moved by Councillor Booth, seconded by Councillor Mary Campbell

### **Amendment**

To take no action on the motion.

- moved by Councillor Nick Cook, seconded by Councillor Mowat

### **Voting**

For the motion - 44 votes

For the amendment - 18 votes

### **Decision**

To approve the motion by Councillor Booth

## **5. Adjournment**

---

### **Decision**

To adjourn this meeting in terms of Standing Order 17 and continue the remaining business of the meeting to an adjourned meeting of the Council to take place on 25 May 2017.

## **6. Resumption**

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The Lord Provost reconvened the meeting adjourned from 18 May on 25 May 2017.

## **7. Manchester Arena Tragedy**

---

The Lord Provost paid tribute to those involved in the Manchester arena tragedy on 22 May 2017.

The Council observed a minute’s silence in their memory.

## **8. Suspension of Standing Orders**

---

In order to allow consideration to be given to limited appointments at the first (adjourned) meeting, Council unanimously agreed to suspend Standing Order 1 (First meeting of Council after an election).

## **9. Election of Depute Convener**

---

The Council was invited to elect a Depute Convener.

### **Decision**

To continue consideration of the matter.

## **10. Appointment of Members to Committees, Boards and Joint Boards (including Senior Councillor Allowances)**

---

The Council was invited to appoint members to Committees of the Council and to Joint Committees and Joint Boards in accordance with Standing Order 3. The Council was also invited to appoint the Convener and Vice-Convener of the Corporate Policy and Strategy Committee (known as the Leader and Depute Leader of the Council).

### **Motion**

#### **(A) Political Management Arrangements**

Council regrets that in the three weeks since the election of the Council it remains Leaderless and without a governance structure in place preventing decisions and scrutiny from taking place and that this is an affront to the people of Edinburgh.

Council therefore agrees that since any further delay would be damaging, and when it seems apparent that previous solutions such as a coalition do not appear to be forthcoming, that an Executive Committee of 13 members of Council be formed in strict proportion to the votes achieved by each party (4 SNP members, 4 Conservative members, 2 Labour members 2 Green members and 1 Liberal Democrat member). This Executive Committee would replace the Corporate Policy and Strategy Committee and act as a Council Cabinet.

Delegates all powers of Council not reserved to full Council to said Committee until such time as a full new governance scheme comes forward at the June Council meeting.

In the interim, until fully worked up governance arrangements can be brought forward to the Council Meeting on June 29<sup>th</sup>, this Committee will meet fortnightly in public, be webcast and decisions will be taken by a simple majority.

The Leader, Depute Leader and Senior Councillors responsible for service areas will be selected from the Council Executive Committee. Appointments to the Committee and Senior Councillor roles will be made using the d'Hondt system – this should take place after an adjournment of this meeting for sufficient time for groups to meet to discuss their nominations but should be no longer than 24 hours.

Council further instructs the Chief Executive to bring forward a report to the June meeting to fully review its current political management arrangements which will comprise four scrutiny committees to ensure that decisions taken by the Executive Committee deliver good value and that officers are rigorously held to account for delivery of services.

The same report should also address the Council's commitment to working in localities by the creation of four Locality Committees. Consultation on the draft Locality Committee proposals should take place over the summer months, with the outcome reported to the Council meeting in September. To ensure effective political governance of the Locality arrangements and drive their development these should ensure effective delivery of services and best value in the four localities.

The political management arrangements should also be accompanied by all the necessary governance documentation.

## **(B) Appointments**

Council recognises its duty to determine individual applications within statutory timescales, and therefore agrees now to appoint members to the following:

- Licensing Board
- Integration Joint Board
- Development Management Sub-Committee
- Licensing Sub-Committee
- Planning Local Review Body (3 Panels)
- Social Work Complaints Review Committee

Council agrees the appointments, detailed in Appendix 1 to this minute, subject to completion of any mandatory training. All other appointments to Committees etc. are to be deferred to the 29 June 2017 Council meeting.

## **(C) Baillies**

Council agrees to appoint five Baillies to support the civic role of the Lord Provost, one from each of the parties represented on the Council, as detailed in Appendix 1 to this minute.

- moved by Councillor Whyte, seconded by Councillor Mowat

## **Amendment**

### **(A) Political Management Arrangements**

Council recognises the need to review the current political management arrangements and structure of committees to improve the Council's decision making processes and ensure it is effectively addressing the challenges and opportunities facing the city.

Council requests that the Chief Executive consults with all the party groupings and brings forward proposals for reform for consideration at the June Council meeting. The Chief Executive is asked to explore with the Lord Provost the possibility of convening the June Council meeting earlier in the month.

The redesign should be based on a streamlined Executive Committee model. The Executive Committees should be based on the political balance of the Council. The political management arrangements should also be accompanied by all the necessary governance documentation.

The same report should also address the Council's commitment to working in localities by the creation of four Locality Committees. Consultation on the draft Locality Committee proposals should take place over the summer months, with the outcome reported to the Council meeting in September.

### **(B) Appointments**

Council recognises its duty to determine individual applications within statutory timescales, and therefore agrees now to appoint members to the following on an interim basis pending the outcome of the review. Should they meet prior to the new structure being agreed, a Chair will be elected from the membership:

- Licensing Board
- Integration Joint Board
- Development Management Sub-Committee
- Licensing Sub-Committee
- Planning Local Review Body (3 Panels)
- Social Work Complaints Review Committee

Council agrees the appointments, detailed in Appendix 1 to this minute, subject to completion of any mandatory training. All other appointments to Committees etc are to be deferred to the June 2017 Council meeting.

### **(C) Baillies**

Council agrees to appoint five Baillies to support the civic role of the Lord Provost, one from each of the parties represented on the Council as detailed in Appendix 1 to this minute.

## **(D) Interim Leadership Arrangements**

Council notes that the Chief Executive would seek political guidance from all Group Leaders when taking decisions under urgency until a Council Administration is formed.

- moved by Councillor Day, seconded by Councillor Burgess

### **Voting**

The voting was as follows:

For the motion	-	17 votes
For the amendment	-	43 votes

### **Decision**

To approve the amendment by Councillor Day.

(During consideration of the above item, Councillor Jim Campbell, seconded by Councillor Mitchell moved that the meeting be adjourned until 2pm to allow Groups to consider the proposals which had been submitted.

In the voting, the motion to adjourn received 17 votes for and 43 votes against.)

(Reference – report by the Chief Executive, submitted)

## **11. Appointments to Outside Organisations**

---

The Council was invited to appoint/nominate representatives to the various organisations, companies, outside bodies and joint working groups on which it was represented.

### **Decision**

- 1) To agree the appointments to Council companies and COSLA as detailed in Appendix 2 to this minute.
- 2) To continue consideration of all other appointments to outside organisations and the appointment of champions to the full Council meeting in June 2017 and that all the appointments be subject to review at the June meeting.

(Reference – report by the Chief Executive, submitted)

## **12. Council Diary 2016/17 and 2017/18**

---

The Council was asked to approve a provisional 2017/18 diary, on the basis that a more detailed version would be submitted once the Council had determined any changes to its political management arrangements and appointments were made.

## Decision

- 1) To note that its meetings diary for 2016/17 ran until end-August. In view of the intended review of committee structure, to agree to cancel all remaining meetings agreed in the 2016/17 diary, except as follows:
  - Full Council
  - Licensing Board
  - Integration Joint Board
  - Development Management Sub-Committee (other than 7 June 2017 meeting moving to 14 June 2017)
  - Licensing Sub-Committee
  - Planning Local Review Body (3 Panels) (except for 14 June 2017)
- 2) To note that a full 2017/18 meetings diary would be submitted as soon as practicable after any new political management arrangements were agreed.

(Reference – report by the Chief Executive, submitted)

### **13. Emergency Motion by the Lord Provost - Condolences for Manchester**

---

The Lord Provost ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Council to give early consideration to this matter.

The following motion by the Lord Provost was submitted in terms of Standing Order 16:

“This Council expresses its deep shock and sorrow at the horrific terrorist attack in Manchester in which school children and young people were tragically involved.

Council notes the heroic actions of the emergency services in the immediate aftermath of the attack and admires the way in the Mancunian community has pulled together in the ensuing days.

Council further notes that the City of Edinburgh has paid its respects by lowering the flags on the City Chambers to half-mast and that a letter of condolence has been sent to the Mayor for Greater Manchester.

Council agrees to stand ready to provide support as may be requested by the City of Manchester in the aftermath of these terrible events.”

## **Decision**

To approve the motion by the Lord Provost.

## APPENDIX 1

(As referred to in Act of Council No 10 of 18 May 2017)

### APPOINTMENTS 2017/18

#### MEMBERSHIP OF COMMITTEES AND JOINT BOARDS (in part)

##### Development Management Sub-Committee

15 members – 5 SNP; 4 Conservative; 3 Labour; 2 Green; 1 SLD.

Councillor Dixon	Councillor Mowat
Councillor Ian Campbell	Councillor Child
Councillor Kate Campbell	Councillor Griffiths
Councillor Gordon	Councillor Perry
Councillor Ritchie	Councillor Booth
Councillor Graczyk	Councillor Staniforth
Councillor McLellan	Councillor Osler
Councillor Mitchell	

##### Planning Local Review Body

Three panels as follows (will require to be appointed members of the Planning Committee or equivalent):

###### Panel 1 (5 members)

Councillor Gordon	Councillor Perry
Councillor Mitchell	Councillor Staniforth
Councillor Mowat	

###### Panel 2 (5 members)

Councillor Ian Campbell	Councillor Child
Councillor Dixon	Councillor Booth
Councillor Graczyk	

###### Panel 3 (5 members)

Councillor Kate Campbell	Councillor Griffiths
Councillor Ritchie	Councillor Osler
Councillor McLellan	

**Licensing Sub-Committee** – 9 members – 3 SNP; 2 Conservative; 2 Labour; 1 Green; 1 SLD

Councillor Barrie  
Councillor Dixon  
Councillor Fullerton  
Councillor Rose  
Councillor Smith

Councillor Donaldson  
Councillor Doran  
Councillor Burgess  
Councillor Neil Ross

**Licensing Board** – up to 10 members – 3 SNP; 3 Conservative; 2 Labour; 1 Green; 1 SLD

Councillor Fullerton  
Councillor Key  
Councillor Work  
Councillor Jim Campbell  
Councillor Cook

Councillor Laidlaw  
Councillor Cameron  
Councillor Day  
Councillor Mary Campbell  
Councillor Gloyer

**Integration Joint Board** – 5 elected members – 2 SNP, 1 Conservative, 1 Labour, 1 Green

Councillor Howie  
Councillor Rankin  
Councillor Webber

Councillor Henderson  
Councillor Miller

**Social Work Complaint Review Committee** - 3 persons drawn from current panel, including all Councillors who are not members of the committees responsible for adult and children and young people social work services:

**Baillies** – 5 elected members (one from each political Group)

Councillor Work  
Councillor Rust  
Councillor Cameron  
Councillor Staniforth  
Councillor Aldridge

## APPENDIX 2

(As referred to in Act of Council No 11 of 18 May 2017)

### APPOINTMENTS TO ORGANISATIONS, COMPANIES, OUTSIDE BODIES, WORKING GROUPS, ETC 2017 - 2022

#### Category 1b – Companies and other organisations owned or controlled by the Council and Council joint venture companies

	Organisation	Form	Description	Appointments made for 2017/22	Lead Directorate(s)	Comment
1.	Essential Edinburgh-Business Improvement District (BID) Company Boards	Registered company	To promote collaborative and productive relationships between city centre businesses and the public sector, through the BID framework.	Councillor Barrie	Place	<b>On a division</b> (see note 1 below)
2.	Business Loans Scotland Ltd	Registered company	A pan-Scotland local authority business loan fund.	Councillor Barrie	Place	
3.	Capital City Partnership Ltd	Registered company	The delivery body for the city's employability strategy and programme.	Councillor Barrie Councillor Munro Councillor Whyte	Place	

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2017/22</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
4.	CEC Holdings Limited	Registered company	Holding company with a portfolio of operational companies, namely, EDI Group, EICC Ltd, New Edinburgh Ltd, Waterfront Edinburgh Limited, Shawfair Land Limited and PARC Ltd with the original purpose of ensuring tax efficiency across the operational company's portfolio and enable appropriate monitoring and control.	<b>Directors:</b> Lord Provost Councillor Munro Councillor Rose	Resources	

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2017/22</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
5.	EDI Ltd (including EDI Central Ltd, EDI Market Street Ltd, EDI Fountainbridge Ltd, PARC Craigmillar Ltd, PARC Craigmillar Developments LTD, Shawfair Land Ltd, Waterfront Edinburgh Ltd, Waterfront Edinburgh Management Ltd)	Registered company	Private company, owned by the Council and run as an arms-length operation. Main Council owned vehicle for property development and undertakes regeneration projects. It is redeveloping Craigmillar through PARC Limited	<b>7 Directors (1 Executive, 6 Non-Executive)</b>  Councillor Barrie Councillor Munro Councillor Whyte  3 External through recruitment	Resources	
6.	Edinburgh International Conference Centre Limited	Registered company	Owned by the Council and operates as an independent commercial venture which provides venues for conferences, conventions and exhibitions and acts as agent for development of Exchange district on behalf of the Council.	<b>Directors:</b> Councillor Munro Councillor Rankin Councillor Smith	Resources and Place	<b>On a division (see note 2 below)</b>

	Organisation	Form	Description	Appointments made for 2017/22	Lead Directorate(s)	Comment
7.	Edinburgh Leisure	Registered company	A not-for-profit company to run the Council's sport and leisure services.	Councillor Bruce Councillor Kate Campbell Councillor Doran Councillor Staniforth	Communities and Families	<b>On a division (see note 3 below)</b>
8.	Edinburgh Leisure Two	Registered company	A trading company of Edinburgh Leisure.	Councillor Bruce Councillor Kate Campbell Councillor Doran Councillor Staniforth	Communities and Families	<b>On a division (see note 4 below)</b>
9.	Energy for Edinburgh – Interim Board	Registered company	The Council's arms-length energy services company.	Councillor Booth Councillor Child Councillor McVey	Place	
10.	Festival City Theatres Trust - Directors	Registered company	A registered charity which is responsible for the operation and management of the Festival and King's Theatres.	Councillor Doran Councillor McNeese-Mechan Councillor Main Councillor Mitchell	Place	<b>On a division (see note 5 below)</b>
11.	LPFE Ltd	Registered company	A trading company of the Lothian Pension Fund.	Councillor Rankin	Resources	
12.	Marketing Edinburgh - Director	Registered company	A public/private body set up to lead and facilitate the promotion of Edinburgh.	Lord Provost Councillor Mowat Councillor Munro	Place	

	Organisation	Form	Description	Appointments made for 2017/22	Lead Directorate(s)	Comment
13.	PARC Craigmillar (Promoting and Regenerating Craigmillar)	Registered company	PARC is a joint venture between EDI Ltd and the City of Edinburgh Council which is spearheading the regeneration of Craigmillar.	See EDI Group membership	Resources	
14.	Transport for Edinburgh Ltd – Board	Registered company	Manages the city's public transport operations to ensure integrated transport across Edinburgh.	Councillor Booth Councillor Day Councillor Laidlaw Councillor McVey	Place	<b>On a division (see note 6 below)</b>

#### COSLA

Organisation	Description	Council Appointments for 2017/22	Lead Directorate(s)	Comment
COSLA	The representative voice of Scottish local government, lobbying on behalf of Scotland's 32 councils.	Councillor Burgess Councillor Day Councillor Macinnes Councillor McVey Councillor Rose Councillor Whyte	Chief Executive	<b>On a division (see note 7 below)</b>

## **Nominations to Outside Bodies**

### **Notes:**

Nominations on behalf of the SNP were submitted by Councillor Ritchie.

Nominations on behalf of the Conservative Group were submitted by Councillor Mowat.

Nominations on behalf of the Labour Group were moved by Councillor Day.

Nominations on behalf of the Green Group were moved by Councillor Burgess

Nominations on behalf of the SLD Group were moved by Councillor Lang.

### **Voting**

#### **1) Essential Edinburgh – Business Improvement District (BID) Company Boards (1 place)**

<b>Councillor Barrie</b>	-	20 votes
Councillor McLellan	-	17 votes

#### **2) Edinburgh International Conference Centre (3 places)**

<b>Councillor Rankin</b>	-	19 votes
<b>Councillor Smith</b>	-	17 votes
<b>Councillor Munro</b>	-	11 votes
Councillor Aldridge	-	6 votes

#### **3) Edinburgh Leisure (4 places)**

<b>Councillor Kate Campbell</b>	-	19 votes
<b>Councillor Bruce</b>	-	17 votes
<b>Councillor Doran</b>	-	10 votes
<b>Councillor Staniforth</b>	-	8 votes
Councillor Osler	-	5 votes

#### **4) Edinburgh Leisure Two (4 places)**

<b>Councillor Kate Campbell</b>	-	19 votes
<b>Councillor Bruce</b>	-	17 votes
<b>Councillor Doran</b>	-	10 votes
<b>Councillor Staniforth</b>	-	8 votes
Councillor Osler	-	5 votes

#### **5) Festival City Theatres Trust (4 places)**

<b>Councillor McNeese-Mechan</b>	-	19 votes
<b>Councillor Mitchell</b>	-	17 votes
<b>Councillor Doran</b>	-	10 votes
<b>Councillor Main</b>	-	8 votes
Councillor Gloyer	-	5 votes

**6) Transport for Edinburgh Ltd - Board (4 places)**

<b>Councillor McVey</b>	-	19 votes
<b>Councillor Laidlaw</b>	-	17 votes
<b>Councillor Day</b>	-	10 votes
<b>Councillor Booth</b>	-	8 votes
Councillor Gloyer	-	5 votes

**7) COSLA (6 places)**

<b>Councillor Macinnes</b>	-	19 votes
<b>Councillor McVey</b>	-	19 votes
<b>Councillor Rose</b>	-	17 votes
<b>Councillor Whyte</b>	-	17 votes
<b>Councillor Day</b>	-	10 votes
<b>Councillor Burgess</b>	-	8 votes
Councillor Aldridge	-	5 votes

## **Item no 5.1**

### **QUESTION NO 1**

**By Councillor Young for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 29 June 2017**

#### **Question (1)**

What action is being taken to reduce the congestion at the cross roads in Kirkliston?

#### **Answer (1)**

## Item no 5.2

### QUESTION NO 2

**By Councillor Young for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 29 June 2017**

#### **Question (1)**

When will the results of the traffic study into Lauriston Farm Road be published?

#### **Answer (1)**

## **Item no 5.3**

### **QUESTION NO 3**

**By Councillor Young for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 29 June 2017**

#### **Question (1)**

What steps are being taken to improve the standard and consistency of waste collection in the city?

#### **Answer (1)**

## **Item no 5.4**

### **QUESTION NO 4**

**By Councillor Osler for answer by  
the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 29 June 2017**

#### **Question (1)**

When does the Convener expect the repair to the Water of Leith Walkway (between Sunbury Bridge and The Steps at Dean Path) to be carried out and the Walkway made safe for all to enjoy again?

#### **Answer (1)**

## **Item no 5.5**

### **QUESTION NO 5**

**By Councillor Lang for answer by the  
Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 29 June 2017**

#### **Question (1)**

When does the Convener expect the Burnshot Bridge to  
reopen?

#### **Answer (1)**

## **Item no 5.6**

### **QUESTION NO 6**

**By Councillor Lang for answer by the  
Leader of the Council at a meeting of  
the Council on 29 June 2017**

#### **Question (1)**

What plans does the Leader have to meet with the managing director of Edinburgh Airport to discuss proposals to change the airport flight paths?

#### **Answer (1)**

## **Item no 5.7**

### **QUESTION NO 7**

**By Councillor Lang for answer by the  
Convener of the Finance and  
Resources Committee at a meeting  
of the Council on 29 June 2017**

#### **Question (1)**

Will the Convener provide an update on the current review of janitorial services and the impact on cover for community centres?

#### **Answer (1)**

## Item no 5.8

### QUESTION NO 8

**By Councillor Brown for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 29 June 2017**

#### **Pavement Slurry Works**

**Question (1)** Confirm the costs incurred to the local taxpayer in carrying out the temporary pavement slurry works?

**Answer (1)**

**Question (2)** Confirm what cost / benefit analysis had been completed in advance of agreeing to sign-off a programme of temporary slurry repairs?

**Answer (2)**

**Question (3)** Confirm the rationale behind slurry works instead of a more robust pavement replacement programme offering greater longevity?

**Answer (3)**

**Question (4)** Confirm the anticipated lifespan of the temporary works and when the Council proposes to undertake a permanent footpath replacement programme for the affected streets and roads?

**Answer (4)**

**Question (5)** Detail the streets on which this work has been already completed and a schedule of those still to be treated as part of the current programme?

**Answer (5)**

**Question (6)** Confirm how many complaints the Council has received in relation to the quality of completed and ongoing slurry repair works?

**Answer (6)**

**Question (7)**

Highlight the Council's current inspection regime and how it holds contractors to account for unsatisfactory work?

**Answer (7)**

**Question (8)**

Confirm if contractors are required to remove weed vegetation on pavement areas as part of the contract?

**Answer (8)**

## Item no 5.9

### QUESTION NO 9

**By Councillor Mowat for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 29 June 2017**

#### **Domestic Missed Bin Complaints**

##### **Question (1)**

Please provide the number of weekly Domestic Missed Bin Complaints broken down by service, since January 2017.

##### **Answer (1)**

##### **Question (2)**

Please provide a comparative data in chart form to demonstrate trends and comparisons with previous years.

##### **Answer (2)**

##### **Question (3)**

Please provide details of the unavailability of refuse vehicles during this period, reason for unavailability, length of time vehicles have been unavailable and the contingency plan in place to ensure collections are maintained.

##### **Answer (3)**

## Item no 5.10

### QUESTION NO 10

**By Councillor Rose for answer by the  
Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 29 June 2017**

#### **Meadows Festival Parking**

##### **Question (1)**

On 3<sup>rd</sup> June 2017 the first day of the annual Meadows Festival took place. How many parking tickets were issued for Melville Drive on 3<sup>rd</sup> June? What is the approximate value of fines accruing from these tickets to Edinburgh Council?

##### **Answer (1)**

##### **Question (2)**

How many road collision casualties have there been in Melville Drive over the past 10 years?

##### **Answer (2)**

##### **Question (3)**

How many casualties, and what type, have there been in Melville Drive on Saturdays in the last 10 years?

##### **Answer (3)**

## Item no 5.11

### QUESTION NO 11

**By Councillor Rust for answer by the Convener of the Housing and Economy Committee at a meeting of the Council on 29 June 2017**

#### **Redford Barracks**

##### **Question (1)**

Following the meeting of Redford Barracks Stakeholder Group on 29th March, has there been any further contact between the City of Edinburgh Council and Defence Infrastructure Organisation / UK Government on the scale, timing and nature of the proposed closure, sale and potential redevelopment of Redford Barracks site?

##### **Answer (1)**

##### **Question (2)**

Does the new Council Administration remain committed to exploring the potential for incorporating veterans' housing in any redevelopment, should that arise?

##### **Answer (2)**

##### **Question (3)**

Will an invitation be extended to representatives from Defence Infrastructure Organisation to a future meeting of the Stakeholder Group?

##### **Answer (3)**

##### **Question (4)**

To which Council Committee will the Group report?

##### **Answer (4)**

## Item no 5.12

### QUESTION NO 12

**By Councillor Jim Campbell for  
answer by the Convener of the  
Planning Committee at a meeting of  
the Council on 29 June 2017**

#### **Planning**

In the last complete reporting year:

#### **Question (1)**

How many Planning Applications were approved by the Council?

#### **Answer (1)**

#### **Question (2)**

How many Planning Applications had alleged breaches reported to the Council?

#### **Answer (2)**

#### **Question (3)**

How many Planning enforcement actions did the Council launch?

#### **Answer (3)**

#### **Question (4)**

How many Building Warrants were approved?

#### **Answer (4)**

#### **Question (5)**

How many Building Warrants had alleged breaches reported to the Council?

#### **Answer (5)**

#### **Question (6)**

How many Building Warrants had alleged breaches reported to the Council which resulted in a site inspection by an Council Officer?

#### **Answer (6)**

#### **Question (7)**

How many Building Warrant enforcement actions did the Council launch?

#### **Answer (7)**

**Question (8)** Please specify dates of reporting year?

**Answer (8)**

For the last complete reporting period, if available, or for the last week of the last reporting year:

**Question (9)** How many Planning Applications were approved?

**Answer (9)**

**Question (10)** What was the average time between the receipt of a valid Planning Application and approval?

**Answer (10)**

**Question (11)** How many Building Warrants were approved?

**Answer (11)**

**Question (12)** What was the average time between the receipt of a valid Building Warrant application and approval?

**Answer (12)**

**Question (13)** Please specify dates of sample period.

**Answer (13)**



## First word

Welcome to my first Council Leader's report. I hope you find it interesting and would welcome your comments or suggestions for future content.

I'm sure my 62 colleagues would agree: it is an enormous honour to be elected to represent the people of this great city and one that I have relished since becoming a councillor in 2012.

And as the city's youngest ever Council Leader, which I became yesterday (22 June), I'm keen to build on my experience over the past five years while bringing a new improved vision to our exciting and vibrant Capital.

We know from the various awards and accolades that the city receives just how good it can be to live, study or visit here – indeed, we only have to look out the window – but we also know that a quarter of our children live in poverty. How can this be right?

Clearly, just like other successful cities, we also face significant challenges and I promise to implement a progressive policy agenda, prioritising improvement of our core public services and dealing with the *real* issues facing the people of Edinburgh.

## Hitting the ground running

Last Friday, I joined Labour Group Leader, Cammy Day, in signing a coalition agreement to run the Council, pledging to work closely with other groups to deliver improved services for residents and communities over the next five years.

We will focus on several key areas, including the construction of 20,000 affordable new homes, investment in transport, improving waste services and roads maintenance and the delivery of a City Region Deal. We will also target educational attainment, building two new secondary schools and 10 new primaries by 2021.

While it has undoubtedly been a frustrating few weeks since the local elections on 4 May, I haven't let the time go to waste and I can assure you that, having now formed an administration and [agreed a new and improved committee structure](#), we are ready to get to work for the city.

## We stand with you

Our friends in London and Manchester have endured a truly devastating series of events over the past few weeks. My deepest sympathies go to the families and friends of those who have lost their lives in the recent terrorist atrocities and the horrendous fire in Grenfell Tower.

The emergency services surpassed themselves with the speed of their response and the incredible courage they demonstrated in rushing to the aid of those in danger. And, once again, local communities pulled together magnificently to help and comfort those in need – as they are still doing today.

Understandably, the Grenfell Tower fire caused concern for residents in our own tower blocks. Our housing teams immediately sought to reassure residents about the fire safety approach in their buildings and a full review of fire safety is under way. We want our residents to feel as safe as they possibly can in their homes and we will do everything we can to make this happen.

The latest [Tenants' Courier](#) has advice and the Fire Service also offers free safety visits and can fit homes with free smoke alarms. To book a free fire home safety visit call **0800 0731 999** or text **'FIRE' to 80800**.

## Festival City

Finally, I spoke above of the many benefits of living in Edinburgh – and having [11 thriving international festivals](#) right here on our door step is definitely one of them. You can't help but feel the buzz beginning to build as the summer festivals approach.

Following premieres on Wednesday, the Film Festival is now in full swing and the Jazz Festival will follow suit on 14 July. Marking 70 years of our city's festivals in 'Bloom', the opening ceremony for the Edinburgh International Festival is now only a few weeks away.

A highlight of the summer and a spectacular sight every year, the closing night Festival Fireworks Concert will once again take place at the Ross Bandstand. With a design competition approaching its climax, it will be exciting to see which of the [seven shortlisted designs](#) will be progressed and how the venue takes shape over the next few years. The designs are on display in the City Art Centre until 30 July and, while the winner will be chosen by an expert panel, they're keen to hear your views.

## ***Get involved***

Keep up to date with all council news via our [news section online](#). You can watch live council and committee meetings via our [webcast](#) service and join the debate on Twitter using #edinwebcast. If you wish to unsubscribe, please [email](#) us.

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10.00am, Thursday 29 June 2017

## Appointments to Outside Organisations 2017/22

Item number	7.1
Report number	
Executive/routine	
Wards	All

### Executive summary

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At the adjournment of its first meeting on 25 May 2017, Council agreed appointments to Council companies and to COSLA, subject to review at this meeting. The remaining appointments to outside organisations, including the appointment of any champions, were continued to this meeting. Council is now asked to consider making these appointments.

## Appointments to Outside Organisations 2017/22

### Recommendations

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1. To appoint elected members to a range of outside organisations and Council companies, as detailed in the appendix to this report, including the initial appointments to Council companies made at the 25 May 2017 meeting.
2. To consider whether to continue with the practice of appointing specific Champions, and if so to appoint members to the positions identified.

### Main report

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- 2.1 The Appendix lists the organisations the Council is invited to appoint to for 2017/22, along with the previous representation. Appointments to city-wide groups help support the Council's strategic objectives; while those to local groups assist locality planning, and support local ward members. Council companies have key roles and responsibilities across a range of service areas.
- 2.2 The list of organisations has been reviewed ahead of this process. A number of organisations appointed in 2012 have ceased to exist. Groups have been asked to confirm they still wish Council representation, and a few have declined. Additionally, some groups have retained their unincorporated status, and due to the potential liability on individual members and the Council these organisations have not had appointments proposed.
- 2.3 Individual councillors were also surveyed to establish whether they had benefited from being appointed to a particular organisation, either in terms of local ward interest, or in terms of the overall development of Council policy. This report takes account of the responses received. Specifically, the role of members appointed to outside bodies was incorporated in the member induction training programme.
- 2.4 In terms of appointments to charitable bodies, the Office of the Scottish Charity Regulator (OSCR) guidance recommends the board membership of charities should be regularly refreshed.
- 2.5 A detailed review of elected membership on Council companies was undertaken in 2012, overseen by a members' working group. Amongst its conclusions, agreed at full Council in December 2012, was that a maximum of three elected members should sit on the board of each Council company, at that time one member from each of the coalition groups and one from an opposition group.
- 2.6 The appendix details the initial appointments to Council companies made, subject to review at this meeting, at the 25 May 2017 Council meeting. It has

been confirmed that the Council's representation on Edinburgh Leisure and Edinburgh Leisure 2 should comprise five members, rather than the initial appointment of four. One further appointment to each is therefore sought.

- 2.7 The previous Council also appointed a number of Champions, individual members who served as lead member, and champion, for a particular issue. The previous Champions are also listed in the Appendix, and the Council is invited to consider appointing to these positions.

## Measures of success

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- 3.1 The Council is fully represented on a range of outside bodies.
- 3.2 Council companies have a full complement of elected members appointed to them.

## Financial impact

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- 4.1 Not applicable.

## Risk, policy, compliance and governance impact

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- 5.1 A risk assessment of unincorporated organisations has been conducted. Organisations assessed as carrying a high level of risk for individual members and the Council have been removed.

## Equalities impact

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- 6.1 Not applicable.

## Sustainability impact

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- 7.1 Not applicable.

## Consultation and engagement

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- 8.1 Not applicable.

## Background reading/external references

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[Council Minute of 24 May 2012](#)

[Council Companies Report - December 2012](#)

## Andrew Kerr

Chief Executive

Contact Allan McCartney, Committee Services Manager

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**APPOINTMENTS TO ORGANISATIONS, COMPANIES,  
OUTSIDE BODIES, WORKING GROUPS, ETC**

**2017 - 2022**

**Category 1a – External Organisations**

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
1.	Association for Public Service Excellence (APSE)	A not-for-profit local government body working with over 300 councils throughout the UK promoting excellence in public services.	Substantive Member: Councillor Hinds (L)  Substitute Member: Councillor Rankin (SNP)	Place/Chief Executive	
2.	BioQuarter Advisory Board – advisory role	Provides high-level advice and expertise to BioQuarter initiative.	Councillor Ross (SNP)	Place	
3.	Centre for the Moving Image (previously Edinburgh International Film Festival)	To discover and promote the very best in international cinema and to herald and debate changes in global filmmaking	Councillor Lewis (SNP)	Chief Executive	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
4.	Changeworks - Board	An environmental charity and social enterprise which works in collaboration with public and third sector organisations, schools, communities and businesses.	Councillor McVey (SNP)	Place	
5.	Citizens Advice Edinburgh - Observer	Five advice centres and 15 outreach points across the city. Provides free, confidential, impartial and independent advice on issues including money, benefits, immigration, employment rights, housing, consumer issues, family problems and health services.	Councillor Rankin (SNP) 22/10/15 Councillor Ritchie	Place	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
6.	COSLA	The representative voice of Scottish local government, lobbying on behalf of Scotland's 32 councils.	Councillor Burns (L) Councillor Hinds (L) Councillor Howat (SNP) Councillor Rankin (SNP) Councillor Rose (C) Councillor Burgess (G)	Chief Executive	<b>Councillors Burgess; Day; Macinness; McVey; Rose and Whyte appointed at 25 May 2017 Council meeting.</b>
7.	Craigmillar Opportunities Trust (Cre8te)	A social enterprise that delivers services that help to regenerate local communities.	Councillor Child (L) Councillor Bridgman(SNP) (to be confirmed by Cre8te)	Place	
8.	Dance Base - Board of Management	Encourages and celebrates the potential for dance in everyone.	Councillor Key (SNP)	Communities and Families	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
9.	Dean Orphanage and Cauvin's Trust - Board	Works to keep young people from living on the streets and provides a continuum of care to young people aged 15-21 as they make the transition from being looked after and accommodated to living independently in the community.	Councillor Keil (L)	Communities and Families	
10.	Edinburgh Airport Consultative Committee	Advises the airport's Managing Director about issues which concern the local communities, travellers and other users of the airport and stimulates interest both within the airport community and local people	Substantive Member: Councillor Hinds (L)  Substitute Member: Councillor Orr (SNP)	Place	
11.	Edinburgh and Lothians Area Tourism Partnership	Brings together local players from across the private and public sectors, such as tourism operators, local tourism groups, Chambers of Commerce, local authorities and VisitScotland.	Councillor Munro (L) Councillor Barrie (SNP)	Place	

	Organisation	Description	Council Appointments for 2012/17	Lead Directorate(s)	Comment
12.	Edinburgh and Lothians Greenspace Trust Board	Environmental project development, management and fundraising services.	Councillor Gardner Councillor Lewis	Place	
13.	Edinburgh Area Support Team	Supports the work of the Children's Panel – a group of unpaid volunteers who sit on Children's Hearings on a rota basis.	Councillor Redpath (L)	Chief Executive	
14.	Edinburgh Community Solar Co-operative	A local community benefit society which aims to deliver viable co-operative energy projects in the city.	Councillor Booth (Green) Councillor Bill Henderson (SNP) Councillor Hinds (L)	Chief Executive	
15.	Edinburgh International Festival Council – Board of Trustees	Administers the affairs of the Edinburgh International Festival Society.	Lord Provost (ex-officio) Councillor Doran (L) Councillor Redpath (L) Councillor Howat (SNP) Councillor Lewis (SNP) Councillor Whyte (C) Councillor Booth (G)	Place	<b>Three appointees</b> (in addition to the Lord Provost) now sought, following a recent change in the Festival Council Articles of Association.

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
16.	Edinburgh Festival Centre Ltd	Provides offices and ticketing services for the International Festival.	Councillor Munro	Place	
17.	Edinburgh International Jazz and Blues Festival – Board of Directors	The Festival is hosted in venues across the city with a selection of performers from across the jazz and blues musical spectrum, also hip-hop, funk and soul music.	Councillor Milligan (L) Councillor Cardownie (SNP) Councillor Fullerton (SNP) Councillor Rust (C)	Place	<b>No appointment</b> required at this time, pending governance review
18.	Edinburgh International Science Festival Limited (Trading Company)	An educational charity that encourages people of all ages and backgrounds to discover the wonder of the world around them.	Councillor Doran (L) Councillor Blacklock (L) Councillor Lunn (SNP) Councillor Rose (C)	Place	
19.	Edinburgh Partnership Board	The Community Planning Partnership for the city.	Council Leader (to chair) One representative from each political group.	Chief Executive	Adjusted membership agreed by Partnership Board.

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
20.	Edinburgh Partnership – Community Planning Partnerships	Strategic Partnerships for- <ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Community Safety</li> <li>• Children and Young People</li> <li>• Sustainable Development</li> <li>• COMPACT</li> <li>• Drug and Alcohol</li> </ul>	Two Administration and one opposition member on each.	Chief Executive	One member from each Group on each Planning Partnership, except: Children and Young People – 2 Administration; 1 other member.
21.	Edinburgh Police Fund for Children (formerly Police Aided Clothing Scheme) – Directors	Provides clothing to children aged 5-18 from underprivileged backgrounds	Lord Provost (ex officio)  Councillor Rose (C)	Communities and Families	
22.	Edinburgh Tourism Action Group – Strategy Group	Umbrella group for businesses making up Edinburgh's tourism sector	Councillor Barrie	Place	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
23.	Edinburgh UNESCO City of Literature – Trustee	An independent organisation that works through partnerships providing a focus and co-ordination for literary activity, reaching out to a wide audience to deliver clear benefits for the city and for Scotland.	Lord Provost (ex officio)	Chief Executive	
24.	Edinburgh University – Curators of Patronage - Directors	The Curators have the right of nomination to the office of Principal and the patronage of sixteen Chairs and a share in the patronage of a number of other Chairs.	Lord Provost Councillor Lewis (SNP) Councillor McInnes (C)	Communities and Families	
25.	Edinburgh University Court – Assessor - Director	The Court is the University's governing body and the legal persona of the University.	Lord Provost	Resources	
26.	Edinburgh World Heritage Trust Board	Provides strategic guidance to support the future development of Edinburgh World Heritage.	Councillor Perry (L)	Place	Previously appointed by the Planning Committee.

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
27.	Eurocities Network	A network of major European cities which brings together the local governments of more than 140 large cities in over 30 European countries. It influences and works with the EU institutions to respond to common issues that affect the day-to-day lives of Europeans.	Substantive member: Lord Provost (L)  Substitute member: Councillor Barrie (SNP)  Chief Executive (as Liaison Officer for contact purposes)	Place	
28.	Fettes Trust (The Governors of) - Director	Administers Fettes College.	Councillor Paterson (C)	Communities and Families	
29.	George Heriot's Trust	Governs George Heriot's School.	Councillor Rose (C) Kate Cherry (A person with experience in education)	Communities and Families	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
30.	Handicabs (Lothian) Limited – Executive Committee (HcL – Dial-a-Ride, Dial-a-Bus) - Observer	Charitable company to provide accessible transport for people in Edinburgh and the Lothians.	Councillor Hinds (L)	Place	
31.	Imagineate - Directors	Promotes and develops the performing arts for children and young people in Scotland.	Councillor Doran (L) Councillor Fullerton (SNP)	Communities and Families	
32.	John Watson Trust	Awards grants to under 21 year olds with either a physical or learning disability or who are in a situation of deprivation.	Head of Schools and Community Services  Councillor Day	Communities and Families	
33.	John Wilson/Robert Christie Bequest Fund Board of Management - Director	A fund for people over 60 who are in need, live in Edinburgh or Midlothian and have an acutely painful disease.	Councillor Aitken (C)	Resources	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
34.	Life Care (Edinburgh) Ltd - Observers	Supports the independence of older people.	Councillor Griffiths (L) Councillor Work (SNP) Councillor Aitken (C) Vacancy	Edinburgh Health & Social Care Partnership	
35.	Local Authority Action for Southern Africa: National Steering Committee	Assists in the reconstruction of Southern Africa following the defeat of apartheid and undertakes work on many critical issues facing the peoples of the region.	Councillor Gardner (L)	Chief Executive	
36.	Local Authority Pension Fund Forum– Executive Committee	Promotes the investment interests of local authority pension funds and maximises their influence as shareholders whilst promoting social responsibility and corporate governance at the companies in which they invest.	Councillor Rankin (SNP)	Resources	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
37.	Lothian Homes Trust - Directors	Promotes the education of young people under the age of 22 who are in need of care or are living in deprived circumstances or otherwise require assistance to become adjusted to living independent lives.	Councillor Griffiths (L) Councillor Key (SNP) Councillor Balfour (C) Vacancy	Communities and Families	
38.	Lowland Reserve Forces' and Cadets' Association	One of 13 autonomous Tri-Service bodies, established to support the Reserve Forces and Cadets in the Lowlands of Scotland.	Councillor Bridgman (SNP)	Communities and Families	
39.	Merchant Company – Endowment Trust	Provides assistance to men and women who meet the criteria.	Councillor Ricky Henderson (L) Councillor Key (SNP) Councillor Tymkewycz (SNP) Councillor McInnes (C) Councillor Aitken (C)	Edinburgh Health and Social Care Partnership	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
40.	NHS Lothian – Board	The Board's main role is to protect and improve the health of the people of Lothian and plan services for the local population.	Convener of Health, Social Care and Housing (L)	Edinburgh Health and Social Care Partnership	
41.	Nuclear Free Local Authorities Scotland	To increase local accountability over national nuclear policy.	Councillor Gardner (L)	Place	
42.	Nuclear Free Local Authorities UK and Ireland	Comprises member local authorities from England, Scotland, Wales, Northern Ireland and the Republic of Ireland and aims to increase local accountability over national nuclear policy, identify the impact of national nuclear policy on local communities and work to minimise nuclear hazards and increase public safety.	Councillor Gardner (L)	Place	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
43.	(Directors of) One City Limited, and thus as Trustees of the One City Trust	Independent Trust which promotes social inclusion in Edinburgh formed in 2003 as a recommendation of the Lord Provost's Commission on Social Exclusion.	Lord Provost (ex-officio) Councillor Day (L) Councillor Dixon (SNP)	Edinburgh Health and Social Care Partnership	
44.	Our Dynamic Earth	Raises awareness and understanding of our planet through the Dynamic Earth exhibition and promotes education and life-long learning in Earth and Environmental Science.	Lord Provost (ex-officio)	Communities and Families	
45.	Queen's Hall (Edinburgh) Ltd - Director	Offers a wide range of events including classical, jazz, blues, pop, rock, world, folk and comedy and is also home to the Scottish Chamber Orchestra.	Councillor Doran (L)	Place	

	Organisation	Description	Council Appointments for 2012/17	Lead Directorate(s)	Comment
46.	Rosyth Local Liaison Committee	Forum for consulting with local authorities on matters affecting public protection from nuclear and radiation hazards arising from nuclear operations in Rosyth Business Park.	Councillor Gardner (L) Councillor Work (SNP) Councillor Paterson (C) Councillor Shields (SLD)	Place	
47.	Royal Blind - Director	A National Centre of Excellence in the education and care of young people who are blind or visually impaired.	Councillor Rose (C)	Communities and Families	
48.	Royal Edinburgh Military Tattoo (Charities) Limited - Trustees	Each year, a substantial proportion of surplus funds generated by the Tattoo are distributed to charitable arts and service benevolent organisations.	Lord Provost (ex-officio)	Chief Executive	
49.	Royal Lyceum Theatre Company – Non-Executive Directors	The Company is in permanent residence in the Lyceum building which it leases from the Council. It is one of the largest producing companies in the UK and the largest drama company in Scotland.	Councillor Doran (L) Councillor Lewis (SNP)	City Strategy and Economy	<b>No appointment</b> required at this time, pending governance review.

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
50.	Royal Scottish National Orchestra – Board of Directors	One of Europe's leading symphony orchestras.	Councillor Doran (L) Councillor Fullerton (SNP)	Place	
51.	Scotland Excel	The Centre of Procurement Expertise for Scotland's local government sector.	Councillor Rankin (SNP) Councillor Whyte (C)	Resources	
52.	Scottish Chamber Orchestra – Board of Directors	One of Scotland's five National Performing Arts Companies.	Councillor Lewis (SNP)	Chief Executive  Communities and Families	
53.	Scottish Councils Committee on Radioactive Substances (SCCORS)	Provides a mechanism to identify a common Scottish local authority viewpoint on radioactive waste management issues.	Substantive Member: Councillor Gardner (L)  Substitute Member: Councillor McVey (SNP)	Place	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
54.	Scottish Enterprise Edinburgh and Lothians	Ensures the private sector and key stakeholders in specific regions have an influential role in Scottish Enterprise's strategy. Regionally-based boards advise on the best way to maximise the contribution of each region to Scotland's economic growth.	Councillor Barrie (SNP)	Place	
55.	Scottish Local Government Forum Against Poverty	Cross-party network of Scottish local authority members and officers, together with other public and third sector organisations, with a specific interest in anti-poverty and social justice policy issues.	Substantive member: Councillor Ricky Henderson (L)  Substitute member: Councillor Work (SNP)	Edinburgh Health and Social Care Partnership	
56.	Scottish National War Memorial – Trustees	Responsible for the administration of the Scottish National War Memorial at Edinburgh Castle.	Lord Provost (ex-officio)	Resources	
57.	Smilechildcare	Provides subsidised childcare places and services for low income families	Councillor Fullerton (SNP)	Communities and Families	

	Organisation	Description	Council Appointments for 2012/17	Lead Directorate(s)	Comment
58.	Spartan's Community Football Academy - Directors	Aims to provide the community of North Edinburgh with a community inspired, developed and managed facility, to help develop people of all ages sporting, social and life skills.	Councillor Godzik (L) Councillor Cardownie (SNP)	Communities and Families	
59.	Torness Local Liaison Committee	Discusses safety issues at Torness Nuclear Power Station. To maintain regular communications about nuclear site.	Councillor Gardner (L) Councillor Dixon (SNP) Councillor Booth (G)	Place	
60.	Transform Scotland – Board	The national alliance for sustainable transport, <a href="#">bringing together organisations</a> from the private, public and voluntary sectors.	Councillor Hinds (L)	Place	
61.	Wester Hailes Land and Property Trust	Promotes the development of land and assets within Wester Hailes to the maximum benefit of the local community and provides a property management service to other community groups.	Councillor Bill Henderson (SNP)	Place	

	<b>Organisation</b>	<b>Description</b>	<b>Council Appointments for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
62.	Worker's Educational Association Scotland (now WEA Scotland) - Observer	Committed to equality of access to learning and gives priority to providing learning for educationally, socially and economically disadvantaged groups.	Councillor Day (L)	Communities and Families	
63.	World Heritage Committee (amended to Edinburgh World Heritage)	An independent charity with the aim of ensuring the city's World Heritage status benefits everyone.	Councillor Mowat (C) Councillor Robson (L)	Place	

**APPOINTMENTS TO ORGANISATIONS, COMPANIES,  
OUTSIDE BODIES, WORKING GROUPS, ETC**

**2017-2022**

**Category 1b – Companies and other organisations owned or controlled by the Council and Council joint venture companies**

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
64.	Essential Edinburgh-Business Improvement District (BID) Company Boards	Registered company	To promote collaborative and productive relationships between city centre businesses and the public sector, through the BID framework.	Convener of Economy Committee	Place	<b>Councillor Barrie appointed (25/5/17)</b>
65.	Business Loans Scotland Ltd	Registered company	A pan-Scotland local authority business loan fund.	Councillor Barrie	Place	<b>Councillor Barrie appointed (25/5/17)</b>

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
66.	Capital City Partnership Ltd	Registered company	The delivery body for the city's employability strategy and programme.	Convener of Economy Committee (SNP) Vice-Convener of Economy Committee (L) Councillor Paterson (C)	Place	<b>Councillors Barrie; Munro and Whyte appointed (25/5/17)</b>
67.	CEC Holdings Limited	Registered company	Holding company with a portfolio of operational companies, namely, EDI Group, EICC Ltd, New Edinburgh Ltd, Waterfront Edinburgh Limited, Shawfair Land Limited and PARC Ltd with the original purpose of ensuring tax efficiency across the operational company's portfolio and enable appropriate monitoring and control.	<b>Directors:</b> Councillor Hinds (L) Councillor Munro (L) Councillor Ross (SNP) Councillor Rose (C)	Resources	<b>Lord Provost and Councillors Munro and Rose appointed (25/5/17)</b>

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
68.	EDI Ltd (including EDI Central Ltd, EDI Market Street Ltd, EDI Fountainbridge Ltd, PARC Craigmillar Ltd, PARC Craigmillar Developments LTD, Shawfair Land Ltd, Waterfront Edinburgh Ltd, Waterfront Edinburgh Management Ltd)	Registered company	Private company, owned by the Council and run as an arms-length operation. Main Council owned vehicle for property development and undertakes regeneration projects. It is redeveloping Craigmillar through PARC Limited	<b>7 Directors (1 Executive, 6 Non-Executive)</b> Convener of Economy Committee (Non E) Vice-Convener of Economy Committee (Non E) Councillor Whyte (Non E) 3 External through recruitment	Resources	<b>Councillors Barrie: Munro and Whyte appointed (25/5/17)</b>

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
69.	Edinburgh International Conference Centre Limited	Registered company	Owned by the Council and operates as an independent commercial venture which provides venues for conferences, conventions and exhibitions and acts as agent for development of Exchange district on behalf of the Council.	<b>Directors:</b> Councillor Munro (L) - Chair Councillor Rankin (SNP) Councillor Aldridge (SLD)	Resources and Place	<b>Councillors Munro; Rankin and Smith appointed (25/5/17)</b>
70.	Edinburgh Leisure	Registered company	A not-for-profit company to run the Council's sport and leisure services.	Councillor Doran (L) Councillor Lewis (SNP) Councillor Cairns (SNP) Councillor Balfour (C) Councillor Booth (G)	Communities and Families	<b>Councillors Bruce: Kate Campbell; Doran and Staniforth appointed (25/5/17)</b>  <b><u>Note</u> – one further member requires to be appointed.</b>

	Organisation	Form	Description	Appointments made for 2012/17	Lead Directorate(s)	Comment
71.	Edinburgh Leisure Two	Registered company	A trading company of Edinburgh Leisure.	Councillor Doran (L) Councillor Lewis (SNP) Councillor Cairns (SNP) Councillor Balfour (C) Councillor Booth (G)	Communities and Families	<b>Councillors Bruce: Kate Campbell; Doran and Staniforth appointed (25/5/17).</b>  <b><u>Note</u> – one further member requires to be appointed.</b>
72.	Energy for Edinburgh – Board	Registered company	The Council's arms-length energy services company.	Councillor Booth (G) Councillor Hinds (L) Councillor McVey (SNP)	Place	<b>Councillors Booth; Child and McVey appointed (25/5/17)</b>  <b><u>Note</u>:- no longer interim as Board now fully incorporated</b>

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
73.	Festival City Theatres Trust - Directors	Registered company	A registered charity which is responsible for the operation and management of the Festival and King's Theatres.	Councillor Doran (L) Councillor Lewis (SNP) Councillor Aitken (C) Councillor Main (G)	Place	<b>Councillors Doran; McNeese-Mechan; Main and Mitchell appointed (25/5/17)</b>
74.	LPFE Ltd	Registered company	A trading company of the Lothian Pension Fund.	Councillor Rankin(SNP)	Resources	<b>Councillor Rankin appointed (25/5/17)</b>
75.	Marketing Edinburgh - Director	Registered company	A public/private body set up to lead and facilitate the promotion of Edinburgh.	Councillor Ross (SNP) Councillor Munro (L) Councillor Mowat (C)	Place	<b>Lord Provost and Councillors Mowat and Munro appointed (25/5/17)</b>
76.	PARC Craigmillar (Promoting and Regenerating Craigmillar)	Registered company	PARC is a joint venture between EDI Ltd and the City of Edinburgh Council which is spearheading the regeneration of Craigmillar.	See EDI Group membership PLUS Councillor Bridgman as a Community Director	Resources	<b>As per EDI Group membership (25/5/17)</b>

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
77.	Transport for Edinburgh Ltd – Board	Registered company	Manages the city's public transport operations to ensure integrated transport across Edinburgh.	Councillor Hinds (L) Councillor McVey (SNP) Councillor Mowat (C) Councillor Bagshaw (G)	Place	<b>Councillors Booth; Day; Laidlaw and McVey appointed (25/5/17)</b>

**APPOINTMENTS TO ORGANISATIONS, COMPANIES,  
OUTSIDE BODIES, WORKING GROUPS, ETC**

**2017 - 2022**

**Category 2 – Local Organisations**

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
78.	Airth Benefaction Trust	Trust	Grants provided to people in need who are incapable of gaining a livelihood.	Councillor Redpath (L)	Resources	
79.	Corstorphine Youth and Community Centre	Incorporated association	An independent and inclusive community hub providing a range of opportunities including playgroup, keep fit, sports and other activities for all age groups.	Councillor Edie (SLD)	Communities and Families	
80.	Gorgie Memorial Hall Management Committee	Incorporated association	Oversees the running of the Gorgie "Mem" Community Centre, leased from the Council.	Lord Provost Councillor Milligan (L)	Resources	
81.	Hutchison Vale Community Sports Club	Registered company	Local community sports club.	Councillor Fullerton (SNP)	Place	

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
82.	John Watt's Trust	Trust	Grants to people over 55 who have the name Watt and who live in the parish of South Leith or have done so for at least ten years prior to application. People in need who have lived or are living in the City of Edinburgh or Midlothian can apply.	Councillor Munro (L)	Communities and Families	
83.	Leith Industrial School Trust	Trust	Gives grants to organisers of groups providing play or holiday activities for the benefit of children living in Leith.	Councillor Munro (L) Councillor Booth (G)	Communities and Families	
84.	Pilton Central Association/ West Pilton Neighbourhood Centre - observer	Registered Charity	A community managed organisation that aims to maximise community influence, address poverty and bring economic and community benefits to the North Edinburgh area. West Pilton Neighbourhood Centre provides a varied programme of educational and recreational activities to meet the needs of the community.	Councillor Cardownie (SNP)	Communities and Families	

	<b>Organisation</b>	<b>Form</b>	<b>Description</b>	<b>Appointments made for 2012/17</b>	<b>Lead Directorate(s)</b>	<b>Comment</b>
85.	William Brown Nimmo Charitable Trust	Trust	Provides grants to older women on a low income who were born and live in Leith or Edinburgh.	Lord Provost (ex officio) Councillor Munro (L)	Communities and Families	

**APPOINTMENTS TO ORGANISATIONS, COMPANIES,  
OUTSIDE BODIES, WORKING GROUPS, ETC**

**2017**

**Category 3 – Champions**

86.	Canal Champion	Councillor Munro	City of Edinburgh Council, 25 October 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/36943/council_full_meeting_papers_251012">http://www.edinburgh.gov.uk/download/meetings/id/36943/council_full_meeting_papers_251012</a>
87.	Carers Champion	Councillor Work	City of Edinburgh Council, 22 November 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/37252/council_221112_-_full_meeting_papers">http://www.edinburgh.gov.uk/download/meetings/id/37252/council_221112_-_full_meeting_papers</a>
88.	Equalities and Third Sector Champion	Councillor Andrew Burns and Councillor Maureen Child (joint champions)	City of Edinburgh Council, 22 November 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/37252/council_221112_-_full_meeting_papers">http://www.edinburgh.gov.uk/download/meetings/id/37252/council_221112_-_full_meeting_papers</a>
89.	Festival and Events Champion	Councillor Cardownie	City of Edinburgh Council, 28 June 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/35957/minute_28_june_2012">http://www.edinburgh.gov.uk/download/meetings/id/35957/minute_28_june_2012</a>

90.	Play Champion	Councillor Robson	City of Edinburgh Council, 21 November 2013  <a href="http://www.edinburgh.gov.uk/download/meetings/id/41689/council_of_12_deember_2013_-_full_meeting_papers">http://www.edinburgh.gov.uk/download/meetings/id/41689/council_of_12_deember_2013_-_full_meeting_papers</a>
91.	Sustainability Champion	Councillor Orr	Scotland's Climate Change Declaration Report 2012  <a href="https://orb.edinburgh.gov.uk/download/downloads/id/13264/scottish_climate_change_declaration_annual_report_2012_-_91k_-_2012-08-23">https://orb.edinburgh.gov.uk/download/downloads/id/13264/scottish_climate_change_declaration_annual_report_2012_-_91k_-_2012-08-23</a>
92.	Veterans' Champion	Lord Provost	City of Edinburgh Council, 28 June 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/35957/minute_28_june_2012">http://www.edinburgh.gov.uk/download/meetings/id/35957/minute_28_june_2012</a>
93.	Volunteering Ambassador	Lord Provost	Communities and Neighbourhoods Committee, 27 November 2012  <a href="http://www.edinburgh.gov.uk/download/meetings/id/37310/item_72_edinburgh_compact_volunteering_strategy">http://www.edinburgh.gov.uk/download/meetings/id/37310/item_72_edinburgh_compact_volunteering_strategy</a>
94.	Digital Economy Champion	Councillor Frank Ross	

10.00am, Thursday 29 June 2017

## Appointment of Members to Committees, Boards and Joint Boards

Item number	7.2
Report number	
Executive/routine	
Wards	None

### Executive summary

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At its meeting on 22 June 2017, the Council agreed its political management arrangements and made appointments to a range of committees, boards and joint boards. The same meeting noted that there would be a further report to this meeting on any outstanding appointments and associated matters.

This report asks the Council to confirm its appointments to committees, boards and joint boards for 2017/18.

## Appointment of Members to Committees, Boards and Joint Boards

### Recommendations

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- 1.1 The Council is asked to agree the full list of appointments appended to this report.

### Background

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- 2.1 The appointment of committees, joint committees and joint boards is a reserved matter for full Council.
- 2.2 At its meeting on 22 June 2017 Council agreed a streamlined committee model, and made a number of appointments.

### Main report

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- 3.1 A number of vacancies on committees etc were outstanding following the Council's initial appointments at its 22 June 2017 meeting.
- 3.2 Consultation has taken place with relevant Group Leaders, and the attached list details the proposed appointments following this consultation. A number of minor adjustments were also proposed, and again these are reflected in the detailed list.

### Measures of success

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The Council's political managements arrangements are robust, and encourage effective decision-making.

### Financial impact

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Not applicable.

### Risk, policy, compliance and governance impact

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Not applicable.

## Equalities impact

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Not applicable.

## Sustainability impact

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Not applicable.

## Consultation and engagement

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Not applicable.

## Background reading / external references

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Minute of City of Edinburgh Council of 22 June 2017

Appendix 1 – Appointment of Members to Committees, Boards and Joint Boards

### **Andrew Kerr**

Chief Executive

Contact: Allan McCartney, Committee Services Manager

E-mail: [allan.mccartney@edinburgh.gov.uk](mailto:allan.mccartney@edinburgh.gov.uk) | Tel: 0131 529 4246

## Appendix 1 - Appointment of Members to Committees, Boards and Joint Boards

<b>EXECUTIVE COMMITTEES</b>	
<b>Corporate, Policy and Strategy Committee</b> (11 members:- 3SNP, 3C, 2L, 2G, 1SLD)	
Councillor McVey (Convener)	Councillor Day (Vice Convener)
Councillor Rankin	Councillor Perry
Councillor Macinnes	Councillor Burgess
Councillor Whyte	Councillor Main
Councillor Doggart	Councillor Aldridge
Councillor McLellan	
<b>Culture and Communities Committee</b> - 11 members:- 3SNP, 3C, 2L, 2G, 1SLD	
Councillor Ian Campbell (Vice Convener)	Councillor Wilson (Convener)
Councillor Kate Campbell	Councillor Doran
Councillor McNeese-Mechan	Councillor Staniforth
Councillor Graczyk	Councillor Miller
Councillor Mitchell	Councillor Osler
Councillor Brown	
<b>Education, Children and Families Committee</b> - 11 members:- 3SNP, 3C, 2L, 2G, 1SLD	
Councillor Dickie (Vice Convener)	Councillor Perry (Convener)
Councillor Bird	Councillor Child
Councillor Ritchie	Councillor Mary Campbell
Councillor Smith	Councillor Corbett
Councillor Rust	Councillor Young
Councillor Laidlaw	
<b>Added Members for Education Matters</b>	
Dr Rita Welsh (Church of Scotland)	Marie Allan (Roman Catholic Church of Scotland)
3 <sup>rd</sup> Religious Appointment (tbc)	1 Parent Representative (tbc) (non-voting)

<b>Housing and Economy Committee - 11 members:- 3SNP, 3C, 2L, 2G, 1SLD</b>	
Councillor Barrie (Convener)	Councillor Cameron (Vice Convener)
Councillor Gardiner	Councillor Munro
Councillor Kate Campbell	Councillor Rae
Councillor McLellan	Councillor Miller
Councillor Rose	Councillor Lang
Councillor Jim Campbell	
<b>Finance and Resources Committee - 11 members:- 3 SNP, 3C, 2L, 2G, 1SLD</b>	
Councillor Rankin (Convener)	Councillor Donaldson (Vice Convener)
Councillor Bridgman	Councillor Watt
Councillor Howie	Councillor Corbett
Councillor Hutchison	Councillor Miller
Councillor Johnston	Councillor Neil Ross
Councillor Whyte	
<b>Transport and Environment Committee - 11 members:- 3 SNP, 3C, 2L, 2G, 1SLD</b>	
Councillor Macinnes (Convener)	Councillor Doran (Vice Convener)
Councillor Barrie	Councillor Arthur
Councillor Key	Councillor Booth
Councillor Cook	Councillor Burgess
Councillor Bruce	Councillor Gloyer
Councillor Douglas	

<b>Other Committees</b>	
<b>Governance, Risk and Best Value Committee</b> - 11 members:- 3 SNP, 3C, 2L, 2G, 1SLD	
Councillor Mowat (Convener)	Councillor Main (Vice Convener)
Councillor Dickie	Councillor Munro
Councillor Ritchie	Councillor Watt
Councillor Gordon	Councillor Rae
Councillor Jim Campbell	Councillor Lang
Councillor Webber	
<b>Pensions Committee</b> - 5 members – 2SNP, 1C, 1L, 1G	
Councillor Rankin (Convener)	Councillor Child
Councillor McVey	Councillor Miller
Councillor Rose	
<b>External Members</b>	
John Anzani	Richard Lamont
<b>Planning Committee and Development Management Sub-Committee</b> - 11 members:- 3 SNP, 3C, 2L, 2G, 1SLD	
Councillor Ritchie (Convener)	Councillor Griffiths
Councillor Dixon	Councillor Child
Councillor Ian Campbell	Councillor Booth
Councillor Mowat	Councillor Staniforth
Councillor Graczyk	Councillor Osler
Councillor Mitchell	
<b>Planning Local Review Body</b> - All members (other than its Convener) of the Planning Committee comprising two panels of 5:	
<b>Panel 1</b> (5 members)	
Councillor Ian Campbell	Councillor Mitchell
Councillor Griffiths	Councillor Staniforth
Councillor Mowat	

<b>Panel 2 (5 members)</b>	
Councillor Dixon	Councillor Booth
Councillor Child	Councillor Osler
Councillor Graczyk	
<b>Regulatory Committee and Licensing Sub-Committee - 9 members:- 3SNP, 2C, 2L, 1G, 1SLD</b>	
Councillor Fullerton (Convener)	Councillor Wilson
Councillor Dixon	Councillor Arthur
Councillor Barrie	Councillor Burgess
Councillor Rose	Councillor Neil Ross
Councillor Smith	
<b>Leadership Advisory Panel - 5 members of the Council plus 3 statutory representatives, appointed by the committee dealing with education, when considering education business</b>	
Leader of the Council (Convener)	Green Group Leader
Deputy Leader of the Council	Scottish Liberal Democrat Group Leader
Conservative Group Leader	

## Administration of Trust Funds

**Committee on the Jean F Watson Bequest** - 8 members plus one nominee of Friends of the City Arts Centre and two nominees of Executive Director of Resources – 2SNP, 2C, 2L, 1G, 1SLD

Councillor Fullerton (Convener)

Councillor Doran

Councillor McNeese-Mechan

Councillor Donaldson

Councillor Mitchell

Councillor Rae

Councillor Mowat

Councillor Aldridge

## Reviews and Appeals

**Committee on Discretionary Rating Relief Appeals** - 5 members – 2SNP, 1C, 1L, 1G

Councillor Rankin (Convener)

Councillor Day

Councillor Work

Councillor Booth

Councillor Hutchison

**Personnel Appeals Committee** - 9 members – 3SNP, 2C, 2L, 1G, 1SLD

Councillor Bridgman (Convener)

Councillor Cameron

Councillor McNeese-Mechan

Councillor Doran

Councillor Bird

Councillor Rae

Councillor Rose

Councillor Lang

Councillor Jim Campbell

**Committee on Pupil Student Support** - 5 members and one religious representative – 2SNP, 1C, 1L, 1G

Councillor Dickie

Councillor Perry (Convener)

Councillor Bird

Councillor Mary Campbell

Councillor Smith

<b>Placing in Schools Appeal Committee</b> - 3 persons drawn from three Panels as described in Committee Terms of Reference and Delegated Functions number 17	
Panel 1 – All members of Council and religious representatives on the committee dealing with education business	
<b>Social Work Complaints Review Committee</b>	
3 persons drawn from a panel approved by the Council (including all Councillors who are not members of the committees dealing with social work business)	
<b>Recruitment Committee</b>	
Leader of Council (Convener), Deputy Leader of the Council, Convener of the Finance and Resources Committee and the appropriate Executive Committee Convener and relevant opposition spokespersons (or nominees)	
<b>Joint Committees and Boards and the Licensing Board</b>	
<b>Lothian Valuation Joint Board/Lothian Electoral Joint Committee</b> - 9 members – 3SNP, 2C, 2L, 1G, 1SLD	
Councillor Key (Convener)	Councillor Doran
Councillor Work	Councillor Henderson
Councillor Gordon	Councillor Booth
Councillor Rust	Councillor Gloyer
Councillor Doggart	
<b>Licensing Board</b> - 10 members	
Councillor Work (Convener)	Councillor Mowat
Councillor Key	Councillor Cameron
Councillor Fullerton	Councillor Day
Councillor Laidlaw	Councillor Mary Campbell
Councillor Cook	Councillor Gloyer
<b>Integration Joint Board</b> - 5 members	
Councillor Howie	Councillor Henderson (Convener)
Councillor Rankin	Councillor Miller
Councillor Webber	

<b>SEStran (South East of Scotland Regional Transport Partnership) - 5 members</b> – 2SNP, 1C, 1L, 1G	
Councillor Macinnes	Councillor Doran
Councillor Key	Councillor Booth
Councillor Cook	
<b>SESPlan Joint Committee (South East Scotland Regional Joint Committee – Planning) - 2 elected members</b>	
Councillor Ritchie	Councillor Child
<b>Edinburgh and Lothians Structure Plan Joint Liaison Committee - 3 elected members</b>	
To note that no appointments are required to this Committee	
<b>Shadow Joint Committee for Collaborative Road Services</b>	
<b>Substantive Member:</b> Councillor Macinnes	<b>Substitute Member:</b> Councillor Doran
<b>Hawes/Longcraig Piers User Committee - 2 elected members</b>	
Councillor Work	Councillor Hutchison
<b>Pentland Hills Regional Park Joint Committee - 3 elected members</b>	
Councillor Gardiner	Councillor Bruce
Councillor Henderson	
<b>Pentland Hills Regional Park Consultative Forum - 2 elected members</b>	
Councillor Gardiner	Councillor Henderson

10.00am, Thursday, 29 June 2017

## Grenfell Tower – Council Response to Fire Safety and Contingency Planning

<b>Item number</b>	8.1
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All Wards

### Executive summary

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This report sets out the Council's response to the Grenfell Tower fire in London on 14 June 2017.

### Links

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[Coalition pledges](#)  
[Council priorities](#)  
[Single Outcome Agreement](#)

## Grenfell Tower – Council Response to Fire Safety and Contingency Planning

### 1. Recommendations

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- 1.1 The Council is asked to:
  - 1.1.1 note the actions taken so far in response to the Grenfell Tower fire to ensure residents are safe and continue to be safe in their homes;
  - 1.1.2 note that a full review of fire safety in tower blocks is underway, working with the Scottish Fire and Rescue Service and residents; and
  - 1.1.3 agree that the outcome of that review will be reported to the Housing and Economy Committee in November 2017.

### 2. Background

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- 2.1 On 14 June 2017 a catastrophic fire took place in Grenfell Tower, London. At least 79 people are believed to have lost their life, with many more injured or made homeless.
- 2.2 Coverage of the fire has led to understandable concern about fire safety among residents of tower blocks and significant questions have been raised about the effectiveness of Government and the local council's response.
- 2.3 There is considerable speculation over the potential cause or causes of the fire. A full understanding of the cause will be informed by the investigations and inquiries that are taking place. However, early indications suggest the material used in over-cladding and insulating the building played a significant part.
- 2.4 The Council manages 44 multi storey tower blocks. Within these blocks, 3,033 properties are owned by the Council and 544 by owner occupiers and private landlords.
- 2.5 Fire Safety has always been an important priority and the Council and the Scottish Fire and Rescue Service work closely together to ensure that tenants and residents are safe in their homes.
- 2.6 Housing teams carry out daily inspections of all tower blocks to check that stairwells are kept clear and arrange for essential repairs to be carried out quickly. Fire safety equipment is regularly checked and maintained as part of a planned programme of maintenance. The Scottish Fire and Rescue Service check tower blocks each year, fire safety leaflets are widely available in blocks,

and free home visits are also available to all residents to provide tailored fire safety advice or to fit homes with free smoke alarms.

### 3. Main report

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- 3.1 Following the initial media reports of the fire on the morning of 14 June 2017, local housing managers mobilised housing teams and concierge staff to be visible and available to tenants and other residents of the tower blocks owned and managed by the Council. Housing teams will continue to be visible and available and will follow up this presence with meetings with resident groups in tower blocks over the coming days and weeks.
- 3.2 Face to face communications with residents have been followed up with an additional publication of the Council's regular newsletter to tenants, Tenants' Courier, which set out what we understand about the fire, what the Council is doing to keep residents safe and what action residents can take to improve fire safety in and around their homes.
- 3.3 As the effects of the fire became apparent a full review of fire safety in tower blocks was instructed to ensure that all the lessons arising from the incident would be acted upon. An external fire safety expert has been appointed to assist with the review.
- 3.4 Residents in tower blocks have been invited to join a Fire Safety Tenants and Residents Panel which will allow the Council to directly involve them in the review. All tower block residents will also be invited to take part in a survey to ensure their views are fully reflected.
- 3.5 An initial review of the materials used in over cladding was carried out within 24 hours of the incident. This established that materials used in over-cladding and insulating Council owned tower blocks were not the same material reported to have been used in the Grenfell Tower refurbishment. Fire risk assessments have been updated for each block following the incident.
- 3.6 A full briefing by officers from the Scottish Fire and Rescue Service and the Council was provided to elected members, MSPs and MPs on Monday 19 June. Elected representatives have played a critical role in supporting the work of housing and the Scottish Fire and Rescue Service teams in reassuring residents at a very difficult and worrying time.
- 3.7 The Council has worked closely with the Scottish Government to help build a national picture of fire safety in tower blocks. Work is underway with the owners of other buildings, including housing associations, in the city to identify any potential risks.
- 3.8 Working with the Scottish Fire and Rescue Service, a project board will be established to oversee the review. Consultation on the scope of the review is currently taking place. It will include:
  - an assessment of building design, materials and construction methods;

- full building surveys and testing of materials used construction;
  - a review of existing management approaches to fire safety in tower blocks; and
  - an assessment of the effectiveness of domestic sprinklers and communal alarm systems.
- 3.9 The outcome of the review will be reported to the Housing and Economy Committee in November 2017, with an update on progress in August 2017.

#### **4. Measures of success**

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- 4.1 The fire safety review will provide assurances to the Council about the safety of tower blocks and the wider Council housing estate, and of the robustness of fire safety procedures and provision. The review will also identify any actions required.
- 4.2 Tenants and residents feel safe and secure in their homes, and are familiar with fire safety procedures.
- 4.3 Tenants and residents are involved in the fire safety review and are supported to have their say.

#### **5. Financial impact**

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- 5.1 The fire safety review will produce guidance on any works that may be required to maximise fire safety across the Council's housing estate. This will be reviewed after the review has concluded. There is contingency within the Housing Revenue Account (HRA) to facilitate any works that may be required to ensure fire safety.
- 5.2 The HRA is self-contained and has no direct impact on the Council's general revenue budget. The HRA is paid entirely from income from tenants' rents or assets held on the HRA account.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 The Council has responded quickly to Scottish Government information requests to help build a national picture of fire safety in tower blocks. The Council will continue to work closely with the Scottish Government to provide any further information required.
- 6.2 It is requested that an update on the fire safety review is provided to the Housing and Economy Committee in August 2017, with the outcome reported in November 2017.

## 7. Equalities impact

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- 7.1 As part of the fire safety review and associated consultation with tenants and residents, specific consideration will be given to fire safety arrangements for tenants and residents with additional support needs or vulnerabilities.
- 7.2 The Council will work with the Scottish Fire and Rescue Service to identify vulnerable tenants and residents who may benefit from a free home safety visit.

## 8. Sustainability impact

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- 8.1 There are no direct implications for sustainability emerging from this report.

## 9. Consultation and engagement

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- 9.1 Tenants and residents will be actively involved in the review through the Fire Safety Tenants and Residents Panel. A survey will also be carried out to capture the wider views of tenants and residents living in tower blocks.
- 9.2 The Council has provided a briefing for Councillors, MP's and MSP's. Actions from this briefing session have been taken forward to ensure members are suitably supported to respond to constituent queries and concerns.
- 9.3 The Council has fully supported the Scottish Government information requests to help build a national picture of fire safety in tower blocks.
- 9.4 The Council will ensure that tenants, residents, the public, elected members and local parliamentarians are kept informed as the Fire Safety Review progresses.

## 10. Background reading/external references

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None

### **Paul Lawrence**

Executive Director of Place

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## 11. Links

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**Coalition pledges**

**Council priorities**

**Single Outcome  
Agreement**

**Appendices**                      None

10.00am, Thursday, 29 June 2017

## Edinburgh Schools Inquiry

<b>Item number</b>	8.2
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	City-wide

### Executive Summary

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As a result of investigations following a wall collapse at Oxbgangs Primary in January 2016, structural issues were identified at schools built between 2002 and 2005 in Edinburgh under the Public Private Partnership programme (“PPP1”). This led to the temporary closure of affected schools and required alternative arrangements to be urgently put in place for all affected children.

As detailed in the reports to Corporate Policy and Strategy Committee in May and June 2016, an independent inquiry (“Inquiry”) was instructed in the matter. Professor John Cole CBE, was subsequently appointed as the independent chair of the Inquiry with an agreed remit.

The Council was asked to consider the findings and recommendations of Professor Cole’s Inquiry Report when it was presented to Council in February 2017.

The Council noted the content of Professor Cole’s Inquiry report and further noted that the Chief Executive would set up an officer working group (“Working Group”) to consider the implications of the Inquiry Report. Council requested an update prior to the summer recess confirming the actions that the Council has already taken, and will be taking, with regard to the matters set out in the Inquiry Report.

### Links

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**Coalition Pledges**  
**Council Priorities**  
**Single Outcome Agreement**

## Edinburgh Schools Inquiry

### 1. Recommendations

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- 1.1 It is recommended that the Committee note the content of this report and the good progress made by the Working Group.

### 2. Background

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- 2.1. As a result of investigations following a wall collapse at Oxfords Primary in January 2016, structural issues were identified at schools built between 2002 and 2005 in Edinburgh through PPP1. This led to the temporary closure of affected schools and required alternative arrangements to be urgently put in place for all the affected children.
- 2.2. As detailed in the reports to Corporate Policy and Strategy Committee in May and June 2016, an independent Inquiry was instructed into the matter. Professor John Cole, CBE, was subsequently appointed as the Independent Chair of the Inquiry with an agreed remit.
- 2.3 Professor Cole reported his findings to Council in February 2017. Whilst the Inquiry Report identified a number of shortcomings, it broadly concluded that the original contract was generally adequate for its purpose and that the collapse of the wall at Oxfords was a direct result of poor quality construction of that school. Similar issues found elsewhere on the PPP1 estate were also the result of such poor quality construction.
- 2.4 The Cole Inquiry Report contains a significant amount of detail, including recommendations that have wide-ranging implications for the Council, the construction Industry and public bodies generally.
- 2.5 The Chief Executive instructed that a Working Group be set up to consider the implications of the Inquiry Report and submit the relevant findings and actions prior to the summer recess. This report provides such an update on the progress made to date.

- 2.6 Following publication of the Cole report, Council officers have been actively assisting other authorities and the Scottish Government with regard to providing advice in relation to the matters identified in the report.

### 3. Main report

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- 3.1 The Cole Report made 40 separate recommendations. The Working Group was established in order to allocate the various recommendations to the relevant division of CEC.
- 3.2 Details with regard to progress to date against each action are set out in Appendix 1 to this Report. As many of the recommendations have an impact on projects procured through SE Hub, the Council is working positively with SE Hub in response to these recommendations. It is acknowledged that:
- the systems and processes have been developed significantly by the Council during the intervening years since the Inquiry schools were built; and
  - a number of recommendations will require wider stakeholder engagement, significant resource or in some cases a national response.
- 3.3 **Key Specific issues**
- 3.3.1 **Fire Safety**
- 3.3.1.1 The Council is acutely aware that fire safety is a top priority and has been actively working to ensure that the buildings are fully compliant in all respects from this perspective.
- 3.3.1.2 A team has been established to review the fire-stopping and fire-proofing processes throughout both the PPP and wider council estate. The team are working collaboratively with the relevant service providers to ensure that the estate remains safe. An independent Fire and Risk contractor has been employed by CEC to ensure that this matter is appropriately scrutinised and demonstrate that the remedial works being carried out achieve compliance with the appropriate fire regulations.
- 3.3.1.3 With regard to PPP1, ESP's fire risk consultants have completed their inspections. No serious issues were identified and all other deficiencies will be remediated by August 2017. Confirmation has been obtained from ESP that there remains no immediate risk in respect of any deficiencies outstanding, such that no school is unsafe to occupy. The Council's own independent fire safety expert agrees with this assessment. Any appropriate changes to fire risk procedures have been implemented pending full remediation.
- 3.3.1.4 With regard to PPP2, appropriate checks are ongoing, with each building having been surveyed and again no immediate risks being identified.

Again, the Council's own independent fire safety expert agrees with this assessment. Work to address any outstanding deficiencies at these schools has now commenced. Processes are also in place with regard to checking fire safety in the wider estate.

### **3.3.2 Building Completion Certificates**

3.3.2.1 As detailed in the Cole report, two schools remain without Building Completion Certificates (Royal High School and Craigmount High School). These buildings were given Temporary Occupancy Certificates on 6 November 2003 and 25 July 2003 respectively, which would both have expired after 3 years.

3.3.2.2 The Council has required ESP to make the relevant applications for these certificates and ESP remain in the process of carrying out the checks required in order to allow them to make these applications. The overall process has unfortunately been complicated by an intervening legislative change and Council officers are working to provide support in this regard. In addition, any issues identified in relation to fire safety with regard to these schools will require to be remedied before they can be certificated by the Council.

3.3.2.3 It is important to note that, notwithstanding the current absence of these certificates, there is presently no reason to have any concerns about the safety of the buildings. These buildings were subject to significant checks prior to their reopening following remedial works.

3.3.2.3 It is currently anticipated by ESP that they will be in a position to make the relevant applications by August 2017 and the certificates issued as soon as possible thereafter.

### **3.3.3 Commercial position**

3.3.3.1 The Council continues to pursue ESP for appropriate redress with regard to both service failures and costs incurred and the Council will take appropriate action to safeguard the Council's position in this regard. It is hoped that this can be avoided through an amicable settlement with ESP which is actively being pursued.

### **3.3.4 Ongoing Inspections**

3.3.4.1 As outlined in the Inquiry report, CEC have commenced a proportionate and structured risk based approach to investigating the wider CEC Estate. This approach was shared with the Inquiry for information purposes and has also been shared with Scottish Futures Trust.

#### **4. Measures of success**

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- 4.1 The progress of the Working Group, following upon the Inquiry's findings, provides the Council with assurance as to the reasons for the unfortunate incident and identifies the lessons which can be learned and appropriate changes implemented.

#### **5. Financial impact**

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- 5.1 The findings and recommendations of the Inquiry Report, as identified in the Report of the Working Group will have an, as yet, undefined financial impact on the Council.
- 5.2 The Council incurred significant additional costs as a result of the unavailability of seventeen schools and two other facilities between April and August 2016. Subject to finalisation of the terms of settlement, however, it is not anticipated that there will be any overall direct cost to the Council arising from this incident.
- 5.3 At the meeting of the Finance and Resources Committee on 23 January 2017, members approved that any excess of contractual deductions due to CEC, over costs incurred, be earmarked to take forward any necessary remedial work identified through the programme of wider property surveys. Due to the need for intrusive surveys, the results of which are inherently uncertain, costs cannot be estimated with accuracy at this stage but are constantly being reviewed as the investigations continue.
- 5.4 The required works identified to date through the wider property surveys can be met through the excess of contractual deductions.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 There is a risk that the issues of concern identified within the Inquiry Report could exist within other areas of the public sector, including within the Council's wider estate. A programme of inspection works is already in place to assess whether or not this is the case.
- 6.2 Although the exact impacts are yet to be fully considered, the Inquiry Report could potentially have wide-ranging effects upon Council governance processes with regard to implementing similar large projects in the future.

#### **7. Equalities impact**

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

## 8. Sustainability impact

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8.1 There are no direct sustainability impacts arising from this report.

## 9. Consultation and engagement

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9.1 The Council has engaged with other authorities and the Scottish Government in relation to this matter.

## 10. Background reading/external references

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[Report of the Independent Inquiry into the Construction of Edinburgh Schools: Professor John Cole Report](#)

[Edinburgh Schools Report: Report to City of Edinburgh Council, 9 February, 2017](#)

### **Andrew Kerr**

Chief Executive

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## 11. Links

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**Coalition Pledges**

**Council Priorities**

**Single Outcome Agreement**

**Appendices**

Appendix 1 - Response to: Report of the Independent Inquiry into the Construction of Edinburgh Schools (Professor John Cole CBE)

## Appendix 1

### Response to: Report of the Independent Inquiry into the Construction of Edinburgh Schools (Professor John Cole CBE)

This is an update capturing progress by CEC in responding to the Recommendations of the Schools Inquiry.

#### **Abbreviations:**

BS	Building Standards
CAFM	Computer Aided Facilities Management system
CEC	City of Edinburgh Council
CLT	CEC Council Leadership Team
CoW	Clerk of Works
ESP	Edinburgh Schools Partnership (PPP1 Special Purpose Vehicle)
GT	Galliford Try (Contractor)
Hub	Institutional Public Private Partnership (delivering asset and new build service to public sector partners)
IC	Independent Certifier
P&FM	Property and Facilities Management (division in Resources)
SFT	Scottish Futures Trust
SG	Scottish Government
SPV	Special Purpose Vehicle, term for entity formed to deliver PPP contracts
SRO	Senior Responsible Officer appointed on each capital project and works programme
TWG	Technical Working Group (managed by CEC delivering the estate wide structural investigations)

	<b>Recommendation</b>	<b>Response</b>
1.1	<p><u>Expertise and Resources</u></p> <p>Ensure access to a level of expertise and resources to allow body to act as Intelligent Customer and appropriate resource in terms of governance arrangements, types of expertise and funding.</p>	<p>CEC are moving towards a Corporate Landlord model (where P&amp;FM are the Landlord) which will facilitate better engagement across projects in an intelligent client capacity. This also ensures greater consistency of approach.</p> <p>Part of the project initiation process includes ensuring that the necessary resources are considered. This includes both client resources and project delivery resources.</p> <p>Capital Projects are delivered through recognised governance arrangements.</p>
1.2	<p><u>Ensuring compliance with specification</u></p> <p>Ensure contract is delivered in terms of the contract. Level of diligence determined through informed assessment of risk of the likelihood or implications of non-compliance.</p>	<p>There is recognition of the limitations of true risk transfer on PPP/DBFM type project, notably in relation to reputational risk and disruption to services.</p> <p>CEC capital projects benefit from risk management processes through the construction and delivery phase. The operational risks will be recognised on DBFM Risk Registers going forward.</p> <p>Since the end of 2016, CEC have had in place arrangements for all external designs to be reviewed by internal designers. This has traditionally been viewed by client departments as unnecessary, but recent moves to a Corporate Landlord role have facilitated a change in practice.</p> <p>The role of the IC on DBFM projects is under detailed review with SE Hub.</p> <p>Arrangements are in place to reinforce existing levels of CoW cover on projects. While all projects will be assessed to determine the appropriate level of CoW cover (disciplines, full time or part time), projects valued over £2m will typically benefit from full time CoW.</p>

		<p>The table at the end of this paper gives an overview of the resourcing approach in place.</p> <p>Design Team appointments will make specific reference to site inspection duties and regular reporting to the Project Manager.</p>
1.3	<p><b><u>Public bodies cannot delegate duties</u></b></p> <p>There should always be appropriate levels of independent scrutiny in relation to all aspects of design and construction that are in effect largely or partly self-certified by those producing them.</p>	<p>CEC are ensuring relevant professionals are in place to provide an appropriate level of independent scrutiny.</p> <p>As a guide, CoW cover will be provided on all projects with full time provision on projects over £2m.</p> <p>External designs will be reviewed by in-house designers.</p> <p>Arrangements between the CoW and a Technical Advisor (where appointed) on D&amp;B type projects will be clarified in the appointment documents.</p> <p>Discussions are underway with SE Hub around suitable arrangements for independent scrutiny for Hub D&amp;B and also Hub DBFM projects.</p> <p>The CEC PPP Management team will review arrangements for independent checking of works delivered by the PPP contractors.</p>
1.4	<p><b><u>Building it right first time</u></b></p> <p>'... public bodies should include appropriate investment in the provision of informed independent scrutiny of projects when they are being designed and constructed.....rather than clients subsequently seeking to rely on their ability to seek remediation of compensation .... It is the view of the inquiry that seeking savings through cutting investment in quality assurance is inevitably a false economy'</p>	<p>As detailed in 1.2 above, arrangements for design review on CEC delivered projects (on the Operational Estate) are already in place.</p> <p>There has been a change of emphasis from minimising internal resources associated with the delivery of projects, with greater emphasis now being applied to ensure procured design and construction services are quality checked.</p> <p>On Hub delivered D&amp;B and DBFM projects, discussions are underway to address design team engagement post novation.</p> <p>There has been greater consideration given to evaluating the potential risks/benefits of D&amp;B in comparison with traditional procurement models.</p>

		D&B has arguably brought benefits around price and programme and has been attractive as there is a single point of responsibility (something challenged by the Inquiry). However, the findings of the report raise a Quality challenge to the D&B and DBFM procurement route. This is being positively addressed through discussion with SE Hub.
1.5	<p><b><u>Quality of design and construction</u></b></p> <p>There should be a more informed approach by public bodies as to how best practice methodologies can be incorporated into current models of procurement whilst maintaining other benefits of these processes.</p> <p>A key element is a clear articulation in a comprehensive brief by the client of the quality objectives for the project and of the methodology to be used for ensuring the achievement of that quality in both the design and construction phases.</p> <p>Appropriate time and resources should be allocated by clients during the initial stages of a project and during the development of the brief in order to establish and clearly define these quality objectives and approaches to ensuring quality.</p>	<p>The majority of D&amp;B and all DBFM project are delivered through SE Hub. Arrangements to address quality for these procurement models are being actioned.</p> <p>SE Hub are taking action with regard to key 'weaknesses' of the D&amp;B and DBFM routes in response to the Inquiry recommendations.</p> <p>The recommendation to ensure time and resources are allowed will be addressed at Project Initiation by Client Departments and P&amp;FM as part of the early project planning.</p> <p>The need for Clients to develop an adequate brief which also addresses quality objectives and the methodology for delivering those objectives will be an area of focus going forward.</p> <p>The provisions for ensuring best practice is delivered based on the selected procurement route will be reviewed on a regular basis. This will also be informed by the lessons learned workshops which are already a feature of major projects and programmes.</p>
2.1	<p><b><u>Nature of Inspection</u></b></p> <p>Inquiry view that one possible option would be to extend the range of services in the</p>	<p>The approach of including CoW within an IC appointment was proposed by CEC to SE Hub in Dec 2016 for the IC appointment for the new Queensferry HS DBFM.</p>

	<p>appointment of the IC to include the provision and management of CoW services.</p>	<p>While SE Hub are supporting this approach we await confirmation that the appointment can be made on this basis. CEC will direct employ the CoW if required.</p> <p>The IC scope of service has also been tightened.</p>
2.2	<p><b><u>PI insurance and liability Period</u></b></p> <p>Level of PI insurance and liability period for IC should be assessed to properly and appropriately reflect the significance of their Certification processes and the degree of reliance that is to be placed on it.</p>	<p>This has been included in the discussions around the next DBFM IC appointments (which picked up scope of service and fees of IC service).</p> <p>Hub IC and Design Team PI provide for £10m on each and every claim.</p>
2.3	<p><b><u>Method of appointment of IC</u></b></p> <p>Appointment of IC should be made following properly advertised and conducted public procurement process and not through nomination or recommendation by private sector party.</p>	<p>IC appointments follow SG/SFT guidance through the Hub process.</p> <p>IC appointments have been subject to market testing and not on an 'informal recommendation' by the contractor as appears to have been the case on PPP1.</p>
2.4	<p><b><u>Fees of IC</u></b></p> <p>'fees should reflect the level of service required rather than the service being restricted to fit a predetermined budget'</p>	<p>The level of service of the IC is being discussed through Hub on a current DBFM. The aim to get to a scope and associated fee which realistically captures expectations.</p>
2.5	<p><b><u>Independent Inspection of works</u></b></p> <p>Public sector clients should engage appropriately qualified individuals or organisations with necessary construction expertise to undertake appropriate ongoing inspection of construction.</p> <p>Depending on the nature of the project, this inspection role, at</p>	<p>Non-PPP, D&amp;B type projects have generally benefitted from more resources (Technical Advisor, CoW etc.) where the case has been accepted and budgeted for by the client. However, it is recognised that in many cases it will not have been to the level outlined in the Inquiry Report.</p> <p>The SFT/Hub delivery route was initially promoted on basis that such provisions were not strictly required. This had encouraged the removal of such resources from the project</p>

	<p>the level at which the defects in the Edinburgh PPP1 schools occurred, is traditionally undertaken by a combination of resident architects, resident engineers and CoW, the use of whom has dramatically reduced over recent years, yet the essential role they played does not appear to have been effectively provided for by alternative arrangements within the forms of procurement currently in vogue.</p> <p>Clients need to reappraise this gap in the assurance processes which has been allowed to develop.</p>	<p>team. This position on now changing with Hub welcoming such direct employed provisions.</p> <p>When project team resources and associated fees are being assessed there will be consideration of necessary assurance checks (potential examples being resident engineer, CoW, fire engineer etc.)</p> <p>See table at end of this document for outline of proposed approach moving forward.</p> <p>The Council is ensuring that this gap is addressed.</p>
3.1	<p><b><u>Scope of service of design team</u></b></p> <p>'Under current models of procurement.... (D&amp;B, DBFM for example) .... the relationship between the client and key members of the design team has tended to become at least one or more steps removed..... the extent of their appointment and levels of involvement of design team members (either with clients or on site) is now frequently delegated to contractors to determine'.</p> <p>'Pubic bodies should review current procurement arrangements to ensure they are providing the optimum level of communication between clients and key members of the design team.... they may wish to consider how more direct</p>	<p>This is not an issue on traditional procurement where the design team remain directly employed by the client.</p> <p>Design team engagement with the client on larger CEC D&amp;B and DBFM projects has previously been facilitated by leaving any contractor appointment and associated design team novation until Stage 3 (Developed Design, which includes proposals for structural design, building services systems and outline specifications). This approach ensured direct client control over the design until this stage.</p> <p>D&amp;B and DBFM do experience the issues identified post novation with a direct impact on design team quality checking on site as the designers are employed by the contractor once novated.</p> <p>There is arguably a stronger case to consider Traditional Procurement models more positively than may have been the case recently.</p>

	<p>communication could be incorporated into current forms of contract...'.</p>	<p>In the past, CEC has challenged hub around designer engagement. While some issues still need to be finalised, SE Hub are responding to the issue.</p>
3.2	<p><b><u>Role of design team in inspecting works on site</u></b></p> <p>If clients do not wish to prescribe in their tender documentation the minimum level of services which they require to be provided by the design team when employed by the contractor .... They should at least require that submitted tenders include full description of the scope of the design team services, including any proposed role on the inspection of the works on site...'.</p>	<p>See above 3.1. On SE Hub delivered projects, arrangements are being put in place for the project team to be appraised of the scope of service of the design team and project roles which should be provided by the D&amp;B contractor.</p> <p>CEC have requested that on Hub projects going forward there is proper provision for ensuring design team involvement in works inspection (along with submissions of site inspection reports). Hub procurement captures all DBFM and a majority of D&amp;B projects.</p> <p>On non-Hub D&amp;B projects the framework designer's scope of work is known and will be expected to be transferred in full post novation to the D&amp;B Contractor and this will be reflected in the contract terms.</p>
3.3	<p><b><u>Notification of issues to public sector client</u></b></p> <p>'where possible, there should be a mandatory provision built into such contracts (D&amp;B and DBFM) that where .... a contractor has failed to take appropriate action as advised by a member of the professional design team on issues that could impact on subsequent safety...of functionality...the consultant in question should be required to inform the public-sector client of the advice provided to the contractor.</p>	<p>This is an issue around designers being employed by the contractor on D&amp;B and DBFM and their associated terms of appointment.</p> <p>This could also be a question for the various design discipline's professional bodies to address. However, it should be expected that issues of a safety nature would be escalated by a professional designer (H&amp;S being everyone's responsibility).</p> <p>From a CEC perspective, we are in discussion with Hub around designer engagement with client during construction. Hub are responding positively but there are still areas to be finalised.</p> <p>This is not an issue on Traditional Procurement route.</p>

<p>4.1</p>	<p><b><u>Production, retention and updating of information</u></b>  mandatory protocols for receipt and processing of all such information within own organisations.</p>	<p>All CEC projects delivered for the Operational Estate have a requirement to distribute Building Manuals on the following basis:</p> <p><i>Paper and electronic copy to site, electronic copy to each of following, Facilities Management Technical Support Team, Strategic Asset Management and copy retained by Capital Programme Team.</i></p> <p>Regarding design and project documentation, arrangements for retention of electronic documents are in place but require to be standardised. Discussions are underway with ICT.</p> <p>On PPP1 Estate the issue would seem to have been due to the failure of the PPP FM contractor to retain the required Building Manuals in a fit state on site and no other parties had copies.</p>
<p>4.2</p>	<p><b><u>Provision of as-built drawings</u></b></p> <p>Design teams on D&amp;B frequently unaware of changes so difficult for them to produce as-built drawings.</p> <p>Contractors should be required to put in place appropriate arrangements for the recording of all subsequent changes to final' construction issue' drawings and arrange for the production of a final as-built set of documents</p> <p>Contractors should also be required to certify that the 'as-built' documentation as provided is an accurate record.'</p>	<p>CEC will make changes to documents in line with the Inquiry recommendations (it is anticipated there may be challenge by Project Companies around the requirement to certify).</p> <p>There will also be closer challenge to ensure there are robust quality process in place to generate As Built Drawings incorporating any changes etc.</p> <p>Contractor's quality processes have provision for updating records.</p> <p>It should be noted that the Principal Designer under CDM 2015 should hand over the H&amp;S file to the Principal contractor and make them aware of any issues to be considered when reviewing, updating and completing it</p> <p>The Principal Contractor is responsible for passing relevant information for inclusion in the file. This is based on guidance on the legal requirements of CDM 2015.</p>

4.3	<p><b><u>Provision of as-built drawings to Building control</u></b></p> <p>recommendation to provide Building Standards with As Built drawings as part of completion certificate.</p>	<p>Currently no arrangements in place for Building Standards to receive As Built drawings.</p> <p>However, if there are changes to the design of a building during the course of its construction that mean that an amendment of warrant application (AoW) is required, then an AoW will be sought. Such an AoW application would be progressed prior to a completion certificate being issued.</p> <p>In the event that the legislation is altered, this requirement would be adopted by Building Standards at CEC.</p>
4.4	<p><b><u>On-site accessibility of design information</u></b></p> <p>A comprehensive set of all information in regard to the construction of external cavity walls should be provided on a document produced by the structural engineering consultants.</p>	<p>This can be addressed on CEC delivered projects as part of the project briefing process.</p> <p>This will ensure the requirement for the Structural Engineer to incorporate all necessary information around the construction of masonry panels on relevant drawing.</p> <p>A protocol for this is being developed by the TWG.</p>
4.5	<p><b><u>Communication of design intent</u></b></p> <p>Structural engineers should be required to describe in their documentation and drawings the approach and design philosophy adopted in their designs in terms of the reliance on the inclusion of bed joint reinforcement, wall head and lateral restraints or windposts in the required locations and in accordance with the specification....</p>	<p>This is being addressed as part of 4.4 above with TWG drawing up guidelines for CEC to implement.</p>
4.6	<p><b><u>Structural amendments to be approved</u></b></p> <p>Contractors should ensure that any changes to structural design are only implemented after</p>	<p>Amendment to warrant process is in place as it is a statutory obligation.</p>

	<p>checked by Structural Engineer and that these are documented and processed in accordance with statutory obligations imposed by Building Standards</p>	<p>Contractor Quality processes should address this but there is a need to audit compliance with the process.</p> <p>To clarify the nature of the shortcomings and to come to an agreed approach it is suggested that this is discussed with the TWG to ensure the intent of this recommendation is properly understood and addressed.</p>
4.7	<p><b><u>Access to original construction information</u></b></p> <p>CEC was not automatically provided with all relevant design, construction and survey information relating to the original construction, the subsequent investigations and implementation of remedial works on PPP1 schools.</p> <p>In response to requests for elements of information the Council was advised by various members of the (PPP) supply chain that it did not have direct contractual right to this information and would have to seek it through ESP.</p> <p>PPP contract arrangements should incorporate the right for public sector clients to be provided with copies of all design and technical information, surveys, proposed amendments and as built documentation in relation to their projects.</p>	<p>The events around PPP1 Stage 2 schools reflect the usual contract arrangements. Direct access to the SPV supply chain is not the norm but may be something for the CEC PPP Management Team to address on existing PPP and DBFM contracts (operational phase).</p> <p>On new DBFM, the indications are that Hub are keen to have an open and supportive working relationship with Participants (Clients). It is anticipated that this should be deliverable in some form for the next Hub DBFM. There is a need to agree a suitable level of information released and provisions for access to greater levels of detailed information as required.</p>
5.1	<p><b><u>Building of leaves of cavity walls separately</u></b></p> <p>Implications of building inner and outer leaves separately.</p>	<p>CEC proposal in response to this recommendation is to clearly specify that both leaves are constructed together.</p>

	<p>Recommendation that alternative construction adopted to avoid the issue.</p>	<p>Should there be a strong and fully justifiable reason to construct separately this would have to be with specific Council approval.</p> <p>In such cases the contractor would be required to provide a detailed method statement signed off by the structural engineer, architect and parties monitoring quality (e.g. CoW). Specific site supervision and quality checking would be a key requirement of any such agreement.</p>
5.2	<p><b><u>Design of wall ties</u></b></p> <p>Suggestion to calibrate wall ties.</p>	<p>Industry/supplier issue.</p>
5.3	<p><b><u>Design of head restraints</u></b></p> <p>Simplification of type for specification purposes and also consideration of provision of visible indicators to confirm presence.</p>	<p>Industry issue.</p>
5.4	<p><b><u>Payment of Bricklayers</u></b></p>	<p>Industry Issue.</p> <p>Possibly scope for SFT to influence on Hub framework.</p>
5.5	<p><b><u>Contractor quality assurance processes</u></b></p> <p>The repeated failures across many different (PPP1) projects would suggest that either the quality processes themselves or the manner in which these processes were implemented have frequently proved inadequate.</p> <p>Construction industry should seek to introduce, develop and promulgate standardised best practice.</p>	<p>This relates to Contractor processes.</p> <p>Contractor quality processes have advanced and been refined since the PPP1 Schools contract.</p> <p>It is clear that any process should be reinforced by independent checking.</p> <p>On CEC D&amp;B projects, the Technical Advisor (TA) has a specific responsibility in checking and auditing the Contractors Quality Processes with the provision of CoW addressing site inspection.</p> <p>DBFM have additional provisions for Independent Certifiers to which arrangements are being made for deployment of CoW.</p> <p>The scope of the various parties with regard to site quality will be assessed on a project by project basis. (i.e. the roles of the PM, Designer,</p>

	The design of such processes should consider the potential of greater use of modern technology in relation to digital recording of such areas of work'.	IC (where applicable), TA (where applicable) and CoW.
5.6	<p><b><u>Inspections and sign off of cavity walls</u></b></p> <p>.... recommended that QA processes on site are such that they prevent the closure of walls before proper inspection and sign-off has been facilitated to confirm the quality and completeness of the work.</p>	<p>This is being addressed as part of the CoW deployment.</p> <p>Project documentation is being altered to reflect this.</p> <p>Contractor quality process should already have specific provisions around inspections of works prior to 'closing up'. This will be reinforced during procurement process.</p> <p>The Council's Building Standards Service is examining the potential to change its construction compliance notification plan to include inspection of cavity walls in certain circumstances, using a risk based approach to decision making.</p>
5.7	<p><b><u>Bricklaying profession</u></b></p> <p>construction industry to re-examine approach to recruitment, training, selection and appointment of brick laying subcontractors...'. </p>	<p>While this is essentially a matter for the wider industry, CEC can probe this issue at PQQ tender interview stage.</p> <p>There may be scope for SFT to influence this.</p>
6.1	<p><b><u>Provision of training and recruitment</u></b></p> <p>Appropriate authorities to review the current level of provision of training in following areas: bricklaying, CoW, Building Stds Inspectors.</p>	<p>National issue.</p> <p>There is scope on frameworks, hub etc. to have KPI provisions for training and apprenticeships.</p> <p>A challenge for the industry would seem to be its ability to respond to the swings in demand impacting on the retention of trained staff during downturns.</p>
6.2	<p><b><u>Apprenticeships</u></b></p> <p>CITB issue around effectiveness of current bricklayer apprenticeships.</p>	<p>While there is scope to influence the industry through KPI's etc. this is fundamentally an Industry Issue.</p>

7.1	<p><b><u>Scope of Building Standards inspections and certification</u></b></p> <p>'need for Government and ...industry to consider the introduction of methods that would provide Buildings Standards with the required level of assurance in risk areas..... consider extending the concept of mandatory inspection and certification .by approved certifiers....</p>	<p>National Building Standards/Industry issue.</p> <p>Once any statutory, certified, mandatory inspection provisions are in place this will be readily adopted.</p>
7.2	<p><b><u>Sanctions for non-compliance with building standards</u></b></p> <p>'systematic and appropriate administrative arrangements should be developed and implemented by verifiers to identify pursue and sanction those who fail to comply with its statutory requirements'.</p>	<p>National Buildings Standards issue.</p>
7.3	<p><b><u>Temporary Occupation certificates</u></b></p> <p>Issue around IC issue of Availability Certificate on back of confirming provision of a Temporary Occupation Certificate (formally advising the Client of this position).</p> <p>Additionally, there should be a requirement that a date should be set by which the Project Company achieve the Certificate of Completion (post occupancy) of be in default.</p>	<p>This relates to PPP type projects around the IC requirement to ensure Temporary Occupation Certification is in place before issue of Certificate of Availability.</p> <p>A provision can be made in the contract that where a date would be set by which the Project Company (on PPP type contract) should be have achieved an accepted Certificate of Completion or be in default.</p> <p>SE Hub ensure there is a programme towards securing the final certificate at time of issue of Certificate of Availability under a Temporary Occupation Certificate</p> <p>On wider project delivery arrangements are in place for Contract Administrators follow up and delivery the Completion Certificate prior to expiry of the Temporary Occupation Certificate.</p>

7.4	<p><b><u>Prioritisation of risk factors</u></b></p> <p>This relates to Building Standards inspector site inspection arrangements.</p>	Building Standards issue to consider in line with the potential for national standardisation.
7.5	<p><b><u>Building standards Department of the City of Edinburgh Council</u></b></p> <p>Review of staffing in CEC Building Standards</p>	The Building Standards service of CEC is being reviewed to ensure it is appropriately staffed to deal with ongoing matters and any issues arising from the Inquiry.
8.1	<p><b><u>Sharing of information on matters of structural concern</u></b></p> <p>Collation and dissemination of information of structural concerns.</p>	<p>This would be a national initiative.</p> <p>Following the events around Oxfangs, CEC did respond positively and fully supported every request from SFT to and other local authorities share information.</p>
9.1	<p><b><u>Minor changes within PPP1 schools</u></b></p> <p>Frustration from members of staff and public around changes on PPP estate.</p>	<p>This relates to the provision of minor changes within the schools.</p> <p>There is a process for both PPP and DBFM contracts regarding such changes.</p> <p>Whilst the School Business Managers (school contact for PPP team) are given an induction to PPP processes and are aware of the roles and responsibilities regarding contract variations, there appears to be a need to provide more information to the wider school staff and public. This will be followed up by the PPP Management Team.</p>
9.2	<p><b><u>Parents' and schools' review of management of closure</u></b></p> <p>Joint meeting with Parent Councils.</p>	Meeting held 6 June 2017.
9.3	<p><b><u>Fire stopping</u></b></p> <p>It is recommended that CEC should, in addition to the ongoing checking of fire safety measures and components across its wider estate, require that appropriately frequent on-</p>	Fire Compliance Surveys' are carried out on the non PPP Estate specifically to inform spend on the Asset Management Works annual Fire Upgrade Block Allocation. This is not a cyclic inspection but is focussed on facilities which are assessed to be higher risk. CEC also have separate ongoing engineering inspections

	<p>going inspections are undertaken by those responsible for the management of these buildings.</p>	<p>through their Framework Contractors which address the identified Fire Damper issue. This route has been taken as it requires testing and inspection by an engineer. In addition, CEC are carrying out statutory inspections of fire alarms, emergency lighting, sprinklers, etc. through framework contractors.</p> <p>The Council will address the wider estate along the principles established by PPP by undertaking find and fix surveys undertaken by fire accredited organisations.</p> <p>Arrangements for the recommended frequent/cyclic on-going fire stopping condition inspections are to be reviewed.</p>
<p>10.1</p>	<p><b><u>Further Investigations (Other Clients of recently constructed buildings)</u></b></p> <p>In relation to the potential presence of further defective construction in the external walls of other of their buildings, the CEC in undertaking a proportionate and structured risk -based approach to investigating their wider estate specifically the issue identified in PPP1 Estate, i.e. wall tie embedment and the provisions of appropriate restraints to masonry panels. 'other clients of recently constructed buildings of a similar scale and form of the constructions to the PPP1 schools, if concerned that their buildings may contain similar defects, may wish to adopt a similar risk-based approach to any investigation process as they may feel necessary'.</p>	<p>As outlined in the Inquiry report, CEC have commenced a 'proportionate and structured risk based approach' to investigating the wider CEC Estate (ref CLT Report of August 2016 for Mandate).</p> <p>This approach has been widely shared with other interested parties.</p>

The table below gives an overview of the approach to the provision of technical resources on capital projects delivered across the Operational Estate in line with the Inquiry recommendations. The actual provisions will be considered on a project by project basis.

		Part Time CoW	Full Time CoW	Independent Certifier (DBFM only)	Technical Advisor (considered where deemed appropriate)	Fire Engineer (inspection role) (considered where deemed appropriate)	Design Team (site inspection)	Design Team (independent Design Review)	Multivista (considered where deemed appropriate)
Traditional	<£2m	✓					✓		
	>£2m		✓		✓	✓	✓	✓	✓
D&B	<£2m	✓					✓		
	>£2m		✓		✓	✓	✓	✓	✓
DBFM	all		✓	✓		✓	✓	✓	

## Notes

- The above contract categories are not a representation of all available contract and procurement routes but indicate the predominate approach taken on CEC projects.
- A number of the above arrangements have been in place on CEC projects but this proposal reinforces arrangements around design and construction quality.
- These services will be capital funded.
- The majority of the above roles are not full time on any project. This will vary according to scale and complexity of any project.
- The potential to make joint appointments and to align the scope of each service is being examined. For example, joint COW/TA appointment and also joint COW/IC appointments. On DBFM the IC will be delivering the TA role as part of their scope.
- Multivista trial underway.

# The City of Edinburgh Council

10.00am, Thursday 29 June 2017

## Council Diary 2017/18

Item number	8.3
Report number	
Executive/routine	
Wards	All

### Executive summary

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At its meeting on 22 June 2017 the Council agreed to adopt a streamlined executive committee model for its political management arrangements. This was based on six executive committees, meeting on an eight-week cycle.

The same meeting noted that a draft Council diary, and governance documentation, would be submitted to this meeting for approval. The draft Council Diary 2017/18 is now appended, for approval.

# Report

## Council Diary 2017/18

### Recommendations

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1. To agree the Council Diary 2017/18 as appended, and authorise the Chief Executive to make minor adjustments, as necessary.

### Main report

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- 2.1 Standing Order 4.2 states that committees will hold such meetings as the Council prescribes.
- 2.2 At its meeting on 22 June 2017 the Council agreed revised political management arrangements, comprising six Executive Committees together with a number of statutory and other committees and sub-committees.
- 2.3 The attached draft diary reflects these new committee arrangements, based around an eight-week meetings cycle.
- 2.4 Discussions are ongoing on the scheduling of one or two meetings, including the Licensing Sub-Committee. Council is asked to note these, and that these will be addressed in consultation with the relevant Conveners.

### Measures of success

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- 3.1 A structured meetings programme supports the Council's democratic functions.

### Financial impact

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- 4.1 There are no financial implications arising from this report.

### Risk, policy, compliance and governance impact

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- 5.1 Failure to agree meetings arrangement could open the Council to legal challenge where statutory timescales apply.

### Equalities impact

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- 6.1 Not applicable.

### Sustainability impact

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- 7.1 Not applicable.

### Consultation and engagement

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8.1 The draft diary reflects the Council decision of 22 June 2017.

## **Background reading/external references**

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Appendix – draft Council Diary 2017/18

### **Andrew Kerr**

Chief Executive

Contact Allan McCartney, Committee Services Manager

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# Appendix 1 - draft Council Diary 2017/18

(Summer Recess until w/c 31 July 2017) Licensing Sub-Committee – 26 July 2017					
Wk 1	Mon	31	July	a.m.	Licensing Board
				p.m.	
	Tue	1	August	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	2	August	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	3	August	a.m.	
			p.m.		
Wk 2	Fri	4	August	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	7	August	a.m.	
				p.m.	
	Tue	8	August	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	
	Wed	9	August	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
			p.m.	Licensing Sub-Committee	
Wk 3	Thu	10	August	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
	Fri	11	August	a.m.	Licensing Sub-Committee
				p.m.	Edinburgh Integration Joint Board
	Mon	14	August	a.m.	
				p.m.	
	Tue	15	August	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
			p.m.		
Wk 4	Wed	16	August	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	17	August	a.m.	Planning Committee
				p.m.	
	Fri	18	August	a.m.	
				p.m.	
	Mon	21	August	a.m.	
			p.m.		
Wk 4	Tue	22	August	a.m.	
				p.m.	
	Wed	23	August	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	
	Thu	24	August	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	25	August	a.m.	
			p.m.		

Wk 5	Mon	28	August	a.m.	Licensing Board
				p.m.	
	Tue	29	August	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	30	August	a.m.	Development Management Sub-Committee
				p.m.	
Wk 6	Thu	31	August	a.m.	<b>HOUSING AND ECONOMY COMMITTEE</b>
				p.m.	
	Fri	1	September	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	4	September	a.m.	Lothian Valuation Joint Board
				p.m.	
Wk 7	Tue	5	September	a.m.	<b>FINANCE AND RESOURCES COMMITTEE</b>
				p.m.	
	Wed	6	September	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	Licensing Sub-Committee
	Thu	7	September	a.m.	
				p.m.	
Wk 8	Fri	8	September	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	11	September	a.m.	
				p.m.	
	Tue	12	September	a.m.	<b>CULTURE AND COMMUNITIES COMMITTEE</b>
				p.m.	
Wk 8	Wed	13	September	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	14	September	a.m.	Regulatory Committee
				p.m.	
	Fri	15	September	a.m.	
				p.m.	
	Mon	18	September	a.m.	
			p.m.		
Wk 8	Tue	19	September	a.m.	
				p.m.	
	Wed	20	September	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	
	Thu	21	September	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
Wk 8	Fri	22	September	a.m.	Edinburgh Integration Joint Board (provisional)
				p.m.	

Wk 1	Mon	25	September	a.m.	Licensing Board
				p.m.	
	Tue	26	September	a.m.	Governance, Risk and Best Value Committee
				p.m.	Pensions Audit Sub-Committee
	Wed	27	September	a.m.	Development Management Sub-Committee
				p.m.	Pensions Committee
	Th	28	September	a.m.	
				p.m.	
	Fri	29	September	a.m.	Planning Committee Site Visits
				p.m.	
Wk 2	Mon	2	October	a.m.	
				p.m.	
	Tue	3	October	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	
	Wed	4	October	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	Licensing Sub-Committee
	Th	5	October	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
	Fri	6	October	a.m.	Licensing Sub-Committee
				p.m.	
Wk 3	Mon	9	October	a.m.	
				p.m.	
	Tue	10	October	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
				p.m.	
	Wed	11	October	a.m.	Development Management Sub-Committee
				p.m.	
	Th	12	October	a.m.	Planning Committee
				p.m.	
	Fri	13	October	a.m.	Edinburgh Integration Joint Board (provisional)
				p.m.	
<i>(October School Week Recess until w/b 23 October 2017)</i>					
Wk 4	Mon	23	October	a.m.	
				p.m.	
	Tue	24	October	a.m.	
				p.m.	
	Wed	25	October	a.m.	Development Management Sub-Committee
				p.m.	
	Th	26	October	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	27	October	a.m.	
				p.m.	

Wk 5	Mon	30	October	a.m.	Licensing Board
				p.m.	
	Tue	31	October	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	1	November	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	
Wk 6	Thu	2	November	a.m.	<b>HOUSING AND ECONOMY COMMITTEE</b>
				p.m.	
	Fri	3	November	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	6	November	a.m.	
				p.m.	
Wk 7	Tue	7	November	a.m.	<b>FINANCE AND RESOURCES COMMITTEE</b>
				p.m.	
	Wed	8	November	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Thu	9	November	a.m.	
				p.m.	
Wk 8	Fri	10	November	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	13	November	a.m.	Lothian Valuation Joint Board
				p.m.	
	Tue	14	November	a.m.	<b>CULTURE AND COMMUNITIES COMMITTEE</b>
				p.m.	
Wk 8	Wed	15	November	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
	Thu	16	November	a.m.	Regulatory Committee
				p.m.	
	Fri	17	November	a.m.	Edinburgh Integration Joint Board (provisional)
				p.m.	
Wk 8	Mon	20	November	a.m.	
				p.m.	
	Tue	21	November	a.m.	
				p.m.	
	Wed	22	November	a.m.	Development Management Sub-Committee
				p.m.	
Wk 8	Thu	23	November	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	24	November	a.m.	
				p.m.	

Wk 1	Mon	27	November	a.m.	
				p.m.	
	Tue	28	November	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	29	November	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	
Wk 2	Thu	30	November	a.m.	
				p.m.	
	Fri	1	December	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	4	December	a.m.	Licensing Board
				p.m.	
Wk 3	Tue	5	December	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	Pensions Audit Sub-Committee
	Wed	6	December	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee Pensions Committee
	Thu	7	December	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
Wk 3	Fri	8	December	a.m.	Licensing Sub-Committee
				p.m.	
	Mon	11	December	a.m.	Planning Committee
				p.m.	
	Tue	12	December	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
				p.m.	
Wk 3	Wed	13	December	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
	Thu	14	December	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	15	December	a.m.	Edinburgh Integration Joint Board (provisional)
				p.m.	
<i>(Christmas and New Year Recess until w/b 8 January 2018)</i>					

Wk 4	Mon	8	January	a.m.	
				p.m.	
	Tue	9	January	a.m.	
				p.m.	
	Wed	10	January	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	11	January	a.m.	
			p.m.		
Wk 5	Fri	12	January	a.m.	
				p.m.	
	Mon	15	January	a.m.	
				p.m.	
	Tue	16	January	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	17	January	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
			p.m.		
Wk 6	Thu	18	January	a.m.	<b>HOUSING AND ECONOMY COMMITTEE</b>
				p.m.	
	Fri	19	January	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	22	January	a.m.	
				p.m.	
	Tue	23	January	a.m.	<b>FINANCE AND RESOURCES COMMITTEE</b>
			p.m.		
Wk 7	Wed	24	January	a.m.	Development Management Sub-Committee
				p.m.	Licensing Sub-Committee
	Thu	25	January	a.m.	
				p.m.	
	Fri	26	January	a.m.	Licensing Sub-Committee Edinburgh Integration Joint Board (provisional)
				p.m.	
	Mon	29	January	a.m.	Licensing Board
			p.m.		
Wk 7	Tue	30	January	a.m.	<b>CULTURE AND COMMUNITIES COMMITTEE</b>
				p.m.	
	Wed	31	January	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
	Thu	1	February	a.m.	Regulatory Committee
				p.m.	
Wk 7	Fri	2	February	a.m.	
				p.m.	

Wk 8	Mon	5	February	a.m.	Lothian Valuation Joint Board
				p.m.	
	Tue	6	February	a.m.	
				p.m.	
	Wed	7	February	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	8	February	a.m.	<b>CITY OF EDINBURGH COUNCIL (BUDGET)</b>
				p.m.	
	Fri	9	February	a.m.	
				p.m.	
<i>(February Recess until w/c 19 February 2018)</i>					
Wk 1	Mon	19	February	a.m.	
				p.m.	
	Tue	20	February	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	21	February	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	22	February	a.m.	<b>CITY OF EDINBURGH COUNCIL (BUDGET)</b>
				p.m.	
	Fri	23	February	a.m.	Planning Committee Site Visits
				p.m.	
Wk 2	Mon	26	February	a.m.	Licensing Board
				p.m.	
	Tue	27	February	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	
	Wed	28	February	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Thu	1	March	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
	Fri	2	March	a.m.	Licensing Sub-Committee
				p.m.	Edinburgh Integration Joint Board (provisional)
Wk 3	Mon	5	March	a.m.	
				p.m.	
	Tue	6	March	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
				p.m.	
	Wed	7	March	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	8	March	a.m.	Planning Committee
				p.m.	
	Fri	9	March	a.m.	
				p.m.	

Wk 4	Mon	12	March	a.m.	
				p.m.	
	Tue	13	March	a.m.	
				p.m.	
	Wed	14	March	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	Pensions Committee
	Thu	15	March	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
			p.m.		
Wk 5	Fri	16	March	a.m.	
				p.m.	
	Mon	19	March	a.m.	
				p.m.	
	Tue	20	March	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	21	March	a.m.	Development Management Sub-Committee
			p.m.		
Wk 6	Thu	22	March	a.m.	<b>HOUSING AND ECONOMY COMMITTEE</b>
				p.m.	
	Fri	23	March	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	26	March	a.m.	Licensing Board
				p.m.	
	Tue	27	March	a.m.	<b>FINANCE AND RESOURCES COMMITTEE</b>
			p.m.		
Wk 7	Wed	28	March	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Thu	29	March	a.m.	
				p.m.	
	Fri	30	March	a.m.	Licensing Sub-Committee
				p.m.	
	(Easter Recess until w/c 23 April 2018) Lothian Valuation Joint Board – 16 April 2018				
Wk 7	Mon	23	April	a.m.	
				p.m.	
	Tue	24	April	a.m.	<b>CULTURE AND COMMUNITIES COMMITTEE</b>
				p.m.	
	Wed	25	April	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	26	April	a.m.	Regulatory Committee
			p.m.		
Wk 7	Fri	27	April	a.m.	Edinburgh Integration Joint Board (provisional)
				p.m.	

Wk 8	Mon	30	April	a.m.	Licensing Board
				p.m.	
	Tue	1	May	a.m.	
				p.m.	
	Wed	2	May	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
Wk 1	Thu	3	May	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	4	May	a.m.	
				p.m.	
	Mon	7	May	a.m.	
				p.m.	
Wk 2	Tue	8	May	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	9	May	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	10	May	a.m.	
				p.m.	
Wk 3	Fri	11	May	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	14	May	a.m.	
				p.m.	
	Tue	15	May	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	
Wk 4	Wed	16	May	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Thu	17	May	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
	Fri	18	May	a.m.	Licensing Sub-Committee
				p.m.	Edinburgh Integration Joint Board (provisional)
Wk 5	Mon	21	May	a.m.	
				p.m.	
	Tue	22	May	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
				p.m.	
	Wed	23	May	a.m.	Development Management Sub-Committee
				p.m.	
Wk 6	Thu	24	May	a.m.	Planning Committee
				p.m.	
	Fri	25	May	a.m.	
				p.m.	

Wk 4	Mon	28	May	a.m.	Licensing Board
				p.m.	
	Tue	29	May	a.m.	
				p.m.	
	Wed	30	May	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
Wk 5	Thu	31	May	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	1	June	a.m.	
				p.m.	
	Mon	4	June	a.m.	
				p.m.	
Wk 6	Tue	5	June	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	6	June	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	7	June	a.m.	<b>HOUSING AND ECONOMY COMMITTEE</b>
				p.m.	
Wk 7	Fri	8	June	a.m.	Planning Committee Site Visits
				p.m.	
	Mon	11	June	a.m.	
				p.m.	
	Tue	12	June	a.m.	<b>FINANCE AND RESOURCES COMMITTEE</b>
				p.m.	
Wk 8	Wed	13	June	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Thu	14	June	a.m.	
				p.m.	
	Fri	15	June	a.m.	Licensing Sub-Committee Edinburgh Integration Joint Board (provisional)
				p.m.	
Wk 9	Mon	18	June	a.m.	
				p.m.	
	Tue	19	June	a.m.	<b>CULTURE AND COMMUNITIES COMMITTEE</b>
				p.m.	
	Wed	20	June	a.m.	Development Management Sub-Committee
				p.m.	
Wk 10	Thu	21	June	a.m.	Regulatory Committee
				p.m.	
	Fri	22	June	a.m.	
				p.m.	
	Mon	25	June	a.m.	Licensing Board Lothian Valuation Joint Board
				p.m.	
Wk 11	Tue	26	June	a.m.	
				p.m.	
	Wed	27	June	a.m.	Pensions Audit Sub-Committee The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	Pensions Committee
	Thu	28	June	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
Wk 12	Fri	29	June	a.m.	
				p.m.	
(Summer Recess until w/c 30 July 2018) Licensing Sub-Committee – 25 July 2018					

Wk 1	Mon	30	July	a.m.	Licensing Board (provisional)
				p.m.	
	Tue	31	July	a.m.	Governance, Risk and Best Value Committee
				p.m.	
	Wed	1	August	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	2	August	a.m.	
				p.m.	
	Fri	3	August	a.m.	Planning Committee Site Visits
				p.m.	
Wk 2	Mon	6	August	a.m.	
				p.m.	
	Tue	7	August	a.m.	<b>CORPORATE POLICY AND STRATEGY COMMITTEE</b>
				p.m.	
	Wed	8	August	a.m.	The City of Edinburgh Planning Local Review Body (Panel 2)
				p.m.	Licensing Sub-Committee
	Thu	9	August	a.m.	<b>TRANSPORT AND ENVIRONMENT COMMITTEE</b>
				p.m.	Planning Committee Workshop
	Fri	10	August	a.m.	Licensing Sub-Committee
				p.m.	Edinburgh Integration Joint Board (provisional)
Wk 3	Mon	13	August	a.m.	
				p.m.	
	Tue	14	August	a.m.	<b>EDUCATION, CHILDREN AND FAMILIES COMMITTEE</b>
				p.m.	
	Wed	15	August	a.m.	Development Management Sub-Committee
				p.m.	
	Thu	16	August	a.m.	Planning Committee
				p.m.	
	Fri	17	August	a.m.	
				p.m.	
Wk 4	Mon	20	August	a.m.	
				p.m.	
	Tue	21	August	a.m.	
				p.m.	
	Wed	22	August	a.m.	The City of Edinburgh Planning Local Review Body (Panel 1)
				p.m.	
	Thu	23	August	a.m.	<b>CITY OF EDINBURGH COUNCIL</b>
				p.m.	
	Fri	24	August	a.m.	
				p.m.	

10.00am, Thursday, 29 June 2017

## Operational Governance Framework 2017

Item number	8.4
Report number	
Executive/routine	
Wards	

### Executive summary

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This report sets out changes to the key documents that support internal controls, accountability and transparent operation of the Council and recommends appropriate changes. This is to ensure that the key operational governance documents of the Council are comprehensive, relevant, up-to date, support good governance and incorporate the changes required due to the changes to the political management structures agreed by Council on 22 June 2017.

### Links

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Coalition pledges
Council outcomes
Single Outcome Agreement

## Operational Governance Framework 2017

### Recommendations

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- 1.1 To repeal the existing Procedural Standing Orders for Council and Committee Meetings, Committee Terms of Reference and Delegated Functions, Scheme of Delegation to Officers and Financial Regulations and approve in their place appendices 1-2, 4 and 6, such repeal and approval to take effect from 3 July 2017.
- 1.2 To insert and replace the table in appendix 5 into Contract Standing Orders, to take effect from 3 July 2017.
- 1.3 To delegate authority to the Chief Executive to take such actions and make such minor adjustments to the documents set out in appendices 1-2 and 4-6 as may be necessary to implement the decision of the Council in relation to this report and to produce a finalised version of the documents, making them available to members for information ahead of publication.
- 1.4 To note that all the operational governance documentation is subject to review annually and would form part of any review of the political management arrangements.

### Background

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- 2.1 The Council on 22 June 2017 agreed a new streamlined committee system that reduced the number of executive committees from eight to six and set them on an eight-week cycle. This requires changes to the Committee Terms of Reference and the Scheme of Delegation to implement.

### Main report

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- 3.1 The following key documents have been reviewed and are submitted for approval:
  - 3.2.1. Procedural Standing Orders for Council and Committee Meetings;
  - 3.2.2. Committee Terms of Reference and Delegated Functions;
  - 3.2.3. Financial Regulations; and
  - 3.2.4. Scheme of Delegation to Officers

- 3.2 The changes to the Committee Terms of Reference and Delegated Functions are significant and reflect the changes agreed by Council on 22 June 2017. The changes to the other documents are more minor in nature and are highlighted in the tracked copies of the documents in the appendices.
- 3.3 Contract Standing Orders are currently being reviewed and will be presented to a future Council meeting. However, to reflect the changes made to the committee structure on 22 June 2017, a revised table outlining the amounts which require committee approval has been proposed.

#### **The Scheme of Delegation**

- 3.4 Many of the changes are minor and reflect changes in structure, language and implement decisions already agreed by Council. However, there are changes proposed to assist in the implementation of the streamlined committee system.
- 3.5 Property – Changes are proposed to decisions on the sale of property and concluding leases. The proposed changes include removing length and rent restrictions, thereby extending authority to cover all new leases, missives of let, licence agreements, all wayleaves, minutes of waiver, rent reviews, renewals and assignments. Additionally, it is proposed that the authority to acquire and dispose of land is increased from £250,000 to £1m. As a result of these changes there will be a reduction in committee business. In 2016 there were 78 reports on these issues and the proposals detailed in appendix three and four would reduce this total by 30, giving a total reduction of 38%. These changes will assist the Finance and Resources Committee to manage it's business to the extent that it can meet on an eight-week cycle as envisaged by Council on 22 June 2017.
- 3.6 Licensing - The current system involves those decisions that are already delegated to be consulted on with two members of the Regulatory Committee. This system is resource intensive for elected members and officers. Members are providing an oversight function of decisions taken already by officers and the only scope is to request that the application is taken to committee. This was only exercised in 0.005% of the time of the total applications in the last five years.
- 3.7 It should be noted that the requirement to consult with elected members on any matters that are politically controversial, are a local issue or are a material decision remains.

#### **Procedural Standing Orders**

- 3.8 The changes to Procedural Standing Orders are relatively minor and aim to either clarify terms or reflect current practice. The change to the quorum of the Council is a requirement of the Local Government (Scotland) Act 1973 and a direct consequence of the change in total membership of the Council from 58 to 63.

## **Committee Terms of Reference and Delegated Functions**

- 3.9 The changes to the Committee Terms of Reference detail the changes made by the Council decision on 22 June 2017. It clarifies and details the remits to the six new executive committees.

## **Financial Regulations**

- 3.10 The changes to Financial Regulations are relatively minor and aim to either clarify terms or reflect current practice.

## **Contract Standing Orders**

- 3.11 It is proposed that the levels of delegation are increased to allow routine decisions to be taken by officers. A major part of this are contracts going to the Finance and Resources Committee.
- 3.12 A significant issue with contracts that has been raised by officers are that elected members under the current process are not able to have sufficient influence over the direction of procurement. There is a need to engage at an earlier stage so that any concerns can be built into the procurement process rather than at the end, when procurement law means the options for elected members are restricted. It is proposed that the thresholds are altered which would reduce the number of reports going to committee but allow a greater focus on higher value projects.
- 3.13 However, it is essential that elected members are given information earlier to ensure sufficient monitoring and scrutiny. Accordingly, a report will be produced every six months that will detail proposed contracts, waivers and contracts to be awarded. This will allow elected members to ask for verbal updates on any of the proposed contracts and in exceptional circumstances there will be the opportunity to ask for a contract to be reported for approval at committee. This system should enable elected members to influence Council contracts more but to do so within the rules governing procurement.
- 3.14 It is estimated that these changes will bring about an annual reduction from 60 to 25 in the number of such reports to Finance and Resources.

## **Measures of success**

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- 4.1 Compliance with legislation measure via a range of key performance indicators reported to the appropriate committee.

## **Financial impact**

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

## Risk, policy, compliance and governance impact

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- 6.1 It is good governance to maintain and regularly review the Council's key operational governance documents so powers are transparent, clear and fit for purpose.
- 6.2 The new committee system requires an updated set of Committee Terms of Reference to be implemented.
- 6.3 The new committee system requires an updated Scheme of Delegation to Officers and Contract Standing Orders to be effective.

## Equalities impact

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

## Sustainability impact

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

## Consultation and engagement

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- 9.1 A short consultation period took place with elected members and senior Council officials.

## Background reading/external references

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[Governance: Operational Governance Framework Annual Review 2015](#)

[Political Management Arrangements 2017](#)

### **Andrew Kerr**

Chief Executive

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## Links

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**Coalition pledges**

**Council outcomes**

**Single Outcome  
Agreement  
Appendices**

Appendix one – Procedural Standing Orders for Council and Committee Meetings  
Appendix two: Committee Terms of Reference and Delegated Functions  
Appendix three: Scheme of Delegation to Officers – Table of Changes  
Appendix four: Scheme of Delegation to Officers  
Appendix five: Extract of Contract Standing Orders  
Appendix six: Financial Regulations

**CITY OF EDINBURGH COUNCIL**

**PROCEDURAL STANDING ORDERS**

**FOR COUNCIL**

**AND COMMITTEE MEETINGS**

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## STANDING ORDERS

These standing orders (“**Standing Orders**”) apply from ~~26 August 2016~~ 3 July 2017 and regulate the conduct of business at meetings of the City of Edinburgh Council (“**Council**”) and the committees or sub-committees of the Council (“**Committees**”).

### 1. **First meeting of the Council after an election**

1.1 In an election year, the Council will hold a meeting at 10 am, no later than the third Thursday after the day of the ordinary election of Councillors.

1.2 At this meeting or at any adjournment of it, the Council will

(a) appoint the Lord Provost;

(b) seek to appoint the Depute Convener, the Leader and Depute Leader of the Council, the members of the committees of the Council and their conveners and any vice-conveners, the members of the joint committees and joint boards, the members of the Licensing Board and such representatives to other bodies as the Council may decide to appoint; and

(c) deal with any urgent competent business.

### 2. **Lord Provost and Depute Convener – term of office**

2.1 The Council may at any time agree to remove the Lord Provost and Depute Convener from office, with immediate effect, provided that not less than three quarters of the members of the Council present and voting so decide.

### 3. **Ordinary and special meetings**

3.1 A meeting of the Council will be held at 10 am on every fourth Thursday.

3.2 In a non-election year the Council, at its first ordinary meeting in May ~~will, or at any adjournment of it, will~~ appoint the Leader and Depute Leader, the members of the committees of the Council and their conveners and any vice-conveners and the members of the joint committees and joint boards.

3.3 The Lord Provost may in exceptional circumstances alter the arrangements for ordinary meetings or authorise a special meeting to be called. A special meeting may also be called at any time by written request to the Clerk specifying the business to be transacted and signed by at least one quarter of the members of the Council. The Clerk will arrange for the special meeting to be held within 14 days of receipt of the request. The right to call a meeting does not apply to Committees.

3.4 The Council may recess for periods to be determined by the Clerk after consultation with the Lord Provost and the Leader of the Council. During any

recess no meetings of the Council, ~~Corporate Policy and Strategy Committee,~~ Executive Committees, ~~or the~~ -Governance, Risk and Best Value Committee ~~or the Petitions Committee~~ will be held.

#### 4. **Notice of Meetings**

4.1 At least 3 clear days before a meeting of the Council or its Committees:

- (a) the Clerk will publish a notice of the time and place of the intended meeting. If the meeting is called by members of the Council, the signed request will accompany the notice; and
- (b) a summons to attend the meeting containing the agenda of business will be sent to every Council member by email or to an alternative address nominated by them. If a summons is not sent to any member the meeting will still be validly called only if good reason is shown for failure to send such a summons.

4.2 A Committee will hold such meetings as the Council may prescribe, but the Clerk will call additional meetings of a Committee at any time on being required to do so by the Committee concerned, or at the request of the Convener. Meetings will be called at least six days before the meeting date in accordance with the statutory requirements

4.3 The Clerk will call a special meeting to be held within eight days of receiving a written request specifying the business to be transacted and signed by at least one quarter of the members of the Committee concerned.

4.4 Any summons issued under Standing Order 4.1 must give a note of the agenda of business and the proposed order for dealing with business at the meeting.

4.5 No business other than that set out in the notice of meeting may be dealt with unless it is brought before the Council or Committee as a matter of urgency. The Lord Provost or Convener must rule that it is a matter of urgency and give the reasons for the ruling to be noted in the minutes. The item must be made known at the start of the meeting when the order of business is decided. If the Lord Provost or Convener rules that the matter is not urgent, it will be included as an item for the next ordinary meeting of the Council or next scheduled committee meeting, unless dealt with earlier.

#### 5. **Quorum**

5.1 The quorum of the Council is ~~fifteen~~sixteen. No business may be transacted at any meeting unless a quorum is present. If fewer than ~~fifteen~~sixteen members are present ten minutes after the appointed time for the start of the meeting the division bell will be rung. If after a further period of three minutes there are still fewer than ~~fifteen~~sixteen members present, the meeting will be adjourned until such date and time as the Lord Provost decides.

- 5.2 If at any time during a Council meeting a question arises on whether there is a quorum, the Lord Provost will instruct a count of the members who are present. If a quorum is not present, the meeting will be adjourned until such date and time as the Lord Provost decides.
- 5.3 Subject to law the quorum of a Committee will be one third of the number of voting members of the Committee (~~please refer to these~~[see](#) Committee terms of reference for specific numbers) provided that in no case will any business be transacted unless at least two voting members are present.
- 5.4 If fewer members are present five minutes after the time appointed for the start of a Committee meeting than are needed to constitute a quorum the meeting will be adjourned until such date and time as the Convener decides. After a meeting has started if the number of members present falls below the quorum the meeting will be adjourned immediately until such date and time as the Convener decides.
- 5.5 A member who has declared an interest in an item of business and has left the meeting may not be counted in the quorum for that item of business. If less than a quorum of the Council or Committee is entitled to vote on an item due to declaration of interests that item cannot be dealt with at the meeting.

## 6. **Lord Provost - Council Meetings**

- 6.1 The Lord Provost will chair any Council meeting when he or she is present. When the Lord Provost is absent from a Council meeting, the Depute Convener will chair the meeting. When the Lord Provost and Depute Convener are absent, another member of the Council, chosen by the members present, will chair the meeting.

## 7. **Convener - Committees**

- 7.1 The Convener will chair any meeting of a Committee when he or she is present. When the Convener is absent from a Committee meeting the Vice-Convener, if appointed, will chair the meeting. When the Convener and Vice-Convener are absent, another member chosen by the members present will chair the meeting.

## 8. **Lord Provost and Convener- Duties**

- 8.1 The duties of the Lord Provost or Convener of the meeting, in accordance with these Standing Orders, will include:
- (a) Deciding on all matters of protocol, decorum, order, competency and relevancy;
  - (b) Determining all matters of procedure for which no provision is made within these Standing Orders. In reaching this determination he/she may be advised by the Clerk;

- (c) Deciding priority between two or more members wishing to speak;
- (d) Ensuring that a fair opportunity is given to all members to express their views on any item of business;
- (e) Preserving order within the meeting;
- (f) Ordering the exclusion of any member of the public, in order to prevent or suppress disorderly conduct or any other behaviour which impedes or is, in the Lord Provost or Chair's opinion, impeding the business of the meeting;
- (g) In the event of disorder arising, adjourning the meeting to a time and date the Lord Provost or Convener will fix then or later. In leaving the meeting, the Lord Provost or Convener in such circumstances, will without further procedure, have formally adjourned the meeting;
- (h) Signing the minutes of the previous meeting;

8.2 The decision of the Lord Provost or Convener in relation to all questions regarding Standing Orders is final, but in reaching these decisions advice may be sought from the Clerk.

9. **Order of Business**

9.1 **Full Council** – the business of Council at ordinary meetings will take place in the following order:

- (a) Order of Business
- (b) Declaration of Interests
- (c) Deputations
- (d) Minutes
- (e) Council Questions
- (f) Leader's Report
- (g) Appointments
- (h) Reports
- (i) Motions

~~9.2 **Corporate Policy and Strategy Committee and Executive Committees** – the business of the Corporate Policy and Strategy Committee and Executive Committees will take place in the following order:~~

- ~~(a) — Order of Business~~
- ~~(b) — Declaration of Interests~~
- ~~(c) — Deputations~~
- ~~(d) — Minutes~~
- ~~(e) — Key Decisions Forward Plan/ Rolling Actions Log~~
- ~~(f) — Business Bulletin (Optional)~~
- ~~(g) — Executive Decisions~~
- ~~(h) — Routine Decisions~~
- ~~(i) — Motions~~

~~9.3 — **Governance, Risk and Best Value Committee** — the business of the Governance, Risk and Best Value Committee will take place in the following order:~~

- ~~(a) — Order of Business~~
- ~~(b) — Declaration of Interests~~
- ~~(c) — Deputations~~
- ~~(d) — Minutes~~
- ~~(e) — Business Bulletin (Optional)~~
- ~~(f) — Work Programme~~
- ~~(g) — Reports~~
- ~~(h) — Motions~~

~~9.4 — **Petitions Committee** — the business of the Petitions Committee will take place in the following order:~~

- ~~(a) — Order of business~~
- ~~(b) — Declaration of Interests~~
- ~~(c) — Minutes~~
- ~~(d) — Reports: Petitions presented to the Committee for consideration~~
- ~~(e) — Motions~~

10. **Power to vary order of business**

10.1 The Council or Committee may at any meeting vary the order of business to give precedence to any item on the agenda:

- (a) at the discretion of the Lord Provost or Convener; or
- (b) on a motion duly moved and seconded and voted on electronically or by a show of hands.

11. **Declaration of Interests**

11.1 Where a member declares an interest in accordance with the Councillors' Code of Conduct and leaves the meeting, the fact will be recorded in the minutes of the meeting.

12. **Deputations**

12.1 The Council or any Committee can hear deputations on any matter that is included in its power, duties or delegation.

12.2 Every application for a deputation must be from an office bearer of an organisation or group. It must be submitted by email or in writing, setting out the subject of the deputation and be delivered to the Clerk no later than 5pm on the day before the meeting concerned. The Lord Provost or Convener has discretion to waive both these requirements.

12.3 The Clerk will submit the application to the Council or relevant Committee. An application for a deputation to Council will only be submitted if it relates to an item of business on the agenda for that meeting or if the Lord Provost decides that there is sufficient reason for the meeting to consider it.

12.4 When the Council or Committee considers whether to hear a deputation, it must not discuss the merits of the case itself. If necessary a vote will be taken without discussion on whether to hear the deputation.

12.5 Each deputation will not usually exceed four persons and will have ten minutes to present its case. If the meeting decides to hear more than one deputation on the same subject, they will be heard together. The Lord Provost or Convener will decide how much time to allow.

12.6 Unless the Lord Provost or Convener decides otherwise, the total maximum time allowed for deputations to present their cases at a meeting, excluding questions, will be limited to 60 minutes.

12.7 Any member can put a question to the deputation that is relevant to the subject. The total time allowed for such questions will not be more than ten minutes for

each deputation. The merits of the case must not be discussed by members until the deputation has withdrawn.

- 12.8 Standing Order 12 does not apply in connection with hearings at the Licensing Sub-Committee, the Development Management Sub-Committee, or the City of Edinburgh Planning Review Body, nor to any subsequent consideration of the subject of the hearing.

13. **Minutes**

- 13.1 The Clerk will minute all Council and Committee meetings. The minutes will record the names of the members who attended the meeting. They will be circulated among members of the Council or Committee at least three clear working days before its next meeting for approval. If they are approved as a correct record of proceedings of the meeting, the Lord Provost or Convener of the meeting will sign them.

14. **Council Questions**

- 14.1 At any Council meeting, a member may put a question to the Lord Provost or to any Convener or Vice-Convener with relevant responsibility about any relevant or competent business. The question must be given in by email or in writing to the Clerk by noon on the seventh working day before the meeting. The Lord Provost or Convener may specify that a particular question will be answered by another Convener or Vice-Convener, with that member's consent.

- 14.2 A member may put a question to a Convener or Vice-Convener at a Council meeting about any matter that is on the summons for that meeting. He/she must give the question orally or in writing to the Clerk by 10am on the day before the meeting.

- 14.3 After a question has been answered the questioner may ask a supplementary question, if necessary, to seek clarification of the answer given. The total time for asking a supplementary question and replying to it will not be more than 5 minutes. The total time for all such questions and answers will not be more than 40 minutes.

- 14.4 No discussion will be allowed on any question or answer.

15. **Leader's Report and Questions**

- 15.1 At a meeting, a member may put one or more oral questions to the Leader in connection with the Leader's Report. The Leader may invite a Convener or Vice-Convener to respond on his/her behalf. The total time allowed for such questions and answers will not be more than 40 minutes.

- 15.2 No discussion will be allowed on any question or answer.

16. **Notices of Motion**

- 16.1 Every formal notice of motion will be in writing and signed off by the member giving the notice. The notice must be delivered to the Clerk by noon on the seventh working day before the meeting. Those not received within this timescale, will not be included in the summons calling the meeting.
- 16.2 Late formal notices of motion may be submitted to the Council or Committee at the appropriate time in the meeting, in terms of Standing Order 4.4 if:
- (a) They have been delivered to the Clerk before the start of the meeting;
  - (b) They are considered by the Lord Provost or Convener to be competent, relevant and urgent; and
  - (c) They have been circulated to members before the meeting commences or read by the Clerk to the meeting at the appropriate time in the meeting.
- 16.3 Late motions which are not accepted as urgent by the Lord Provost or Convener, will be considered at the next ordinary meeting.
- 16.4 Every formal motion submitted, in terms of Standing Orders 16.1 and 16.2, will require to be moved and seconded formally. If such a motion is not moved and seconded formally it will fall and this will be recorded in the minutes.

17. **Order of Debates**

- 17.1 A member who wishes to speak, when called on, will address the Lord Provost or Convener. The member will speak directly on the motion or amendment that is being proposed, seconded or discussed, or on a question of order. No member can speak more than once on any subject that is being discussed, except for a point of order or, with the permission of the Lord Provost or Convener, to give an explanation. The person proposing the motion has a right of reply.

18. **Length of Speeches**

- 18.1 Except with the Lord Provost or Convener's permission the proposer and seconder of a motion or an amendment must not speak for more than five minutes, and all other speakers for not more than three minutes. The proposer of the original motion may speak for up to five minutes in reply, and the reply must not introduce any new matter into the debate. After that, the discussion will finish and the Lord Provost or Convener will direct that a vote be taken.

19. **Motion for Adjournment**

- 19.1 A motion to adjourn the meeting may be put at any time, except if a member is speaking, and will have precedence over all other motions. It must be moved

and seconded without discussion and must at once be put by the Lord Provost or Convener in the form of 'adjourn' or 'not adjourn.'

19.2 A second or subsequent motion to adjourn may not be made within half an hour unless it is moved by the Lord Provost or Convener when it will be dealt with as in Standing Order 19.1.

20. **Debate**

20.1 A member wishing to speak will rise and address the Lord Provost or Convener. He/she will speak only on the matter under consideration or on a question of order.

20.2 A member proposing to submit a motion or amendment on any subject under discussion will before addressing the meeting state the terms of the motion or amendment. If he/she fails to do so the Lord Provost or Convener will ask him/her to state the terms. Every motion or amendment must be moved and seconded and will, when required by the Lord Provost or Convener, be put in writing and handed over to the Clerk.

20.3 The mover and seconder of any motion or amendment or adjustment thereof may speak in support of the motion or amendment for not more than five minutes. No other speaker may speak for more than three minutes or more than once in the same discussion except to call attention to a point of order.

20.4 The mover of the original motion will have the right to speak for a further five minutes in reply to the debate after which the discussion will be closed. The mover of the motion must, in his/her reply, strictly confine himself/herself to answering previous speakers and not introducing any new matter. No member will be permitted to offer an opinion or to ask a question or otherwise to interrupt the proceedings. The motion and amendment(s) will then be voted on by members.

20.5 The limits of time specified in Standing Orders 20.3 and 20.4 may be exceeded with the consent of the majority of members present and the Lord Provost or Convener may determine, without taking a vote, whether such consent has been obtained.

20.6 When a motion and two or more amendments are before the meeting, the Lord Provost or Convener will decide the order and manner for putting the motion and amendments to the meeting. The Lord Provost or Convener (or nominee) will have the right to move a minute or report, as the original motion, with all alternative proposals considered as amendments.

20.7 The mover of the motion or amendment may agree to add all or part of an amendment moved and seconded by other members, provided that:

(a) His/her seconder consents;

- (b) The mover and seconder of the other amendment consents; and
  - (c) The agreement takes place before the mover of the motion has replied.
- 20.8 The mover of an amendment, which is not seconded, may have his/her dissent to the decision of the Council or Committee recorded in the minute.

21. **Closure of Debate**

- 21.1 Any member who has not spoken on the question before the meeting may propose 'that the matter now be decided'. If this is seconded and the Lord Provost or Convener thinks the question has been discussed enough, he or she will order that a vote on the motion be taken, without amendment or discussion. If the motion that the matter now be decided is carried, the proposer of the original motion will have a right to reply, and the question itself will then be put to the meeting. If the motion that the matter be now decided is not carried, a similar motion may be made after every two further members have spoken.

22. **Voting**

- 22.1 A vote may be taken by members standing in their places either calling the roll, by electronic voting or by a show of hands. When it is proposed to take the vote by members standing in their places, electronic voting or by a show of hands, any member may object and if ten members present at the Council or two members in any other Committee object, the vote must be taken by calling the roll. All votes on procedure, however, will be taken by ~~electronic voting or a~~ show of hands.

- 22.2 When a motion and amendment are before the Council or Committee the proposal receiving the support of a majority of members present and voting will be declared to be a decision of the Council or Committee.

- 22.3 When a motion and two or more amendments are before the Council or Committee and the adoption of one or more of the proposals would result in either the continuation of a decision or no action, a vote will firstly be taken on the proposal(s) involving continuation or no action as soon as the discussion is completed. This vote will be taken 'for or against' either continuation or no action. Any vote necessary on the remaining proposals will be taken in terms of Standing Order 22.1.

- 22.4 When a motion and two or more amendments, none of which involves continuation or no action, are before the Council or Committee, the vote will be taken on all proposals, each member having one vote. If a proposal receives the support of a majority of members voting it will be declared to be the decision of the Council or Committee. If none of the proposals receives the support of a majority of those voting, the one which has received the fewest votes will be dropped and a fresh vote taken on the remaining proposals. If there is an equal number of votes between the proposals with the fewest votes the Lord Provost

will have a casting vote to determine which proposal should be dropped. If the Lord Provost does not exercise his/her casting vote, the decision will be by lot. This process of elimination will continue until one proposal has received majority support from those voting which will be declared the decision of the Council or Committee.

- 22.5 If there are equal numbers of votes, the Lord Provost or Convener will have a casting vote except where the vote relates to appointing a member of the Council to any particular office or committee. In this case, the decision will be by lot.
- 22.6 In a meeting of the Council, the City Officer will ring the Division Bell for sixty seconds immediately before any vote is taken. The doors of the Council Chamber will then be locked and voting undertaken by the Clerk. Where a series of votes is to be taken, which in the opinion of the Lord Provost are on related subjects, the Lord Provost may suspend the requirements of this Standing Order after the first vote in the series.
- 22.7 If a vote has been taken and a member immediately challenges the accuracy of the count, the Lord Provost or Convener will decide whether to have a recount. If there is a recount, the Lord Provost or Convener will decide how this should be taken.

### 23. **Appointments**

- 23.1 When appointing a member of the Council or any person to office where the number of candidates is more than the number of vacancies, the person to be selected may be decided by ballot. In each case, members can vote for as many candidates as there are vacancies but in any vote, they may only vote once for any one candidate.
- 23.2 If only one vacancy is to be filled and one candidate has an absolute majority of the votes cast, that candidate will be declared appointed. If this is not the case, the name of the candidate with the fewest votes will be taken off the list of candidates. This process of elimination will continue until the number of remaining candidates equals the number of vacancies or one candidate has a majority and there is only one vacancy. That candidate or those candidates will be declared to be appointed.
- 23.3 If there is a vote between more than two candidates and there are an equal number of votes for candidates with fewest votes, there will be an extra vote by ballot of those candidates. The name of the candidate with the fewest votes will be taken off the list. If there are an equal number of votes between two candidates, the candidate to be taken off the list will be decided by lot.
- 23.4 Subject to law, appointments to outside bodies are for the life of the Council unless the person appointed resigns from the appointment or the outside body's constitution specifies a different time period.

24. **Point of Order**

24.1 Any member may raise a point of order at any time during a meeting. Any member who is addressing the meeting when a question of order is raised will resume his/her seat until the question has been decided by the Lord Provost or Convener. The member raising the point of order will advise which Standing Order he/she considers is being infringed and thereafter, without debate, await the Lord Provost or Convener's decision. No other member may speak to the point of order unless with the permission of the Lord Provost or Convener. The decision of the Lord Provost or Convener will be final and cannot be discussed.

25. **Suspension of Standing Orders**

25.1 The Council may on a motion duly moved and seconded, and with the consent of two thirds of members voting, suspend any Standing Order specified in the motion. Any such motion may be submitted, without previous notice, and will be voted on electronically or by a show of hands without discussion.

25.2 Standing Orders 2, 8, 20.6, 24, 25, 26 and 32 will not be capable of suspension.

26. **Obstructive or offensive conduct by members**

26.1 If any member at any meeting disregards the authority of the Lord Provost or Convener, or behaves obstructively or offensively, a motion may then be proposed and seconded to suspend the member for the rest or any part of the meeting. The motion will be put without discussion. If it is carried, the City Officer or Clerk will act on any orders received from the Lord Provost or Convener to carry out the decision.

27. **Changing a Council decision**

27.1 Subject to law, a decision of the Council cannot be changed by the Council within six months unless notice has been given of the proposed item in the summons for the meeting and:

- (a) the Lord Provost rules there has been a material change of circumstances; or
- (b) the Council agrees the decision was based on erroneous, incorrect or incomplete information.

28. **Referring a decision to Council**

28.1 Subject to Standing Order 28.2, where a decision is taken at the ~~Corporate Policy and Strategy Committee~~, Executive Committees, Governance, Risk & Best Value Committee or the Regulatory Committee, not less than one quarter of

the members present may ask for it to be passed to Council as a recommendation.

- 28.2 A decision will not be sent to the Council in terms of Standing Order 28.1 where the Convener considers that a final decision must be made before the next meeting of the Council, in order to avoid material prejudice to the interests of the Council. The Convener will give clear reasons for this decision.

29. **Committee – non member motion**

- 29.1 Any member may raise with the relevant committee a matter of new business by submitting a motion in writing to the Clerk by noon on the seventh working day before the meeting. If accepted by the Convener the matter will be placed on the agenda of business for the next meeting. The member raising the matter will be entitled to appear at that meeting to move his/her motion, which will require to be seconded by another member, but may not vote unless he/she is a member of the Committee.

30. **Ward or members with special interest**

- 30.1 A member of the Council who is not a member of a particular committee may be invited by the Convener, or Vice-Convener to attend a meeting where there is under discussion any item in which that member has a local or other special interest. The member will be entitled to speak on that item but may not vote. This Standing Order does not apply to the Regulatory or the Planning Committee or any of their sub-committees.

31. **Freedom of the City**

- 31.1 Any member of the Council who wishes to propose that the Freedom of the City be offered to any distinguished person will first consult the Lord Provost before submitting any motion to the Council.
- 31.2 Any motion to give Freedom of the City will be stated in the notice of the meeting of the Council and will need to be passed by at least two thirds of members at the meeting.

32. **Admission of media and members of the public**

- 32.1 Subject to law and in particular to the provisions of the Local Government (Access to Information) Act 1985, meetings will be open to the public and representatives of the media, subject to powers of exclusion in order to suppress or prevent disorderly conduct or other misbehaviour at the meeting.
- 32.2 Other than the live web casting of Council meetings by the Council, any video or sound recordings or broadcasting of meetings or the taking of any photographs will be at the Lord Provost or Convener's discretion.

33. **Variation and revocation of Standing Orders**

33.1 Any motion to vary or revoke these Standing Orders will, when voted on, be approved by a majority of members of the Council present and voting. Any such motion must be by formal notice as provided in Standing Order 16.

34. **Review of Standing Orders**

34.1 These Standing Orders will be reviewed annually.

**CITY OF EDINBURGH COUNCIL**

**COMMITTEE TERMS OF REFERENCE**  
**AND**  
**DELEGATED FUNCTIONS**

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## **COMMITTEE TERMS OF REFERENCE AND DELEGATED FUNCTIONS**

### **A. GENERAL**

These terms of reference and delegated functions ("**Committee Terms of Reference**") apply from 3 July 2017 and set out the powers delegated by the City of Edinburgh Council ("**Council**") to its committees and sub-committees ("**Committees**") pursuant to the Local Government (Scotland) Act 1973 (the "**Act**").

#### **1. Delegation to Committees**

- 1.1. Subject to law, to the provisions of these Committee Terms of Reference, and to any restriction, direction or instruction of Council, there shall be delegated to the respective Committees all the functions and matters contained in:
  - 1.1.1. these Committee Terms of Reference;
  - 1.1.2. any scheme made under the Act or statute; and
  - 1.1.3. any minute of the Council making specific delegation to the Committee.

#### **2. Reserved matters**

- 2.1. The following matters are reserved to the Council:
  - 2.1.1. all functions reserved by law to the Council;
  - 2.1.2. determining the strategic objectives of the Council;
  - 2.1.3. election of the Leader, Deputy Leader, Lord Provost, Depute Convener and Bailies;
  - 2.1.4. appointment of committees of the Council, agreeing and/or amending their terms of reference and delegation of functions to them;
  - 2.1.5. deciding the composition of committees of the Council and appointment of members to serve on them, including external members;
  - 2.1.6. appointment of members to serve on joint committees, joint boards and any outside body;
  - 2.1.7. making, amending, revoking, re-enacting or adopting standing orders and Committee Terms of Reference and Delegated Functions;
  - 2.1.8. approving or amending any scheme of delegation to officers;
  - 2.1.9. the annual review of the revenue budget and the fixing of council tax;
  - 2.1.10. the annual review of the capital investment programme and approval of any capital project with a value exceeding £50,000, not included in the capital investment programme;

- 2.1.11. any material expenditure which is not included in the annual revenue budget;
- 2.1.12. setting of special responsibility allowances;
- 2.1.13. making, amending, revoking, re-enacting or adopting, bye-laws, schemes, regulations or rules made under statute subject to confirmation by Scottish Ministers where applicable;
- 2.1.14. the formal adoption of Local Development Plans;
- 2.1.15. the approval of a Proposed Strategic Development Plan and the delegation of authority to the strategic development planning authority (SESplan);
- 2.1.16. the determination of an application for planning permission for a development of a class mentioned in A38A (i) of the Town and Country Planning (Scotland) Act 1997;
- 2.1.17. appointment and dismissal of the Chief Executive and appointment of a chief official;
- 2.1.18. any decision in relation to any proposal to delegate a power or duty to or accept a delegated power from any other local authority or to co-operate or combine with any other local authority in providing services;
- 2.1.19. promoting or opposing the making of local legislation;
- 2.1.20. creation of Council companies;
- 2.1.21. the preparation and review of the Scheme for Community Councils (Special Meeting);
- 2.1.22. amendments to the Treasury Policy Statement, and
- 2.1.23. approval of the annual Treasury Strategy and annual treasury management performance.

### **3. Committee Membership**

- 3.1 Committee membership will be proportionate according to the elected representation of political parties unless expressly agreed otherwise at a meeting of the full Council.

### **4. Urgent decisions**

- 4.1. If a decision which would normally be made by the Council or a Committee requires to be made urgently between meetings of the Council or Committee, the Chief Executive or appropriate Executive Director, in consultation with the Convener or Vice-Convener, may take action, subject to the matter being reported to the next meeting of the Council or Committee.

## **5. Substitutes**

- 5.1. Where permitted by law and where specified in these Committee Terms of Reference, a member may, subject to paragraph 5.2 below appoint a substitute member from his or her political group to attend a meeting of the committee in his or her place, by email to the Clerk in advance of the meeting.
- 5.2. Any member proposed to be appointed as a substitute must, where specified in these Committee Terms of Reference, have completed the appropriate training for the committee concerned.
- 5.3. The substitute member will be a member of the committee for that meeting and will be entitled to take part in the meeting with the full powers, duties and responsibilities of a member.

## **6. Convener of Sub-Committee**

- 6.1. The Convener of a sub-committee will be appointed by its parent committee.

## **B. COMMITTEE TERMS OF REFERENCE AND DELEGATED POWERS**

### **Executive Committees**

#### **1. Corporate Policy and Strategy Committee**

1.1. **Constitution:** 11 Members of the Council including:

- 1.1.1. 3 SNP
- 1.1.2. 3 Conservative
- 1.1.3. 2 Labour
- 1.1.4. 2 Green
- 1.1.5. 1 SLD

#### **Convener and Vice-Convener**

- 1.2. The Leader of the Council will be the Convener of the Corporate Policy and Strategy Committee.
- 1.3. The Deputy Leader of the Council will be the Vice-Convener of the Corporate Policy and Strategy Committee.

#### **Quorum**

- 1.4. Four members of the Corporate Policy and Strategy Committee will constitute a quorum.

#### **Substitution**

- 1.5. Substitutes are permitted.

#### **Delegated functions**

- 1.6. Power is delegated to the Corporate Policy and Strategy Committee to:
  - 1.6.1. advise the Council on outcomes, strategic objectives and key priorities;
  - 1.6.2. develop and approve Council policies, including reform, community planning and partnership working;
  - 1.6.3. adopt and implement the management framework for planning, implementing, reporting and reviewing Council service delivery;
  - 1.6.4. ensure the Council meets its statutory responsibilities in terms of best value;
  - 1.6.5. ensure the Council meets its statutory responsibilities in terms of diversity and equalities;
  - 1.6.6. monitor implementation of the Council's business and service development plans, corporate strategies, change programmes, corporate initiatives and service reviews;

- 1.6.7. facilitate and encourage public participation and empowerment ensuring the involvement of citizens, the community, neighbourhood networks, partners and key stakeholders in the committee decision-making process;
- 1.6.8. instruct such performance information as the committee requires to fulfil its remit and monitor overall performance in the delivery of services and the Council's financial performance;
- 1.6.9. set and monitor all relevant grants programmes and award grants;
- 1.6.10. Provide scrutiny of those services delegated to the Integration Joint Board. This should include scrutiny of internal controls, performance, quality and compliance with the law;
- 1.6.11. provide strategic oversight of Edinburgh City Region Deal;
- 1.6.12. advise, agree, scrutinise and review Edinburgh Police and Fire and Rescue Service city-wide plans and performance;
- 1.6.13. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action;
- 1.6.14. determine differences between committees except where the difference involves a decision on an individual planning or licensing application; and
- 1.6.15. take all decisions which are not reserved to the Council or delegated to another committee of the Council.

## **2. Culture and Communities Committee**

2.1. **Constitution:** 11 members of the Council as follows:

- 2.1.1. 3 SNP
- 2.1.2. 3 Conservative
- 2.1.3. 2 Labour
- 2.1.4. 2 Green
- 2.1.5. 1 SLD

### **Convener and Vice Convener**

2.2. The Convener and Vice Convener will be members of the City of Edinburgh Council.

### **Quorum**

2.3. Four members will constitute a quorum.

### **Substitution**

2.4. Substitutes are permitted.

### **Delegated functions**

2.5. Power is delegated to the Culture and Communities Committee in relation to the matters listed in paragraph 2.6, to:

- 2.5.1. develop and approve policies, strategies, programmes and projects and work with officers, communities and partners to implement them;
- 2.5.2. take all decisions which are not reserved to the Council or delegated to another committee of the Council;
- 2.5.3. set standards for service delivery and secure value for money;
- 2.5.4. set and monitor corporate standards, consider the necessity of existing service provisions and agree new service proposals;
- 2.5.5. monitor performance, including financial, instructing such performance information as the committee requires to fulfil its remit;
- 2.5.6. monitor arrangements to ensure best value and continuous improvement across all services;
- 2.5.7. facilitate and encourage public, engagement, consultation, participation and feedback;
- 2.5.8. set and monitor all relevant grants programmes and award grants;

- 2.5.9. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action to be taken;
  - 2.5.10. review the impact of the committee's policies on the city
  - 2.5.11. To determine the Council's response to recommendations by the Social Work Complaints Review Committee concerning complaints about children and young people social work services.
- 2.6. The matters referred to in paragraph 2.5 are as follows:
- 2.6.1. Community Justice;
  - 2.6.2. community safety
  - 2.6.3. health except those matters delegated to another committee or the Integration Joint Board;
  - 2.6.4. Cultural development, festivals and events;
  - 2.6.5. Sport and Recreation;
  - 2.6.6. Arts and museums;
  - 2.6.7. community and locality planning
  - 2.6.8. community empowerment; and
  - 2.6.9. Neighbourhood Partnerships and Community Councils.

### **3. Education, Children and Families Committee**

- 3.1. **Constitution:** 11 members of the Council as follows:

- 3.1.1. 3 SNP
- 3.1.2. 3 Conservative
- 3.1.3. 2 Labour
- 3.1.4. 2 Green
- 3.1.5. 1 SLD

Additional members for education items:

- 3.1.6. 3 Religious Representatives
- 3.1.7. 1 Parent Representative (non-voting)

#### **Convener and Vice Convener**

- 3.2. The Convener and Vice Convener will be members of the City of Edinburgh Council.

#### **Quorum**

- 3.3. Four members will constitute a quorum except in the case of education business where five members will constitute a quorum.

#### **Substitution**

- 3.4. Substitutes are permitted for all members of the Council.

#### **Delegated functions**

- 3.5. Power is delegated to the Education, Children and Families Committee to:
  - 3.5.1. exercise all the functions of the Council as education authority (education business), within the terms of the relevant legislation; and
  - 3.5.2. exercise the functions as social work authority, within the terms of the relevant legislation, in relation to children.
- 3.6. In addition, in relation to the matters listed in paragraph 3.7, to:
  - 3.6.1. develop and approve policies, strategies, programmes and projects and work with officers, communities and partners to implement them;
  - 3.6.2. take all decisions which are not reserved to the Council or delegated to another committee of the Council;
  - 3.6.3. set standards for service delivery and secure value for money;
  - 3.6.4. set and monitor corporate standards, consider the necessity of existing service provisions and agree new service proposals.
  - 3.6.5. monitor performance, including financial, instructing such performance information as the committee requires to fulfil its remit;
  - 3.6.6. monitor arrangements to ensure best value and continuous improvement across all services;
  - 3.6.7. facilitate and encourage public, engagement, consultation, participation and feedback;
  - 3.6.8. set and monitor all relevant grants programmes and award grants;
  - 3.6.9. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action; and
  - 3.6.10. review the impact of the committee's policies on the city.
- 3.7. The matters referred to in paragraph 3.6 are as follows:
  - 3.7.1. the Council's education, children and families services;
  - 3.7.2. Lifelong Learning and Libraries; and
  - 3.7.3. major capital programmes or projects implementation, asset planning and facilities management for the Council's education, children and families services.

#### **4. Finance and Resources Committee**

4.1. **Constitution:** 11 members of the Council as follows:

- 4.1.1. 3 SNP
- 4.1.2. 3 Conservative
- 4.1.3. 2 Labour
- 4.1.4. 2 Green
- 4.1.5. 1 SLD

##### **Convener and Vice Convener**

4.2. The Convener and Vice Convener will be members of the City of Edinburgh Council.

##### **Quorum**

4.3. Four members will constitute a quorum.

##### **Substitution**

4.4. Substitutes are permitted.

##### **Delegated functions**

4.5. Power is delegated to the Finance and Resources Committee in relation to matters listed in paragraph 4.6 to:

- 4.5.1. develop and approve policies, strategies, programmes and projects and work with officers, communities and partners to implement them;
- 4.5.2. take all decisions which are not reserved to the Council or delegated to another committee of the Council;
- 4.5.3. set standards for service delivery and secure value for money;
- 4.5.4. set and monitor corporate standards, consider the necessity of existing service provisions and agree new service proposals;
- 4.5.5. monitor performance, including financial, instructing such performance information as the committee requires to fulfil its remit;
- 4.5.6. monitor arrangements to ensure best value and continuous improvement across all services;
- 4.5.7. facilitate and encourage public engagement, consultation, participation and feedback;
- 4.5.8. set and monitor all relevant grants programmes and award grants;

- 4.5.9. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action to be taken; and
  - 4.5.10. review the impact of the committee's policies on the city.
- 4.6. The matters referred to in paragraph 4.5 are as follows:
- 4.6.1. Council's revenue and capital budgets;
  - 4.6.2. Council's expenditure and budget policy;
  - 4.6.3. Monitoring the Council's Treasury Management policies and practices;
  - 4.6.4. Council's long term financial plan;
  - 4.6.5. Procurement and contracts;
  - 4.6.6. monitoring of Council debt and debt recovery;
  - 4.6.7. Common Good Fund;
  - 4.6.8. human resources;
  - 4.6.9. ICT
  - 4.6.10. Disposal and development of Council owned property and land transactions;
  - 4.6.11. All charitable and other trust funds vested in the Council except where the Council has expressly made other arrangements.

## **5. Housing and Economy Committee**

- 5.1. **Constitution:** 11 members of the Council as follows:

- 5.1.1. 3 SNP
- 5.1.2. 3 Conservative
- 5.1.3. 2 Labour
- 5.1.4. 2 Green
- 5.1.5. 1 SLD

### **Convener and Vice Convener**

- 5.2. The Convener and Vice Convener will be members of the City of Edinburgh Council.

### **Quorum**

- 5.3. Four members will constitute a quorum.

### **Substitution**

- 5.4. Substitutes are permitted.

### **Delegated functions**

- 5.5. Power is delegated to the Housing and Economy Committee in relation to matters listed in paragraph 5.6 to:

- 5.5.1. develop and approve policies, strategies, programmes and projects and work with officers, communities and partners to implement them;
- 5.5.2. take all decisions which are not reserved to the Council or delegated to another committee of the Council;
- 5.5.3. set standards for service delivery and secure value for money;
- 5.5.4. set and monitor corporate standards, consider the necessity of existing service provisions and agree new service proposals;
- 5.5.5. monitor performance, including financial, instructing such performance information as the committee requires to fulfil its remit;
- 5.5.6. monitor arrangements to ensure best value and continuous improvement across all services;
- 5.5.7. facilitate and encourage public, engagement, consultation, participation and feedback;
- 5.5.8. set and monitor all relevant grants programmes and award grants
- 5.5.9. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action to be taken;
- 5.5.10. review the impact of the committee's policies on the city.

- 5.6. The matters referred to in paragraph 5.5 are as follows:

- 5.6.1. Housing;
- 5.6.2. Homelessness and housing support;
- 5.6.3. Economic Development;
- 5.6.4. Strategic development, including the Local Development Plan;
- 5.6.5. External relations and inward investment; and
- 5.6.6. Inclusive growth.

## **6. Transport and Environment Committee**

6.1. **Constitution:** 11 members of the Council as follows:

- 6.1.1. 3 SNP
- 6.1.2. 3 Conservative
- 6.1.3. 2 Labour
- 6.1.4. 2 Green
- 6.1.5. 1 SLD

### **Convener and Vice Convener**

6.2. The Convener and Vice Convener will be members of the City of Edinburgh Council.

### **Quorum**

6.3. Four members will constitute a quorum.

### **Substitution**

6.4. Substitutes are permitted.

### **Delegated functions**

6.5. Power is delegated to the Transport and Environment Committee in relation to the matters listed in paragraph 6.6, to:

- 6.5.1. develop and approve policies, strategies, programmes and projects and work with officers, communities and partners to implement them;
- 6.5.2. take all decisions which are not reserved to the Council or delegated to another committee of the Council or officers;
- 6.5.3. set standards for service delivery and secure value for money;
- 6.5.4. set and monitor corporate standards, consider the necessity of existing service provisions and agree new service proposals;
- 6.5.5. monitor performance, including financial, instructing such performance information as the committee requires to fulfil its remit;
- 6.5.6. monitor arrangements to ensure best value and continuous improvement across all services;
- 6.5.7. facilitate and encourage public, engagement, consultation, participation and feedback;
- 6.5.8. set and monitor all relevant grants programmes and award grants;

- 6.5.9. consider petitions addressed to the City of Edinburgh Council on matters within the remit of committee, in accordance with the Council's approved Petitions procedure and determine the appropriate action to be taken;
  - 6.5.10. review the impact of the committee's policies on the city.
- 6.6. The matters referred to in paragraph 6.5 are as follows:
- 6.6.1. Strategic Transport Planning;
  - 6.6.2. Traffic management, roads and parking;
  - 6.6.3. Public transport;
  - 6.6.4. Public Realm Projects;
  - 6.6.5. Sustainability, carbon reduction and energy issues;
  - 6.6.6. Flood prevention;
  - 6.6.7. Waste services;
  - 6.6.8. Environmental health and trading standards;
  - 6.6.9. Parks and green space; and
  - 6.6.10. Street cleaning and open space maintenance.

## **7. Governance, Risk and Best Value Committee**

- 7.1. **Constitution:** 11 members of the Council as follows:

- 7.1.1. 3 SNP
- 7.1.2. 3 Conservative
- 7.1.3. 2 Labour
- 7.1.4. 2 Green
- 7.1.5. 1 SLD

### **Convener**

- 7.2. The Convener and Vice-Convener of the committee will be members of the opposition.

### **Quorum**

- 7.3. Four members of the Governance, Risk and Best Value Committee will constitute a quorum.

### **Substitution**

- 7.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Chief Executive.

### **Delegated functions**

- 7.5. Power is delegated to the Governance, Risk and Best Value Committee to exercise the following functions:
- 7.5.1. To monitor the financial performance of the Council and its subsidiary undertakings, the effectiveness of the Council's audit and inspection, risk management and governance arrangements and of the control

environment of the Council and associated anti-fraud and anti-corruption arrangements; including:

- 7.5.2. Scrutinising information on:
  - (a) Council Budgets;
  - (b) Management of Council assets;
  - (c) The Council's Treasury Management strategy and policies;
  - (d) Control, monitoring and review of income and expenditure, both revenue and capital;
  - (e) Council subsidiaries;
  - (f) Council Companies (excluding those associated with the pension fund);
  - (g) Children's Panel; and
  - (h) Common Good Fund.
- 7.5.3. Monitoring the annual audit plan and reviewing all Council audit and inspection work against the plan.
- 7.5.4. Receiving and considering summaries of internal and external audit reports which relate to any issue falling within the remit of this committee.
- 7.5.5. Monitoring internal controls, corporate risk management and key operational governance areas.
- 7.6. Scrutiny on a specific issue should follow a committee decision.
- 7.7. To instruct a report on any matter within the remit of an executive committee but where a decision is yet to be taken; the report as instructed will initially be considered by the executive committee.
- 7.8. Referring back to the appropriate Executive Committee for its consideration any financial performance issue, which might have implications for policy development within the remit of the Executive Committee
- 7.9. To scrutinise the operational performance of all council services and Council subsidiaries in relation to the Council's agreed pledges, outcomes, policy objectives and statutory performance targets, including:
  - 7.9.1. considering information that relate to issues falling within the remit of Council services, including complaints handling, customer care and ombudsman reports;

- 7.9.2. monitoring employment, organisational development and equalities issues as they relate to the operation of the council corporately and to its individual services; and
- 7.9.3. scrutinising major projects and programmes, service reviews and transformational change.
- 7.10. To invite Conveners or Vice-Conveners to attend committee, and where appropriate, to question and hold them to account on the operational or financial performance of any service area falling within their remit.
- 7.11. To refer back to the appropriate Executive Committee for its consideration any service performance issues that might have implications for policy development coming within the remit of the Executive Committee
- 7.12. To initiate and undertake planned scrutiny reviews of any matter falling within the remit of this committee or specific scrutiny reviews requested by an Executive Committee.
- 7.13. To promote the observance by Councillors of high standards of conduct and assist them in observing the code of conduct, in accordance with any guidance issued by the Standards Commission for Scotland.
- 7.14. To report, as required, on any matter within the committee's remit to Council.

### **Other Committees**

### **8. Committee on Discretionary Rating Relief Appeals**

- 8.1. **Constitution:** 5 members of the Council as follows:

- 8.1.1. 2 SNP
- 8.1.2. 1 Conservative
- 8.1.3. 1 Labour
- 8.1.4. 1 Green

#### **Convener**

- 8.2. The Convener will be a member of the City of Edinburgh Council.

#### **Quorum**

- 8.3. Two members of the Committee on Discretionary Rating Relief Appeals will constitute a quorum

#### **Substitution**

- 8.4. Substitutes are permitted.

#### **Delegated functions**

- 8.5. Power is delegated to the Committee on Discretionary Rating Relief Appeals:

- 8.5.1. To review decisions taken by the Executive Director of Resources to refuse discretionary rating relief;
- 8.5.2. To consider representations from organisations or individuals, justifying the granting of discretionary rating relief to them;
- 8.5.3. To decide whether or not to grant discretionary rating relief as a result of considering the organisation's or individual's representations; and
- 8.5.4. To decide what, if any, conditions should be fulfilled prior to discretionary rating relief being granted.

## **9. Leadership Advisory Panel**

- 9.1. **Constitution:** 5 members of the Council as follows:

- 9.1.1. Leader of the Council
- 9.1.2. Deputy Leader of the Council
- 9.1.3. Conservative Group Leader
- 9.1.4. Green Group Leader
- 9.1.5. Scottish Liberal Democrat Group Leader
- 9.1.6. three statutory representatives, appointed by the Education, Children and Families Committee when considering education business

### **Convener**

- 9.2. The Convener of the Committee will be the Leader of the Council.

### **Quorum**

- 9.3. Two members of the Leadership Advisory Panel will constitute a quorum except on education business when the quorum will be three members.

### **Substitution**

- 9.4. Substitutes are permitted for members of the Council only

### **Delegated functions**

- 9.5. Power is delegated to the Leadership Advisory Panel:

- 9.5.1. To decide any matter of urgency arising during any recess period, subject to the provision of any relevant enactment, to exercise all functions of the Council or Committee, which would otherwise have dealt with the matter that:
  - (a) can not await the resumption of the normal meetings timetable; and
  - (b) can not appropriately be decided by the Chief Executive or Executive Director in accordance with urgency provisions within these Committee Terms of Reference.

## **10. Planning Committee**

10.1. **Constitution:** 11 members of the Council as follows:

- 10.1.1. 3 SNP
- 10.1.2. 3 Conservative
- 10.1.3. 2 Labour
- 10.1.4. 2 Green
- 10.1.5. 1 SLD

### **Convener and Vice-Convener**

10.2. The Convener and Vice-Convener will be members of the City of Edinburgh Council.

### **Quorum**

10.3. Four members of the Planning Committee will constitute a quorum.

### **Substitution**

10.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Head of Planning and Transport.

### **Delegated functions**

10.5. Power is delegated to the Planning Committee:

- 10.5.1. To exercise the functions of the Council as planning and statutory addressing authority and to determine planning policies;
- 10.5.2. To express and interpret these policies as specific tasks and projects and set service standards;
- 10.5.3. To review performance in the delivery of services, the achievement of service standards and the impact of the Committee's activities on the City;
- 10.5.4. To conduct relations with external bodies relevant to the Committee's service responsibilities, including approval of a response to proposals by other authorities or bodies on which the Council is being consulted;
- 10.5.5. To refer to the Corporate Policy and Strategy Committee, prior to consideration by the Planning Committee, an annual report on the performance and customer focus of the planning process and its contribution to broader council agendas;
- 10.5.6. To appoint representatives on outside bodies relevant to the committee's service responsibilities;
- 10.5.7. To take decisions in pursuit of the committee's policies, subject to compliance with corporate personnel and financial policies and regulations;

- 10.5.8. To determine any charges for services provided by the committee; and
- 10.5.9. To provide financial assistance, in pursuit of the committee's policies.

## **11. Pensions Committee**

11.1. **Constitution:** 5 members of the Council as follows:

- 11.1.1. 2 SNP
- 11.1.2. 1 Conservative
- 11.1.3. 1 Labour
- 11.1.4. 1 Green
- 11.1.5. 2 external members nominated by the Lothian Pension Funds Consultative Panel, 1 employer and 1 member representative.

### **Convener**

11.2. The Convener will be a member of the City of Edinburgh Council.

### **Quorum**

11.3. Three members of the Pensions Committee will constitute a quorum.

### **Substitution**

11.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Executive Director of Resources.

### **Delegated functions**

11.5. Power is delegated to the Pensions Committee to:

- 11.5.1. exercise all functions of the pension funds, within the terms of the legislation;
- 11.5.2. determine the overall policy objectives of the pension funds in accordance with the best interests of fund members and with relevant legislation;
- 11.5.3. determine the strategy for the investment of pension funds monies including the variety and suitability of investments and to review and monitor investment arrangements;
- 11.5.4. ensure appropriate investment management arrangements are in place for pension funds monies and to review investment manager performance;
- 11.5.5. establish and maintain arrangements for the effective management and administration of the pension funds including staffing and budgetary arrangements.

- 11.5.6. approve the allocation of resources to the Investment and Pensions Division from the Revenue Budget and Capital Investment Programme of the pension funds;
- 11.5.7. approve responses to consultation papers issued by government and other authorities; and
- 11.6. monitor overall performance of the pension funds in the delivery of services and financial performance, consider all matters in respect of the pension funds including:
  - 11.6.1. determining policies for the management and regulation of the Investment and Pensions Division within the strategic policy and planning framework approved by the Council;
  - 11.6.2. approving strategies, programmes and projects and work with officers and partners to implement them;
  - 11.6.3. setting standards for service delivery;
  - 11.6.4. securing best value in the provision of services;
  - 11.6.5. taking all executive decisions in respect of the pension funds which are not reserved to the Council or delegated to another committee of the Council;
  - 11.6.6. ensuring systematic appraisal of the control environment and framework of internal controls in respect of the Investment and Pensions Division to provide reasonable assurance of effective and efficient operations and compliance with laws and regulations;
  - 11.6.7. promoting the development of an appropriate risk management strategy and risk management procedures;
  - 11.6.8. ensuring highest standards of probity and public accountability;
  - 11.6.9. ensuring sound financial procedures are in place for authorising and monitoring expenditure;
  - 11.6.10. agreeing internal audit plans and to ensure internal audit work is properly planned with due regard to risk, materiality and coverage;
  - 11.6.11. overseeing and review action taken on internal audit recommendations;
  - 11.6.12. reviewing all matters relating to external audit, including audit plan, action points and reports, and to monitor implementation of external audit recommendations; and
  - 11.6.13. promoting, monitoring and developing continuous improvement.

## **12. Personnel Appeals Committee**

12.1. **Constitution:** 9 members of the Council as follows:

- 12.1.1. 3 SNP
- 12.1.2. 2 Conservative
- 12.1.3. 2 Labour
- 12.1.4. 1 Green
- 12.1.5. 1 Scottish Liberal Democrat

### **Convener**

12.2. The Convener will be a member of the City of Edinburgh Council.

### **Quorum**

12.3. Three members of the Personnel Appeals Committee will constitute a quorum.

### **Substitution**

12.4. Substitutes are permitted.

### **Delegated functions**

12.5. Power is delegated to the Personnel Appeals Committee to:

- 12.5.1. hear and decide appeals on a decision taken, or a failure to take a decision, by an Executive Director, or his/her nominee, under the Procedures for Hearing Employee Grievances.
- 12.5.2. hear and decide appeals to a decision to:
  - 12.5.2.1. dismiss or take other forms of punitive disciplinary action; and
  - 12.5.2.2. issue a warning, oral or written under the Procedure for Consideration of Appeals by Executive Directors against Disciplinary Action and the Procedure for Consideration of Appeals against Disciplinary Action.
- 12.5.3. hear and decide disputes under the Avoidance of Industrial Disputes Procedure.
- 12.5.4. decide appeals from teaching staff in regard to the application and interpretation of the terms of the Scheme of Salaries and Conditions of Service for Teaching Staff in School Education.

### **13. Placing in Schools Appeals Committee**

13.1. **Constitution:** One person from each of the following panels:

13.2. Panel 1: All members of Council and religious representatives on the Education, Children and Families Committee.

13.3. Panel 2: Parents of children of school ages.

13.4. Panel 3: Persons with experience in education and acquainted with educational conditions in the Council's area, nominated by the Executive Director of Communities and Families.

#### **Chair**

13.5. Each meeting appoints a Chair.

#### **Quorum**

13.6. Three members of the Placing in Schools Appeals Committee will constitute a quorum.

#### **Substitution**

13.7. Substitutes are only permitted from the same Panel.

#### **Delegated functions:**

13.8. Power is delegated to the Placing in Schools Appeals Committee:

13.8.1. To hear and decide appeals against decisions of the Council to refuse placing requests and exclude pupils all in terms of Section 28 C, D, E, G and H of the Education (Scotland) Act 1980 as amended; and

13.8.2. To consider appeals against decisions by the Executive Director of Communities and Families to refuse early admission to school.

### **14. Committee on Pupil Student Support**

14.1. **Constitution:** 5 members of the Council as follows:

14.1.1. 2 SNP

14.1.2. 1 Conservative

14.1.3. 1 Labour

14.1.4. 1 Green

14.1.5. 1 religious representative from the Education, Children and Families Committee

#### **Convener**

14.2. The Convener will be a member of the City of Edinburgh Council.

### **Quorum**

- 14.3. Two members of the Committee on Pupil and Student Support will constitute a quorum.

### **Substitution**

- 14.4. Substitutes are permitted.

### **Delegated functions:**

- 14.5. To consider school placing requests, and decide the priority order of placing requests.

## **15. Recruitment Committee**

- 15.1. **Constitution:** 7 members of the Council as follows:

- 15.1.1. Leader of Council
- 15.1.2. Deputy Leader of the Council
- 15.1.3. Convener of the Finance and Resources Committee
- 15.1.4. Appropriate Convener or Vice-Convener for the role
- 15.1.5. A representative from each of the opposition groups

### **Convener**

- 15.2. The Convener of the committee will be the Leader of the Council.

### **Quorum**

- 15.3. Three members of the Recruitment Committee will constitute a quorum.

### **Substitution**

- 15.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Chief Executive and in line with the relevant Council policy.

### **Delegated functions**

- 15.5. Power is delegated to the Recruitment Committee to short list and interview candidates and recommend an appointment to the Council for posts at Chief Executive, Executive Director and Heads of Service Division level (Chief Officials).

## **16. Regulatory Committee**

- 16.1. **Constitution:** 9 members of the Council as follows:

- 16.1.1. 3 SNP
- 16.1.2. 2 Conservative
- 16.1.3. 2 Labour
- 16.1.4. 1 Green
- 16.1.5. 1 Scottish Liberal Democrat

### **Convener and Vice-Convener**

- 16.2. The Convener and Vice-Convener will be members of the City of Edinburgh Council.

### **Quorum**

- 16.3. Four members will constitute a quorum.

### **Substitution**

- 16.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Chief Executive.

### **Delegated functions**

- 16.5. Power is delegated to the Regulatory Committee to:

- 16.5.1. exercise the functions of the Council as Licensing authority under the Civic Government (Scotland) Act 1982 and other statutory provisions which are not within the remit of any other Committee.
- 16.5.2. exercise the functions of the Council on all licensing functions which are not reserved to the Council, its officers or delegated to another Committee.
- 16.5.3. determine individual applications for registration and licences under the Civic Government (Scotland) Act and other statutory provisions which are not delegated to officers, in accordance with approved policies.
- 16.5.4. express and interpret licensing policies as specific projects, to set service standards and monitor performance in the delivery of services including financial performance relating to Regulatory Committee matters.
- 16.5.5. liaise with external bodies relevant to the Committee's service area, considering and approving responses to consultation proposals.
- 16.5.6. appoint representatives to outside bodies within the Committee's remit.
- 16.5.7. approve charges as required by statute and determine licence fees.
- 16.5.8. determine applications for road construction consent which are not delegated to the Executive Director of Place.
- 16.5.9. determine applications for permission to place tables and chairs on footways which are recommended for refusal by the Executive Director of Place.
- 16.5.10. exercise the Council's responsibilities in respect of safety at sports grounds.
- 16.5.11. exercise the Council's functions regarding notification of parades and processions so far as not delegated to officers.

## **17. Social Work Complaints Review Committee**

### **Constitution:**

- 17.1. All trained members, other than members of the Education, Children and Families and the Culture and Communities; independent members appointed by Council.

### **Convener**

- 17.2. Each meeting appoints a Convener, who should be an independent member.

### **Quorum**

- 17.3. Any three members from the membership appointed by the Council, at least two of whom should be independent members.

### **Substitution**

- 17.4. Substitutes are permitted.

### **Delegated functions**

- 17.5. Power is delegated to the Social Work Complaints Review Committee to consider complaints with regard to the discharge of social work functions and make recommendations to the Education, Children and Families Committee or Culture and Communities Committee as appropriate.

## **18. The City of Edinburgh Planning Local Review Body**

- 18.1. **Constitution:** 5 members of the Council as follows:

- 18.1.1. Any five members who are also members of the Planning Committee but not the Convener of the Planning Committee.

### **Convener**

- 18.2. Each meeting appoints a Convener.

### **Quorum**

- 18.3. Three members of the City of Edinburgh Planning Review Body will constitute a quorum.

### **Substitution**

- 18.4. Substitutes are only permitted from the pool of trained members of the Planning Committee.

**Delegated functions:**

- 18.5. Power is delegated to the City of Edinburgh Planning Local Review Body to fulfil the obligations of the Council, as planning authority, under section 43A of the Town and County Planning (Scotland) Act 1997 for the conduct of reviews.

**19. Committee on the Jean F Watson Bequest**

- 19.1. **Constitution:** 8 members of the council as follows:

- 19.1.1. 2 SNP
- 19.1.2. 2 Conservative
- 19.1.3. 2 Labour
- 19.1.4. 1 Green
- 19.1.5. 1 Scottish Liberal Democrat
- 19.1.6. one nominee of Friends of City Art Centre
- 19.1.7. two external members appointed by the Executive Director of Resources, in consultation with the Convener.

**Convener**

- 19.2. The Convener of the Committee will be a member of the City of Edinburgh Council.

**Quorum**

- 19.3. Four members of the Committee on the Jean F Watson Bequest will constitute a quorum.

**Substitution**

- 19.4. Substitutes are permitted.

**Delegated functions:**

- 19.5. Power is delegated to the Committee on the Jean F Watson Bequest to:

- 19.5.1. Use monies from the Jean F Watson Bequest to purchase and commission for the City's collection works of artists and craftspeople born, practising in, or otherwise associated with Scotland, and in particular Edinburgh; all decisions to be guided by the Collection and Disposal Policy for the City Museums and Galleries.
- 19.5.2. Use monies from the Catherine E Cowper Trust to purchase and commission items for the Museum of Childhood; all decisions to be guided by the Collection and Disposal Policy for the City Museums and Galleries.

## **20. Neighbourhood Partnerships**

20.1. **Constitution:** Membership of each Neighbourhood Partnership should include:

- 20.1.1. Councillors from the ward or wards which make up the Neighbourhood Partnership area;
- 20.1.2. a representative from Police Scotland;
- 20.1.3. a representative from the Scottish Fire and Rescue Service;
- 20.1.4. a representative from NHS Lothian;
- 20.1.5. representatives from Community Councils (from the Neighbourhood Partnership area), or representatives from another properly constituted community organisation in the area should there be no Community Council;
- 20.1.6. a voluntary agency representative (from the Neighbourhood Partnership area);
- 20.1.7. representatives from other bodies able to make a specific contribution may be invited to participate by the Partnership; and
- 20.1.8. Neighbourhood Partnerships may invite other individuals and/or representatives of other public, private or voluntary organisations with expertise or interest in their area, either as regular participants or for a specific issue. These other individuals will not have voting rights.

20.2. There will be an equal number of Councillors and Community Council representatives

### **Convener and Vice-Conveners**

20.3. The Convener will be a member of the City of Edinburgh Council

### **Quorum**

20.4. Subject to law the quorum of a Neighbourhood Partnership will be one third of the number of voting members of the Neighbourhood Partnership. In no case will any business be transacted unless at least two voting members are present.

### **Substitution**

20.5. Substitutes are permitted.

### **Delegated functions**

20.6. Power is delegated to the Neighbourhood Partnerships:

- 20.6.1. to make recommendations to the relevant Locality manager on the services planned and/or delivered within that Neighbourhood Partnership area;
- 20.6.2. to refer to the Culture and Communities Committee for consideration any financial or performance issue which might have implications for the policy or programme development within the remit of that Committee;

- 20.6.3. To report, as required, on any matter within the Neighbourhood Partnership's remit to the Culture and Communities Committee;
- 20.6.4. To create sub-groups as necessary to advise the Neighbourhood Partnership;
- 20.6.5. To refer back to Council, the appropriate Executive Committee, executive director, directorate, partner authority or organisation guidance or feedback on the exercise of functions delegated to them; and
- 20.6.6. Each Neighbourhood Partnership shall submit to the Culture and Communities Committee and the Edinburgh Partnership an annual report on progress that must include details of performance for the year past and a financial report covering the same period.

## **Sub-Committees**

### **21. Development Management Sub-Committee (Parent: Planning Committee)**

21.1. **Constitution:** All 11 members of the Planning Committee, as follows: -

- 21.1.1. 3 SNP
- 21.1.2. 3 Conservative
- 21.1.3. 2 Labour
- 21.1.4. 2 Green
- 21.1.5. 1 Scottish Liberal Democrat

#### **Convener and Vice-Convener**

21.2. The Convener and Vice-Convener will be a member of the City of Edinburgh Council.

#### **Quorum**

21.3. Four members of the Development Management Sub-Committee will constitute a quorum.

#### **Substitution**

21.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Head of Planning and Transport.

#### **Delegated Functions**

21.5. To discharge all functions of Management of Development Control required under the Planning Acts including the determination of planning applications (except for applications for National Developments and major developments significantly contrary to the Development Plan which require to be determined by full Council, or applications under the Council's Scheme of Delegation for Local Developments).

21.6. To determine applications for High Hedge Notices and withdraw or vary such notices as prescribed under the High Hedges (Scotland) Act 2013.

21.7. To determine cases for street naming and the numbering of properties.

### **22. Licensing Sub-Committee (Parent: Regulatory Committee)**

22.1. **Constitution:** 9 members of the Council as follows:

- 22.1.1. 3 SNP
- 22.1.2. 2 Conservative
- 22.1.3. 2 Labour
- 22.1.4. 1 Green
- 22.1.5. 1 Scottish Liberal Democrat

### **Convener and Vice-Convener**

- 22.2. The Convener of the Licensing Sub-Committee is the Convener of the Regulatory Committee and the Vice-Convener of the Licensing Sub-Committee is the Vice-Convener of the Regulatory Committee.

### **Quorum**

- 22.3. Three members constitute a quorum.

### **Substitution**

- 22.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Chief Executive.

### **Delegated functions:**

- 22.5. Power is delegated to the Licensing Sub-Committee to:
- 22.5.1. exercise the functions of the Council as Licensing authority under the Civic Government (Scotland) Act 1982 and other statutory provisions which are not within the remit of any other Committee;
  - 22.5.2. exercise the functions of the Council on all licensing functions which are not reserved to the Council, its officers or delegated to another Committee;
  - 22.5.3. determine individual applications for registration and licences under the Civic Government (Scotland) Act and other statutory provisions which are not delegated to officers, in accordance with approved policies;
  - 22.5.4. determine applications for road construction consent not delegated to the Executive Director of Place;
  - 22.5.5. determine applications for permission to place tables and chairs on footways recommended for refusal by the Executive Director of Place;
  - 22.5.6. exercise the Council's responsibilities in respect of safety at sports grounds; and
  - 22.5.7. exercise the Council's functions regarding notification of parades and processions so far as not delegated to officers.

## **23. Pensions Audit Sub-Committee (Parent: Pensions Committee)**

### **Constitution**

- 23.1. Three members from the Pensions Committee of which a minimum are two City of Edinburgh elected members.

### **Quorum**

- 23.2. Two members of the Pensions Audit Sub Committee will constitute a quorum.

### **Convener**

- 23.3. The Convener of the Pensions Audit Sub-Committee will be appointed from the membership of the Pensions Committee, excluding the Convener of that committee.

### **Substitution**

- 23.4. Substitutes are permitted from members of the Council who have undertaken and completed appropriate training specified by the Executive Director of Resources.

### **Delegated functions**

- 23.5. Power is delegated to the Pensions Audit Sub-Committee to consider and make appropriate recommendation(s) to the Pensions Committee:

23.5.1. To ensure systematic appraisal of the control environment and framework of internal control of pension funds to provide reasonable assurance of the effective and efficient operations and compliance with laws and regulations;

23.5.2. To promote the development of an appropriate risk management strategy and risk management procedures;

23.5.3. To ensure the highest standards of probity and public accountability;

23.5.4. To ensure sound financial procedures are in place for authorising and monitoring expenditure;

23.5.5. To consider and scrutinise an annual report on any companies owned by the Council that are connected to the activities of the Pension Fund;

23.5.6. To review the annual financial statements of the pension funds [and the International Standard on Auditing 260 (ISA 260) communication of audit matters;

23.5.7. To agree internal audit plans and to ensure that internal audit work is planned with due regard to risk, materiality and coverage;

23.5.8. To oversee in light of the audit plan the performance of the audit service;

23.5.9. To oversee and review action taken on internal audit recommendations; and

23.5.10. To review all matters relating to external audit, including audit planning, action points and reports, and to monitor the implementation of external audit recommendations.

## **24. Property Sub-Committee (Parent: Finance and Resources Committee)**

24.1. **Constitution:** 10 members of the Council as follows:

- 24.1.1. 3 SNP
- 24.1.2. 3 Conservative
- 24.1.3. 2 Labour
- 24.1.4. 1 Green
- 24.1.5. 1 SLD

### **Convener**

24.2. The Convener will be a member of the City of Edinburgh Council.

### **Quorum**

24.3. Four members of the Property Sub-Committee will constitute a quorum.

### **Substitution**

24.4. Substitutes are permitted.

### **Delegated functions:**

24.5. Power is delegated to the Property Sub-Committee to:

- 24.5.1. oversee the work of the Edinburgh Shared Repairs Service;
- 24.5.2. to take decisions in relation to the Council's Shared Repair Service that fall within the remit of the Finance and Resources Committee in relation to financial and legal risks; and
- 24.5.3. consider any outstanding issues that require detailed scrutiny in relation to the closure of the Property Conservation Programme Momentum project.

## **25. Special Sub-Committee on Adult Social Care (Parent: Culture and Communities Committee)**

25.1. **Constitution:** 5 members of the Council as follows:

- 25.1.1. 1 Labour
- 25.1.2. 1 SNP
- 25.1.3. 1 Conservative
- 25.1.4. 1 Green
- 25.1.5. 1 SLD

### **Convener**

25.2. The parent committee appoints the Convener.

### **Quorum**

- 25.3. Two members of the Special Sub-Committee on Adult Social Care will constitute a quorum.

### **Substitution**

- 25.4. Substitutes are permitted.

### **Delegated functions**

- 25.5. Power is delegated to the Special Sub-Committee on Adult Social Care to:
- 25.5.1. maintain an overview of the quality of social work experience for Edinburgh's citizens by considering reports of HMI, SWIA, and Care Commission inspections and internal reviews of health and social care establishments and services, and action taken;
  - 25.5.2. monitor the implementation of new initiatives relating to quality;
  - 25.5.3. maintain an overview of the implementation of national and local policies.
  - 25.5.4. address issues relating to the work of services which arise during the course of the business of the sub-committee and make recommendations to the Culture and Communities Committee;
  - 25.5.5. celebrate the success of services, including identification of examples of good practice; and
  - 25.5.6. provide a high quality experience for officers and sub-committee members by adopting an agreed set of protocols for the conduct of Special Sub-Committees.

## **26. Sub-Committee on Standards for Children and Families (Parent: Education, Children and Families Committee)**

- 26.1. **Constitution:** 9 Members in total comprising of 1 religious representative and 8 Members of the Council as follows:
- 26.1.1. 3 SNP
  - 26.1.2. 2 Conservative
  - 26.1.3. 2 Labour
  - 26.1.4. 1 Green
  - 26.1.5. 1 Scottish Liberal Democrat

### **Convener**

- 26.2. The parent committee will appoint the convener.

### **Quorum**

- 26.3. Three members will constitute a quorum.

### **Substitution**

- 26.4. Substitutes are permitted.

### **Delegated functions**

- 26.5. Power is delegated to the Sub-Committee on Standards for Children and Families to:

- 26.5.1. Provide oversight of the quality of education and care experiences for young people in the City of Edinburgh by scrutinising the reports and follow up actions of Education Scotland inspections in schools;
- 26.5.2. Consider an annual report on Care Inspectorate inspections in early years provision;
- 26.5.3. Consider individual reports on Care Inspectorate inspections in residential schools, care services for children and local authority reviews of service areas, establishments and units;
- 26.5.4. Monitor the implementation of initiatives relating to quality improvement and assurance, and attainment and achievement;
- 26.5.5. Maintain an overview of the implementation of national and local policies specifically related to quality standards by officers, establishments and services;
- 26.5.6. Contribute to the support and challenge agenda within the context of establishment plans; and
- 26.5.7. Celebrate the success of establishments, units, teams and the service including recognising items of good practice.

## Appendix 3

<b>Formerly</b>	<b>Now</b>	<b>Rationale</b>
<u>EXECUTIVE DIRECTORS</u>		
Chief Executive or Executive Director (throughout)	“Chief Executive, Executive Director or Head of Safer and Stronger Communities/CSWO”	To reflect the inclusion of HSSC/CSWO
<u>MAJOR PROJECTS</u>		
3.15 In order to ensure effective governance and delivery of Major Projects, the Corporate Programme Office will: (Page 9)	“3.15 In order to ensure effective governance and delivery of Major Projects, the Head of Strategy and Insight will make arrangements to:”	Outdated terminology.
<u>DELEGATION TO EXECUTIVE DIRECTOR OF RESOURCES</u>		
7.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Executive Director of Resources shall have delegated authority to carry out all finance, investment and pensions, organisational development, customer, legal, risk, corporate property, facilities management and shared repairs functions of the Council including those set out in Appendix 3.  (Page 13)	7.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Executive Director of Resources shall have delegated authority to carry out all finance, investment and pensions, organisational development, customer, <b>ICT</b> , legal, risk, corporate property, facilities management and shared repairs functions of the Council including those set out in Appendix 3.	Inclusion of delegated functions in respect of ICT.

N/A (Page 13)	“Sustainability” added to delegated responsibilities of Executive Director of Place.	The formerly omitted term has been added for the sake of clarity, however, no further specific delegated functions have been included.
<u>COUNCIL COMPANIES</u>		
29. monitoring the performance of each Council company delivering services in his or her service area. (Page 19)	29. monitoring the performance of each Council company delivering services in his or her service area, including the attendance of a nominated Council observer at all company Board meetings and, where practicable, the relevant Audit Committee.	Inclusion of Council observer attendance monitoring functions.
<u>DELEGATION TO THE EXECUTIVE DIRECTOR OF COMMUNITIES AND FAMILIES</u>		
26. providing the education authority's representatives on the appointment committee for all Head Teachers, (Page 22)	26. providing the education authority's representatives on the <b>recruitment panels</b> for all Head Teachers,	Outdated terminology.

<u>SOCIAL WORK</u>		
49. authorising the following finance related issues in accordance with the Financial Regulations and in accordance with Council Policies.	49. authorising the following finance related issues in accordance with the Corporate Debt Policy and wider Council Policies	
<u>CORPORATE PROPERTY</u>		
Corporate Property	Redesignated as “Property and Facilities Management”	Outdated terminology
37. concluding leases, missives of let, licence agreements or extensions of leases and licence agreements or similar on behalf of the Council where:  (a) The length of the lease/missive/agreement is no more than five years and the rent (exclusive of VAT) is no more than £50,000 a year; or  (b) The length of the lease/agreement is no more than one month;	37. concluding or renewing leases, missives of let, licence agreements or extensions of leases and licence agreements or similar on behalf of the Council  save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee and/or where the land is being leased or disposed of at less than market value.	

<p>save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee.</p> <p>(Page 34)</p>		
<p>40. granting on behalf of the Council 'wayleave' agreements, and concluding missives and leases for sites for sub-stations, gas governors, and similar installations for any period whatsoever, with the exception of:</p> <p>(a) wayleaves for gas mains of a diameter greater than 225mm</p> <p>(b) grids, oil or chemical pipelines; and</p> <p>(c) overhead transmission lines with a capacity greater than 33,000 volts</p>	<p>40. granting on behalf of the Council 'wayleave' agreements, and concluding missives and leases for sites for sub-stations, gas governors, telecommunications equipment and similar installations for any period.</p>	<p>Simplification of wayleaves which may be granted and inclusion of telecommunications within the scope.</p>

<p>Which would only be granted with the Council's consent; (Page 35)</p>		
<p>41. granting and obtaining a Minute of Waiver for no more than £50,000;</p> <p>42. buying and selling property or property rights up to £50,000 when this is required to help in the acquisition or disposal of a more valuable property and the cost can be offset against the acquisition/disposal; (Page 35)</p>	<p>41. granting and obtaining a Minute of Waiver ;</p> <p>42. buying and selling property or property rights when this is required to help in the acquisition or disposal of a more valuable property and the cost can be offset against the acquisition/disposal;</p>	<p>Removal of £50,000 limit.</p>
<p>45. marketing surplus property for sale or lease and accepting the highest offer subject to being satisfied that this represents market value (if it is proposed that any offer other than the highest received be accepted, or when any offer includes an element of community benefit as set out in Council Policy then the matter must be</p>	<p>45. marketing surplus property for sale or lease and accepting the highest offer subject to being satisfied that this represents market value.</p>	

<p>considered and approved by the Finance and Resources Committee.</p> <p>(Page 36)</p>		
<p>46. agreeing terms for the sale of small plots of land (including land held on the Housing Revenue Account) and instructing the Head of Legal and Risk to conclude the sale, subject to being satisfied that this represents market value, and where:</p> <p>(a) The land is existing open space, for example amenity land, landscaping or verges adjoining roads and footpaths;</p> <p>(b) The land does not exceed 150 m<sup>2</sup>; and</p> <p>(c) The use of the land would be for garden ground or for any other ancillary residential use;</p>	<p>46. agreeing terms for the sale of small plots of land (including land held on the Housing Revenue Account) and instructing the Head of Legal and Risk to conclude the sale, subject to being satisfied that this represents market value,</p>	

(Page 37)		
<p>48. where property is held for commercial or economic development purposes doing the following :</p> <ul style="list-style-type: none"> <li>(a) negotiating to dispose of land or property at values up to £250,000;</li> <li>(b) negotiating the grant of “minutes of waiver”;</li> <li>(c) signing all offers on behalf of the Council to let or take on lease properties where: <ul style="list-style-type: none"> <li>(i) the length of the lease is no more than five years and the exclusive rent is no more than £50,000 a year; or</li> <li>(ii) the length of the lease is no more than one month;</li> </ul> </li> </ul> <p>save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee.</p>	<p>48. where property is held for commercial or economic development purposes doing the following :</p> <ul style="list-style-type: none"> <li>(a) negotiating to dispose of land or property at values up to £1 million;</li> <li>(b) negotiating the grant of “minutes of waiver”;</li> <li>(c) signing all offers on behalf of the Council to let or take on lease properties where:</li> </ul> <p>save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee, or where the land is being leased or disposed of at less than market value.</p>	<p>Removal of £50,000 and lease time limits.</p>
<u>SHARED REPAIRS</u>		

N/A  (Page 38)	55. recovering unreasonable costs incurred in respect of surveys under-taken under section 20 of the Local Government in Scotland Act 2003	Addition of unreasonable costs recovery functions.
<u>HOUSING AND REGENERATION</u>		
137. Where grants have been paid to RSLs agreeing options of recycling or repayment of such grants in the case of property disposals..."  (Page 55)	Subsection 137 is deleted.	Decisions regarding recycling grants of this nature have not been delegated to the Council, therefore this should not be reflected in delegated authority.
Service Manager City Wide Planning (Chief Planning Officer)  (Throughout)	Chief Planning Officer	The designation "Chief Planning Officer" could be carried by any one of three service manager posts in future recruitment and so it was suggested that the "service manager" title was removed.
<u>LICENSING</u>		
"178. granting, attaching conditions to, refusing and issuing applications for licences... subject to:  (i) Consultation with two of the members of the Regulatory Committee on a weekly duty rota (after consideration of reports by the appropriate officials); and"	Clause (i) is delete	The current system is resource intensive for elected members and officers. Members are providing an oversight function of licenses granted by officers and the only scope is to request that the application is taken to committee. In practice out of 21000 applications per year and about 100,000 over the lifetime of the last council there were 5 applications referred to committee via this route.

(Page 57)		
<u>APPENDIX 6 – DELEGATION TO HSSC/CSWO</u>		
N/A (Page 78)	8 Delegated functions added.	Inclusion of Safer and Stronger Communities functions which were formerly omitted.
<u>APPENDIX 7 – CHIEF PLANNING OFFICER</u>		
Delegated function added (Page 79)	Consideration and publication of Local Development Plan	Currently there are no powers for Local Development Plan (LDP) preparation. This means that the Planning Committee must make the decision on each formal stage of the LDP preparation. This applies even when the committee must, by law, accept the recommendations of the Report of Examination. This adds significant time to the overall LDP preparation process.
Relevant Committee (Pages 78-83)	Development Management Sub-Committee	Outdated terminology.
Environment Health and Scientific Services (Page 87)	Scientific Bereavement and Registration Service Senior Manager and Operation Manager – Public Analyst	Outdated terminology.

**CITY OF EDINBURGH COUNCIL  
SCHEME OF DELEGATION TO  
OFFICIALS**

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**CITY OF EDINBURGH COUNCIL**  
**SCHEME OF DELEGATION TO OFFICERS**

**GENERAL**

**Scheme**

- 1.1 This Scheme of Delegation to Officers ("**Scheme**") applies from ~~27 January~~ 3 July 2017 and sets out the powers delegated by the City of Edinburgh Council ("**Council**") to officers, pursuant to the Local Government (Scotland) Act 1973. The Scheme is intended to facilitate the efficient conduct of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council.
- 1.2 The powers delegated to officers in terms of this Scheme are subject to change by act of Council in accordance with the Standing Orders of the Council.
- 1.3 The Local Government (Scotland) Act 1973 requires the Council to maintain a list specifying those powers which are exercisable by officers, and stating the title of the officer who exercises that power. The lists of powers are set out in this Scheme.
- 1.4 In this Scheme:
- (a) a reference to "**Executive Director**" means any of the Executive Directors of the Council or the Chief Officer - Edinburgh Health and Social Care Partnership (and "**Executive Directors**" shall be interpreted accordingly);
  - (b) a reference to a statute or statutory provision:
    - (i) is a reference to it as amended, extended or re-enacted from time to time; and
    - (ii) shall include all subordinate legislation made from time to time under that statute or statutory provision;
  - (c) any reference to this Scheme shall include the appendices to the Scheme ("**Appendices**" and each an "**Appendix**");
  - (d) a reference to "**Council Policies**" shall include all and any policies approved by the Council from time to time (and "**Council Policy**" shall be interpreted accordingly);
  - (e) references to paragraphs are to paragraphs of this Scheme; and

- (f) headings are for convenience, do not form part of this Scheme and shall not be used in its interpretation.

**Principles of delegation**

- 1.5 Officers to whom power is delegated in terms of this Scheme must exercise their powers in accordance with the following principles:
  - (a) the decision or action must not be a matter (“**Reserved Matter**”):
    - (i) reserved by law to the Council or a Committee or sub-committee of the Council (“**Committee**”); or
    - (ii) that the Council or a Committee has expressly determined should be discharged otherwise than by an officer;
  - (b) the decision or action must not alter or be contrary to law or to policy set by the Council and its Committees;
  - (c) the decision or action must be taken in accordance with the Council’s Standing Orders as amended from time to time;
  - (d) the decision or action must be taken in accordance with the Financial Regulations and Corporate Debt Policy as amended from time to time and comply with the financial limits set out in those documents;
  - (e) the financial consequences of the decision or action must be contained within the budget approved by Council for the financial year in question;
  - (f) the decision or action must not give rise to a conflict of interest as set out in the Council’s code of conduct for employees; and
  - (g) elected members must be appropriately consulted and, in particular, officers must comply with the provisions of paragraph 2 of this Scheme.
- 1.6 If there is a question or dispute on whether a decision taken or proposed to be taken by an officer contravenes the provisions of this Scheme, it will be decided by the Chief Executive in consultation with the Leader of the Council (or the deputy Leader if the Leader is absent).
- 1.7 Each Executive Director and Head of Safer and Stronger Communities/CSWO shall have authority to take all decisions or actions necessary to implement a policy approved by or a decision previously taken by

the Council or a Committee or which facilitate or are conducive to the implementation of such a policy or decision.

## 2. **CONSULTATION WITH ELECTED MEMBERS**

### **Politically controversial matters and material decisions**

2.1 Where a decision or action proposed to be taken under delegated powers is likely to be regarded as politically controversial or is a decision ("**Material Decision**") that will have or is likely to have:

- (a) a significant effect on financial, reputational or operational risk; and/or
- (b) a significant impact on service delivery or performance;

the appropriate elected members will be consulted before any decision or action is taken. Appropriate elected members will include the relevant convener or vice-convener(s) and, where appropriate, the Leader and/or deputy Leader.

### **Local Members**

2.2 Where a decision or action relates to a particular ward or wards (and not to the whole area of the Council) and is likely to directly affect the ward interests of a local member or members, those members will be consulted before any decision or action is taken (save in the case of matters of a routine or confidential nature).

### **Responsibility to inform**

2.3 It is the responsibility of the Chief Executive, ~~or~~ relevant Executive Director or Head of Safer and Stronger Communities/CSWO to keep the elected members of the Council appropriately informed about activity arising within the scope of the delegated authority under this Scheme.

### **Reports**

2.4 The Council or any Committee may require the Chief Executive, ~~or~~ Executive Directors or Head of Safer and Stronger Communities/CSWO to submit reports on the decisions taken and action authorised by them under delegated authority. The Chief Executive or relevant Executive Director shall submit a report in relation to any Material Decision to Council or the appropriate Committee.

### 3. **DELEGATION**

#### **Delegated authority**

- 3.1 The Council delegates authority for certain powers or functions to the Chief Executive, Executive Directors and heads of service as detailed in this Scheme.
- 3.2 In the event that the Chief Executive, ~~or~~ Executive Director or Head of Safer and Stronger Communities/CSWO is unavailable, his/her deputy or the head of the relevant service will have delegated authority to take urgent decisions in the absence of the Chief Executive or Executive Director.
- 3.3 The Chief Executive, ~~and~~ Executive Directors or Head of Safer and Stronger Communities/CSWO may sub-delegate their delegated powers to their deputy or head(s) of service or such other officer(s) in their service area as they may consider appropriate. Each officer to whom powers are delegated may sub-delegate to such other officers in their service area as they may consider appropriate. This will be in each case the officer of an appropriate level of seniority who is most closely involved with the matter in question. The Chief Executive and Executive Directors will remain accountable for decisions taken by their sub-delegates.
- 3.4 Sub-delegation of functions by any officer to another officer in accordance with this Scheme will not prevent the officer from whom the authority is being delegated from also discharging those functions.
- 3.5 Where authority has been sub-delegated by one officer to another in accordance with this Scheme, such authority can be revoked at any time without prejudice to any previous decisions made under that authority.
- 3.6 Certain functions ("**Statutory Functions**") must, by law, be carried out by certain statutory officers. The Council delegates authority to those statutory officers ("**Statutory Officers**") to carry out the Statutory Functions. A list of the Statutory Functions and the Statutory Officers can be found in Appendix 8.
- 3.7 The authority delegated to the Chief Executive and Executive Directors in terms of this Scheme shall not include any Statutory Function, which shall be exercised by the appropriate Statutory Officer.
- 3.8 Legislation requires that certain functions be exercised by a "**proper officer**". This Scheme sets out Council officers who are designated as proper officers in relation to particular functions. An officer who is designated as a proper officer by this Scheme may also designate in writing other officer(s) in his or her service

area to exercise his or her functions as proper officer. Such designation can be revoked at any time by the designating officer without prejudice to any previous actions taken under that designation. Designated proper officers are set out in paragraph 5 of Appendix 1, paragraph 21 of Appendix 7 and in Appendix 9.

- 3.9 Appropriate records must be kept of any sub-delegations of powers made under the Scheme.

#### **Material Decisions**

- 3.10 Notwithstanding the terms of any delegation of authority to Executive Directors or other officers in terms of this Scheme, all Material Decisions shall be taken in consultation with the Corporate Leadership Team (“**CLT**”). It is intended that this will engender greater transparency; foster a collegiate culture of collective decision-making among chief officers; and ensure proper corporate oversight, scrutiny and challenge of Material Decisions.

- 3.11 It is the responsibility of each Executive Director, Head of Safer and Stronger Communities/CSWO or other officer to whom powers are delegated to consider whether a decision or action in relation to a matter delegated to him/her is a Material Decision and in the case of an officer other than an Executive Director, to bring it to the attention of the relevant Executive Director or Head of Safer and Stronger Communities/CSWO. The relevant Executive Director or Head of Safer and Stronger Communities/CSWO will bring any Material Decision to the next available meeting of the CLT.

- 3.12 In the case of any Material Decision that relates to a Statutory Function, the provisions of paragraphs 2.1 and 3.12 of this Scheme shall be without prejudice to the legal duties and responsibilities of the relevant Statutory Officer.

- 3.13 The provisions of paragraph 3.12 of this Scheme shall be without prejudice to the principles of delegation set out in paragraph 1.5 of this Scheme and the requirement to consult with elected members set out in paragraph 2.1 of this Scheme.

### Major Projects

3.14 The following projects (“**Major Projects**”) shall be dealt with as set out in paragraph 3.15 of this Scheme:

- (a) any project which has an estimated value of £5 million or more; or
- (b) any other corporate project the Chief Executive shall, in consultation with the CLT and the Convener or vice-Convener of the Finance and Resources Committee, so designate.

3.15 In order to ensure effective governance and delivery of Major Projects, a ~~Corporate Programme Office~~ the Head of Strategy and Insight will make arrangements to:

- (a) oversee all Major Projects to ensure they are initiated appropriately, and independently assess elements of the Major Projects including:
  - (i) options appraisal;
  - (ii) affordability;
  - (iii) implementation;
  - (iv) resource planning;
  - (v) sustainability;
  - (vi) equalities;
  - (vii) environmental impact; and
  - (viii) stakeholder engagement;
- (b) provide ongoing support to Major Projects through key stage or gateway reviews, management dashboard reporting, post completion reviews and tracking benefits realisation; and
- (c) update the CLT and the Finance and Resources Committee on the status and progress of Major Projects.

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### **Contracts Standing Orders**

3.16 Any officer to whom relevant authority is delegated in terms of this Scheme must comply with the terms of the standing orders which apply to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council and/or for the provision of services ("**Contract Standing Orders**").

3.17 Any officer to whom relevant authority is delegated shall have regard to:

(a) the Council's procurement handbook; and \_\_\_\_\_

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(b) ~~any~~ guidance issued by the Council in relation to the appointment of consultants;\_

in each case, as amended from time to time.

### **4. DELEGATION TO CHIEF EXECUTIVE**

4.1 As head of paid service the Chief Executive has overall responsibility for the corporate management and operational functions of the Council that are delegated to officers under this Scheme. The Chief Executive is authorised to discharge any function or exercise any power delegated to any officer under this Scheme.

4.2 In addition, the Council authorises the Chief Executive to:

(a) take action to ensure that the Council's responsibilities and duties under the Civil Contingencies Act 2004 and other emergency planning, business continuity and resilience legislation are discharged;

(b) take any urgent action necessary in the event of a civil emergency, business continuity or resilience incident;

(c) act as Returning Officer for local government elections, Westminster elections, Scottish Parliament elections, European elections and Business Improvement District elections under sections 25 and 41 of the Representation of the People Act 1983;

(d) act as Counting Officer for referendums held in terms of the Political Parties, Elections and Referendums Act 2000;

- (e) perform the Council's functions under the Regulation of Investigatory Powers (Scotland) Act 2000 and the Regulation of Investigatory Powers Act 2000 in accordance with Council policy, including:
  - (i) appointing authorising officers;
  - (ii) authorising directed surveillance or the use of a covert human intelligence source which involves the likelihood of obtaining confidential information; and
  - (iii) authorising the use of covert human intelligence sources in relation to juveniles or vulnerable adults;
- (f) monitor the Council's compliance with information compliance legislation, including the Freedom of Information (Scotland) Act 2002, Environmental Information (Scotland) Regulations 2004, INSPIRE (Scotland) Regulations 2009 and the Data Protection Act 1998;
- (g) monitor the management of Council records in line with the provisions of the Public Records (Scotland) Act 2011;
- (h) approve expenditure on civic hospitality in accordance with Council Policy;
- (i) supervise and manage offenders subject to community orders or released from prison (or in similar circumstances) including:
  - (i) reports for courts and hearings (excluding children);
  - (ii) probation orders;
  - (iii) community payback orders;
  - (iv) community service;
  - (v) supervised attendance orders;
  - (vi) drug treatment and testing orders;
  - (vii) orders under section 57 of the Criminal Procedure (Scotland) Act 1995;
  - (viii) diversion from prosecutions;
  - (ix) parole, or other supervised conditional release from prison;

(x) provision of advice, guidance and assistance if requested by a person released from prison or detention within the previous 12 months; and

(xi) throughcare services for serving and released prisoners;

(j) provide advice, guidance and assistance to a person who is arrested and detained in police custody, or on whom sentence is deferred in terms of section 27ZA of the Social Work (Scotland) Act 1968; and

(k) take steps to ensure the Council complies with its duties to co-operate with the Scottish Minister and community justice authorities when carrying out its functions in accordance with sections 1 and 10 to 12 of the Management of Offenders etc. (Scotland) Act 2005.

**5. DELEGATION TO THE CHIEF EXECUTIVE AND ALL EXECUTIVE DIRECTORS**

5.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Chief Executive, each Executive Director and Head of Safer and Stronger Communities/CSWO shall have delegated authority to manage all human, financial and other resources within his/her service area, including those functions set out in Appendix 1.

**6. DELEGATION TO EXECUTIVE DIRECTOR OF COMMUNITIES AND FAMILIES**

6.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Executive Director of Communities and Families, or the Chief Social Work Officer, or the Chief Education Officer where relevant, shall have delegated authority to exercise the schools, early years, children's social work services, childcare, community services, libraries and sport functions including those set out in Appendix 2.

**7. DELEGATION TO EXECUTIVE DIRECTOR OF RESOURCES**

7.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Executive Director of Resources shall have delegated authority to carry out all finance, investment and pensions, organisational development, customer, ICT, legal, risk, corporate property, facilities management and shared repairs functions of the Council including those set out in Appendix 3.

**8. DELEGATION TO CHIEF OFFICER - EDINBURGH HEALTH AND SOCIAL CARE PARTNERSHIP**

8.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Chief Officer - Edinburgh Health and Social Care Partnership, or the Chief Social Work Officer where relevant, shall have delegated authority to exercise the social work, social care and social welfare functions of the Council including those set out in Appendix 4, except to the extent that those functions are delegated by Council to the Integration Joint Board.

**9. DELEGATION TO EXECUTIVE DIRECTOR OF PLACE**

9.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the Executive Director of Place shall have delegated authority to carry out all powers and responsibilities associated with the Council's housing and regeneration, housing support, community safety, environmental health, scientific services, trading standards, licensing, registration, advice services, parks, waste management and disposal, street cleaning, grounds maintenance, economic development, sustainability, public safety, culture, corporate fleet management and maintenance, community transport, building standards, transport planning, roads management and maintenance, flood prevention, reservoir and coastal functions including those set out in Appendix 5.

**10. DELEGATION TO HEAD OF SAFER AND STRONGER COMMUNITIES / CHIEF SOCIAL WORK OFFICER**

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10.1 Subject to the provisions of paragraph 1 to 3 of this Scheme, the Head of Safer and Stronger Communities / Chief Social Work Officer shall have delegated authority to carry out all the powers and responsibilities associated with the Council's criminal justice social work, homelessness, temporary accommodation, housing support, community safety, advice services and family and household

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**11. DELEGATION TO ~~SERVICE MANAGER CITY-WIDE – PLANNING (CHIEF PLANNING OFFICER)~~**

- 10.1 Subject to the provisions of paragraphs 1 to 3 of this Scheme, the ~~Service Manager City Wide – Planning~~ (Chief Planning Officer) shall have delegated authority to exercise the planning functions set out in Appendix 6.

**APPENDIX 1**

**GENERAL DELEGATION TO CHIEF EXECUTIVE, AND DIRECTORS  
AND CHIEF SOCIAL WORK OFFICER EXECUTIVE  
DIRECTORS**

These are the functions referred to in paragraph 5 of the Scheme:

**Funds, contracts and property**

1. spending money and managing their budgets in accordance with Council approved resource allocations and with the Financial Regulations;
2. subject to any policies and/or directions issued by the Executive Director of Resources:
  - (a) transferring funds between headings within their approved revenue budgets;
  - (b) transferring funds between capital projects included in the capital budgets for their service;provided that (1) the Executive Director of Resources is informed of the transfer and (2) the transfer does not affect revenue or capital budgets for future years;
3. entering into, terminating, varying, suspending or extending contracts subject to compliance with the Council's Contract Standing Orders;
4. declaring property or land surplus to requirements, including one-off blocks of flats and main door properties;

**Proper officers**

5. acting as proper officer in terms of any provisions of the Local Government (Scotland) Act 1973, the Requirements of Writing (Scotland) Act 1995 and generally any local government legislation and signing all deeds and other documents which require to be sealed with the Common Seal of the Council or are binding on the Council;

**Legal**

6. settling legal actions and claims in consultation with the Head of Legal and Risk;

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7. initiating, entering into, defending and withdrawing from legal proceedings in consultation with the Head of Legal and Risk;

**Staff**

8. appointing employees within agreed staffing levels up to but excluding Heads of Service;
9. appointing an acting head of service from the staff of the Council when a head of service is absent or the post is vacant;
10. conducting disciplinary and grievance proceedings for employees in accordance with the Council's approved policy and procedures;
11. authorising staff attendance at training courses, conferences, seminars and other developmental activities;
12. changing staffing structures, numbers and gradings in accordance with approved job evaluation arrangements, with the exception of major staffing reviews, provided that such changes comply with guidelines issued by the Executive Director of Resources;
13. remedying inconsistencies in pay or conditions of service in conjunction with the Executive Director of Resources;
14. deciding the following personnel matters in accordance with approved schemes and/or guidance issued by the Executive Director of Resources (or, in the case of teaching staff, by the Executive Director of Communities and Families):
  - (a) approval of paid or unpaid leave for special circumstances, secondment, or leave to work or visit abroad;
  - (b) entering into compromise or settlement agreements with staff in relation to their employment with the Council in consultation with the Head of Legal and Risk, and subject also to consultation with the appropriate convener;
  - (c) save in the case of an Executive Director, where the decision shall be reserved to the Finance and Resources Committee, making decisions in relation to the Local Government Pension Scheme membership (including, for example, early

payment of pensions, late transfers, late applications to pay optional pensions contributions, augmented membership, additional pensions, and fraud/forfeiture cases);

- (d) extension of sickness allowance;\_
- (e) recovery of maternity pay;\_
- (f) closure of buildings in emergency or exceptional circumstances and early closure during the festive season;
- (g) approval of application for car loans in consultation with the Executive Director of Resources;
- (h) approval of transfer of annual leave;
- (i) approval of overtime;
- (j) approval of applications for secondary employment;
- (k) authorisation of payments for lectures, speeches etc. to external organisations;
- (l) determination of claims of up to £250 for damage to or loss of the personal property of employees in consultation with the Executive Director of Resources;
- (m) payment of removal expenses and allowances;
- (n) payment of car users' allowances;
- (o) authorisation of telephone allowances;
- (p) placement of employees on appointment on a point within a grade or grades applicable to the posts;
- (q) establishment and filling of fixed term posts in accordance with the relevant Council Policy; and
- (r) appointment of apprentices on completion of indentures;

**Health and Safety**

15. implementing the Council's Health and Safety Policy and arrangements;

**Health and Wellbeing**

16. implementing the Council's Health and Wellbeing Policy and arrangements;

**Use of land and buildings**

17. approving, subject to compliance with any approved scheme of charges, the use by appropriate organisations, bodies or persons of land and premises owned, occupied or managed by the Council (including land managed on behalf of the Common Good);
18. regulating access to, and conduct of persons on property owned, occupied or managed by the Council, including (1) eviction, ejection and expulsion from property and (2) the application and enforcement of management rules under sections 112 and 116 of the Civic Government (Scotland) Act 1982 as approved by the Council from time to time;
19. approving the temporary closure of property owned, occupied or managed by the Council to:
  - (a) ensure the safety of Council staff or members of the public;  
or
  - (b) undertake essential planned maintenance,

subject to consultation with the appropriate convener or vice-convener and local elected members and insertion of a public notice in the press informing the public of the closure when relevant;

**Regulation of investigatory powers**

20. performing the Council's functions under the Regulation of Investigatory Powers (Scotland) Act 2000 and the Regulation of Investigatory Powers Act 2000 in accordance with Council policy, with the exception in the case of the Executive Directors of the following functions which are reserved to the Chief Executive:

- a) appointing authorising officers;
- b) authorising directed surveillance or the use of a covert human intelligence source which involves the likelihood of obtaining 'confidential' information; and
- c) authorising the use of covert human intelligence sources in relation to juveniles or vulnerable adults.

#### **Renewal of grants to voluntary organisations**

21. approving applications for the renewal of grants up to £25,000, from properly constituted voluntary organisations which meet the Council's eligibility criteria, provided that:

- (a) any increase in the amount of the grant renewal payment from the previous year does not exceed the lesser of (a) 30% of the payment from the previous year or (b) £5,000;
- (b) the decisions taken under this paragraph are reported by the relevant officer every year to the appropriate Committee;
- (c) the grant renewal will not be used wholly or mainly to pay for permanent staff (unless the grant renewal is a payment to playgroups or a service purchasing arrangement under the National Health Service and Community Care Act 1990);
- (d) any relevant local members are informed and consulted where it appears that an application for grant renewal directly affects their ward's interests; and
- (e) a relevant local member has not applied to the relevant officer, within 14 days of being advised of the proposed grant renewal, requesting that the decision is referred to the appropriate Committee;

#### **Hospitality**

- 22. approving expenditure on hospitality in accordance with Council Policy;
- 23. approving expenditure on overseas visits by officers in accordance with Council Policy;

### **Write off**

24. writing off or disposing of any stores, plant, furniture, equipment, or any other tangible asset in accordance with the Financial Regulations provided that:

- (a) the stores, plant, furniture, equipment or such asset has become unfit for use and unsaleable; and
- (b) the decision is made in consultation with the Executive Director of Resources;

### **Access to information**

25. responding to requests for information made to the Council under the Freedom of Information (Scotland) Act 2002; Environmental Information (Scotland) Regulations 2004; INSPIRE (Scotland) Regulations 2009 and the Data Protection Act 1998;

### **Consultations**

26. responding to consultations from external bodies seeking the input of the Council to the extent necessary to provide any technical, scientific, or other factual information, or professional opinion or analysis of an operational nature;

### **Grant offers**

- 27. applying for grant funding on behalf of the Council;
- 28. accepting offers of grant funding on behalf of the Council; and

### **Council Companies**

29. monitoring the performance of each Council company delivering services in his or her service area- including the attendance of a nominated Council observer at all company Board meetings and, where practicable, the relevant Audit Committee.

**APPENDIX 2**

**DELEGATION TO THE EXECUTIVE DIRECTOR OF COMMUNITIES AND  
FAMILIES**

*(or, where applicable, the Chief Social Work Officer  
or Chief Education Officer)*

These are the powers referred to in paragraph 6 of the Scheme:

**Education**

1. taking steps to discharge the duty of the Council, as education authority, to secure adequate and efficient provision of school education (including pre-school education) and further education in accordance with section 1 of the Education (Scotland) Act 1980, and in doing so (1) having regard to the duty to ensure that education is directed to the development of the personality, talents and mental and physical abilities of children and young people (section 2 of the Standard in Scotland's Schools etc. Act 2000) and (2) endeavouring to ensure that schools managed by them promote the physical, social, mental and emotional health and well-being of pupils (section 2A of the Standard in Scotland's Schools etc. Act 2000);
2. maintaining and equipping schools and other buildings (section 17 of the Education (Scotland) Act 1980);
3. improving the access to premises for the safety of pupils (section 18 of the Education (Scotland) Act 1980);
4. operating arrangements for pupils from outside the Council's area (sections 23 and 24 of the Education (Scotland) Act 1980);
5. setting school commencement dates for primary schools (section 32 of the Education (Scotland) Act 1980);
6. managing placing requests including publishing of information on arrangements in accordance with the provisions of section 28A, and representing the Council at any placing appeal committee in accordance with section 28F, both of the Education (Scotland) Act 1980;

7. enforcing attendance at school, including bringing proceedings against parents in respect of children's non-attendance (sections 36, 37, 38, 39 and 43(2) of the Education (Scotland) Act 1980);
8. allowing pupils to miss school (section 34 of the Education (Scotland) Act 1980);
9. excluding pupils from school (Regulation 4 of the Schools (General) Scotland Regulations 1975);
10. promoting the involvement of the parents of pupils in attendance at schools in the education provided to those pupils (section 1 of the Scottish Schools (Parental Involvement) Act 2006);
11. awarding bursaries (section 49 of the Education (Scotland) Act 1980);
12. providing transport for pupils and students (section 51 of the Education (Scotland) Act 1980);
13. ensuring copies of education records are available including the ability to set charges (section 4 of the Education (Disability Strategies and Pupils' Educational Records) (Scotland) Act 2002);
14. awarding Education Maintenance Allowances (section 73(f) of the Education (Scotland) Act 1980);
15. providing school meals (section 53 of the Education (Scotland) Act 1980);
16. providing clothing (section 54 of the Education (Scotland) Act 1980);
17. discharging the Council's duties in relation to the employment of children (Children and Young Persons (Scotland) Act 1937);
18. licensing stage or theatrical performances by children (Children and Young Persons Act 1963);
19. providing child guidance services (section 4 of the Education (Scotland) Act 1980);
20. referring young people in medically unsuitable employment to the Employment Medical Advisory Service of the Department of Employment;

21. making grants to organisations involved with education;
22. managing or instructing the Executive Director of Resources to lease out Council community centres, working with locally elected Management Committees;
23. application of national circulars regarding service conditions of teaching staff. Where there is a choice of action, the circular will be sent to Committee;
24. providing programmes of adult education;
25. providing or arranging in-service training for staff;
26. providing the education authority's representatives on the ~~Appointment Committees~~ recruitment panels for all Head Teachers,
27. providing work experience for pupils who are eligible (section 123 of the Education (Scotland) Act 1980);
28. operating health and safety checks on work-experience placements;
29. dealing with the use of educational premises for licensed functions;
30. managing the Education Arts Development Programme;
31. specifying the level of service and other relevant details for getting tenders for the School and Welfare Catering Services;
32. negotiating variation orders for changes in the level of School and Welfare Catering services with the approved contractor within the contract price approved by the Council;
33. making awards of up to £5,000 for distribution of Childcare Partnership funds;
34. approving joint working arrangements with other bodies;
35. liaising with the Scottish Government Education & Training Department;
36. carrying out the consultations processes required by the Schools (Consultation) (Scotland) Act 2010;

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37. in consultation with the Chief Executive and with the Head of Legal and Risk, receiving notice of, representing the Council and responding to referrals by the Children’s Reporter to the Scottish Ministers under the Children’s Hearings (Scotland) Act 2011;
38. implementing the duties and powers set out in the Education (Additional Support for Learning) (Scotland) Act 2004;

**Social Work**

39. taking necessary steps to discharge the Council’s duties under the Social Work (Scotland) Act 1968, the Children (Scotland) Act 1995, the Social Care (Self-directed Support) (Scotland) Act 2013 and the Children and Young People (Scotland) Act 2014;
40. arranging for the protection of property of people who have gone into hospital or care as in section 48 of National Assistance Act 1948;
41. maintaining a Complaints Procedure and service as in section 5B of the Social Work (Scotland) Act 1968;
42. where the carer of a person over 18 years of age is a child under 18 years of age, assisting Health and Social Care staff to assess the carer’s needs and provide information about the assessment as in sections 12A, 12AA and 12AB of the Social Work (Scotland) Act 1968;
43. making direct payments to individuals to allow them to purchase community care services or if they are disabled, to assist them to care for their children under the Social Care (Self-directed Support) (Scotland) Act 2013;
44. making direct payments to 16 and 17 year olds with a disability and to parents of children under 18 with a disability to allow them to pay for children’s services under the Social Care (Self-directed Support) (Scotland) Act 2013;
45. burying or cremating any person who was in the care of, or receiving help from, the Council, immediately before their death as in section 28 of the Social Work (Scotland) Act 1968;
46. deciding whether to pay the expenses of parents, relatives etc. visiting people (including looked after children) who are being cared for or

- maintained in accommodation by the Council, or in attending funerals as in section 29 of the Social Work (Scotland) Act 1968;
47. providing and maintaining whatever residential and other establishments are needed for the Council's functions under Part II of the Children (Scotland) Act 1995;
48. recovering from other local authorities any costs for services provided to people ordinarily resident there under the Social Work (Scotland) Act 1968 as in section 86 of the Social Work (Scotland) Act 1968;
49. authorising the following finance related issues in accordance with the Corporate Debt Policy and wider Council Policies ~~Financial Regulations and in accordance with Council Policies:~~
- (a) writing off debts on social grounds or in exceptional circumstances;
  - (b) reimbursing carers and substitute carers for loss or damage (*ex gratia*) of up to £500, subject to appropriate consultation with the convener or vice-convener;
  - (c) reimbursing staff for loss or damage (*ex gratia*) of up to £500;
  - (d) making payments to staff for emergency expenses (*ex gratia*) of up to £50; and
  - (e) reimbursing neighbours and/or relatives of departmental carers for damage caused by service users (*ex gratia*), where it would be in the interest of the Council to maintain goodwill, subject to appropriate consultation with the convener or vice-convener;
50. providing reports and information to the courts in private law proceedings as in section 11 of the Matrimonial Proceedings (Children) Act 1958 and section 11 of the Children (Scotland) Act 1995;
51. assessing and recovering contributions for "maintainable" children looked after by the Council as in sections 78 to 82 of the Social Work (Scotland) Act 1968;

52. where there is an assessed need, paying allowances to people who have children and young people residing with them as in section 50 of the Children Act 1975;
53. providing an adoption service in accordance with section 1 of the Adoption and Children (Scotland) Act 2007;
54. supervising and providing reports to the court in respect of non-agency adoptions as in sections 17 and 18 of the Adoption and Children (Scotland) Act 2007;
55. taking necessary or facilitative steps to implement arrangements for the adoption of children;
56. providing adoption support plans under section 45 of the Adoption and Children (Scotland) Act 2007;
57. approving and paying adoption allowances as in section 71 of the Adoption and Children (Scotland) Act 2007;
58. securing the welfare of all foster children, receiving and assessing notifications, inspecting premises, imposing requirements and removing children from unsuitable premises (sections 3, 5, 6, 8, 9, 10 and 12 of the Foster Children (Scotland) Act 1984);
59. preparing and publishing a plan for services to children under 8 years of age as in section 19 of the Children Act 1989;
60. preparing and publishing a three year plan for day care services to children in need as in section 19 of the Children (Scotland) Act 1995;
61. publishing information about services for children in need as in section 20 of the Children (Scotland) Act 1995;
62. safeguarding and promoting the welfare of children looked after by the Council and giving them the opportunity to fulfil their potential as in section 17 of the Children (Scotland) Act 1995;
63. safeguarding and promoting the welfare of children in need giving help “in kind or in cash” as in section 22 of the Children (Scotland) Act 1995;

64. minimising the effect of disability on children, assessing the needs of children with or affected by disability, assessing the ability of their carers to meet those needs and providing information assessment as in sections 23, 24, and 24A of the Children (Scotland) Act 1995 and the and the Social Care (Self-directed Support) (Scotland) Act 2013;
65. providing accommodation for children and young people when lost or abandoned or when no-one with parental responsibility can do it as in section 25 of the Children (Scotland) Act 1995;
66. providing accommodation for young people aged 18 to 21 years of age when to do so would safeguard and promote their welfare as in section 25 of the Children (Scotland) Act 1995;
67. providing accommodation and maintenance for children looked after by the Council as in section 26 of the Children (Scotland) Act 1995;
68. providing day care for pre-school and other children as in section 27 of the Children (Scotland) Act 1995;
69. providing after-care for children (under 21 years of age) who were previously looked after by a local authority as in section 29 of the Children (Scotland) Act 1995;
70. providing financial help towards maintaining, educating or training for young people who were looked after by the Council at the time of leaving school age as in section 30 of the Children (Scotland) Act 1995;
71. reviewing cases of children looked after by the Council as in section 31 of the Children (Scotland) Act 1995;
72. removing children from residential establishments as in section 32 of the Children (Scotland) Act 1995;
73. accepting responsibility for orders made in respect of children in other parts of the UK where the child is now ordinarily resident in Edinburgh as in section 33 of the Children (Scotland) Act 1995;
74. providing short term refuges where a child may be at risk of harm as in section 38 of the Children (Scotland) Act 1995;

75. making enquiries and providing information to the Principal Reporter to the Children’s Panel where children may need compulsory measures of care as in section 60 of the Children’s Hearings (Scotland) Act 2011;
76. where a child may be at risk of significant harm, investigating the matter and if need be applying for the following orders:
  - (a) Child Assessment Order (under section 35 of Children’s Hearings (Scotland) Act 2011);
  - (b) Child Protection Order ( under sections 37 to 39 of Children’s Hearings (Scotland) Act 2011);
  - (c) Emergency Child Protection Order (under section 55 of Children’s Hearings (Scotland) Act 2011); and
  - (d) Exclusion Order (under sections 76 to 80 of the Children (Scotland) Act 1995);
77. providing reports on children and their social background for a Children’s Hearing as in section 66 of the Children’s Hearings (Scotland) Act 2011;
78. implementing supervision requirements made by a Children’s Hearing under the Children’s Hearings (Scotland) Act 2011;
79. in consultation with Chief Executive and with the Head of Legal and Risk, receiving, responding to and representing the Council in respect of all referrals by the Children’s Reporter to the Sheriff Principal under the Children’s Hearings (Scotland) Act 2011;
80. arranging the emergency move of a child subject to a supervision requirement with condition of residence under the Children’s Hearings (Scotland) Act 2011;
81. recommending that a supervision requirement is reviewed by a Children’s Hearing under the Children’s Hearings (Scotland) Act 2011;
82. where assessed as necessary, applying to a court for a Permanence Order, or Permanence Order with authority to adopt, under sections 80-83 of the Adoption and Children (Scotland) Act 2007;

83. applying for variation or revocation of permanence order when there has been a material change of circumstances under section 99 of the Adoption and Children (Scotland) Act 2007;
84. providing information to the Courts and arranging accommodation for the detention of children being prosecuted for, or convicted of criminal offences as in sections 42, 43, 44, and 51 of the Criminal Procedure (Scotland) Act 1995;
85. making purchases, outside the central purchasing arrangements, for necessary food, clothing and other essential items for children in care of the Council and living within the Council's residential establishments for young people;
86. discharging the Council's duties in relation to children and young people under the Secure Accommodation (Scotland) Regulations 2013;
87. undertaking all activities, powers and duties as the appropriate local authority to do with Parental Orders as provided for in section 13 and in Part 9 of the Antisocial Behaviour etc (Scotland) Act 2004 including:
  - (a) applying for the making of an order or review of an order;
  - (b) supervising parents who are subject to an order and reporting breaches to the relevant court; and
  - (c) providing services and programmes of work or training for parents and generally giving effect to parenting orders.

## **Sport**

88. devising and implementing events and sports programmes;
89. allocating space within sports facilities to relevant partners and agreeing the terms of any such arrangements, taking advice as necessary from other service areas, and bringing those arrangements to conclusions as required;
90. awarding grants from the physical activity and sport grant budgets subject to:
  - (a) a maximum grant on any one project of £5,000 to be reported to the appropriate Committee annually; and

- (b) consultation with the appropriate convener and vice-convener;
- 91. monitoring arms' length organisations which operate Sport facilities or services, or both, on the Council's behalf, including Edinburgh Leisure;

**Libraries**

- 92. providing and managing the Council's library services;
- 93. requiring any person to whom any article (other than a book or periodical) is lent to deposit with the Council a sum of money for the safe return of such article (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991);
- 94. making a charge for notifying a person that an article reserved by him has become available for borrowing (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991);
- 95. charging for the borrowing of any article (other than a book or periodical) or the provision of any service provided at libraries (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991); and
- 96. prescribing periods within which any article borrowed from a library must be returned, and exacting penalties for the retention by borrowers of any article beyond such period (section 39(1)(a) of the Edinburgh Corporation Order Confirmation Act 1967).



### **APPENDIX 3**

#### **DELEGATION TO THE EXECUTIVE DIRECTOR OF RESOURCES**

These are the powers referred to in paragraph 7 of the Scheme:

##### **Legal**

1. signing court documents;
2. signing missives, other holograph conveyancing documents and notices and orders relating to compulsory purchase orders;
3. engaging private legal firms, counsel, sheriff officers, patent agents and parliamentary agents as appropriate;

##### **HR & Organisational Development**

4. approving applications for early retirement/voluntary severance payments (including teaching staff) subject to an annual report being submitted to Council;
5. issuing certificates as required for employees to apply to the adjudicator for exemption from political restriction;
6. approving all new career development/salary progression schemes and changes to existing schemes;

##### **Finance**

7. determining all accounting and financial records and procedures of the Council. Where such procedures and records are maintained in a service area other than that of the Executive Director of Resources, the Executive Director shall, before making any determination, consult with the Executive Director of the service area concerned;
8. performing any function on behalf of the Common Good Fund, charitable endowments and any other Council funds which would reasonably be deemed to be investment business provided that the Executive Director takes the appropriate advice where necessary and reports any actions to Committee;
9. opening, closing and operating bank accounts on behalf of the Council;

10. approving and making payments due to Her Majesty's Revenue and Customs, and Revenue Scotland;
11. reviewing and amending as appropriate the financial limits given in the Financial Regulations, Finance Rules and supporting policies every year, in line with the relevant inflation indexes;
12. the pooling and treasury management of all surplus funds under the Council's administration and all executive decisions on the approved treasury management activities subject to compliance with CIPFA's "Code of Practice for Treasury Management in the Public Services" and other relevant professional guidance;
13. all borrowing and lending in accordance with the Treasury Management Policy Statement;
14. providing cash advances as considered appropriate for officers of the Council to defray petty cash, other expenses and any other matters on the administration of imprest accounts;
15. assessing business cases for the taking out of new leases to ensure they are consistent with the securing of best value;
16. effecting insurance cover and negotiating with the Council's insurers for all claims in consultation with other officers where necessary;
17. reviewing annually all insurances in consultation with the other chief officers as appropriate and reporting annually to the convener or vice-convener;
18. approving the rate of interest the Council is required to charge to borrowers with variable interest rate loans;
19. being responsible for all purchasing arrangements as detailed in the Contracts Standing Orders;
20. collecting and where necessary recovering debt, and where appropriate authorising the write-off of debt, in accordance with Council Policies;

**Customer**

21. collecting (and where necessary recovering) council tax as set by the Council in accordance with section 97(1) and Schedules 2 and 8 of the

- Local Government Finance Act 1992 and the provisions of the Council Tax (Administration and Enforcement) (Scotland) Regulations 1992;
22. issuing demand notices for the collection of rates payable to the Council under section 237 of the Local Government (Scotland) Act 1947;
  23. recovering rates under section 247(5) of the Local Government (Scotland) Act 1947, where necessary in consultation with the convener or vice-convener;
  24. administering benefits in accordance with the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992;
  25. administering council tax reduction scheme in accordance with the Council Tax Reduction (Scotland) Regulations 2012;
  26. paying all sums to all creditors subject to the certification and authorisation of the appropriate chief officers;
  27. signing the certificates and petitions that the Sheriff Court requires for Summary Warrant applications to collect arrears of Community Charge Non-Domestic Rates, Council Tax and other income;
  28. deciding to call-up loans where borrowers have fallen into arrears with their house purchase loans;
  29. establishing procedures for considering, authorising and making discretionary housing payments and for the consideration by officers, other than the original decision makers, of appeals against decisions on such applications;
  30. implementing nationally agreed pay awards;
  31. approving and making payment of:
    - (a) all salaries, wages, compensations and other emoluments to all employees;
    - (b) pension entitlements to former employees; and

(c) ~~tax, and national insurance and apprenticeship levy~~  
contributions to Her Majesty's  
Revenue and Customs;

### **Investment and Pensions**

32. implementing strategies and policies agreed by the Pensions Committee including the investment strategy of the pensions funds and performing any function on behalf of the pensions funds which would reasonably be deemed to be investment business provided that the Executive Director takes the appropriate advice;
33. implementing pension regulations including the application of discretions as required in accordance with policies approved by the Pensions Committee from time to time;
34. appointing, monitoring and reviewing such specialist managers and advisers as are necessary to make sure that the pensions funds' assets are managed effectively;
35. determining all accounting, records and financial procedures of the pension funds;
36. writing off pension overpayments of up to £3,000 subject to compliance with the appropriate Council Policies;

### **Corporate Property**

37. concluding leases, missives of let, licence agreements or extensions of leases and licence agreements or similar on behalf of the Council  
~~where:~~

~~(a) the length of the lease/missive/agreement is no more than five years and the rent (exclusive of VAT) is no more than £50,000 a year; or~~

~~(b) the length of the lease/agreement is no more than one month;~~

save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee, or where the land is being leased or disposed of at less than market value.

38. negotiating, processing and instructing the Head of Legal and Risk to conclude all rent reviews;
39. taking any action to ensure all terms of a lease or licence agreement are enforced, including terminating any lease or agreement and taking whatever action is necessary to effect an eviction where the tenant or licensee has failed to comply with the terms and conditions of the lease or agreement;
40. granting on behalf of the Council 'wayleave' agreements, and concluding missives and leases for sites for sub-stations, gas governors and similar installations for any period whatsoever, with the exception of:
  - (a) wayleaves for gas mains of a diameter greater than 225 mm;
  - (b) grids, oil or chemical pipelines; and
  - (c) overhead transmission lines with a capacity greater than 33,000 voltswhich would only be granted with the Council's consent;
41. granting and obtaining a Minute of Waiver for no more than £50,000;
42. buying and selling property or property rights up to £50,000 when this is required to help in the acquisition or disposal of a more valuable property and the cost can be offset against the acquisition/disposal;
43. permitting a tenant to assign their lease/agreement subject to the Council being in no worse a financial position;
44. buying land or property provided that it has been specifically budgeted for;
45. marketing surplus property for sale or lease and accepting the highest offer subject to being satisfied that this represents market value (if it is proposed that any offer other than the highest received be accepted, or when any offer includes an element of community benefit as set out

in Council Policy then the matter must be considered and approved by the Finance and Resources Committee);

46. agreeing terms for the sale of small plots of land (including land held on the Housing Revenue Account) and instructing the Head of Legal and Risk to conclude the sale, subject to being satisfied that this represents market value, and where:

- (a) the land is existing open space, for example amenity land, landscaping or verges adjoining roads and footpaths;
- (b) the land does not exceed ~~150-250~~ metres<sup>2</sup>; and
- (c) the use of the land would be for garden ground or for any other ancillary residential use;

47. negotiating and instructing the Head of Legal and Risk to conclude the sale of residential properties under "Right to Buy" legislation;

48. where property is held for commercial or economic development purposes doing the following :

- (a) negotiating to dispose of land or property at values up to £1 million-£250,000;
- (b) negotiating the grant of "minutes of waiver";
- (c) signing all offers on behalf of the Council to let or take on lease properties where:
  - (i) ~~the length of the lease is no more than five years and the exclusive rent is no more than £50,000 a year; or~~
  - (ii) ~~the length of the lease is no more than one month;~~

save where any lease offer which includes an element of community benefit as set out in Council Policy is received, when the decision shall be referred to Committee, or where the land is being leased or disposed of at less than market value.;

- (d) negotiating to renew or extend leases where it is uneconomic or unsuitable to advertise the properties;
- (e) agreeing to proposed transfers of leases where the Council is landlord, and instructing the Head of Legal and Risk to conclude these;

49. where property is held on behalf of the Common Good, doing the following:

- (a) negotiating the grant of "minutes of waiver" or wayleaves;

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- (b) signing on behalf of the Council, as manager, to let properties ~~where:~~
    - ~~(i) the length of the lease is no more than five years and the exclusive rent is no more than £50,000 a year; or~~
    - ~~(ii) the length of the lease is no more than one month;~~
  - (c) negotiating to renew or extend leases where it is uneconomic or unsuitable to advertise these properties;
50. publishing notices of a proposed appropriation or disposal of land in accordance with sections 24(2A) and 27(2A) of the Town and Country (Scotland) Act 1959;
51. negotiating and settling all claims for compensation where property has been purchased by the Council under a compulsory purchase order or requires to be purchased for a scheme or project included within the Council's Capital Investment Programme or where there has been a loss in value of property relating to works carried out by the Council;

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### Shared Repairs

53. serving notices for repairs, enforcement, carrying out and recovery of costs and expenses in terms of Part 8 of the Civic Government (Scotland) Act 1982 and Part 4 of the Building (Scotland) Act 2003;
54. withdrawing, waiving and relaxing notices issued under Part 4 of the Building (Scotland) Act 2003;
55. recovering reasonable costs incurred in respect of surveys undertaken under section 20 of the Local Government in Scotland Act 2003
55. responding in emergency situations and carrying out repairs immediately where damage to property or health or safety matters are issues and recovering the costs and expenses of doing so;
56. inspecting properties, serving (as proper officer) and enforcing notices and recovering costs under the Edinburgh District Council Order Confirmation Act 1991; and
57. executing any works necessary for securing, restoring or repairing privately owned properties, and recovery from the owners of the relevant properties of any expenses reasonably incurred by the Council in doing so, all in accordance with the Edinburgh District Council Order Confirmation Act 1991.

**APPENDIX 4**

**DELEGATION TO THE CHIEF OFFICER - EDINBURGH HEALTH AND SOCIAL CARE PARTNERSHIP**

*(or, where applicable, the Chief Social Work Officer)*

These are the powers referred to in paragraph 8 of the Scheme:

**All service users**

1. Taking any necessary action on behalf of the Council to ensure that it discharges its duties under the National Assistance Acts, the Disabled Persons (Employment) Act 1958, the Social Work (Scotland) Act 1968, the Chronically Sick and Disabled Person's Act 1970, the Disabled Persons (Services, Consultation and Representation) Act 1986, the National Health Service and Community Care Act 1990, the Criminal Procedure (Scotland) Act 1995, the Adults with Incapacity (Scotland) Act 2000, the Housing (Scotland) Act 2001, the Curators ad litem and Reporting Officers (Panels) (Scotland) Regulations 2001, the Community Care and Health (Scotland) Act 2002, the Homelessness (Scotland) Act 2003, the Mental Health (Care and Treatment) (Scotland) Act 2003, the Adult Support and Protection (Scotland) Act 2007, the Public Services Reform (Scotland) Act 2010, the Social Care (Self-directed Support) (Scotland) Act 2013 or generally any legislation concerning the Council's functions relating to the provision of social care and support services;
2. arranging for the protection of property of people who have gone into hospital or care as in section 48 of the National Assistance Act 1948;
3. maintaining a Complaints Procedure and service as in section 5B of the Social Work (Scotland) Act 1968;
4. making direct payments to individuals to help them purchase community care services as in sections 12B and 12C of the Social Work (Scotland) Act 1968;
5. providing home help and laundry facilities as in section 14 of the Social Work (Scotland) Act 1968;

6. burying or cremating any person who was in the care of, or receiving help from, the Council and so on, immediately before their death as in section 28 of the Social Work (Scotland) Act 1968;
7. deciding whether to pay the expenses of parents, relatives etc. visiting people who are being cared for or maintained in accommodation by the Council, or in attending funerals as in section 29 of the Social Work (Scotland) Act 1968;
8. providing and maintaining whatever residential and other establishments are needed for the Council's functions under the Social Work (Scotland) Act 1968 and the Mental Health (Care and Treatment) (Scotland) Act 2003, in terms of section 59 of the Social Work (Scotland) Act 1968;
9. recovering from other local authorities any costs for services provided to adults ordinarily resident there under the Social Work (Scotland) Act 1968 as in section 86 of the Social Work (Scotland) Act 1968;
10. recovering charges for services provided under the Social Work (Scotland) Act 1968 as in section 87 of the Social Work (Scotland) Act 1968, but subject to directions or regulations under sections 1 to 6 of Community Care and Health (Scotland) Act 2002;
11. providing welfare services for people (including, for example, assistance in arranging the carrying out of any works of adaptation in homes);
12. providing information on Health and Social Care services for people to whom the section applies and any relevant services of other authorities or organisations as in section 9 of the Disabled Persons (Services, Consultation and Representation) Act 1986;
13. making arrangements for facilities for seriously disabled persons for sheltered employment and training as in section 3 of the Disabled Persons (Employment) Act 1958;
14. co-ordinating and overseeing applications for the registration of all services provided by the Council and all related matters as in sections 59, 62 to 75 and 83 to 89 of the Public Services Reform (Scotland) Act 2010;

15. administering the Panel or Panels appointed under the Curators ad litem and Reporting Officers (Panels) (Scotland) Regulations 2001, including arrangements for training of members of said Panel or Panels;
16. authorising the following finance related issues in accordance with the Financial Regulations and Council Policies:
  - (a) authorise the write-off of debts or charges in the following circumstances:
    - i. incorrect assessment brought to light at later date;
    - ii. where the service user has died and there is no money in the estate;
    - iii. where the service user cannot be traced;
    - iv. in the case of a service dispute where a complaint has been upheld; and
    - v. for social reasons;
  - (b) reimbursing carers and substitute carers for loss or damage (*ex gratia*) of up to £500;
  - (c) reimbursing staff for loss or damage (*ex gratia*) of up to £500;
  - (d) making payments to staff for emergency expenses (*ex gratia*) of up to £50; and
  - (e) reimbursing neighbours and relatives of departmental carers for loss or damage caused by service users (*ex gratia*) of up to £500, where it would be in the interest of the Council to maintain goodwill, subject to appropriate consultation with the relevant convener or vice-convener;

#### **Community Care**

17. taking any necessary action on behalf of the Council to ensure that it discharges its duties under the Adult Support and Protection (Scotland) Act 2007, including:
  - (a) making inquiries about a person's well-being, property or financial affairs if it is known or believed that the person is

- an adult at risk and that intervention might be needed to protect the person’s well-being, property or financial affairs (section 4);
  - (b) applying to the sheriff for an order which authorises a Council officer to take a specified person from a place being visited (sections 7 and 11);
  - (c) if recommended by the relevant medical officer, applying for an order to remove to suitable premises a person in need of care and attention (sections 14 to 18); and
  - (d) applying for a banning order (sections 19 to 34);
18. preparing and publishing a plan for providing community care services in Edinburgh as in section 5A of the Social Work (Scotland) Act 1968;
  19. promoting social welfare including giving help “in kind or in cash” where the terms of section 12 of the Social Work (Scotland) Act 1968 are met;
  20. safeguarding and promoting the welfare of children in need and giving help “in kind or in cash” as in section 22 of the Children (Scotland) Act 1995;
  21. collaborating with individuals and carers to assess their needs and providing information in accordance with sections 12A, 12AA and 12AB of the Social Work (Scotland) Act 1968;
  22. making arrangements with voluntary or other organisations for residential accommodation where nursing is provided for people who appear to need such accommodation as in section 13A of the Social Work (Scotland) Act 1968;
  23. approving rates for and contracts for delivery of residential and other services in circumstances where the politically approved pricing policy does not apply;
  24. assessing needs of disabled or chronically sick people as in section 4 of the Disabled Persons (Services, Consultation and Representation) Act 1986;

25. assisting persons in need in disposal of produce of their work as in section 13 of the Social Work (Scotland) Act 1968;
26. approving waivers or disregards in respect of determining a client's liability for contribution to social care and housing support services provided;
27. approving waivers and disregards in respect of determining a client's liability for contribution to care home (residential/nursing) costs;
28. approving the variation, suspension or termination of contracts with providers in line with the Council's Quality Assurance arrangements for health and social care services;
29. providing or securing the provision of care and support services including residential services for people who are, or have been, suffering from mental disorder as defined in section 25 of the Mental Health (Care and Treatment) (Scotland) Act 2003;
30. providing after-care services for people who are/have been, suffering from mental disorder as in section 26 of the Mental Health (Care and Treatment) (Scotland) Act 2003;
31. appointing Mental Health officers as in section 32 of the Mental Health (Care and Treatment) (Scotland) Act 2003, and supervising the discharge of their statutory responsibilities; and
32. discharging the Council's duties under the Adults with Incapacity (Scotland) Act 2000, including:
  - (a) the following duties within section 10:
    - i. supervising guardians;
    - ii. consulting the Public Guardian and Mental Welfare Commission on matters of common interests;
    - iii. receiving and investigating complaints about welfare attorneys and matters of common interests;

- iv. receiving and investigating complaints about welfare attorneys and guardians; and
- v. providing a guardian, welfare attorney or person authorised under an intervention order when requested; and

(b) the following duties within section 57:

- i. applying to be a guardian of an adult if there is no other suitable adult and managing the property, financial affairs and welfare of that adult in accordance with any order issued by the court in that regard; and
- ii. providing court reports of private applications to be a guardian.

Appendix 4 – Delegation to the Chief Officer - Edinburgh Health and Social Care Partnership

## **APPENDIX 5**

### **DELEGATION TO THE EXECUTIVE DIRECTOR OF PLACE**

These are the functions referred to in paragraph 9 of the Scheme:

#### **Notices and Orders**

1. signing notices and orders about road traffic matters;

#### **Roads**

2. overseeing the general management and maintenance of roads (section 1(1) of Roads (Scotland) Act 1984);
3. adding roads to or taking them off the roads authority's list of public roads (section 1(4) of the Roads (Scotland) Act 1984);
4. advising frontagers of the Council's intention to add to or delete from the list of public roads (section 1(5) of the Roads (Scotland) Act 1984);
5. altering or improving existing or proposed roads that cross public roads (section 12 of the Roads (Scotland) Act 1984);
6. serving notice on frontagers of a private road to make up and maintain that road (section 13(1) of the Roads (Scotland) Act 1984);
7. contributing to, or carrying out work on private roads (section 14(1) of the Roads (Scotland) Act 1984);
8. carrying out emergency work on private roads (section 15 of the Roads (Scotland) Act 1984);
9. determining applications for private roads to become public roads when Road Construction Consents are sought (section 16 of the Roads (Scotland) Act 1984);
10. entering into agreements to take over footpaths in accordance with section 18 of the Roads (Scotland) Act 1984;
11. constructing new roads other than special roads which are considered requisite (section 20(1) of the Roads (Scotland) Act 1984);
12. entering new roads constructed by the local roads authority into the list of public roads (section 20(2) of the Roads (Scotland) Act 1984);
13. granting all road construction applications (section 21 of the Roads (Scotland) Act 1984) except:
  - (a) where there are unresolved objections;
  - (b) when the application is recommended for refusal;  
and

- (c) when an applicant wishes to be heard by the Committee in connection with a conditional consent or refusal that has been recommended;
- 14. serving notices to conform to conditions imposed in a Road Construction Consent (section 21(5) of the Roads (Scotland) Act 1984);
- 15. stopping up or temporarily closing a new road where there is no construction consent or it is not conformed with (section 23 of the Roads (Scotland) Act 1984);
- 16. raising, lowering or altering the level of a public road (section 24 of the Roads (Scotland) Act 1984);
- 17. providing footways for the safety or convenience of pedestrians (section 25 of the Roads (Scotland) Act 1984);
- 18. constructing, lighting and maintaining pedestrian subways under, or footbridges over, the road for the purpose of making the crossing of a public road less dangerous for pedestrians or protecting traffic along the road from danger (section 26 of the Roads (Scotland) Act 1984);
- 19. constructing and maintaining works in the carriageway of a public road (section 27 of the Roads (Scotland) Act 1984);
- 20. providing and maintaining raised paving, pillars, walls, rails, fences or barriers at certain places (section 28 of the Roads (Scotland) Act 1984);
- 21. putting up and maintaining fences or posts to prevent access or to set the boundary for a road or proposed road (section 29 of the Roads (Scotland) Act 1984);
- 22. carrying out work to protect roads against hazards of nature (such as snow, flood or landslide) (section 30 of the Roads (Scotland) Act 1984);
- 23. using the road authority's powers for draining roads (section 31 of the Roads (Scotland) Act 1984);
- 24. contributing to the costs of drainage work (e.g. for flood prevention) (section 32 of the Roads (Scotland) Act 1984);
- 25. providing and maintaining snow gates for the purpose of temporarily closing a road to vehicular traffic on any occasions when snow is rendering or has rendered that road unsafe; and closing and securing any snow gate on the road against traffic (except traffic engaged in the provision or restoration of essential services) in accordance with the provisions set out in section 33 of the Roads (Scotland) Act 1984;
- 26. taking reasonable steps to prevent snow and ice endangering safe passage over public roads (section 34 of the Roads (Scotland) Act 1984);

27. providing and maintaining lighting on roads or proposed roads (section 35 of the Roads (Scotland) Act 1984);
28. constructing road humps (section 36 of the Roads (Scotland) Act 1984);
29. consulting on providing road humps (section 37 of the Roads (Scotland) Act 1984);
30. constructing traffic calming works (section 39A of the Roads (Scotland) Act 1984);
31. providing, maintaining and removing cattle-grids (sections 41, 42 and 43 of the Roads (Scotland) Act 1984);
32. entering into agreements with other neighbouring authorities in respect of cattle grids (section 44 of the Roads (Scotland) Act 1984);
33. providing cattle grids to supersede gates (section 45 of the Roads (Scotland) Act 1984);
34. making agreements for cattle grids with landowners (section 46 of the Roads (Scotland) Act 1984);
35. contributing towards the cost of cattle grids (section 47 of the Roads (Scotland) Act 1984);
36. entering into agreements with any persons willing to contribute to the construction or improvement of a road (section 48 of the Roads (Scotland) Act 1984);
37. maintaining structures and equipment for the detection of traffic offences (section 49A of the Roads (Scotland) Act 1984);
38. planting trees, shrubs, grass and other plants within the boundaries of a public road (section 50 of the Roads (Scotland) Act 1984);
39. allowing trees, shrubs, grass and other plants to be planted by people other than the roads authority (section 51 of the Roads (Scotland) Act 1984);
40. carrying out works to mitigate any adverse effect which the construction, improvement, existence or use of any road has or will have on the surroundings (section 52 of the Roads (Scotland) Act 1984);
41. making agreements to use land for landscaping to mitigate the effects of road construction (section 53 of the Roads (Scotland) Act 1984);
42. providing and maintaining rubbish bins or storage bins on roads (section 54 of the Roads (Scotland) Act 1984);
43. authorising in writing work in or excavation under a public road (section 56 of the Roads (Scotland) Act 1984);

44. taking action to eliminate danger caused by works in or under a road (section 57 of the Roads (Scotland) Act 1984);
45. granting permission in writing for any person to leave material on a road, or occupy it in any other way, for building purposes (section 58 of the Roads (Scotland) Act 1984);
46. giving written consent, with reasonable conditions attached as appropriate, for things to be placed or deposited in a road (section 59 of the Roads (Scotland) Act 1984);
47. enforcing rectification of failures to mark, light, fence or sign an obstruction in a road, or enforcing a person to shore up or otherwise protect a building in accordance with section 60 of the Roads (Scotland) Act 1984;
48. allowing equipment to be placed under a road (section 61 of the Roads (Scotland) Act 1984);
49. temporarily prohibiting or restricting the use of roads which are dangerous (section 62 of the Roads (Scotland) Act 1984);
50. serving notice that a satisfactory vehicle crossing must be made (section 63 of the Roads (Scotland) Act 1984);
51. giving statutory undertakers consent to work on footways, footpaths and cycle tracks (section 64 (2) of the Roads (Scotland) Act 1984);
52. serving notices on owners or occupiers who fail to keep any structures or fixtures (including cellar openings, doors and covers) or vaults, arches, cellars and tunnels in good condition and repair and requiring them to replace, repair or put into good condition such structures, and paying any associated expenditure incurred by owners or occupiers (section 66 of the Roads (Scotland) Act 1984);
53. issuing notices to enforce an owner to alter a door, gate, window, window shutter or bar in order that it does not reduce safety or convenience by opening outwards into a road (section 67 of the Roads (Scotland) Act 1984);
54. starting the consultation process to stop up public and private access to land (sections 70 and 72 of the Roads (Scotland) Act 1984);
55. stopping up public and private access to land where no objections have been received following notice to the public (sections 70 and 72 of the Roads (Scotland) Act 1984);
56. making land temporarily available for alternative routes during road improvement works (section 74 of the Roads (Scotland) Act 1984);
57. diverting waters (to construct, improve, protect roads) (section 78 of the Roads (Scotland) Act 1984);
58. entering into agreements to maintain or contribute to the cost of

- maintaining bridges (section 79 of the Roads (Scotland) Act 1984);
59. serving notices relating to the obstruction of views at corners, bends and junctions (section 83 of the Roads (Scotland) Act 1984);
  60. giving written permission for skips to be left on a road (section 85 of the Roads (Scotland) Act 1984);
  61. removing skips which are causing danger or obstruction (section 86 of the Roads (Scotland) Act 1984);
  62. requiring persons to remove structures that have been erected, deposited or placed on a road in accordance with section 87 of the Roads (Scotland) Act 1984;
  63. removing or altering projections of any buildings that interfere with safe or convenient passage along a road (section 88 of the Roads (Scotland) Act 1984);
  64. intimating to owners that they must remove objects which have fallen onto a road causing an obstruction, and if the owner cannot be traced or fails to remove the object within a reasonable period of time, or if the case is one of emergency, removing such objects (section 89 of the Roads (Scotland) Act 1984);
  65. taking all reasonable steps for the purpose of warning road users of obstructions in accordance with section 89 of the Roads (Scotland) Act 1984;
  66. recovering from owners any expenses reasonably incurred in the removal of obstructions in accordance with section 89 of the Roads (Scotland) Act 1984;
  67. agreeing to any overhead bridge, beam, rail or similar apparatus being fixed or placed over, along, or across a road (section 90 of the Roads (Scotland) Act 1984);
  68. serving notices on owners to carry out work to remove danger where a hedge, tree, or shrub is causing danger, obstruction or interference to passing vehicles or pedestrians, and carrying out such work if required in accordance with section 91 of the Roads (Scotland) Act 1984;
  69. giving consent for trees or shrubs to be planted within 5 metres of a carriageway and removing trees or shrubs planted without such consent (section 92 of the Roads (Scotland) Act 1984);
  70. taking steps to protect road users from dangerous things on land beside or near a road (section 93 of the Roads (Scotland) Act 1984);
  71. serving notices on occupiers of land adjoining a road to take steps to remove any risks of injury caused by wire, electrified fence, spikes, glass or any device (section 93 of the Roads (Scotland) Act 1984);
  72. filling in a pipe or ditch next to or near a public road which is a danger

- to road users (section 94 of the Roads (Scotland) Act 1984);
- 73. recovering the cost of clearing mud, clay and so on, on a road (section 95 of the Roads (Scotland) Act 1984);
- 74. recovering extraordinary costs for maintaining a road that has excessively heavy traffic (section 96 of the Roads (Scotland) Act 1984);
- 75. giving consent in writing to stalls and similar structures being put up next to a principal road for the purposes of selling goods (section 97 of the Roads (Scotland) Act 1984);
- 76. taking action related to stray and other animals on roads (section 98 of the Roads (Scotland) Act 1984);
- 77. serving notices on the owners or occupiers of land who are not preventing the flow of water, filth or other offensive matter from their land onto a road, and consenting to other persons carrying out such preventative work with any reasonable conditions in accordance with section 99 of the Roads (Scotland) Act 1984;
- 78. acquiring land when constructing or improving roads for schemes approved by the Council (sections 104, 106 and 107 of the Roads (Scotland) Act 1984);
- 79. acquiring land to improve amenity of new or improved road for schemes approved by the Council (section 105 of the Roads (Scotland) Act 1984);
- 80. obtaining materials for road repairs (section 121 of the Roads (Scotland) Act 1984);
- 81. giving people powers of entry for surveys and inspections (section 140(1) of the Roads (Scotland) Act 1984);
- 82. recovering expenses incurred when surveying land, etc. in connection with the Council's duties as roads authority (section 140(6) of the Roads (Scotland) Act 1984);
- 83. carrying out work that someone has failed to do (section 141 of the Roads (Scotland) Act 1984);
- 84. carrying out the roads authority's enforcement functions under the Roads (Scotland) Act 1984;

#### **Traffic**

- 85. commencing and completing the statutory procedure set out in the Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999, and doing all necessary preparation prior to making orders under the following sections of the Road Traffic Regulation Act 1984:
  - (a) sections 1, 2, and 4 (road traffic orders);

- (b) section 9 (experimental traffic orders);
  - (c) section 19 (regulation of highways by public service vehicles);
  - (d) sections 32, 35, 45, 46 and 49 (parking places);
  - (e) section 37 (extension of powers for purposes of general scheme traffic control);
  - (f) section 53 (designation orders);
  - (g) sections 82 and 83 (restricted roads); and
  - (h) section 84 (speed limit orders);
86. making orders under sections 1, 2, 4, 9, 19, 32, 35, 37, 45, 46, 49, 53, 82, 83 and 84 (as described in paragraph 84 above) of the Road Traffic Regulation Act 1984 where there have been no objections received by the public;
87. in relation to orders made under paragraph 85 of the Scheme, making decisions that section 3(1) of the Road Traffic Regulation Act 1984 shall not have effect;
88. commencing and completing the statutory procedure set out in the Stopping Up of Roads and Private Accesses and the Redetermination of Public Rights of Passage (Procedure) (Scotland) Regulations 1986 prior to:
- (a) making orders determining the means of exercise of a public right of passage under section 152(2) of the Roads (Scotland) Act 1984; and
  - (b) making orders stopping up roads and dangerous accesses under sections 68 and 69 of the Roads (Scotland) Act 1984;
89. making orders determining the means of exercise of a public right of passage where no objections have been following notice to the public (section 152(2) of the Roads (Scotland) Act 1984);
90. making orders to stop up roads and dangerous accesses where no objections have been received following notice to the public (sections 68 and 69 of the Roads (Scotland) Act 1984);
91. recovering the costs of stopping-up orders made under section 68(1) of the Roads (Scotland) Act 1984 (section 147 of the Roads (Scotland) Act 1984);
92. recovering the costs of stopping up roads for safety reasons (section 147 of the Roads (Scotland) Act 1984);
93. recovering the costs of re-determination orders made under section 152(2) of the Roads (Scotland) Act 1984;

94. remitting proposed orders made under sections 68, 69 or 152(2) of the Roads (Scotland) Act 1984 to the Scottish Ministers for consideration where objections have been received and not subsequently withdrawn, in accordance with Regulation 13 of the Stopping Up of Roads and Private Accesses and the Redetermination of Public Rights of Passage (Procedure) (Scotland) Regulations 1986;
95. modifying in order to make less onerous (where the modification will remove an objection), or suspending, experimental traffic orders (section 10 of the Road Traffic Regulation Act 1984);
96. temporarily restricting or banning the use of roads (section 14 and 16A of the Road Traffic Regulation Act 1984);
97. putting up, maintaining and altering pedestrian crossings on roads other than trunk roads (section 23 of the Road Traffic Regulation Act 1984);
98. making arrangements for school crossing patrols (siting, selecting and training staff) (section 26 of the Road Traffic Regulation Act 1984);
99. managing off-street parking places including provision of buildings and apparatus, etc (including the contracting out of any charges) (section 33 of the Road Traffic Regulation Act 1984);
100. providing access to premises through off-street parking places where this would relieve or prevent congestion (section 34 of the Road Traffic Regulation Act 1984);
101. acquiring land for off-street parking for schemes approved by the Council (section 40 of the Road Traffic Regulation Act 1984);
102. buying or hiring parking meters (section 49 of the Road Traffic Regulation Act 1984);
103. providing stands and racks for bicycles in a road or elsewhere (section 63 of the Road Traffic Regulation Act 1984);
104. causing or allowing traffic signs to be placed on or near any road (section 65 of the Road Traffic Regulation Act 1984);
105. consulting on the placing of traffic signs in certain circumstances (section 68 of the Road Traffic Regulation Act 1984);
106. serving notices on owners to remove unauthorised traffic signs (section 69 of the Road Traffic Regulation Act 1984);
107. entering any land and carrying out other powers for placing, replacing, converting and removing traffic signs (section 71 of the Road Traffic Regulation Act 1984);
108. putting up and maintaining signs showing a speed limit (section 85 of the Road Traffic Regulation Act 1984);

109. placing bollards or other obstructions on roads where an order is in force that prevents or restricts the passage of vehicles (section 92 of the Road Traffic Regulation Act 1984);
110. placing bollards on a road where authorised or ordered by the Scottish Ministers (section 93 of the Road Traffic Regulation Act 1984);
111. taking action to secure the expeditious, convenient and safe movement of traffic, including pedestrians, especially for access control of commercial and public service vehicles (section 122 of the Road Traffic Regulation Act 1984);
112. carrying out studies and implementing a programme of measures designed to promote safety (section 39 of the Road Traffic Act 1988);
113. consulting about road hump proposals and the placing of signs (Road Humps (Scotland) Regulations 1998);
114. effecting duties as to the general procedure to be followed before a temporary order is made (Paragraph 3 of the Road Traffic (Temporary Restrictions) Procedure Regulations 1992 );
115. effecting duties as to various procedures to be followed in respect of timing of road works (Road Works (Scottish Road Works Register, Notices, Directions and Designations) (Scotland) Regulations 2008);
116. effecting duties as to procedures to be followed in respect of timing of road works (The Road (Traffic Calming)(Scotland) Regulations 1994);
117. effecting duties as to procedures to be followed for consultation about traffic calming works and to the placing of signs at such works (The Roads (Traffic Calming)(Scotland) Regulations 1994 as amended);
118. carrying out the roads authority's responsibilities under the Local Government (Omnibus Shelters and Queue Barriers) (Scotland) Act 1958;
119. carrying out the roads authority's responsibilities including enforcement functions under the New Roads and Street Works Act 1991;
120. commenting as roads authority on planning applications (Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2008);
121. agreeing to the provision of seats and other street furniture on footways (section 30 of the Local Government and Planning (Scotland) Act 1982);
122. advising other authorities on their proposals to 'stop up' roads (sections 1 and 9 of the Road Traffic Regulation Act 1984; sections 68, 69 and 152 of the Roads (Scotland) Act 1984);
123. providing and maintaining lighting on roads that are not maintained by

the Council;

124. making arrangements for tenders and contracts for supported bus services under the Transport Act 1985;
125. arranging for minor spending on bus services to the limits in force for minor contracts under the Transport Act 1985;
126. erecting, moving and removing bus stops, shelters and information panels provided that no objections are made following notice to the public;
127. installing, moving and removing bus stop clearway markings under the Traffic Signs Regulations and General Directions 2002;
128. carrying out the Council's enforcement functions under the Road Traffic Regulation Act 1984, the Road Traffic Act 1991, the Transport (Scotland) Act 2001 and the Bus Lane Contraventions (Charges, Adjudication and Enforcement) (Scotland) Regulations 2011;
129. assessing whether people are eligible for forms of concessionary travel;
130. issuing and refusing to issue a disabled person's badge under the criteria prescribed in the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000;
131. asking the Traffic Commissioner to make a traffic regulation condition in respect of a local bus service (section 7 of the Transport Act 1985);
132. dealing with applications to run vehicles for the benefit of the community exempt from Public Service Vehicle etc requirements (section 19 of the Transport Act 1985);
133. dealing with applications to run a community bus service for the benefit of the community exempt from Public Service Vehicle, etc requirements (section 22 of the Transport Act 1985);
134. securing public transport services having regard for transport needs of members of the public who are elderly or disabled (section 63 of the Transport Act 1985); deciding the numbers of, and charges for, Edinburgh healthcare workers' parking permits subject to any disagreement with NHS Lothian being reported to Committee for decision;
135. approving or refusing applications for school crossing patrols in accordance with the Council Policies;

### **Housing and Regeneration**

136. approving offers and authorising payments of grants to Registered Social Landlords;
- ~~137. where grants have been paid to Registered Social Landlords agreeing~~

~~options of recycling or repayment of such grants in the case of property disposals, subject to consultation with the appropriate convener or vice convener where the value of the grant is more than £250,000;~~

138. authorising and carrying out repairs and maintenance to homes owned by the Council for the purposes of affordable rent ("Council Homes") in accordance with the Council's repairs policy;
139. operating the "Right to Repair" scheme for tenants of Council Homes;
140. consenting to repairs and improvements of Council Homes;
141. determining whether the costs of repair and improvements to Council Homes should be reimbursed and to what extent;
142. maintaining a common housing register and allocating Council Homes in accordance with the Council's lettings policy;
143. collecting rent, service charges and court costs where applicable from current and former tenants of Council Homes;
144. writing off the arrears balances of former tenants of Council Homes in accordance with Council Policies;
145. consulting with tenants of Council Homes on increases to rent and service charges;
146. carrying out regular maintenance of land held on the Housing Revenue Account;
147. instructing repairs to common areas in accordance with the Tenements (Scotland) Act 2004;
148. preparing and implementing a Tenant Participation Strategy, including keeping a register of tenant organisations in accordance with the Housing (Scotland) Act 2001 and awarding grants up to the sum of £5,000;
149. undertaking housing offender management (sex and serious violent offenders);
150. registering the Council as a property factor with the Scottish Government and taking steps to comply with the code of conduct's standards of practice, in accordance with the Property Factors (Scotland) Act 2011;
151. preparing and maintaining a register of private landlords under the Antisocial Behaviour etc. (Scotland) Act 2004;
152. carrying out functions under Part 9 of the Antisocial Behaviour etc. (Scotland) Act 2004;
153. entering relevant persons on the register of private landlords on receipt of a valid application to register or where a relevant person

- has made a valid houses of multiple occupancy application;
154. approving the entitlement to the relevant discounts of the fee to be entered on the register of private landlords;
  155. carrying out the Council's duties as a landlord under section 30 of the Housing (Scotland) Act 1988;
  156. issuing, serving, suspending and revoking work notices under sections 30, 31 and 32 of the Housing (Scotland) Act 2006;
  157. carrying out work where the owner of a house fails to comply with a work notice or a demolition notice under section 35 of the Housing (Scotland) Act 2006;
  158. carrying out work after notification by a private rented housing committee under section 36 of the Housing (Scotland) Act 2006;
  159. carrying out the Council's functions in relation to maintenance under Part 1, Chapter 6 of the Housing (Scotland) Act 2006;
  160. carrying out the Council's functions in relation to the licensing of houses in multiple occupation under Part 5 of the Housing (Scotland) Act 2006;
  161. carrying out the Council's functions in relation to rights of entry under Part 9 of the Housing (Scotland) Act 2006;
  162. exercising the Council's powers under Part 10 of the Housing (Scotland) Act 2006;
  163. granting, varying, refusing, extending and revoking temporary exemption orders in terms of section 142 and 143 of the Housing (Scotland) Act 2006;
  164. issuing rent penalty notices under the Antisocial Behaviour etc. (Scotland) Act 2004;
  165. where appropriate, refunding fees that have been paid by applicants to be placed on the register of landlords;
  166. processing applications for improvement grants and domestic sound-proofing grants including authority to make payments;
  167. seeking the Scottish Minister's approval to raise the level of grant given to an owner-occupier for reasons of hardship;
  168. carrying out assessments to determine homelessness or the threat of homelessness, and discharging the Council's duties in respect of those assessed as either being homeless or under threat of homelessness;
  169. carrying out spot purchases of accommodation, including Bed and Breakfasts, for homeless, temporary or emergency accommodation;

170. entering into leasing agreements with Registered Social Landlords for homeless, temporary or emergency accommodation;
171. carrying out repairs to white goods and furnishings in homeless, temporary or emergency accommodation and core furnished tenancies;
172. kennelling pets for households staying in homeless, temporary or emergency accommodation;
173. determining who receives housing support in line with Council Policies;
174. implementing and enforcing the conditions of the Council's tenancy agreements for Council Homes including decisions to progress cases for repossession and eviction action;
175. determining eligibility of applicants and administering the sale of Council Homes under "Right to Buy" legislation;
176. purchasing and selling property on the Housing Revenue Account up to a value of £250,000, provided that such purchases are reported annually to the appropriate committee;

#### Licensing

177. granting or refusing permits for public charitable collections in accordance with criteria approved by the Regulatory Committee;
178. granting, attaching conditions to, refusing and issuing applications for licences etc. under the Civic Government (Scotland) Act 1982 and the legislation listed in Part A of Appendix 10 (including taxi and private hire car licence applications where an adverse medical report has been received) subject to:
  - (i) ~~consultation with two of the members of the Regulatory Committee on a weekly duty rota (after consideration of reports by the appropriate officials); and~~
  - (ii) there being no objection or unresolved representation from a member of the public or the Chief Constable to the application;
179. subject to consultation with the Convener or Vice-Convener of the Licensing Sub-Committee, granting, attaching conditions to, refusing and issuing applications for any temporary licences etc. under the Civic Government (Scotland) Act 1982 and the legislation listed in Part of A of Appendix 10 where there has been an objection or unresolved representation from a member of the public or the Chief Constable to the application and where it is not practicable for the application to be considered by a scheduled meeting of the Licensing Sub-Committee prior to the date the licence, if granted, is due to commence;
180. granting, renewing, varying and issuing any licence where Police

- Scotland has made a representation about conditions to be attached to the licence and where the applicant has indicated in writing that he/she agrees to the conditions;
181. renewing and issuing licences etc. under the Civic Government (Scotland) Act 1982 and the legislation listed in Part A of Appendix 10 if satisfied (after considering reports by appropriate officials) as to their non-contentious nature;
  182. keeping a public register of applications, permissions and licences;
  183. granting and issuing late hours catering licence renewals with hours in excess of zoning policy, where those hours had been enjoyed in the preceding year without complaint;
  184. determining an application for an exemption from the requirement to have a late hours catering licence in respect of any particular occasion or during a specified period not exceeding two months in any period of 12 months, and, where appropriate, to attach to such exemption any of the standing conditions applying to late hours catering licences;
  185. refunding the appropriate application fee (or part of the fee) for applications which have been withdrawn or refused and licences which have been granted, in accordance with Council Policy;
  186. advertising any proposed taxi stance appointment, variation or revocation and:
    - (c) determining the proposal where no public objections or representations are received; and
    - (d) determining the starting date of any change;
  187. determining whether good cause has been shown to deem an application for renewal of a licence made up to 28 days after the expiry of the existing licence is to be treated as if the licence had been made prior to its expiry;
  188. subject to consultation with the Convener or Vice-Convener of the Licensing Sub-Committee, considering whether there is a serious threat to public order or public safety which would justify a temporary suspension of any licences etc. under the Civic Government (Scotland) Act 1982 and the legislation listed in Part A of Appendix 10, and where it is considered that such a serious threat to public order or public safety exists, temporarily suspending the relevant licences etc. for a period of not more than 6 weeks or until the suspension is considered by the Licensing Sub-Committee, whichever is sooner;
  189. suspending taxi and private hire driver licences on a temporary basis on medical grounds during the currency of a licence where the licence holder is in agreement;

190. exempting new taxi driver licence applicants from elements of the compulsory training course if they have alternative equivalent qualifications;
191. accepting new applications to drive taxis or private hire cars from previously licensed drivers up to six months after the expiry of their licence at the appropriate renewal fee;
192. exercising the Council's overriding discretion in respect of section 187(a)(i) of the City of Edinburgh Council's Licensing Conditions for Taxis, Private Hire Cars, Taxi Drivers and Private Hire Car Drivers 2006) to consider any negative factor such as:
  - (e) whether the width deviated from the manufacturer's specification for standard vehicles of that type;
  - (f) whether factory options such as wide wheels and tyres had been added; and
  - (g) whether the vehicle could safely fit/utilise any taxi stance, without the stance being modified;
193. approving the installation of WiFi, CCTV or other camera equipment in any relevant licensed vehicle;
194. determining whether alleged changes in circumstances are adequate to allow the processing of a further application for a civic licence within 12 months of a refusal (including licences for houses in multiple occupation);
195. accepting a re-application for a civic licence within 12 months of a refusal under existing delegated powers due to an error of material fact and transferring the original fee to the re-application (including licences for houses in multiple occupation);
196. issuing letters of confirmation in respect of notification of public processions received with the exception of any notification attracting representations that cannot be resolved through negotiation;
197. determining requests for variation of fees for Houses in Multiple Occupation licences;
198. appointing members to vacancies arising in the membership of the Council's Licensing Forum;
199. appointing Licensing Standards Officers in accordance with section 13 of the Licensing (Scotland) Act 2005;
200. determining and issuing wheelchair exemptions on a temporary basis in respect of the City of Edinburgh Council's Licensing Conditions for Taxis, Private Hire Cars, Taxi Drivers and Private Hire Car Drivers;
201. determining whether to hold a hearing to consider the suspension of a licence in terms of the Civic Government (Scotland) Act 1982;

**Community safety, environmental, consumer protection and registration etc.**

202. exercising statutory duties, functions and enforcement under the legislation listed in Part B of Appendix 10;
203. when appointed by the Scottish Ministers, acting on any Emergency Order made under Part I of the Food and Environment Protection Act 1985;
204. carrying out reviews of air quality in accordance with section 82 of the Environment Act 1995;
205. carrying out assessments of air quality and the achievement of air quality standards or objectives in accordance with section 84 of the Environment Act 1995;
206. complying with any regulations made under section 87 of the Environment Act 1995;
207. enforcing pollution and nuisance control measures in accordance with sections 107, 108 and 109 of the Environment Act 1995;
208. issuing suspension notices under section 14 of the Consumer Protection Act 1987 for goods which are suspected to be unsafe;
209. granting licences under the Health and Safety at Work etc. Act 1974 and the Petroleum Acts 1928 and 1936;
210. making registrations under the Health and Safety and Work etc. Act 1974 and The Poisons Act 1972;
211. appointing and exercising the powers of health and safety inspectors under sections 19 and 20 of the Health and Safety at Work etc. Act 1974;
212. serving improvement notices and prohibition notices under sections 21 and 22 and in accordance with section 23 of the Health and Safety at Work etc. Act 1974;
213. dealing with causes of imminent danger in accordance with section 25 of the Health and Safety at Work etc. Act 1974;
214. providing information upon request under section 27 of the Health and Safety at Work etc. Act 1974;
215. issuing credentials to enforcement staff so that they can deal with enforcing and licensing as provided by the relevant legislation and European directives;
216. providing mobile toilet units, waste containers and assistance in kind to community organisations and charities for special events for which budget provision has been made, and charging for provisions of these services where appropriate;

217. performing the Council's public health duties under sections 11 to 21 of the Edinburgh District Council Order Confirmation Act 1991, including registering premises for acupuncturists, ear piercers and electrolysisists;
218. enforcing the removal or discontinuation of advertisements under section 186 of the Town and Country Planning (Scotland) Act 1997;
219. removing or obliterating placards or posters in accordance with section 187 of the Town and Country Planning (Scotland) Act 1997;
220. appointing officer to carry out the functions of the Public Analyst and Food Examiner (Food Safety Act 1990) and Agricultural Analyst/Depute Agricultural Analyst (Agriculture Act 1970);
221. exercising the Council's statutory duties and functions under the Food Safety Act 1990 in relation to issues of food hygiene, food safety and food standards, including labelling;
222. burying or cremating the body of any person who has died or been found dead in the Council's area in any case where it appears to the Council that no suitable arrangements for the disposal of the body have been or are being made otherwise than by the Council, and recovering from the estate of the deceased person the expenses incurred in doing so (section 50 of the National Assistance Act 1948);
223. burying or cremating the body of any deceased person who immediately before his death was in the care of, receiving assistance from, or was a child being looked after by the Council, and recovering the expenses of doing so from the estate of the deceased person or from any person who was liable to maintain the deceased person immediately before his death expenses incurred (section 28 of the Social Work (Scotland) Act 1968);
224. maintaining cemeteries in accordance with section 10 of the Edinburgh District Council Order Confirmation Act 1991;
225. awarding community grants from dedicated budgets;
226. providing and managing the Council's library services;
227. requiring any person to whom any article (other than a book or periodical) is lent to deposit with the Council a sum of money for the safe return of such article (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991);
228. making a charge for notifying a person that an article reserved by him has become available for borrowing (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991);
229. charging for the borrowing of any article (other than a book or periodical) or the provision of any service provided at libraries (section 6 of the City of Edinburgh District Council Order Confirmation Act 1991);

230. prescribing periods within which any article borrowed from a library must be returned, and exacting penalties for the retention by borrowers of any article beyond such period (section 39(1)(a) of the Edinburgh Corporation Order Confirmation Act 1967);
231. exercising the Council's functions under the Registration of Births, Deaths and Marriages (Scotland) Act 1965, including registering births and deaths, appointing a registrar and providing and maintaining a registration office;
232. appointing an officer to carry out the function of dealing with stray dogs, and dealing with dogs under sections 149, 150 and 151 of the Environmental Protection Act 1990;
233. exercising the Council's functions under the Public Health etc. (Scotland) Act 2008, including serving notices on owners or occupiers of infected premises, inspecting premises and recovering expenses, and providing mortuaries;
234. carrying out periodical inspections and exercising the Council's inspections functions under sections 9A to 12 of the Zoo Licensing Act 1981;
235. considering and making arrangements for the welfare of animals following the closure of a zoo under sections 16E and 16G of the Zoo Licensing Act 1981;
236. controlling noise from construction sites by investigating, and serving and publishing notices in accordance with section 60 of the Control of Pollution Act 1974;
237. considering applications for consents for works in accordance with section 61 of the Control of Pollution Act 1974;
238. investigating noise nuisance, serving warning notices and fixed penalty notices, and seizing and removing equipment in accordance with sections 41 to 54 of the Antisocial Behaviour etc (Scotland) Act 2004;
239. inspecting and investigating statutory nuisances in accordance with section 79 of the Environmental Protection Act 1990;
240. serving abatement notices and fixed penalty notices and initiating proceedings in relation to statutory nuisances in accordance with sections 80, 80ZA and 80A of the Environmental Protection Act 1990;
241. abating nuisances and recovering costs in relation to statutory nuisances in accordance with sections 81, 81A and 81B of the Environmental Protection Act 1990;
242. issuing fixed penalty notices for contravention of unauthorised or harmful depositing of waste in accordance with section 33A of the Environmental Protection Act 1990;

243. complying with the duty of care in relation to controlled waste in accordance with section 34 of the Environmental Protection Act 1990;
244. issuing notices and requiring the removal of waste unlawfully deposited in accordance with section 59 of the Environmental Protection Act 1990;
245. promoting the abatement of litter in accordance with section 87 of the Environmental Protection Act 1990;
246. issuing fixed penalty notices for leaving litter in accordance with section 88 of the Environmental Protection Act 1990;
247. designating litter control areas in accordance with section 90 of the Environmental Protection Act 1990;
248. serving litter abatement notices in accordance with section 92 of the Environmental Protection Act 1990;
249. issuing street litter control notices in accordance with section 93 of the Environmental Protection Act 1990;
250. complying with regulations made by Scottish Ministers in relation to the display of advertisements in accordance with section 182 of the Town and Country Planning (Scotland) Act 1997;
251. removing abandoned vehicles in accordance with section 3 of the Refuse Disposal (Amenity) Act 1978;
252. disposing of removed vehicles in accordance with section 4 of the Refuse Disposal (Amenity) Act 1978;
253. recovering expenses in connection with removed vehicles in accordance with section 5 of the Refuse Disposal (Amenity) Act 1978;
254. dealing with graffiti in accordance with sections 58 to 65 of the Antisocial Behaviour (Scotland) Act 2004, including serving graffiti removal notices;
255. exercising the Council's functions and powers in relation to drains in accordance with sections 29 to 34 of the Edinburgh District Council Order Confirmation Act 1991, including removing obstructions and serving notices;
256. serving notices in relation to environmental matters in accordance with section 160 of the Environmental Protection Act 1990;
257. discharging the Council's functions in relation to genetically modified organisms, including entering and inspecting premises, in accordance with sections 114 to 117 of the Environmental Protection Act 1990;
258. entering into agreements with Scottish Ministers to exercise the

- enforcement functions of the Scottish Ministers in relation to genetically modified organisms, in accordance with section 125 of the Environmental Protection Act 1990;
259. inspecting land in relation to contaminated land in accordance with section 78B of the Environmental Protection Act 1990;
  260. serving notices to require the remediation of contaminated land in accordance with section 78E of the Environmental Protection Act 1990;
  261. determining appropriate people to bear responsibility for remediation in accordance with section 78F of the Environmental Protection Act 1990;
  262. consulting in relation to remediation notices in accordance with sections 78G and 78H of the Environmental Protection Act 1990;
  263. serving remediation notices in relation to the pollution of controlled waters in accordance with section 78J of the Environmental Protection Act 1990;
  264. serving remediation notices in relation to contaminating substances which escape to other land in accordance with section 78K of the Environmental Protection Act 1990;
  265. carrying out remediation to the relevant land or water environment in accordance with section 78N of the Environmental Protection Act 1990;
  266. recovering costs incurred in relation to remediation in accordance with section 78P of the Environmental Protection Act 1990;
  267. exercising the Council's functions where remediation notices have been served and the land becomes special land, in accordance with section 78Q of the Environmental Protection Act 1990;
  268. maintaining a register in relation to contaminated land in accordance with sections 78R, 78S and 78T of the Environmental Protection Act 1990;
  269. providing SEPA with information when requested in accordance with section 78U of the Environmental Protection Act 1990;
  270. having regard to guidance issued by SEPA in accordance with section 78V of the Environmental Protection Act 1990;
  271. exercising the Council's functions in relation to contaminated land in accordance with section 78X of the Environmental Protection Act 1990;
  272. carrying out the Council's enforcement functions under sections 68, 71, 74 and 78 of the Antisocial Behaviour etc. (Scotland) Act 2004

273. carrying out the Council's enforcement functions in relation to fireworks in accordance with sections 2, 3 and 12 of the Fireworks Act 2003;
274. entering and inspecting premises, issuing fixed penalties and commencing legal proceedings in relation to smoking, in accordance with sections 1 to 10 of the Smoking, Health and Social Care (Scotland) Act 2005;
275. enforcing the safety provisions of the Motor Cycle Noise Act 1987;
276. enforcing the provisions of the Tobacco Advertising and Promotion Act 2002 in accordance with sections 13 and 14 of that act;
277. enforcing the duty to provide information on sale of houses, in accordance with sections 109 to 112 of the Housing (Scotland) Act 2006;
278. exercising the Council's enforcement functions in accordance with sections 25 and 26 of the Tobacco and Primary Medical Services (Scotland) Act 2010;
279. applying for tobacco retailing banning orders and ancillary orders in accordance with sections 15 to 19 of the Tobacco and Primary Medical Services (Scotland) Act 2010;
280. issuing fixed penalty notices in accordance with section 27 of the Tobacco and Primary Medical Services (Scotland) Act 2010;
281. exercising the Council's powers of entry in accordance with sections 28 to 31 of the Tobacco and Primary Medical Services (Scotland) Act 2010;
282. exercising the Council's enforcement powers in relation to copyright infringement in accordance with sections 107A and 198A of the Copyright, Designs and Patents Act 1988;
283. exercising the Council's enforcement functions and powers under the Enterprise Act 2002;
284. dealing with the clean up of spills in accordance with the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998;
285. requiring the owner of a public building to execute works necessary to minimise the risk to the public in the event of danger in accordance with section 23 of the City of Edinburgh District Council Order Confirmation Act 1991;
286. requiring owners to carry out, or carrying out works to secure, restore or repair structures, fixtures, walls or fences that has become insecure, worn out, damaged or in need of repair, and recovering the costs of doing so, all in accordance with section 24 of the Edinburgh District Council Order Confirmation Act 1991;

287. giving notice to person requiring them to take steps to reduce the emission of dust in accordance with section 25 of the City of Edinburgh District Council Order Confirmation Act 1991;
288. serving notices in accordance with section 26 and in relation to sections 23 to 25 of the City of Edinburgh District Council Order Confirmation Act 1991;
289. cancelling and serving new notices under section 48 of the City of Edinburgh District Council Order Confirmation Act 1991;
290. entering premises to perform the Council's functions under the City of Edinburgh District Council Order Confirmation Act 1991 in accordance with section 53 of that act;
291. executing works and recovering the costs of doing so where an owner or occupier fails to do so after being served notice to do so in accordance with section 57 of the City of Edinburgh District Council Order Confirmation Act 1991;

#### **Parks and Greenspace**

292. approving in accordance with conditions considered appropriate to individual applications, and in accordance with Council Policy, all requests from organisations to make use of parks and recreational areas, subject to consultation with:
  - (a) the Convener or vice-Convener of the Transport and Environment Committee;
  - (b) the Festival and Events Champion;
  - (c) local ward Councillors;
  - (d) as appropriate, other Council service areas; and/or
  - (e) as appropriate, Lothian and Borders Police (or its successor) and other emergency services;
293. issuing felling orders for trees affected by Dutch Elm Disease (sections 3(1) (2) and (4) and 5(1) of the Plant Health Act 1967 and section 20 of the Agricultural (Miscellaneous Provisions) Act 1972 (B) and Dutch Elm Disease (Amendment) (Local Authorities) Order 1975);
294. creating, maintaining, enhancing and removing physical and natural assets within the Council's parks and greenspaces;
295. creating, maintaining, enhancing and removing trees and other landscape features managed by the Council;
296. implementing the provisions of the Council's Park Management Rules;

297. implementing the provisions of the Allotments (Scotland) Acts and administering the Council's allotment regulations;
298. implementing the provisions of wildlife, nature, access and parks legislation, including:
  - (h) Countryside (Scotland) Act 1967;
  - (i) Wildlife and Countryside (Scotland) Act 1981;
  - (j) National Parks and Access to the Countryside Act 1949;
  - (k) Nature Conservation (Scotland) Act 2004;
  - (l) Wildlife and Natural Environment (Scotland) Act 2011; and
  - (m) Land Reform (Scotland) Act 2003;
299. drafting, managing and implementing Council approved policy and strategy that relates to parks and greenspace responsibilities;
300. managing the Council's Green Flag Award and other quality management programmes;
301. managing events and activities taking place within parks and greenspaces;

#### **Waste Services**

302. preparing specifications and award contracts for repairing and maintaining the Council's vehicles and plant fleet, and for buying replacements, all in accordance with the Contracts Standing Orders as amended from time to time;
303. discharging duties relating to the conduct of the Council's significant trading operations in accordance with section 10 of the Local Government in Scotland Act 2003;
304. specifying the level of services and other relevant details for providing waste management, street cleansing and refuse collection services;
305. negotiating variation orders for changes in the level of waste management, street cleansing and refuse collection services with approved contractors, within the contract prices approved by the Council;
306. setting the prices of trade waste services provided by the Council;
307. exercising statutory duties, functions and enforcement under the legislation listed in Part B of Appendix 10 that relate to waste management;
308. carrying out the Council's waste management functions in accordance with its approved integrated waste management plan,

- and providing the Scottish Ministers upon request with a statement setting out whether the Council is carrying out such functions (section 44Z of the Environmental Protection Act 1990);
309. collecting household, commercial or industrial waste, (including, where applicable, issuing reasonable charges for doing so), and exercising the Council's other ancillary powers all in accordance with section 45 of the Environmental Protection Act 1990;
  310. arranging for the provision of receptacles to enable separate collection of dry recyclable waste and food waste in accordance with section 45C of the Environmental Protection Act 1990;
  311. serving notice on occupiers regarding the placing of waste for collection in receptacles in accordance with section 46 of the Environmental Protection Act 1990;
  312. supplying receptacles for commercial or industrial waste, and making reasonable charges for doing so, in accordance with section 47 of the Environmental Protection Act 1990;
  313. arranging for the disposal of waste collected, providing places at which to deposit waste before the Council transfers it, providing places at which to dispose of or recycle waste and permitting another person to use the facilities provided by the Council, all in accordance with section 53 of the Environmental Protection Act 1990;
  314. ensuring that land occupied by the Council and used as a site in or on which to deposit, treat, keep or dispose of controlled waste is used and operated in accordance with certain conditions, in accordance with section 54 of the Environmental Protection Act 1990;
  315. enabling waste to be recycled, used for the purpose of producing heat or electricity, buying or acquiring waste to be recycled and using, selling or disposing of waste belonging to the authority in accordance with section 56 of the Environmental Protection Act 1990;
  316. carrying out the Council's duties in response to directions issued by the Scottish Ministers, in accordance with sections 57 and 58 of the Environmental Protection Act 1990;
  317. consenting to people sorting or disturbing anything deposited at a place for the deposit of waste or anything deposited in a receptacle for waste, in accordance with section 60 of the Environmental Protection Act 1990;
  318. carrying out the Council's duties in response to regulations issued by the Scottish Ministers, in accordance with section 62 of the Environmental Protection Act 1990;
  319. minimising the quantities of controlled waste in the Council's area and contributing towards the expenses of doing so, in accordance with section 63A of the Environmental Protection Act 1990;

Appendix5 – Delegation to the Executive Director of Place

320. exercising the power to require any person to furnish information in accordance with section 71 of the Environmental Protection Act 1990;
321. participating in legal proceedings in accordance with section 73 of the Environmental Protection Act 1990;
322. carrying out the Council's duties in relation to keeping roads clear of litter and refuse in accordance with section 89 of the Environmental Protection Act 1990;
323. participating in legal proceedings arising from a person complaining that he is aggrieved by the defacement, by litter or refuse, of road or land in accordance with section 91 of the Environmental Protection Act 1990;
324. giving notice under section 99 of the Environmental Protection Act 1990 that the Council has resolved to use the powers to seize and remove shopping trolleys, and exercising such powers under Schedule 4 of that act;
325. approving applications for waste action grants where the grant does not exceed £2,500;

### **Building Standards**

326. submitting comments on relaxation applications determined by the Scottish Ministers;
327. signing certificates of evidence in relation to Sheriff Court procedures involving offences in terms of sections 8(2) and 21(5) of the Building (Scotland) Act 2003;
328. undertaking building standards assessments under section 6 of the Building (Scotland) Act 2003;
329. deciding on completion certificate submissions under section 18 of the Building (Scotland) Act 2003;
330. deciding on application under section 21(3) of the Building (Scotland) Act 2003 for a building to be temporarily occupied or used before a completion certificate under section 18 has been accepted;
331. deciding on the imposition of a continuing requirement in terms of section 22 of the Building (Scotland) Act 2003;
332. deciding on the discharge or variation of a continuing requirement in terms of section 23 of the Building (Scotland) Act 2003;
333. maintaining and administering a building standards register in terms of section 24 of the Building (Scotland) Act 2003;
334. serving enforcement notices in terms of sections 25, 26, 27, 28, 29, 30 and 42 of the Building (Scotland) Act 2003 and carrying out all consequential enforcement procedures;
335. signing certificates which certify the reason why occupants need to remove from a property as required by a notice under section 42 of the Building (Scotland) Act 2003;
336. processing section 50 certificates in relation to Building Standards in terms of the Licensing (Scotland) Act 2005;
337. granting or refusing applications for building warrants, amendments to warrants and extensions to the periods of validity of building warrants;

### **Floods, Reservoirs and Coasts**

338. preparing, reviewing, updating and making available for inspection maps of relevant bodies of water and sustainable urban drainage systems (section 17 of the Flood Risk Management (Scotland) Act 2009);
339. assessing relevant bodies of water (other than canals) for the purpose of ascertaining whether the condition of any such body of water gives rise to a risk of flooding of land prepare schedules of inspection, clearance and repair works (section 18 of the Flood Risk

Management (Scotland) Act 2009);

340. preparing maps and responding to the Scottish Environmental Protection Agency ("SEPA") in accordance with section 19 of the Flood Risk Management (Scotland) Act 2009;
341. responding to consultations with SEPA in accordance with section 29 of the Flood Risk Management (Scotland) Act 2009 on the setting objectives and identification of measures under sections 27 and 29 of the Flood Risk Management (Scotland) Act 2009;
342. responding to consultations by SEPA in accordance with section 30(4)(c) of the Flood Risk Management (Scotland) Act 2009;
343. preparing local flood risk management plans to supplement the relevant flood risk management plan in accordance with section 34 of the Flood Risk Management (Scotland) Act 2009;
344. publishing a "draft supplementary part" of the local flood risk management plan as lead local authority in accordance with section 35 of the Flood Risk Management (Scotland) Act 2009 subject to the draft supplementary part being approved by Council or Committee;
345. responding to consultation by a lead local authority on the "draft supplementary part" of the local flood risk management plan in accordance with section 35 of the Flood Risk Management (Scotland) Act 2009;
346. publishing the local flood risk management plan as lead local authority in accordance with section 36(5) of the Flood Risk Management (Scotland) Act 2009 subject to the local flood risk management plan being approved by Council or Committee;
347. responding to consultation by a lead local authority on the finalising, publishing and reviewing of the local flood risk management plan in accordance with section 36 of the Flood Risk Management (Scotland) Act 2009;
348. reviewing the local flood risk management plan and, subject to Council or Committee approval, publish a report on the conclusions of the review in accordance with section 37 of the Flood Risk Management (Scotland) Act 2009;
349. publishing final reports in relation to the local flood risk management plan in accordance with section 38 of the Flood Risk Management (Scotland) Act 2009 subject to Council or Committee approval;
350. taking steps to co-operate with other local authorities where a local plan district covers more than one local authority's area with a view to assisting the preparation and review of the local flood risk management plan and the preparation of relevant reports in accordance with section 39 of the Flood Risk Management (Scotland) Act 2009;

351. taking steps to ensure the Council has regard to flood risk management plans in accordance with section 41 of the Flood Risk Management (Scotland) Act 2009;
352. providing SEPA and lead authorities with information and assistance in accordance with sections 43, 44, 45 and 46 of the Flood Risk Management (Scotland) Act 2009;
353. taking steps to secure appropriate consistence in the information contained in the plan with information contained in characterisations of river basin districts and river basin management plans in accordance with section 48(3) of the Flood Risk Management (Scotland) Act 2009;
354. sitting on the flood risk advisory group (section 49) and sub-district flood risk advisory group (section 50) on behalf of the Council in accordance with the Flood Risk Management (Scotland) Act 2009;
355. taking steps to do anything which (a) will contribute to the implementation of current measures described in any relevant local flood risk management plan, (b) is necessary to reduce the risk of a flood in the Council's area which is likely to occur imminently and have serious consequences for human health, the environment, cultural heritage or economic activity, or (c) will otherwise manage flood risk in the Council's area without affecting the implementation of the measures described in any relevant local flood risk management plan, all in accordance with sections 56, 57 and 58 of the Flood Risk Management (Scotland) Act 2009;
356. carrying out works which the Council has a duty to carry out under section 59 of the Flood Risk Management (Scotland) Act 2009;
357. responding to consultation by the Scottish Ministers on flood protection schemes (section 60(5) of the Flood Risk Management (Scotland) Act 2009;
358. giving notice of proposed flood protection schemes, and making copies of proposed flood protections schemes available for public inspection, in accordance with Schedule 2, Paragraphs 1 and 2 of the Flood Risk Management (Scotland) Act 2009;
359. confirming or rejecting proposed flood protections schemes (where there have been no objections received following notice to the public) in accordance with Schedule 2, Paragraph 4 of the Flood Risk Management (Scotland) Act 2009;
360. keeping registers of flood protections schemes in accordance with sections 62 and 63 of the Flood Risk Management (Scotland) Act 2009;
361. recovering expenses incurred from owners and occupiers of land if such expense is as a result of the actions of such owner or occupier in accordance with section 67 of the Flood Risk Management (Scotland) Act 2009;

362. responding to consultations on flood warnings in accordance with section 77 of the Flood Risk Management (Scotland) Act 2009;
363. entering into land for the purposes of section 79(2)(a) to (i) of the Flood Risk Management (Scotland) Act 2009;
364. serving notice of right of entry in accordance with section 81 of the Flood Risk Management (Scotland) Act 2009;
365. paying compensation to persons who have sustained damage in accordance with sections 82 and 83 of the Flood Risk Management (Scotland) Act 2009;
366. assisting SEPA with transitional arrangements in accordance with section 85 of the Flood Risk Management (Scotland) Act 2009;
367. reporting incidents occurring at reservoirs in accordance with section 88 of the Flood Risk Management (Scotland) Act 2009;
368. discharging the duty to consider the environmental impact of a proposed flood protections scheme in accordance with Part II of the Flood Risk Management (Flood Protection Scheme, Potentially Vulnerable Areas and Local Plan Districts) (Scotland) Regulations 2010;
369. offering relevant objectors (within the meaning of Paragraph 5(4) of Schedule 2 of the Flood Risk Management (Scotland) Act 2009) the opportunity to withdraw the objection in accordance with section 13 of the Flood Risk Management (Flood Protection Scheme, Potentially Vulnerable Areas and Local Plan Districts) (Scotland) Regulations 2010;
370. requesting the Scottish Ministers to direct planning permission for any development described in a flood protection scheme in accordance with section 14 of the Flood Risk Management (Flood Protection Scheme, Potentially Vulnerable Areas and Local Plan Districts) (Scotland) Regulations 2010;
371. serving notices or other documents to be sent, served or given under the Flood Risk Management (Flood Protection Scheme, Potentially Vulnerable Areas and Local Plan Districts) (Scotland) Regulations 2010 or the Flood Risk Management (Scotland) Act 2009 in accordance with section 15 of the Flood Risk Management (Scotland) Act 2009;
372. in relation to the Braid Burn flood prevention scheme and the Water of Leith prevention scheme (which were confirmed under the Flood Prevention (Scotland) Act 1961) carrying out the powers and duties of the Council, including paying compensation under section 11 of the Flood Prevention (Scotland) Act 1961;
373. exercising the duties and powers of the enforcement authority and all duties of the reservoir undertaker (with respect to all reservoirs owned by the Council) under the Reservoirs Act 1975;

- 374. exercising the duties and powers of the Council in accordance with the Reservoirs (Scotland) Act 2011; and
- 375. carrying out the duties and powers of the coast protection authority in accordance with the Coast Protection Act 1949.

**City Strategy and Economy**

- 376. developing and advising on policies, strategies, programmes and projects for approval by Council or Committee in relation to economic development, external relations and inward investment, including working in partnership with external organisations (both public and private) that deliver economic development activities (including making financial contributions to these activities where appropriate by way of a loan or grant in accordance with criteria approved by Committee);
- 377. performing the Council's functions in respect of the East of Scotland Investment Fund, including authorising loans subject to annual reporting to the Economy Committee;
- 378. awarding grants of up to £15,000 subject to annual reporting to the  
Economy Committee;
- 379. allocating space within property managed by Economic Development to relevant partners and agreeing the terms of such arrangements;
- 380. making changes to the opening hours of buildings managed by Economic Development as required for operational or budgetary reasons;
- 381. altering or waiving (in whole or in part) charges of hire of property managed by Economic Development where there are sound financial, operational or other justifiable reasons for doing so, subject to annual reporting to the Economy Committee;

**Culture**

- 382. devising and implementing cultural, heritage and events programmes;
- 383. organising museum and gallery exhibitions;
- 384. altering or waiving (in whole or in part) charges for hire of properties managed by the Director of Culture where there are sound financial, operational or other justifiable reasons for doing so;

385. agreeing in principle and instructing the Executive Director of Resources to conclude temporary leases of property managed by the Director of Culture;
386. allocating space within property managed by the Director of Culture to relevant partners and agreeing the terms of any such arrangements, taking advice as necessary from other service areas, and bringing those arrangements to conclusions as required;
387. making such changes to the opening hours of buildings operated by the Director of Culture as are required for operational and budgetary reasons;
388. awarding grants from the Director of Culture grant budgets subject to:
  - (a) a maximum grant on any one project of £5,000 to be reported to the appropriate Committee annually; and
  - (b) consultation with the appropriate convener and vice-convener;
389. monitoring arms' length organisations which operate Culture facilities or services, or both, on the Council's behalf, including the Festival City Theatres Trust;
390. accepting and rejecting gifts or bequests to the Council's museums and galleries;
391. lending any object in the Council's museum and gallery collections to any gallery, museum or exhibition in accordance with section 7 of the Edinburgh District Council Order Confirmation Act 1991;
392. making recommendations and taking action on the purchase of museum and gallery objects in accordance with Council Policy;
393. commenting on the impact of planning applications on Edinburgh's archaeology and historic environment in accordance with the Scottish Planning Policy (SPP) and accompanying Planning Advice Note (PAN 2/2011), and the Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2008;
394. establishing Friends and other groups to support the work of the service area;

- 395. contributing up to £10,000 from the Jean F Watson Bequest trust funds to secure the purchase of any single work of art in accordance with the purposes of the trust, in consultation with the Convener of the Committee on the Jean F Watson Bequest;
- 396. buying individual items valued up to £1,000 for the Museum of Childhood collection using the Catherine E Cowper Trust's funds;

**Public Safety**

- 397. administering and issuing Safety Certificates and Special Safety Certificates, and carrying out inspection and enforcement duties relating to such certificates, for Designated Stadia and Regulated Stands in accordance with the Fire Safety and Safety of Places of Sports Act 1987, the Safety of Sports Grounds Act 1975 and the Safety of Places of Sports Regulations 1988; and
- 398. administering and issuing permits, and carrying out inspection and enforcement duties relating to such permits, for raised structures built to accommodate people under section 89 of the Civic Government (Scotland) Act 1982.

APPENDIX 6

DELEGATION TO THE HEAD OF SAFER AND STRONGER COMMUNITIES/CHIEF SOCIAL WORK OFFICER

1. Carrying out the Council's duties as a landlord under section 30 of the Housing (Scotland) Act 1988.
2. Carrying out assessment to determine homelessness or the threat of homelessness and discharging the Council's duties in respect of those assessed as either being homeless or under threat of homelessness.
3. Carrying out spot purchases of accommodation, including bed and breakfast for homeless temporary accommodation or emergency accommodation.
4. Entering into leasing agreements with registered social landlords for homeless, temporary or emergency accommodation.
  
5. Carrying out repairs to white goods and furnishings in homeless, temporary or emergency accommodation and core furnished tenancies.
6. Kennelling pets for households staying in homeless, temporary or emergency accommodation.
7. Determine who receives housing support in line with Council policies
8. Provide advice, guidance and assistance on debt, welfare rights and income maximisation.

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**APPENDIX 7**

**SERVICE MANAGER CITY WIDE — PLANNING (CHIEF PLANNING OFFICER)**

These are the functions referred to in paragraph 10 of the Scheme:

**Planning policy**

1. responding directly to consultations on development plans, planning applications, environmental assessments and planning guidance from neighbouring authorities at any stage in the process unless the ~~Service Manager City Wide — Planning (Chief Planning Officer)~~ considers that:
  - (a) the consultation raises a significant planning issue (which may include transport and other infrastructure matters) for the Council which should be draw to the attention of the consulting authority;
  - (b) the consultation raises a matter which is potentially controversial or likely to be of significant public interest; or
  - (c) the Council should formally object to a proposed development plan;
2. responding directly to planning related consultations from the Scottish Government and Government Agencies unless the ~~Service Manager City Wide — Planning (Chief Planning Officer)~~ considers that:
  - (a) the consultation raises a significant planning issue for the Council which should be drawn to the attention of the Scottish Government/Government Agency; or
  - (b) the consultation raises a matter which is potentially controversial or likely to be of significant public interest;
3. determining whether a qualifying plan, programme or strategy, which is being prepared or modified, requires environmental assessment in accordance with the Environmental Assessment (Scotland) Act 2005 and to undertake environmental assessment where necessary, including preparing an environmental report and carrying out consultations;

**Local Development Plan Preparation**

**1. considering the Local Development Plan Report of Examination, save where:**

**(a) grounds set out in the Town and Country Planning (Grounds for Declining to Follow Recommendations) (Scotland) Regulations 2009 are engaged. (TBC)**

**2. Publishing the Local Development Plan.**

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**Planning applications etc.**

4. determining applications (including retrospective applications) for planning permission, listed building consent, conservation area consent, non-material variations and consent to display an advertisement, provided that:
- (a) the decision is in accordance with the statutory development plan (Strategic Development Plan and Local Development Plan~~Structure Plan and Local Plan~~);
  - (b) the decision is in accordance with non-statutory Council adopted policy, or infringements of policy are so minor that refusal or amendment would be unjustified;
  - (c) conditions ~~added by the Development Management Sub-Committee relevant Committee~~ are not removed or amended;
  - (d) where approval is recommended, not more than six material objections have been received from third parties;
  - (e) where refusal is recommended, not more than six material representations in support of the proposals have been received from third parties;
  - (f) the application does not fall within the definition of national developments as set out in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009;
  - (g) where the application falls within the definition of local development as set out in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009 but is not subject to the terms of the Council's statutory scheme of delegation for local developments;
  - (h) there is no legal agreement required in connection with the application where the financial value of the matters secured in the agreement will be in excess of, or estimated to be in excess of, £250,000, or where by virtue of any policy or non-statutory guidance on developer contributions there is a requirement to be met and, for whatever reason, that requirement is not being fully met;
  - (i) no elected member has requested referral of the application to the Development Management Sub-Committee for material planning reasons, within 21 days, as set out in the relevant guidance note for elected members;
  - (j) the application is not submitted by, or on behalf of, the Council (except for the approval of routine minor developments);
  - (k) the application is not submitted by, or on behalf of, an elected member of the Council or by his/her partner, close

- friend or relative;
  - (l) the application is not submitted by, or on behalf of, an officer involved in the statutory planning process, or by their partner, close friend or relative;
  - (m) the application is not for Hazardous Substance Consent;
  - (n) the ~~Service Manager City-Wide—Planning~~ (Chief Planning Officer) does not consider the application to be controversial or of significant public interest, or as having a significant impact on the environment; and
  - (o) the application does not meet the criteria approved by the Planning Committee for a hearing by the Development Management Sub-Committee;
5. determining applications for certificates of lawful use or lawful development under sections 150 and 151 of the Town and Country Planning (Scotland) Act 1997 and applications for certificates of appropriate alternative development, provided that:
- (a) the applications does not raise a significant planning matter, leading to advice to refuse or to object;
  - (b) the ~~Service Manager City-Wide—Planning~~ (Chief Planning Officer) does not consider the application to be potentially controversial, or likely to be of significant public interest, or as having a significant impact on the environment;
  - (c) the application does not fall within the definition of national developments as set out in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009;
  - (d) no elected member has requested referral of the application to the Development Management Sub-Committee for material planning reasons, within 21 days, as set out in the relevant guidance note for elected members;
  - (e) the application is not submitted by, or on behalf of, the Council (except for the approval of routine minor developments);
  - (f) the application is not submitted by, or on behalf of, an elected member of the Council or by his/her partner, close friend or relative;
  - (g) the application is not submitted by, or on behalf of, an officer involved in the statutory planning process, or by their partner, close friend or relative; and
  - (h) the application does not meet the criteria approved by the Planning Committee for a hearing by the Development

Management Sub-Committee;

6. determining whether or not an application for planning permission will need to be accompanied by an Environmental Statement;
7. issuing an opinion in respect of a Pre-Application Screening request;
8. deciding whether the method of consultation is acceptable or more is needed in respect of a Proposal of Application Notice;
9. deciding whether or not to decline to determine a repeat application for planning permission in any of the circumstances set out in Section 39 of the Town and Country Planning (Scotland) Act 1997;
10. signing a processing agreement in respect of a major application as defined in the hierarchy of development;
11. promoting a direction altering the duration of a planning consent;
12. deciding whether or not full details of a proposed agricultural building require to be submitted;
13. deciding whether or not full details of a proposed forestry building require to be submitted;
14. deciding whether or not full details of proposed buildings by gas and electricity undertakings, solely for the protection of plant and machinery, are required;
15. deciding whether or not, in the case of proposed demolition of residential property, to require a formal submission;
16. deciding whether or not, in the case of proposed toll facilities on toll roads, to require a detailed submission;
17. determining painting and sundry minor works requiring permission by reason of an Article 4 Direction;
18. determining that alterations to a listed building do not require Listed Building Consent
19. determining whether works or a change of use constitute permitted development;
20. determining the display of advertisements;

**Enforcement action**

21. acting as proper officer in terms of the signing and service of decision notices, enforcement notices and related notices under section 193 of the Local Government (Scotland) Act 1973 and appointing appropriate officers to prepare, sign and serve such notices on his behalf;
22. initiating, progressing and concluding enforcement action, interdict

action or direct action in connection with the following, provided that any significant case, or cases where it is in the public interest to do so, shall be reported to the Development Management Sub-Committee for consideration:

- (a) Planning Contravention Notices;
  - (b) Enforcement Notices, including those relating to listed building and advertisements;
  - (c) advertisement discontinuation procedures;
  - (d) reporting to the procurator fiscal;
  - (e) Breach of Condition Notices;
  - (f) Amenity Notices;
  - (g) Stop Notices;
  - (h) Temporary Stop Notices;
  - (i) Fixed Penalty Notices;
  - (j) Hazardous Substances Contravention Notices;
  - (k) Tree Replacement Notices;
  - (l) prosecution in respect of the above as necessary and the giving of evidence in court; and
  - (m) powers of entry;

23. carrying out the following functions provided that any significant cases, or cases where it is in the public interest to do so, are reported to the Development Management Sub-Committee for consideration:

- (a) withdrawing, relaxing, or varying an enforcement notice (section 129 of the Town and Country Planning (Scotland) Act 1997);
  - (b) undertaking work required by an enforcement notice and recovering the costs (section 135 of the Town and Country Planning (Scotland) Act 1997);
  - (c) serving notices in case of compliance or non-compliance with planning consent (section 145 of the Town and Country Planning (Scotland) Act 1997);
  - (d) lodging an interdict restraining a breach of planning control to the Court of Session/Sheriff Court (section 146 of the Town and Country Planning (Scotland) Act 1997);
  - (e) undertaking work required by non-compliance with a listed building enforcement notice (Town and Country Planning

- (Scotland) Act 1997 and section 38 of the Town and Country Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997);
- (f) serving section 270 Notices and Planning Contravention Notices;
  - (g) determining whether or not it is expedient to take no further action in respect of a breach of control, having regard to the provisions of the development plan and other material planning considerations;
  - (h) after the service of a notice, taking all necessary subsequent steps to bring the matter to an acceptable conclusion;
  - (i) instituting any necessary action to remove or obliterate placards or posters which are displayed in contravention of the Town and Country Planning (Control of Advertisements) (Scotland) Regulations 1984 and the Town and Country Planning (Scotland) Act 1997;
  - (j) undertaking and enforcing the procedures requiring developers to inform the Council of the initiation and completion of developments and in relation to the display of notices indicating the development being carried out; and
  - (k) issuing and enforcing notices requiring the owner of land, where planning permission has not been granted but development has been carried out, to make an application for planning permission;

### **Landscape**

- 24. making provisional Tree Preservation Orders (with the Planning Committee approving the final order taking into account objections or representations received);
- 25. authorising the felling, pruning, topping, lopping of trees or the carrying out of other prohibited works to trees protected by Tree Preservation Orders (including the imposition of replanting conditions as appropriate);
- 26. authorising the felling, pruning, topping, lopping of trees or the carrying out of other prohibited works to trees in conservation areas;
- 27. serving, progressing, and concluding actions in respect of tree replacement notices, including any necessary follow up direct action;
- 28. investigating unauthorised works to protected trees and reporting offences to the Procurator Fiscal where considered appropriate;
- 29. considering and determining all applications in respect of high hedge notices, taking any subsequent enforcement or other action and

exercising powers of entry and other supplementary powers in accordance with the High Hedges (Scotland) Act 2013 provided that any significant cases, or cases where it is in the public interest to do so, are reported to the Development Management Sub-Committee for consideration;

#### **Appeals**

30. determining what response should be made to the Directorate of Planning and Environmental Appeals in the case of appeals submitted in respect of the non-determination of an application and where the application could otherwise have been dealt with under delegated powers;

#### **Legal Agreements**

31. entering into a legal agreement with a developer, provided that:

- (a) the agreement complies with the terms of government guidance, relevant development plan policies and supplementary guidance on developer contributions; and
- (b) does not involve a financial sum or other contributions of a value exceeding £250,000;

32. entering into a discharge of a legal agreement granting partial or full discharge of the relevant party's obligations on the due performance by that party of such obligations;

33. modifying a legal agreement with the relevant party provided that:

- (a) the terms of the modifications comply with the terms of government guidance, relevant development plan policies and supplemental guidance on developer contributions; and
- (b) it does not involve reducing the financial sum or other contributions in the legal agreement;

#### **Miscellaneous**

34. authorising Powers of Entry to land for any purpose (especially surveying) relating to the preparation of a development plan and general planning controls (sections 269 & 270 of the Town and Country Planning (Scotland) Act 1997);

35. allocating new street numbers and, in consultation with the appropriate local ward councillors, changing street numbers and naming new streets;

36. requiring proper maintenance of land affecting listed buildings or conservation areas and to undertake necessary work and recover costs

in cases of non-compliance (sections 135 and 179 of the Town and Country Planning (Scotland) Act 1997 and the Town and Country Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997); and

**Flooding**

37. requesting advice from SEPA as to flood risk under section 72 of the Flood Risk Management (Scotland) Act 2009.

**APPENDIX 7**

**STATUTORY FUNCTIONS AND STATUTORY OFFICERS**

<u>Statutory Function</u>	<u>Legislation</u>	<u>Officer</u>
Agricultural Analyst/Depute Agricultural Analyst	section 67(3) of the Agriculture Act 1970	<u>Scientific Bereavement and Registration Service Senior Manager and Operation Manager – Public Analyst</u> <del>Environmental Health and Scientific Services</del>
Assessor	section 27 of the Local Government etc. (Scotland) Act 1994	Assessor of the Lothian Valuation Joint Board
Chief Inspector of Weights and Measures	section 72 of the Weights and Measures Act 1985	Licensing and Trading Standards Service Manager
Inspector of Weights and Measures	Section 72 of the Weights and Measures Act 1985	Certain officers appointed by the Chief Inspector of Weights and Measures from time to time.
Chief Social Work Officer	Social Work (Scotland) Act 1968	Chief Social Work Officer
Chief Education Officer	Education (Scotland) Act 2016	Chief Education Officer
Counting Officer	Parties, Elections and Referendums Act 2000	Chief Executive
Dog Catcher	section 149 of the Environmental Protection Act 1990	Dog Warden
Food Examiner	Section 30 of the Food Safety Act 1990	<u>Scientific Bereavement and Registration Service Senior Manager and Operation Manager – Public Analyst</u> <del>Environmental Health</del>

Appendix 7 – Statutory Functions and Statutory Officers

Head of Paid Service	section 4(1) of the Local Government and Housing Act 1989	Chief Executive
Mental Health Officers	section 32 of the Mental Health (Care and Treatment)(Scotland) act 2003	Certain social workers as appointed by the Chief Social Work Officer from time to time.
Monitoring Officer	section 5(1) of the Local Government and Housing Act 1989	Head of Legal and Risk
Public Analyst	sections 27 and 30 of the Food Safety Act 1990	<del>Scientific Bereavement and Registration Service Senior Manager and Operation Manager - Public Analyst</del> Environmental Health
Registrar of Births, Deaths and Marriages	section 7 of the Registration of Births, Deaths and Marriages (Scotland) Act 1965	Chief Registrar/ <u>Registration Services Manager</u>
Returning Officer	Sections 25 and 41 of the Representation of the People Act 1983	Chief Executive

**APPENDIX 8**  
**PROPER OFFICER FUNCTIONS**

<u>Proper Officer Function</u>	<u>Legislation</u>	<u>Officer</u>
Declaration of acceptance of office	section 33A of the Local Government (Scotland) Act 1973	Head of Strategy and Insight
Resignation of office by a member	section 34 of the Local Government (Scotland) Act 1973	Head of Strategy and Insight
Circulating reports and agendas, supplying papers to the press and, where necessary, providing summaries of minutes	sections 50B(2), 50B(7) and 50C(2) of the Local Government (Scotland) Act 1973	Head of Strategy and Insight
Compilation of background papers for inspection	section 50D of the Local Government (Scotland) Act 1973	All Executive Directors, <del>and</del> Chief Executive <u>and</u> Head of Safer and Stronger Communities/ CSWO
Members' rights of access to documents which enclose "exempt information"	section 50F(2) of the Local Government (Scotland) Act 1973	Chief Executive
Transfer of securities on alteration of area etc.	section 92 of the Local Government (Scotland) Act 1973	Executive Director of Resources
Financial Administration	section 95 of the Local Government (Scotland) Act 1973	<del>Executive Director of Resources</del> Head of Finance
Education endowments	section 128 of the Local Government (Scotland) Act 1973	Head of Legal and Risk
Ordnance Survey	section 145 of the Local Government (Scotland) Act 1973	Executive Director of Place

Appendix 8 – Proper Officer Functions

Service of legal proceedings etc.	section 190 of the Local Government (Scotland) Act 1973	Head of Legal and Risk
Claims in sequestrations and liquidations	section 191 of the Local Government (Scotland) Act 1973	Executive Director of Resources
Authentication of documents and execution of deeds	sections 193 and 194 of the Local Government (Scotland) Act 1973 and the Requirements of Writing (Scotland) Act 2005	Executive Director of Resources and Head of Legal and Risk
Inspection and deposit of documents	section 197 of the Local Government (Scotland) Act 1973	Executive Director of Resources and Head of Legal and Risk
Procedure for byelaws	sections 202 and 204 of the Local Government (Scotland) Act 1973	Executive Director of Resources and Head of Legal and Risk
Roll of honorary freemen	section 206 of the Local Government (Scotland) Act 1973	Head of Strategy and Insight
Notice of Meeting	Schedule 7 of the Local Government (Scotland) Act 1973	Head of Strategy and Insight
Politically restricted posts	section 2 of the Local Government and Housing Act 1989	Executive Director of Resources
Maintaining the register of members' interests	Regulation 6 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003	Head of Strategy and Insight

**APPENDIX 9**  
**LIST OF LEGISLATION**

**Part A**

1. Animal Boarding Establishments Act 1963;
2. Animal Health and Welfare (Scotland) Act 2006;
3. Breeding of Dogs Act 1973;
4. Cinemas Act 1985;
5. City of Edinburgh District Council Order Confirmation Act 1991;
6. Civic Government (Scotland) Act 1982;
7. Dangerous Wild Animals Act 1976;
8. Deer (Scotland) Act 1996;
9. Housing (Scotland) Act 2006;
10. Hypnotism Act 1952;
11. Performing Animals (Regulation) Act 1925;
12. Pet Animals Act 1951;
13. Petroleum (Transfer of Licences) Act 1936;
14. Riding Establishments Acts 1964 and 1970;
15. Theatres Act 1968; and
16. Zoo Licensing Act 1981.

**Part B**

1. Accommodation Agencies Act 1953;
2. Agriculture Produce (Grading and Marking) Acts 1928 and 1931;
3. Agriculture Act 1970;
4. Agriculture (Miscellaneous Provisions) Act 1968;

Appendix 9 – List of Legislation

5. Animal Boarding Establishments Act 1963;
6. Animal Health Act 1981;
7. Animal Health and Welfare (Scotland) Act 2006;
8. Breeding and Sale of Dogs (Welfare) Act 1999;
9. Breeding of Dogs Act 1973 and 1991;
10. Burial Grounds (Scotland) Act 1855;
11. Children and Young Persons (Protection from Tobacco) Act 1991;
12. Church of Scotland (Property and Endowment) Act 1925;
13. Cinemas Act 1985;
14. Civic Government (Scotland) Act 1982;
15. Civil Partnership Act 2004;
16. Clean Air Act 1993;
17. Control of Dogs (Scotland) Act 2010;
18. Consumer Credit Act 1974;
19. Consumer Protection Act 1987;
20. Cremation Acts 1902 and 1952;
21. Cremation (Scotland) Amendment Regulations 2003;
22. Dangerous Wild Animals Act 1976;
23. Development of Tourism Act 1969 (sections 17 and 18);
24. Dog Fouling (Scotland) Act 2003;
25. Education Reform Act 1988 (section 215);
26. Energy Conservation Act 1981 (section 20);
27. Environment and Safety Information Act 1988;
28. Estate Agents Act 1979;

Appendix 9 – List of Legislation

29. European Communities Act 1972 (section 2(2));
30. Explosives Act 1875 (sections 74 and 78);
31. Fair Trading Act 1973;
32. Food and Environment Protection Act 1985 (sections 19(1B) and (1C));
33. Hallmarking Act 1973;
34. Housing (Scotland) Act 1987, Parts IV, V, VII and VIII
35. International Health Regulations 2005;
36. Marriage (Approval of Places) (Scotland) Regulations 2002;
37. Marriage (Scotland) Act 1977;
38. Medicines Act 1968;
39. Performing Animals (Regulation) Act 1925;
40. Pet Animals Act 1951;
41. Petroleum (Consolidation) Act 1928 (section 17);
42. Poisons Act 1972;
43. Prevention of Damage by Pests Act 1949;
44. Prices Act 1974 and 1975;
45. Private Rented Housing (Scotland) Act 2011;
46. Property Misdescriptions Act 1991;
47. Public Health (Aircraft) (Scotland) Regulations 1971;
48. Public Health (Ships) (Scotland) Regulations 1971;
49. Rent (Scotland) Act 1984;
50. Road Traffic (Vehicle Emissions) (Fixed Penalty) (Scotland) Regulations 2003);
51. Sewerage (Scotland) Act 1968;

Appendix 9 – List of Legislation

52. Single Use Carrier Bags Charge (Scotland) Regulations 2014;
53. Telecommunications Act 1984 (section 30);
54. Theatres Act 1968;
55. Timeshare Act 1992;
56. Trade Descriptions Act 1968;
57. Trade Marks Act 1994;
58. Video Recordings Acts 1984 and 1993;
59. Water (Scotland) Act 1980;
60. Water Services etc. (Scotland) Act 2005;
61. Weights and Measures Act 1985.



## RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE

Total value for duration of contract or purchase (aggregation rules apply)*	Procedure	Approval of contractual obligation	Committee Approval
Up to £3,000	<p>Use existing local, national, Council framework or call- off contracts or</p> <p><b>Appropriate choice of provider</b> documenting reasoning and quote or</p> <p>Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered and this will usually be demonstrated by more than one quote.</p>	<p>Director, Head of Service or such other officer to whom the relevant Director or Head of Service has appropriately delegated their powers to in consultation with Chief Procurement Officer as appropriate</p>	Not required
£3,000 to £25,000 (excluding health or social care services)	<p>Use existing local, national, Council framework or call- off contracts or</p> <p>Obtain minimum of 3 quotes using Public Contracts Scotland "Quick Quote" facility or</p> <p><b>written/formal quotations</b> – written description of requirements followed by written / electronic submission of quotes</p>	<p>Director, Head of Service or such other officer to whom the relevant Director or Head of Service has appropriately delegated their powers to in consultation with Chief Procurement Officer as appropriate, and Head of Legal and Risk as appropriate</p>	Not required
<u>£3,000 to £25,000 for Consultancy spend</u>	<u>Use existing local, national, Council framework or call- off contracts or</u>	<u>Director, Head of Service or such other officer to whom the relevant Director or Head of Service has appropriately delegated their powers to in</u>	<u>Not required</u>

	<p><u>Obtain minimum of 3 quotes using Public Contracts Scotland "Quick Quote" facility or</u></p> <p><u>written/formal quotations – written description of requirements followed by written / electronic submission of quotes</u></p>	<p><u>consultation with Chief Procurement Officer and Head of Legal and Risk as appropriate</u></p>	
<p><u>£25,000 and above for Consultancy spend***</u></p>	<p><u>Use existing local, national, Council framework or call-off contracts, or-</u></p> <p><u>Invitation to tender following public advertisement - Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</u></p> <p><u>or</u></p> <p><u>Public Contracts Quick Quote facility up to a value of £50,000.</u></p>	<p><u>Director approval in consultation with the Chief Executive, Chief Finance Officer and Chief Procurement Officer ( and Head of Legal and Risk as appropriate) up to £500,000 for the anticipated duration of the consultancy requirement.</u></p>	<p><u>Approval to award sought from Finance and Resources Committee** or Council</u> <u>where value exceeds £500,000</u></p>
<p><u>£25,000 to EU Thresholds for services and supplies (excluding health or social care services and consultancy services)</u></p>	<p>Use existing local, national, Council framework or call-off contracts, or-</p> <p><b>Invitation to tender following public advertisement -</b> Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</p> <p>or</p> <p>Public Contracts Quick Quote facility up to a value of £50,000.</p>	<p>Director or Head of Service (where delegated authority has been given) in consultation with Chief Procurement Officer (and Head of Legal and Risk as appropriate) <del>or up to £25,000 in the case of services of a consultant as set out in the guidance on the appointment of consultants.</del></p>	<p><del>Not required with the exception of appointment of consultants where the value exceeds £25,000 as set out in the guidance on the appointment of consultants.</del></p>

<p><b>£25,000 to EU Thresholds for works</b></p>	<p>Use existing local, national, Council framework or call-off contracts, or</p> <p><u>Public Contracts Quick Quote facility up to a value of £2million.</u></p> <p><b>Invitation to tender following public advertisement</b> - Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements as set out in the Act and the 2016 Regulations</p>	<p>Director or Head of Service (where delegated authority has been given) in consultation with Chief Procurement Officer (and Head of Legal and Risk as appropriate) up to £500,000.</p> <p>Director approval <u>in consultation with Chief Executive, Chief Finance Officer and Chief Procurement Officer (and Head of Legal and Risk as appropriate),</u> between £500,000 and <u>EU threshold for works</u> £2million.</p>	<p><del>Not required Approval to award sought from Finance and Resources Committee** or Council where value exceeds £2million</del></p>
<p><b>£25,000 to EU Threshold for Social and other Specific Services for Health or Social Care Services</b></p>	<p>Use existing local, national, Council framework or call-off contracts or</p> <p>Contracts to be awarded in accordance with the Procurement of Care and Support Services 2016 (Best Practice) and any statutory guidance issued under the Act</p>	<p>Director or Head of Service (where delegated authority has been given) in consultation with Chief Procurement Officer (and Head of Legal and Risk as appropriate) up to <u>EU threshold for Social and other Specific Services for Health or Social Care Services</u> £500,000.</p> <p><del>Director approval between £500,000 and £1million.</del></p>	<p><del>Not required, with the exception of appointment of consultants where the value exceeds £25,000 as set out in the guidance on the appointment of consultants.</del></p>
<p><b>Above EU Threshold for services, Social and other Specific Services and</b></p>	<p>Use existing local, national, Council framework or call-off contracts, or</p>	<p>Director approval in consultation with <u>Chief Executive, Chief Finance Officer and</u> Chief</p>	<p>Approval to award sought from Finance and Resources Committee** or</p>

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supplies	<p>Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal</p> <p>or</p> <p>negotiated procedure without prior publication, competitive procedure with negotiation, competitive dialogue or innovative partnerships where permitted by the 2015 Regulations</p>	Procurement Officer (and Head of Legal and Risk as appropriate), up to £54million	<p>Council where value exceeds £54million or</p> <p><del>1.1 £25,000 in the case of services of a consultant as set out in the guidance on the appointment of consultants.</del></p>
Above EU Threshold for works	<p>Use existing local, national, Council framework or call-off contracts, or</p> <p>Invitation to tender following advertisement in OJEU - Public Contracts Scotland portal</p> <p>or</p> <p>negotiated procedure without prior publication, competitive procedure with negotiation, competitive dialogue or innovative partnerships where permitted by the 2015 Regulations</p>	<p>Director approval in consultation with the <u>Chief Executive, Chief Finance Officer and Chief Procurement Officer</u> (and Head of Legal and Risk <u>as appropriate</u>) <u>up to £10million - to be consulted as appropriate</u></p>	<p>Approval to award sought from Finance <del>and Resources</del> Committee** or Council <u>where the value exceeds £10million</u></p>
Above EU Threshold for concession contracts	<p><del>4.2</del> Publication of a Concession Notice in OJEU and compliance with the requirements of the Concession Contracts (Scotland) Regulations 2016</p>	<p>Director approval in consultation with the <u>Chief Executive, Chief Finance Officer and Chief Procurement Officer</u> (and Head of Legal and Risk <del>to be consulted</del> as appropriate) <u>up to £5million</u></p>	<p>Approval to award sought from Finance and Resources Committee** or Council <u>where the value exceeds £5million</u></p>

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\* the estimated value of the contract is the value of the total consideration (not including VAT) which the Council expects to be payable under or by virtue of the contract. Contracts must not be artificially disaggregated.

\*\*Pensions contracts may seek the approval of the Pensions Committee.

\*\*\* The provisions of 11.9 Consultants shall apply

### WAIVER APPROVAL PROCEDURE

Total value for duration of Waiver (aggregation rules apply)*	Approval of contractual obligation	Committee Approval
<u>Up to £3,000</u>	<u>Not required</u>	<u>Not required</u>
<u>£3,000 to £50,000 (excluding consultancy spend)</u>	<u>The relevant Director or Head of Service to whom the relevant Director has appropriately delegated their powers to and the Chief Procurement Officer</u>	<u>Not required</u>
<u>£50,000 -£250,000 (£3,000-£25,000 in the case of consultancy spend)</u>	<u>The relevant Director, the Chief Procurement Officer and the Director of Resources (or the Chief Executive where the relevant Director is the Director of Resources)</u>	<u>Not required</u>
<u>Above £250,000 (above £25,000 in the case of consultancy spend)</u>	<u>The relevant Director, the Chief Executive, the Chief Procurement Officer and the Director of Resources (or the Chief Executive where the relevant</u>	<u>Approval to waive sought from Finance and Resources Committee** or Council as the Chief Executive considers</u>

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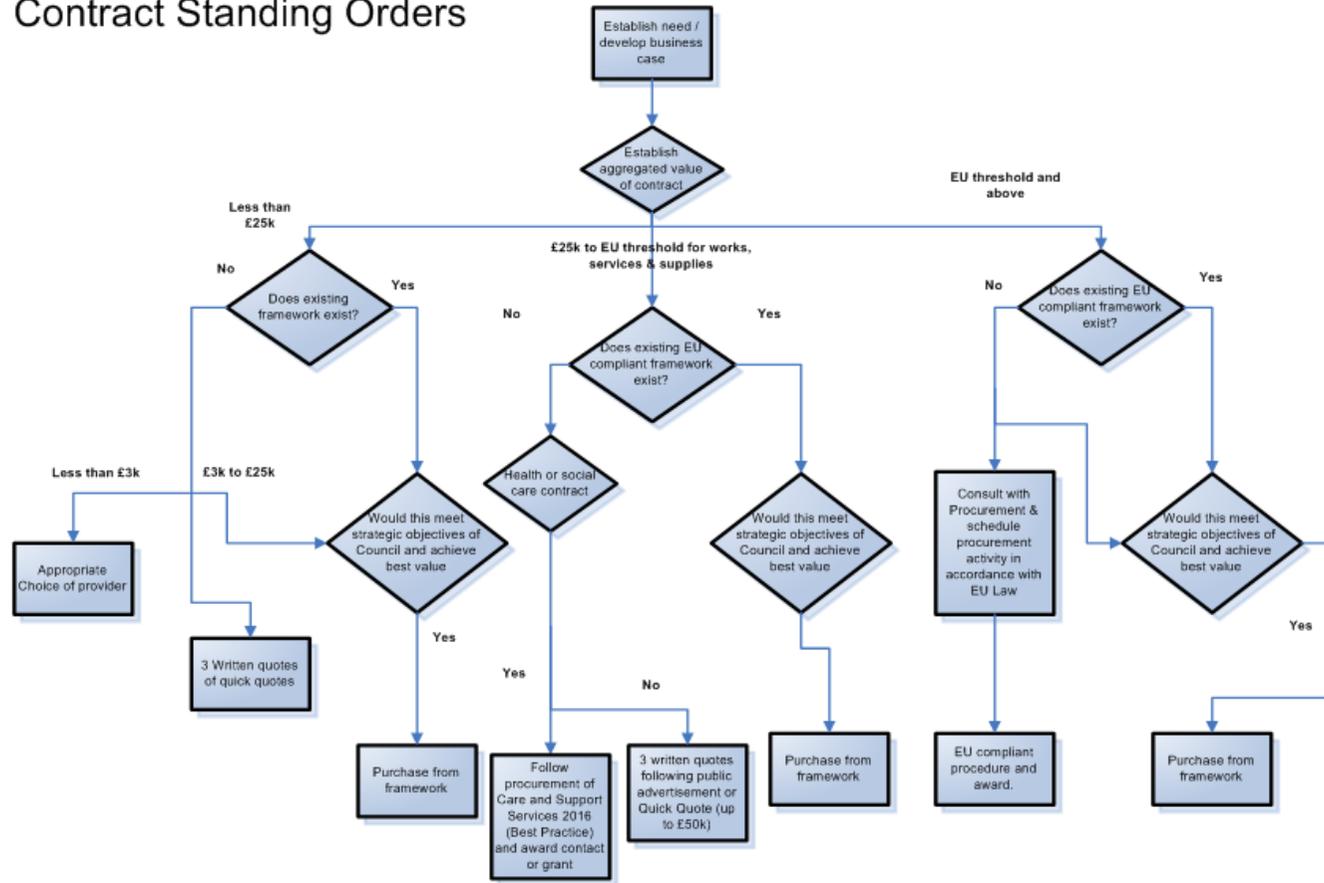
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Director is the Director of Resources)

appropriate

# Contract Standing Orders



### 1. Status and Statutory Responsibility

- 1.1 These regulations are made under section 95 of the Local Government (Scotland) Act 1973.
- 1.2 Section 95 states that every local authority shall make arrangements for the proper administration of its financial affairs and shall secure that the proper officer of the authority (termed the Section 95 Officer) has responsibility for the administration of those affairs.
- 1.3 The Local Authority Accounts (Scotland) Regulations 1985 specify that the system of accounting and control and the form of the accounts and supporting records are to be determined by the Section 95 Officer and that s/he is to ensure that accounting controls are observed and the accounts and supporting records are kept up to date. S/he is also responsible for publishing the Annual Accounts of the Council and for making the arrangements for the statutory audit required by s96 of the 1973 Act.
- 1.4 The City of Edinburgh Council has designated the ~~Executive Director of Resources~~ [Head of Finance](#) as the Section 95 Officer and therefore as the officer responsible for the administration of the Council's financial affairs in terms of section 95 of the 1973 Act.
- 1.5 The [Head of Finance](#) ~~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 Funds' Chief Financial Officer in accordance with the arrangements set out in the addendum to this document.
- 1.6 Following the establishment under the Public Bodies (Joint Working) Act 2015 of an Edinburgh-area ~~Integrated~~ Health and Social Care [Integration](#) Joint Board (IJB), [a separate set of financial regulations](#), drawing on similar principles of sound governance, has been produced. Along with the related financial directives, these regulations form the basis upon which the Chief Finance Officer of the IJB will discharge equivalent proper officer responsibilities for the Board.
- 1.7 A more detailed set of Finance Rules, which prescribe the procedures to be followed, has also been prepared. While these rules and other relevant procedures and policies are not contained within these financial regulations, they are issued under their authority and have the same status as if they were included in the body of these regulations.
- 1.8 The ~~Head of Executive Director of Resources~~ [Finance](#) will establish a programme of review for all relevant documents. Executive Directors and officers may also seek the issue, amendment, clarification or supplementing of the regulations, finance rules or

associated procedures and policies for any areas of responsibility not previously addressed.

- 1.9 Any breach or non-compliance with these regulations or the associated finance rules, procedures or policies issued under their authority must be reported immediately to ~~the~~ [the Head of Finance](#) ~~Executive Director of Resources~~, who may consult others as s/he sees fit to determine the proper action.

## **2. Application**

- 2.1 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, equitably and ethically. The Council's activities are furthermore guided by a set of underlying principles and responsibilities fostering openness, integrity and accountability.
- 2.2 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 exercising of its functions including arrangements for managing risk.
- 2.3 As a consequence of these responsibilities, the Council must regulate the actions taken on its behalf that carry financial implications to provide assurance of their propriety and consistency. It is furthermore a requirement of these regulations that all financial transactions are within the legal powers of the Council. These Financial Regulations thus form a key element of the maintenance of a robust, clear and accountable governance framework for the Council.

## **3. Responsibilities and Observance**

### **3.1 Chief Executive**

- 3.1.1 The Chief Executive, as head of the paid service, has authority over all officers and is authorised to discharge any function or exercise any power delegated to any officer under the Council's Scheme of Delegation. As the officer charged with overall responsibility for the corporate management and operational functions of the Council, this includes putting in place suitable arrangements to ensure an efficient use of resources.
- 3.1.2 The Council's Scheme of Delegation to Officers sets out the powers delegated to officers pursuant to the Local Government (Scotland) Act 1973. As noted in paragraph 1.4, the [Head of Executive Director of Resources](#) ~~has Finance~~ ~~has~~ been designated the Council's Section 95 Officer responsible for the administration of the Council's financial affairs.



## 3.2 Role of the ~~Head of Finance~~ ~~Executive Director of Resources~~

3.2.1 The ~~Head of Executive Director of Resources~~ Finance is responsible for advising the Council on all financial matters and for monitoring and reporting on its financial performance and position.

## 3.3 Executive Directors

3.3.1 Executive Directors are responsible for establishing sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and meeting associated financial targets. In doing so, they should also have due regard to sustainability and equalities considerations.

3.3.2 Executive Directors are fully accountable for the financial performance of their service area against the budget allocated. They may incur revenue expenditure in furtherance of agreed Council policies only to the extent that budgetary provision has been made.

3.3.3 As part of ensuring the overall sustainability of the Council's financial planning and management arrangements, Executive Directors also have a responsibility to review their respective budgets on an on-going basis. This includes the active monitoring and management of service pressures, delivery of approved savings and application of approved service investment, particularly in cases where this investment is targeted towards delivery of longer-term savings. The ~~Head of Finance Executive Director of Resources~~ Head of Finance may request that Executive Directors report to Council during the year on measures being taken to ensure expenditure is contained within approved levels.

3.3.4 Executive Directors are further charged with the implementation of the risk management strategy in their service areas and for ensuring its effectiveness and review.

3.3.5 Paragraphs 3.2 and 3.3 of the Scheme of Delegation provide that:

- (a) In the event that the Executive Director is unavailable, his/her Deputy or the head of the relevant service will have delegated authority to take urgent decisions in the absence of the Executive Director;
- (b) Executive Directors may sub-delegate their delegated powers to their Deputy(ies) or head(s) of service or such other officer(s) in their directorate as they may consider appropriate.

3.3.6 With the exception of urgent decisions, which must be taken in accordance with the Scheme of Delegation, authority to discharge financial-related responsibilities must be delegated formally in writing.

This requirement applies to delegations of authority for financial matters by all levels of management.

3.3.7 Executive Directors will formally report major financial issues to the [Head of Finance](#) ~~Executive Director of Resources~~ and Chief Executive, who will instruct appropriate action.

### 3.4 Internal Audit and Risk Management

3.4.1 The Head of Legal and Risk, through the Chief [Internal Auditor](#) ~~Risk Officer (who is head of the Internal Audit function)~~, shall arrange for a continuous internal audit function, to carry out an examination of accounting, financial and other operations of the Council, through undertaking a risk-based audit plan, complying with the Public Sector Internal Audit Standards (PSIAS). The [Chief Internal Auditor](#) ~~is individual (the Chief Risk Officer)~~ will also oversee the development and implementation of an appropriate risk management strategy.

3.4.2 It is the ~~Chief~~ [Chief Internal Auditor](#) ~~Risk Officer~~'s responsibility to put in place appropriate arrangements to provide the Chief Executive, [Head of Finance](#) ~~Executive Director of Resources~~, Corporate Leadership Team and elected members with an annual assurance statement on compliance with Financial Regulations and the Local Code of Corporate Governance.

### 3.5 Elected Members

3.5.1 Elected members' responsibilities with regard to financial matters reflect a number of facets, including:

- (a) Setting the authority's financial strategy, including budget-setting;
- (b) Setting the authority's strategic direction and overseeing arrangements for the securing (and demonstration) of best value;
- (c) Ensuring proper control is exercised over the authority's expenditure through scrutiny of periodic financial reports comparing expenditure with the level of budgetary provision;
- (d) Holding senior officers to account with regard to discharging all relevant financial responsibilities within their control; and
- (e) Encouraging the development of service targets/performance measurements of a financial/non-financial nature to monitor service achievements.

3.5.2 In this regard, the respective remits and key functions of Council, the Governance, Risk and Best Value Committee, the Finance and Resources Committee and other Executive Committees are set out in

the Council's Committee Terms of Reference and Delegated Functions.

### 3.6 External Audit

3.6.1 The external audit of the Council seeks to assess the extent to which the stewardship of its financial affairs is subject to a regime of accountability where monies are properly accounted for, safeguarded and used economically, efficiently and effectively. The scope of this audit is wider than that of the private sector equivalent, encompassing coverage of the financial statements, regularity, propriety and best value, including the securing of value for money. At present, this role is undertaken on the Accounts Commission's behalf by [\\_Scott-Moncrieff Audit Scotland](#).

## 4. **Principles and Key Areas of the Control Framework**

### 4.1 Financial Management

4.1.1 The [\\_Head of Executive Director of Resources will Finance will](#), in conjunction with the relevant Executive Director, provide to all Executive Committees (including the Finance and Resources Committee) and the Governance, Risk and Best Value Committee regular monitoring reports, including reports on the final outturn, together with any recommendations.

### 4.2 Financial Control

4.2.1 As noted at 1.3, The Local Authority Accounts (Scotland) Regulations 1985 require that the system of accounting and control, and the form of the accounts and supporting records, should be defined by ~~the the~~ [\\_Head of Finance Executive Director of Resources](#), who will ensure that the system is adhered to and that the accounts and supporting records are kept up to date.

4.2.2 The Regulations also require the [\\_Head of Executive Director of Resources to Finance to](#) submit the Abstract of Accounts to the Council (or an appropriate Executive Committee) and the Council's external auditor by the prescribed dates. The [\\_Head of Finance Executive Director of Resources](#) is responsible for ensuring that the accounts are produced in compliance with existing legal and accounting requirements.

4.2.3 Executive Directors are required to provide all relevant information to the [\\_Head of Finance Executive Director of Resources](#) in accordance with the instructions issued annually.

4.2.4 As the officer who is statutorily responsible for all financial matters the [\\_Head of Finance Executive Director of Resources](#) will implement procedural controls to ensure that:

- (a) All expenditure is a valid charge;
- (b) Income owed is collected;
- (c) Assets are protected;
- (d) Liabilities are accounted for; and
- (e) Financial reports are prepared.

#### 4.3 Risk Management and Internal Control

4.3.1 In accordance with ~~the the~~ Head of Finance's Executive Director of Resources' responsibility for financial control and the Local Code of Corporate Governance's requirements for the effective management of risk, the ~~Head of Executive Director of Resources has~~ Finance has approved financial rules to address these matters.

#### 4.4 Systems and Procedures

##### 4.4.1 **Accounting Arrangements**

4.4.1.1 The following will be carried out according to procedures and instructions issued by ~~the the~~ Head of Finance Executive Director of Resources:

- (a) Preparation of the statutory Abstract of Accounts; and
- (b) Production of financial information in Council strategic plans, including estimated revenue and capital expenditure.

4.4.1.2 All financial records, systems and any changes thereto are subject to the written approval of the ~~Head of Executive Director of Resources following~~ Finance following consultation with Executive Directors.

4.4.1.3 The following principles must be observed in the allocation of accounting duties:

- (a) The duties of providing information regarding sums owed to or by the Council, and calculating, checking and recording these sums must be separated as completely as possible from the duty of collecting or disbursing them;
- (b) Officers responsible for examining and directing accounts of cash transactions cannot be engaged in any of these transactions;
- (c) All checking and authorisation undertaken by officers must be evidenced by initials or signature, whichever is appropriate;

- (d) All claims, returns or written submissions relating to grants and financial data must be submitted to the [Head of Executive Director of Resources for Finance](#) for approval prior to entering into any contracts under delegated authority; and
- (e) Financial records, including contract documents for work done, services and supplies, may only be disposed of in accordance with arrangements approved by the [Head of Finance Executive Director of Resources](#).

#### 4.4.2 Revenue Budgets

- 4.4.2.1 Executive Directors are required to prepare revenue estimates in accordance with guidance issued by ~~the the~~ [Head of Finance Executive Director of Resources](#). Such estimates will be supported by equality and rights impact assessment, where relevant. The ~~Head of Executive Director of Resources will~~ [Finance will](#) assist Executive Directors to prepare financial information for inclusion in the revenue estimates. The Council's ~~team of~~ equality and diversity specialists will assist, as necessary, their Executive Directors to prepare equality and rights impact assessments. Where applicable, consideration should also be given to the carbon, [climate change adaptation and sustainable development](#) impacts of budget proposals, on which ~~relevant specialists the Council's Carbon, Climate and Sustainability unit~~ can provide additional advice. When the revenue estimates have been approved by Council, they become the "Revenue Budget".
- 4.4.2.2 The ~~Head of Executive Director of Resources will~~ [Finance will](#) prepare a financial context report for the Finance and Resources Committee for the next and future years. The Finance and Resources Committee will then remit the report to Council and may make recommendations to Council on setting Council Tax and rent for Council houses for the next financial year and, [where applicable](#), on indicative figures for future years.
- 4.4.2.3 After considering the report and any recommendations, Council shall approve the allocation of resources, authorise the spending and set the Council Tax, rent for Council houses and relevant fees and charges for the following financial year at a meeting before 11th March each year.
- 4.4.2.4 The ~~Head of Executive Director of Resources will~~ [Finance will](#) determine what constitutes revenue expenditure and the relevant accounts in which transactions should be recorded.

#### 4.4.3 Capital Budgets

- 4.4.3.1 Executive Directors are required to prepare capital estimates, [including carbon impact assessments](#), in accordance with guidance

issued by ~~the~~ [the Head of Finance](#) ~~Executive Director of Resources~~. When the capital estimates have been approved by Council, they become the “Capital Investment Programme”.

- 4.4.3.2 The ~~Head of Executive Director of Resources will~~ [Finance will](#) determine what constitutes capital expenditure and the relevant accounts in which transactions must be recorded.
- 4.4.3.3 Capital estimates must be submitted for scrutiny by the Finance and Resources Committee, whose recommendations will be referred to the Council for approval.

#### 4.4.4 **Reporting Requirements**

- 4.4.4.1 All Council and committee reports are required to include a statement of the financial consequences of the proposals for current and future years. The range of relevant considerations will vary from report to report but [a summary of the principal areas concerned](#) was reported to the Governance, Risk and Best Value Committee in December 2012. Guidance on completion of the financial implications section of Committee reports is also provided within Section 7 of [the Council’s report writing and committee template information pack](#).
- 4.4.4.2 Where applicable, following approval at the Finance and Resources Committee in January 2014, commentary should also now be included to cover (i) the associated revenue budget (i.e. loans charge) impact of capital expenditure proposals and/or changes and (ii) a summary of costs incurred by the Council in the procurement of the goods and/or services forming the subject of that report. Further advice on requirements in each of these areas is available from the Corporate Finance Senior Manager.
- 4.4.4.3 In the event that reports do not meet the above requirement, or insufficient time is allowed for them to be properly considered, the ~~Head of Executive Director of Resources may~~ [Finance may](#) request that the Executive Director or other officer submitting the report withdraws it from the Council or committee agenda.
- 4.4.4.4 ~~The~~ [The Head of Finance](#) ~~Executive Director of Resources~~, in conjunction with Executive Directors, is required to submit detailed quarterly monitoring reports to the Finance and Resources Committee, other relevant executive committee(s) and the Governance, Risk and Best Value Committee. These reports will compare actual expenditure to date with the budget position, project the expenditure outturn for revenue and capital expenditure, provide an overview of progress in delivering approved savings and managing service [risks and pressures](#) and report key service issues including – where relevant – the equality and rights impact of any changes. The ~~Head of Executive Director of Resources will~~ [Finance will](#) specify the format of such monitoring reports.

4.4.4.5 The ~~Head of Executive Director of Resources may~~ Finance may give such direction to Executive Directors as to measures to be taken in relation to the revenue budget or the capital investment programme during the remainder of the financial year as may be necessary or advisable in the circumstances prevailing.

4.4.4.6 The ~~Head of Executive Director of Resources may~~ Finance may make recommendations to Council as may be necessary or advisable in the circumstances prevailing.

#### 4.4.5 **Spending, Supplementary Estimates and Transferring Funds**

4.4.5.1 No Executive Director may allow spending, whether revenue or capital, to exceed budget.

4.4.5.2 No Executive Director or official may incur any expenditure unless:

- (a) It is a revenue expense which has been approved as part of the revenue budget under 4.4.2 of these Financial Regulations; or
- (b) It is a capital expense which has been approved as part of the Capital Investment Programme under 4.4.3 of these Financial Regulations, or any separate Act of Council and, where necessary, a tender or quotation has been received under Contracts Standing Orders; or
- (c) The expense has been authorised under the remaining subparagraphs of paragraph 4.4.5 of the Financial Regulations.

4.4.5.3 The Finance and Resources Committee may transfer money within the revenue budget to either existing or new projects, but:

- (a) If this will change approved Council policy, a report must be submitted to Council for approval before the transfer can be actioned;
- (b) If the transfer will affect future years' revenue budgets, a report detailing the effect on future budgets must be submitted to Council for approval before the transfer can be actioned.

4.4.5.4 The Finance and Resources Committee may transfer money within the Capital Investment Programme to either new or existing projects as may be necessary or advisable in the circumstances prevailing, but:

- (a) If this will change approved Council policy, a report must be submitted to Council for approval before the transfer can be actioned;

- (b) If the transfer will affect future years' capital or revenue budgets, a report detailing the effect on future budgets must be submitted to Council for approval before the transfer can be actioned;
- (c) Where capital grant is provided for a specific project, no transfer to alternative projects is permitted without the consent of the Scottish Government or other external grant provider.

In the case of both revenue and capital transfers, any equality and rights impacts of the proposed changes must also be considered.

- 4.4.5.5 The ~~Head of Executive Director of Resources~~ Finance may, from time to time, issue detailed instructions on the transfer of monies within and / or between service area revenue budgets.
- 4.4.5.6 If an Executive Director:
  - (a) Proposes to incur revenue or capital spending that is not included in the revenue budget or capital investment programme approved by Council or to reduce income provided in that way; and
  - (b) Does not propose to pay for the spending by reallocating existing funding,
 the Executive Director must seek a supplementary estimate.
- 4.4.5.7 S/he must report to the Finance and Resources Committee with an assessment of the financial spending consequences for the current and future years and, where relevant, the equality and rights impact of the changes. In the case of revenue expenditure, this appraisal should include identification of the budget head(s) to be reduced in future years. If the Finance and Resources Committee agrees, it will submit a recommendation to Council.
- 4.4.5.8 The ~~Head of Executive Director of Resources~~ Finance must agree before a proposal for transfer or supplementary estimate is reported to the Finance and Resources Committee.
- 4.4.5.9 Executive Directors, in consultation with the Convener of the appropriate executive committee for the service, may submit a request for expenditure of an emergency nature. In such circumstances, the expenditure concerned may be incurred on the authorisation of ~~the the~~ Head of Finance ~~Executive Director of Resources~~, in consultation with the Convener of the Finance and Resources Committee. The Executive Director requesting the expenditure shall arrange for the matter to be reported to the Finance and Resources Committee.
- 4.4.5.10 Other than contractual liabilities, Executive Directors are not permitted to incur revenue expenditure until the relevant financial year has commenced.

#### 4.4.6 **Final Accounts**

4.4.6.1 Executive Directors are required to provide all relevant information to the [Head of Executive Director of Resources in Finance in](#) accordance with the instructions issued annually by him/her.

4.4.6.2 The [Head of Executive Director of Resources will Finance will](#) report the Council's final expenditure outturn with recommendations for appropriations to the Finance and Resources Committee.

#### 4.4.7 **Internal Audit**

4.4.7.1 The Chief Internal Auditor will make appropriate arrangements to review, appraise and report on:

- (a) The adequacy of internal control as an indication of probity and contribution to the economic, efficient and effective use of resources;
- (b) Compliance with approved policies, plans and procedures, including those with a significant impact on, or strong relevance to, equality and rights;
- (c) The extent to which assets are accounted for and safeguarded from losses arising from theft, fraud, waste, inefficient administration and poor value for money;
- (d) The suitability and reliability of management data;
- (e) Service managers' effectiveness in achieving value for money.

4.4.7.2 The Chief Internal Auditor has authority, subject to necessary, prior consultations, to:

- (a) Enter all Council premises or land at any reasonable time and have access to all records, documents and correspondence relating to financial or other matters. This access extends to Council Officers and elected members as necessary;
- (b) Require and receive such explanations as are necessary concerning any matter under examination;
- (c) Require employees to produce cash, stores or other Council property under their control.

4.4.7.3 If elected members or staff discover or suspect any fraud or irregularity that affects the Council, they must immediately inform the Chief Internal Auditor who will arrange for an investigation to be conducted if appropriate. In so doing, attention is drawn to the

provisions and arrangements included in the Council's Public Interest Disclosure ([Whistleblowing](#)), [Anti-Fraud, Anti-Bribery](#) and [Anti-Money Laundering](#) policies.

#### 4.4.8 Risk Management

4.4.8.1 The Head of Legal and Risk, in consultation with the Chief Risk Officer, is responsible for preparing the risk management strategy.

4.4.8.2 Executive Directors are responsible for establishing effective internal controls to mitigate risk and documenting these controls and their application formally. In accordance with the risk management strategy, all officers have a role in the identification of risks as they affect their service area.

#### 4.4.9 Internal Control

4.4.9.1 In cases of material proposed change to systems of internal control, advice should be sought from the Chief Internal Auditor. It is the responsibility of relevant service managers, however, to implement resulting changes and monitor their effectiveness.

#### 4.4.10 Income

4.4.10.1 The collection of all money owed to the Council is the responsibility of the ~~Head of Executive Director of Resources~~ Finance ~~except~~:

(a) The collection of monies at service locations (i.e. where payment or counter services are offered) and the accounting thereof to the ~~Head of Executive Director of Resources~~ Finance ~~is~~ the responsibility of the appropriate Executive Director;

(b) The Executive Director of Place is responsible for the collection of rents for Council housing and the collection of parking fines and accounting for them to ~~the the Head of Finance~~ Executive Director of Resources.

4.4.10.2 The ~~Head of Executive Director of Resources~~ Finance ~~must~~ be notified promptly of all money due and of contracts, leases, agreements or other arrangements, that involve payments to the Council.

4.4.10.3 Executive Directors will ensure the prompt rendering of accounts in connection with work done, goods supplied or services rendered and will furnish the ~~Head of Executive Director of Resources~~ Finance ~~with~~ the information required to identify income due. The ~~Head of Executive Director of Resources~~ Finance ~~will~~ approve the manner in which accounts for income receivable must be prepared. Additional guidance in this area is provided within the Council's Corporate Debt Policy.

4.4.10.4 Arrangements for payment of accounts by instalment are at the discretion of ~~the the Head of Finance~~ Executive Director of Resources, in consultation with the relevant Executive Director where appropriate.

- 4.4.10.5 Arrangements for the billing and recovery of all sums due should be carried out in accordance with the provisions contained within the Council's Corporate Debt Policy.
- 4.4.10.6 Invoices issued by the Council must not be amended to correct errors. Services must issue a replacement invoice if errors are identified, whereupon the erroneous invoice should be cancelled.

#### 4.4.11 **Receipt of Income**

- 4.4.11.1 All money received by a Council officer must be paid without delay or in accordance with directions issued by the ~~Head of Finance~~[Executive Director of Resources](#).
- 4.4.11.2 Where invoices have not been issued for sums owed to the Council, alternative arrangements for collection are subject to the ~~Head of Finance's~~[Executive Director of Resources'](#) written approval.
- 4.4.11.3 The ~~Head of Finance~~[Executive Director of Resources](#) will specify in writing procedures for recording income, lodging income with the bank, resolving banking discrepancies, security and insurance, cash transfers, personal cheques and the supply of receipts and tickets for use by service areas.
- 4.4.11.4 The Executive Director of Resources, Head of Customer, ~~Customer Services~~[Senior Manager - Transactions and Customer](#) and Head of Finance are authorised to sign certificates and petitions to the Sheriff Court for summary warrant applications.

#### 4.4.12 **Salaries and Wages**

- 4.4.12.1 Employees may be appointed only in accordance with the procedures approved by the Council, the establishment, grades and rates of pay. Appropriate equality monitoring and internal audit arrangements will be put in place to ensure compliance.
- 4.4.12.2 Salaries and wages must be processed in accordance with procedures and instructions issued by the ~~Head of Executive Director of Resources from~~[Finance from](#) time to time.
- 4.4.12.3 The payment of salaries, wages, compensations and other emoluments to employees or pension entitlements to former employees will be made by ~~the~~[the Head of Finance\[Executive Director of Resources\]\(#\), who is also responsible for transmitting pension contributions to the Lothian Pension Fund and the Scottish Public Pensions Agency and tax, ~~and~~\[National Insurance\]\(#\) ~~and apprenticeship levy~~ contributions to HM Revenue and Customs.](#)

4.4.12.4 Executive Directors must provide the [Head of Executive Director of Resources with Finance with](#) the information required to complete Council and statutory returns.

#### 4.4.13 Allowances and Loan Schemes

4.4.13.1 The [Head of Executive Director of Resources is Finance is](#) responsible for paying allowances, reimbursing expenses and administering loan schemes.

4.4.13.2 Executive Directors are required to ensure that:

- (a) Claims and applications are submitted in accordance with conditions of service, Council policies and statutory provisions, together with relevant supporting information such as receipts;
- (b) Claims and applications are submitted on the appropriate form and certified by an authorised officer;
- (c) Officers authorised to sign claims and application forms on their behalf are notified to [the the Head of Finance Executive Director of Resources](#);
- (d) Information required to complete Council and statutory returns is provided to [the the Head of Finance Executive Director of Resources](#).

4.4.13.3 The [Head of Executive Director of Resources is Finance is](#) responsible for administering the Scheme of Members' Allowances in accordance with relevant statutory provisions and the payment of expenses. A report on members' allowances must be presented to the Governance, Risk and Best Value Committee annually.

#### 4.4.14 Insurance

4.4.14.1 The [Head of Executive Director of Resources will Finance will](#):

- (a) Prepare and maintain an insurance strategy to provide cost-effective cover;
- (b) Negotiate claims with insurers, in consultation with relevant officers; and
- (c) Report annually to the Governance, Risk and Best Value Committee on the strategy's operation and effectiveness.

4.4.14.2 Executive Directors must notify the [Head of Executive Director of Resources promptly Finance promptly](#) of all new risks, properties, vehicles, plant, equipment, etc. that require to be insured, in addition

to any alterations and changes in activities and procedures that may affect existing insurance arrangements.

- 4.4.14.3 Executive Directors must notify the [Head of Executive Director of Resources of Finance of](#) all major capital and revenue projects at an early stage if insurance cover or specialised insurance advice is required.
- 4.4.14.4 Executive Directors must notify the [Head of Executive Director of Resources in Finance in](#) writing of any loss, liability, damage or other event likely to lead to a claim immediately they become aware of it and should inform the police where appropriate.
- 4.4.14.5 In order to comply with the Insurance Act 2015, Executive Directors must advise every material circumstance that the Council 'knows' or 'ought to know' or provide sufficient information to put a prudent insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances.
- 4.4.14.6 Executive Directors should not:
- (a) Make any admission of liability;
  - (b) Take any action which may be construed as an admission of liability; or
  - (c) Waive any rights of recovery.
- 4.4.14.7 Executive Directors must consult the [Head of Executive Director of Resources and Finance and](#) Head of Legal and Risk regarding the terms of any indemnity which the Council is requested to provide.
- 4.4.14.8 Executive Directors must take due account of recommendations made by the Council's insurers.
- 4.4.15 **Imprest Accounts**
- 4.4.15.1 Where appropriate, the [Head of Executive Director of Resources will Finance will](#) provide cash advances to officers to defray petty cash and other expenses. Such advances will be accounted for using the imprest system.
- 4.4.16 **Custody and Security of Assets**
- 4.4.16.1 Each Executive Director is responsible for maintaining appropriate security at all times for buildings, stores, furniture, equipment, cash and other property, including that owned by third parties.
- 4.4.16.2 The Scheme of Delegation to Officers – Appendix 1 - General Delegation to Executive Directors provides delegated authority to write

off or dispose of any stores, plant, furniture, equipment or any other non-property asset in accordance with these Financial Regulations provided that:

(a) The stores, plant, furniture, equipment or other tangible asset have become unfit for use and unsaleable; and

(b) The decision is made in consultation with ~~the~~ the Head of Finance ~~Executive Director of Resources~~.

~~(b)~~

- 4.4.16.3 Council property may not be removed, other than for Council purposes, unless specific instructions have been issued by an Executive Director.
- 4.4.16.4 Executive Directors are responsible for the care, custody and stocktaking of all stocks under their control and must act in accordance with guidelines issued by ~~the~~ the Head of Finance ~~Executive Director of Resources~~.
- 4.4.16.5 Each Executive Director must agree maximum limits for cash holdings with the Head of Executive Director of Resources for Finance for insurance purposes. These may not be exceeded without the permission of ~~the~~ the Head of Finance ~~Executive Director of Resources~~.
- 4.4.16.6 All heritable securities which are the Council's property, are in its name or in the name of its nominee, and the title deeds of all Council property must be stored securely by ~~the~~ the Head of Finance ~~Executive Director of Resources~~.
- 4.4.16.7 All heritable securities that comprise the Common Good Fund must be stored securely by ~~the~~ the Head of Finance ~~Executive Director of Resources~~.
- 4.4.17 **Gifts, Hospitality and Conduct**
- 4.4.17.1 A register of items gifted or bequeathed to the Council will be maintained by ~~the~~ the Head of Finance ~~Executive Director of Resources~~. Items of considerable value when not otherwise taken on charge for Council or service-specific purposes should be lodged with the Head of Executive Director of Resources for Finance for safe keeping and insurance.
- 4.4.17.2 Elected members and officials must comply with the Local Government (Scotland) Act 1973 Section 68 and all relevant codes of conduct for local government personnel.
- 4.4.17.3 The Chief Executive has delegated authority to approve expenditure on civic hospitality of up to £10,000 subject to consultation with the Lord Provost or relevant Convener if provided on behalf of a particular

Committee. Where total event expenditure exceeds £10,000 or is over and above the budgeted level, approval from the Finance and Resources Committee is required.

#### 4.4.18 **Banking Arrangements**

4.4.18.1 The ~~Head of Executive Director of Resources will~~ Finance will make arrangements for opening and operating bank accounts and using banking services. The ~~Head of Executive Director of Resources is~~ Finance is responsible for negotiating banking terms. No new bank accounts should be opened without the authorisation of the Principal Treasury and Banking Manager. Personal bank accounts must never be used in respect of Council transactions or funding.

4.4.18.2 All cheque forms, excluding those required for authorised imprest accounts may be printed only with the authority of the ~~Head of Finance Executive Director of Resources~~, who will make arrangements for their safe custody.

4.4.18.3 Cheques drawn on the main bank accounts must bear the facsimile signature of the ~~Head of Finance Executive Director of Resources~~ (or other nominated officer) or be signed by the ~~Head of Executive Director of Resources or Finance or~~ other officer who holds an authorised post designated by him/her.

4.4.18.4 The ~~Head of Executive Director of Resources will~~ Finance will make appropriate arrangements, including determination of agreed authorisation limits, for the signature of other financial documents on behalf of the Council.

#### 4.4.19 **Treasury Management**

4.4.19.1 The Council has adopted CIPFA's "Code for Treasury Management in the Public Services" and "Prudential Code for Capital Finance in Local Authorities". The ~~Head of Executive Director of Resources is~~ Finance is responsible for preparing and maintaining the Treasury Policy Statement and treasury management activities must be carried out in accordance with the Statement. Amendments must be considered and approved by Council.

4.4.19.2 An annual Treasury Strategy must be prepared. To this end, the ~~Head of Executive Director of Resources will~~ Finance will prepare separate annual reports to propose the following year's treasury strategy and report on the previous year's management performance. These documents will be subject to initial consideration by the Finance and Resources Committee, approval by Council and onward scrutiny by the Governance, Risk and Best Value Committee to monitor the strategy's implementation and effectiveness. The performance report will be submitted as soon as possible after the end of the financial year.

- 4.4.19.3 All treasury-related decisions are delegated to the [Head of Executive Director of Resources who Finance who](#) must act in accordance with the Code and Policy Statement.
- 4.4.19.4 All money in the Council's custody will be aggregated for treasury management purposes and controlled by ~~the~~ [the Head of Finance Executive Director of Resources](#).
- 4.4.19.5 Where the acquisition or creation of an asset by leasing is proposed, the financial implications of the leasing agreement must be approved by ~~the~~ [the Head of Finance Executive Director of Resources](#).

#### 4.4.20 **Investments**

4.4.20.1 The ~~Head of Executive Director of Resources~~ Finance may undertake any action that may reasonably be deemed permissible investment business but must seek appropriate advice where necessary in relation to educational endowments and any other Council or trust funds.

4.4.20.2 The ~~Head of Executive Director of Resources~~ Finance is responsible for the safe custody of share certificates or other documents relating to the investment of Council or trust funds.

#### 4.4.21 **Payment of Accounts**

4.4.21.1 Arrangements for processing payments must comply with procedures established by ~~the the Head of Finance~~ Executive Director of Resources, a summary of which is included in the Finance Rules.

#### 4.4.22 **Grant Payments to Third Parties**

4.4.22.1 Executive Directors are responsible for ensuring that grant awards are consistent with the Council's priorities and are subject to its standard conditions of funding as determined by the Head of ~~Finance~~ Strategy and Insight.

4.4.22.2 Arrangements for processing grant payments must comply with procedures established by the ~~Head of Executive Director of Resources~~ as Finance as set out in the Finance Rules. Other than in a limited number of specific cases where authority is delegated to Executive Directors, all payments are subject to annual consideration and approval by the relevant Executive Committee.

#### 4.4.23 **Procurement/Purchasing**

4.4.23.1 Arrangements for procurement/purchasing, including the use of purchasing cards, must comply with procedures established by the ~~Head of Executive Director of Resources~~ as Finance as summarised in the Finance Rules.

4.4.23.2 Executive Directors are responsible for ensuring that purchasing activity carried out on their behalf is undertaken in accordance with the guidance contained in the Procurement Handbook and associated equality requirements.

#### 4.4.24 **Value Added Tax**

4.4.24.1 Executive Directors are responsible for identifying and accounting for input and output tax as it relates to their service area. Queries and specific problems should be referred to ~~the the~~ Head of

| [Finance Executive Director of Resources](#), who is responsible for issuing guidance on the application of VAT rules.

#### 4.4.25 **Computer Security**

4.4.25.1 The ~~Chief Information Officer~~[Head of ICT](#) is responsible for preparing and maintaining the Council's policy on ICT security, as well as appropriate guidance on usage and security.

4.4.25.2 Executive Directors are responsible for applying the security policy and guidance.

4.4.25.3 The Council is registered under the Data Protection Act. Executive Directors are responsible for ensuring that the provisions regulating computer systems' security are strictly observed. Executive Directors must liaise with the ~~Chief Information Officer~~[Head of ICT](#) to ensure adequate security on a continuing basis.

#### 4.4.26 **Other Significant Documents**

4.4.26.1 Financial Regulations should be read in conjunction with the constitutional documents of the Council and all Council Policies (as such term is defined in the Scheme of Delegation to Officers) including without limitation:

[Procedural Standing Orders for Council and Committee Meetings](#);

[Committee Terms of Reference and Delegated Functions](#);

[Scheme of Delegation to Officers](#);

Finance Rules;

[Contracts Standing Orders](#);

Procurement Handbook;

Code of Conduct on the Use of Electronic Communications;

A Framework to Advance Equality and Rights 2012 to 2017 and successor documents.

## ADDENDUM: FINANCIAL REGULATIONS – LOTHIAN PENSION FUNDS

In respect of all pension funds administered by the City of Edinburgh Council, the Section 95 responsibility has been delegated to the Chief Financial Officer, Lothian Pension Fund. This encompasses responsibility for all accounting records and financial administration of the pension funds, as aligned to the remit of the Pensions Committee and Pensions Audit Sub-Committee.

—The responsibilities of the ~~Head of Finance~~ ~~Executive Director of Resources~~, as detailed in ~~these~~ Finance Regulations, will therefore apply to the Chief Financial Officer, Lothian Pension Fund, only to the extent that these are pertinent —to the ~~governance~~ of the pension funds. This shall include making —suitable arrangements for the safe custody of the investments of the —pension funds, share certificates or other documents relating to the ~~investment~~ of pension funds. Financial reporting for the pension funds —will be considered by the Pensions Committee, and the Pensions Audit ~~Sub-Committee~~ as appropriate.

10.00am, Thursday 29 June 2017

## Urgent Actions

Item number	8.5
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report asks the Council to note a number of urgent actions taken by the Chief Executive in consultation with the Lord Provost and Group Leaders.

# Report

## Urgent Actions

### Recommendations

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1. To note the actions taken under urgency provision.

### Main report

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- 2.1 Provision is made within the Committee Terms of Reference and Delegated Functions (paragraph 4.1) for the Chief Executive or appropriate Director, in consultation with the Convener or Vice-Convener, to take decisions normally made by committee under urgency provision. The decision has then to be reported to the next meeting.
- 2.2 At its meeting on 25 May 2017, Council noted that all Group Leaders would also be consulted when taking decisions under urgency, until a Council Administration was formed.
- 2.3 Appended is a summary of a number of urgent decisions. Consultation on these took place with the Lord Provost and Group Leaders. Subsequently the proposals in each case have been accepted by the Chief Executive.
- 2.4 These mostly relate to procurement issues, where the Council would suffer detriment if an early decision was not made.

### Measures of success

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- 3.1 The Council meets all contractual and other liabilities.

### Financial impact

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- 4.1 Timely decisions have avoided additional costs associated with tendering and other processes, including penalty clauses.

### Risk, policy, compliance and governance impact

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- 5.1 Reputational and financial risk would have been incurred if these early decisions weren't taken.

### Equalities impact

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- 6.1 Not applicable.

## Sustainability impact

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7.1 Not applicable.

## Consultation and engagement

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8.1 As required, consultation took place with the Lord Provost and Group Leaders before these decisions were taken.

## Background reading/external references

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9.1 Further detailed information is available from the relevant Directorates.

### **Andrew Kerr**

Chief Executive

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## Summary of Decisions Taken Under Urgency Provision

ISSUE	ACTION TAKEN	FINANCIAL IMPLICATIONS
Polling Place List - Adjustment	Replacing St Cuthbert's Church; Stockbridge Church and The Principal Hotel by St Cuthbert's Primary School; Stockbridge Library and St Andrew's and St George's West Church at the June Parliamentary election.	Contained within existing budgets.
Education, Health and Social Care Home to School Transport Framework Agreement	One year multi supplier framework agreement, from 26 June 2017, with a further one- year extension option.	Contract value = up to £13m
Saughton Park Restoration Project	Award of Landscape and Associated Works Contract – authorise Director of Place to appoint contractor.	Contract value = £4.1m
Street Lighting Central Management System	Authorise the Director of Place to purchase the Street Lighting Management System from CGI.	Contract value = up to £6m.
School Session dates 2018/19 and Beyond	To agree dates for the school year 2018/19 and a revised timescale for consultation on the criteria for future school session dates.	N/a
Contract – Holiday Activity Programme for Disabled Children and Young People	To agree a 43 month contract (with option to extend for two more years) for the provision of a Holiday Activity Programme for disabled children and young people.	Contract value = between £3.765m and £3.884m.
Tweed Lodge Care Home for Profound and Multiple Learning Disabilities	To agree a three year (with two year possible extensions) contract to "Voyage Care" to operate the new "Tweed Lodge" care home	Contract value = up to £3.087m

10.00am, Thursday, 29 June 2017

## Monitoring Officer Investigation

<b>Item number</b>	8.6
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive summary

---

This report sets out the findings of an investigation carried out on behalf of the Monitoring Officer in relation to:

- (i) the Council's management of certain outdoor advertising projects;
- (ii) the Council's handling of an individual's complaints and requests for information in relation to such projects; and
- (iii) the findings of a report by the Scottish Public Services Ombudsman (the "SPSO") into these matters.

### Links

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<b>Coalition pledges</b>
<b>Council outcomes</b>
<b>Single Outcome Agreement</b>

## Monitoring Officer Investigation

### 1. Recommendations

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- 1.1 To note that the Council's Monitoring Officer is required, under s.5 of the Local Government and Housing Act 1989, to report to Council if he considers that in the course of the discharge of the Council's functions any proposal, decision or omission has resulted in maladministration. In this context, maladministration means unreasonableness in the delivery of Council services, or failure to apply the law or rules properly;
- 1.2 To note that a report by the Scottish Public Services Ombudsman ("SPSO") into the Council's management of certain outdoor advertising contracts and related complaints resulted in a finding of maladministration;
- 1.3 To note the outcome of investigation reports into the matter undertaken by Brodies LLP ("Brodies") on behalf of the Monitoring Officer (the "Reports");
- 1.4 To note that the Chief Executive has sent a written apology to the complainant on behalf of the Council in relation to this matter; and
- 1.5 To note that the Council has complied with all recommendations of the SPSO's report and has taken further action to prevent recurrence of the issues identified.

### 2. Background

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- 2.1 In 2003, advertising drums were installed in the Grassmarket area as part of a trial project instructed through Economic Development, with temporary advertising consent granted for a year. The purpose of the drums was to provide an allocated space for events flyers, thereby reducing illegal fly-posting. The management and removal of illegal fly-posting was an ongoing problem for the Council at the time, taking up significant resource. The trial was managed by City Centre Posters Ltd ("CCP") and was not competitively procured. Over the next 12 years, the Council permitted CCP to operate further drums around the city.
- 2.2 In November 2014, a complaint was made by a member of the public ("Mr C") that there had not been a proper procurement process for CCP's use of the drums and that they did not have proper consent.

- 2.3 In October 2015, the Council informed CCP that, following review, the drums were to be removed. The Council's contract with CCP will terminate on 30 September 2017. The intervening period allowed for a reasonable notice period to be given to CCP in accordance with the current contractual arrangements and to allow consultation with the cultural sector around the commencement of the new contract (i.e. after the Summer festivals).
- 2.4 Mr C submitted a large volume of detailed information requests and complex complaints to the Council, which often spanned several service areas.
- 2.5 Ultimately, Mr C's complaints were referred to the SPSO. Overall, the SPSO was highly critical of the Council's handling of the outdoor advertising projects and Mr C's complaints in relation thereto.
- 2.6 Given the long history and complexity of the matter, Brodies were appointed to undertake a thorough and independent review of what had gone wrong and what improvements could be made to minimise the risk of recurrence.

### 3. Main report

---

- 3.1 Brodies were appointed to investigate and report on the Council's management of the advertising drums and on its handling of Mr C's questions and complaints. Brodies provided two reports dealing with each element. I summarise each of the reports below:

#### **Outdoor Advertising Contracts Review**

- 3.2 Brodies were satisfied that there was a reasonable rationale for initially introducing advertising drums into the city centre due to significant problems with flyposting. It was costing the Council around £300,000 annually to clean up affected areas.
- 3.3 However, Brodies found that there were very limited records of decision-making in relation to the project. The Council's record-keeping and overall monitoring of project performance was inadequate. In the absence of monitoring arrangements, the project could not be properly assessed in terms of providing value for money.
- 3.4 The Council accepts that there was no proper procurement process originally carried out in relation to the advertising drums. The arrangements with CCP were described as an informal management agreement. The contract should have been formalised and tendered to ensure best value. Brodies highlighted a lack of evidence of Council officers paying regard to the principle of best value in the early stages of decision-making and in the ongoing decisions to maintain the arrangements with CCP.

- 3.5 Brodies found that there was no effective oversight of the drums project from 2004 to 2014. Overall, there was also a lack of clarity in relation to who had overall responsibility for outdoor advertising drums. There was an overlap between the role of the Neighbourhood Office and other teams, such as Planning, Economic Development and Culture and Sport. Latterly, the confusion was exacerbated by the major service and structural reorganisation that was taking place within the Council. Officers in the Information Governance Unit (“IGU”) state that they advised the Acting Director of Services for Communities in June 2015, that the issue of contract management for advertising drums should be thoroughly investigated. This does not appear to have happened.
- 3.6 The lack of clarity over responsibility for the various contracts was compounded by poor lines of communication between the different Council service areas and teams involved in advertising projects.
- 3.7 In terms of mitigating factors, Brodies recognised that a significant barrier to addressing the management of advertising contracts was a lack of resources within the Council and competing pressures on officers’ time. A substantial amount of resources had to be directed towards dealing with Mr C’s lengthy and numerous complaints and requests. However, overall Brodies did not excuse the inaction on this basis – over the long history of the matter there was sufficient time and scope to resolve the relevant issues.

#### Maladministration

- 3.8 The SPSO concluded that the failure to procure the advertising drums contract, compounded by its repeated expansion, amounted to maladministration.
- 3.9 The definition of maladministration is wide and can include incorrect action or failure to take action in addition to failure to follow procedure or the law.
- 3.10 Whilst recognising the resourcing pressures on the Council, Brodies agreed with the SPSO that the Council’s management of the advertising contracts amounted to maladministration.

#### Improvement actions

- 3.11 Overall responsibility for the project now belongs to the Cultural Services team within the Place Directorate. The team is responsible for ensuring robust contract management and clear channels of communication. Procurement and Legal colleagues are currently working with the team to finalise the procurement process for the new project to put in place appropriate contractual arrangements.

## Complaints Handling Review

- 3.12 Brodies identified that officers involved in the matter had not been consistently trained on complaints handling. There was varied experience of using the Council's Complaints Procedure and some officers were not clear when they had last had training.
- 3.13 Had all officers been fully trained on complaints handling, a more appropriate and effective strategy could have been employed to deal with Mr C's complaints and information requests. The main element of his complaint (that the arrangement had not been openly procured) may have been more properly categorised as the basis of a legal challenge against the Council. In terms of lengthy, repeated communications from Mr C, it may have also been appropriate to consider invoking the Council's Managing Customer Contact Policy. However, Brodies noted that seeking to treat communications under this policy would have had to have been considered in the light of whether the fundamental issues of Mr C's complaints were being addressed.
- 3.14 Brodies saw no evidence of Council officers intentionally withholding information from Mr C or not taking his complaints seriously enough. Council officer workloads and priorities, lack of clarity on both sides as to timescales for responses, and the complexity and volume of Mr C's complaints appear to all have played a part in delayed response times.
- 3.15 In terms of information handling, there were also various issues with the accuracy of information being provided within the Council. Not all FOI requests are routed through the FOI team. Some are dealt with directly by service areas which, in this instance, led to contradictory responses being issued (Mr C had addressed very similar complaints to different teams within the Council). Officers in the Procurement team also rely heavily on information from service areas to answer questions from disappointed or potential bidders. Procurement officers do not necessarily have the technical knowledge to realise when poor or incorrect information is being provided by a service area and nor should they be expected to do so. However, this again led to inaccurate information being issued to Mr C.
- 3.16 There was no collective awareness of Mr C's varied complaints, with different service areas not being aware of the bigger picture surrounding Mr C until matters had escalated.

## Maladministration

- 3.17 The SPSO concluded that the Council did not respond accurately to Mr C's questions and complaints and provided a series of inaccurate and confusing responses over a period of time. The SPSO considered that the delays and

inaccuracies in the Council's response were sufficient to constitute maladministration.

- 3.18 Brodies concluded that, on balance, the circumstances did appear to have met the threshold for maladministration. They considered that there was clear evidence of inadequate internal communication leading to delays in investigation and action and inaccurate and contradictory information being issued to Mr C. The Council also demonstrably neglected to follow or properly apply its own Complaints Procedure on a number of occasions.

### Improvement Actions

- 3.19 All officers involved in dealing with Mr C's complaints have undertaken complaints handling training.
- 3.20 Since the Council's Transformation programme in 2016, a new strategic complaints function is proposed to be set up as part of the IGU. This development responds to the need for a more coherent and streamlined approach to the management of complaints throughout the Council, including significantly enhanced support, oversight and management of complex complaints. A review of the complaints management procedure is currently underway and there have been several workshops and a Council-wide consultation to identify issues, challenges and potential opportunities. The findings are currently being collated into a report for the Council's Corporate Leadership Team and will include a series of recommendations, including the development of a more robust complaints framework and overarching policy that clearly defines staff roles and responsibilities and the escalation process.
- 3.21 Under the new framework, the IGU will provide a single point of reference for advice on the complaints process and will assist service areas in co-ordinating and escalating complex complaints.
- 3.22 In terms of senior responsibility, if responsiveness issues arise in the future in relation to treatment of a complex complaint, the IGU will escalate the matter to the relevant Director or the Council's Corporate Leadership Team. The appropriate Head of Service will be tasked with dealing with the matter.

## **4. Measures of success**

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- 4.1 The actions taken by the Council after a thorough investigation by an independent law firm demonstrates that it has taken this matter seriously and has taken steps to prevent a reoccurrence.

## **5. Financial impact**

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- 5.1 No direct impact.

## 6. Risk, policy, compliance and governance impact

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- 6.1 There is a risk that by not following the appropriate legislative and policy requirements, the Council is open to unnecessary external scrutiny and potentially legal action.

## 7. Equalities impact

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- 7.1 No direct impact.

## 8. Sustainability impact

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- 8.1 No direct impact.

## 9. Consultation and engagement

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- 9.1 None.

## 10. Background reading/external references

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- 10.1 The SPSO report can be found using the following link:  
<https://www.spsso.org.uk/investigation-reports/2017/march/city-edinburgh-council>

### Nick Smith

Monitoring Officer

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### Links

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**Coalition pledges**

**Council outcomes**

**Single Outcome  
Agreement**

**Appendix**

10.00am, Thursday, 29 June 2017

## Unaudited Annual Accounts 2016/17

Item number	8.7
Report number	
Executive/routine	
Wards	

### Executive summary

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The report presents the Council's 2016/17 Unaudited Annual Accounts to Members. These statements present the financial position and performance of the Council, together with that of the wider Council Group, for the year to 31 March 2017. The report includes a summary of the outturn position and notes that a detailed report will be brought to the Finance and Resources Committee in August 2017.

### Links

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Coalition Pledges

Council Priorities

[CP13](#)

Single Outcome Agreement

[SO1](#), [SO2](#), [SO3](#), [SO4](#)

## Unaudited Annual Accounts 2016/17

### 1. Recommendations

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- 1.1 Members of the Council are asked to:
- 1.1.1 note the unaudited annual accounts for 2016/17 will be submitted to the external auditor by the required date;
  - 1.1.2 note that a detailed report on the outturn will be reported to the Finance and Resources Committee in August 2017; and
  - 1.1.3 note the audited annual accounts and the auditor's report will be submitted to the Governance, Risk and Best Value Committee and an appropriate Committee for approval in September 2017 and thereafter to Council in October 2017.

### 2. Background

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- 2.1 The purpose of this report is to present the unaudited annual accounts for 2016/17 for Council's consideration.
- 2.2 The Council's unaudited annual accounts, shown in Appendix 1, have been completed in accordance with proper accounting practices and are being presented to Council prior to submission to the external auditor by 30 June, as required by the Local Authority Accounts (Scotland) Regulations 2014.
- 2.3 Members should note that the annual accounts must be published on the Council website no later than 30 June 2017 and made available for public inspection for a period of 15 working days, from Monday 3 July 2017 to Friday 21 July 2017.

### 3. Main report

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- 3.1 The financial position for the Council, and its wider group responsibilities, is presented in the following statements:
- Movement in Reserves Statement (pages 16-17);
  - Comprehensive Income and Expenditure Statements for the Group (page 18) and the Council (page 19); and

- Balance sheets for the Group (pages 20-21) and the Council (pages 22-23).
- 3.2 The Code of Practice on Local Authority Accounting sets out the basis for presentation of the annual accounts, which has undergone significant changes in 2016/17. The Comprehensive Income and Expenditure Statements and supporting notes require to be reported on the Council's management structure, with comparative financial data restated accordingly.
- 3.3 The consolidated group accounts include the results of the following subsidiaries, associates and trusts:
- Subsidiaries – CEC Holdings Ltd and Transport for Edinburgh Ltd;
  - Associates and Joint Ventures – Edinburgh Leisure, Festival City Theatres Trust, Common Good, Lothian Valuation Joint Board and Edinburgh Integration Joint Board; and
  - Trusts – International Conference Centre Income and Expenditure Trusts.
- 3.4 The unaudited annual accounts also include a remuneration report. This covers the Council's Leader, Civic Head, Senior Councillors and Conveners of Joint Boards and senior employees within both the Council and its subsidiary companies for current and, where applicable, former post holders (pages 143 to 154).

## **Outturn Summary**

### Revenue

- 3.5 The Council's outturn position shows a net underspend against budget of £1.058m. This net position is attributable to the following main factors:
- There was an overspend within General Fund services of £0.547m and £0.174m on net cost of benefits and other non-service specific costs, resulting in an overall £0.721m overspend. Additional funding of £1.140m was approved to support Health and Social Care, resulting in an adjusted General Fund underspend of £0.419m. Within this amount four of the six service areas reported underspends against their approved budgets.
  - Centrally funded staff release costs of £15.610m were accounted for in year, against a budget of £14m. The costs included relate to staff leaving during the year under the Transformation Programme and any amounts for pre-approved exits even if the leaving date is in a subsequent period, in accordance with IAS 19. The costs were funded using non-service specific surplus incomes and underspends.

- Net savings on loan charges / interest received of £1.633m, mainly as a result of the Council's strategy not to undertake external borrowing to finance capital investment during the year.

3.6 The net underspend of £1.058m has been set aside within the Council Priorities Fund. Members are asked to note that a detailed outturn report will be presented to the Finance and Resources Committee in August 2017. A reconciliation of the Comprehensive Income and Expenditure Statement to the underspend of £1.058m is shown in Appendix 2.

#### Housing Revenue Account

3.7 The HRA was balanced after making a contribution of £11.886m to the Renewal and Repairs Fund, via the General Fund. These funds are earmarked for future capital investment in new affordable homes through the 21<sup>st</sup> Century Homes programme and as a contingency to manage the impact of welfare reform.

#### Capital

3.8 Capital expenditure, including the HRA, totalled £201.603m, compared to a revised budget of £204.026m, showing slippage of £2.423m, or 1% of budget. Within these amounts, expenditure on General Fund services slipped by £1.746m, the majority of which related to the Boroughmuir High School replacement, Early Years improvement projects and major carriageway and footway refurbishment, while acceleration in the programme of Asset Management Works largely offset the slippage in these projects. Expenditure on the HRA slipped by £0.677m.

3.9 Capital income totalled £132.916m, compared to a revised budget of £132.205m. Within this, £41.626m of general capital grant was received, which enabled the Council to direct resources to current service priorities.

#### **Reserves**

3.10 As at 31 March 2017, the General Fund reserves had risen to £141.826m, an increase of £13.430m. The level of reserves is reviewed annually by Council as part of the revenue budget process.

3.11 The increase in reserves reflects a variety of factors, including the timing of receipt of external funding compared to the timing of expenditure, statutory requirements and balancing the financial risks which may occur.

3.12 The unallocated General Fund remains at £13.025m at 31 March 2017. The remaining balance of £128.801m is earmarked for specific purposes. These earmarked reserves are held for a number of reasons:

- Balances set aside to manage financial risks and for specific investment which are likely to arise in the medium term future – examples include monies earmarked for the insurance fund and building dilapidations. The Council holds £74.864m against these future risks.

- Balances set aside, primarily from grant income, due to timing differences between the receipt of grant income and contributions and the planned expenditure thereof. The Council holds £43.788m of income which has been received in advance of planned expenditure, a decrease of £3.514m from 2015/16.
- 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. The Council holds £7.461m of balances for such projects.
- Balances held under the Devolved School Management scheme of £2.688m. This scheme permits balances held on individual school budgets to be carried forward to the following financial year.

3.13 Details of the earmarked balances are shown in Appendix 3.

#### **4. Measures of success**

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4.1 Council receives an unqualified audit certificate from the External Auditor by 30 September 2017.

#### **5. Financial impact**

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5.1 The report identifies where funding has been made available for known risks. The Council also holds unallocated General Fund reserves against the likelihood of unfunded risks occurring.

#### **6. Risk, policy, compliance and governance impact**

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6.1 The Governance, Risk and Best Value Committee will consider the annual accounts at the conclusion of the audit.

#### **7. Equalities impact**

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7.1 There are no equalities impact implications arising from this report.

#### **8. Sustainability impact**

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

## 9. Consultation and engagement

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- 9.1 The unaudited annual accounts will be published on the Council's website from 30 June 2017 and made available for public inspection for a period of 15 working days in accordance with the provisions of the Local Government (Scotland) Act 1973 and the Local Authority Accounts (Scotland) Regulations 2014.

## 10. Background reading/external references

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- 10.1 None.

### Hugh Dunn

Acting Executive Director of Resources

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### Links

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#### Coalition pledges

#### Council Priorities

CP13 – Deliver lean and agile Council services

#### 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 – Unaudited annual accounts 2016/17

Appendix 2 – Summary reconciliation of the Comprehensive Income and Expenditure Statement to the reported underspend

Appendix 3 – Revenue balances

**2016/2017**

**UNAUDITED ANNUAL ACCOUNTS**



# The City of Edinburgh Council

## Annual Accounts

Year to 31 March 2017

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# MANAGEMENT COMMENTARY

## Basis of Accounts

The Unaudited 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 2017.

The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice (SeRCOP). In 2016/17, the Annual Accounts have been prepared using the management structure as a reporting basis, rather than the previously used SeRCOP. This is due to a change in the Code of Practice. Year on year comparisons are indicative of what the management structure would have represented although this is further complicated by the Council-wide transformation reviews.

## Statutory Background

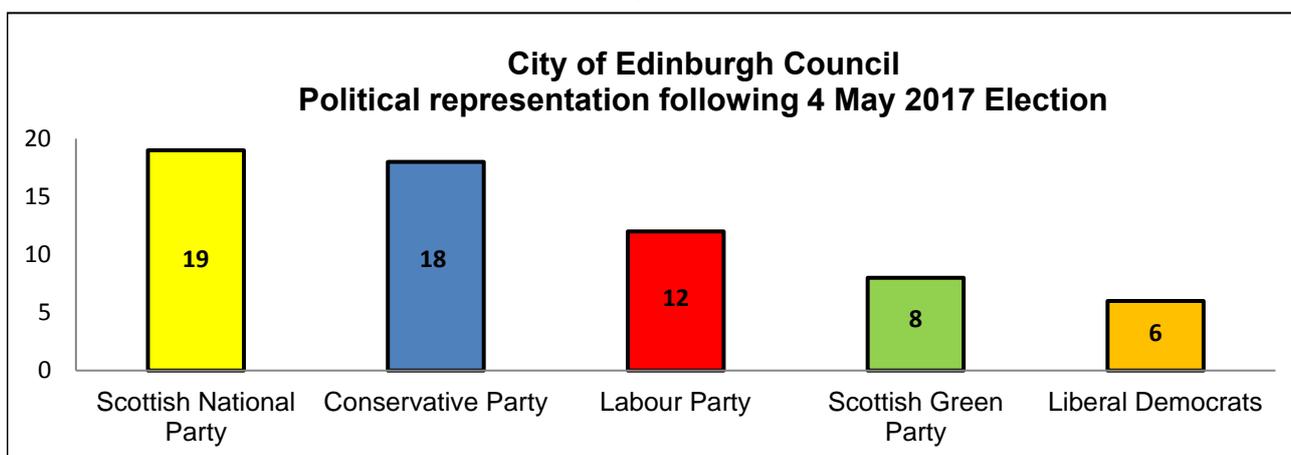
The City of Edinburgh Council was constituted under the Local Government, etc. (Scotland) Act 1994 and became the unitary local authority to Scotland's capital city in April 1996. The Council brought together most of the services delivered by the previous regional and district councils, with its primary 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 over half a million citizens across the 102 square mile Council area.

The Council has been undergoing a significant Transformation Programme which has revised the key services and their structure. The current structure is still fluid but the tables below indicate the latest position.

Communities and Families	Place	Health and Social Care
Schools and Lifelong Learning	Environment (inc. parks, cemeteries)	Edinburgh Integrated Joint Board
Children's social work	Transport (inc. parking)	Older people's services
Community education	Roads, bridges and flood prevention	Learning and Physical disabilities
Libraries and Sports	Housing and Regulatory Services	Mental Health
Early Years	Planning and building standards	Substance Misuse
Chief Executive	Resources	Safer and Stronger Communities
Strategy and Insight	Customer and Business Support	Community safety
Communications	Finance	Homelessness services
ICT	Legal and Risk	
	Human Resources	
	Property and Facilities Management	

Further comprehensive 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 63 Councillors representing 17 wards within the city, split as follows:



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, for those in office during the financial year, are disclosed in the Remuneration Report from page 143 of these financial statements.

# MANAGEMENT COMMENTARY

## Corporate Strategy

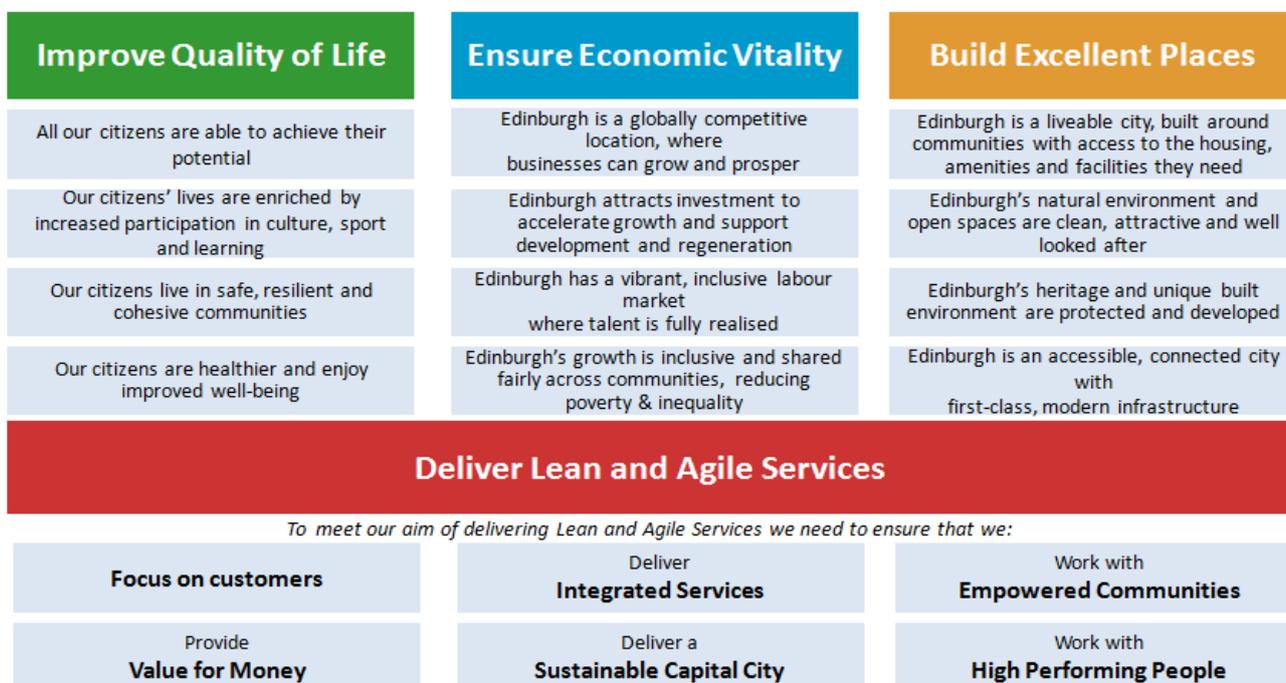
The current **Council Strategic Plan** was first developed in 2012 and outlines priorities for the period 2012-17. The plan forms the central part of the Council's planning and performance management framework and is reviewed and updated each year to take consideration of new developments, emerging priorities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

To deliver these aims, this business plan sets a number of strategic outcomes towards which our services work. These outcomes describe the direction and priorities that all Council services are built around. 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**. To do this, the plan describes six principles to guide the development of all Council services over the next four years.



Achieving all these commitments in a period of reducing budgets and increasing demand is a challenge, but one the Council is determined to meet.

## 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 2017 are outlined below. The report reflects the current highest priority risks of the Council along with the key controls in place to mitigate them. The directional symbols indicate the current assessment of risk profile between escalation, static or reducing.

#### 1. Capital asset management

With reduced resources and a heightened need for structural inspection and maintenance the current asset management plan may be insufficient to cover the immediate need for capital improvements (e.g. improvement of highways, post PPP1 structural reviews and other capital infrastructure) which could result in continued under-investment and assets that are not fit for purpose or meet health and safety consequences now and in the future.

#### 2. ICT transformation and change programme

Key deliverables, benefits and timescales for achieving IT transformation may not be achieved in line with business expectations, requirements and contractual agreements. This will result in adverse impacts on service delivery and the Council's ability to operate, its finances or its reputation.

#### 3. Business continuity

A sudden high impact event causes buildings, people, systems to be non-operational for an unacceptable period of time.

#### 4. Increased service with less resource

Funding reductions, legislative changes and increased demographic pressure, the requirements of the Local Development Plan and the anticipated need for further cost efficiencies will create an unexpected material pressure on our infrastructure, capital and revenue funding, the execution of our strategy and business plan with associated adverse reputational impact.

#### 5. Budget management

Material overspends on service budgets may impact upon the funding of other services

#### 6. Cyber security and data privacy

A significant cyber breach occurs resulting in sizeable loss of data integrity, confidentiality or availability with adverse reputational impact.

#### 7. Customer expectations

Customer dissatisfaction around delivery of customer facing services (eg waste, roads, delayed discharge) may lead to increased complaints with consequential increased financial strain and reputational damage.

#### 8. Health and Social Care procurement

Through either lack of CEC resource and/or provider capacity, the Council may be unable to secure appropriate contracts with its providers or deliver appropriate services as directed by the IJB. As a result we may be unable to deliver our own commitments and those of the H&SC partnership's strategic plan.

#### 9. Health and Safety

Non-compliance with Council Health and Safety policies and procedures and legal and regulatory requirements could lead to avoidable employee or 3rd party injury or ill health and/or regulatory fines and liability claims, and associated reputational damage.

#### 10. ICT service delivery

The current stresses in the new IT provider's service delivery / management are such that it may not be able to recover service standards in the immediate future and there may be a sustained period of outage, degraded performance, or errors in processing for one or more services. This will result in adverse impacts on service delivery, the Council's ability to operate, its finances or its reputation and loss of confidence in the strategic alliance.

### Other Risks, Challenges and Uncertainties

Per the March 2017 Accounts Commission Report, 'Local Government in Scotland Performance and challenges 2017', all Councils in Scotland face further challenges and uncertainties. These have been noted as;

- The United Kingdom's decision to leave the European Union will have an impact on councils' work. The Council has set up a working group to plan for a number of scenarios to mitigate this risk.
- The Scottish Government is currently considering a local democracy bill. This is still at an early stage so the details and impact on the Council are not known.

# MANAGEMENT COMMENTARY

## 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 continues to be reported each month to the Corporate Leadership Team and half-yearly to Council 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 some sixty 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 2016/17 has also been provided through a range of other channels, including the **Edinburgh People Survey**, audits and inspections. Performance against a suite of local-level, outcome-focused "quality of life" indicators is in addition monitored on a regular basis, with corresponding areas for improvement identified.

## Best Value

The effectiveness of the Council's arrangements to secure best value is subject to regular assessment, both as an integral part of the annual financial statements audit and in greater depth through a Scotland-wide medium-term cycle of review. **The key findings of the most recent assessment** were reported to the Governance, Risk and Best Value Committee on 24 October 2016. In noting the continuing progress made against the recommendations contained within the December 2014 Best Value follow-up report, the assessment concluded that:

- there is a strong focus on addressing the Council's financial plans, with clear evidence of increasing levels of savings delivery, informed by robust and proactive scrutiny and challenge;
- the Council's performance arrangements continue to provide a robust and comprehensive assessment of the delivery of its priority outcomes, assisted by the adoption of an organisation-wide workforce plan informed by good practice.

## Comparative Performance

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.

Due to the time required for calculation, verification and publication of Scotland-wide figures, provisional 2016/17 data will not be available in sufficient time for inclusion in the unaudited or audited annual accounts. An overview of the Council's 2015/16 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.

A wider assessment of performance in 2016/17 will be reported to Council after the summer recess.

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

For the period covered by the accounts, progress in delivering the Capital Coalition's Pledges was furthermore reported to Council on a six-monthly basis, with the **final assessment** being considered on 15 December 2016.

# 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 16 to 17).

An Expenditure and Funding Analysis has been provided to reconcile adjustments between the Council's financial performance under the funding position and the surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis can be found in Note 2 and the Expenditure and Income Analysed by Nature in Note 3.

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

	<b>Budget</b>	<b>Actual</b>	<b>(Under)</b>
	<b>2016/17</b>	<b>2016/17</b>	<b>/ Over</b>
	<b>£000</b>	<b>£000</b>	<b>Spend</b>
			<b>£000</b>
General Fund services	814,789	814,370	(419)
Centrally funded release costs	14,000	15,610	1,610
Dividend and other interest received	(8,802)	(9,552)	(750)
Loans charges / interest on revenue balances	113,071	112,188	(883)
Net contribution to earmarked balances	4,285	7,285	3,000
<b>Total expenditure to be funded</b>	<b>937,343</b>	<b>939,901</b>	<b>2,558</b>
Council Tax	(244,131)	(244,796)	(665)
Council Tax Reduction Scheme	26,357	23,406	(2,951)
Total - Council Tax income account	(217,774)	(221,390)	(3,616)
General revenue funding	(344,919)	(344,919)	0
Distribution from non-domestic rate pool	(374,650)	(374,650)	0
<b>Funding</b>	<b>(937,343)</b>	<b>(940,959)</b>	<b>(3,616)</b>
<b>Transfer to Council Priorities Fund</b>	<b>0</b>	<b>(1,058)</b>	<b>(1,058)</b>

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

The approved budget for 2016/17 was underpinned by an unprecedented level of savings, many affecting key frontline service areas, as well as a need to manage demographic and other demand-led pressures, particularly in fostering, adoption, out-of-authority placements and older people's care. Despite this, thanks to close tracking of the delivery of these savings and early identification of any required mitigating actions, the provisional outturn for the year shows a slight overall underspend of £1.058m, comprised as shown in the following sections.

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

- An underspend within General Fund services of £0.419m, primarily due to underspends against the revised budgets for all services except for Place, unfavourable movements in non service specific payments and provisions during the year and favourable movements in net cost of benefits.
- Centrally funded release costs variance of £1.610m, as a result of £15.610m costs incurred as part of the Transformation Programme, see page 9, funded from underspends elsewhere within the General Fund.
- A reduction of £0.883m 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

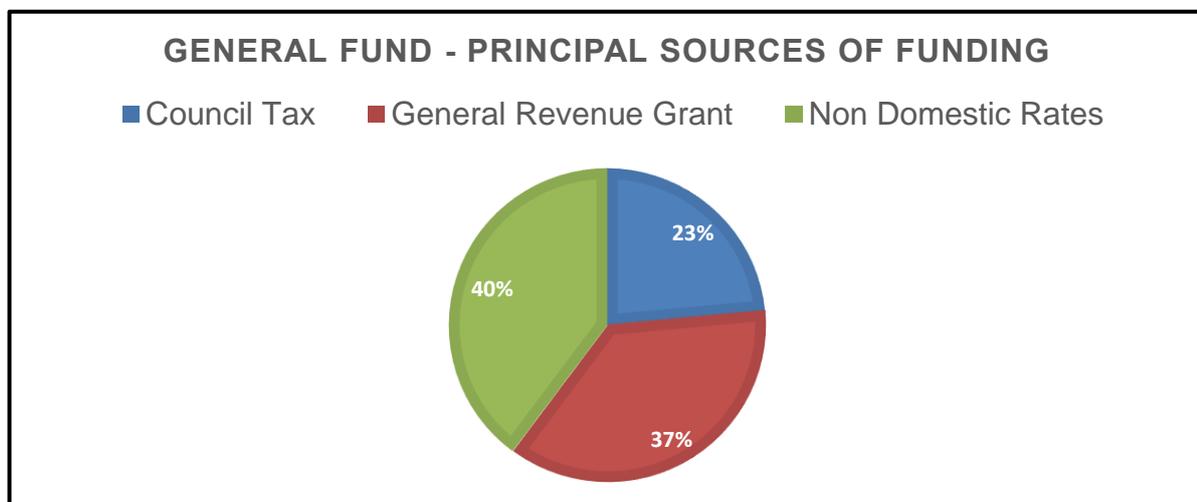
### Budget performance - General Fund - continued

- Additional Council Tax receipts, compared to budget, of £0.665m, mainly as a result of additional properties on which tax can be levied, and a reduction in exemptions. A further saving of £2.951m compared to budget was achieved on the Council Tax Reduction Scheme.
- The Council transferred a net sum of £7.285m to earmarked reserves during 2016/17. The Council's reserves are covered on page 8 of the management commentary and in more detail in note 12.1.
- The surplus of £1.058m returned in 2016/17 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 12.1.

### Principal Sources of Funding - General Fund

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

	<b>£000</b>
Council Tax, net of Council Tax Reduction Scheme (CTRS)	221,390
General revenue funding	344,919
Distribution from non-domestic rates pool	<u>374,650</u>
Total	<u><u>940,959</u></u>



# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Reserves

#### General Fund

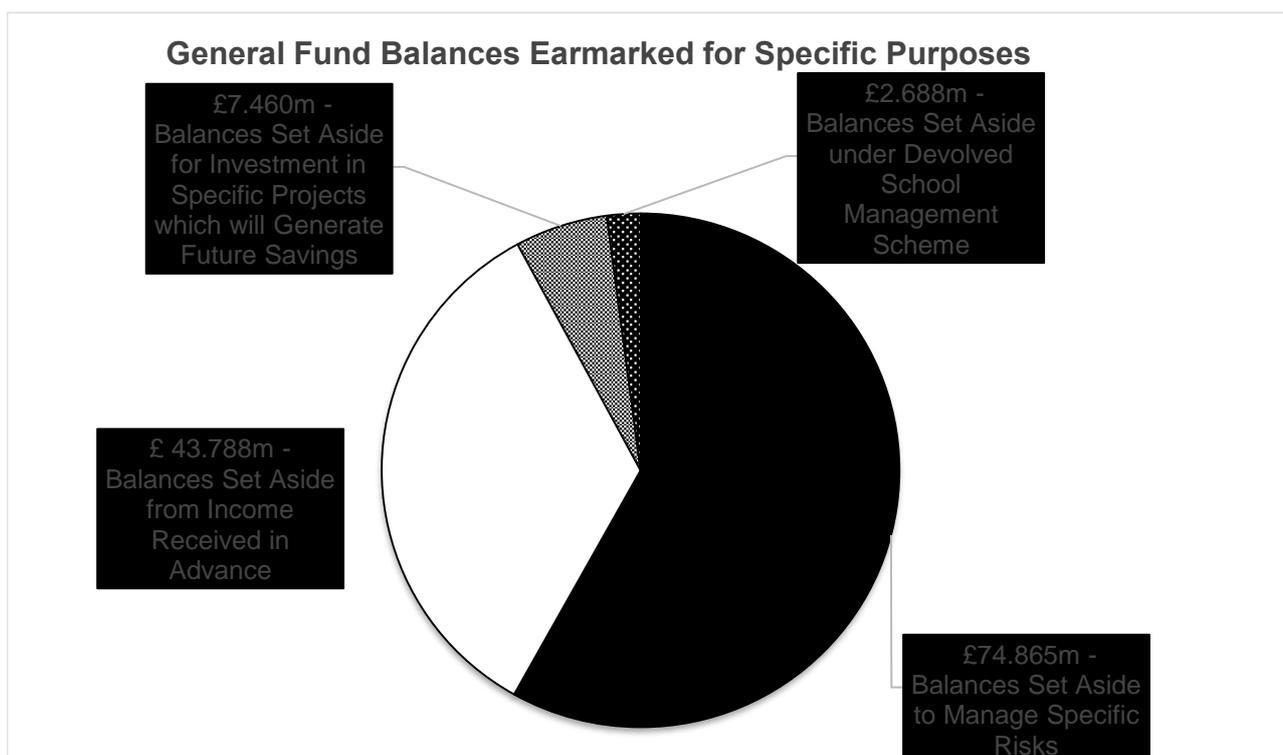
The Council's General Fund reserves comprise two elements:

- 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 2017, as part of the 2017/2018 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 or actual contributions to the unallocated General Fund for 2016/17.

In addition, the Council has a further £128.801m of balances earmarked for specific purposes. Details can be seen in note 12 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 2017, 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 £0.766m, the Capital Fund with a balance of £61.178m and the Renewal and Repairs Fund with a balance of £50.141m.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Treasury Management Strategy and Loans Fund

The Annual Treasury Strategy for 2016/17 was approved on 2 February 2016 and the **2017/18 Annual Treasury Strategy** was approved on 23 February 2017. The Treasury Strategy aims to:

- ensure that the Council has sufficient and appropriate facilities available to meet its short and long-term borrowing requirements and funding needs;
- secure new funding at the lowest cost; and
- ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks.

## On-Going and Future Developments

### PPP1 Incident

As was noted in 2015/16's Annual Accounts, 17 schools falling within the remit of the PPP1 contract were closed in April 2016 due to the findings of property surveys following an earlier wall collapse at Oxfangs Primary School. Necessary remedial works subsequently undertaken by the contractor were deemed to have brought the properties back to an equivalent value to that prior to identification of the defects and thus no impairment was reflected in the 2015/16 financial statements.

The Council nonetheless incurred additional costs of some £3m as a result of the unavailability of the schools and two other facilities between April and August 2016. Subject to finalisation of the terms of settlement, however, it is not anticipated that there will be any direct cost to the Council arising from this incident.

At the meeting of the **Finance and Resources Committee** on 23 January 2017, members approved that any excess of contractual deductions due over costs incurred be earmarked to take forward any necessary remedial work identified through the programme of property surveys undertaken in buildings of similar construction. The extent and associated cost of these works will be reported to Committee once the programme of inspections has been completed.

### 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.

The programme has an associated savings target by 2018/19 of £70 million, with 99% of these savings by value currently assessed to be on track. As most Organisational Reviews have either been completed or are approaching completion, however, the programme is now moving focus onto working with the Council's Corporate Leadership Team and Directorates to identify and deliver change programmes and projects that will allow it to further transform service delivery through the new structures and realise further savings.

As at 30 May 2017, staff accounting for approximately 900 FTE have left or are confirmed to be leaving the organisation under Voluntary Early Release Arrangements (VERA) or Voluntary Redundancy (VR) arrangements. The one-off cost associated with these cases is £38.6m and the overall payback is 13.7 months, which is in line with the original planning assumptions.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Budget framework

On 9 February 2017, the Council set a balanced budget for 2017/18 and an indicative balanced budget for 2018/19 as part of a longer-term framework. As in 2016/17, delivery of approved savings and prompt identification and management of underlying or emerging risks and pressures will be key to maintaining financial stability in the coming year. Looking forward, in view of recent financial settlements, economic forecasts and wider infrastructure-linked requirements, it is anticipated that a comprehensive update of the Council's budget framework to be considered by the Finance and Resources Committee in August 2017 will show a significant increase in the overall savings requirement over the period of the framework. Proposals to address this requirement will then be developed over the following months.

### Local Development Plan

The Edinburgh Local Development Plan (LDP) was adopted on 24 November 2016. To support the growth of Edinburgh and to ensure the city grows in a sustainable way, new infrastructure provision and enhancements associated with new development (particularly additional school, transport and green space provision) must be delivered. The Council has identified the infrastructure actions required to help deliver the growth and these are set out in the LDP Action Programme. While an element of this capital-related infrastructure requirement, estimated at around £450m, will be met through developers' contributions, a range of other potential funding options, including borrowing by the Council, are being considered to address the shortfall. Work is also underway to quantify with greater accuracy the additional associated revenue expenditure requirement, with an update report anticipated to be considered by Committee in August 2017.

### Edinburgh and South-East Scotland Region City Deal

The City Region Deal brings together local authorities and public sector partner organisations across the South-East of Scotland and serves as a mechanism for accelerating growth by pulling in significant government investment. By investing this funding in infrastructure, skills and innovation, the region's economic performance will be significantly improved, which will not only generate funds to pay back this initial investment but also draw in significant additional funding from the private sector.

The City Region Deal is also about providing greater autonomy and decision-making powers for the region to help partners deliver public services more effectively and to tackle inequality and deprivation. The project's ambition is to secure up to £1bn of funding and it is estimated that an additional £3.2bn worth of private sector investment could be leveraged if the bid is successful. While a formal announcement on the partners' submission has been deferred following the calling of a UK General Election on 8 June, the Council remains hopeful that agreement can be reached during 2017.

### Welfare Reform

The Council continues to support citizens through the changes and challenges resulting from welfare reform. The Welfare Reform Core Group meets quarterly to agree the delivery of the key actions to achieve the outcomes of mitigating risks of hardship and worsening inequality, providing targeted and tailored support to vulnerable individuals and families and responding promptly and effectively to crisis needs for housing, heat and food. Changes affecting the level of temporary accommodation-related management fee eligible to be met through Housing Benefit have the potential to hasten significant additional expenditure pressures in 2017/18 and the position will be kept under review as the Council moves towards full introduction of Universal Credit in June 2018.

# MANAGEMENT COMMENTARY

## Financial Performance

### Financial Ratios

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

<b>Council Tax</b>	<b>2016/17</b>	<b>2015/16</b>	<b>Notes on Ratios</b>
In-year collection rate	96.42%	96.10%	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	23.50%	22.50%	This shows the proportion of total funding that is derived from Council Tax, net of Council Tax Reduction Scheme (CTRS).
<b>Debt and Borrowing - Prudence</b>			<b>Notes on Ratios</b>
Capital Financing Requirement	£1,615.8m	£1,632.8m	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	£1,565.6m	£1,622.9m	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.
<b>Debt and Borrowing - Affordability</b>			<b>Notes on Ratios</b>
Financing costs to net revenue stream - General Fund	11.92%	11.80%	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. The financing costs continue to fall however due to reduced overall funding within the general fund, the relative percentage is rising.
Financing costs to net revenue stream - HRA	34.48%	33.23%	
Impact of capital investment on Council Tax	-0.55%	-0.61%	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	-1.62%	0.45%	

### Key Statistics

Actual expenditure within budget for 10th successive year
£39.6m of savings approved for 2017/18 financial year
No external borrowing since 2012/13 (except Salix borrowing which is interest free) - annual interest savings of £6.6m compared to 2012/13
Investment returns continue to out-perform benchmark whilst maintaining security of investments

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### 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.

In January 2016, the Council approved the five year Housing Revenue Account Budget Strategy. The two aims of the strategy are to expand and accelerate the Council's affordable and low cost house-building programme and, secondly, to prioritise investment in services that reduce the cost of living for tenants.

The strategy has been informed and expanded based on extensive consultation with tenants on their priorities for future investment and rent levels. 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 the investment strategy includes the significant expansion of the Council's affordable homes programme from 3,000 to 8,000 over the next ten years. The city's main developing housing associations have since matched the Council's house-building target. This partnership has agreed to deliver 16,000 new affordable and low cost homes over the next ten years, making it one of the largest Council led house-building programmes in the UK.

Delivery in 2016/17 has been strong. The current 21st Century Homes programme has around 1,800 quality, new energy efficient homes completed, under construction or in procurement, with a further 660 homes at detailed design stage. 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.

Progress on measures to reduce tenants' cost of living has also been strong. The heating replacement programme has accelerated delivery by 40% and the kitchen and bathroom programme by 50% on 2015/16 levels. The 2016/17 Capital Programme prioritised investment in energy efficiency measures to alleviate fuel poverty and contribute to Council and national carbon saving targets. All Council homes need to meet the Energy Efficiency Standard for Social Housing (EESH) by 2020. 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. New initiatives, identified through the 2016/17 budget consultation, such as the tenants discount card and new, lower cost energy suppliers, have been introduced and will, along with the community gardens programme and energy advice services be further expanded in 2017/18.

The majority of the delivery of the 2016/17 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.

In 2016, like many other areas of the Council, the Housing Service has undergone a transformational change process, adopting a new service model. The twin objectives of increasing efficiency and delivering better integrated local services have driven this transition and the service has now adopted a patch based model. There are around 100 patches across Localities, each with its own dedicated housing officer. This model of working has been heavily shaped by feedback from customers and other local residents.

## MANAGEMENT COMMENTARY

### Financial Performance - continued

#### Housing Revenue Account - continued

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.

In line with the HRA Business Plan, at the end of 2016/17 the HRA was balanced after making a contribution of £11.886m to the Renewal and Repairs Fund. These funds are earmarked for future capital investment in new homes through 21st Century Homes.

#### 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:

	<b>Revised Budget 2016/17 £000</b>	<b>Actual 2016/17 £000</b>	<b>(Slippage) / Acceleration £000</b>
Capital expenditure			
General Fund services	159,722	157,976	(1,746)
Housing Revenue Account	<u>44,304</u>	<u>43,627</u>	<u>(677)</u>
Total capital expenditure	<u>204,026</u>	<u>201,603</u>	<u>(2,423)</u>
Capital receipts and other contributions			
- General Fund services	(35,791)	(28,325)	7,466
- Housing Revenue Account	(16,000)	(21,247)	(5,247)
Government and other grants			
- General Fund services	(75,140)	(81,329)	(6,189)
- Housing Revenue Account	<u>(5,274)</u>	<u>(2,015)</u>	<u>3,259</u>
Total capital income	<u>(132,205)</u>	<u>(132,916)</u>	<u>(711)</u>
Balance to be funded through borrowing			
- General Fund services	48,791	48,322	(469)
- Housing Revenue Account	<u>23,030</u>	<u>20,365</u>	<u>(2,665)</u>
Total advances from loans fund	<u>71,821</u>	<u>68,687</u>	<u>(3,134)</u>

Expenditure on General Fund services slipped in total by £1.746m. The majority of slippage related to delays on the Boroughmuir High School replacement, Early Years improvement projects and major carriageway and footway refurbishment, caused by factors largely out with the Council's control, however acceleration in the programme of Asset Management Works largely offset the slippage in these projects. Expenditure on the Housing Revenue Account slipped by £0.677m.

The Council received £41.626m 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 £201.603m. Major capital projects undertaken during the year included:

- Educational properties - £41.816m;
- Investing in new council homes and enhancing existing assets through the Housing Revenue Account programme - £30.534m;
- Social housing through the housing development fund - £36.871m;
- Roads, carriageways and other infrastructure - £29.096m;
- Health and Social Care establishments - £4.527m;
- New Industrial Units - £1.278m;
- Recreational venues (including libraries, parks and open spaces) - £1.010m; and
- Providing funding for homes for mid market rent from private developers through the National Housing Trust - £13.093m.

## Group Accounts

### EDI

The EDI Group was established in 1988 by The City of Edinburgh Council to carry out the development of Edinburgh Park, now regarded as one of the principal business parks in Europe. Since then, the company has grown steadily, developing land and property on its own or through joint ventures with developers, landowners, local authorities and other public sector bodies.

In early 2017, the Council conducted a review of its approach to the use of surplus land and its interactions with the property market. For land and buildings which are no longer being used for Council activities, the Council has concluded that the default position will be that the land or building is used to deliver affordable housing, meaning that EDI has no future pipeline of projects. As a result, the Council has concluded that in the longer term it should not have an arm's length development company. The Council has therefore now instructed the directors to begin a process of closure, although no specific timescale has been set and it is anticipated that all current contractual obligations will be fulfilled.

### Edinburgh Integration Joint Board

The Edinburgh Integration Joint Board was formally delegated the functions and resources of the Council's Health and Social Care Service and NHS Lothian's Community Health Partnership, with effect from 1 April 2016. An assessment was undertaken on the relationship of the Council with the Edinburgh Integration Joint Board and on the basis of level of control, being fifty percent Board representation and materiality levels, this Joint Venture has been consolidated into the Group accounts for the year to 31 March 2017, see note 9.3

## Group

Net assets for 2016/17 include a combined group pension liability of £722.078m (2015/16 £426.753m), as shown in note 43.9. 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 2017. 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.

# 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 is 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.

## 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 2017.

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

12 June 2017

## 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.

	<b>General Fund Balance £000</b>	<b>Housing Revenue Account Balance £000</b>	<b>Renewal and Repairs Fund £000</b>	<b>Capital Receipts Reserve £000</b>
<b>2016/17</b>				
Balance at 31 March 2016	128,396	0	38,194	0
<b>Movement in reserves during 2016/17</b>				
Total Comprehensive Income and Expenditure	(2,635)	17,594	0	27,922
Adjustments between accounting basis and funding basis under regulations (Note 11)	16,126	(5,708)	0	(27,922)
<b>Net (increase) / decrease before transfers to statutory reserves</b>	13,491	11,886	0	0
Transfer (to) / from other statutory reserves (Note 12.3)	(61)	(11,886)	11,947	0
Increase / (decrease) in year	13,430	0	11,947	0
<b>Balance at 31 March 2017</b>	<b>141,826</b>	<b>0</b>	<b>50,141</b>	<b>0</b>
	<b>Capital Grants Unapplied Account £000</b>	<b>Capital Fund £000</b>	<b>Council's Total Usable Reserves £000</b>	<b>Group Usable Reserves £000</b>
<b>2016/17</b>				
Balance at 31 March 2016	2,657	68,793	238,040	40,418
<b>Movement in reserves during 2016/17</b>				
Total Comprehensive Income and Expenditure	0	(5,293)	37,588	(12,103)
Adjustments between accounting basis and funding basis under regulations (Note 11)	(1,891)	(2,322)	(21,717)	249
<b>Net (increase) / decrease before transfers to statutory reserves</b>	(1,891)	(7,615)	15,871	(11,854)
Transfer (to) / from other statutory reserves (Note 12.3)	0	0	0	0
Increase / (decrease) in year	(1,891)	(7,615)	15,871	(11,854)
<b>Balance at 31 March 2017</b>	<b>766</b>	<b>61,178</b>	<b>253,911</b>	<b>28,564</b>
	<b>Total Usable Reserves £000</b>	<b>Council's Unusable Reserves £000</b>	<b>Group Unusable Reserves £000</b>	<b>Total Reserves £000</b>
<b>2016/17</b>				
Balance at 31 March 2016	278,458	1,731,418	108,366	2,118,242
<b>Movement in reserves during 2016/17</b>				
Total Comprehensive Income and Expenditure	25,485	(242,159)	1,445	(215,229)
Adjustments between accounting basis and funding basis under regulations (Note 11)	(21,468)	21,717	(249)	0
<b>Net (increase) / decrease before transfers to statutory reserves</b>	4,017	(220,442)	1,196	(215,229)
Transfer (to) / from other statutory reserves (Note 12.3)	0	0	0	0
Increase / (decrease) in year	4,017	(220,442)	1,196	(215,229)
<b>Balance at 31 March 2017</b>	<b>282,475</b>	<b>1,510,976</b>	<b>109,562</b>	<b>1,903,013</b>

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £000	Housing Revenue Account Balance £000	Renewal and Repairs Fund £000	Capital Receipts Reserve £000
<b>2015/16 Comparative Data</b>				
Balance at 31 March 2015	<u>117,524</u>	<u>0</u>	<u>35,833</u>	<u>0</u>
<b>Movement in reserves during 2015/16</b>				
Total Comprehensive Income and Expenditure	(14,291)	15,568	0	120,492
Adjustments between accounting basis and funding basis under regulations (Note 11)	<u>25,268</u>	<u>(13,312)</u>	<u>0</u>	<u>(120,492)</u>
<b>Net (increase) / decrease before transfers to statutory reserves</b>	10,977	2,256	0	0
Transfer (to) / from other statutory reserves (Note 12.3)	<u>(105)</u>	<u>(2,256)</u>	<u>2,361</u>	<u>0</u>
Increase / (decrease) in year	<u>10,872</u>	<u>0</u>	<u>2,361</u>	<u>0</u>
<b>Balance at 31 March 2016</b>	<b><u>128,396</u></b>	<b><u>0</u></b>	<b><u>38,194</u></b>	<b><u>0</u></b>

	Capital Grants Unapplied Account £000	Capital Fund £000	Council's Total Usable Reserves £000	Group Usable Reserves £000
<b>2015/16 Comparative Data</b>				
Balance at 31 March 2015	<u>4,349</u>	<u>31,721</u>	<u>189,427</u>	<u>9,876</u>
<b>Movement in reserves during 2015/16</b>				
Total Comprehensive Income and Expenditure	0	48,541	170,310	33,004
Adjustments between accounting basis and funding basis under regulations (Note 11)	<u>(1,692)</u>	<u>(11,469)</u>	<u>(121,697)</u>	<u>476</u>
<b>Net (increase) / decrease before transfers to statutory reserves</b>	(1,692)	37,072	48,613	33,480
Transfer (to) / from other statutory reserves (Note 12.3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,938)</u>
Increase / (decrease) in year	<u>(1,692)</u>	<u>37,072</u>	<u>48,613</u>	<u>30,542</u>
<b>Balance at 31 March 2016</b>	<b><u>2,657</u></b>	<b><u>68,793</u></b>	<b><u>238,040</u></b>	<b><u>40,418</u></b>

	Total Usable Reserves £000	Council's Unusable Reserves £000	Group Unusable Reserves £000	Total Reserves £000
<b>2015/16 Comparative Data</b>				
Balance at 31 March 2015	<u>199,303</u>	<u>1,449,087</u>	<u>99,107</u>	<u>1,747,497</u>
<b>Movement in reserves during 2015/16</b>				
Total Comprehensive Income and Expenditure	203,314	160,634	6,797	370,745
Adjustments between accounting basis and funding basis under regulations (Note 11)	<u>(121,221)</u>	<u>121,697</u>	<u>(476)</u>	<u>0</u>
<b>Net (increase) / decrease before transfers to statutory reserves</b>	82,093	282,331	6,321	370,745
Transfer (to) / from other statutory reserves (Note 12.3)	<u>(2,938)</u>	<u>0</u>	<u>2,938</u>	<u>0</u>
Increase / (decrease) in year	<u>79,155</u>	<u>282,331</u>	<u>9,259</u>	<u>370,745</u>
<b>Balance at 31 March 2016</b>	<b><u>278,458</u></b>	<b><u>1,731,418</u></b>	<b><u>108,366</u></b>	<b><u>2,118,242</u></b>

## 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 2017

Re-stated 2015/16 £000		Notes	Gross Expend. £000	Income £000	Net Expend. £000
	<b>SERVICES</b>				
416,628	Communities and Families		370,456	(18,805)	351,651
238,374	Place		308,406	(168,126)	140,280
(25,441)	Housing Revenue Account		74,306	(102,065)	(27,759)
216,635	Health and Social Care		269,634	(80,675)	188,959
85,434	Resources		189,286	(40,257)	149,029
0	Chief Executive		48,151	(6,231)	41,920
0	Safer and Stronger Communities		73,623	(48,002)	25,621
3,744	Lothian Valuation Joint Board		3,744	0	3,744
(156)	Net cost of benefits		196,866	(197,235)	(369)
20,942	Early release costs		15,610	0	15,610
2,501	Other non-service specific costs		14,225	(256)	13,969
(7,568)	Subsidiary Companies		158,684	(172,688)	(14,004)
2,750	Associates and Joint Ventures Accounted for on an Equity Basis		170,602	(170,321)	281
953,843	<b>COST OF SERVICES</b>		<u>1,893,593</u>	<u>(1,004,661)</u>	888,932
(35,949)	Other Operating Income	13.			(12,009)
106,779	Financing and Investment Income and Exp.	14.			93,155
(1,029,710)	Taxation and Non-Specific Grant Income	15.			(997,547)
(5,037)	<b>SURPLUS ON PROVISION OF SERVICES</b>				(27,469)
(3,169)	Surplus on Revaluation of Non-Current Assets			(35,301)	
16	Deficit / (Surplus) on Revaluation of Available for Sale Financial Assets			(16)	
(37,286)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			(428,706)	
(285,852)	Changes in Financial and Demographic Assumptions / Other Experience			672,917	
(39,417)	Other Unrealised (Gains) / Losses			33,804	
(365,708)	Other Comprehensive Income and Expend.				242,698
(370,745)	<b>TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE</b>				215,229

## 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 2017

Re-stated 2015/16			Gross Expend.	Income	Net Expend.
£000	SERVICES	Notes	£000	£000	£000
416,628	Communities and Families		370,456	(18,805)	351,651
238,374	Place		308,406	(168,126)	140,280
(25,441)	Housing Revenue Account		74,306	(102,065)	(27,759)
216,635	Health and Social Care		269,634	(80,675)	188,959
85,434	Resources		189,286	(40,257)	149,029
0	Chief Executive		48,151	(6,231)	41,920
0	Safer and Stronger Communities		73,623	(48,002)	25,621
3,744	Lothian Valuation Joint Board		3,744	0	3,744
(156)	Net cost of benefits		196,866	(197,235)	(369)
20,942	Early release costs		15,610	0	15,610
2,501	Other non-service specific costs		14,225	(256)	13,969
958,661	<b>COST OF SERVICES</b>		<u>1,564,307</u>	<u>(661,652)</u>	902,655
(35,947)	Other Operating Income	13.			(12,061)
108,331	Financing and Investment Income and Exp.	14.			93,889
(1,032,322)	Taxation and Non-Specific Grant Income	15.			(999,442)
(1,277)	<b>SURPLUS ON PROVISION OF SERVICES</b>				(14,959)
2,294	Deficit / (Surplus) on Revaluation of Non-Current Assets			(35,301)	
(37,286)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			(428,706)	
(285,852)	Changes in Financial and Demographic Assumptions / Other Experience			672,917	
(8,823)	Other Unrealised (Gains) / Losses			10,620	
(329,667)	Other Comprehensive Income and Expend.				219,530
(330,944)	<b>TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE</b>				<u>204,571</u>

### RECONCILIATION OF THE COUNCIL'S POSITION TO THE GROUP POSITION

£000		£000
(330,944)	Total Comprehensive (Income) and Expenditure on the Council's Comprehensive Income and Expenditure Statement (CIES)	204,571
(761)	Subsidiary and associate transactions included in the Council's CIES	(6,197)
(34,840)	(Surplus) / deficit arising from other entities included in the Group Accounts Subsidiaries	10,212
(4,200)	Associates and Joint Ventures	6,643
(370,745)	Group total Comprehensive (Income) / Expenditure for the year	<u>215,229</u>

In 2015/16 income and expenditure related to the Chief Executive service area was reported within Resources and Safer and Stronger Communities predominantly within Place.

## 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.

<b>31 March 2016 £000</b>		<b>Notes</b>	<b>31 March 2017 £000</b>	<b>£000</b>
3,665	Intangible Assets	18.		2,665
1,030,623	Council Dwellings		1,037,991	
1,613,201	Other Land and Buildings		1,716,616	
177,742	Vehicles, Plant, Furniture and Equipment		175,062	
872,920	Infrastructure Assets		835,684	
12,964	Community Assets		14,562	
2,420	Surplus Assets		2,421	
<u>89,688</u>	Assets under Construction		<u>38,927</u>	
<u>3,799,558</u>	<b>Property, Plant and Equipment</b>	16.		3,821,263
17,450	Investment Properties	17.		16,821
31,116	Heritage Assets	19.		31,127
43,746	Assets Held for Sale	24.		5,258
733	Available for Sale Financial Assets			726
202	Deferred Tax			351
17,936	Other Long-Term Assets (Pension)			0
11,516	Long-Term Investments			11,970
32,315	Investments in Associates and Joint Ventures			32,188
<u>94,648</u>	Long-Term Debtors	22.		<u>106,970</u>
<u>4,052,885</u>	<b>Long-Term Assets</b>			<u>4,029,339</u>
13,022	Short-Term Investments		26,477	
683	Assets Held for Sale	24.	35,609	
64,311	Available for Sale Financial Assets	20.	967	
17,661	Inventories	21.	16,166	
96,379	Short-Term Debtors	22.	88,481	
<u>118,712</u>	Cash and Cash Equivalents	23.	<u>159,831</u>	
<u>310,768</u>	<b>Current Assets</b>			327,531
(87,321)	Short-Term Borrowing		(92,691)	
(174,802)	Short-Term Creditors	25.	(171,275)	
<u>(13,004)</u>	Provisions	26.	<u>(12,863)</u>	
<u>(275,127)</u>	<b>Current Liabilities</b>			<u>(276,829)</u>

## GROUP BALANCE SHEET

31 March 2016		31 March 2017	
£000	Notes	£000	£000
(1,298,249)	Long-Term Borrowing	(1,243,890)	
(219,947)	Other Long-Term Liabilities	(207,484)	
(9,072)	Deferred Tax	(5,490)	
(3,066)	Liabilities in Associates and Joint Ventures	(9,582)	
<u>(439,950)</u>	Other Long-Term Liabilities (Pensions)	<u>(710,582)</u>	
<u>(1,970,284)</u>	<b>Long-Term Liabilities</b>		<u>(2,177,028)</u>
<u><b>2,118,242</b></u>	<b>Net Assets</b>		<u><b>1,903,013</b></u>
856,303	Revaluation Reserve	868,814	
1,376,129	Capital Adjustment Account	1,407,459	
(47,214)	Financial Instruments Adjustment Account	(45,390)	
2	Available for Sale Financial Assets Reserve	0	
(438,940)	Pensions Reserve	(705,786)	
(14,862)	Employee Statutory Adjustment Account	(14,121)	
<u>108,366</u>	Group Unusable Reserves	<u>109,562</u>	
<u>1,839,784</u>	<b>Unusable Reserves</b>	28.	1,620,538
2,657	Capital Grants Unapplied Account	766	
68,793	Capital Fund	61,178	
38,194	Renewal and Repairs Fund	50,141	
128,396	General Fund	141,826	
<u>40,418</u>	Group Usable Reserves	<u>28,564</u>	
<u>278,458</u>	<b>Usable Reserves</b>	12.	<u>282,475</u>
<u><b>2,118,242</b></u>	<b>Total Reserves</b>		<u><b>1,903,013</b></u>

The unaudited accounts were issued on 23 June 2017.

HUGH DUNN, CPFA  
Acting Executive Director of Resources  
12 June 2017

## 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'.

<b>(re-stated)</b>			<b>31 March 2017</b>	
<b>31 March</b>				
<b>2016</b>				
<b>£000</b>		<b>Notes</b>	<b>£000</b>	<b>£000</b>
3,665	Intangible Assets	18.		2,665
1,030,623	Council Dwellings		1,037,991	
1,583,123	Other Land and Buildings		1,685,819	
105,961	Vehicles, Plant, Furniture and Equipment		98,891	
871,874	Infrastructure Assets		834,928	
12,964	Community Assets		14,562	
2,420	Surplus Assets		2,421	
89,688	Assets under Construction		<u>38,927</u>	
<u>3,696,653</u>	<b>Property, Plant and Equipment</b>	16.		3,713,539
17,250	Investment Properties	17.		16,471
31,116	Heritage Assets	19.		31,127
43,746	Assets Held for Sale	24.		5,258
23,474	Long-Term Investments			23,436
99,274	Long-Term Debtors	22.		<u>111,684</u>
<u>3,915,178</u>	<b>Long-Term Assets</b>			<u>3,904,180</u>
13,022	Short-Term Investments		25,709	
683	Assets Held for Sale	24.	35,609	
64,311	Available for Sale Financial Assets	20.	967	
2,699	Inventories	21.	3,048	
86,401	Short-Term Debtors	22.	76,121	
97,991	Cash and Cash Equivalents	23.	<u>133,142</u>	
<u>265,107</u>	<b>Current Assets</b>			274,596
(87,321)	Short-Term Borrowing		(92,691)	
(148,008)	Short-Term Creditors	25.	(144,404)	
(11,532)	Provisions	26.	<u>(10,551)</u>	
<u>(246,861)</u>	<b>Current Liabilities</b>			(247,646)

## BALANCE SHEET

(re-stated) 31 March 2016			31 March 2017	
£000		Notes	£000	£000
(1,308,889)	Long-Term Borrowing	20.	(1,254,590)	
(216,137)	Other Long-Term Liabilities	20.	(205,867)	
<u>(438,940)</u>	Other Long-Term Liabilities (Pensions)	43.9	<u>(705,786)</u>	
<u>(1,963,966)</u>	<b>Long-Term Liabilities</b>			<u>(2,166,243)</u>
<u><b>1,969,458</b></u>	<b>Net Assets</b>			<u><b>1,764,887</b></u>
856,303	Revaluation Reserve		868,814	
1,376,129	Capital Adjustment Account		1,407,459	
(47,214)	Financial Instruments Adjustment Account		(45,390)	
2	Available for Sale Financial Assets Reserve		0	
(438,940)	Pensions Reserve		(705,786)	
<u>(14,862)</u>	Employee Statutory Adjustment Account		<u>(14,121)</u>	
<u>1,731,418</u>	<b>Unusable Reserves</b>	28.		1,510,976
2,657	Capital Grants Unapplied Account		766	
68,793	Capital Fund		61,178	
38,194	Renewal and Repairs Fund		50,141	
<u>128,396</u>	General Fund		<u>141,826</u>	
<u>238,040</u>	<b>Usable Reserves</b>	12.		253,911
<u><b>1,969,458</b></u>	<b>Total Reserves</b>			<u><b>1,764,887</b></u>

The unaudited accounts were issued on 23 June 2017.

HUGH DUNN, CPFA  
Acting Executive Director of Resources  
12 June 2017

## 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 2017

(re-stated)

2015/16 £000		Notes	£000	£000
	<b>Operating Activities</b>			
(5,037)	Surplus on the Provision of Services		(27,469)	
(2,750)	Adjustment to Surplus / (Deficit) for Associates and Joint Ventures		(281)	
(148,629)	Adjustments to Surplus on the Provision of Services for non-cash movements		(167,378)	
(36,247)	Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities		(34,672)	
<u>(192,663)</u>	Net cash flows from operating activities			(229,800)
	<b>Investing Activities</b>			
131,664	Net cash flows from investing activities	31.		140,422
	<b>Financing Activities</b>			
<u>37,791</u>	Net cash flows from financing activities	32.		<u>48,259</u>
<u>(23,208)</u>	<b>Net increase in cash and cash equivalents</b>			<u>(41,119)</u>
<u>(95,504)</u>	Cash and cash equivalents at 1 April			<u>(118,712)</u>
<u>(118,712)</u>	Cash and cash equivalents at 31 March	23.		<u>(159,831)</u>
<u>(23,208)</u>	<b>Net increase in cash and cash equivalents</b>			<u>(41,119)</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 2017

2015/16 £000		Notes	£000	£000
	<b>Operating Activities</b>			
(1,277)	Surplus on the Provision of Services		(14,959)	
(137,132)	Adjustments to Surplus on the Provision of Services for non-cash movements		(153,234)	
(37,798)	Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities		(35,406)	
(176,207)	Net cash flows from operating activities	29.		(203,599)
	<b>Investing Activities</b>			
126,970	Net cash flows from investing activities	31.		120,978
	<b>Financing Activities</b>			
33,194	Net cash flows from financing activities	32.		47,470
(16,043)	<b>Net increase in cash and cash equivalents</b>			(35,151)
(81,948)	Cash and cash equivalents at 1 April			(97,991)
(97,991)	Cash and cash equivalents at 31 March	23.		(133,142)
(16,043)	<b>Net increase in cash and cash equivalents</b>			(35,151)

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies

The Annual Accounts for the year ended 31 March 2017 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (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 9 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 requirements, 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 requirements, 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 reported in accordance with the current management structure. 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 8.197% (James Gillespie's High School) 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. Work is on-going to establish and maintain a common good register, in accordance with the Community Empowerment (Scotland) Act 2015.

- **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 Operational 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. 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. Expenditure and Funding Analysis - Group

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, fees and charges, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Group's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on Page 18.

2016/17	<b>Net Expend. Chargeable to the General Fund and HRA Balances £000</b>	<b>Adjustments £000</b>	<b>Net Expenditure in the CIES £000</b>
Communities and Families Place	341,807	9,844	351,651
Housing Revenue Account	68,388	71,892	140,280
Health and Social Care Resources	0	(27,759)	(27,759)
Chief Executive	187,838	1,121	188,959
Safer and Stronger Communities	130,860	18,169	149,029
Lothian Valuation Joint Board	41,302	618	41,920
Subsidiary Companies	25,486	135	25,621
Associates and Joint Ventures	3,744	0	3,744
	0	(14,004)	(14,004)
	0	281	281
<b>Net Cost of Services</b>	<b>799,425</b>	<b>60,297</b>	<b>859,722</b>
<b>Other income and expenditure</b>			
Early release costs	15,610	0	15,610
Net cost of benefits	(369)	0	(369)
Other non-service specific costs	15,315	(1,346)	13,969
Net deficit on trading activities	0	191	191
Net income and changes in relation to investment properties and changes in their fair value	0	(750)	(750)
Interest and investment income	(9,552)	(334)	(9,886)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	112,188	(23,432)	88,756
Net pension interest cost	0	14,844	14,844
Tax Expenses	0	1,895	1,895
Gains on disposal of assets	0	(12,009)	(12,009)
Contribution to Renewal and Repairs Fund	60	(60)	0
Contribution from Capital Fund	(2,120)	2,120	0
Contribution to General Fund	9,344	(9,344)	0
Income from Council Tax	(221,390)	0	(221,390)
Government Grants	(344,919)	0	(344,919)
Distribution from NDRI pool	(374,650)	0	(374,650)
Capital grants and contributions	0	(58,483)	(58,483)
<b>Surplus on the provision of services</b>	<b>(1,058)</b>	<b>(26,411)</b>	<b>(27,469)</b>
Opening General Fund and HRA Balance	128,396		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	14,488		
Surplus on the provision of services	(1,058)		
Closing General Fund and HRA Balance at 31 March	141,826		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 16.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Group - continued

2015/16 Comparative Data	Net Expend. Chargeable to the General Fund and HRA		Net Expenditure in the CIES
	Balances £000	Adjustments £000	
Communities and Families	399,003	17,625	416,628
Place	146,237	92,137	238,374
Housing Revenue Account	0	(25,441)	(25,441)
Health and Social Care	207,482	9,153	216,635
Resources	79,810	5,624	85,434
Chief Executive	0	0	0
Safer and Stronger Communities	0	0	0
Lothian Valuation Joint Board	3,744	0	3,744
Subsidiary Companies	0	(7,568)	(7,568)
Associates and Joint Ventures	0	2,750	2,750
<b>Net Cost of Services</b>	<b>836,276</b>	<b>94,280</b>	<b>930,556</b>
<b>Other income and expenditure</b>			
Early release costs	20,942	0	20,942
Net cost of benefits	(156)	0	(156)
Other non-service specific costs	5,111	(2,610)	2,501
Net deficit on trading activities	0	232	232
Net income and changes in relation to investment properties and changes in their fair value	0	(2,512)	(2,512)
Interest and investment income	(7,760)	(2,662)	(10,422)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	116,765	(21,215)	95,550
Net pension interest cost	0	23,931	23,931
Tax Expenses	0	2,612	2,612
Gains on disposal of assets	0	(35,949)	(35,949)
Contribution to Renewal and Repairs Fund	105	(105)	0
Contribution from Capital Fund	(2,062)	2,062	0
Contribution from General Fund	(8,217)	8,217	0
Income from Council tax	(216,351)	0	(216,351)
Revenue support grant	(354,576)	0	(354,576)
Distribution from NDRI pool	(390,862)	0	(390,862)
Capital grants and contributions	0	(70,533)	(70,533)
<b>Surplus on the provision of services</b>	<b>(785)</b>	<b>(4,252)</b>	<b>(5,037)</b>
Opening General Fund and HRA Balance	117,524		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	11,657		
Surplus on the provision of services	(785)		
Closing General Fund and HRA Balance at 31 March	128,396		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 17.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, fees and charges, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on Page 19.

2016/17	Net Expend. Chargeable to the General Fund and HRA		Net Expenditure in the CIES
	Balances £000	Adjustments £000	
Communities and Families Place	341,807	9,844	351,651
Housing Revenue Account	68,388	71,892	140,280
Health and Social Care Resources	0	(27,759)	(27,759)
Chief Executive	187,838	1,121	188,959
Safer and Stronger Communities	130,860	18,169	149,029
Lothian Valuation Joint Board	41,302	618	41,920
	25,486	135	25,621
	3,744	0	3,744
<b>Net Cost of Services</b>	<b>799,425</b>	<b>74,020</b>	<b>873,445</b>
<b>Other income and expenditure</b>			
Early release costs	15,610	0	15,610
Net cost of benefits	(369)	0	(369)
Other non-service specific costs	15,315	(1,346)	13,969
Net deficit on trading activities	0	191	191
Net income and changes in relation to investment properties and changes in their fair value	0	(600)	(600)
Interest and investment income	(9,552)	(117)	(9,669)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	112,188	(23,697)	88,491
Net pension interest cost	0	15,476	15,476
Gains on disposal of assets	0	(12,061)	(12,061)
Contribution to Renewal and Repairs Fund	60	(60)	0
Contribution from Capital Fund	(2,120)	2,120	0
Contribution to General Fund	9,344	(9,344)	0
Income from Council Tax	(221,390)	0	(221,390)
Government Grants	(344,919)	0	(344,919)
Distribution from NDRI pool	(374,650)	0	(374,650)
Capital grants and contributions	0	(58,483)	(58,483)
<b>Surplus on the provision of services</b>	<b>(1,058)</b>	<b>(13,901)</b>	<b>(14,959)</b>
Opening General Fund and HRA Balance	128,396		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	14,488		
Surplus on the provision of services	(1,058)		
Closing General Fund and HRA Balance at 31 March	141,826		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 16.

The Council has undertaken a major programme of transformation during 2016/17. Whilst it is therefore difficult to fully compare net expenditure on services between years, net expenditure in 2015/16 has been broadly aligned where possible.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council - continued

2015/16 Comparative Data	Net Expend. Chargeable to the General Fund and HRA		Net Expenditure in the CIES
	Balances £000	Adjustments £000	
Communities and Families Place	399,003	17,625	416,628
Housing Revenue Account	146,237	92,137	238,374
Health and Social Care Resources	0	(25,441)	(25,441)
Chief Executive	207,482	9,153	216,635
Safer and Stronger Communities	79,810	5,624	85,434
Lothian Valuation Joint Board	0	0	0
	0	0	0
	3,744	0	3,744
<b>Net Cost of Services</b>	<b>836,276</b>	<b>99,098</b>	<b>935,374</b>
<b>Other income and expenditure</b>			
Early release costs	20,942	0	20,942
Net cost of benefits	(156)	0	(156)
Other non-service specific costs	5,111	(2,610)	2,501
Net deficit on trading activities	0	232	232
Net income and changes in relation to investment properties and changes in their fair value	0	(2,512)	(2,512)
Interest and investment income	(7,760)	(212)	(7,972)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	116,765	(21,627)	95,138
Net pension interest cost	0	23,445	23,445
(Gains) / Losses on disposal of assets	0	(35,947)	(35,947)
Contribution to Renewal and Repairs Fund	105	(105)	0
Contribution from Capital Fund	(2,062)	2,062	0
Contribution from General Fund	(8,217)	8,217	0
Income from Council tax	(216,351)	0	(216,351)
Revenue support grant	(354,576)	0	(354,576)
Distribution from NDRI pool	(390,862)	0	(390,862)
Capital grants and contributions	0	(70,533)	(70,533)
<b>Surplus on the provision of services</b>	<b>(785)</b>	<b>(492)</b>	<b>(1,277)</b>
Opening General Fund and HRA Balance	117,524		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	11,657		
Surplus on the provision of services	(785)		
Closing General Fund and HRA Balance at 31 March	128,396		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 17.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Group

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Total			
	Statutory Adjusts.	Presentation Adjusts.	Use of Reserves	Total Adjusts.
2016/17	£000	£000	£000	£000
Communities and Families Place	7,975	(108)	1,976	9,843
Housing Revenue Account	71,223	35	634	71,892
Health and Social Care Resources	(15,873)	0	(11,886)	(27,759)
Chief Executive	(317)	0	1,438	1,121
Safer and Stronger Communities	37,491	(16,469)	(2,855)	18,167
Lothian Valuation Joint Board	1,456	0	(837)	619
Subsidiary Companies	130	0	6	136
Associates and Joint Ventures	0	0	0	0
	0	(14,004)	0	(14,004)
	0	282	0	282
<b>Net Cost of Services</b>	<b>102,085</b>	<b>(30,264)</b>	<b>(11,524)</b>	<b>60,297</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	1,996	(218)	(3,124)	(1,346)
Net deficit on trading activities	0	191	0	191
Net income and changes in relation to investment properties and changes in their	779	(1,529)	0	(750)
Interest and investment income	(52)	(217)	(65)	(334)
Interest payable and similar charges	(41,644)	18,212	0	(23,432)
Net pension interest cost	15,476	(632)	0	14,844
Tax Expenses	(12,061)	1,895	0	(10,166)
Gains on disposal of assets	0	52	0	52
Use of reserves	0	0	(7,284)	(7,284)
Distribution from NDRI pool	(58,483)	0	0	(58,483)
<b>(Surplus) or deficit on the provision of services</b>	<b>8,096</b>	<b>(12,510)</b>	<b>(21,997)</b>	<b>(26,411)</b>

Notes -

Statutory Adjustments only apply to the Council, the details of which are shown on page 42.

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), trading operations and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Group - continued

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Total Statutory Adjusts. £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
<b>2015/16 Comparative Data</b>				
Communities and Families Place	39,229	(18,238)	(3,366)	17,625
Housing Revenue Account	92,438	1,143	(1,445)	92,136
Health and Social Care Resources	(23,185)	0	(2,256)	(25,441)
Chief Executive	10,601	0	(1,448)	9,153
Safer and Stronger Communities	2,603	(5)	3,026	5,624
Lothian Valuation Joint Board	0	0	0	0
Subsidiary Companies	0	0	0	0
Associates and Joint Ventures	0	(7,568)	0	(7,568)
	0	2,750	0	2,750
<b>Net Cost of Services</b>	<b>121,686</b>	<b>(21,918)</b>	<b>(5,489)</b>	<b>94,279</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	3,162	(221)	(5,550)	(2,609)
Net deficit on trading activities	0	232	0	232
Net income and changes in relation to investment properties and changes in their	(1,146)	(1,366)	0	(2,512)
Interest and investment income	(98)	(194)	(114)	(406)
Interest payable and similar charges	(40,082)	16,611	0	(23,471)
Net pension interest cost	23,445	486	0	23,931
Tax Expenses	(35,947)	2,612	0	(33,335)
Gains on disposal of assets	0	(2)	0	(2)
Use of reserves	0	0	10,174	10,174
Distribution from NDRI pool	(70,533)	0	0	(70,533)
<b>(Surplus) or deficit on the provision of services</b>	<b>487</b>	<b>(3,760)</b>	<b>(979)</b>	<b>(4,252)</b>

Notes -

Statutory Adjustments only apply to the Council, the details of which are shown on page 44.

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), trading operations and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

2016/17	Adjusts. For Capital Purposes £000	Net Change for Pensions Adjusts. £000	Other Differences £000	Total Statutory Adjusts. £000
Communities and Families Place	4,477	1,363	2,135	7,975
Housing Revenue Account	71,318	1,052	(1,147)	71,223
Health and Social Care Resources	(15,350)	117	(640)	(15,873)
Chief Executive	157	1,064	(1,538)	(317)
Safer and Stronger Communities	36,705	976	(190)	37,491
Lothian Valuation Joint Board	1,325	35	96	1,456
	0	265	(135)	130
	0			0
<b>Net Cost of Services</b>	<b>98,632</b>	<b>4,872</b>	<b>(1,419)</b>	<b>102,085</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	(470)	2,288	178	1,996
Net income and changes in relation to investment properties and changes in their fair value	0	0	779	779
Interest and investment income	(52)	0	0	(52)
Interest payable and similar charges	(40,245)	0	(1,399)	(41,644)
Net pension interest cost		15,476	0	15,476
Gains on disposal of assets	(12,061)	0	0	(12,061)
Capital grants and contributions	(58,483)	0	0	(58,483)
<b>(Surplus) or deficit on the provision of services</b>	<b>(12,679)</b>	<b>22,636</b>	<b>(1,861)</b>	<b>8,096</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council - continued

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

2016/17	Total Statutory Adjusts. b/fwd £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
Communities and Families Place	7,975	(108)	1,976	9,843
Housing Revenue Account	71,223	35	634	71,892
Health and Social Care Resources	(15,873)	0	(11,886)	(27,759)
Chief Executive	(317)	0	1,438	1,121
Safer and Stronger Communities	37,491	(16,468)	(2,855)	18,168
Lothian Valuation Joint Board	1,456	0	(837)	619
	130	0	6	136
	0	0	0	0
<b>Net Cost of Services</b>	<b>102,085</b>	<b>(16,541)</b>	<b>(11,524)</b>	<b>74,020</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	1,996	(218)	(3,124)	(1,346)
Net deficit on trading activities	0	191	0	191
Net income and changes in relation to investment properties and changes in their fair value	779	(1,378)	0	(599)
Interest and investment income	(52)	0	(65)	(117)
Interest payable and similar charges	(41,644)	17,946	0	(23,698)
Net pension interest cost	15,476	0	0	15,476
Gains on disposal of assets	(12,061)	0	0	(12,061)
Use of reserves	0	0	(7,284)	(7,284)
Capital grants and contributions	(58,483)	0	0	(58,483)
<b>(Surplus) or deficit on the provision of services</b>	<b>8,096</b>	<b>0</b>	<b>(21,997)</b>	<b>(13,901)</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (including PPP schemes), trading operations and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council - continued

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

2015/16 Comparative Data	Adjusts. For Capital Purposes £000	Net Change for Pensions Adjusts. £000	Other Differences £000	Total Statutory Adjusts. £000
Communities and Families Place	39,839	3,310	(3,920)	39,229
Housing Revenue Account	89,603	3,783	(948)	92,438
Health and Social Care Resources	(22,968)	348	(565)	(23,185)
Chief Executive	8,186	2,998	(583)	10,601
Safer and Stronger Communities	1,693	1,233	(323)	2,603
Lothian Valuation Joint Board	0	0	0	0
<b>Net Cost of Services</b>	<b>116,353</b>	<b>11,672</b>	<b>(6,339)</b>	<b>121,686</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	3,194	(8)	(24)	3,162
Net income and changes in relation to investment properties and changes in their fair value	0	0	(1,146)	(1,146)
Interest and investment income	(98)	0	0	(98)
Interest payable and similar charges	(38,642)	0	(1,440)	(40,082)
Net pension interest cost	0	23,445	0	23,445
Gains on disposal of assets	(35,947)	0	0	(35,947)
Capital grants and contributions	(70,533)	0	0	(70,533)
<b>(Surplus) or deficit on the provision of services</b>	<b>(25,673)</b>	<b>35,109</b>	<b>(8,949)</b>	<b>487</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council - continued

#### 2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	<b>Total Statutory Adjusts. £000</b>	<b>Presention Adjusts. £000</b>	<b>Use of Reserves £000</b>	<b>Total Adjusts. £000</b>
<b>2015/16 Comparative Data</b>				
Communities and Families Place	39,229	(18,238)	(3,366)	17,625
Housing Revenue Account	92,438	1,143	(1,445)	92,136
Health and Social Care Resources	(23,185)	0	(2,256)	(25,441)
Chief Executive	10,601	0	(1,448)	9,153
Safer and Stronger Communities	2,603	(5)	3,026	5,624
Lothian Valuation Joint Board	0	0	0	0
<b>Net Cost of Services</b>	<b>121,686</b>	<b>(17,100)</b>	<b>(5,489)</b>	<b>99,097</b>
<b>Other income and expenditure</b>				
Other non-service specific costs	3,162	(221)	(5,550)	(2,609)
Net deficit on trading activities	0	232	0	232
Net income and changes in relation to investment properties and changes in their fair value	(1,146)	(1,366)	0	(2,512)
Interest and investment income	(98)	0	(114)	(212)
Interest payable and similar charges	(40,082)	18,455	0	(21,627)
Net pension interest cost	23,445	0	0	23,445
Gains on disposal of assets	(35,947)	0	0	(35,947)
Use of reserves	0	0	10,174	10,174
Capital grants and contributions	(70,533)	0	0	(70,533)
<b>(Surplus) or deficit on the provision of services</b>	<b>487</b>	<b>0</b>	<b>(979)</b>	<b>(492)</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (including PPP schemes), trading operations and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council

#### 2.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

2016/17	Communities and Families		Housing Revenue Account	Health and Social Care
	£000	Place £000	£000	£000
<b>Expenditure</b>				
Employee expenses	260,950	78,491	8,198	88,769
Other service expenses	106,341	161,131	38,757	182,339
Support service recharges	0	0	8,450	0
Depreciation, amortisation and impairment	0	47	0	0
Interest payments	104	0	18,660	0
Debt repayments ( <i>HRA only</i> )	0	0	16,585	0
<b>Total Expenditure</b>	<b>367,395</b>	<b>239,669</b>	<b>90,650</b>	<b>271,108</b>
<b>Income</b>				
Revenues from external customers	(6,790)	(125,954)	(87,797)	(20,284)
Income from recharges for services	(16)	(822)	(191)	(16)
Government grants and other contribs.	(18,782)	(44,505)	(2,610)	(62,970)
Interest and investment income	0	0	(52)	0
<b>Total Income</b>	<b>(25,588)</b>	<b>(171,281)</b>	<b>(90,650)</b>	<b>(83,270)</b>
<b>Net Cost of Services</b>	<b>341,807</b>	<b>68,388</b>	<b>0</b>	<b>187,838</b>
	<b>Resources</b>	<b>Chief Executive</b>	<b>Safer and Stronger Communities</b>	<b>Lothian Valuation Joint Board</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee expenses	67,540	11,398	19,813	0
Other service expenses	89,966	36,224	53,754	3,744
Support service recharges	63	0	0	0
Depreciation, amortisation and impairment	0	0	0	0
Interest payments	17,656	0	0	0
Debt repayments ( <i>HRA only</i> )	0	0	0	0
<b>Total Expenditure</b>	<b>175,225</b>	<b>47,622</b>	<b>73,567</b>	<b>3,744</b>
<b>Income</b>				
Revenues from external customers	(24,537)	(1,069)	(35,199)	0
Income from recharges for services	(7,777)	(2,572)	0	0
Government grants and other contribs.	(12,051)	(2,679)	(12,882)	0
Interest and investment income	0	0	0	0
<b>Total Income</b>	<b>(44,365)</b>	<b>(6,320)</b>	<b>(48,081)</b>	<b>0</b>
<b>Net Cost of Services</b>	<b>130,860</b>	<b>41,302</b>	<b>25,486</b>	<b>3,744</b>
	<b>Council Total</b>	<b>Subsidiaries</b>	<b>Associates and Joint Ventures</b>	<b>Group Total</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee expenses	535,159	92,405	0	627,564
Other service expenses	672,256	59,123	0	731,379
Support service recharges	8,513	0	0	8,513
Depreciation, amortisation and impairment	47	9,209	0	9,256
Interest payments	36,420	14,633	0	51,053
Debt repayments ( <i>HRA only</i> )	16,585	0	0	16,585
Net expend from Associates and Joint Ventures	0	0	2,231	2,231
<b>Total Expenditure</b>	<b>1,268,980</b>	<b>175,370</b>	<b>2,231</b>	<b>1,446,581</b>
<b>Income</b>				
Revenues from external customers	(301,630)	(143,638)	0	(445,268)
Income from recharges for services	(11,394)	0	0	(11,394)
Government grants and other contribs.	(156,479)	(29,354)	0	(185,833)
Interest and investment income	(52)	(15,169)	0	(15,221)
Net income from Associates and Joint Ventures	0	0	(1,949)	(1,949)
<b>Total Income</b>	<b>(469,555)</b>	<b>(188,161)</b>	<b>(1,949)</b>	<b>(659,665)</b>
<b>Net Cost of Services</b>	<b>799,425</b>	<b>(12,791)</b>	<b>282</b>	<b>786,916</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Expenditure and Funding Analysis - Council - continued

#### 2.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

2015/16 Comparative Data	Communities and Families		Housing Revenue	Health and Social Care
	£000	Place	Account	£000
<b>Expenditure</b>				
Employee expenses	263,027	124,875	14,102	104,128
Other service expenses	140,435	268,518	38,527	180,888
Support service recharges	0	804	8,698	0
Depreciation, amortisation and impairment	0	52	0	0
Interest payments	18,238	0	19,509	0
Debt repayments ( <i>HRA only</i> )	0	0	27,329	0
<b>Total Expenditure</b>	<b>421,700</b>	<b>394,249</b>	<b>108,165</b>	<b>285,016</b>
<b>Income</b>				
Revenues from external customers	(7,776)	(195,400)	(104,892)	(20,169)
Income from recharges for services	0	(6,173)	(274)	(20)
Government grants and other contribs.	(14,921)	(46,439)	(2,901)	(57,345)
Interest and investment income	0	0	(98)	0
<b>Total Income</b>	<b>(22,697)</b>	<b>(248,012)</b>	<b>(108,165)</b>	<b>(77,534)</b>
<b>Net Cost of Services</b>	<b>399,003</b>	<b>146,237</b>	<b>0</b>	<b>207,482</b>

2015/16 Comparative Data	Resources	Chief Executive	Safer and Stronger	Lothian Valuation
			Communities	Joint Board
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee expenses	42,032	0	0	0
Other service expenses	74,134	0	0	3,744
Support service recharges	0	0	0	0
Depreciation, amortisation and impairment	0	0	0	0
Interest payments	0	0	0	0
Debt repayments ( <i>HRA only</i> )	0	0	0	0
<b>Total Expenditure</b>	<b>116,166</b>	<b>0</b>	<b>0</b>	<b>3,744</b>
<b>Income</b>				
Revenues from external customers	(12,701)	0	0	0
Income from recharges for services	(7,818)	0	0	0
Government grants and other contribs.	(15,837)	0	0	0
Interest and investment income	0	0	0	0
<b>Total Income</b>	<b>(36,356)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cost of Services</b>	<b>79,810</b>	<b>0</b>	<b>0</b>	<b>3,744</b>

2015/16 Comparative Data	Total	Subsidiaries	Associates and Joint Ventures	Group Total
			Ventures	£000
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee expenses	548,164	91,797	0	639,961
Other service expenses	706,246	50,363	0	756,609
Support service recharges	9,502	0	0	9,502
Depreciation, amortisation and impairment	52	9,731	0	9,783
Interest payments	37,747	14,063	0	51,810
Debt repayments ( <i>HRA only</i> )	27,329	0	0	27,329
Net expend from Associates and Joint Ventures	0	0	2,780	2,780
<b>Total Expenditure</b>	<b>1,329,040</b>	<b>165,954</b>	<b>2,780</b>	<b>1,497,774</b>
<b>Income</b>				
Revenues from external customers	(340,938)	(156,850)	0	(497,788)
Income from recharges for services	(14,285)	0	0	(14,285)
Government grants and other contribs.	(137,443)	0	0	(137,443)
Interest and investment income	(98)	(15,614)	0	(15,712)
Net income from Associates and Joint Ventures	0	0	(30)	(30)
<b>Total Income</b>	<b>(492,764)</b>	<b>(172,464)</b>	<b>(30)</b>	<b>(665,258)</b>
<b>Net Cost of Services</b>	<b>836,276</b>	<b>(6,510)</b>	<b>2,750</b>	<b>832,516</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Expenditure and Income Analysed by Nature Group

3.1 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows

	2016/17	2015/16
	£000	£000
<b>Expenditure</b>		
Employee expenses	661,850	673,200
Other service expenses	901,887	930,217
Support service recharges	8,513	9,502
Depreciation, amortisation and impairment	154,364	185,613
Interest payments	197,097	201,215
Gain on the disposal of assets	(12,009)	(35,950)
Net Interest in the profit/loss of associates and joint ventures	282	2,750
<b>Total Expenditure</b>	<b><u>1,911,984</u></b>	<b><u>1,966,547</u></b>
<b>Income</b>		
Fees, charges and other service income	(672,480)	(702,588)
Interest and investment income	(103,182)	(88,902)
Income from Council Tax and Non-Domestic Rates	(595,530)	(606,745)
Government grants and other contributions	(509,778)	(502,816)
Recognised capital income	(58,483)	(70,533)
<b>Total Income</b>	<b><u>(1,939,453)</u></b>	<b><u>(1,971,584)</u></b>
<b>Surplus on the Provision of Services</b>	<b><u>(27,469)</u></b>	<b><u>(5,037)</u></b>

#### Council

3.2 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows

	2016/17	2015/16
	£000	£000
<b>Expenditure</b>		
Employee expenses	569,316	583,516
Other service expenses	843,201	877,891
Support service recharges	8,513	9,502
Depreciation, amortisation and impairment	145,155	175,896
Interest payments	182,465	187,151
Gain on the disposal of assets	(12,061)	(35,947)
<b>Total Expenditure</b>	<b><u>1,736,589</u></b>	<b><u>1,798,009</u></b>
<b>Income</b>		
Fees, charges and other service income	(527,865)	(573,064)
Interest and investment income	(87,965)	(73,288)
Income from Council Tax and Non-Domestic Rates	(595,530)	(606,745)
Government grants and other contributions	(481,705)	(475,656)
Recognised capital income	(58,483)	(70,533)
<b>Total Income</b>	<b><u>(1,751,548)</u></b>	<b><u>(1,799,286)</u></b>
<b>Surplus on the Provision of Services</b>	<b><u>(14,959)</u></b>	<b><u>(1,277)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4. 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 2017/18 Code:

The Code requires implementation from 1 April 2017 and there is therefore no impact on the 2016/17 financial statements.

There are no new standards issued that require to be disclosed in the 2016/17 financial statements.

### 5. 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:

#### 5.1 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 Gillespie's 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 £562.171m at 31 March 2017) are recognised as Property, Plant and Equipment on the Council's Balance Sheet.

#### 5.2 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 9 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.

### 6. 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

### 6. 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 £10.860m 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 £0.541m per annum.
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 £30.487m. A review of significant balances suggested that an impairment of doubtful debts of £4.823m (15.8%) 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 £1.524m 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 £4.047m would be due to HM Revenue and Customs.

## NOTES TO THE FINANCIAL STATEMENTS

### 6. 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 96.95% of Council Tax will be collected. An impairment for doubtful debts of £7.731m 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 £2.535m to be set aside as an allowance.
House Rent Arrears	At 31 March, the Council had a balance of housing rent arrears of £6.647m. A review of significant balances suggested that an impairment of doubtful debts of £5.757m (86.6%) was appropriate. In the current economic climate it is not certain that this will be sufficient.	There is a high level of arrears and the impairment set aside 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%.	If the discount factor is increased by 1%, this would lead to a corresponding reduction in the total value of council dwellings of £19.181m.  If the discount factor is reduced by 1%, this would lead to a corresponding increase in the total value of council dwellings of £19.181m.

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

### 7. Material Items of Income and Expense

The Council incurred costs of £15.610m (£20.943m 2015/16 ) related to staff release costs arising from the council-wide Transformation programme. These cost are included within the Comprehensive Income and Expenditure Statement.

### 8. Events After the Balance Sheet Date

A fatality occurred on 31 May 2017 in a tram related incident on Princes Street, which is the subject of an ongoing Police inquiry. No provision has been made within these statements for any financial implications that may arise.

## NOTES TO THE FINANCIAL STATEMENTS

### 9. 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:

<b>Subsidiaries:</b>	<b>Shareholding</b>	
• CEC Holdings Limited	100.00%	
• Transport for Edinburgh Limited	100.00%	
<b>Associates:</b>		
• Edinburgh Leisure	33.33%	Board representation
• Festival City Theatres Trust	33.33%	Board representation
• Lothian Valuation Joint Board	61.19%	Funding percentage
• Common Good	100.00%	
<b>Joint Venture</b>	<b>Interest</b>	
• Edinburgh Integration Joint Board	50.00%	Board representation
<b>Trusts:</b>		
• 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:

	<b>Shareholding</b>
• Capital City Partnership Limited	100.00%
• CEC Recovery Limited (formerly tie Limited)	100.00%
• Marketing Edinburgh Limited	100.00%
• LPFE Limited	100.00%
• LPFI Limited	100.00%

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

### 9. Subsidiaries and Associates - continued

#### 9.1 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 unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets	1,124	1,149
Net (profit) / loss before taxation	(16)	180
Retained profit / (loss) carried forward	(122)	567

- **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 unaudited results of the company are as follows:	<b>31.12.16</b>	<b>31.12.15</b>
	<b>£000</b>	<b>£000</b>
Net assets	16,032	16,140
Net (profit) / loss before taxation	(521)	(185)
Retained profit / (loss) carried forward	(51,353)	(51,361)

**(re-stated)**

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 2017 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 unaudited results of the company are as follows:

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets	0	0
Net deficit before taxation	0	0
Retained profit / (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 unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net liabilities	(539)	(142)
Net (profit) / loss before taxation	(6)	66
Retained profit / (loss) carried forward	(539)	(142)

14 months to

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.1 Subsidiary Companies - continued

##### ● LPFI Limited

The company was incorporated on 11 February 2015 and commenced trading during 2016/17.

The principal activity of the company is the provision of FCA-regulated services to the City of Edinburgh Council in support of the administration of Pension Funds. All pension funds are part of the Local Government Pension Scheme in Scotland.

The unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets	50	0
Net (profit) / loss before taxation	(1)	0
Retained profit / (loss) carried forward	0	0

##### ● 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 unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets	262	261
Net (profit) / loss before taxation	(2)	(2)
Retained profit / (loss) carried forward	262	261

##### ● 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:

	<b>31.12.16</b>	<b>31.12.15</b>
	<b>£000</b>	<b>£000</b>
<b>Transport for Edinburgh Limited (Consolidated Group)</b>		
Net assets	95,955	99,395
Net (profit) / loss before taxation	(14,165)	(8,936)
Retained earnings	9,779	18,320
Dividend paid	5,517	494

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

### 9. Subsidiaries and Associates - continued

#### 9.2 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 unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets / (liabilities)	(8,664)	657
Net operating (profit) / loss	970	1,524
Earnings / (Losses) carried forward	(8,664)	657

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% (2015/16 33.33%) Board Representation, is as follows:

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Incoming resources	(10,088)	(9,826)
Net (profit) / loss	3,107	(2,365)
Net assets / (liabilities)	(2,888)	219
Total usable reserves	(2,888)	219

- **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 unaudited results of the company are as follows:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Net assets	1,705	3,734
Net operational (profit) / loss	359	597
Fund balances carried forward	1,705	3,734

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% (2015/16 33.33%) Board representation, is as follows:

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Incoming resources	(4,580)	(3,653)
Net operational (profit) / loss	158	148
Net assets	568	1,245
Total usable reserves	568	1,245

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.2 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.

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Deficit for the year	145	624
Net Liabilities	(10,940)	(5,008)
Usable reserves	1,011	749
Unusable reserves	<u>(11,951)</u>	<u>(5,757)</u>
Total reserves	<u>(10,940)</u>	<u>(5,008)</u>

The group share of the results of the Lothian Valuation Joint Board, based on a 61.19% (2015/16 61.22%) funding percentage is as follows:

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Funding - requisitions	(3,744)	(3,746)
Other income	<u>(1,320)</u>	<u>(1,312)</u>
Total income	<u>(5,064)</u>	<u>(5,058)</u>
Deficit for the year	<u>89</u>	<u>382</u>
Net liabilities	<u>(6,694)</u>	<u>(3,066)</u>
Usable reserves	619	459
Unusable reserves	<u>(7,313)</u>	<u>(3,525)</u>
Total reserves	<u>(6,694)</u>	<u>(3,066)</u>

#### 9.3 Joint Ventures

- **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 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.

	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
The first audited results of the company are as follows:		10 months to
Gross expenditure	676,164	97
Surplus for the year	(3,690)	0
Usable reserves	3,690	0

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Subsidiaries and Associates - continued

### 9.3 Joint Ventures - continued

#### • Edinburgh Integration Joint Board

The group share of the results of the Edinburgh Integration Joint Board, based on a 50% (2015/16 50%) funding percentage is as follows:

	31.03.17	10 months to 31.03.16
	£000	£000
Net assets	1,845	0
Usable reserves	1,845	0

### 9.4 Audit Opinions noted on the Accounts of the Companies

Unless otherwise indicated, the companies' accounts are unaudited.

### 9.5 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.

### 9.6 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 £138.126m (2015/16 £148.784m re-stated) representing the Council's share of the realisable surpluses or deficits in these companies.

## 10. 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 2017 was £4.072m (31 March 2016 £4.183m).

The Expenditure Trust received interest of £0.043m during the year.

£1.536m 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 (£0.057m).

#### • 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 2017 was £0.810m (31 March 2016 £2.398m).

Funds in the Income Trust have reduced by £1.593m during the year, relating to the transfer, noted above, to the International Conference Centre Expenditure Trust. The Income Trust received interest of £0.005m.

## 11. 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

## 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations

	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>2016/17</b>			
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	127,323	19,345	0
Movements in the market value of investment properties	779	0	0
Amortisation and impairment of intangible assets	1,221	0	0
Capital grants and contributions applied	(50,897)	(7,587)	0
Capital funded from revenue	(2,056)	0	0
Revenue expenditure funded from capital under statute	35,529	0	0
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(69,061)	(16,585)	0
Capital expenditure charged against General Fund and HRA balances	(35,529)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (gain) / loss on sale of property, plant and equipment and assets held for sale	(11,306)	(754)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(27,922)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(1,400)	(498)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	86,883	2,016	0
Employer's pension contributions and direct payments to pensioners payable in the year	(64,761)	(1,503)	0
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	(599)	(142)	0
<b>Total Adjustments</b>	<b>16,126</b>	<b>(5,708)</b>	<b>(27,922)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2016/17	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	0	0	(146,668)
Movements in the market value of investment properties	0	0	(779)
Amortisation of intangible assets	0	0	(1,221)
Capital grants and contributions applied	14	0	58,470
Capital funded from revenue	0	0	2,056
Revenue expenditure funded from capital under statute	0	0	(35,529)
<b>Insertion of items not debited or credited to the CIES</b>	0	0	0
Statutory provision for the financing of capital investment	0	(2,322)	87,968
Capital expenditure charged against General Fund and HRA balances	0	0	35,529
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(1,905)	0	1,905
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net gain / (loss) on sale of property, plant and equipment and assets held for sale	0	0	12,060
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	27,922
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	1,898
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(88,899)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	66,264
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	741
<b>Total Adjustments</b>	<b>(1,891)</b>	<b>(2,322)</b>	<b>21,717</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>2015/16 Comparative Data</b>			
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
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 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
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(58,829)	(27,328)	0
Capital expenditure charged against General Fund and HRA balances	(38,846)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net loss / (gain) on sale of property, plant and equipment and assets held for sale	(33,700)	(2,247)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(120,492)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(1,440)	(488)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
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
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
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
<b>Total Adjustments</b>	<u>25,268</u>	<u>(13,312)</u>	<u>(120,492)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2015/16 Comparative Data	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
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)
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	0	(11,469)	97,626
Capital expenditure charged against General Fund and HRA balances	0	0	38,846
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(3,285)	0	3,285
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (loss) / gain on sale of property, plant and equipment and assets held for sale	0	0	35,947
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	120,492
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	1,928
<b>Adjustments primarily involving the Pensions Reserve</b>			
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
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
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
<b>Total Adjustments</b>	<b>(1,692)</b>	<b>(11,469)</b>	<b>121,697</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves

#### 12.1 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.

	(re-stated) Balance at 01.04.16 £000	Net Transfers Out 2016/17 £000	Net Transfers In 2016/17 £000	Balance at 31.03.17 £000
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(51,361)	0	8	(51,353)
Capital grants unapplied account	2,729	(467)	0	2,262
Transport for Edinburgh Limited				
Revenue reserves	78,249	(8,541)	0	69,708
<b>Total Usable Reserves - Subsidiaries</b>	<b>29,617</b>	<b>(9,008)</b>	<b>8</b>	<b>20,617</b>
<b>Associates and Joint Ventures</b>				
Common Good Fund				
Earmarked revenue reserve	2,298	0	104	2,402
Edinburgh Leisure				
Earmarked revenue reserve	174	(45)	0	129
Revenue reserves	44	(3,061)	0	(3,017)
International Conference Centre Trusts				
Income Trust	2,398	(1,588)	0	810
Expenditure Trust	4,183	(111)	0	4,072
Festival City Theatres Trust				
Earmarked capital reserve	1,202	(118)	0	1,084
Revenue reserves	43	(40)	0	3
Lothian Valuation Joint Board				
Revenue reserves	459	0	160	619
Edinburgh Integration Joint Board				
Revenue reserves	0	0	1,845	1,845
<b>Total Usable Reserves - Associates and Joint Ventures</b>	<b>10,801</b>	<b>(4,963)</b>	<b>2,109</b>	<b>7,947</b>
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>40,418</b>	<b>(13,971)</b>	<b>2,117</b>	<b>28,564</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	(re-stated) Balance at 01.04.15 £000	Net Transfers Out 2015/16 £000	Net Transfers In 2015/16 £000	(re-stated) Balance at 31.03.16 £000
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(52,011)	0	650	(51,361)
Capital grants unapplied account	3,213	(484)	0	2,729
Transport for Edinburgh				
Revenue reserves	48,523	0	29,726	78,249
<b>Total Usable Reserves - Subsidiaries</b>	<b>(275)</b>	<b>(484)</b>	<b>30,376</b>	<b>29,617</b>
<b>Associates and Joint Ventures</b>				
Common Good Fund				
Earmarked revenue reserves	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
<b>Total Usable Reserves - Associates and Joint Ventures</b>	<b>10,151</b>	<b>(2,348)</b>	<b>2,998</b>	<b>10,801</b>
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>9,876</b>	<b>(2,832)</b>	<b>33,374</b>	<b>40,418</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.16 £000	Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance at 31.03.17 £000
<b>Council's Usable Reserves</b>				
<b>General Fund</b>				
Unallocated General Fund	13,025	0	0	13,025
Balances held by schools under Devolved School Management (DSM)	2,804	(2,804)	2,688	2,688
Balances set aside for specific inv.	12,565	(4,011)	17,105	25,659
Contingency funding, workforce mgmt.	18,075	0	19	18,094
Council Priorities Fund	1,128	0	2,973	4,101
Dilapidations Fund	12,094	(450)	700	12,344
Energy Efficiency Fund	846	(830)	82	98
Insurance Funds	13,539	(99)	1,226	14,666
Licensing and Registration Income	1,394	0	1,699	3,093
Recycling balances	1,372	(211)	0	1,161
Revenue grants and contributions received in advance of planned expenditure	15,243	(9,301)	2,943	8,885
Council Tax Discount Fund	21,596	(250)	2,888	24,234
Spend to Save Fund and similar projects	7,017	(1,558)	1,903	7,362
Other earmarked balances	240	(17)	13	236
Strategic Acquisition Fund	7,458	(1,278)	0	6,180
Surplus on Housing Revenue Account transferred to Renewal and Repairs Fund	0	(11,886)	11,886	0
<b>Total General Fund</b>	<u>128,396</u>	<u>(32,695)</u>	<u>46,125</u>	<u>141,826</u>
<b>Housing Revenue Account Balance</b>	<u>0</u>	<u>(11,886)</u>	<u>11,886</u>	<u>0</u>
<b>Renewal and Repairs Fund</b>	<u>38,194</u>	<u>0</u>	<u>11,947</u>	<u>50,141</u>
<b>Capital Fund</b>	<u>68,793</u>	<u>(8,165)</u>	<u>550</u>	<u>61,178</u>
<b>Capital Receipts Reserve</b>	<u>0</u>	<u>(27,922)</u>	<u>27,922</u>	<u>0</u>
<b>Capital Grants Unapplied Account</b>	<u>2,657</u>	<u>(1,905)</u>	<u>14</u>	<u>766</u>
<b>Total Usable Reserves - Council</b>	<u>238,040</u>	<u>(82,573)</u>	<u>98,444</u>	<u>253,911</u>
<b>Total Usable Reserves - Group</b>	<u>278,458</u>	<u>(96,544)</u>	<u>100,561</u>	<u>282,475</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 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
<b>General Fund</b>					
Unallocated General Fund	13,025	0	0	0	13,025
Balances held by schools under 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 expend.	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
<b>Total General Fund</b>	<b>117,524</b>	<b>0</b>	<b>(18,675)</b>	<b>29,547</b>	<b>128,396</b>
<b>Housing Revenue Account Balance</b>	<b>0</b>	<b>0</b>	<b>(2,256)</b>	<b>2,256</b>	<b>0</b>
<b>Renewal and Repairs Fund</b>	<b>35,833</b>	<b>0</b>	<b>0</b>	<b>2,361</b>	<b>38,194</b>
<b>Capital Fund</b>	<b>31,721</b>	<b>0</b>	<b>(18,198)</b>	<b>55,270</b>	<b>68,793</b>
<b>Capital Receipts Reserve</b>	<b>0</b>	<b>0</b>	<b>(120,690)</b>	<b>120,690</b>	<b>0</b>
<b>Capital Grants Unapplied Account</b>	<b>4,349</b>	<b>0</b>	<b>(3,285)</b>	<b>1,593</b>	<b>2,657</b>
<b>Total Usable Reserves - Council</b>	<b>189,427</b>	<b>0</b>	<b>(163,104)</b>	<b>211,717</b>	<b>238,040</b>
<b>Total Usable Reserves - Group</b>	<b>199,303</b>	<b>0</b>	<b>(165,936)</b>	<b>245,091</b>	<b>278,458</b>

#### 12.2 Devolved School Management

A net credit balance of £2.688m (2015/16 £2.804m) is held within the General Fund in accordance with the Devolved School Management scheme.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

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

<b>2016/17</b>	<b>General Fund £000</b>	<b>HRA Balance £000</b>	<b>Renewal / Repairs Fund £000</b>	<b>Capital Receipts Reserve £000</b>
Transfers out	(32,695)	(11,886)	0	(27,922)
Transfers in	46,125	11,886	11,947	27,922
Total movements in fund	<u>13,430</u>	<u>0</u>	<u>11,947</u>	<u>0</u>
Recognised in Comprehensive Income and Expenditure Statement	13,491	11,886	0	0
Transfers to other earmarked reserves	(61)	(11,886)	11,947	0
Total movements in fund	<u>13,430</u>	<u>0</u>	<u>11,947</u>	<u>0</u>
	<b>Capital Grants Unapplied £000</b>	<b>Capital Fund £000</b>	<b>Group Usable Reserves £000</b>	<b>Total £000</b>
Transfers out	(1,905)	(8,165)	(13,971)	<b>(96,544)</b>
Transfers in	14	550	2,117	<b>100,561</b>
Total movements in fund	<u>(1,891)</u>	<u>(7,615)</u>	<u>(11,854)</u>	<u><b>4,017</b></u>
Recognised in Comprehensive Income and Expenditure Statement	(1,891)	(7,615)	(11,854)	<b>4,017</b>
Transfers to other earmarked reserves	0	0	0	<b>0</b>
Total movements in fund	<u>(1,891)</u>	<u>(7,615)</u>	<u>(11,854)</u>	<u><b>4,017</b></u>
	<b>General Fund £000</b>	<b>HRA Balance £000</b>	<b>Renewal / Repairs Fund £000</b>	<b>Capital Receipts Reserve £000</b>
<b>2015/16 Comparative Data</b>				
Transfers out	(18,675)	(2,256)	0	(120,690)
Transfers in	29,547	2,256	2,361	120,690
Total movements in fund	<u>10,872</u>	<u>0</u>	<u>2,361</u>	<u>0</u>
Recognised in Comprehensive Income and Expenditure Statement	10,977	2,256	0	0
Transfers to other earmarked reserves	(105)	(2,256)	2,361	0
Total movements in fund	<u>10,872</u>	<u>0</u>	<u>2,361</u>	<u>0</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

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

2015/16 Comparative Data	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(3,285)	(18,198)	(2,832)	<b>(165,936)</b>
Transfers in	1,593	55,270	33,374	<b>245,091</b>
Total movements in fund	<u>(1,692)</u>	<u>37,072</u>	<u>30,542</u>	<u><b>79,155</b></u>
Recognised in Comprehensive Income and Expenditure Statement	(1,692)	37,072	33,480	<b>82,093</b>
Transfers to other earmarked reserves	0	0	(2,938)	<b>(2,938)</b>
Total movements in fund	<u>(1,692)</u>	<u>37,072</u>	<u>30,542</u>	<u><b>79,155</b></u>

13. Other Operating Expenditure	2016/17		Re-stated 2015/16	
	Group £000	Council £000	Group £000	Council £000
Gains on the disposal of non-current assets	(12,009)	(12,061)	(35,949)	(35,947)
	<u>(12,009)</u>	<u>(12,061)</u>	<u>(35,949)</u>	<u>(35,947)</u>

14. Financing and Investment Income and Expenditure	2016/17		Re-stated 2015/16	
	Group £000	Council £000	Group £000	Council £000
Interest payable and similar charges	88,756	88,491	95,552	95,138
Interest cost on defined benefit obligation	108,342	93,974	105,663	92,013
Interest receivable and similar income	(9,838)	(9,669)	(8,166)	(7,972)
Interest income on plan assets	(93,498)	(78,498)	(81,732)	(68,568)
Net income in relation to investment properties and changes in their fair value	(750)	(600)	(2,512)	(2,512)
Net (surplus) / deficit from trading activities	143	191	(2,026)	232
	<u>93,155</u>	<u>93,889</u>	<u>106,779</u>	<u>108,331</u>

15. Taxation and Non-Specific Grant Income	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Council Tax income	(221,390)	(221,390)	(216,351)	(216,351)
Non-domestic rates	(374,650)	(374,650)	(390,862)	(390,862)
Non-ring fenced government grants	(344,919)	(344,919)	(354,576)	(354,576)
Capital grants and contributions	(58,483)	(58,483)	(70,533)	(70,533)
Taxation expenses	1,895	0	2,612	0
	<u>(997,547)</u>	<u>(999,442)</u>	<u>(1,029,710)</u>	<u>(1,032,322)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment

#### 16.1 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

#### 16.2 Capital Commitments

At 31 March 2017, the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment. These are budgeted to cost £226.111m. A number of these amounts relate to contract retentions, as projects are now complete. Similar commitments at 31 March 2016 were £76.678m.

	£000	Expected Completion Date
Leith Fort	1,000	Jul-17
Boroughmuir New High School	6,982	Aug-17
Rising School Rolls 5 School extension	2,054	Aug-17
Nurseries phase 2	5,874	Aug-17
St John's Primary School	11,977	Aug-19
WHEC upgrade Block A	3,739	2017-2018
Other property and infrastructure works	2,159	2017-2018
Kitchen and Bathroom upgrade	5,752	2017-2018
External Fabric highrise	5,035	2017-2018
Liberton High School electrical services and windows upgrade	734	2018-2019
Communities and Families Fire upgrade works	1,594	2019-2020
Gilmerton Primary School M&E upgrade	675	2019-2020
Water Tank upgrade works for Legionella	1,350	2019-2020
St James Quarter - Growth Accelerator Model	61,400	2020-21
ICT capital investment / ICT transformational change investment	14,951	1 year
Water of Leith Phase 2 (flood defence work)	4,990	2 years
Granton to Roseburn land compensation	1,750	1 year
Calton Hill Project	2,500	Oct-17
North Sighthill	17,215	May-19
Small Sites Programme	28,938	Apr-19
Pennywell Town Centre	23,317	Sep-20
Pennywell Phases 1 to 4	22,125	Oct-24
	<u>226,111</u>	

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.3 Movements on Balances - Group Movements in 2016/17

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
<b>Cost or Valuation</b>				
At 1 April 2016	1,066,016	1,724,709	312,416	1,376,084
Additions	41,395	32,436	18,756	26,958
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(455)	27,289	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	0	(8,210)	(25)	0
Derecognition - disposals	(15,580)	(148)	(3,532)	0
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	0	(535)	0	0
Other movements in cost or valuation	0	83,765	0	0
At 31 March 2017	<u>1,091,376</u>	<u>1,859,306</u>	<u>327,615</u>	<u>1,403,042</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2016	(35,393)	(111,508)	(134,674)	(503,164)
Depreciation charge	(18,975)	(42,269)	(21,205)	(64,194)
Depreciation charge written out to Revaluation Reserve	209	9,646	0	0
Depreciation written out to the Surplus on the Provision of Services	0	1,457	15	0
Derecognition - disposals	774	5	3,311	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	0
Other movements in cost or valuation	0	(21)	0	0
At 31 March 2017	<u>(53,385)</u>	<u>(142,690)</u>	<u>(152,553)</u>	<u>(567,358)</u>
<b>Net book value</b>				
At 31 March 2017	<u>1,037,991</u>	<u>1,716,616</u>	<u>175,062</u>	<u>835,684</u>
At 31 March 2016	<u>1,030,623</u>	<u>1,613,201</u>	<u>177,742</u>	<u>872,920</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.3 Movements on Balances - Group Movements in 2016/17

	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property Plant and Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2016	12,964	2,420	89,688	4,584,297
Additions	1,842	1	33,004	154,392
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0	26,834
Revaluation decreases recognised in the Surplus on the Provision of Services	(244)	0	0	(8,479)
Derecognition - disposals	0	0	0	(19,260)
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	0	0	0	(535)
Other movements in cost or valuation	0	0	(83,765)	0
At 31 March 2017	<u>14,562</u>	<u>2,421</u>	<u>38,927</u>	<u>4,737,249</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2016	0	0	0	(784,739)
Depreciation charge	0	0	0	(146,643)
Depreciation charge written out to Revaluation Reserve	0	0	0	9,855
Depreciation written out to the Surplus on the Provision of Services	0	0	0	1,472
Derecognition - disposals	0	0	0	4,090
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	0
Other movements in cost or valuation	0	0	0	(21)
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>	<u>(915,986)</u>
<b>Net book value</b>				
At 31 March 2017	<u>14,562</u>	<u>2,421</u>	<u>38,927</u>	<u>3,821,263</u>
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u>3,799,558</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.4 Movements on Balances - Group Accounts 2015/16 Comparative Data

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
<b>Cost or Valuation</b>				
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 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>
<b>Accumulated Depreciation and Impairment</b>				
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>
<b>Net book value</b>				
At 31 March 2016	<u><u>1,030,623</u></u>	<u><u>1,613,201</u></u>	<u><u>177,742</u></u>	<u><u>872,920</u></u>
At 31 March 2015	<u><u>1,029,558</u></u>	<u><u>1,732,117</u></u>	<u><u>178,127</u></u>	<u><u>912,496</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.4 Movements on Balances - Group 2015/16 Comparative Data

	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property Plant and Equipment £000
<b>Cost or Valuation</b>				
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 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>
<b>Accumulated Depreciation and Impairment</b>				
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>
<b>Net book value</b>				
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

### 16. Property, Plant and Equipment - continued

#### 16.5 Movements on Balances - Council Movements in 2016/17

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000
<b>Cost or Valuation</b>				
At 1 April 2016	1,066,016	1,663,708	179,516	1,369,414
Additions	41,395	31,535	5,408	26,958
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(455)	27,289	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	0	(8,210)	(25)	0
Derecognition - disposals	(15,580)	(148)	0	0
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	0	(535)	0	0
Other movements in cost or valuation	0	83,765	0	0
At 31 March 2017	<u>1,091,376</u>	<u>1,797,404</u>	<u>184,899</u>	<u>1,396,372</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2016	(35,393)	(80,585)	(73,555)	(497,540)
Depreciation charge	(18,975)	(42,087)	(12,468)	(63,904)
Depreciation charge written out to Revaluation Reserve	209	9,646	0	0
Depreciation written out to the Surplus on the Provision of Services	0	1,457	15	0
Derecognition - disposals	774	5	0	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	0
Other movements in cost or valuation	0	(21)	0	0
At 31 March 2017	<u>(53,385)</u>	<u>(111,585)</u>	<u>(86,008)</u>	<u>(561,444)</u>
<b>Net book value</b>				
At 31 March 2017	<u>1,037,991</u>	<u>1,685,819</u>	<u>98,891</u>	<u>834,928</u>
At 31 March 2016	<u>1,030,623</u>	<u>1,583,123</u>	<u>105,961</u>	<u>871,874</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.5 Movements on Balances - Council

##### Movements in 2016/17

<b>Cost or Valuation</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property Plant and Equipment £000</b>	<b>PPP Assets £000</b>
At 1 April 2016	12,964	2,420	89,688	<b>4,383,726</b>	583,781
Additions	1,842	1	33,004	<b>140,143</b>	34
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0	<b>26,834</b>	6,951
Revaluation decreases recognised in the Surplus on the Provision of Services	(244)	0	0	<b>(8,479)</b>	0
Derecognition - disposals	0	0	0	<b>(15,728)</b>	0
Derecognition - other	0	0		<b>0</b>	0
Assets reclassified (to) / from held for sale	0	0	0	<b>(535)</b>	0
Other movements in cost or valuation	0	0	(83,765)	<b>0</b>	4,092
At 31 March 2017	<u>14,562</u>	<u>2,421</u>	<u>38,927</u>	<u><b>4,525,961</b></u>	<u>594,858</u>
<b>Accumulated Depreciation and Impairment</b>					
At 1 April 2016	0	0	0	<b>(687,073)</b>	(22,252)
Depreciation charge	0		0	<b>(137,434)</b>	(13,155)
Depreciation charge written out to Revaluation Reserve	0	0	0	<b>9,855</b>	2,720
Depreciation written out to the Surplus on the Provision of Services	0	0	0	<b>1,472</b>	0
Derecognition - disposals	0		0	<b>779</b>	0
Derecognition - other	0	0	0	<b>0</b>	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	<b>0</b>	0
Other movements in cost or valuation	0		0	<b>(21)</b>	0
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>	<u><b>(812,422)</b></u>	<u>(32,687)</u>
<b>Net book value</b>					
At 31 March 2017	<u>14,562</u>	<u>2,421</u>	<u>38,927</u>	<u><b>3,713,539</b></u>	<u>562,171</u>
At 31 March 2016	<u>12,964</u>	<u>2,420</u>	<u>89,688</u>	<u><b>3,696,653</b></u>	<u>561,529</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

### 16. Property, Plant and Equipment - continued

#### 16.6 Movements on Balances - Council 2015/16 Comparative Data

<b>Cost or Valuation</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Infrastructure Assets £000</b>
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 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>
<b>Accumulated Depreciation and Impairment</b>				
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>
<b>Net book value</b>				
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

### 16. Property, Plant and Equipment - continued

#### 16.6 Movements on Balances - Council

##### 2015/16 Comparative Data

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

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.7 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 Operational Estate Manager, L. Turner 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.

<b>Council assets</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Infrastructure Assets £000</b>
Carried at historical cost	90,796	80,704	116,250	1,396,372
Valued at fair value as at:				
31 March 2017	0	238,328	0	0
31 March 2016	1,061	308,940	0	0
31 March 2015	1,425	274,751	67,674	0
31 March 2014	997,751	435,188	125	0
31 March 2013	343	459,493	850	0
<b>Total cost or valuation</b>	<b>1,091,376</b>	<b>1,797,404</b>	<b>184,899</b>	<b>1,396,372</b>

<b>Council assets</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
Carried at historical cost	14,562	1	38,927	1,737,612
Valued at fair value as at:				
31 March 2017	0	0	0	238,328
31 March 2016	0	2,420	0	312,421
31 March 2015	0	0	0	343,850
31 March 2014	0	0	0	1,433,064
31 March 2013	0	0	0	460,686
<b>Total cost or valuation</b>	<b>14,562</b>	<b>2,421</b>	<b>38,927</b>	<b>4,525,961</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Property, Plant and Equipment - continued

#### 16.8 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 2017
	£000	£000	£000	£000
Surplus assets	0	2,421	0	2,421
Investment properties - advertising hoardings	0	16,471	0	16,471
<b>Total cost or valuation</b>	<b>0</b>	<b>18,892</b>	<b>0</b>	<b>18,892</b>

- 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 is 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.

### 17. Investment Properties

#### 17.1 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.

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Rental income from investment properties	(1,384)	(1,384)	(1,401)	(1,401)
Direct operating expenses arising from investment property	5	5	35	35
	<u>(1,379)</u>	<u>(1,379)</u>	<u>(1,366)</u>	<u>(1,366)</u>

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

### 17. Investment Properties - continued

#### 17.2 Movement in Fair Value

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

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	17,450	17,250	16,304	16,104
Additions:				
- Subsequent expenditure	0	0	0	0
Disposals	0	0	0	0
Net (loss) / gain from fair value adjustments	(629)	(779)	1,146	1,146
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>16,821</u>	<u>16,471</u>	<u>17,450</u>	<u>17,250</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. 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 £1.221m in 2016/17 (2015/16 £1.289m) was charged to the following services.

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Communities and Families	0	56
Health and Social Care	0	12
Chief Executive	1,221	1,221
Total amortisation	<u>1,221</u>	<u>1,289</u>

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

	<b>2016/17</b>		<b>2015/16</b>	
	<b>Group</b>	<b>Council</b>	<b>Group</b>	<b>Council</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April				
Gross carrying amount	8,557	8,557	8,557	8,557
Less: Accumulated amortisation	<u>(4,892)</u>	<u>(4,892)</u>	<u>(3,603)</u>	<u>(3,603)</u>
Net carrying amount at 1 April	3,665	3,665	4,954	4,954
Additions during the year				
- Purchased intangible assets	221	221	0	0
Impairment during the year	0	0	0	0
Amortisation for the period	<u>(1,221)</u>	<u>(1,221)</u>	<u>(1,289)</u>	<u>(1,289)</u>
Net carrying amount at 31 March	<u>2,665</u>	<u>2,665</u>	<u>3,665</u>	<u>3,665</u>
Comprising:				
Gross carrying amounts	8,778	8,778	8,557	8,557
Accumulated amortisation	<u>(6,113)</u>	<u>(6,113)</u>	<u>(4,892)</u>	<u>(4,892)</u>
Net carrying amount at 31 March	<u>2,665</u>	<u>2,665</u>	<u>3,665</u>	<u>3,665</u>

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

	<b>Carrying Amount</b>		<b>Remaining</b>
	<b>2016/17</b>	<b>2015/16</b>	<b>Amortisation</b>
	<b>£000</b>	<b>£000</b>	<b>Period</b>
			<b>31.03.17</b>
Master data management software	444	666	2 years
Web-based solution software, including web forms	476	715	2 years
Integration engine software	405	608	2 years
Customer relationship management solutions	844	1,266	2 years
Security management software	143	213	2 years
Telephony system software	220	0	5 years

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Heritage Assets

#### 19.1 Reconciliation of the Carrying Value of Heritage Assets Movements in 2016/17

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
<b>Cost or Valuation</b>			
At 1 April 2016	654	2,047	6,797
Additions	11	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reverse	0	0	0
At 31 March 2017	<u>665</u>	<u>2,047</u>	<u>6,797</u>
<b>Accumulated Impairment</b>			
At 1 April 2016	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net book value</b>			
At 31 March 2017	<u>665</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2016	<u>654</u>	<u>2,047</u>	<u>6,797</u>

	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Heritage Assets £000</b>
<b>Cost or Valuation</b>			
At 1 April 2016	1,975	19,643	31,116
Additions	0	0	11
Revaluation increases / (decreases) recognised in the Revaluation Reverse	0	0	0
At 31 March 2017	<u>1,975</u>	<u>19,643</u>	<u>31,127</u>
<b>Accumulated Impairment</b>			
At 1 April 2016	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net book value</b>			
At 31 March 2017	<u>1,975</u>	<u>19,643</u>	<u>31,127</u>
At 31 March 2016	<u>1,975</u>	<u>19,643</u>	<u>31,116</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Heritage Assets - continued

#### 19.1 Reconciliation of the Carrying Value of Heritage Assets - continued 2015/16 Comparative Data

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
<b>Cost or Valuation</b>			
At 1 April 2015	613	2,047	6,797
Additions	40	0	0
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	1	0	0
At 31 March 2016	<u>654</u>	<u>2,047</u>	<u>6,797</u>
<b>Accumulated Impairment</b>			
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>
<b>Net book value</b>			
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>
	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Heritage Assets £000</b>
<b>Cost or Valuation</b>			
At 1 April 2015	1,975	19,643	31,075
Additions	0	0	40
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	0	0	1
At 31 March 2016	<u>1,975</u>	<u>19,643</u>	<u>31,116</u>
<b>Accumulated Impairment</b>			
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>
<b>Net book value</b>			
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>

#### 19.2 Details of Heritage Assets

- Monuments and Statues are valued on a historic basis and valuations are carried out under the direction of the Council's Operational Estate Manager.
- 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Heritage Assets - continued

#### 19.2 Details of Heritage Assets - continued

- 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.

### 20. Financial Instruments

#### 20.1 Categories of Financial Instruments

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

	Long-Term		Current	
	31.03.17	31.03.16	31.03.17	31.03.16
	£000	£000	£000	£000
<b>Investments</b>				
Loans and receivables	0	0	172,542	128,378
Available for sale	0	0	967	64,311
Unquoted equity investment at cost	23,436	23,474	0	0
Total investments	23,436	23,474	173,509	192,689
<b>Debtors</b>				
Loans and receivables	5,665	5,538	28,293	29,978
Total debtors	5,665	5,538	28,293	29,978
<b>Borrowings</b>				
Financial liabilities (principal amount)	(1,245,546)	(1,299,901)	(76,702)	(69,843)
Accrued interest	0	0	(16,019)	(17,513)
Cost of amortisation	(9,044)	(8,988)	30	35
Total borrowings	<u>(1,254,590)</u>	<u>(1,308,889)</u>	<u>(92,691)</u>	<u>(87,321)</u>

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 20.4.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial Instruments - continued

#### 20.1 Categories of Financial Instruments - continued

	<b>Long-Term</b>	
	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
<b>Other Long-Term Liabilities</b>		
PPP and finance lease liabilities	(205,517)	(215,787)
Deferred liability	<u>(350)</u>	<u>(350)</u>
Total other long-term liabilities	<u>(205,867)</u>	<u>(216,137)</u>

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

	<b>Current</b>	
	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
<b>Creditors</b>		
Financial liabilities at amortised cost	(23,548)	(15,277)
PPP and finance leases due within 1 year	<u>(10,370)</u>	<u>(10,813)</u>
Total creditors	<u>(33,918)</u>	<u>(26,090)</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.

<b>20.2 Income, Expenses, Gains and Losses</b>	<b>Financial Liabilities: Measured at Amortised Cost £000</b>	<b>Financial Assets: Loans and Receivables £000</b>	<b>Available for Sale £000</b>	<b>Unquoted Equity at Amortised Cost £000</b>	<b>Total £000</b>
Interest expense	70,231	0	0	0	70,231
Total expense in Surplus on the Provision of Services	<u>70,231</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,231</u>
Interest income	0	(374)	(750)	0	(1,124)
Dividend Income	0	0	0	(6,000)	(6,000)
Total Interest and investment income	<u>0</u>	<u>(374)</u>	<u>(750)</u>	<u>(6,000)</u>	<u>(7,124)</u>
Net gain for the year	<u>70,231</u>	<u>(374)</u>	<u>(750)</u>	<u>(6,000)</u>	<u>63,107</u>

In addition to the above interest expense, £1.849m (2015/16 £1.849m) 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 £0.211m (2015/16 £0.305m) of loans fund expenses charged to the Council.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial Instruments - continued

#### 20.3 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 2017, 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
- 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:

		31.03.17		31.03.16	
	Fair Value Level	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loans Board	2	(1,034,769)	(1,400,491)	(1,086,887)	(1,365,967)
Salix	2	(1,736)	(1,791)	(2,004)	(2,042)
Market debt	2	(288,419)	(559,498)	(289,443)	(497,978)
Temporary borrowing	n/a	(22,357)	(22,357)	(17,877)	(17,877)
Other long-term liabilities	n/a	(350)	(350)	(350)	(350)
Trade creditors	n/a	(23,548)	(23,548)	(15,277)	(15,277)
Finance Leases	3	(215,887)	(313,562)	(226,600)	(311,832)
Financial liabilities		<u>(1,587,066)</u>	<u>(2,321,597)</u>	<u>(1,638,438)</u>	<u>(2,211,323)</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.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial Instruments - continued

#### 20.3 Fair Value of Assets and Liabilities - continued

	Fair Value Level	31.03.17		31.03.16	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value</b>					
Treasury Bills	1	0	0	38,455	38,455
Money Market Funds	1	967	967	25,856	25,856
		<u>967</u>	<u>967</u>	<u>64,311</u>	<u>64,311</u>
<b>Investment held at Amortised Cost</b>					
Bank Call Accounts	n/a	17,646	17,646	41,028	41,028
Building Society Deposits	2	0	0	0	0
Local Authority Loans	2	154,896	154,927	87,350	87,357
Unquoted Equity investment at cost	n/a	23,436	23,436	23,474	23,474
		<u>195,978</u>	<u>196,009</u>	<u>151,852</u>	<u>151,859</u>
<b>Debtors</b>					
Loan Stock	n/a	4,714	4,714	4,626	4,626
Soft Loans	3	951	951	912	912
Other trade debtors	n/a	28,293	28,293	29,978	29,978
		<u>33,958</u>	<u>33,958</u>	<u>35,516</u>	<u>35,516</u>
<b>Total Investments</b>		<u>230,903</u>	<u>230,934</u>	<u>251,679</u>	<u>251,686</u>

#### 20.4 Available for Sale Financial Assets

As part of the introduction of IFRS13, 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.

	Fair Value Level	31.03.17		31.03.16	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value</b>					
Treasury Bills	1	0	0	38,455	38,455
Money Market Funds	1	967	967	25,856	25,856
		<u>967</u>	<u>967</u>	<u>64,311</u>	<u>64,311</u>

There was no unrealised gain on the available for sale financial assets (2015/16 £1,857).

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Inventories Movements in 2016/17 and 2015/16

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
<b>Fuel Stocks</b>				
Balance at 1 April	391	115	500	114
Purchases	21,863	2,461	22,162	2,162
Recognised as an expense in the year	(21,679)	(2,405)	(22,271)	(2,161)
Balance at 31 March	575	171	391	115
<b>Gift Stock and Community Equipment</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	1,423	1,423	1,165	1,165
Purchases	2,650	2,650	2,611	2,611
Held by a third party	37	37	34	34
Recognised as an expense in the year	(2,653)	(2,653)	(2,387)	(2,387)
Balance at 31 March	1,457	1,457	1,423	1,423
<b>Construction and Other Raw Materials</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	1,173	835	1,391	1,155
Purchases	20,394	4,832	17,324	3,413
Recognised as an expense in the year	(20,220)	(4,568)	(17,542)	(3,733)
Balance at 31 March	1,347	1,099	1,173	835
<b>Items held for sale</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	108	108	91	91
Purchases	317	317	376	376
Recognised as an expense in the year	(301)	(301)	(358)	(358)
Stock written off	(2)	(2)	(1)	(1)
Balance at 31 March	122	122	108	108
<b>Work in Progress</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	14,348	0	8,686	0
Purchases	0	0	5,662	0
Recognised as an expense in the year	(1,882)	0	0	0
Balance at 31 March	12,466	0	14,348	0
<b>Clothing and Equipment</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	95	95	90	90
Purchases	196	196	240	240
Recognised as an expense in the year	(208)	(208)	(235)	(235)
Balance at 31 March	83	83	95	95
<b>Catering Stocks</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April	123	123	134	134
Purchases	2,862	2,862	2,847	2,847
Recognised as an expense in the year	(2,869)	(2,869)	(2,858)	(2,858)
Balance at 31 March	116	116	123	123

## NOTES TO THE FINANCIAL STATEMENTS

21. Inventories - continued	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Total				
Balance at 1 April	17,661	2,699	12,057	2,749
Purchases	48,282	13,318	51,222	11,649
Held by a third party	37	37	34	34
Recognised as an expense in the year	(49,812)	(13,004)	(45,651)	(11,732)
Stock written off	(2)	(2)	(1)	(1)
Balance at 31 March	<u>16,166</u>	<u>3,048</u>	<u>17,661</u>	<u>2,699</u>

## 22. Debtors

### 22.1 Long-term Debtors

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Central government bodies	26,115	26,115	25,016	25,016
Other entities and individuals	<u>186,556</u>	<u>191,270</u>	<u>182,042</u>	<u>186,668</u>
Total long-term debtors before provision for impairment	212,671	217,385	207,058	211,684
Less: Provision for impairment	<u>(105,701)</u>	<u>(105,701)</u>	<u>(112,410)</u>	<u>(112,410)</u>
Total net long-term debtors	<u>106,970</u>	<u>111,684</u>	<u>94,648</u>	<u>99,274</u>

### 22.2 Analysis of Long-term Debtors

Long-term debtors comprise the following elements:

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Capital advances				
Police Scotland	14,198	14,198	16,151	16,151
Fire Scotland	1,043	1,043	2,052	2,052
Council Tax	80,121	80,121	90,417	90,417
Non-Domestic Rates	1,896	1,896	1,700	1,700
CEC Holdings	0	4,714	0	4,626
NHT Loans (see note 34.3)	60,255	60,255	47,162	47,162
House rents	5,492	5,492	5,252	5,252
Car loan scheme	71	71	131	131
Shared equity scheme (see note 34.2)	401	401	485	485
Scheme of assistance (see note 34.2)	920	920	901	901
Other debtors	<u>48,274</u>	<u>48,274</u>	<u>42,807</u>	<u>42,807</u>
	<u>212,671</u>	<u>217,385</u>	<u>207,058</u>	<u>211,684</u>

Long-term debtors include £14.198m (2015/16 £16.151m) and £1.043m (2015/16 £2.052m) 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

### 22. Debtors - continued

#### 22.3 Current Debtors

	2016/17		Re-stated 2015/16	
	Group £000	Council £000	Group £000	Council £000
Central government bodies	25,490	21,510	25,971	23,364
Other local authorities	688	406	1,473	1,078
NHS bodies	1,026	1,026	1,642	1,641
Public corporations and trading funds	9	9	33	33
Other entities and individuals	168,852	160,745	162,738	155,763
Total current debtors before provision for impairment	196,065	183,696	191,857	181,879
Less: Provision for impairment	(107,584)	(107,575)	(95,478)	(95,478)
Total net current debtors	88,481	76,121	96,379	86,401

#### 22.4 Provision for Impairment

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
<b>Long-term provision for impairment</b>				
Council tax	(78,295)	(78,295)	(87,765)	(87,765)
Non-Domestic rates	(1,373)	(1,373)	(1,357)	(1,357)
Sundry debtors	(26,033)	(26,033)	(23,288)	(23,288)
Total long-term provision for impairment	(105,701)	(105,701)	(112,410)	(112,410)
<b>Current provision for impairment</b>				
Council tax	(98,119)	(98,119)	(84,367)	(84,367)
Non-Domestic rates	(226)	(226)	(60)	(60)
Sundry debtors	(9,230)	(9,230)	(11,051)	(11,051)
Total current provision for impairment	(107,575)	(107,575)	(95,478)	(95,478)

### 23. 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.

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Cash held	387	387	385	385
Bank current accounts	12,610	(14,079)	2,972	(17,749)
Short-term deposits:				
With banks or building societies	17,646	17,646	41,028	41,028
With other local authorities	129,188	129,188	74,327	74,327
	159,831	133,142	118,712	97,991

## NOTES TO THE FINANCIAL STATEMENTS

### 24. Assets Held for Sale

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
<b>24.1 Non-Current Assets</b>				
Balance at 1 April	43,746	43,746	21,179	21,179
Additions	259	259	174	174
Revaluation gains/(losses) recognised in the revaluation reserve	(3,930)	(3,930)	893	893
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	1,107	1,107	0	0
Assets reclassified as held for sale: Property, Plant and Equipment	0	0	29,528	29,528
Assets sold	(913)	(913)	(2,517)	(2,517)
Transfers from non-current to current	(35,011)	(35,011)	(5,511)	(5,511)
Balance at 31 March	<u>5,258</u>	<u>5,258</u>	<u>43,746</u>	<u>43,746</u>

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
<b>24.2 Current Assets</b>				
Balance at 1 April	683	683	8,503	8,503
Additions	3	3	49	49
Revaluation gains/(losses) recognised in the revaluation reserve	(500)	(500)	0	0
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	(72)	(72)	0	0
Assets reclassified as held for sale: Property, Plant and Equipment	0	0	3	3
Assets sold	0	0	(13,383)	(13,383)
Transfers from non-current to current	35,495	35,495	5,511	5,511
Balance at 31 March	<u>35,609</u>	<u>35,609</u>	<u>683</u>	<u>683</u>

### 25. Creditors

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Central government bodies	(8,080)	(3,862)	(25,979)	(21,823)
Other local authorities	(9,116)	(8,065)	(8,278)	(7,136)
NHS bodies	(270)	(270)	(639)	(639)
Public corporations and trading funds	(1,082)	(1,082)	(11,500)	(11,500)
Other entities and individuals	(152,727)	(131,125)	(128,406)	(106,910)
	<u>(171,275)</u>	<u>(144,404)</u>	<u>(174,802)</u>	<u>(148,008)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Provisions

Provision has been made within the Group Financial Statements for outstanding payments of £12.863m (2015/16 £13.004m).

Of this amount, £10.551m (2015/16 £11.532m) 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.

	<b>Trams £000</b>	<b>Equal Pay Claims £000</b>	<b>Council Tax Discounts £000</b>
Balance at 1 April 2016	(2,912)	(568)	(1,716)
Additional provisions made during the year	(233)	(295)	(172)
Amounts used during the year	27	401	0
Unused amounts reversed during the year	0	0	0
Balance at 31 March 2017	<u>(3,118)</u>	<u>(462)</u>	<u>(1,888)</u>
	<b>Housing Benefit Subsidy £000</b>	<b>Insurance Claims £000</b>	<b>Other Provisions £000</b>
Balance at 1 April 2016	(170)	(471)	(5,695)
Additional provisions made during the year	0	(245)	(33)
Amounts used during the year	0	166	483
Unused amounts reversed during the year	0	0	882
Balance at 31 March 2017	<u>(170)</u>	<u>(550)</u>	<u>(4,363)</u>
	<b>Total Council Provisions £000</b>	<b>Group Provisions £000</b>	<b>Total Provisions £000</b>
Balance at 1 April 2016	(11,532)	(1,472)	(13,004)
Additional provisions made during the year	(978)	(1,976)	(2,954)
Amounts used during the year	1,077	1,136	2,213
Unused amounts reversed during the year	882	0	882
Balance at 31 March 2017	<u>(10,551)</u>	<u>(2,312)</u>	<u>(12,863)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Usable Reserves

Movements in the Group and the Council's usable reserves are detailed in the Movement in Reserves Statement (on pages 16 to 17) and Note 12.

### 28. Unusable Reserves

#### 28.1 Summary of Unusable Reserves

	Balance as at:	
	31 March 2017 £000	31 March 2016 £000
Revaluation Reserve	868,814	856,303
Capital Adjustment Account	1,407,459	1,376,129
Financial Instruments Adjustment Account	(45,390)	(47,214)
Available for Sale Financial Assets Reserve	0	2
Pensions Reserve	(705,786)	(438,940)
Employee Statutory Adjustment Account	(14,121)	(14,862)
Total Council Unusable Reserves	1,510,976	1,731,418
Subsidiaries, Associates and Joint Ventures	109,562	108,366
Total Group Unusable Reserves	<u>1,620,538</u>	<u>1,839,784</u>

#### 28.2 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.

	2016/17 £000	2015/16 £000
Balance at 1 April	856,303	905,886
Upward revaluation of assets	47,395	49,068
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(12,094)	(51,362)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Service	35,301	(2,294)
Difference between fair value depreciation and historical cost depreciation	(18,868)	(18,860)
Accumulated gains on assets sold	(3,922)	(28,429)
Amount written off to the capital adjustment account	(22,790)	(47,289)
Balance at 31 March	<u>868,814</u>	<u>856,303</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 28. Unusable Reserves - continued

#### 28.3 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 11 provides details of the source of the transactions posted to this account, except those involving the revaluation reserve.

	2016/17 £000	Re-stated 2015/16 £000
Balance at 1 April	1,376,129	1,340,067
<u>Reversal of items relating to capital expenditure debited or credited to the CIES</u>		
Charges for depreciation and impairment of non-current assets	(134,700)	(138,284)
Revaluation losses on property, plant and equipment heritage assets and assets held for sale	(9,234)	(36,323)
Amortisation of intangible assets	(1,221)	(1,289)
Capital funded from revenue	2,056	215
Revenue exp. funded from capital under statute	(35,529)	(38,846)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	(12,061)	(35,947)
	<u>(190,689)</u>	<u>(250,474)</u>
Adjusting amounts written out of the revaluation reserve	22,790	47,289
	<u>(167,899)</u>	<u>(203,185)</u>
Net written out amount of the costs of non-current assets consumed in the year		
<u>Capital financing applied in the year:</u>		
Use of the capital receipts reserve to finance new capital expenditure	27,922	120,491
Capital grants and contributions credited to the CIES that have been applied to capital financing	58,470	68,940
Application of grants from the capital grants unapplied account / capital fund	1,905	3,285
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	91,149	101,473
Capital expenditure charged against the General Fund and HRA balances	35,529	38,846
	<u>214,975</u>	<u>333,035</u>
Movements in the market value of investment properties credited to the CIES	(779)	1,146
Other unrealised losses debited to the CIES	<u>(14,967)</u>	<u>(94,934)</u>
Balance at 31 March	<u><u>1,407,459</u></u>	<u><u>1,376,129</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 28. Unusable Reserves - continued

#### 28.4 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.

	2016/17 £000	2015/16 £000
Balance at 1 April	(47,214)	(49,159)
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	1,849
Proportion of equivalent interest rate calculation on lender option / borrower option loans (LOBOs)	48	79
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	1,897	1,928
Difference between actual interest paid and interest rate assumed in equivalent interest rate calculation on transition	(73)	17
Balance at 31 March	<u>(45,390)</u>	<u>(47,214)</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.

#### 28.5 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).

	2016/17 £000	2015/16 £000
Balance at 1 April	2	0
Unrealised gains / (losses) on revaluation of assets	(2)	2
Balance at 31 March	<u>0</u>	<u>2</u>

#### 28.6 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

### 28. Unusable Reserves - continued

#### 28.6 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.

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(438,940)	(726,969)
Actuarial gains or (losses) on pension assets and liabilities	(244,211)	323,138
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	(88,899)	(107,396)
Employer's pension contributions and direct payments to pensioners payable in the year	66,264	72,287
Balance at 31 March	<u>(705,786)</u>	<u>(438,940)</u>

#### 28.7 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.

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(14,862)	(20,738)
Settlement or cancellation of accrual made at the end of the preceding year	14,862	20,738
Amount accrued at the end of the current year	<u>(14,121)</u>	<u>(14,862)</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	741	5,876
Balance at 31 March	<u>(14,121)</u>	<u>(14,862)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 28. Unusable Reserves - continued

#### 28.8 Unusable Reserves - Group Members

	Balance as at:	
	31 March 2017 £000	31 March 2016 £000
<b>Subsidiaries</b>		
CEC Holdings Limited		
Capital adjustment account	64,466	64,466
Capital contribution	10,015	10,131
Transport for Edinburgh		
Revaluation reserve	11,309	11,309
Non Controlling Interest	8,110	8,527
Other Unusable Reserves	1,004	(4,514)
<b>Total Unusable Reserves - Subsidiaries</b>	<b>94,904</b>	<b>89,919</b>
<b>Associates and Joint Ventures</b>		
Common Good		
Capital adjustment account	(22)	(22)
Revaluation reserve	21,994	21,994
Lothian Valuation Joint Board		
Capital adjustment account	329	352
Employee statutory adjustment account	(58)	(57)
Pension reserve	(7,585)	(3,820)
<b>Total Unusable Reserves - Associates and Joint Ventures</b>	<b>14,658</b>	<b>18,447</b>
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>109,562</b>	<b>108,366</b>

### 29. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Cash paid to and on behalf of employees	567,959	567,959	578,770	578,770
General Revenue Grant	(344,919)	(344,919)	(354,576)	(354,576)
Non-Domestic Rates receipts from national pool	(374,650)	(374,650)	(390,862)	(390,862)
Other net operating cash payments / (receipts)	(51,989)	(51,989)	(9,539)	(9,539)
Net cash flows from subsidiary companies	(26,201)	0	(16,456)	0
<b>Net cash flows from operating activities</b>	<b>(229,800)</b>	<b>(203,599)</b>	<b>(192,663)</b>	<b>(176,207)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 30. Cash Flow Statement - Operating Activities - continued

The cash flows for operating activities include the following items:

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Interest received	(3,840)	(3,669)	(2,136)	(1,924)
Interest paid	87,805	87,431	97,540	97,072
Investment income received	(6,000)	(6,000)	(4,925)	(4,925)

### 31. Cash Flow Statement - Investing Activities

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	179,388	165,139	142,625	134,928
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible	(25,146)	(24,916)	(121,467)	(118,016)
Net purchase of Short-Term and Long-Term Investments	(50,681)	(50,658)	77,288	77,334
Other payments for investing activities	48,507	42,990	44,348	43,854
Other receipts from investing activities	<u>(11,646)</u>	<u>(11,577)</u>	<u>(11,130)</u>	<u>(11,130)</u>
<b>Net cash flows from investing activities</b>	<b><u>140,422</u></b>	<b><u>120,978</u></b>	<b><u>131,664</u></b>	<b><u>126,970</u></b>

### 32. Cash Flow Statement - Financing Activities

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Cash Receipts of Short- and Long-Term Borrowing	(13,419)	(13,419)	87,472	88,263
Other Receipts for Financing Activities	(10,670)	(10,670)	(20,784)	(20,784)
Cash Payments for the Reduction of the Outstanding Liability relating to Finance Leases and on-Balance Sheet PPP Contracts	11,502	10,713	16,113	10,725
Repayment of short-term and long-term borrowing	60,846	60,846	(45,010)	(45,010)
<b>Net cash flows from investing activities</b>	<b><u>48,259</u></b>	<b><u>47,470</u></b>	<b><u>37,791</u></b>	<b><u>33,194</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 33. Trading Operations

The Edinburgh Catering Service - Other Catering continues to meet the definition of significant trading operations under the terms of the Local Government in Scotland Act 2003, as amended.

The Refuse Collection service ceased to meet the definition of a significant trading operation, with effect from 1 July 2016. The service withdrew the trade waste provision to external parties and only now deals with domestic and internal refuse collection.

#### 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.

	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>	<b>Cumulative</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Turnover	902	980	1,297	n/a
Deficit	(191)	(232)	(66)	(489)

Edinburgh Catering Services - Other Catering failed to achieved its statutory obligation to break even over the three-year period, due to a continuing downturn in turnover on internal hospitality, an increase in other staffing and equipment costs.

There are ongoing plans to invest in the catering service to establish a dedicated catering team responsible for School & Welfare Catering and the STO Staff Catering Service. During 2016-17 the service was delivered through property managers but with no specific catering experience and no overall strategic catering expertise. It is envisaged that these new roles will be filled early in 2017 and will focus on Corporate catering as a priority. It is anticipated that changes to the service to address commercial issues will commence from August to October. Immediate short-term actions are being considered and will be implemented upon Corporate Leadership Group approval.

The results of Edinburgh Catering Services - Other Catering are included within 'Financing and Investment Income and Expenditure' in the Comprehensive Income and Expenditure Statement.

#### 33.2 Refuse Collection, including Trade Waste

This trading operation provided refuse collection services for over 239,000 households and trade waste collection and disposal service to producers of commercial waste throughout the city. The Council approved the discontinuation of the trade waste services as part of the 2016/17 budget setting process, with effect from 1 July 2016. The trade waste provision represented the only element of external trading within this service and therefore was determined to change the status of the service to a Non-Trading Operation from 1 July 2016, upon its cessation. The turnover and deficit reported below for 2016/17 represents three months of trading.

	3 months to 30.06.2016	<b>2015/16</b>	<b>2014/15</b>	<b>Cumulative</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Turnover	3,906	16,723	17,155	n/a
Surplus / (deficit)	(470)	(242)	2,279	1,567

Refuse Collection achieved its statutory obligation to break even over the three-year period, up to the 30 June 2016.

The results of Refuse Collection / Trade Waste are included within 'Place' in the Comprehensive Income and Expenditure Statement.

## NOTES TO THE FINANCIAL STATEMENTS

### 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).

	<b>2016/17 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2015/16 £000</b>
	Transport for Edinburgh Ltd.	Transport for Edinburgh Ltd.	Spartan Community Football Academy	Spartan Community Football Academy
Opening Balance	861	824	52	51
New Loans	0	0	0	0
Increase in the Discounted Amount	38	37	5	4
Fair Value Adjustment	0	0	0	0
Loan Repayment	0	0	(3)	(3)
Balance Carried Forward	<u>899</u>	<u>861</u>	<u>54</u>	<u>52</u>
Nominal Value Carried Forward	<u>1,000</u>	<u>1,000</u>	<u>102</u>	<u>105</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.

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 and 2 of NHT are now complete and have delivered 518 new homes.

Phase 3 of NHT has been approved and will deliver up to 368 mid-market rent homes across three separate sites by December 2020. All NHT Phase 3 projects are now in contract and construction has commenced. The total required budget for NHT3 is £50.121m for three projects which will deliver up to 368 new affordable homes. Fruitmarket is the first NHT 3 project which is due to complete with Investment totalling £9.153m. £2.683m of expenditure was incurred in 2016/17 and the remaining balance of £6.470m spent in 2017/18.

The Council has advanced the following sums through the NHT scheme:

Developer	Development Site	Phase	Total No. of Units	2016/17 £000	Prior Years £000
Places for People	Lochend North	1	126	0	13,323
Places for People	Lighthouse Court	1	62	0	6,492
Teague Homes Limited	Salamander Place / Leith Links	1	145	0	15,551
Miller Homes	Telford North	1	89	0	10,299
FP Newhaven Ltd	Sandpiper Road	2	96	10,410	1,498
Ediston Homes Ltd	Fruitmarket	3	24	2,683	0
			<b>542</b>	<b>13,093</b>	<b>47,163</b>

These sums are included within long-term debtors, as detailed in note 22.2.

## 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:

	2016/17 £000	2015/16 £000
<b>Expenditure</b>		
Payments to other local authorities in respect of:		
Area waste project	74	71
Educational services for children	1,727	2,176
Care services for children	1,644	1,653
Scottish Cities Alliance Investment Fund (see note 48.)	978	900
Others		
Police officers	2,561	2,560
Police Scotland - cab inspection	124	120
Scottish Cities Alliance Investment Fund (see note 48.)	0	180
Scottish Water - Integrated Water Catchment Model	84	84
NHS Lothian - Blue Badge medical assessments	44	43
<b>Total Expenditure</b>	<b><u>7,236</u></b>	<b><u>7,787</u></b>
<b>Income</b>		
Receipts in respect of library services:		
Health Boards	(19)	(19)
Scottish Prison Service	(24)	(16)
Receipts in respect of translation and Interpretation services:		
Lothian Health Board	(1,233)	(1,377)
Receipts in respect of rates collection services:		
Scottish Water	(1,680)	(1,680)
Midlothian Council	(63)	(62)
Receipts in respect of property management		
Police Scotland	(60)	(61)
Receipts from other local authorities in respect of:		
Criminal justice services	(1,007)	(975)
Educating pupils	(649)	(634)
Pentland Hills Regional Park management	(78)	(78)
Care services for children	(797)	(958)
Risk Factory	(38)	(35)
Social work undertakings	(3,689)	(3,995)
City Mortuary	(250)	(292)
Scientific Services	(379)	(341)
Area waste project	(96)	(85)
Miscellaneous Licensing	(100)	(99)
<b>Total Income</b>	<b><u>(10,162)</u></b>	<b><u>(10,707)</u></b>

### 36. Audit Costs

The fees payable to Scott Moncrieff in respect of external audit services undertaken in accordance with the Code of Audit Practice are £0.561m (2015/16 £0.691m to Audit Scotland). The Council has re-charged £nil of the audit fee to Lothian Pension Funds in respect of its audit (2015/16 £0.048m) as it was invoiced directly this year. Similarly, £nil has been re-charged to The City of Edinburgh Council Charitable Trusts (2015/16 £0.04m) as they have also been charged directly.

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 2016/17 (2015/16 £0.002m) for the audit of 2015/16 financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 37. Grant Income

Grants and contributions credited to the Comprehensive Income and Expenditure Statement include the following:

	2016/17		2015/16	
	£000	£000	£000	£000
<b>Revenue Funding</b>				
<b>Credited to taxation and non-specific grant income</b>				
General revenue funding	(344,919)		(354,576)	
Non-domestic rates	<u>(374,650)</u>		<u>(390,862)</u>	
		(719,569)		(745,438)
<b>Credited to services</b>				
Government grants	(22,200)		(19,611)	
Department for Work and Pensions				
- Housing benefits	(199,556)		(202,668)	
- Other funding	(4,044)		(4,537)	
N.H.S. Lothian	(55,507)		(41,348)	
Other Local Authorities	(3,231)		(3,447)	
Scottish Water	(1,770)		(1,758)	
Lothian Road Income Trust	(65)		(621)	
Edinburgh Leisure	(708)		(684)	
Scottish Prison Service	(536)		(489)	
Lottery funding	(113)		(21)	
SportScotland	<u>(889)</u>		<u>(881)</u>	
		<u>(288,619)</u>		<u>(276,065)</u>
<b>Total</b>		<u><u>(1,008,188)</u></u>		<u><u>(1,021,503)</u></u>
<b>Capital Funding</b>				
Scottish Government		(53,049)		(63,499)
Transport Scotland		0		347
Other grants and contributions, including contributions from developers and individuals		(2,721)		(3,236)
Port of Leith Housing Association		(148)		(985)
Kirkliston Consortium		(1,179)		(1,979)
Henderson Global		0		533
Cruden Homes		0		(507)
Historic Scotland		0		(431)
Heritage Lottery Fund		(478)		(664)
Scottish Borders Council		0		(112)
Creative Scotland		(164)		0
Lothian Road Income Trust		<u>(744)</u>		<u>0</u>
<b>Total</b>		<u><u>(58,483)</u></u>		<u><u>(70,533)</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

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
• <b>Revenue Expenditure</b>		
Capital City Partnership	4,225	4,056
CEC Holdings (including EDI Group, EICC, Waterfront Edinburgh, and PARC)	284	152
Edinburgh Festival Theatres	704	800
Edinburgh Leisure Limited		
Revenue funding	8,449	8,419
Other expenditure	30	52
Edinburgh Trams Ltd	714	688
Lothian Buses Limited		
Supported bus services	985	891
Other expenditure	1,536	1,457
NHS Bodies	2,356	2,294
Other Local Authorities	2,486	2,995
Scottish Government	208	163
Scottish Qualifications Authority	1,523	1,511
Subsidiaries / Voluntary Organisations		
Criminal Justice Bodies	592	678
Dean and Cauvin Charitable Trust	854	817
Edinburgh International Festival Society	2,317	2,409
Edinburgh Voluntary Organisations Council	1,185	151
Festivals Edinburgh Ltd	173	178
Handicab	448	448
Lifecare Edinburgh	288	342
Marketing Edinburgh	918	953
Royal Lyceum Theatre Co Ltd	358	369
<b>Total Revenue Expenditure</b>	<b><u>30,633</u></b>	<b><u>29,823</u></b>
• <b>Revenue Income</b>		
CEC Holdings Limited (EDI Group Limited)		
Loan interest	(200)	(221)
Edinburgh Festival Theatres	(150)	(149)
Edinburgh Trams	(2,318)	(3,217)
Edinburgh Tattoo	(401)	(401)
Professional services, rents, other grants and funding		
Other Local Authorities	(698)	(1,095)
Scottish Government	(86)	(404)
Lothian Health Board		
Change Fund	(6,994)	(5,881)
Resource transfers	(21,406)	(21,499)
<b>Total Revenue Income</b>	<b><u>(32,253)</u></b>	<b><u>(32,867)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Related Parties - continued

#### 38.1 Subsidiaries and Other Organisations - Revenue Income and Expenditure - continued

	2016/17 £000	2015/16 £000
<ul style="list-style-type: none"> <li>● <b>Joint Board Requisitions</b></li> </ul>		
Lothian Valuation Joint Board	3,744	3,744
<b>Total Joint Board Requisitions</b>	<b><u>3,744</u></b>	<b><u>3,744</u></b>
<ul style="list-style-type: none"> <li>● <b>Central Support Income</b></li> </ul>		
Lothian Valuation Joint Board	(49)	(61)
Pension Funds	(264)	(279)
<b>Total Central Support Income</b>	<b><u>(313)</u></b>	<b><u>(340)</u></b>
<ul style="list-style-type: none"> <li>● <b>Interest on Revenue Balances</b></li> </ul>		
Lothian Valuation Joint Board	3	3
Pension Funds	5	33
SESTRAN	1	0
<b>Total Interest on Revenue Balances</b>	<b><u>9</u></b>	<b><u>36</u></b>
<ul style="list-style-type: none"> <li>● <b>Loans Charges Recovered</b></li> </ul>		
Lothian and Borders Fire and Rescue Board	(1,112)	(1,306)
Lothian and Borders Police Board	(2,771)	(3,060)
<b>Total Loans Charges</b>	<b><u>(3,883)</u></b>	<b><u>(4,366)</u></b>
<b>38.2 Subsidiaries and Other Organisations - Capital Expenditure</b>		
<ul style="list-style-type: none"> <li>● <b>Capital Expenditure</b></li> </ul>		
CEC Holdings (including EDI Group, EICC, Waterfront Edinburgh and PARC)	1,155	2,021
Edinburgh Leisure	0	165
Hubco	9,204	15,773
Other Local Authorities	148	1,163
Scottish Government	3,352	5,565
<b>Total Capital Expenditure</b>	<b><u>13,859</u></b>	<b><u>24,687</u></b>

## 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 2017:

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
CEC Holdings Limited (including all subsidiaries)	(535)	(442)
Edinburgh Military Tattoo	0	52
Hubco	0	(310)
Lothian and Borders Criminal Justice Authority	237	227
Scottish Fire and Rescue Service	674	676
Lothian Valuation Joint Board	(1,512)	(1,302)
NHS Bodies	14,158	1,411
Pension Funds	(499)	(1,981)
Scottish Government	620	14,006
Scottish Water	70	70
SESTRAN	(84)	613
SUSTRANS	1,246	872
Audit Scotland	374	465
	<b>14,749</b>	<b>14,357</b>
<b>• Other Indebtedness</b>		
HM Revenue and Customs - VAT	9,170	8,089
HM Revenue and Customs - PAYE and NI	(9,041)	(9,035)
	<b>129</b>	<b>(946)</b>

## 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.

	2016/17		Re-stated 2015/16	
	£000	£000	£000	£000
Opening capital financing requirement		1,633,019		1,726,030
<b>Capital Investment</b>				
Property, plant and equipment	140,143		149,880	
Heritage Assets	11		40	
Assets held for sale	262		223	
Intangible assets	221		0	
Capital Receipts transferred to Capital Fund	420		55,141	
National Housing Trust - Consent to borrow (see note 34.3)	13,093		1,498	
Revenue expenditure funded from capital under statute	35,529		38,846	
Adjustments to PPP schools during the year	(9)		(9,195)	
		189,670		236,433
<b>Sources of Finance</b>				
Capital receipts	(27,922)		(120,492)	
Capital Funded from Current Revenue	(2,056)		(215)	
Government grants and other contributions	(91,017)		(112,974)	
Loans fund / finance lease repayments	(85,744)		(95,763)	
		(206,739)		(329,444)
<b>Closing capital financing requirement</b>		<b>1,615,950</b>		<b>1,633,019</b>
<b>Explanation of movements in year</b>				
(Decrease) / increase in underlying need to borrow		(17,069)		(83,209)
Voluntary debt repayment - HRA		0		(10,000)
Assets acquired under finance leases		0		0
Assets acquired under PFI/PPP contracts		0		0
<b>(Decrease) / Increase in capital financing requirement</b>		<b>(17,069)</b>		<b>(93,209)</b>

## 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:

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	7,380	6,707	12,658	9,523
Additions during the year	0	0	0	0
Reclassification to operating lease during the year	0	0	0	0
Repayments during the year	<u>(3,470)</u>	<u>(2,797)</u>	<u>(5,278)</u>	<u>(2,816)</u>
Value at 31 March	<u>3,910</u>	<u>3,910</u>	<u>7,380</u>	<u>6,707</u>
Other land and buildings	0	0	63	63
Vehicles, plant, equipment and furniture	<u>3,910</u>	<u>3,910</u>	<u>7,317</u>	<u>6,644</u>
Value at 31 March	<u><u>3,910</u></u>	<u><u>3,910</u></u>	<u><u>7,380</u></u>	<u><u>6,707</u></u>

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:

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
Finance lease liabilities:				
Current	2,476	2,476	3,310	2,797
Non-current	1,434	1,434	4,070	3,910
Finance costs payable	<u>313</u>	<u>313</u>	<u>531</u>	<u>531</u>
Minimum lease payments	<u><u>4,223</u></u>	<u><u>4,223</u></u>	<u><u>7,911</u></u>	<u><u>7,238</u></u>

The minimum lease payments will be payable over the following periods:

Minimum Finance Lease Repayments	at 31.03.17		at 31.03.16	
	Group £000	Council £000	Group £000	Council £000
Not later than one year	2,674	2,674	3,528	3,015
Later than one year and not later than five years	1,549	1,549	4,383	4,223
Later than five years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>4,223</u></u>	<u><u>4,223</u></u>	<u><u>7,911</u></u>	<u><u>7,238</u></u>
<b>Finance Lease Liabilities</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than one year	2,476	2,476	3,310	2,797
Later than one year and not later than five years	1,434	1,434	4,070	3,910
Later than five years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>3,910</u></u>	<u><u>3,910</u></u>	<u><u>7,380</u></u>	<u><u>6,707</u></u>

## 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 £0.036m of contributions paid by employees towards cost of car leasing (2015/16 £0.047m).

Under these operating leases, the Group and Council is committed to paying the following sums, of which £0.002m is recoverable from employees (2015/16 £0.030m):

	2016/17		2015/16	
	Group £000	Council £000	Group £000	Council £000
<b>Future Repayment Period</b>				
Not later than one year	1,896	1,398	2,467	2,074
Later than one year and not later than five years	4,978	3,842	5,402	4,350
Later than five years	5,915	4,479	6,755	5,286
	<b>12,789</b>	<b>9,719</b>	<b>14,624</b>	<b>11,710</b>
<b>Value at 31 March</b>				
Other land and buildings	11,838	9,680	13,613	11,598
Vehicles, plant, equipment and furniture	951	39	1,011	112
	<b>12,789</b>	<b>9,719</b>	<b>14,624</b>	<b>11,710</b>
<b>Recognised as an expense during the year</b>	<b>2,573</b>	<b>2,027</b>	<b>2,565</b>	<b>2,094</b>

#### 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:

	2016/17 £000	2015/16 £000
Not later than one year	11,965	14,625
Later than one year and not later than five years	39,169	41,975
Later than five years	150,186	151,887
	<b>201,320</b>	<b>208,487</b>

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 an agreed major 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 Gillespie's High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with Hub South East Scotland. 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:

	<b>Payment for Services £000</b>	<b>Reimburse. of Capital Expenditure £000</b>	<b>Interest £000</b>	<b>Total £000</b>
Payable in 2017/18	17,963	7,894	18,591	44,448
Payable within two to five years	79,230	33,259	71,370	183,859
Payable within six to ten years	122,315	41,894	79,957	244,166
Payable within eleven to fifteen years	138,386	53,972	68,900	261,258
Payable within sixteen to twenty years	102,267	53,301	48,280	203,848
Payable within twenty one to twenty five years	27,852	21,657	10,950	60,459
	<u>488,013</u>	<u>211,977</u>	<u>298,048</u>	<u>998,038</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 Gillespie's High School scheme, reflecting the terms of the separate contracts and assumed inflation of 2.5% per annum. The actual level of payment made in 2016/17 was adjusted to reflect non-availability of a number of school facilities over the period between April and August 2016.

The amounts disclosed as reimbursement of capital expenditure are included in creditors and 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:

	<b>2016/17 £000</b>	<b>2015/16 £000</b>
Balance at 1 April	219,893	227,802
PPP unitary charge restatement adjustment	(8)	0
Repayments during the year	<u>(7,908)</u>	<u>(7,909)</u>
Balance at 31 March	<u>211,977</u>	<u>219,893</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).

Future Repayment		
Period		£000
2017/18		34,762
2018/19 - 2021/22		94,987
2022/23		20,289
		<u>150,038</u>

The cost of information technology will be included in the Resources service area, with effect from 1 July 2017.

#### 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
2017/18		5,975
2018/19 - 2019/20		8,641
		<u>14,616</u>

#### 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
2017/18		3,515
2018/19 - 2021/22		8,864
		<u>12,379</u>

#### 41.5 Food Waste Contract

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
2017/18		521	2.50%
2018/19 - 2021/22		2,196	2.50%
2022/23 - 2026/27		2,942	2.50%
2027/28 - 2031/32		3,187	2.50%
2032/33 - 2035/36		2,748	2.50%
		<u>11,594</u>	

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Public Private Partnerships and Similar Contracts - continued

#### 41.6 Residual Waste Contract

In 2016 the Council entered into a twenty five year contract with FCC to supply residual waste treatment at Millerhill. This contract will become operational from 1 October 2018.

Future Repayment Period	£000	Inflationary Uplift
2017/18	0	2.50%
2018/19 - 2021/22	23,984	2.50%
2022/23 - 2026/27	35,430	2.50%
2027/28 - 2031/32	37,379	2.50%
2032/33 - 2036/37	39,584	2.50%
2037/38 - 2041/42	42,079	2.50%
2042/43	8,743	2.50%
	<u>187,199</u>	

#### 41.7 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 £18.442m.

### 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.

	2016/17		2015/16	
	£000	%	£000	%
Amount paid to Scottish Government in respect of teachers' pension costs	21,315		19,715	
As a percentage of teachers' pensionable pay		17.20		17.20
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 2015/16	19,765		19,296	

At 31 March 2017, creditors include £2.763m (2015/16 £2.731m) in respect of teachers' superannuation.

### 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 2016/17 the Council paid an employer's contribution of £52.689m (2015/16 £55.446m) into the Lothian Pension Fund, representing 21.3% (2015/16 21.3%) of pensionable pay. Contribution rates are determined by the Fund's Actuary based on triennial actuarial valuations of the pension fund. The data is based on the latest available valuations as at March 2014.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Defined Pension Schemes - continued

#### 43.1 Participation in Pension Scheme - continued

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.

	2016/17		2015/16	
	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	66,394		82,023	
Past service costs	7,029		2,087	
Effect of Settlements	<u>0</u>		<u>(159)</u>	
		73,423		83,951
<i>Financing and investment income:</i>				
Net interest expense		<u>15,476</u>		<u>23,445</u>
<b>Total post employee benefit charged to the surplus on the provision of services</b>		88,899		107,396
<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.	(428,706)		(37,286)	
Actuarial (gains) and losses arising on changes in financial assumptions	669,702		(253,389)	
Other experience	<u>3,215</u>		<u>(32,463)</u>	
		<u>244,211</u>		<u>(323,138)</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<u>333,110</u>		<u>(215,742)</u>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(88,899)</u>		<u>(107,396)</u>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to the scheme		60,457		66,297
Contributions in respect of unfunded benefits		<u>5,807</u>		<u>5,990</u>
		<u>66,264</u>		<u>72,287</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:

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Fair value of employer assets	2,747,964	2,247,877
Present value of funded liabilities	(3,368,139)	(2,605,380)
Present value of unfunded liabilities	<u>(85,611)</u>	<u>(81,437)</u>
Net liability arising from defined benefit obligation	<u>(705,786)</u>	<u>(438,940)</u>

#### 43.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	2,247,877	2,144,897
Effect of settlements	0	(1,917)
Interest income	78,498	68,568
Re-measurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	428,706	37,286
Contributions from employer	60,457	66,297
Contributions from employees into the scheme	13,845	16,502
Contributions in respect of unfunded benefits	5,807	5,990
Benefits paid	(81,419)	(83,756)
Unfunded benefits paid	<u>(5,807)</u>	<u>(5,990)</u>
Closing fair value of scheme assets	<u>2,747,964</u>	<u>2,247,877</u>

#### Reconciliation of Present Value of the Scheme Liabilities

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Present value of funded liabilities	(2,605,380)	(2,782,482)
Present value of unfunded liabilities	<u>(81,437)</u>	<u>(89,384)</u>
Opening balance at 1 April	(2,686,817)	(2,871,866)
Current service cost	(66,394)	(82,023)
Interest cost	(93,974)	(92,013)
Contributions from employees into the scheme	(13,845)	(16,502)
Re-measurement gain / (loss):		
Change in financial assumptions	(669,702)	253,389
Change in demographic assumptions	0	0
Other experience	(3,215)	32,463
Past service cost	(7,029)	(2,087)
Effects of settlements	0	2,076
Benefits paid	81,419	83,756
Unfunded benefits paid	<u>5,807</u>	<u>5,990</u>
Closing balance at 31 March	<u>(3,453,750)</u>	<u>(2,686,817)</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.

	2016/17 £000	%	2015/16 £000	%
Consumer *	412,549	15	342,338	15
Manufacturing *	416,581	15	265,121	12
Energy and Utilities *	203,906	8	178,558	8
Financial Institutions *	191,883	7	190,391	8
Health and Care *	161,077	6	149,425	7
Information technology *	136,000	5	134,677	6
Other *	<u>189,359</u>	7	<u>128,664</u>	6
Sub-total Equity Securities	<u>1,711,355</u>		<u>1,389,174</u>	
Debt Securities:				
UK Government *	275,933	10	144,656	6
Other *	<u>5,710</u>	0	<u>56,864</u>	3
Sub-total Debt Securities	<u>281,643</u>		<u>201,520</u>	
Private Equity				
All *	31,954	1	25,228	1
All	<u>56,808</u>	2	<u>73,078</u>	3
Sub-total Private Equity	<u>88,762</u>		<u>98,306</u>	
Real Estate:				
UK Property	<u>185,409</u>	7	<u>192,281</u>	9
Sub-total Real Estate	<u>185,409</u>		<u>192,281</u>	
Investment Funds and Unit Trusts:				
Bonds *	6,153	0	6,032	0
Bonds	34,601	1	12,180	1
Commodities *	8,058	0	6,235	0
Infrastructure *	17,459	1	12,509	1
Infrastructure	228,444	8	136,998	6
Other	<u>58,621</u>	2	<u>53,855</u>	2
Sub-total Investment Funds and Unit Trusts	<u>353,336</u>		<u>227,809</u>	
Derivatives:				
Foreign Exchange *	<u>0</u>	0	<u>(130)</u>	0
Sub-total Derivatives	<u>0</u>		<u>(130)</u>	
Cash and Cash Equivalents				
All *	<u>127,459</u>	5	<u>138,917</u>	6
Sub-total Cash and Cash Equivalents	<u>127,459</u>		<u>138,917</u>	
Total Fair Value of Employer Assets	<u>2,747,964</u>	<u>100</u>	<u>2,247,877</u>	<u>100</u>

***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 2017 were those from the beginning of the year (i.e. 31 March 2016) and have not been changed during the year. The main assumptions in the calculations are:

#### Investment returns

Actual return for period from 1 April 2016 to 31 December 2016	17.10%
Estimated return for period from 1 April 2016 to 31 March 2017	22.60%

#### Average future life expectancies at age 65:

		31.03.17	31.03.16
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	31.03.17	31.03.16
Pension increase rate	2.4%	2.2%
Salary Increase rate	4.4%	4.2%
Discount rate	2.6%	3.5%

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 2017 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 3-5%. 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 2017	Approximate % Increase to Employer	Approximate Monetary Amount £000
0.5% decrease in Real Discount Rate	11%	364,274
0.5% increase in the Salary Increase Rate	3%	118,190
0.5% increase in the Pension Increase Rate	7%	235,414

#### 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	2,025,773	60.2	23.1
Deferred members	394,911	11.7	22.4
Pensioner members	947,455	28.1	11.9
Total	3,368,139	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 2017 comprises approximately £65.846m (2015/16 £62.141m) in respect of LGPS unfunded pensions and £19.765m (2015/16 £19.296m) in respect of teachers' unfunded pensions. For unfunded liabilities as at 31 March 2017, 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.

	2016/17 Pension Reserve £000	2015/16 Pension Reserve £000
<b>Unusable Reserves</b>		
Council	(705,786)	(438,940)
Lothian Valuation Joint Board	(7,585)	(3,820)
	<u>(713,371)</u>	<u>(442,760)</u>
<b>Usable Reserves</b>		
CEC Holdings	(1,757)	(1,010)
Festival City Theatres Trust	(116)	(75)
Edinburgh Leisure	(3,795)	(844)
Transport for Edinburgh Ltd	(3,039)	17,936
	<u>(8,707)</u>	<u>16,007</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	(83,044)	(83,044)	(37%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(83,044)	(83,044)	(37%)
Interest income on plan assets	71,154	0	71,154	31.7%
Interest cost on defined benefit obligation	0	(89,880)	(89,880)	(40.1%)
Total Net Interest Cost	71,154	(89,880)	(18,726)	8.4%
Total included in Profit or Loss	71,154	(172,924)	(101,770)	(45.4%)

The Council's estimated contribution to Lothian Pension Fund for 2017/18 is £48.119m.

#### 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 £10.933m, including accrued payments (2015/16 £7.994m).

#### 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 2017. 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 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.
- The Scottish Child Abuse Inquiry was set up in October 2015 to examine the abuse of children in care from the 1930s to the present day and has identified a number of care institutions it wishes to investigate, including four council establishments - Howdenhall Centre, St Katherine's and two children's homes that closed in the 1980s. The Council has set up a project team to support the inquiry, review historic records and ensure that the evidence required by the Inquiry can be provided. There is a possibility that these investigations may give rise to claims against local authorities in Scotland, including the Council.

# 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 2017 and is available on the Council website. The key issues within the strategy are:

- The authorised limit for 2017/18 has been set at £1.833bn. This is the maximum limit for external borrowings and other short and long term liabilities.
- The operational boundary for 2017/18 has been set at £1.703bn. 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 2017, the Council had £25.7m in short term investments, all of which were loans to other local authorities. Of the net Cash and Cash Equivalents, 87.4% were loans to other local authorities, a further 0.7% was held in two AAA rated Money Market Funds, leaving only 11.9% with banks. All of the monies held on deposit with banks at 31 March 2017 was in call or near call accounts.

The Council's principal cash holding under its treasury management arrangements at 31 March 2017 was £173.5 million (31 March 2016: £192.5m). This was held with the following institutions:

<b>Summary</b>	<b>Standard and Poors Rating</b>	<b>Principal Outstanding 31.03.17 £000</b>	<b>Carry Value 31.03.17 £000</b>	<b>Fair Value 31.03.17 £000</b>	<b>Carry Value 31.03.16 £000</b>
<b>Money Market Funds</b>					
Deutsche Bank AG, London	AAAm	942	947	947	25,672
Goldman Sachs	AAAm	19	20	20	183
<b>Bank Call Accounts</b>					
Bank of Scotland	A	17,310	17,314	17,314	12,608
Royal Bank of Scotland	BBB+	246	246	246	2,042
Santander UK	A	43	43	43	16
Barclays Bank	A-	3	3	3	13,048
Svenska Handelsbanken	AA-	32	34	34	13,295
HSBC Bank Plc	AA-	0	0	0	19
<b>UK Pseudo-Sovereign Risk Instruments</b>					
Local Authorities (see below)	n/a	154,832	154,896	154,927	87,350
UK Government Treasury Bills	AA	0	0	0	38,455
		<u>173,427</u>	<u>173,503</u>	<u>173,534</u>	<u>192,688</u>

Local Authorities are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2017 would have been 'AA' from S&P) due to their tax raising powers and the perceived government support. Very few have their own credit rating, but of the £154.83m above, £11.43m 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 £17.6m 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 2017 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 2017 meeting. The papers are available on the Council's website. A full list of the deposits outstanding at 31 March 2017 is contained in the Treasury Cash Fund Investment Report for Quarter 1 2017. 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 £2.641m (2015/16 £2.769m), trade debtors past due date can be analysed by age as follows:

	2016/17	2015/16
	£000	£000
Less than two months	14,823	13,163
Two to four months	1,292	1,055
Four to six months	1,002	786
Six months to one year	1,838	4,088
More than one year	9,338	10,886
Total	<u>28,293</u>	<u>29,978</u>

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 achieve 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:

	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Less than one year	(87,072)	(80,656)
Between one and two years	(64,419)	(66,155)
Between two and five years	(181,620)	(188,770)
Between five and ten years	(278,115)	(264,343)
More than ten years	<u>(926,909)</u>	<u>(996,419)</u>
Financial Liabilities	<u>(1,538,135)</u>	<u>(1,596,343)</u>

All trade and other payables are due to be paid in less than one year and trade creditors of £23.548m (2015/16 £15.277m) are not shown in the table above. The above figures show the principal outstanding, therefore, neither accrued interest of £16.019m (2015/16 £17.513m) nor net equivalent interest rate (EIR) adjustments of £9.014m (2015/16 £8.954m) 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.

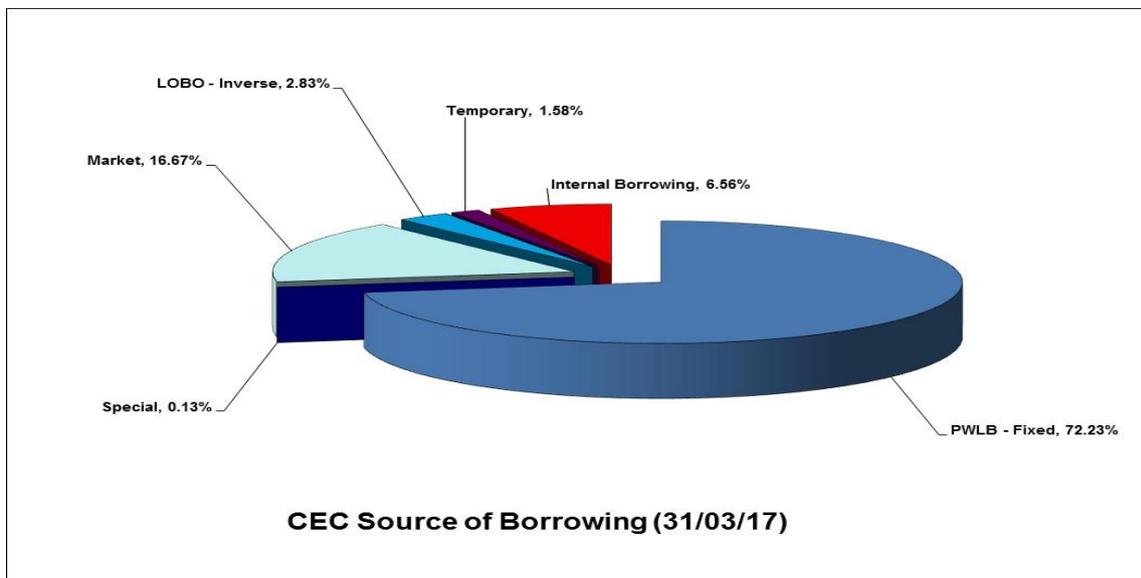
The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy includes a forecast for short and longer term interest rates. The treasury team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly. 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 £23.436m (2015/16 £23.474m) 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.

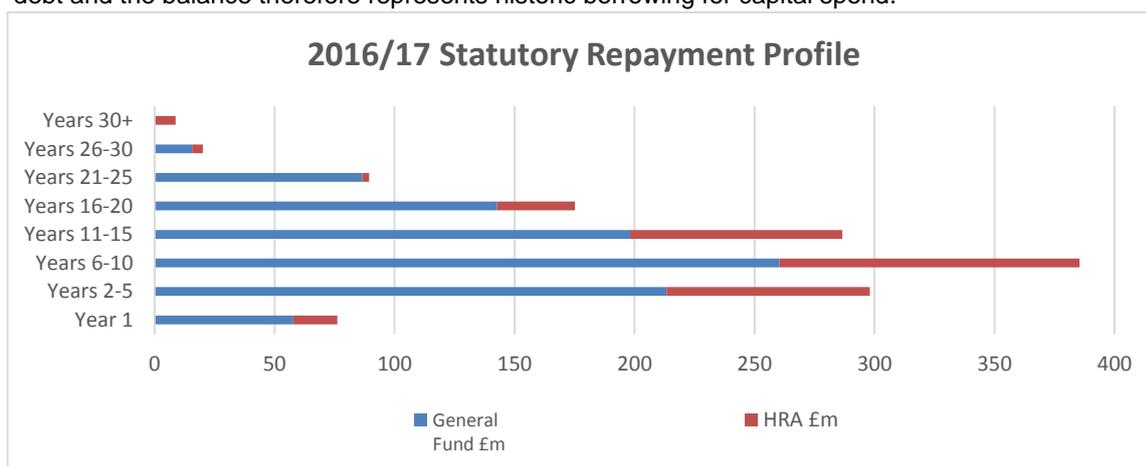
As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

#### 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.

- 45.7 The **Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016** require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practices and prudent financial management.

The Council operates a consolidated loans fund under the terms of these Regulations. Capital payments made by services are financed by capital advances from the loans fund. All advances from the loans fund in the current year have a repayment profile set out using Option 1, the statutory method. All capital advances from the loans fund are repaid using the previous hybrid annuity structure with fixed principal repayments. The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.



## NOTES TO THE FINANCIAL STATEMENTS

### 46. Business Improvement District Scheme

The Council acts as the Billing Authority for a number of Business Improvement Districts (BIDs). 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.

	2016/17 £000	2015/16 £000
Monies to be recovered from ratepayers at 1 April	349	190
BID Levy Income	5,071	3,637
Less: Payments made / due to schemes	<u>(4,797)</u>	<u>(3,478)</u>
Monies still to be recovered from ratepayers at 31 March	<u>623</u>	<u>349</u>

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

### 47. 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 £0.98m was paid out to the respective lead authorities of the projects concerned.

	2016/17		2015/16	
	£000	£000	£000	£000
Balance as at 1 April		3,846		4,819
Contribution from Scottish Government		0		90
Investment income		7		17
Less: Payments made:				
Aberdeen City Council	(136)		(4)	
City of Edinburgh Council	(117)		(4)	
Dundee City Council	(33)		0	
Glasgow City Council	(269)		(409)	
Highland Council	0		(37)	
Perth and Kinross Council	(73)		(102)	
Stirling Council	<u>(350)</u>		<u>(344)</u>	
		<u>(978)</u>		<u>(900)</u>
Contribution to SCDI				
2014/15	0		(90)	
2015/16	<u>0</u>		<u>(90)</u>	
		<u>0</u>		<u>(180)</u>
Balance as at 31 March		<u><u>2,875</u></u>		<u><u>3,846</u></u>

As of April 2017, the Alliance had approved total project funding allocations of £5.79m (£4.66m April 2016), covering a range of initiatives spanning the areas of Infrastructure, Investment Promotion, Low Carbon and Smart Cities.

## NOTES TO THE FINANCIAL STATEMENTS

### 48. 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, with further plans in place to wind up of the Usher Hall Conservation Trust in 2017/18.

#### 48.1 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:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Income	(47)	(27)
Expenditure	45	7
Assets	6,235	6,174
Liabilities	(4)	(1)

- **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:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Income	(1)	(1)
Expenditure	1	1
Assets	8,054	7,043
Liabilities	(1)	(4)

- **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:	<b>31.03.17</b>	<b>31.03.16</b>
	<b>£000</b>	<b>£000</b>
Income	(30)	(21)
Expenditure	13	17
Assets	921	857
Liabilities	(2)	(5)

#### 48.2 The funds are:

Scottish Registered Charities	Scottish Charity Registration Number	Market Value	Market Value
		31.03.17 £000	31.03.16 £000
Lauriston Castle	SC020737	8,053	7,039
Jean F. Watson	SC018971	6,231	6,173
Edinburgh Education Trust	SC042754	919	852
Nelson Halls	SC018946	227	214
Boyd Anderson	SC025067	113	118
Usher Hall	SC030180	65	68
The Royal Scots Trust	SC018945	32	30
Total market value		<u>15,640</u>	<u>14,494</u>

These funds do not represent assets of the Council and are not included in the Consolidated Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS

### 48. The City of Edinburgh Council Charitable Funds - continued

#### 48.3 Financial Position of the Scottish Registered Charity Funds

2015/16 £000	Income and Expenditure Account	2016/17 £000
	<b>Income</b>	
(54)	Investment income	(73)
(2)	Other non-investment income	(14)
	<hr/>	<hr/>
(56)		(87)
	<b>Expenditure</b>	
24	Prizes, awards and other expenses	61
13	Governance Costs	15
	<hr/>	<hr/>
37		76
	<hr/>	<hr/>
(19)	Surplus for the year	(11)
	<hr/> <hr/>	<hr/> <hr/>
	<b>2015/16 Balance Sheet</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
	<b>Long-Term Assets</b>	
1,843	Investments	2,066
5,232	Artworks - Jean Watson Trust	5,232
7,020	Heritable property	8,032
	<hr/>	<hr/>
14,095	<b>Total Long-Term Assets</b>	15,330
	<b>Current Assets</b>	
420	Cash and bank	333
	<hr/>	<hr/>
420		333
	<b>Current Liabilities</b>	
(21)	Creditors	(23)
	<hr/>	<hr/>
(21)		(23)
	<hr/>	<hr/>
14,494	<b>Total Assets less Liabilities</b>	15,640
	<hr/> <hr/>	<hr/> <hr/>
	<b>Funds</b>	
3,194	Capital at 1 April	3,116
19	Surplus for the year	11
0	Realised and unrealised gains on investments	123
(97)	Realised and unrealised losses on investments	0
	<hr/>	<hr/>
3,116		3,250
	<hr/>	<hr/>
11,378	Revaluation reserve	12,390
	<hr/>	<hr/>
14,494	<b>Funds at 31 March</b>	15,640
	<hr/> <hr/>	<hr/> <hr/>

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

### 48. The City of Edinburgh Council Charitable Funds - continued

#### 48.4 Financial Position of Other Funds

<b>2015/16</b>	<b>Income and Expenditure Account</b>	<b>2016/17</b>
<b>£000</b>	<b>Income</b>	<b>£000</b>
<u>0</u>	Investment income	<u>0</u>
0		0
	<b>Expenditure</b>	
<u>1</u>	Administrative expenses	<u>1</u>
<u>1</u>		<u>1</u>
<u>1</u>	(Surplus) / Deficit for the year	<u>1</u>
<b>2015/16</b>	<b>Balance Sheet</b>	<b>2016/17</b>
<b>£000</b>	<b>Current Assets</b>	<b>£000</b>
<u>45</u>	Cash and bank	<u>44</u>
45		44
	<b>Current Liabilities</b>	
<u>(1)</u>	Balance with City of Edinburgh Council	<u>(1)</u>
<u>(1)</u>		<u>(1)</u>
<u>44</u>	<b>Total Assets less Liabilities</b>	<u>43</u>
45	<b>Capital at 1 April</b>	44
(1)	Deficit for the year	(1)
<u>0</u>	Compensation fund paid	<u>0</u>
<u>44</u>	<b>Capital at 31 March</b>	<u>43</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 49. Prior Period Adjustments

49.1 The following prior period adjustment has been made. The change is adopted retrospectively for the prior period 2015/16, in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and

- **Asset Sales**

In 2015/16 the Council recognised income and gains on the sale of land on a phased sale arrangement, the income being treated as a debtor in the balance sheet. The receipt from one of these asset sales was overstated. A prior period adjustment has been made to correct the debtor and gain.

- **CEC Holdings Ltd**

In 2016/17 EDI Central Limited adopted IFRS, which resulted in changes to accounting treatment of long term debtors and notional interest. A prior period adjustment has been made to reflect the newly adopted standards. EDI Central Limited is a subsidiary of CEC Holding Ltd.

### 49.2 Impact on Financial Statements

<b>Movement in Reserves Statement</b>	<b>2015/16 Statements £000</b>	<b>Asset Sales £000</b>	<b>CEC Holdings £000</b>	<b>2015/16 Re-stated £000</b>
<u>Balance at 31 March 2015</u>				
Group Usable Reserves	10,172	0	(296)	9,876
Total Usable Reserves	199,599	0	(296)	199,303
Total Reserves	1,747,793	0	(296)	1,747,497
<u>Total Comprehensive Income and Expenditure</u>				
Group Usable Reserves	32,916	0	88	33,004
Total Usable Reserves	34,392	0	88	34,480
Total Reserves	370,856	(199)	88	370,745
<u>Net decrease between before transfers to reserves</u>				
Group Usable Reserves	33,392	0	88	33,480
Total Usable Reserves	(83,298)	0	88	(83,210)
Total Reserves	370,856	(199)	88	370,745
<u>Increase in year</u>				
Group Usable Reserves	30,454	0	88	30,542
Total Usable Reserves	79,067	0	88	79,155
Council Unusable Reserves	282,530	(199)	0	282,331
Total Reserves	370,856	0	88	370,944
<u>Balance at 31 March 2016</u>				
Group Usable Reserves	40,626	0	(208)	40,418
Total Usable Reserves	278,666	0	(208)	278,458
Council Unusable Reserves	1,731,617	(199)	0	1,731,418
Total Reserves	2,118,649	(199)	(208)	2,118,242

## NOTES TO THE FINANCIAL STATEMENTS

### 49. Prior Period Adjustments - continued

#### 49.2 Impact on Financial Statements - continued

<b>Group</b>				
<b>Comprehensive Income and Expenditure Statement</b>	<b>2015/16 Statements £000</b>	<b>Asset Sales £000</b>	<b>CEC Holdings £000</b>	<b>2015/16 Re-stated £000</b>
Cost of Services	953,846	0	(3)	953,843
Gain on Disposal of Fixed Assets	(36,148)	199	0	(35,949)
Financing and Investment Income	106,863	0	(84)	106,779
Taxation and Non-Specific Grant Income	(1,029,709)	0	(1)	(1,029,710)
Surplus on provision of service	(5,148)	199	(88)	(5,037)
Total Comprehensive Income and Expenditure	(370,856)	199	(88)	(370,745)
<b>Council</b>				
<b>Comprehensive Income and Expenditure Statement</b>	<b>2015/16 Statements £000</b>	<b>Asset Sales £000</b>		<b>2015/16 Re-stated £000</b>
Gain on Disposal of Fixed Assets	(36,146)	199	n/a	(35,947)
Surplus on Provision of Service	(1,476)	199	n/a	(1,277)
Total Comprehensive Income and Expenditure	(331,143)	398	n/a	(330,944)
<b>Group</b>				
<b>Balance Sheet</b>	<b>2015/16 Statements £000</b>	<b>Asset Sales £000</b>	<b>CEC Holdings £000</b>	<b>2015/16 Re-stated £000</b>
Short-term debtors	96,785	(199)	(208)	96,379
Net assets	2,118,649	(199)	(208)	2,118,242
Capital Adjustment Account	1,376,328	(199)	0	1,376,129
Unusable Reserves	1,839,983	(199)	0	1,839,784
Group Usable Reserves	40,626	0	(208)	40,418
Total Reserves	2,118,649	(199)	(208)	2,118,242
<b>Council</b>				
<b>Balance Sheet</b>	<b>2015/16 Statements £000</b>	<b>Asset Sales £000</b>		<b>2015/16 Re-stated £000</b>
Short-term debtors	86,600	(199)	n/a	86,401
Net assets	1,969,657	(199)	n/a	1,969,458
Capital Adjustment Account	1,376,328	(199)	n/a	1,376,129
Unusable Reserves	1,731,617	(199)	n/a	1,731,418
Total Reserves	1,969,657	(199)	n/a	1,969,458

# HOUSING REVENUE ACCOUNT

## INCOME AND EXPENDITURE STATEMENT for the year ended 31 March 2017

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.

2015/16		2016/17	
£000	EXPENDITURE	£000	£000
27,765	Repairs and maintenance	27,469	
26,132	Supervision and management	21,069	
23,285	Depreciation and impairment of non-current assets	19,345	
5,609	Other expenditure	5,279	
1,073	Impairment of debtors	251	
83,864			73,413
	<b>INCOME</b>		
(93,015)	Dwelling rents	(95,674)	
(467)	Non-Dwelling rents (gross)	(496)	
(17,102)	Other income	(5,901)	
(110,584)			(102,071)
(26,720)	Net expenditure / (income) for HRA Services (as included in the Council's Comprehensive Income and Expenditure Statement)		(28,658)
274	HRA share of corporate and democratic core		191
1,005	HRA share of other amounts included in the Council's Net Cost of Services but not allocated to specific services		708
(25,441)	Net expenditure / (income) for HRA Services		(27,759)
	HRA share of other operating expenditure included in the Council's Comprehensive Income and Expenditure Statement		
(2,247)	Gain on sale of HRA fixed assets	(755)	
19,021	Interest payable and similar charges	18,162	
2,494	Interest cost on defined benefit obligation ( <i>pension-related</i> )	2,410	
(98)	Interest and investment income	(52)	
(1,858)	Interest income on plan assets ( <i>pension-related</i> )	(2,013)	
(7,439)	Capital grants and contributions	(7,587)	
9,873			10,165
(15,568)	Surplus for the year on HRA services		(17,594)

# HOUSING REVENUE ACCOUNT

## MOVEMENT ON THE HRA STATEMENT

2015/16 £000		2016/17 £000
0	Balance on the HRA at the end of the previous year	0
15,568	Surplus for the year on the HRA Income and Exp Account	17,594
(13,312)	Adjustments between accounting basis and funding basis under statute	(5,708)
<u>2,256</u>	<b>Net increase before transfers to reserves</b>	<u>11,886</u>
<u>(2,256)</u>	Contribution to renewal and repairs fund, via the General Fund	<u>(11,886)</u>
<u><u>0</u></u>	<b>Balance on the HRA at the end of the current year</b>	<u><u>0</u></u>

## Adjustments Between Accounting Basis and Funding Basis Under Regulations

£000		£000
	<b>Adjustments primarily involving the Capital Adjustment Account</b>	
	<b>Reversal of items debited or credited to the Income and Expenditure Statement</b>	
23,285	Charges for depreciation and impairment of non-current assets	19,345
(7,439)	Capital grants and contributions applied	(7,587)
	<b>Insertion of items not debited or credited to the Income and Expenditure Statement</b>	
(27,328)	Statutory provision for the financing of capital investment	(16,585)
0	Capital funded from revenue	0
	<b>Adjustments primarily involving the Capital Receipts Reserve</b>	
(2,247)	Transfer of cash sale proceeds credited as part of the gain / loss on disposal of assets	(754)
	<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>	
(488)	Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(498)
	<b>Adjustments primarily involving the Pensions Reserve</b>	
2,676	Reversal of items relating to retirement benefits debited or credited to the Income and Expenditure Statement	2,016
(1,693)	Employer's pension contributions and direct payments to pensioners payable in the year	(1,503)
	<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>	
(78)	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	(142)
<u>(13,312)</u>		<u>(5,708)</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 2017 are as follows:

Types of Houses	2017		2016	
	Number	Annual Average Rent (£)	Number	Annual Average Rent (£)
<b>Main provision Council dwellings</b>				
1 Apartment	316	3,814.00	302	3,726.00
2 Apartment	5,367	4,266.00	5,459	4,177.00
3 Apartment	9,920	4,944.00	10,145	4,842.00
4 Apartment	3,353	5,693.00	3,426	5,579.00
5 Apartment	505	6,118.00	516	6,015.00
6 Apartment	9	6,164.00	9	6,043.00
7 Apartment	4	5,971.00	4	5,854.00
8 Apartment	1	5,971.00	1	5,854.00
<b>Mid-market rent dwellings</b>				
2 Apartment	23	5,556.00	21	5,447.00
3 Apartment	83	6,821.00	75	6,706.00
4 Apartment	22	8,598.00	22	8,430.00
	<u>19,603</u>		<u>19,980</u>	

The stock figure represents all types of residential properties, including furnished tenancies, sheltered housing and homelessness units.

- The amount of rent arrears included as debtors in the Council's Consolidated Balance Sheet was £6.647m (£6.799m 2015/16) against which a provision amounting to £5.757m (£5.399m 2015/16), has been created in respect of non collectable debts.
- Significant non-residential income includes ground rent at Broomhouse Drive of £0.160m per annum.
- The total value of uncollectable void rents for main provision properties was £0.552m (2015/16 £0.464m). 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 2017

2015/16 £000		2016/17 £000	£000
(300,827)	Gross council tax levied and contributions in lieu		(304,281)
49,860	Less: - Exemptions and other discounts	50,057	
7,956	- Provision for bad debts	7,731	
24,255	- Council Tax Reduction Scheme	23,406	
2,689	- Other reductions	3,265	
<u>84,760</u>			<u>84,459</u>
(216,067)			(219,822)
<u>(324)</u>	Previous years' adjustments		<u>(1,569)</u>
<u><b>(216,391)</b></u>	<b>Total transferred to General Fund</b>		<u><b>(221,391)</b></u>

### Notes to the Council Tax Income Account

The in-year collection rate for Council Tax was 96.4% (2015/16 96.1%).

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 was reduced by 25% where a dwelling had only one occupant or, with certain exceptions, 10% where the property was a second home, up until 31 March 2017. 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 2016/17

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	23,505	77	3,411	3,452	16,719	6/9	11,146	£779.33
B £27,001 - £35,000	47,290	68	3,613	6,904	36,841	7/9	28,654	£909.22
C £35,001 - £45,000	44,219	(24)	3,139	5,439	35,617	8/9	31,660	£1,039.11
D £45,001 - £58,000	38,346	65	2,693	4,123	31,595	9/9	31,595	£1,169.00
E £58,001 - £80,000	40,757	(31)	3,592	3,682	33,452	11/9	40,886	£1,428.78
F £80,001 - £106,000	24,839	(27)	1,436	1,955	21,421	13/9	30,941	£1,688.56
G £106,001 - £212,000	21,206	(100)	485	1,244	19,377	15/9	32,295	£1,948.33
H Over £212,000	3,969	(28)	130	191	3,620	18/9	7,240	£2,338.00
							214,417	
							437	
							<u>(6,553)</u>	
							<u><b>208,301</b></u>	

From 1 April 2017, the nine year Council Tax freeze was lifted with Local Authorities able to increase Council Tax by up to 3 per cent. In addition the Scottish Government introduced an increase in the property band multipliers for properties in bands E to H, also effective from 1 April 2017.

## 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 2017

2015/16		2016/17	
£000		£000	£000
(444,260)	Gross rates levied and contributions in lieu		(458,112)
85,276	Less: - Reliefs and other deductions	82,424	
4,752	- Uncollectable debt written off and provision for impairment	4,986	
<u>90,028</u>			<u>87,410</u>
(354,232)			(370,702)
13,161	Previous years' adjustments		2,501
<b><u>(341,071)</u></b>	<b>Net Non-Domestic Rates Income</b>		<b><u>(368,201)</u></b>
Allocated to:			
(341,540)	Contribution to National Non-Domestic Rates Pool		(368,712)
469	Adjustments for years prior to introduction of National Non-Domestic Rates Pool		511
<b><u>(341,071)</u></b>			<b><u>(368,201)</u></b>

### Notes to the Non-Domestic Rates Income Account

Rateable Values as at 1 April 2016	Number	Rateable Value £000
Shops, offices and other commercial subjects	14,403	647,060
Industrial and freight transport	2,733	73,224
Telecommunications	7	22
Public service subjects	363	48,622
Miscellaneous	2,733	139,715
	<u>20,239</u>	<u>908,644</u>

### Contribution to / from National Non-Domestic Rates Pool

The contribution to the National Non-Domestic Rates Pool of £368.712m (2015/16 £341.540m) 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 £374.650m (2015/16 £390.862m).

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 48.4p per £ in 2016/17 (2015/16 48.0p per £).

Properties with a rateable value greater than £35,000 (2015/16 £35,000) had their rate charges calculated using the poundage of 49.7p per £ (2015/16 49.3p 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 2016/17, the Council generated two capital receipts for the Common Good. 6-8 Market Street was sold with a receipt of £183,494 and land at St James Quarter was sold with a receipt of £42,000, 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.

In 2015/16, £2m of the common good fund was earmarked to be utilised to fund a planned property maintenance programme. To date, £110,000 of this funding has been used to fund Scott Monument Lighting work. The resulting balance of the Common Good Fund is £2.402m as at 31 March 2017. (£2.298m 2015/16). This is split £0.512m in the fund and £1.890m in the planned property maintenance fund.

### COMMON GOOD FUND - MOVEMENT IN RESERVES STATEMENT

	Common Good Fund £000	Property Maintenance Fund £000	Capital Adjust. Account £000	Reval. Reserve £000	Total Reserves £000
<b>2016/17 Movements</b>					
Balance at 31 March 2016	298	2,000	(22)	21,994	24,270
Movement in reserves during 2016/17					
(Deficit) / Surplus on the provision of services	104	0	0	0	104
Revaluation Reserve	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>	104	0	0	0	104
Adjustments between accounting basis and funding basis under regulations:	0	0	0	0	0
<b>Net increase / decrease before transfers to earmarked reserves</b>	104	0	0	0	104
Transfer (to) / from reserves	110	(110)	0	0	0
Increase / (decrease) in year	214	(110)	0	0	104
<b>Balance at 31 March 2017</b>	512	1,890	(22)	21,994	24,374

## 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
<b>2015/16 Comparative Data</b>						
Balance at 31 March 2015	1,654	0	1,182	(22)	21,860	24,674
Movement in reserves during 2015/16						
Surplus on the provision of services	(538)	0	0	0	0	(538)
Revaluation Reserve	0	0	0	0	134	134
<b>Total Comprehensive Income and Expenditure</b>	(538)	0	0	0	134	(404)
Adjustments between accounting basis and funding basis under regulations:	0	0	0	0	0	0
<b>Net increase / decrease before transfers to earmarked reserves</b>	(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)
<b>Balance at 31 March 2016</b>	298	2,000	0	(22)	21,994	24,270

## COMMON GOOD FUND - COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2015/16 £000	2016/17 £000	£000
<b>EXPENDITURE</b>		
38 Common Good Fund	130	
38 <b>TOTAL EXPENDITURE</b>		130
<b>INCOME</b>		
0 <b>TOTAL INCOME</b>	0	
38 <b>COST OF SERVICES</b>		130
511 (Gain) / Loss on disposal of Fixed Assets	(225)	
0 Income from redemption of investment bonds	0	
(11) Interest and investment income	(9)	
500 <b>Other Comprehensive Income and Expenditure</b>		(234)
538 <b>(Surplus) / Deficit on Provision of Services</b>		(104)
(134) (Surplus) / Deficit on revaluation of non-current assets		0
404 <b>TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE</b>		(104)

## COMMON GOOD FUND - BALANCE SHEET

31 March 2016 £000		31 March 2017 £000      £000	
<u>21,892</u>	Community Assets	<u>21,892</u>	
<u>21,892</u>	<b>Property, Plant and Equipment</b>		21,892
<u>103</u>	Heritage Assets	<u>103</u>	
<u>103</u>	<b>Long-term Assets</b>		103
322	Short-Term Investments	589	
<u>1,953</u>	Cash and Cash Equivalents	<u>1,790</u>	
<u>2,275</u>	<b>Current Assets</b>		<u>2,379</u>
<u><b>24,270</b></u>	<b>Net Assets</b>		<u><b>24,374</b></u>
21,994	Revaluation Reserve	21,994	
<u>(22)</u>	Capital Adjustment Account	<u>(22)</u>	
<u>21,972</u>	<b>Unusable Reserves</b>		21,972
298	Common Good Fund	512	
<u>2,000</u>	Earmarked Reserve	<u>1,890</u>	
<u>2,298</u>	<b>Usable Reserves</b>		<u>2,402</u>
<u><b>24,270</b></u>	<b>Total Reserves</b>		<u><b>24,374</b></u>

The unaudited accounts were issued on 23 June 2017.

HUGH DUNN, CPFA  
Acting Executive Director of Resources  
12 June 2017

# 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
<b>Cost or Valuation</b>			
At 1 April 2016	21,892	21,892	103
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0
At 31 March 2017	<u>21,892</u>	<u>21,892</u>	<u>103</u>
<b>Accumulated Depreciation</b>			
At 1 April 2016	0	0	0
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Book Value</b>			
At 31 March 2017	<u>21,892</u>	<u>21,892</u>	<u>103</u>
At 31 March 2016	<u>21,892</u>	<u>21,892</u>	<u>103</u>
<b>Cost or Valuation</b>			
At 1 April 2015	21,757	21,757	104
Revaluation increases / (decreases) recognised in the Revaluation Reserve	135	135	(1)
At 31 March 2016	<u>21,892</u>	<u>21,892</u>	<u>103</u>
<b>Accumulated Depreciation</b>			
At 1 April 2015	0	0	0
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2016	<u>21,892</u>	<u>21,892</u>	<u>103</u>
At 31 March 2015	<u>21,757</u>	<u>21,757</u>	<u>104</u>

### 1.2 Information on Assets Held

Assets owned by the Common Good Fund at 31 March 2017 include:

Monuments and statues	22
Parks and open spaces and other properties	32
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 134).

## 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.

	2016/17		2015/16	
	£000	£000	£000	£000
Balance at 1 April		21,994		21,860
Upward revaluation of assets	0		134	
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	0		0	
Deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Service		0		134
Derecognition of asset disposals				0
Balance at 31 March		<u>21,994</u>		<u>21,994</u>

#### 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.

	2016/17	2015/16
	£000	£000
Balance at 1 April	<u>(22)</u>	<u>(22)</u>
Balance at 31 March	<u><u>(22)</u></u>	<u><u>(22)</u></u>

# 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 also covers the organisations included in the Council's Group Accounts, a list of which is included on page 52 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

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. The Plan was first approved by Council in January 2016 and included a commitment to provide an annual update of the Plan. This annual update was considered and agreed by Council in February 2017 to ensure that the priorities and direction of the Plan continue to remain relevant and focused on the needs of our customers and citizens.
- 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. A Local Outcome Improvement Plan describes the work of the Council and our partners to deliver our shared vision and provide for improved outcomes across the city as a whole. Local Improvement Plans cover every area of the city and describe in detail our multi-agency approach to improve the delivery of services in our
- 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.
- 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.

# ANNUAL GOVERNANCE STATEMENT

The key elements of the framework are set out below - continued

- 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.
- 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.
- The Council is embedding a culture of commercial excellence to ensure that our services always deliver Best Value. The Council's Business Plan describes our determination to have class leading commercial and procurement practices that are sustainable and realise benefits for our customers and the local supply chain. We are also developing a more commercial approach in considering how we best use our assets and generate income in the context of our overall strategic objectives and management of risk. The Council received a "superior performance" rating through the independent Procurement Capability Assessment and the Procurement and Commercial Improvement Programme (PCIP) assessment is currently in progress.
- 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.
- Performance Reports are considered on a monthly basis at the Corporate Leadership Team (CLT), with key indicators being reported and exceptions highlighted. A twice- yearly performance overview is reported to full Council and all Executive Committees, with inadequate performance highlighted within an accompanying exception report and reported to the appropriate team or committee.
- Audit actions are reviewed monthly by CLT and quarterly reviewed by GRBV. No significant control weaknesses were identified in either the Council's 2015/16 audit or the specific 2015/16 review of the Council's internal control framework. These assessments and prompt implementation of the recommendations have attested to the soundness of current controls although the Council recognises the importance of consolidating these improvements amidst significant organisational change.
- 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.
- 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.

# ANNUAL GOVERNANCE STATEMENT

The key elements of the framework are set out below - continued

- A Council Governance Hub, chaired by the Chief Executive, has been established to scrutinise the management of Council companies, seek assurance over the delivery of services and to ensure that the Council is aware of any risks. This responds to areas for improvement recommended by internal audit - the independence of elected members as directors of companies; governance reporting to Council committees; the Council Observer role; and the annual assurance process for Council companies. The Hub provides oversight of the Council's companies, scrutinises the business plan, past performance and accounts; scrutinises compliance of the shareholder's agreement; identifies risks to the Council; provides an opportunity for Council Companies to raise issues directly with the Council's Chief Executive; and provides an opportunity for Council Companies to engage on issues of common interest and with the Council.

Specific work has been undertaken on reviewing the role of the Council's observers on company boards to ensure that the correct officers with the right level of seniority are attending board meetings and are accountable internally. Council companies are required to report to the Governance Hub once a year with the forward plans then considered at the relevant Council committee and the accounts and past performance scrutinised by the Governance, Risk and Best Value Committee.

- 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. The Council has revised its Councillor Induction and Training programme, drawing upon best practice from other organisations including The Scottish Parliament, informed by exit interviews conducted with councillors who indicated their intention not to stand again and also reflecting the views of political groups. Some distinctive features of the initial training programme included a Welcome Event, a Freshers Fayre, organised tours, each councillor being allocated a dedicated senior manager as a buddy to assist their assimilation and an informal evening reception at which their families could join them.

The induction training itself is structured in two phases – concentrating initially on what is immediately required, mandatory training (Councillors Code of Conduct, etc.), that which is of practical necessity (how committees and the decision-making process works, how to deal with casework, etc.) and core training for quasi-judicial functions (licensing, planning etc) together with some introductory sessions for each service area. A Training Needs Analysis will then be undertaken over the summer to inform the second (Autumn) phase of training.

- 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.

# 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 has reviewed the effectiveness of the Code and will report the result to the Governance, Risk and Best Value Committee in Autumn 2017 to ensure that the Council's annual governance practice is open, transparent and reflects best practice.

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 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 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 2017. 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. These reviews have not identified any fundamental weaknesses in the framework of governance, risk management and control at the Council.

## 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.

# 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 143 to 154 in this remuneration report will be audited by Scott Moncrieff. The other sections of the remuneration report will be reviewed by Scott Moncrieff 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 2016/17, the remuneration for the Leader of the City of Edinburgh Council was £50,682. 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 2016/17 this was £38,011. 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 £656,850. 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 Culture and Sport, Economy, Education, Children and Families, 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 Culture and Sport, Economy, Education, Children and Families, 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 144 and 145. 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.

<b>Council's Leader, Civic Head and Senior Councillors</b>	<b>Salary, Fees and Allowances</b>	<b>Taxable Expenses</b>	<b>Non-Cash Expenses / Benefits-in-kind</b>	<b>Total Remun. 2016/17</b>	<b>Total Remun. 2015/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
A. Burns, Leader of the Council	50,682	0	104	50,786	50,436
D. Wilson, Lord Provost	38,011	0	1,679	39,690	38,462
S. Cardownie, <i>Depute Convener (from 28.05.15)</i>	25,341	0	117	25,458	24,247
S. Howat, Depute Leader of the Council <i>(from 12.03.15 until 09.03.16)</i>	n/a	n/a	n/a	n/a	37,130
F. Ross, Convener of Economy <i>(until 09.03.16)</i> Depute Leader of the Council <i>(from 10.03.16)</i>	38,011	0	812	38,823	33,540
D. Brock, Depute Convener <i>(until 18.05.15)</i>	n/a	n/a	n/a	n/a	4,860
R. Lewis, Convener of Culture and Sport	32,943	0	190	33,133	32,865
C. Day, Vice Convener Health, Social Care and Housing <i>(until 27.10.16)</i> Convener Education, Children and Families <i>(from 27.10.16)</i>	27,167	0	79	27,246	22,628
P. Godzik, Convener Education, Children and Families <i>(until 27.10.16)</i>	26,040	591	0	26,631	33,255
A. Rankin, Convener Finance and Resources	32,943	0	226	33,169	33,447
R. Henderson, Convener Health, Social Care and Housing	32,943	0	726	33,669	33,343
I. Perry, Convener Planning	32,943	0	180	33,123	32,831

# REMUNERATION REPORT

## Remuneration Paid - continued

	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits- -in-kind £	Total Remun. 2016/17 £	Total Remun. 2015/16 £
<b>Council's Leader, Civic Head and Senior Councillors</b>					
G. Barrie, Convener Regulatory ( <i>until 09.03.16</i> ) Convener Economy ( <i>from 10.03.16</i> )	32,943	0	772	33,715	32,768
L. Hinds, Convener Transport and Environment	32,943	0	887	33,830	33,375
E. Milligan, Convener Licensing Board	30,409	0	0	30,409	30,287
M. Child, Convener Communities and Neighbourhoods	22,807	0	96	22,903	22,677
J. Balfour, Convener Governance, Risk and Best Value ( <i>to 02.06.16</i> )	6,335	0	485	6,820	25,441
J. Mowat, Convener Governance, Risk and Best Value ( <i>from 02.06.16</i> )	23,910	0	97	24,007	n/a
M. Bridgman, Convener Police and Fire Scrutiny ( <i>until 09.03.16</i> ) Convener Regulatory ( <i>from 10.03.16</i> )	32,943	0	136	33,079	21,656
W. Henderson, Convener Police and Fire Scrutiny ( <i>from 10.03.16</i> )	20,273	0	96	20,369	17,020
<u>Vice-Conveners</u>					
N. Austin-Hart, Vice Convener of Culture and Sport	22,807	0	0	22,807	22,581
G. Munro, Vice Convener of Economy	22,807	0	731	23,538	23,333
C. Fullerton, Vice Convener Education, Children and Families	22,807	0	116	22,923	22,692
B. Cook, Vice Convener Finance and Resources	22,807	0	0	22,807	22,581
A. Blacklock, Vice Convener Regulatory	22,807	0	762	23,569	23,386
A. McVey, Vice Convener Transport and Environment	22,807	0	730	23,537	23,307
D. Dixon, Vice Convener Planning ( <i>from 12.03.15 until 09.03.16</i> )	n/a	n/a	n/a	n/a	22,471
A. Lunn, Vice Convener Planning ( <i>from 10.03.16</i> )	22,807	0	729	23,536	17,796
J. Griffiths, Vice Convener Health, Social Care and Housing ( <i>from 27.10.16</i> )	19,437	0	117	19,554	n/a
<u>Opposition Group Leaders</u>					
C. Rose, Conservative Group Leader	25,341	0	0	25,341	25,090
S. Burgess, Green Group Leader	25,341	0	817	26,158	26,026
<b>Councillors</b>					
N Work, Convener Lothian Valuation Joint Board ( <i>Note 1</i> )	21,118	289	1,719	23,126	22,708

### Notes:

1. The amount recharged to Lothian Valuation Joint Board in 2016/17 was £4,225 (2015/16 £4,183). 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):

	2016/17 £	2015/16 £
Salaries	1,280,368	1,271,704
Expenses		
Claimed by councillors	1,693	1,723
Paid directly by the Council	<u>25,467</u>	<u>27,072</u>
Total	<u><u>1,307,528</u></u>	<u><u>1,300,499</u></u>

Remuneration paid to Senior Officers	Salary, Fees and Allowances £	Compensation for Loss of Office £	Total Remun. 2016/17 £	(re-stated)
				Total Remun. 2015/16 £
<b>Council's Senior Officers</b>				
A. Kerr, Chief Executive ( <i>from 27.07.15</i> ) ( <i>full year equivalent</i> )	165,810	0	165,810	111,652
				164,168
S. Bruce, Chief Executive ( <i>until 31.08.15</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	67,392
			n/a	161,741
A. Maclean, Deputy Chief Executive ( <i>until 05.01.16</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	110,881
			n/a	147,427
A. Gaw, Executive Director of Communities and Families ( <i>Acting Director from 05.01.16 until 15.03.17</i> ) ( <i>full year equivalent</i> )	148,901	0	148,901	35,272
				147,427
G. Tee, Director Children and Families ( <i>until 31.12.15</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	145,816
			n/a	147,427
R. McCulloch-Graham, Integration Joint Board Chief Officer ( <i>from 26.10.15</i> ) ( <i>full year equivalent</i> )	74,451	0	74,451	31,903
				74,451
P. Gabbittas, Director Health and Social Care ( <i>until 31.07.15</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	24,587
			n/a	82,928
P. Lawrence, Executive Director of Place ( <i>from 30.11.15</i> ) ( <i>full year equivalent</i> )	148,901	0	148,901	49,552
				147,427
J. Bury, Acting Director Services for Communities ( <i>from 08.05.14 until 18.10.15</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	67,380
			n/a	134,760
G. Ward, Director of Economic Development ( <i>until 30.11.15</i> ) ( <i>full year equivalent</i> )	n/a	n/a	n/a	79,390
			n/a	127,758
M. Miller, Head of Safer and Stronger Communities and Chief Social Work Officer	102,256	0	102,256	101,243

# REMUNERATION REPORT

## Remuneration Paid - continued

### Remuneration paid to Senior Officers - continued

	Salary, Fees and Allowances £	Compensation for Loss of Office £	Total Remun. 2016/17 £	Total Remun. 2015/16 £
<b>Council's Senior Officers</b>				
H. Dunn, Head of Finance ( <i>until 05.01.16</i> ) and Acting Executive Director of Resources ( <i>from 06.01.16</i> ) ( <i>full year equivalent</i> )	148,901	0	148,901	116,241
M. Boyle, Head of Older People and Disability Service ( <i>until 31.01.16</i> )	n/a	n/a	n/a	212,512
G. Crosby, Senior Manager Disabilities ( <i>until 31.01.16</i> )	n/a	n/a	n/a	166,163
P. Campbell, Senior Manager Older People ( <i>until 31.01.16</i> )	n/a	n/a	n/a	164,570
Total	<u>789,220</u>	<u>0</u>	<u>789,220</u>	<u>1,631,981</u>

#### Notes:

1. Remuneration shown above excludes any fees payable in respect of returning officer or other election duties. The approved remuneration for A Kerr for Returning Officer Duties in 2016/17 amounted to £41,358.
2. A. Kerr was appointed Chief Executive in July 2015. Salaries shown for A. Kerr and S. Bruce relate to the responsibilities as shown.
3. 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.
4. P. Lawrence was appointed Executive Director of Place in November 2015. Salaries shown for J. Bury and P. Lawrence relate to the responsibilities as shown.
5. A. Gaw was appointed Acting Director of Communities and Families in January 2016 until March 17 when this was made permanent. Salaries shown for A. Gaw and G. Tee relate to the responsibilities as shown.
6. 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.
7. 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.
8. 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 2016 and 2015 respectively.

	Salary, Fees and Allowances	Bonus	Other Benefits	Compensation for Loss of Office	Total Remun. 2016/17	Total Remun. 2015/16
	£	£	£	£	£	£
<b>Council's Subsidiary Companies</b>						
E. Adair, Operations and Finance Director, EDI Group	104,412	0	1,253	0	105,665	105,744
H. Rissmann, Chief Executive, EICC (until 31.03.15) (full year equivalent)	n/a	n/a	n/a	n/a	n/a	51,665 170,191
M. Dallas, Chief Executive, EICC	135,584	27,316	0	0	162,900	158,470
J. Donnelly, Chief Executive, Marketing Edinburgh Ltd (Note 2)	122,960	0	0	0	122,960	116,600
J. Rafferty, Chief Executive, Capital City Partnership (until 1 December 2016)	49,016	0	0	70,908	119,924	72,795
R. Hunter, Chief Executive, Capital City Partnership (from 21 November 2016) (full year equivalent)	20,204	0	0	0	20,204 48,490	n/a
<u>LPFE Limited</u>						
C. Scott, Chief Executive Officer (from 01.05.16) (full year equivalent)	92,000	0	0	0	92,000	78,384 85,236
<u>Transport for Edinburgh</u>						
G. Lowder, Chief Executive (from 07.01.16) (full year equivalent)	138,983	14,180	684	0	153,847 156,664	n/a
<u>Lothian Buses Ltd.</u>						
I. Craig, Managing Director (until 31.01.16) (full year equivalent)	16,546	0	14,579	88,998	120,123 212,786	211,206
W. Campbell, Operations Director	n/a	n/a	n/a	n/a	n/a	116,076
W. Devlin, Engineering Director (until 31.01.17)	154,804	46,441	3,858	150,000	355,103	203,507
N. Strachan, Finance Director (until 31.01.17)	154,804	46,441	2,368	150,000	353,613	201,926
R. Hall, Managing Director (from 01.05.16) (full year equivalent)	110,188	33,000	0	0	143,188 214,500	n/a
<u>Edinburgh Trams Ltd.</u>						
T. Norris, Director and General Manager (until 26.06.15) (full year equivalent)	n/a	n/a	n/a	n/a	n/a n/a	43,474 80,705
L. Harrison, General Manager (from 01.02.16) (full year equivalent)	82,254	13,500	5,918	0	101,672 109,418	n/a
	<u>1,181,755</u>	<u>180,878</u>	<u>28,660</u>	<u>459,906</u>	<u>1,851,199</u>	<u>1,359,847</u>

#### Notes:

- Other benefits paid relate to car allowance, healthcare and telephone provision, within Lothian Buses Ltd. Others benefits paid relate to relocation expenses 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 £122,960 in 2016/17, of which £6,960 is VAT (2015/16 £116,600, £6,600).

## 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.

	2016/17	2015/16		2016/17	2015/16
£50,000 - £54,999	199	192	£135,000 - £139,999	1	1
£55,000 - £59,999	116	139	£140,000 - £144,999	1	1
£60,000 - £64,999	42	58	£145,000 - £149,999	3	1
£65,000 - £69,999	41	46	£150,000 - £154,999	0	0
£70,000 - £74,999	26	29	£155,000 - £159,999	0	0
£75,000 - £79,999	20	32	£160,000 - £164,999	0	1
£80,000 - £84,999	2	12	£165,000 - £169,999	1	1
£85,000 - £89,999	4	7	£170,000 - £174,999	0	0
£90,000 - £94,999	3	3	£175,000 - £179,999	0	0
£95,000 - £99,999	1	4	£180,000 - £184,999	0	0
£100,000 - £104,999	8	9	£185,000 - £189,999	0	0
£105,000 - £109,999	0	3	£190,000 - £194,999	0	0
£110,000 - £114,999	1	3	£195,000 - £199,999	0	0
£115,000 - £119,999	1	2	£200,000 - £204,999	0	0
£120,000 - £124,999	1	2	£205,000 - £209,999	0	0
£125,000 - £129,999	1	1	£210,000 - £214,999	0	1
£130,000 - £134,999	0	0			
			<b>Total No. of Employees</b>	<b>472</b>	<b>548</b>

#### 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	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17 £000	2015/16 £000
£0 - £20,000								
- Council	0	0	150	203	150	203	1,855	2,150
- Group companies	0	0	2	0	2	0	18	0
£20,001 - £40,000								
- Council	0	0	147	203	147	203	4,174	5,741
- Group companies	0	0	0	0	0	0	0	0
£40,001 - £60,000								
- Council	0	0	80	70	80	70	3,904	3,505
- Group companies	0	0	0	0	0	0	0	0
£60,001 - £80,000								
- Council	0	0	38	31	38	31	2,696	2,164
- Group companies	0	0	1	0	1	0	71	0
£80,001 - £100,000								
- Council	0	0	15	33	15	33	1,350	2,939
- Group companies	0	0	1	0	1	0	89	0
£100,001 - £150,000								
- Council	0	0	25	34	25	34	2,958	3,952
- Group companies	0	0	0	0	0	0	0	0
£150,001 - £200,000								
- Council	0	0	8	3	8	3	1,309	511
- Group companies	0	0	1	0	1	0	190	0
£200,001 - £250,000								
- Council	0	0	2	1	2	1	416	203
- Group companies	0	0	0	0	0	0	0	0
£250,001 - £300,000								
- Council	0	0	0	2	0	2	0	554
- Group companies	0	0	0	0	0	0	0	0
£300,001 - £350,000								
- Council	0	0	0	0	0	0	0	0
- Group companies	0	0	1	0	1	0	325	0
	<b>0</b>	<b>0</b>	<b>471</b>	<b>580</b>	<b>471</b>	<b>580</b>	<b>19,355</b>	<b>21,719</b>

# 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 2016/17 were as follows:

<b>Whole Time Pay</b>	<b>Contribution rate</b>
On earnings up to and including £20,500 (2016 £20,500)	5.50%
On earnings above £20,500 and up to £25,000 (2016 £20,500 to £25,000)	7.25%
On earnings above £25,000 and up to £34,400 (2016 £25,000 to £34,400)	8.50%
On earnings above £34,400 and up to £45,800 (2016 £34,400 to £45,800)	9.50%
On earnings above £45,800 (2016 £45,8000)	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 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 2017 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 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
<b>Council's Leader and Civic Head</b>					
A. Burns, Leader of the Council	10,795	10,739	Pension	7	1
			Lump Sum	3	0
D. Wilson, Lord Provost	8,096	8,054	Pension	5	1
			Lump Sum	2	0
<b>Senior Councillors</b>					
R. Lewis	7,017	6,980	Pension	3	1
			Lump Sum	0	0
F. Ross	8,096	7,044	Pension	3	1
			Lump Sum	0	0
S. Howat	n/a	7,789	Pension	n/a	n/a
			Lump Sum	n/a	n/a
P. Godzik	5,546	6,980	Pension	4	0
			Lump Sum	2	0
A. Rankin	7,017	6,980	Pension	3	0
			Lump Sum	0	0
R. Henderson	7,017	6,980	Pension	5	1
			Lump Sum	2	0
I. Perry	7,017	6,980	Pension	5	1
			Lump Sum	2	0
G. Barrie	7,017	6,980	Pension	3	1
			Lump Sum	0	0
L. Hinds	7,017	6,980	Pension	6	0
			Lump Sum	7	1
E. Milligan	6,477	6,443	Pension	4	0
			Lump Sum	2	0
M. Child	4,858	4,832	Pension	8	0
			Lump Sum	15	0
M. Bridgman	7,017	4,454	Pension	5	1
			Lump Sum	1	0
W. Henderson	4,318	3,622	Pension	2	1
			Lump Sum	0	0
N. Austin Hart	4,858	4,832	Pension	4	1
			Lump Sum	2	1
G. Munro	4,858	4,832	Pension	4	2
			Lump Sum	1	0
D. Dixon	n/a	4,758	Pension	n/a	n/a
			Lump Sum	n/a	n/a
J. Mowat	5,093	n/a	Pension	2	n/a
			Lump Sum	0	n/a

## 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 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
A. Blacklock	4,858	4,832	Pension	4	1
			Lump Sum	2	0
A. McVey	4,858	4,832	Pension	2	0
			Lump Sum	0	0
A. Lunn	4,858	3,653	Pension	2	2
			Lump Sum	0	0
J. Griffiths	4,140	n/a	Pension	2	n/a
			Lump Sum	0	n/a
C. Rose	5,398	5,369	Pension	4	1
			Lump Sum	2	1
<u>Councillors</u>					
N. Work ( <i>including role as Convener of Lothian Valuation Joint Board</i> )	4,498	4,475	Pension	4	1
			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 2017 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 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
A. Kerr, Chief Executive ( <i>from 27.07.15</i> ) ( <i>including returning officer role</i> )	35,318	23,981	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> )	n/a	14,422	Pension	n/a	n/a
			Lump Sum	n/a	n/a
A. Maclean, Depute Chief Executive ( <i>until 05.01.16</i> )	n/a	23,517	Pension	n/a	n/a
			Lump Sum	n/a	n/a
A. Gaw, Executive Director of Communities and Families (Acting Director from 05.01.16 until 15.03.17)	31,716	24,031	Pension	67	18
			Lump Sum	141	35
G. Tee, Director Children and Families ( <i>until 31.12.15</i> )	n/a	83,567	Pension	n/a	n/a
			Lump Sum	n/a	n/a
R. McCulloch-Graham, Integration Joint Board Chief Officer ( <i>from 26.10.15</i> )	15,858	6,827	Pension	n/a	n/a
			Lump Sum	n/a	n/a
P. Gabbitas, Director Health and Social Care ( <i>Council proportion</i> ) ( <i>until 31.07.15</i> )	n/a	3,664	Pension	n/a	n/a
			Lump Sum	n/a	n/a

# REMUNERATION REPORT

## Pension Benefits - continued Pension Rights - continued Senior Employees

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
P. Lawrence, Executive Director of Place (from 30.11.15)	31,716	10,604	Pension Lump Sum	n/a n/a	n/a n/a
J. Bury, Acting Director Services for Communities (from 08.05.14 until 18.10.15)	n/a	14,419	Pension Lump Sum	n/a n/a	n/a n/a
G. Ward, Director Economic Development (until 30.11.15)	n/a	16,979	Pension Lump Sum	n/a n/a	n/a n/a
M. Miller, Head of Safer and Stronger Communities and Chief Social Work	21,781	21,666	Pension Lump Sum	42 82	3 1
H. Dunn, Head of Finance (until 05.01.16) and Acting Executive Director of Resources (from 06.01.16)	31,716	24,876	Pension Lump Sum	68 143	21 42
M. Boyle, Head of Older People and Disability Service (until 31.01.16)	n/a	55,481	Pension Lump Sum	n/a n/a	n/a n/a
G. Crosby, Senior Manager Disabilities (until 31.01.16)	n/a	13,960	Pension Lump Sum	n/a n/a	n/a n/a
P. Campbell, Senior Manager Older People (until 31.01.16)	n/a	45,989	Pension Lump Sum	n/a n/a	n/a n/a
<b>Total</b>	<b>168,105</b>	<b>383,983</b>			

### 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 2017, or the date of leaving, if that is earlier. Employees contribute towards their pensions in accordance with the rates set out on page 150. The contribution rate for P. Gabbitas was 14.7% in 2015/16.

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 2017 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 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
E. Adair, Operations and Finance Director, EDI Group	20,535	20,237	Pension Lump Sum	27 41	2 0
H. Rissmann, Chief Executive, EICC (until 31.03.15)	n/a	5,203	Pension Lump Sum	n/a n/a	n/a n/a

# REMUNERATION REPORT

## Pension Benefits - continued

### Council's Subsidiary Companies - continued

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.17 £	For year to 31.03.16 £		As at 31.03.17 £000	Difference from 31.03.16 £000
M. Dallas, Chief Executive, EICC	17,821	16,836	Pension Lump Sum	n/a n/a	n/a n/a
<u>Lothian Buses Ltd.</u>					
I. Craig, Managing Director	3,789	40,075	Pension Lump Sum	n/a n/a	n/a n/a
W. Campbell, Operations Director	n/a	33,128	Pension Lump Sum	n/a n/a	n/a n/a
W. Devlin, Engineering Director	75,587	33,128	Pension Lump Sum	49 83	3 0
N. Strachan, Finance Director	210,249	33,128	Pension Lump Sum	44 70	3 0
R. Hall, Managing Director	6,875	n/a	Pension Lump Sum	n/a n/a	n/a n/a
<u>Edinburgh Trams Ltd.</u>					
T. Norris, Director and General Manager ( <i>until 26.06.15</i> )	n/a	3,614	Pension Lump Sum	n/a n/a	n/a n/a
L. Harrison, General Manager ( <i>from 01.02.16</i> )	8,225	n/a	Pension Lump Sum	n/a n/a	n/a n/a
<u>Capital City Partnership</u>					
J. Rafferty, Chief Executive ( <i>until 01.12.16</i> )	9,558	14,073	Pension Lump Sum	32 67	2 1
<u>LPFE Limited</u>					
C. Scott, Chief Executive Officer	19,596	16,069	Pension Lump Sum	17 12	3 1
Total	<u>372,235</u>	<u>215,491</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 2016 and 31 December 2015 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.

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.

# INDEPENDENT AUDITOR'S REPORT

The Statement of Accounts is subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Scott Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

**RECONCILIATION OF THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**  
**(as shown on page 19 of the Unaudited Financial Statements)**

	£000	2016/17 £000	£000
Total Comprehensive (Income) and Expenditure			204,571
Deduct (gains) or losses credited to the CIES			
Surplus on revaluation of non-current assets		35,301	
Gains and losses relating to pension liability		(244,211)	
Other unrealised losses		(10,620)	
		<u>          </u>	(219,530)
Surplus on provision of services, per CIES			(14,959)
<u>Amounts included in the CIES but required by statute to be excluded when determining the General Fund surplus for the year</u>			
Depreciation and impairment of fixed assets	(147,889)		
Net loss on sale of fixed assets	12,061		
Revenue expenditure funded from capital under statute	35,529		
Finance costs - statutory adjustments	1,898		
Net charges made for retirement benefits in accordance with IAS 19	(88,899)		
		<u>          </u>	(187,300)
<u>Amounts not included in the CIES but required to be included by statute when determining the General Fund surplus for the year</u>			
Statutory provision for repayment of debt (includes voluntary repayments)	75,039		
Lease repayments (including element relating to PPP contracts)	12,929		
Capital expenditure charged to the General Fund balance	(35,529)		
Capital expenditure funded from revenue	2,056		
Change in fair value of Investment Properties	(779)		
Capital grants and contributions credited to the CIES	58,484		
Net transfer for holiday pay accrual	741		
Employer's contributions payable to Lothian Pension Fund and retirement benefits payable direct to pensioners	66,264		
		<u>          </u>	179,205
<u>Transfers to / or from the General Fund Balance that are required to be taken into account when determining the General Fund surplus for the year</u>			
Statutory transfer of HRA surplus to Renewal and Repairs Fund	11,886		
Net Transfer from earmarked reserves	(2,262)		
		<u>          </u>	9,624
			<u>          </u>
General Fund Surplus reported in Financial Statements			(13,430)

	2016/17	
	£000	£000
Consolidation Adjustments		
Funds (drawn down from) / contributed to earmarked balances:		
- Balances set aside for specific investment	14,487	
- Contingency funding	0	
- Council Priorities Fund (net of transfer of year-end surplus)	1,915	
- Council Tax Discount Fund	2,638	
- Devolved School Management	(116)	
- Dilapidation fund	250	
- Environment	(1,750)	
- Energy efficiency	(748)	
- Equal Pay	19	
- Insurance fund	1,127	
- Licensing income	1,699	
- Lothian Buses	(1,909)	
- Other minor funds	(3)	
- Outdoor Centres	356	
- Police and Fire reserves previously returned to constituent councils	(1,996)	
- Pre-paid PPP monies	426	
- Recycling monies	(211)	
- Salix / CEEF	1,324	
- Savings set aside for IT projects	(1,086)	
- Spend to save	107	
- Strategic Acquisition Fund	(1,278)	
- Unspent grants	(2,879)	
	<hr/>	12,372
General Fund Surplus		<u><u>(1,058)</u></u>

**REVENUE BALANCES**

	Balance at 31-Mar-16 £000	Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance at 31-Mar-17 £000
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	12,565	(4,011)	17,105	25,659
Contingency funding, incl workforce	18,075	0	19	18,094
Council Priorities Fund	1,128	0	2,973	4,101
Dilapidations fund	12,094	(450)	700	12,344
Insurance funds	13,539	(99)	1,226	14,666
	<u>57,401</u>	<u>(4,560)</u>	<u>22,023</u>	<u>74,864</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing and Registration income	1,393	0	1,699	3,092
Lothian Buses	5,704	(1,909)	0	3,795
Other minor funds	240	(17)	13	236
Pre-paid PPP monies	1,729	0	426	2,155
Recycling monies	1,372	(211)	0	1,161
National Performance Sports Centre	1,996	(2,498)	502	0
Council Tax Discount Fund	21,596	(250)	2,888	24,234
Unspent grants	5,814	(4,894)	2,015	2,935
Strategic Acquisition Fund	7,458	(1,278)	0	6,180
	<u>47,302</u>	<u>(11,057)</u>	<u>7,543</u>	<u>43,788</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Savings set aside for IT projects	3,133	(1,558)	472	2,047
Energy efficiency	847	(830)	82	99
Salix / CEEF	0	0	1,324	1,324
Spend to save	3,884	0	107	3,991
	<u>7,864</u>	<u>(2,388)</u>	<u>1,985</u>	<u>7,461</u>
<b>Balances Set Aside under Devolved School Management Scheme</b>				
Devolved School Management	<u>2,804</u>	<u>(2,804)</u>	<u>2,688</u>	<u>2,688</u>
<b>Unallocated General Reserve</b>				
	<u>13,025</u>	<u>0</u>	<u>0</u>	<u>13,025</u>
<b>Total General Reserve</b>	<u><b>128,396</b></u>	<u><b>(20,809)</b></u>	<u><b>34,239</b></u>	<u><b>141,826</b></u>