

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Thursday 4 June 2015**

Dean of Guild Court Room, City Chambers, High Street, Edinburgh

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

### Contact

Email: [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) / [laura.millar2@edinburgh.gov.uk](mailto:laura.millar2@edinburgh.gov.uk)

Tel: 0131 529 4283 / 0131 529 4319



## **1. Order of business**

---

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

## **2. Declaration of interests**

---

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

## **3. Deputations**

---

- 3.1 Deputation Request from UNISON in regards to Item 7.1 - Health and Social Care 2015/16 Budget Action Plan

## **4. Minutes**

---

- 4.1 Minutes of the Meeting of 13 May 2015

## **5. Business Bulletin**

---

- 5.1 None

## **6. Forward Planning**

---

- 6.1 Finance and Resources Committee Key Decisions Forward Plan (circulated)
- 6.2 Finance and Resources Committee Rolling Actions Log (circulated)

## **7. Executive decisions**

---

- 7.1 Health and Social Care 2015/16 Budget Action Plan – report by the Director of Health and Social Care (circulated)
- 7.2 Edinburgh Integration Joint Board – Integrated Senior Management Structure – report by the Director of Health and Social Care (circulated)
- 7.3 Health and Social Care Integration – Update – report by the Director of Health and Social Care (circulated)
- 7.4 Accounts Commission Review of Treasury Management – report by the Director of Corporate Governance (circulated)
- 7.5 Financial Strategy 2015/16 to 2019/20 – report by the Director of Corporate Governance (circulated)

- 7.6 Finance Policies – Assurance Statement – report by the Director of Corporate Governance (circulated)
- 7.7 Review of Corporate Debt Policy – report by the Director of Corporate Governance (circulated)
- 7.8(a) Edinburgh’s Christmas and Hogmanay: Extension to Consortium’s Contract – report by the Director of Corporate Governance (circulated)
- (b) Edinburgh’s Christmas and Edinburgh’s Hogmanay Key Performance Indicators 2014/15 – referral report from the Culture and Sport Committee (circulated)
- 7.9 Home Energy Efficiency Programmes for Scotland: Area Based Schemes Update – report by the Acting Director of Services for Communities (circulated)
- 7.10 Temporary Accommodation Framework – Award of Contract– report by the Acting Director of Services for Communities (circulated)
- 7.11 Extension of Short Term Lets for Homeless Households Contract – report by the Acting Director of Services for Communities (circulated)
- 7.12 Contract Award for Homeless Prevention – Crisis and Complex Services – report by the Acting Director of Services for Communities (circulated)
- 7.13 Sale of Housing Revenue Account Land - Clovenstone Park – report by the Acting Director of Services for Communities (circulated)
- 7.14 Redhall House and Lawn – Progress Report – report by the Acting Director of Services for Communities (circulated)
- 7.15 Adoption of the Scotland Excel Framework for Janitorial Products from 5 June 2015 until 28 February 2018 with an option to extend for one further year – report by the Acting Director of Services for Communities (circulated)
- 7.16 Supply and Delivery of Refuse Collection Vehicles – report by the Acting Director of Services for Communities (circulated)
- 7.17 Award of Contract for Flooding Planning Consultancy – report by the Acting Director of Services for Communities (circulated)
- 7.18 Property Conservation – Programme Momentum Progress Report – report by the Director of Corporate Governance (circulated)

- 7.19 Appointments to Sub-Committees and Working Groups – report by the Director of Corporate Governance (circulated)

## **8. Routine decisions**

---

- 8.1 Proposed New Lease to Highland Care Agency Ltd at 4 Granton Square – report by the Acting Director of Services for Communities (circulated)
- 8.2 Roseburn to Union Canal – Approval for Stage 2 of the Consultancy Contract – report by the Acting Director of Services for Communities (circulated)
- 8.3 Proposed New 15 year Lease of Tourist Information Centre, Princes Mall, Edinburgh – report by the Acting Director of Services for Communities (circulated)

## **9. Motions**

---

- 9.1 If any

### **Carol Campbell**

Head of Legal, Risk and Compliance

## **Committee Members**

---

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Brock, Corbett, Dixon, Edie, Godzik, Griffiths, Ricky Henderson, Jackson, McVey, Walker, Whyte, Burns, (ex officio) and Howat (ex officio)

## **Information about the Finance and Resources Committee**

---

The Finance and Resources Committee consists of 15 Councillors and is appointed by the City of Edinburgh Council. The Finance and Resources Committee usually meets every four weeks.

The Finance and Resources Committee usually meets in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

## **Further information**

---

If you have any questions about the agenda or meeting arrangements, please contact Veronica MacMillan or Laura Millar, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4283 / 0131 529 4319 or e-mail [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) / [laura.millar2@edinburgh.gov.uk](mailto:laura.millar2@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/meetings](http://www.edinburgh.gov.uk/meetings)

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

## **Webcasting of Council meetings**

---

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

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

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

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

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

**From:** Monica Niven [mailto:]  
**Sent:** 28 May 2015 10:38  
**To:** Louise Williamson 2  
**Subject:** REQUEST FOR DEPUTATION - FINANCE & RESOURCE COMMITTEE - TUESDAY 4TH JUNE 2015

Dear Louise

UNISON would wish to make representation to the Corporate Finance & Resource Committee meeting scheduled on Tuesday 4<sup>th</sup> June 2015 on the following Agenda item:

- Report on Health & Social Care Budget

The representation will be made by Kirsten Hey, Murdo McLean and Brian Crozier

Should you require their presence earlier please advise me at the UNISON Office on 0131 558 7488

Monica Niven  
Branch Support Officer  
UNISON City of Edinburgh Branch

*Monica Niven |Branch Support Officer |UNISON City of Edinburgh Branch |10 Infirmery Street, Edinburgh, EH1 1LT|Tel 0131 558 7488 |Fax 0131 558 7041\*

*If you want to join UNISON phone the UNISON Direct Helpline 0800 0857 857*

\*\*\*\*\*

*This email and any files transmitted with it are confidential and solely for the use of the intended recipient. If you have received this email in error please notify the sender. The views expressed in this email are those of the sender and not necessarily the views of UNISON. UNISON has taken steps to ensure that any attachments are free from viruses. You should, however, carry out your own virus check before opening any attachment. UNISON accepts no liability for loss or damage caused by software viruses.*

# Item 4.1 - Minutes

## Finance and Resources Committee

**2.00pm, Wednesday, 13 May 2015**

### Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Dixon, Edie, Godzik, Ricky Henderson, Jackson, Keil (substituting for Councillor Griffiths), McVey, Ross, Walker and Whyte.

### **1. Deputation: Merchiston Community Council - Proposed Sale: Boroughmuir High School, Viewforth, Edinburgh**

---

The Committee agreed to hear a deputation from Marianna Clyde of Merchiston Community Council.

The main points raised by Ms Clyde were:

- The proposed bid for the purchase of Boroughmuir High School from Out of the Blue had received support from the local community, demonstrated by the numbers in attendance at a public meeting called to discuss the matter and the volume of signatures collected on the supporting petition.
- Other Community Councils in the area were supportive of the bid.
- The area was already densely populated therefore more housing would put extra pressure on already stretched local services.
- In the bid by Cala Management Ltd, the price of land per sq ft is £405 which would be considered as affordable housing.
- The Out of the Blue bid would provide potential for jobs and businesses to move into the area and therefore benefit the local economy.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the report by the Acting Director of Services for Communities.

### **2. Deputation: Out of the Blue - Proposed Sale: Boroughmuir High School, Viewforth, Edinburgh**

---

The Committee agreed to hear a deputation from Malcolm Fraser from Friends of Out of the Blue, Viewforth Community Hub.

The main points discussed were:

- The arts organisations using the spaces provided by Out of the Blue could link with local Schools allowing pupils the opportunity to interact with businesses.
- There was growth in demand for spaces for art businesses.

- The proposed bid for the purchase of Boroughmuir High School from Out of the Blue would not require planning permission.
- There was the potential to erect 17 Housing Association homes on the site.
- Increased business in the area would increase footfall on the local High Street.

The Convener thanked Mr Fraser for his presentation and invited him to stay for the Committee's consideration of the report by the Acting Director of Services for Communities.

### **3. Deputation: Friends of Out of the Blue, Viewforth Community Hub - Proposed Sale: Boroughmuir High School, Viewforth, Edinburgh**

---

The Committee agreed to hear a deputation from Rob Hoon from Out of the Blue.

The main points raised by Mr Hoon were:

- Out of the Blue had a proven track record of successful social enterprise and had been active in Edinburgh since 1994.
- Any development for the Boroughmuir site would use environmentally sustainable methods and materials.
- The site could provide work space for over 200 artists and classes for a predicted 40,000 adults and children.
- The proposal from Out of the Blue would fall in line with 6 Council pledges.

The Convener thanked Mr Hoon for his presentation and welcomed him to remain for the Committee's consideration of the report by the Acting Director of Services for Communities.

### **4. Proposed Sale: Boroughmuir High School, Viewforth, Bruntsfield – report by the Acting Director of Services for Communities**

---

Committee considered a report which sought approval for the sale of the existing site of Boroughmuir High School to the highest bidder, CALA Management Limited, on the terms and conditions outlined in this report.

#### **Motion**

- 1) To approve the recommendations in the report, and note that there was a significant number of unfunded capital investment priorities across the Council, as outlined in Appendix 2 of the report *Capital Investment Programme 2015-16 to 2019 -20* considered by the Finance & Resources Committee on 15 January 2015.
- 2) To recognise that the Capital Investment Programme was dependent on capital receipts and that the realisation of additional receipts would enable the Council to address further infrastructure requirements.



- 3) To note that the Council was also committed to re-provide facilities at Leith Primary, given the forced closure of the Duncan Place building.
- 4) To agree that any additional funding received from the sale of the Boroughmuir site (beyond the sum already allocated to the provision of the new school) should be used to provide funding to these priorities.
- 5) To agree that the additional funding should be prioritised toward:
  - a. the site acquisition for a long term solution to rising rolls in south Edinburgh.
  - b. the re-provision of facilities at Leith Primary school.
- 6) To note that funding the site acquisition for a long term solution to rising rolls in south Edinburgh would allow Health and Social Care to move forward with the provision of a new care home in the city and therefore welcomed the Capital Coalition's continuing commitment to tackle the issue of rising rolls in our schools; invest in school buildings, and provide better care for our most vulnerable residents.
- 7) To note the Council's ongoing support to developing arts and cultural spaces in Edinburgh, as shown by projects such as the ongoing in transforming the old North British Rubber Company building in Fountainbridge into an arts centre some 600m away from the Boroughmuir site.
- 8) To recognise Out of the Blue's desire to provide further arts, cultural and social space within Edinburgh and requested that Council officers met with Out of the Blue to discuss how they could work in partnership to achieve our joint aims.
- 9) To request an updated Capital Investment report was presented to the Finance and Resources Committee in Autumn 2015 outlining incoming receipts and projects to be prioritised through the budget process.

- moved by Councillor Rankin, seconded by Councillor Cook.

#### **Amendment 1**

- 1) To note the marketing and selection process carried out to arrive at the preferred Bidder.
- 2) To approve the disposal of the existing school site to CALA Management Limited (CALA), on terms and conditions as set out in this report, and on other terms and conditions to be agreed by the Acting Director of Services for Communities and in consultation with the Head of Legal Risk and Compliance.

- moved by Councillor Whyte, seconded by Councillor Jackson.

#### **Amendment 2**

- 1) To note the marketing and selection process carried out to arrive at the preferred Bidder.
- 2) To request a further report within two cycles which fully appraised the merits of the Out of the Blue Arts and Educational Trust bid and the extent to which it delivered on economic development, regeneration, public health, social

wellbeing, environmental wellbeing or any other benefits for the neighbourhood or city more generally.

- 3) To note that the forthcoming Community Empowerment (Scotland) Bill, when the relevant sections would be commenced, would require the council to consider community asset transfer requests in the terms of section 2 above and so the current sale process was an opportunity to rehearse that emerging policy process.
- 4) To request also that the report examined whether and to what extent key aspects of the Out of the Blue Arts and Educational Trust bid could be delivered, in part, on the current Boroughmuir High School site and/or adjacent to the site to which Boroughmuir High School is moving in 2016.
  - moved by Councillor Corbett, seconded by Councillor Edie.

### **Voting**

For the motion	- 9
For amendment 1	- 2
For amendment 2	- 2

### **Decision**

To approve the motion by Councillor Rankin.

(References – Act of Council, 12 December 2013 (No 12); report by the Acting Director of Services for Communities, submitted.)

## **5. Minutes**

---

### **Decision**

To approve the minute of the Finance and Resources Committee of 19 March 2015 as a correct record.

## **6. Key Decisions Forward Plan**

---

The Finance and Resources Committee Key Decisions Forward Plan from 13 May 2015 to 4 June 2015 was presented.

### **Decision**

To note the Key Decisions Forward Plan from 13 May 2015 to 4 June 2015.

(Reference – Finance and Resources Committee Key Decisions Forward Plan, 13 May 2015 to 4 June 2015, submitted.)

## **7. Rolling Actions Log**

---

The Finance and Resources Committee Rolling Actions Log for 29 August 2013 to 19 March 2015 was submitted.

### **Decision**

- 1) To note the Rolling Actions Log.

- 2) To note that Items 10, 12, 15, 16, 17, 18 and 19 were recommended for closure.  
(Reference – Rolling Actions Log, 29 August 2013 to 19 March 2015, submitted.)

## **8. Health and Social Care revenue budget – further progress update**

---

An update was provided on the extent of the progress made towards securing the medium and longer-term sustainability of the Health and Social Care revenue budget. The Chief Executive was instructed at the Finance and Resources Committee meeting of 3 February 2015 and 19 March 2015 to take forward a number of specific actions to secure the medium to long term sustainability of the Health and Social Care budget.

### **Decision**

- 1) To note the report and that a further update, including the initial results of the external review, will be considered by the Committee on 4 June 2015.
- 2) To instruct the Chief Executive to attend the next Finance and Resources Committee on 4 June 2015 with a report and action plan containing clear information on the mitigating actions that had been taken to reduce the overspend within Health and Social Care and the work that had been carried out across Directorates to reduce expenditure, and all actions that had been taken to ensure a balance budget was achieved, as well as the outcome of the review of the Health and Social Care budget that had been carried out by KPMG.

### **Declaration of Interest**

Councillor Edie declared a financial interest as Chair of the Care Inspectorate.

(References – Finance and Resources, 19 March 2015 (Item 5); report by the Chief Executive, submitted.)

## **9. Health and Social Care Integration Update**

---

A progress report on the Integration Programme was presented. This included an update on the Integration Scheme and noted the requirement to review the Council governance arrangements in line with the responsibilities of the Integration Joint Board (IJB).

### **Decision**

- 1) To note the submission of the Final Integration Scheme.
- 2) To note the Scottish Government timeline for approval.
- 3) To note the work in progress.
- 4) To note the indicative timeline to establish the Integration Joint Board (IJB) and delegate functions and resources.

### **Declarations of Interest**

Councillor Edie declared a financial interest as Chair of the Care Inspectorate.

(References – Health, Social Care and Housing Committee, 21 April 2015 (Item 15); report by the Director of Health and Social Care, submitted.)

## 10. Impact on Providers of Recent Employment Appeal Tribunal Judgements - Night Time 'Sleepover' Support Costs

---

Details were provided on the cost pressures faced by providers of sleepover services following the ruling by the Employment Appeal Tribunal (EAT) that care workers were entitled to be paid the National Minimum Wage for hours worked including those during these sleep-in shifts.

### Decision

- 1) To note the significant cost pressure arising directly for providers and indirectly for the Council following the Employment Appeal Tribunal ruling.
- 2) To note the risk of legal challenge faced by providers if they do not comply with National Minimum Wage legislation
- 3) To note the risks arising for the Council in the event providers are unable to recover the increased costs they face and stop providing sleepover services
- 4) To agree payment rates made by the Council for each hour of sleepover service purchased should be increased, with effect from 1 April 2015, to the level of the National Minimum Wage
- 5) To agree to consider a potential source of funding and to include this in the action plan that the Chief Executive would bring to the next Finance and Resources Committee on 4 June 2015.

### Declarations of Interest

Councillor Edie declared a financial interest as Chair of the Care Inspectorate.

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

## 11. Revenue Budget Framework 2016/20 update

---

Committee were provided with the results of a review of the key income and expenditure assumptions contained within the Council's long-term financial plan.

### Decision

- 1) To note the results of the review of the main assumptions underpinning the long-term financial plan, reaffirming the need to deliver at least £67 million of savings over the next three years and some £107 million over the period to 2019/20.
- 2) To note the additional measures taken since the previous update geared towards securing the delivery of a sustainable, priority-based budget in 2016/17 and future years.
- 3) To note that a further report on the Council's wider financial strategy would be presented to the Committee's next meeting on 4 June 2015.

(References – Finance and Resources Committee, 19 March 2015 (Item 11); report by the Director of Corporate Governance, submitted.)

## **12. Council Transformation Programme: Status Report**

---

An update was provided on the Council transformation programme, aimed at delivering a lean and agile Council, centred on customers, services and communities.

### **Decision**

To note the status of the Council Transformation Programme.

(References – Finance and Resources Committee, 19 March 2015 (Item 8); report by the Director of Corporate Governance, submitted.)

## **13. Culture and Sport: Income Generation in Museums and Galleries**

---

Details were provided on the ways in which the Museums and Galleries service provided by Culture and Sport was maximising income streams across its venues, services and activities.

### **Decision**

To note the report.

(References – Culture and Sport Committee, 10 March 2015 (Item 3); report by the Director of Corporate Governance, submitted.)

## **14. Report by the Accounts Commission – An overview of local government in Scotland 2015**

---

The Committee considered a report by Audit Scotland, on behalf of the Accounts Commission on the financial challenges being faced by Scottish local authorities.

### **Decision**

- 1) To note the report by the Accounts Commission.
- 2) To refer the report to the Governance, Risk and Best Value Committee, as part of its work programme.

(References – Finance and Resources Committee, 19 March 2015 (item 11); report by the Director of Corporate Governance, submitted.)

## **15. Governance of Major Projects: progress report**

---

An update report was provided on the major projects portfolio and the forthcoming assurance review schedule.

### **Decision**

- 1) To note the current synopsis of the dashboard reports for the major projects portfolio set out in Appendix 1 of the report.
- 2) To note the current assurance review schedule for the first two quarters of 2015/16 as set out in Appendix 2 of the report.

(References – Finance and Resources Committee, 15 January 2015 (item 9); report by the Director of Corporate Governance, submitted.)

## **16. Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity**

---

An update was provided on contracts awarded under delegated authority through the Waiver of Standing Orders, as permitted in Section 9 of the Contract Standing Orders.

### **Decision**

To note the report and the authorisations made under delegated authority.

(References – Finance and Resources Committee, 15 January 2015 (item 19); report by the Director of Corporate Governance, submitted.)

## **17. Insurance Policies Waiver of Contract Standing Orders**

---

Approval was sought to wave Contract Standing Orders where justifiable and in the Council's best interests when tendering insurance programmes in order to achieve best value.

### **Decision**

- 1) To approve the waiver of Council's Contract Standing Orders (CSOs) in relation to the purchase of insurance for the following risks: All Risks, Fidelity Guarantee and Professional Indemnity.
- 2) To note the Council's Insurance Advisers would obtain quotations from the insurance market.

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

## **18. Review of Contract Procedures Relating to the Council ICT Procurement Process**

---

Details were provided on the key activities undertaken through the ICT Services Procurement project. The progress in relation to the Invitation to Submit Refined Solution (ISRS) stage was highlighted and details of the process planned for the final stages of the project were explained.

### **Decision**

- 1) To note the progress through the ISRS (Invitation to Submit Refined Solutions) stage of the procurement.
- 2) To note the Timeline for the completion of the next stages of the project;
- 3) To note updates would be provided to each Elected Member ICT and Digital Sounding Board.
- 4) To note the next update report would be provided to an additional meeting of the Finance and Resources Committee on 3 August 2015.

(References – Finance and Resources Committee, 19 September 2013 (Item 5); report by the Director of Corporate Governance, submitted.)

## **19. Council Contracts - Planning Update**

---

An update was provided on current activities on renewal of contracts, both involving Commercial and Procurement Services and more widely across the Council.

Also outlined in the report were the processes by which contracts were controlled and supporting engagement activities underway to ensure continuous improvement, proactive planning and compliance with the Council's Contract Standing Orders and wider legal obligations.

### **Decision**

To note the report and that a further report would be brought to the Finance and Resources Committee in six months to update on progress.

(References – Finance and Resources Committee, 3 February 2015 (item 13); report by the Director of Corporate Governance, submitted.)

## **20. Review of Payment Terms for Council Suppliers and Contractors**

---

### **Decision**

To continue consideration of this report to a future meeting of the Finance and Resources Committee.

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

## **21. Design Team for Cycling Hub at Hunter's Hall Park - Award of Contract**

---

Approval was sought to award the contract for the Multi-Discipline Design Team for the development of the project to RIBA (Royal Institute for British Architects) Stage C to Faithful and Gould for the contract sum of £136,500.

### **Decision**

- 1) To approve the award of the contract for the multi-discipline design team to develop the designs to RIBA stage C to Faithful & Gould for the contract sum of £136,500 utilising the SCAPE Framework Agreement.
- 2) To note that once the funding requirement was confirmed, formal approval would be sought from the relevant Committee to proceed to the Construction Phase.
- 3) To request that a progress report was brought to the Finance and Resources Committee in two cycles.

(References – Culture and Sport Committee, 16 December 2014 (item 11); report by the Director of Corporate Governance, submitted).

## 22. Award and Extension of Health and Social Care Contracts

---

Approval was sought to award and extend various health and social care contracts as detailed in this report.

### Decision

- 1) To approve the award of the contracts listed in Appendix 1 of the report on the basis of their special characteristics.
- 2) To approve the extension of the mental health and wellbeing contracts listed in Appendix 2 of the report at a reduced value until 31 March 2016 to allow for future arrangements to be addressed as part of the Integrated Joint Board Strategic Plan for Health and Social Care Services 2016-19
- 3) To approve the extension and/or transfer of the disability service contracts listed in Appendix 3 of the report.
- 4) To approve the proposed transfer of the contract listed in Appendix 4 of the report to the grants portfolio.

### Declaration of Interest

Councillor Edie declared a financial interest as Chair of the Care Inspectorate.

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

## 23. Contract Award for Homeless Prevention – Young People's Services Foyer Approach

---

Committee considered a report which sought approval to award 12 contracts for the duration of a pilot to third sector organisations that currently provided support to young people to prevent homelessness.

### Decision

- 1) To note that overall savings of £318,298 had been achieved reducing the annual budgeted expenditure from £1,525,469 to £1,207,171 from August 2015.
- 2) To note the collaborative work with service providers and other stakeholders carried out to date to achieve a foyer approach for the delivery of services to young people within Edinburgh with the aim of achieving the outcome of stable housing and jobs.
- 3) To approve the award of five contracts to provide visiting housing support to young people for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be re-procured). The organisations to be awarded contracts were: Barnardo's; Dean and Cauvin Trust; Link Living; Places for People and the Rock Trust. The total annual value of the contracts from August 2015 was £466,798.
- 4) To approve the award of six contracts to provide accommodation in the form of hostels for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be re-procured). The organisations to be awarded contracts were Barnardo's, Four Square (two contracts), Places for People, the



Rock Trust and Y-People. The total annual value of the contracts from August 2015 is £724,003.

- 5) To approve the award of one contract to the Edinburgh City Youth Café to provide group work to young people for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be reprocedured). The total annual value of the contracts from August 2015 was £16,370.
- 6) To note that a further report would be provided to Committee identifying options for additional accommodation that could be used as part of the foyer approach.
- 7) To note the review process for the pilot as outlined in section 3.22 and 3.23 of the report.

### **Declaration of Interest**

Councillors Edie and Corbett declared financial interests as Chair of the Care Inspectorate and an employee of Shelter Scotland respectively.

Councillor Keil declared a non-financial interest as Chair of the Dean and Cauvin Trust.

(References – Finance and Resources Committee, 27 November 2014 (item 15); report by the Acting Director of Services for Communities, submitted).

## **24. Proposed lease of Custom House, Commercial Street, Leith**

---

Approval was sought to grant an initial five year, followed by a 99 year lease, to Scottish Historic Buildings Trust as a suitable partner for the restoration of Custom House for a museum/heritage purpose.

### **Decision**

To approve the grant of an initial five year internal repairing lease, and a further 99 year full repairing and insuring lease, of Custom House to the Scottish Historic Buildings Trust, on the terms and conditions contained in the report, and on other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

(References – Act of Council, 21 August 2014 (No. 10); report by the Acting Director of Services for Communities, submitted).

## **25. 21st Century Homes – Development of the Site at North Sighthill – referral from the Health, Social Care and Housing Committee**

---

The Health, Social Care and Housing Committee on 21 April 2015 considered a report on proposals on the development of the North Sighthill site. A mixed tenure housing development was proposed for the site. The report was referred to the Finance and Resources Committee to agree that part of the site was declared surplus to the requirements of the Housing Revenue Account (HRA) and to make this site available for disposal for development of private housing.

### **Decision**

To agree to make the land on the North Sighthill site available for disposal and to invite tenders for the development of Council homes and private housing.

(References – Health, Social Care and Housing Committee, 24 May 2011 (item 5); report by the Acting Director of Services for Communities, submitted.)

## **26. Framework Agreement for the provision of Commercial Estate Management and Residential Property Consultancy Services**

---

Approval was sought for a two year framework agreement for the provision of professional advice and assistance on residential and commercial property issues. The majority of property transactions were dealt with in-house as there was not always the level of resource or expertise available to undertake all aspects of work for the Council's large and diverse portfolio of properties.

### **Decision**

- 1) To approve the award of Lot 1, Commercial Estate Management Consultancy Services to:
  - Ryden LLP
  - DTZ Debenham Tie Leung Limited
  - Jones Lang LaSalle (JLL)
  - GVA Grimley Ltd (trading as GVA James Barr)
- 2) To approve the award of Lot 2, Residential Property Consultancy Services, to:
  - Rettie & Co
  - Ryden LLP
- 3) To note that services issued under the framework agreement would be by means of a mini competition or, where it was in the best interests of the Council or in circumstances of extreme urgency, direct award up to a value of £3,000.
- 4) To note that the terms of the Framework Agreement were for a two year period with the option to extend annually for a maximum of two further years.

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

## **27. Award of Subsidised Childcare contracts for 2 years with the option to extend for 12 months**

---

Committee considered a report which sought approval for the award of contracts for the supply of subsidised childcare places for a term of two years with an option to extend for up to one further year.

### **Decision**

To approve the award of a two year contract for subsidised childcare delivery at Childcare Connections, Kidzcare in Craigmillar, North Edinburgh Childcare and Smile Childcare from 1 June 2015 to 31 May 2017 with the option to extend for a further 12 months.

### **Declaration of Interest**

Councillor Edie declared a financial interest as Chair of the Care Inspectorate.

(References –Economy Committee, 19 November 2013 (item 1); report by the Director of Economic Development, submitted.)

## **28. Property Conservation – Programme Momentum Progress Report**

---

An update was provided on the progress of the property conservation programme momentum.

### **Decision**

- 1) To note the management information dashboard reports in Appendix 1 of the report.
- 2) To note the progress in financial recovery of this report.
- 3) To note that the new debt recovery arrangements with Morton Fraser commenced on 1 April and that a report on progress would be brought to the next Finance and Resources Committee.
- 4) To note the provisions put in place to maintain high levels of customer service throughout the debt recovery process as described in Appendix 2 of the report.

(References – Finance and Resources Committee, 19 March 2015 (item 28); report by the Director of Corporate Governance, submitted.)

## **29. Summary Report on Property Transactions concluded under Delegated Authority**

---

The Committee were provided with information on all lease agreements, etc, concluded in terms of the Council's 'Scheme of Delegation to Chief Officials'.

### **Decision**

To note that the 19 transactions detailed in the attached Appendix of the report had been concluded in terms of the Council's 'Scheme of Delegation to Chief Officials.'

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

## **30. Proposed Ground Lease at Craiglockhart Sports Centre to Edinburgh Kayak Club**

---

Approval was sought for authority to grant a 20 year ground lease to the Edinburgh Kayak Club of land at Craiglockhart Sports Centre for the erection of a new metal storage container.

### **Decision**

To approve the grant of a new 20 year ground lease, of 60 square metres of ground at Craiglockhart Sports Centre (CSC), for the erection of a new metal storage container, to Edinburgh Kayak Club on terms and conditions contained in this report, and on other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

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

### **31. Disposal of Housing Revenue Land adjacent to 1 Murrayburn Park**

---

Approval was sought to dispose of 153.18 sq m of Housing Revenue Account (HRA) amenity land, adjacent to 1 Murrayburn Park on the terms and conditions outlined in the report.

#### **Decision**

To approve the disposal of the land adjacent to 1 Murrayburn Park, extending to 153.18 sq m or thereby, to Mr Ayfol Uddin, on the terms and conditions outlined in the report, and on such terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

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

### **32. Proposed Servitude for a Surface Water Drainage Pipe at Katesmill Road**

---

Committee were provided a report which sought approval to grant servitude of the section of pipe which passes through land owned by the Council on Katesmill Road to Merchiston Castle School.

#### **Decision**

To approve the granting of a servitude for a surface water drainage pipe, to drain land at Merchiston Castle School, on the terms and conditions as set out in the report, and on such other terms to be agreed by the Director of Services for Communities and Head of Legal, Risk and Compliance.

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

### **33. Proposed Sale of Land at 12-24 Bothwell Street, Edinburgh**

---

Authority was requested to sell the land at 12-24 Bothwell Street to Downing Edinburgh Ltd (DEL) on the main terms contained within the report.

#### **Decision**

To approve the disposal of the land at Bothwell Street, extending to 0.0929 Ha (0.229 acre) or thereby, to Downing Edinburgh Limited (DEL) on the terms and conditions outlined in the report, and on such terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

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

### **34. Balcarres Street Depot: Proposed sale to Lindemann Healthcare Ltd**

---

The Convener ruled in terms of Standing Order 27.1(a) that this item, which included a recommendation which, if accepted, would require a change to the Finance and Resources Committee item 30 of 15 January 2015, should be considered due to a material change in circumstances.

Committee approval was sought for the provisionally agreed revised terms for the sale of the Council's surplus depot site at Balcarres Street.

### **Decision**

To approve the sale of the former Depot at Balcarres Street to Lindemann Healthcare Ltd on the terms and conditions outlined in the report and on such other terms to be agreed by the Director of Services for Communities in consultation with the Head of Legal, Risk and Compliance.

(References – Finance and Resources Committee, 15 January 2015 (item 30); report by the Acting Director of Services for Communities, submitted.)

## **35. Resolution to consider in private**

---

### **Decision**

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 6, 8 and 9 of Schedule 7(A) of the Act.

## **36. Property Conservation – Irrecoverable Sums; Debt Recovery and Settlements**

---

An update was provided on irrecoverable sums approved under delegated authority and approval sought for irrecoverable sums in excess of £100,000 per project.

### **Decision**

- 1) To note the irrecoverable sums of less than £50,000 authorised under delegated authority in Appendix 1 of the report.
- 2) To note the irrecoverable sums of between £50,000 and £100,000 authorised by the Programme Board under delegated authority in Appendix 2 of the report.
- 3) To authorise the irrecoverable sums in excess of £100,000 per project as set out in Appendix 3 of the report.
- 4) To note the settlement sums authorised to complainants and other affected owners under delegated authority in Appendix 4 of the report.
- 5) To note the provision for impairments and settlements in Appendix 5 of the report.

(References – Finance and Resources Committee, 19 March 2015 (item 28); report by the Director of Corporate Governance, submitted.)

## **37. Water of Leith Flood Protection Scheme Phase 2 Enabling Works and Legal Agreements**

---

Approval was sought to enter into agreements with the Scottish Rugby Union, Scotia Gas Networks and Scottish Power in order to continue the main flood defence works on the Water of Leith.

**Decision**

As detailed in the Confidential Schedule, signed by the Convener.

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

# Item 6.1 - Key decisions forward plan

## Finance and Resources Committee

[4 June – 27 August 2015]

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
1.	BOLD transformation programme: progress report		27 August 2015	Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Jim McIntyre, Programme Manager <a href="mailto:jim.mcintyre@edinburgh.gov.uk">jim.mcintyre@edinburgh.gov.uk</a>	
2.	Revenue & capital monitoring 2015/16: Period 2 - Corporate Governance		27 August 2015	Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Hugh Dunn, Head of Finance, <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	
3.	Revenue & capital monitoring 2015/16: Period 2		27 August 2015	Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Hugh Dunn, Head of Finance, <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
4.	Property Conservation – Progress Report		27 August 2015	Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Andrew Field, <a href="mailto:andrew.field@edinburgh.gov.uk">andrew.field@edinburgh.gov.uk</a>	
5.	Proposal for a new Meadowbank		27 August 2015	Director: Alastair Maclean, Director of Corporate Governance  Lead Officer: Lynne Halfpenny, Head of Culture & Sport	



# Item 6.2 - Rolling Actions Log

## Finance and Resources Committee

29 August 2013 – 13 May 2015

1	29-08-13	<a href="#">People's Network Public Internet Access</a>	To request further exploration of opportunities to extend the accessibility of the service in venues in addition to libraries.	Director of Services for Communities	May 2015		
2	05-06-14	<a href="#">Property Conservation - Complaints Resolution</a>	1) To repeal the Committee decisions of 31 October 2013 and 3 February 2014.	Director of Corporate Governance	Ongoing		<b>Ongoing</b>
			2) To instruct the Chief Executive to report back to the Finance and Resources Committee by the end of September 2014, setting out how various complaints were categorised, and in relation to debt recovery, an aged debt analysis and breakdown by value,				<b>Monthly reports were brought to F+R Committee that contain this information - ongoing</b>

			and by the end of December 2014, setting out what (if any) complaints remained unresolved.				
			3) To agree that monthly update reports would be brought to the F+R Committee.				<b>Ongoing</b>
3	05-06-14	<a href="#">Redhall House and Lawn - Options for Action</a>	To note that a further report detailing progress would be submitted to the Finance and Resources Committee by the end of 2014.	Acting Director of Services for Communities	31-12-14		<b>Report to F+R Committee 27 November 2014 and further updates would be provided to the F+R Committee – ongoing.</b>
4	30-07-14	<a href="#">Cost of Care at Home</a>	To request that progress reports were brought to the Finance and Resources Committee in December 2014 and March 2015.	Director of Health and Social Care	Ongoing		<b>Report would be brought to the F+R Committee on 13 May 2015 – ongoing.</b>
5	30-07-14	<a href="#">Waiver Report - Clothing Voucher Scheme</a>	To request a report was brought to the next meeting of the Finance and Resources Committee detailing the management process for dealing with	Director of Children and Families	28-08-14		

			contracts.				
6	30-09-14	<a href="#">2015/18 Revenue and Capital Budget Framework</a>	1) To instruct the Chief Executive to bring a business plan for each theme to Finance and Resources in December 2014, to include all financial due diligence including: risk register, people plan, savings analysis underpinned by robust management information.	Chief Executive/ Director of Corporate Governance	15-01-15		<b>Report was brought to the F+R Committee 15 January 2015. Further reports would be brought to the F+R Committee 19 March and 13 May 2015 – ongoing.</b>
			2) To agree that each quarterly assessment, of a three year budget framework, was both monitored and subsequently verified by the Finance and Resources Committee against delivery of each theme.	Chief Executive/ Director of Corporate Governance	Ongoing		<b>Report brought to F+R Committee of 3 February 2015 – closed.</b>
7	30-10-14	<a href="#">Revenue Monitoring 2014-15 Half-Year Position</a>	1) To instruct the Director of Health and Social Care to identify proposed measures to bring expenditure back into line with approved	Director of Health and Social Care/Director of Corporate Governance			<b>Ongoing</b>

			levels and report these at period 8.				
8		<a href="#">Revenue Monitoring 2014-15 Half-Year Position</a>	2) In relation to all other debts owed to the Council to establish an Officer/Member Working Group with a remit to review the Corporate Debt Policy and report to the Finance and Resources Committee in January 2015, to allow any recommendations to be considered as part of budgetary process. Membership would comprise of the Convener and Vice Convener of the Committee, one member from each political group represented on the Committee and two officers nominated by the Head of Finance. Substitutes may be appointed from the same political group. The Vice-Convener		15-01-15		<b>Findings of the Working Group would be reported back to the F+R Committee on 4 June 2015 – ongoing.</b>

			would be the chair of the working group. Meetings would be clerked and minuted by Committee Services, who will also track the Working Group's actions/delivery. A schedule of meetings would be agreed at the first meeting.				
9	27-11-14	<a href="#">Adult Social Care Budget Pressures, 2014/15</a>	To instruct the Director of Health and Social Care to report to Finance and Resources Committee on the progress of talks with NHS Lothian on this matter.				<b>Ongoing</b>
10	15-01-15	<a href="#">Rolling Actions Log Finance and Resources Committee</a>	To investigate the absence of the report on acting up arrangements and secondments within the council and to secure a date when it would be brought to the Committee.	Committee Services			<b>Acting up arrangements was considered as part of the BOLD report on Workforce Management that would be brought to the F+R Committee on 19 March 2015 – closed.</b>

		<a href="#">Rolling Actions Log Finance and Resources Committee</a>	To circulate the briefing on Zero Contract Hours previously received by the Convener to members of the Finance and Resources Committee.				<b>A report would be brought to the F+R Committee on 4 June 2015 – ongoing.</b>
11	15-01-15	<a href="#">Governance of Major Projects</a>	1) The Director of Corporate Governance would pursue progress with senior officers at BT regarding the Learning and Teaching Refresh (bandwidth upgrades).	Director of Corporate Governance	As soon as possible		
			2) An update would be provided to the Finance and Resources Committee on 3 February 2015 regarding progress on the Water of Leith, Flood Prevention Scheme Phase 2. 3) To include a reference to Phase		03-02-15	19-03-15	<b>Report brought to the F+R Committee on 13 May 2015 – closed.</b>

			2 of the Niddrie Burn Restoration in future reports to the Finance and Resources Committee.				
12	15-01-15	<a href="#">Transport Marshalls – Request for Contract Extension</a>	To request a report detailing management information for contracts and the process which they are controlled was brought to the Finance and Resources Committee in May 2015.	Acting Director of Services for Communities	13-05-15		<b>Report to be brought to the F+R Committee on 13 May 2015 – ongoing</b>
13	15-01-15	<a href="#">Surplus Council Property Assets - referral from Economy</a>	To request a briefing was circulated to members of the Finance and Resources Committee containing further information on the access strip at Whitehill.	Acting Director of Services for Communities	As soon as possible		
14	13-05-15	<a href="#">Health and Social Care Revenue Budget - Further Progress Update</a>	To instruct the Chief Executive to attend the next Finance and Resources Committee on 4 June 2015 and to bring a report and an action plan containing clear information on the	Chief Executive	4 June 2015		<b>Report would be brought to the F+R Committee on 4 June 2015 – ongoing.</b>

			mitigating actions that had been taken to reduce the overspend within Health and Social Care and the work that had been carried out across the Directorates to reduce expenditure, and all actions that had been taken to ensure a balanced budget was achieved, as well and the outcome of the review of the Health and Social Care Budget that had been carried out by KPMG.				
15	13-05-15	<a href="#">Impact of Providers of Recent Employment Appeal Tribunal Judgments – Night time 'Sleepover' Support Costs</a>	<ol style="list-style-type: none"> <li>1) To agree to consider a potential source of funding and to include this in the action plan that the Chief Executive would bring to the next Finance and Resources Committee on 4 June 2015.</li> <li>2) To agree that the Head of Finance would liaise with</li> </ol>	Chief Executive/ Director of Corporate Governance	4 June 2015  As soon as possible		<b>Report would be brought to the F+R Committee on 4 June 2015 – ongoing.</b>



			Organisational Development about any potential costs related to holiday pay, pension costs or any other related items.				
16	13-05-15	<a href="#">Design Team for Cycling Hub at Hunter's Hall Park - Award of Contract</a>	To request that a progress report was brought to the Finance and Resources Committee in 2 cycles.	Director of Corporate Governance			<b>Report would be brought to the F+R Committee on 27 August 2015 - ongoing</b>
17	13-05-15	<a href="#">Proposed Sale: Boroughmuir House School, Viewforth, Bruntsfield</a>	To request an updated Capital Investment report be presented to the Finance and Resources Committee in August 2015 that outlined incoming receipts and projects to be prioritised through the budget process.	Acting Director of Services for Communities	Autumn 2015		<b>Report would be brought to the F+R Committee in Autumn 2015 - ongoing</b>
18	13-05-15	Water of Leith Flood Protection Scheme Phase 2 Enabling Works and Legal Agreements	To provide Councillor Whyte with further information on the use of a portion of the project risk contingency to fund any shortfall.	Acting Director of Services for Communities	As soon as possible	28-05-15	<b>Information provided Councillor Whyte – closed.</b>

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Health and Social Care 2015/16 Budget Action Plan

Item number	7.1
Report number	
Executive/routine	
Wards	All

### Executive summary

---

Demand-led pressures within the 2014/15 Health and Social Care budget have been reported previously to the Council's Finance and Resources Committee. The final outturn is a projected overspend of £5.6 million, after mitigating actions to reduce expenditure have been taken into account.

The Council's Health and Social Care net budget for 2015/16 is £200 million, a reduction of £3.2m (1.6%), compared with a net £5m increase (2.6%) in 2014/15. The budget reduction is due to the cessation of one-off funding, much of which has been used to fund increased demand for care at home, and savings of £7.5 million agreed after public consultation.

Overall, the budget available for Health and Social Care in 2015/16 is £9 million lower than actual expenditure in 2014/15. The full-year effect of these unfunded service pressures is £16.5 million.

### Links

---

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25</a>
Single Outcome Agreement	<a href="#">S01</a> , and <a href="#">S02</a>

To offset these pressures, a Budget Action Plan has been developed to further reduce Health and Social Care expenditure by £11.6 million, some of which will require service volume reductions.

This leaves a balance of nearly £5 million for which further budget savings or other mitigations have not been found.

The main report sets out the reasons for the increasing need and demand for adult social care, together with the approaches taken by Health and Social Care in recent years to invest in prevention and in the management of demand. Budget controls and the Budget Action Plan in Appendix 1 are summarised. While focussed on closing the gap between expenditure and the 2015/16 Budget allocation, the Budget Action Plan is part of a wider transformational change plan to address the twin challenges of financial austerity and rising demand over the next five years. This will need programme management resources to assist delivery.

## Health and Social Care 2015/16 Budget implications

### Recommendations

---

- 1.1 To note the 2015/16 Budget position for Health and Social Care as set out in this report, including: an estimated 2014/15 budget overspend of £5.6 million, the £3 million reduction in the Health and Social Care budget for 2015/16, and the full-year effect in 2015/16 of unfunded budget pressures of £16.5 million.
- 1.2 To note the Director's Budget Action Plan, detailed at Appendix 1, describing actions taken and in hand to deliver expenditure reductions of £11.560 million by the end of 2015/16.
- 1.3 To note that the Budget Action Plan sits within a wider strategic work/transformation programme in Health and Social Care intended to underpin financial sustainability going forward.
- 1.4 To note the update from the Chief Executive on corporate support to Health and Social Care, in relation to the remaining funding gap of £5 million, and change and programme management support to assist delivery of the wider Health and Social Care transformation programme .
- 1.5 To note that the draft external review of Health and Social Care's financial challenges has been received from KPMG only recently and that the recommendations are being considered.
- 1.6 To agree to refer this report to the Health, Social Care and Housing Committee for information.

### Background

---

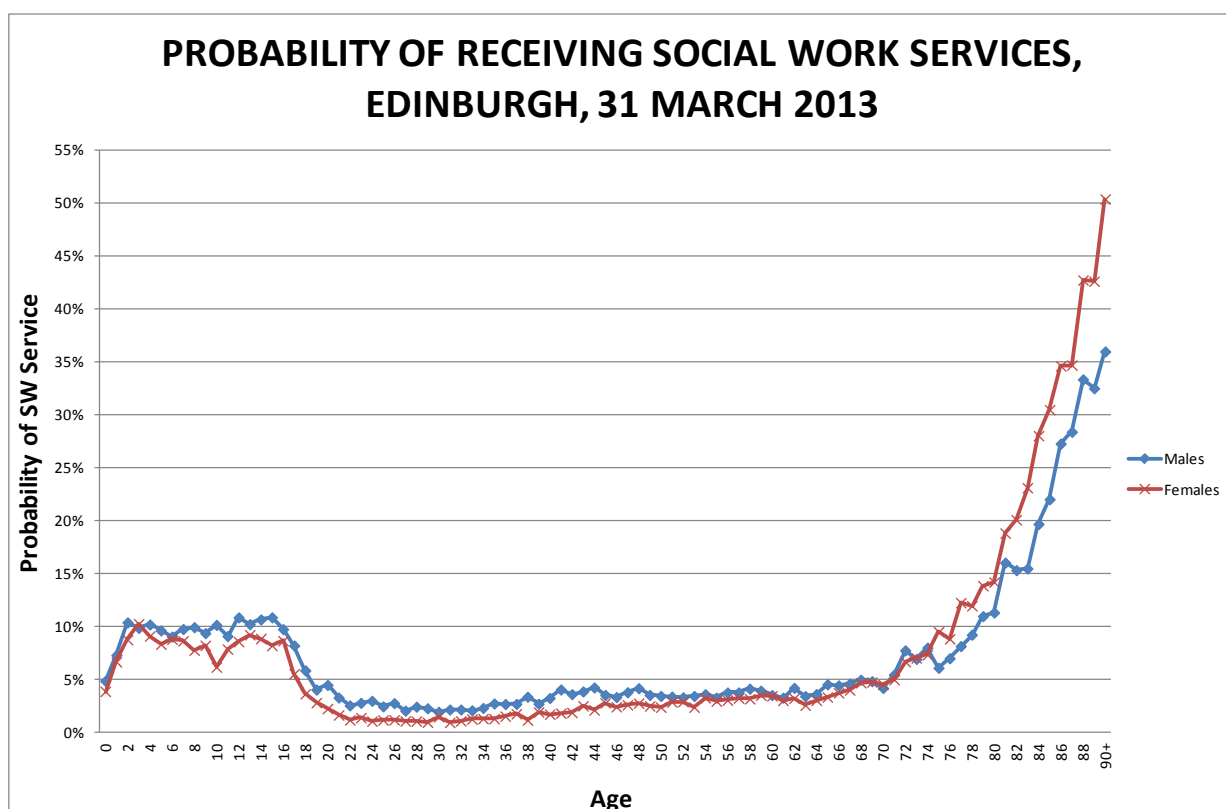
- 2.1 Members will be aware from previous reports that the Council's Health and Social Care Budget faces acute demand-led pressures. Budget monitoring and control measures, a programme of challenge meetings, and financial aspects of Health and Social Care Integration, were reported by the Chief Executive to the meeting on 19 March 2015 with a further update on 13 May 2015.
- 2.2 Committee also noted that an external review had been commissioned, to include: the main reasons for the 2014/15 budget overspend, the potential to deliver new savings in addition to those already agreed, and proposals to strengthen controls. At the time of writing the external review report had just been received from KPMG; the main recommendations are summarised in paragraphs 3.39 to 3.41 and Appendix 2.

## Main report

- 3.1 The present report covers: demand for health and social care, prevention and demand management, 2015/16 Health and Social Care budget development, the provisional outturn on the 2014/15 budget, total pressures on the 2015/16 budget, budget controls in place, the 2015/16 Budget Action Plan to manage down these pressures, main recommendations in the draft report from KPMG's review, and the Health and Social Care transformational change plan.

### Demand for adult social care

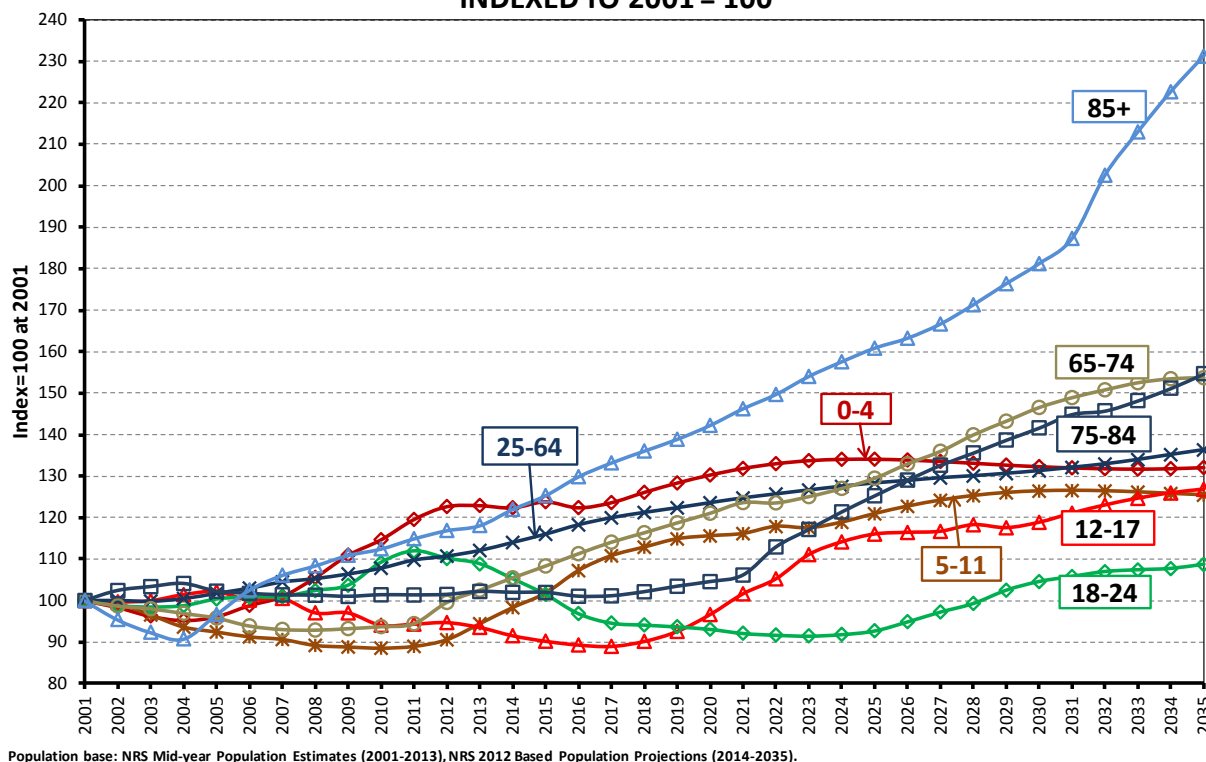
- 3.2 All health and care services in Scotland, across the UK and in all developed countries, face increased demand as a result of the ageing population. The need for social work and social care services varies very significantly with age:



- 3.3 The probability of receiving services is above average during childhood but then falls sharply in the 20s to late 30s age-groups, very slowly rises to about 5% of the population receiving services around the age of 70, after which there is an extremely steep rise in the proportions of the population in need. In Edinburgh, half of all women and over a third of men in their 90s receive adult social care.
- 3.4 This is significant financially because it is the older age-groups, in which need is greatest, that have had the greatest increase in numbers and this trend is projected to continue:

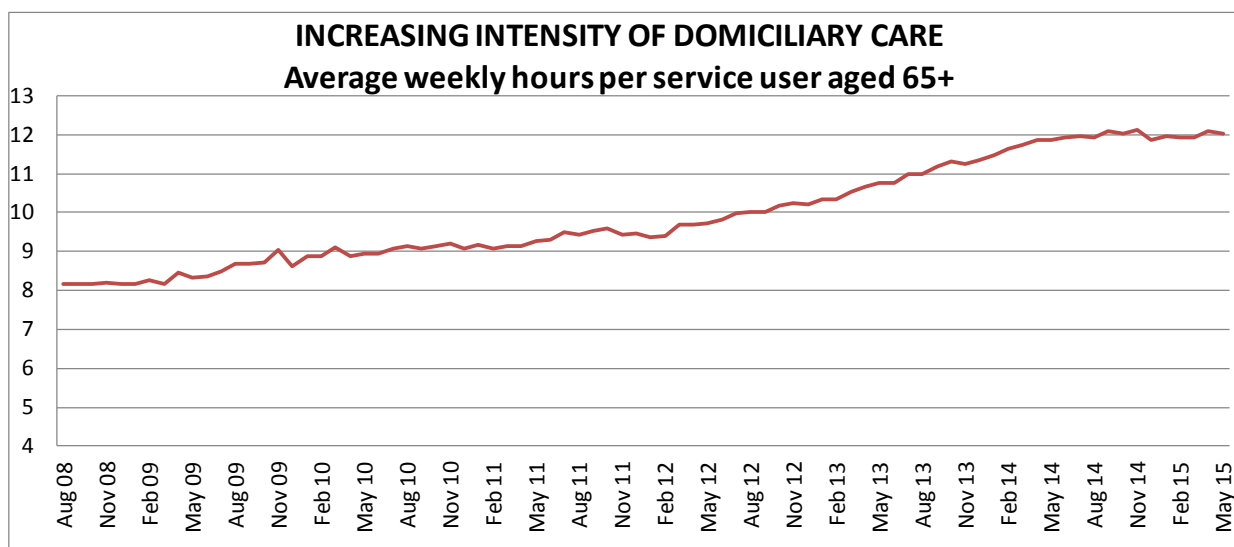
## EDINBURGH'S POPULATION BY AGE-GROUP 2014-2037

### INDEXED TO 2001 = 100



- 3.5 Very welcome improvements in longevity are also increasing the numbers of people with learning disabilities or physical disabilities, particularly with more complex or severe needs. Medical improvements have increased survival at birth and following trauma, and it is also now quite common for adults with learning disability to survive into old age. The Council has done much in recent years to promote and support independent living, yet there are many adults with leaning disabilities living with an aging parent or parents who will require social care support. The numbers of young people with disabilities transitioning between children and families services and adult social care is increasing year on year. In England, research by the Centre for Disability Research at the University of Lancaster has estimated annual increases of 3.2% in the need for social care services for adults with learning disabilities. This is larger than the average 2.6% annual demographic increase in care needs that has been estimated by Social Work Scotland for older people.
- 3.6 Edinburgh has also experienced a greater increase in the need for social care for adults with learning disabilities, than for older people. The current estimates in the Council's Long Term Financial Plan are based on average annual increase of 2% for older people and 4% for adults with learning disabilities.
- 3.7 The method for calculating the cost of future social care needs for older people is being updated for changes in unit costs and in the future population projections for Edinburgh produced by National Records of Scotland. Preliminary results show that the new estimates are broadly similar, but do not take into account the long-term trend of increasing intensity of care (care hours

required per person). The average hours per service user aged 65+ has increased markedly in recent years, from 8.2 per person in 2008 to 12.0 per person in May 2015:



- 3.8 This reflects the increasing complexity of need due to population ageing and the fact that home care/care at home is being used to support more hospital discharges, as well as referrals from people living at home. For some people, home care/ care at home is an alternative to residential care and this increases the number of hours required.
- 3.9 Future cost estimates for learning disabilities services are based on the rising trend in number of school leavers: recent increases have been larger than expected.
- 3.10 Population change is not the only driver of increased demand for social care. Boundaries between NHS and Council social care responsibilities (and expectations) have changed significantly over the last 25 years, and increasingly the NHS has withdrawn from long-term care. Some, but not all, of this shift has been funded by NHS resource transfer. Ever shorter length of stay in hospital mean that increasingly people recuperate at home, and particularly for older people this often means that they need short-term or long-term social care support to facilitate discharge from hospital. The NHS today cannot function without adult social care support for people discharged from hospital, and increasingly it cannot function without greater investment in community care services that can prevent hospital admission. Public debates about protecting the NHS during a protracted period of financial austerity often do not recognise these fundamental facts.
- 3.11 As a consequence, the demand for adult social care is running above the 2-3% annual increases entailed by demographic change alone.

## Prevention and demand management

3.12 In recent years, Health and Social Care has invested significantly in preventative approaches to “demand management”, to reduce or defer existing and future demand for social care. Key examples include:

- (1) People with care needs and their families can now access a comprehensive source of information and advice about all sources of support, local as well as City wide, via the **Edinburgh Choices** website at: [http://www.edinburgh.gov.uk/info/20080/edinburgh\\_choices](http://www.edinburgh.gov.uk/info/20080/edinburgh_choices).
- (2) Edinburgh was the first council in Scotland to establish a contact centre to manage all requests for information, advice and care services. The **Social Care Direct** contact centre has expanded its role and is able to signpost people with low to moderate levels of need to mainstream or voluntary sector services, reducing the number of referrals that would otherwise need to be assessed by social work practice teams. In the 10 months ending April 2015, 66,445 contacts were made to Social Care Direct concerning 34,170 people. Social Care Direct dealt with 74% of the contacts and 66% of the people without needing to refer them to Practice Teams for assessment. Where referral is needed, this is done via electronic workflow with key information in the computer case record already recorded.
- (3) A wide range of **preventative services** has been developed with the voluntary sector to provide advice and support for people living at home with low to moderate care needs, to maintain independent living and prevent or defer the need for formal care services. Examples include: Dementia Friendly Edinburgh, community connecting, lunch clubs, social prescribing, befriending services, LOOPS, telecare, falls prevention, and local area co-ordination. “**LOOPS**” (Local Opportunities for Older People) is developing new ways of reaching isolated older people and encouraging them to connect with activities and events in their community. **Local Area Co-ordination** was developed initially for people with less severe learning disabilities as an alternative to formal day services, to link them to social, educational and leisure opportunities and to provide advice and support when required.
- (4) **Increasing support to carers** is one of the most important elements in the prevention strategy for health and social care. In recent years the Council has introduced the Carers Emergency Card Scheme (identifying the carrier as a carer with emergency contact telephone numbers), and the Volunteer Net online service (putting carers in touch with help from volunteers), and for two years provided Carer’s Support Payment of £250 per year for unpaid carers to spend on themselves, for example to maintain health and wellbeing or for a short break from caring. Carers Assessments have increased from 345 in 2011/12 to 837 in 2014/15. The Edinburgh Joint Carers’ Strategy and Joint Strategic Commissioning Plan for Carer Support was approved in May 2014.



(5) Edinburgh was the first council in Scotland to implement **Home Care Reablement**, delivering better outcomes for people by helping them regain mobility and self-care skills, and reducing the size of packages of care subsequently required by an average of 40%. The reablement approach is now also being used to transform day care services and mental health services.

3.13 Prevention reduces the increase in future demand for social care and therefore it has been possible to reduce the additional funding requirements for demographic pressures by 10% from 2014/15. Large savings have also been achieved through the reduction of current demand through Home Care Reablement – £6m over a period of four years.

3.14 Most prevention savings are not cashable: this is because they are reducing or delaying future demand which public expenditure is unlikely to be able to meet. Much prevention is reducing future unmet need.

### **Budget development, 2014/15 to 2015/16**

3.15 Edinburgh's 2014/15 Adult Social Care budgeted net expenditure per head ranked 12th out of Scotland's 32 councils. This was 2% above the average Scottish rate per head. Comparison 2015/16 budget data for other councils was not available when the present report was prepared - it is expected to be published by the Scottish Government at the end of May 2015.

3.16 The Health and Social Care budget has continued to benefit from additional Council funding (£5.7m in 2015/16) to recognise the increasing need for care services due to the aging population and increase in numbers of people with disabilities. Increases in cost, such as pay awards and the National Care Home Contract uplifts, have also been recognised (about £3m). However, across the Council, significant savings have been required for several years and in 2015/16 these totalled -£7.5m for Health and Social Care. In addition, a total of £4.6m has been removed from the budget due to the cessation of one-off funding:

#### **Health and Social Care 2015/16 Budget development**

<b>Item</b>	<b>£'000s</b>	<b>Notes</b>
<b>2014-15 Approved Net Budget</b>	<b>203,342</b>	2.6% increase (£5.1m) on 2013/14 Budget
Demographic Investment	5,745	Older People, Learning and Physical Disabilities, and Mental Health
Pay Award	885	1% assumed
Purchasing/Care Home Fees Inflation	1,968	1% on purchasing budgets, 2% for care homes
Change in non recurrent funding	-2,000	One off monies allocated for 2014/15 by City of Edinburgh Council
CEC Change Fund	-2,652	Contribution to Change Fund ceased in March 2015
Other	323	Residual provision for Modernising Pay
Savings	-7,515	See below
<b>2015-16 Revenue Net Budget</b>	<b>200,096</b>	

Item	£'000s	Notes
<b>Change in Budget £'000</b>	<b>-3,246</b>	Cash reduction
% Change in Budget	-1.60%	

3.17 The net position is a budget reduction in 2015/16 of £3.2m or -1.6%, compared with a net £5m budget increase (2.6%) in 2014/15, and is around £9 million less than actual expenditure in 2014/15. This reduction is due to the cessation of one-off funding:

- £2 million in one-off funding provided in 2014/15 to increase care at home capacity and assist with shifting the balance of care from hospital to the community. To date, monies have not been able to be released from hospital beds for transfer to community services.
- The Council has now ceased its one-off contribution of £2.652 million per year to the Change Fund with the cessation of this fund at 31 March 2015. The replacement Integrated Care Fund from 1 April 2015 does not require a contribution from the Council.

### **2015/16 Budget savings**

- 3.18 Health and Social Care has sought to minimise the impact of savings on front-line services by targeting higher staffing reductions on infrastructure and support services, continual service redesign to reduce costs, increased income from charges, and through procurement efficiency savings and other measures.
- 3.19 Over the ten years to 2014/15, Health and Social Care has delivered £47 million in budget efficiency savings, including significant reductions in headquarters and support staff in order to protect front-line services.
- 3.20 The 2015/16 Health and Social Care budget includes £7.5 million of savings agreed by the Council following the budget consultation. Each savings line in the current savings plan is regularly assessed for delivery by the Council's Finance staff and by the senior management team. Staffing savings make up around £2.7m of the total, including further staffing reductions in HQ and support services being delivered by the Infrastructure and Support Services Review, led by the Chief Social Work Officer. Statutory consultation with staff and trade unions on proposed deletion of posts has commenced in relation to the first phase of this Review.
- 3.21 The proposed integrated management structure for Health and Social Care Integration will also deliver significant staffing savings in 2015/16. A report on *Edinburgh Integration Joint Board – Integrated Senior Management Structure* is on Committee's agenda today and indicates that a cost reduction target of 25% has been applied to the proposed structure with the savings shared equally between NHS Lothian and the Council.

## Budget outturn for 2014/15

- 3.22 Demand-led pressures within the 2014/15 budget have been reported to previous meetings of the Council's Finance and Resources Committee. The final outturn is currently projected at £5.588 million (net of mitigating actions). The largest items are those previously reported:
- Growth in Care at Home to meet demographic and NHS Lothian unscheduled care pressures. The Period 5 position had assumed income of £1 million from NHS Lothian, which was subsequently not available.
  - Higher dependency levels of residents in Council Care Homes, with increased staffing ratios to meet Care Inspectorate requirements, reflecting the need to focus the service on people with the highest levels of need.
  - A loss of income for respite care, due to *The Carers (Waiving of Charges for Support) (Scotland) Regulations 2014*, which came into effect on 1 April 2014 without additional Scottish Government funding.
- 3.23 On 12 February, the Council agreed to provide one-off funding of up to £4.75m from the Council Priorities Fund to address the projected 2014/15 Health and Social Care overspend.
- 3.24 The full-year effect of the overspend is a significant element in the budget pressures in 2015/16, alongside the budget reduction. In particular, the full year effect of Care at Home packages that are already in place, and which the 2015/16 Budget cannot fund, is now £7.5 million.

## Budget Pressures in 2015/16

- 3.25 Health and Social Care starts the new financial year with budget pressures of some **£16.5 million**, net of pressures that are already mitigated:
- The total pressure no longer includes funding for **Gylemuir House** interim care home, reported to the Committee last year. This is because NHS Lothian has agreed to the transfer of £1.3m recurrently from the closure of 22 IPCC beds (Inpatient Complex Care), together with one-off funding from carry-forward.
  - Pressures of £1.3 million for **step down** services in one of the Council's care homes are also not included as the element of the service that was to have been funded by NHS bed closures is now being closed.
- 3.26 The remaining budget pressure of £16.5 million is due to:
- the loss of one-off monies from the budget discussed in paragraph **3.16**
  - the full-year effect of the overspend on the 2014/15 budget, mainly care at home packages started in 2014/15 that continue to be required for the full year ahead; and
  - a recent Employment Appeal tribunal ruling that the minimum wage also applies to the time that staff spend undertaking "sleepover" duties. This will affect some of the Council's contracts with private care agencies, with additional costs estimated at £0.8 million. Further information was contained in a separate report to Committee on 13 May on Night Time 'Sleepover' Support Costs.

3.27 Further information on these pressures is provided below:

### Health and Social Care Budget 2015/16: Service Pressures

Ref	Service	Pressure	Reason for Pressure
		£'000	
<b>Domiciliary care</b>			
1	Care at Home	7,500	Full year effect of 2014/15 overspend plus removal of one-off funding. Annual growth has averaged at 10-12% the past two years; no growth will mean increased waiting lists and delayed discharges
2	Care at Home	1,400	Cost of providing 8% growth phased over 2015/16
3	Home Care and Reablement	1,305	Impact of cessation of temporary NHS/SG funding for additional reablement staff in 2014/15.
<b>Residential care</b>			
4	Care Home Dependency Levels	600	Higher staffing levels required to meet higher dependency levels of residents in care homes for older people
5	Purchased Residential/ Nursing Home Places	800	Full year effect of 2014/15 overspend – no growth possible in 2015/16: delays in hospital.
<b>Other purchased services</b>			
6	Day Care Spot Purchase	1,200	Full year effect of 2014/15 overspend – no growth possible in 2015/16:
7	Sleepover Costs – Working Time	800	Care procurement costs of Employment Appeal Tribunal ruling that care workers are entitled to be paid at the rate of the National Minimum wage for hours worked including those during sleep-in shifts.
8	Contract savings pressures	751	Net procurement pressures
9	Direct Payments	1,346	Full-year effect of growth in demand in 2014/15: no growth possible in 2015/16
<b>Income</b>			
10	Loss of Respite Charging Income	800	Loss of income from charges due to implementing unfunded 2014 Regulations waiving charges to carers
<b>TOTAL</b>		<b>16,502</b>	

### Budget controls

- 3.28 Budget controls described in the Chief Executive's report to the Committee on 19 March remain in place; these include: strict staffing and overtime controls, reviewing all agency and temporary contracts, seeking applications for voluntary early release, reductions in working hours and unpaid leave, and the on-going review of high-cost packages as part of comprehensive weekly monitoring of all care purchasing expenditure.
- 3.29 The Director is chairing a monthly cycle of budget challenge meetings with service managers, in addition to the normal management team and financial planning meetings. A monthly corporate Health and Social Care budget challenge meeting is in place, chaired by the Chief Executive or Director of Corporate Governance, with appropriate political representation. Respective senior Council and NHS Lothian officials meet on a regular basis to discuss financial issues.

- 3.30 In addition, detailed guidance was issued to front line staff last year and further revised in February 2015 to assist them meet need at lower cost. Following feedback from managers and practitioners – in team meetings and in a workshop held in 1 May – further revised guidance has now been issued. Additional workshops with staff are planned, both to help entrench the guidance, and equally to identify and share further ideas and good practice on achieving cost reduction.

### **Budget Action Plan**

- 3.31 The Budget Action Plan is at **Appendix 1**. It contains actions that are intended to deliver cost reductions of £11.560 million during 2015/16, leaving a funding gap of just under £5m which Health and Social Care is unable to close without further service reductions.
- 3.32 Of the total of £11.6m, £7.4 million are **management actions already implemented or in progress**. Of these, £2.8m have no adverse service impacts – these are mainly realignment of funding sources, such as the Council’s share (£800k) of the Scottish Government’s part-funding of the 2015/16 National Care Home Contract uplifts (being distributed to councils via health boards); additional Housing Revenue Account contribution to telecare (£550k); additional Integrated Care Fund monies of £400k (subject to ICB agreement); and additional purchasing contract management savings (£385k).
- 3.33 Other management actions have service implications. Unallocated demography monies must now be used to offset unfunded care at home commitments (£1.3m) rather than fund new demand; further restrictions on purchased care home placements (£800k) will reduce new placements that can be funded; and 20 step-down beds purchased in 2014/15 as part of agreed measures to facilitate hospital discharge will not be replaced when placements end. The Council is in dialogue with NHS Lothian over the amount of Scottish Government funding for delayed discharge (£2.457m for Edinburgh) that can be transferred to the Council. The closure of step-down beds in Silverlea (paragraph 3.25 above) means that the remaining 11 long-stay are not viable – the proposal is to re-provision the care home and relocate residents in vacancies in other Council care homes as they arise, and redeploying staff, saving £420k this year. For the last two years, the Council has operated a Carers Payment Scheme, providing assessed carers with personal payments of £250. The scheme has not yet opened for 2015/16 and it is proposed to close this scheme, saving £200k.
- 3.34 The second category concerns **actions that require political agreement** later in the financial year. In January 2015, the Health, Social Care and Housing Committee agreed a three month consultation to replace the current service-based charging policy with a contribution-based policy, whereby people with sufficient income will be asked to make a contribution to the cost of their personal budget. This is being proposed to bring the charging policy into line with Self Directed Support, as recommended by COSLA and the Scottish

Government; however, it is also likely to increase income from charging by £230k if agreed by Committee in the autumn.

- 3.35 Health and Social Care is also considering a new policy proposal that new or reviewed care at home packages would usually not exceed the equivalent net cost of residential care. This is current practice in most English local authorities and in at least one in Scotland. A pilot scheme is being planned to help clarify the impacts on service users and the scale of savings, currently estimated at £250k for six months, and consultation on a proposed scheme is also being planned. The Health, Social Care and Housing Committee will be asked to make a decision in late 2015.
- 3.36 The final group of savings of £3.6m relates to further **demand management**. The revised practitioner guidance intended to reduce the costs for new individual care plans, and a programme of reviews being undertaken by staff seconded to four specialist review teams, are together expected to deliver these savings, which have been costed in detail via revisions to the Financial Allocation System (which under Self Directed Support determines the "Indicative Budget" within which care plans are now developed). The four review teams are expected to start work from the last week in May and will prioritise reviews of mid/high cost care at home packages, Direct Payments, and day care.
- 3.37 Further information on both the pressures and mitigating actions is provided in **Appendix 1** to this report. A "RAG" status has been applied to the proposed mitigating actions to denote the ease (green) or difficulty (red) of achieving the expenditure reductions.
- 3.38 Committee agreed at its meeting on 13 May to request the Chief Executive to report on corporate measures to assist Health and Social Care deliver on its 2015/16 Budget. The Chief Executive will report verbally on measures to address the remaining balance of **£5 million** and to assist Health and Care with the management and resourcing of its transformation programme.

#### **External review by KPMG**

- 3.39 As previously reported, KPMG has been commissioned to provide an external financial assessment of the Council's adult social care services. At the time of writing the draft final report had only recently been received. The recommendations include investing in further demand management by increasing the proportion of new referrals and contacts that Social Care Direct is able to resolve without the need for a community care assessment by social care practitioners; wider use of telecare and assistive technology is also recommended. Recommendations also cover the internal Home Care and Reablement service and working with the external care market to reduce unit costs.

- 3.40 The main strategic recommendations cover up-scaling the current Health and Social Care Strategic work programme so that it is capable of delivering the “transformational” step-changes required. Other recommendations describe the dedicated multi-disciplinary team and governance arrangements needed to deliver the transformational change programme.
- 3.41 The main recommendations are discussed in more detail in **Appendix 2**, alongside an initial response from Health and Social Care.

### **Health and Social Care and transformational change plan**

- 3.42 The **Budget Action Plan** is focussed on bringing expenditure into line with the resources available in the 2015/16 Health and Social Care Budget. For 2016/17, the Integration Joint Board faces a similar task across all Council and NHS health and social care services in scope of integration. Public expenditure faces further years of financial austerity alongside growing demand. Health and Social Care’s current **change programme** is much wider than the measures in the Budget Action Plan but now needs to be more fully developed and resourced to achieve the changes needed for future fiscal sustainability.
- 3.43 The key elements in this programme of work are as follows:
- (1) **Develop a new contract with citizens and communities.** Many councils in England have sought to clarify the respective roles of citizens, families, communities and local government in respect of social care. According to the Local Government Association, this involves “a combination of individuals taking more responsibility for their care and families and communities being supported appropriately to assist”. In the best examples, this is combined with community engagement and development; an “assets-based approach” which seeks “to understand what a person and their family or friends / neighbours might contribute to meeting their own solutions through building on their own skills and strengths”; and with strong partnership working at a local level.
  - (2) Further development of the **Prevention Strategy**, including evidence-based investment influenced by the research that the UK and Scottish Governments are funding into “what works”.
  - (3) Further development of **Social Care Direct** to increase the number and proportion of contacts that receive information, advice, and sign-posting to mainstream services or community support, without the need for practitioner assessment. Since January 2015, Health and Social Care has been running a “**Direct Response Service**” pilot to achieve this through increasing the social care staffing within Social Care Direct – the pilot is being evaluated and initial findings are positive.
  - (4) The Scottish Government expects **Health and Social Care Integration** to be underpinned by joint strategic planning and commissioning. This will

involve developing the Joint Strategic Needs Assessment into a **whole system approach** to measuring and managing current and future demand across the health and care system as a whole.

- (5) **Telecare** is already used as an effective and cheaper alternative to some overnight care, and is being considered as an option to reduce care packages for new and reviewed clients. The **Telecare Strategy** will set out plans for expanding the use of telecare.
- (6) **Unblocking Reablement** is an essential element in the Health and Social Care strategic work programme. Reablement has proved its effectiveness in reducing 40-50% of need for care packages, but currently 37% of people who might benefit cannot be referred because the capacity of Reablement is blocked by people who have been re-abled but cannot be discharged to mainstream care at home due to their lack of capacity.
- (7) **“Outcomes-based” commissioning** is attracting considerable interest in England and is being researched in Health and Social Care – it offers potential for incentivising care providers to increase the independence of service users.
- (8) A number of councils in Scotland have established **arms-length companies** to deliver in-house home care or residential care, and possibly other Council services. In England some of these developments have taken the form of **employee co-operatives**. Health and Social Care is researching these development in order to consider their potential in Edinburgh.

3.44 The Budget Action Plan, and the wider Health and Social Care transformational Change Plan, require programme management resources to assist delivery. KPMG’s recommendations on this issue are included in Appendix 2.

## Measures of success

---

- 4.1 Reduction in potential budget overspend, with least possible damage to services. Other measures of success are as described in the Chief Executive’s report on 19 March.

## Financial impact

---

- 5.1 This is covered in the main report.

## Risk, policy, compliance and governance impact

---

- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with costs pressures, increased demand, and delivering savings



targets are regularly monitored and reviewed and management action is taken as appropriate.

- 6.2 Risks associated with the delivery of the Budget Action plan are identified by the RAG status – mitigation actions are being prepared for those currently at amber or red.

## Equalities impact

---

- 7.1 Measures to reduce budget overspends are likely to increase waiting lists for services for older and people with disabilities.

## Sustainability impact

---

- 8.1 No impacts on sustainability.

## Consultation and engagement

---

- 9.1 This report reflects ongoing discussions with NHS Lothian, but timescales have precluded consultation with other key stakeholders.

## Background reading/external references

---

[Finance and Resources Committee, 27 November 2014. Report by the Director of Health and Social Care on Adult Social Care Budget Pressures, 2014/15.](#)

[Finance and Resources Committee, 15 January 2015. Report by Director of Health and Social Care: Adult Social Care Budget Pressures, 2014/15: Update](#)

[Finance and Resources Committee, 19 March 2015, Report by Chief Executive: Health and Social Care revenue budget - progress update](#)

## Peter Gabbitas

Director of Health and Social Care

Contact: Monica Boyle, Head of Older People and Disability Services

E-mail: [monica.boyle@edinburgh.gov.uk](mailto:monica.boyle@edinburgh.gov.uk); Tel: 0131 553 8319

## Links

---

<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	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

**Appendices**

**Appendix 1:** Health and Social Care 2015/16 Budget Action Plan

**Appendix 2:** KPMG Draft Executive Summary and Health and Social Care Response

**APPENDIX 1**

**2015/16 BUDGET ACTION PLAN**

Ref	Action	Mitigating Action	Net Pressure	Service Impacts		RAG	Lead manager
		£'000	£'000				
<b>Total Net pressure to be mitigated:</b>			<b>16,502</b>				
<b>Management actions being implemented</b>							
1	Use remaining unallocated demography monies	-1,330	15,172	Yes	Demography monies for older people, learning disabilities, and mental health problems used for existing unfunded care at home packages, not new demand in year: increase in waiting lists	Green	MB
2	Additional HRA contribution to telecare	-550	14,622	No	Agreed by Services for Communities, review later in year	G	MB
3	Use unallocated Integrated Care Fund monies	-400	14,222	No	Seek agreement from Integration Joint Board that unallocated monies be allocated to unfunded care at home.	Amber	MB
4	Do not fill Home Care & Reablement vacancies as they arise in year	-700	13,522	Yes	Impact of cessation of temporary NHS/SG funding for additional Reablement staff in 2014/15. Loss of 1,100 hours of Home Care & Reablement service by end of year.	Amber	TC
5	Cease purchase of 20 Step Down Beds via natural turnover	-720	12,802	Yes	Transfer funding for 20 purchased step down beds (as people are discharged) to reduce care at home budget pressures. Requires agreement from Integrated Care Board; assumes phased bed reduction completed by November.	Amber	MB

Ref	Action	Mitigating Action	Net Pressure	Service Impacts		RAG	Lead manager
		£'000	£'000				
6	Constrain new purchased Residential/Nursing Home places to available budget	-800	12,002	Yes	Full year effect of 2014/15 overspend reduces budget available for new care home placements – some impact likely on delayed discharges	Amber	MB
7	CEC share (8%) of £10m Scottish Government funding for National Care Home Contract fees increase	-800	11,202	No	Scottish Government will transfer this funding to councils via Health Boards. Sum to be confirmed.	Green	PG
8	Likely NHS Lothian transfer from Scottish Government funding for delayed discharge	-725	10,477	Yes	Scottish Government delayed discharge funding to NHS Lothian included £2.457m for Edinburgh - £1.1m is being used to fund social care for 55 people being discharged from RVH by end of June: NHSL may need to use £632k to fund RVH wards in April, May and June, leaving £725k for transfer to Council.	Red	PG
9	Procurement saving - additional Intensive Housing Benefit	-400	10,077	No	Saving from reducing purchased care for amount of IHB that can be claimed to fund certain services is larger than estimate already included in 2015/16 savings	Green	CW
10	Further procurement savings	-385	9,692	Some	Contract management savings	Green	CW
11	Reprovision Silverlea care home	-420	9,272	Yes	Reprovision 11 remaining long-stay beds. Relocate residents to vacancies in CEC Care Homes as they arise, and staff redeployed. Saving assumes completed by August.	Green	TC
12	Cease Carers Payment	-200	9,072	Yes	One-off payments have been made for the past two years to carers to assist them with their mental health and well-being and to support them in a caring role.	Green	MG
<b>Actions requiring political agreement (later in 2015)</b>							
13	Proposed change to contribution-based charging policy	-230	8,842	No	Committee agreed three month consultation to replace the current service-based charging policy with a contribution-based policy, whereby people with sufficient income make a contribution to the cost of their personal budget. Following consultation and	Amber	AB/MV B

Ref	Action	Mitigating Action	Net Pressure	Service Impacts		RAG	Lead manager
		£'000	£'000				
					final equalities impacts assessment, the HSCH Committee will be asked to make a decision in late summer/autumn.		
14	Equivalency model for supporting people at home	-250	8,592	Yes	New policy proposal that care at home packages would usually not exceed equivalent cost of residential care. (Based on practice in many English LAs and in at least one Scottish council). Savings estimate is for 6 months only - to be clarified following pilot work commencing by 1.7.15 in parallel with consultation and ERIA preparation. The HSCH Committee will be asked to make a decision in late 2015.	Amber	MVB/MG/NC
<b>Demand management measures</b>							
15	Revised practitioner guidance for new cases and reviews	-1,450	7,142	Yes	Revised practitioner guidance intended to reinforce current eligibility criteria and reduce the cost of care packages has been issued, and further revised following workshops with managers and staff.	Red	MG/NC
16	Reviews of care packages	-2,000	5,142	Yes	Four sector review teams have been established to review cases including Direct Payments, day care, and mid/high-cost care at home packages, using revised practitioner guidance - commencing last week of May. (This saving, and the one above, also require some recalibration of the Financial Allocation System which derives indicative budgets from the assessment information to assist personalised care planning).	Red	MG/NC
17	Respite Policy - reduce annual maximum respite from 42 days to 35 days	-200	4,942	Some	Any carer assessed as requiring more respite care than 35 days in a year will require this package to be approved by a senior manager	Amber	MG/NC
<b>TOTAL BUDGET ACTIONS</b>		<b>-11,560</b>	<b>4,942</b>		<b>Nearly £5 million funding gap</b>		

### KPMG DRAFT EXECUTIVE SUMMARY AND HEALTH AND SOCIAL CARE RESPONSE

This Appendix responds to the recommended actions in KPMG's draft report, and the sections in their Executive Summary on the need for a transformation programme that is appropriately structured and resourced.

#### Recommended actions

The draft Executive Summary states:

"We make a number of specific recommendations that will deliver savings and improve control relatively quickly. H&SC managers indicate that they are already progressing with some of these actions as part of their change programme of Health and Social Care Priority Work Streams, however, we have not seen any specific evidence around which actions are already underway, what savings will be delivered and by when".

KPMG's main draft recommendations on savings are set out below, with Health and Social Care's response:

- (1) "To **increase service users accessing non-Council services**", by "increasing training for SCD staff in the different non-Public Sector services that they can sign-post citizens towards, together with behavioural psychology training on how to help people decide to access these non-Public Sector services".

**Response:** *Social Care Direct (SCD) staff already have access to information on all community services – Council, NHS, other public sector, Third Sector, community and local groups – via Edinburgh Choices and other databases, and use this to help signpost citizens who do not need a community care assessment. Social Care Direct (SCD) resolved 74% of 66,445 contacts received in the 10 months ending April 2015, relating to 66% of the 34,170 people involved, without needing to refer them to Practice Teams for assessment. In addition, a successful pilot project has been running since January 2015 to increase the number of people that Social Care Direct are able to assist. When evaluation is complete, we will be able to compare the costs (additional social care staffing in SCD) and benefits (savings) and decide whether to adopt this model.. Health and Social Care will now also consider KPMG's recommendations about SCD staff training and improving the performance information about "how successful they have been in sign-posting citizens".*

- (2) "Develop the business case for the use of **technology enabled care** and secure additional funding for investing in this technology. Train [assessment and reablement ] teams to maximise the use of assistive technology and in how to maximise the use of technology enabled care. ... Place a particular emphasis on re-assessments and encourage staff to consider the use of technology rather than increasing care support hours or services ... Consider the implementation of care enabled technology to reduce the cost of residential care".

**Response:** *Health and Social Care has done some work in this area already, including revising assessment guidance for practitioners to always consider Telecare/assistive technology as part of any support package, and using telecare to reduce staff sleepover requirements and waking night cover. Technology is also being used to support self-travel for people with learning disabilities. We read KPMG's recommendations as saying we need to do more and will address this in the work being done to develop our Telecare Strategy.*

- (3) **Increase Reablement and Home Care staff client contact time** – "develop changes to the current ways of working that will allow care workers to increase their overall contact time".

**Response:** For many years, contact time has closely monitored and targets set for improvement. While further improvement is still very much the aim, the difficulties in achieving this are significant. The home care service has a high proportion of short duration visits that have increased the travel time. Staff time spent on in supervision, appraisal, training, as well as sick leave, is also scrutinised by managers. Split shifts have also been introduced to ensure support is available at the time of day required by the service users.

- (4) **Unblocking Reablement** “The internal reablement team plays a vital role in reducing the care support requirements of service users. The table opposite shows the outcomes for service users after reablement and shows that 33% of users no longer require care support and, on average across all users, there is a reduction of 37% in care hours thereafter.

“However, the Reablement services is blocked because there are limited places available in the Care@Home market and the internal Home Care service, meaning that service users remain in Reablement for an average of 18 weeks after they have been reabled. Consequently 37% of service users (832 per year) referred to reablement, bypass the services and go on to receive Home Care or Care@Home without having been reabled. If those 832 service users had been reabled the Council would have saved an estimated £3.6m (at £15/hr).

“Similarly, if the blockage was removed and service users could leave the reablement service after (say) 9 weeks, the average number of hours provided per service user would fall from 109 to 50. This would mean the Reablement service would have additional capacity of 850 hour per week, after having provided a service to all referred service users..... If the reablement service could achieve levels of, say, 50% it would further reduce demand by £2.4m (assuming an average care package of 15 hours at £15/hr)”.

**Response:** Health and Social Care recognises that this is a very significant problem. The H&SC Directorate have tried to solve this problem in two ways: incentivising the care at home market to expand capacity, and increasing Reablement staffing using monies provided by the NHS but no longer available for 2015/16. Neither approach has led to a sustained reduction in Reablement blockage. Further options are being considered, including restricting most new care at home placements to people who are “blocking” reablement teams, although in the short term this may delay supporting hospital discharge.

- (5) **Reduce external unit costs by reviewing historic care contracting performance and by** “bringing together a working group of external providers” to work with the contracts team “to identify ways in which the providers’ costs can be reduced and/or capacity can be increased”.

**Response:** Care contracting performance is already closely analysed on a regular basis and care contracts include performance penalties). Work has been done to engage selected care providers in discussions about cost reduction: Health and Social Care will now increase this activity going forward.

Actions and timescales are set out in the Health and Social Care Budget Action Plan and in the wider transformational change plan.

### **Transformation programme**

KPMG’s draft Executive Summary states:

“The Health and Social Care Directorate’s approach has been to implement step-by-step improvements and more recently to “salami-slice” services. This has worked in the past but the demographic and financial pressures are so great now, that there needs to be a step-change in the performance of the Directorate. This step-change will require a clear and

specific programme that will transform the services that are delivered, the way in which they are delivered and the way in which they are managed”.

Health and Social Care considers that this understates the work to date on prevention and demand management, summarised in the main report to Finance and Resources Committee, and the current work-streams set out in the H&SC Strategic Work Programme. However, we accept most of KPMG’s recommendations, as stated in their draft Executive Summary:

“We recommend this programme considers all aspects of H&SC including:

- a transformation to the approach, structure and method of management within H&SC;
- taking a whole system approach to managing demand and the ‘flow’ of service users through Council, NHS and other community services;
- developing a new ‘contract’ with citizens and the community to help individuals to remain more independent for as long as possible;
- working with the third sector and communities to offer an enhanced range of alternative and preventative services;
- implementing new processes and procedure to sign-post citizens towards these other services;
- using technology base care wherever appropriate to improve outcomes and reduce the overall cost of care;
- changing the behaviours of social workers and managers;
- driving consistency in the assessment of service users needs and in the packages of recommended care;
- developing a new approach to the care provider market, commissioning for outcomes rather than inputs;
- increasing the efficacy of the Reablement service so that demand for home care is minimised as far as possible;
- improving the efficiency of the current internally delivered services; and
- implementing robust performance management, where Finance is seen as a business partner to H&SC and where there is ‘one version of the truth’.”

Health and Social Care also agrees that that the **transformational change plan** requires to be fully resourced.

#### **“Programme design**

We recommend that the current transformation programme is re-established with clear terms of reference, objectives, scope and governance arrangements. We have found that these programmes work best where a separate full time multi-disciplinary team is formed that includes people with the following skills:

- Programme and project management;
- Finance and performance reporting;
- Care Assessment;
- Reablement;
- Commissioning and an understanding of care service providers;
- LEAN, process improvement and service re-design; and
- Behavioural and cultural change.

This team would include experienced and respected social care practitioners, who would have the knowledge to be able to develop new ways of working and the confidence of colleagues to do so”.

Mike Brown, Health and Social Care, 26 May 2015

# Finance and Resources Committee

10am, Thursday, 4 June 2015

## Edinburgh Integration Joint Board – Integrated Senior Management Structure

Item number	7.2
Report number	
Executive/routine	
Wards	All

### Executive summary

---

The Finance and Resources Committee has received regular updates regarding the Integration agenda for the Edinburgh Integration Joint Board (EIJB).

The purpose of this report is to seek approval to progress the implementation of a new integrated senior management structure reporting to the Chief Officer, to support the EIJB.

Both NHS Lothian and the City of Edinburgh Council are required to formally agree on the final structure and this report will be presented to the NHS Board for approval on 24 June 2015.

A cost reduction target of 25% has been applied to the proposed structure and the savings are to be shared equally across NHS Lothian and the City of Edinburgh Council.

### Links

---

[Coalition pledges](#)

[Council outcomes](#)

[Single Outcome Agreement](#)



## Edinburgh Integration Joint Board – Integrated Senior Management Structure

### Recommendations

---

- 1.1 Finance and Resources Committee is recommended to :
- Agree the proposed organisational arrangements for the senior management structure reporting to the Chief Officer of the EIJB;
  - Note and agree the arrangements for the joint appointments process for the posts reporting to the Chief Officer.

### Background

---

- 2.1 With the introduction of the new legislation (Public Bodies (Joint Working) (Scotland) Act 2014) and formation of the Edinburgh Integration Joint Board, it was recognised that a new joint management structure is needed to seek to more fully integrate services and respond to the key challenges within Health and Social Care in the coming years.
- 2.2 A key requirement is to deliver on the statutory integration planning principles, which include specifically that services should be provided in a way which so far as possible are integrated from the point of view of service users, and makes the best use of the available facilities, people and other resources.
- 2.3 The key challenges to be addressed include
- Financial challenge, to ensure a balanced budget;
  - Active participation of Primary Care in all of the EIJB's key priorities;
  - Re-design of mental health services, including the Royal Edinburgh Hospital replacement;
  - Integration of mental health and substance misuse services;
  - Integration of learning disability services;
  - Integration of corporate functions, e.g. planning, quality assurance and complaints;
  - Re-design of services based at the Astley Ainslie and other hospital sites;
  - Establishment of integrated locality planning arrangements, which engage with local communities and facilitate them to be more self sustaining;
  - More effective whole system planning and commissioning with primary, community social care and acute services;

- Development of care pathways across primary, community social and acute care;
- Improve the pace for integration.

## Main report

---

- 3.1 The new integrated senior management structure for the EIJB is designed on a localities basis and connects with the Council's agreed transformational change delivery model and as such addresses many of the challenges identified by the Christie Commission which require public sector partners to collaborate at a locality level. It has also been influenced by a number of other factors including the need for a greater focus on primary care and the EIJB is also required to introduce locality planning.
- 3.2 The establishment of four localities, located in the four quadrants of the city also builds upon the previous success of the local health care co-operative in Edinburgh. It has been agreed that the direction for all Council services and Police Scotland is that they will operate to co-terminus boundaries.
- 3.3 Both NHS Lothian and the City of Edinburgh Council are required to formally agree on the final structure and give permission for implementation to commence.
- 3.4 There have been a number of proposed options discussed in the development of the proposed structure for the EIJB and at the Leadership Group on 7 April 2015, members supported and approved, in principal, the structure as attached at Appendix 1.
- 3.5 In recognition that both NHS Lothian and the City of Edinburgh Council are reviewing their senior management cohort and their corporate services functions, it is proposed that, at this time, only those posts that directly report to the Chief Officer are filled. These are the posts which have responsibility for operational delivery, provision of professional leadership and those functions that are stipulated under regulation, such as the Chief Finance Officer (Section 95 Officer) and those corporate functions that are delegated and require EIJB oversight, e.g. performance and research.
- 3.6 The posts which are to be progressed are as follows:
  - Locality Manger (4 posts)
  - Chief Nurse
  - Associate Medical Director
  - Director of Mental Health and Substance Misuse
  - Director of Strategic Resources, Planning, Performance and Commissioning (this post will also undertake the Accountable Officer functions (Section 95 Officer) for the EIJB).

- 3.6 The revised structure recognises that the role of the Chief Social Work Officer will not be embedded in the integrated senior management structure of the EIJB but will provide professional governance to the EIJB through the City of Edinburgh senior management structure and *Organise to Deliver* proposals.
- 3.7 A protocol outlining the organisational change process and joint appointment arrangements has been developed across both organisations. The appointments process had been developed in line with the principles of the organisational change arrangements applicable to NHS Lothian and City of Edinburgh Council, whereby restricted competitive interviews are proposed when direct 'matching' cannot be applied.
- 3.8 A joint appointments panel will be constituted for the purpose of selection recognising that these are Senior management posts. The proposed composition of the panel will include the Chief Executives of City of Edinburgh Council and NHS Lothian, Director of Health and Social Care, Shadow Edinburgh Health and Social Care Partnership Chair and Vice Chair supported by HR Advisers.
- 3.9 In relation to the post of Director of Strategic Resources, Planning, Performance and Commissioning, the interview panel will include a senior finance representative, as this post includes the Section 95 function for the EIJB.
- 3.10 Following agreement to proceed with the integrated senior management structure, finalised job descriptions will be evaluated by both the City of Edinburgh Council and NHS Lothian. This recognises the commitment, agreed with the Trades Unions, to allow post holders who are appointed to new posts to remain under the terms and conditions of their existing employer.
- 3.11 Introduction of the new integrated staffing structure will be undertaken in two phases. The subject of this report is relevant to Phase 1 and will identify those who will directly report to the Chief Officer. Phase 2 will be development of the remaining structure following detailed consideration of proposed service delivery models to support integrated service delivery.
- 3.12 The Chief Officer appointment process is currently being considered and a formal appointment by the EIJB can not be made until such times as the EIJB is formally constituted. Both Chief Executives of NHS Lothian and City of Edinburgh Council are required to draft a proposal in preparation for the EIJB on the process and arrangements for appointment. There is currently no national guidance in relation to this.
- 3.13 It is envisaged that there will be a period of transition between phases 1 and 2, where managers will have dual responsibility during this period of transition and where practicable, areas will be aligned to maximise the benefits of integration and pace of change required.
- 3.14 By implementing the structure in two phases there will be the opportunity for senior managers to inform the development of individual sub structures through service re-design based on the development of pathways to support integrated

service delivery. It is anticipated that sub structures will be completed during late 2015 into early 2016.

- 3.15 The proposed structure has been subject to consultation and discussions with a range of stakeholders in particular staff and Trades Unions.

### **Measures of success**

---

- 4.1 Development and operation of an affordable and sustainable business model aligned with both NHS Lothian and City of Edinburgh Council principles of organisational design and service delivery.
- 4.2 Delivery on the statutory integration planning principles as detailed in regulation.
- 4.3 Delivery of the strategic commissioning plan for the EIJB.
- 4.4 Delivery of the performance indicators as set by Scottish Government on which all IJBs will be measured.

### **Financial impact**

---

- 5.1 The proposed structure has anticipated savings of £300k; this is based on management costs of £1.5m. The savings will be achieved due to a net reduction in 4.5 FTE through merging of two tiers of management to form a flatter senior management structure.

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

---

- 6.1 This report is primarily for elected members' information, any potential impact in relation to risk and governance will be addressed during the implementation phase and reported back to members.

### **Equalities impact**

---

- 7.1 The recommendations described within this report are relevant to the Equality Act 2010 public sector equality duty. As such, the new proposed structure is subject to equalities impact assessment. In summary, this means this assessment indicates that opportunities to tackle discrimination and harassment, advance equality of opportunity and foster good relations are greatly improved through enhanced locality working.

### **Sustainability impact**

---

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh through the joining of health and social care resources which will be used more effectively to meet and manage the demand for health and social care services.

## Consultation and engagement

---

- 9.1 These proposals have been subject of agreed consultation with both employers' staff organisations and trade unions. In addition there has been consultation and communication with the affected staff and their teams. Ongoing dialogue regarding implementation arrangements is anticipated.

## Background reading/external references

---

### **Peter Gabbitas**

Director Health and Social Care

Peter Gabbitas, Director Health and Social Care

E-mail: [peter.gabbitas@edinburgh.gov.uk](mailto:peter.gabbitas@edinburgh.gov.uk), | Tel: 0131 553 8201

## Links

---

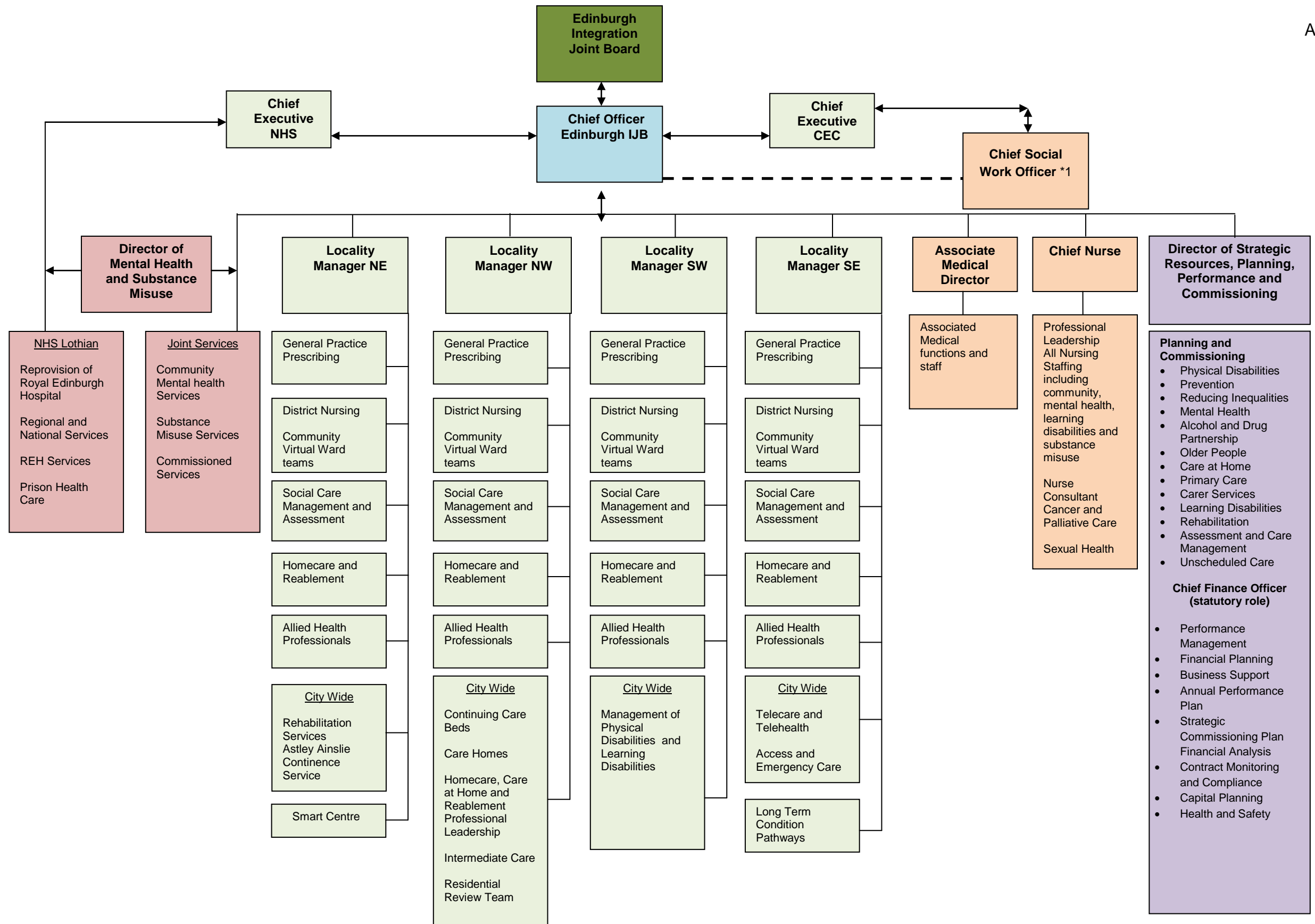
**Coalition pledges**

**Council outcomes**

**Single Outcome**

**Agreement**

**Appendices**



\*1 Chief Social Work Officer will provide professional advice and governance to the Integrated Joint Board for Adult Social Care and to the Integrated Children's Partnership. The post holder will report directly to the Chief Executive CEC.

General note: Corporate Edinburgh Integration Joint Board Service support functions will be determined through discussion with NHS and Council.

# Finance and Resources Committee

10am, Thursday, 4 June 2015

## Health and Social Care Integration – Update

<b>Item number</b>	7.3
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

---

This report presents an update on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working) (Scotland) Act 2014.

### Links

---

<b>Coalition pledges</b>	P12 and P43
<b>Council outcomes</b>	CO10, CO11, CO12, CO13, Co14, Co15
<b>Single Outcome Agreement</b>	SO2

## Health and Social Care Integration – Update

### Recommendations

---

- 1.1 Members are recommended to note:
  - 1.1.1 That comments have been received from Scottish Government on the Integration Scheme;
  - 1.1.2 Subject to approval of the minor amendments, the first IJB meeting could be 17 July 2015;
  - 1.1.3 The latest Scottish Government guidance on ‘aids and adaptations’ including Housing Revenue Account element;
  - 1.1.4 The Council must review its governance and committee arrangements to ensure the IJB is given its statutory role; and
  - 1.1.5 The Council must establish and agree how it will provide business support functions to the IJB, jointly with NHS Lothian.

### Background

---

- 2.1 Finance and Resources Committee requested regular update reports to track progress with the work associated with Health and Social Care Integration. This is the fifth report in 2015.

### Main report

---

#### Integration Scheme

- 3.1 Further to the timetable shared in the report to Finance and Resources Committee in May, minor comments were received on the Integration Scheme from Scottish Government on 29 April.
- 3.2 Council delegated approval of minor changes to its Chief Executive at the meeting on 12 March 2015.
- 3.3 The Integration Scheme must be signed off by the Cabinet Secretary. If this is done by 19 May, the Order can be laid before Parliament for 28 days, prior to Parliament summer recess.
- 3.4 A very quick turn-around of the required changes is required in order to meet this Scottish Government deadline. If met, it will be possible to establish the IJB by the end of June and for the first meeting to be held on 17 July 2015.



- 3.5 If there is slippage, then it is likely that the Order will not be laid before Parliament until after the summer recess and the IJB will be established in late August/early September 2015.
- 3.6 Please note that the formal delegation of functions and resources will not happen until the Strategic Plan is approved by the IJB and this is unlikely to be before December 2015.

## **Latest Guidance**

- 3.7 Legislation requires the Council to delegate functions associated with aids and adaptations in so far as they relate to adults with social care needs. The Council included this within its Final Integration Scheme.
- 3.8 Aids and adaptations are provided to Council housing tenants through the Housing Revenue Account (HRA). In the absence of detail from Scottish Government, the matter of resources associated with this delegation remained unclear at that time.
- 3.9 Scottish Government released guidance on Council 'Aids and Adaptations' on 30 April 2015. This makes clearer that funds associated with aids and adaptations included within the HRA must be delegated to the IJB and be included within the Strategic Plan process. Arrangements must be made to ensure that the HRA funds can be 'ring-fenced' within the IJB budget so that the funds can be managed in line with HRA rules.
- 3.10 Work is in hand to consider the implications of this and to develop appropriate arrangements.

## **Impact on the Council**

### **Review of Existing Governance Arrangements**

- 3.1 The Committee was advised in May of Scottish Government's expectation that the Integration Joint Board will be fully responsible for carrying out the functions delegated to it. Scottish Ministers expect that the IJB or its members will have operational responsibility for the delegated functions.
- 3.2 However, as the IJB will not employ staff, the Health Board and the Council will deliver services in line with IJB directions and on its behalf. The consequence of this is that operational governance responsibility lies across three organisations (the Health Board, the Council and the Integration Joint Board).
- 3.3 The principle agreed in the Integration Scheme is that existing governance structures will be reviewed and amended, to reduce potential for duplication, and that the IJB will have the authority to develop additional governance committees if these are required.

- 3.4 The Council will therefore need to review the terms of reference and membership of relevant committees to accommodate the role of the IJB prior to the formal delegation of functions and will need to consult the IJB on this once it is established.

### **Council Transformation Programme**

- 3.5 A statutory requirement of the Public Bodies legislation is to integrate health and social care functions from the point of view of recipients. This is to be achieved via the role of the Chief Officer who is required to operationally manage the majority of integrated services. This impacts on the Council's organisational structure and creates a strong dependency with the Council's transformation programme.
- 3.6 A proposed organisational structure for Council social care and NHS Lothian health functions has been prepared, for consideration elsewhere on this agenda. This structure integrates the management of NHS health functions and Council adult social care functions under the line management of the IJB Chief Officer, who will also be a Director within both NHS Lothian and the Council.
- 3.7 The Integration Scheme guidance also requires that both NHS Lothian and the Council will provide joint business support functions to the Integration Joint Board.
- 3.8 A starter list of the business support functions has been prepared for discussion between NHS Lothian and the Council. Some areas are primary functions delegated to the IJB, such as strategic planning, research and performance; others are more general and form part of the general operational oversight of delegated functions. The functions listed impact on the Council's transformation business support services work stream.
- 3.9 It is important to work through the dependencies with the Council's transformation programme work streams to avoid duplication and to ensure compliance with statute. This work has begun and the report elsewhere on this agenda about the Council's transformation programme 2015 will outline assumptions and dependencies with the integration programme.

### **Next steps**

- 3.10 Work is continuing on the key steps required to establish the IJB, in addition to those identified above, to allow it to get ready for the delegation of functions and resources. This includes progressing the variety of tasks agreed in the Scheme and the development of the Strategic Plan.

3.11 The tasks are being undertaken across NHS Lothian and the four councils within the Lothian area and outputs are being shared and adjusted to local circumstances.

3.12 Specific areas include:

- Work has begun in the Council to formalise the governance arrangements of the IJB e.g. prepare Standing Orders and further work is required on clinical and care governance arrangements.
- The financial work stream is being progressed by the Pan-Lothian work group and the current focus is on financial regulations/scheme of delegation.
- Discussions have taken place between the respective internal auditors to start the process of agreeing a joint financial assurance work programme. The Council, NHS Lothian and the IJB itself need to be assured that the arrangements are established on a sustainable footing and that all associated planning assumptions and risks are well understood by all parties.
- Consultation on the first draft of the Joint Strategic Needs Assessment, which will inform the content of the Strategic Plan.
- Consultation on stakeholder aspirations for the Strategic Plan through the shadow strategic planning arrangements.
- Development of the processes for appointing both the Chief Officer and Chief Finance Officer for the Edinburgh IJB.

## Measures of success

---

- 4.1 The Scottish Government has issued National Outcomes for the delivery of integrated Health and Social Care as part of the final Regulations. These are as expected. [National Health and Wellbeing Outcomes Framework](#)
- 4.2 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is continuing on a joint framework for the future.
- 4.3 The content of the Annual Performance Report is set out in Regulations and includes performance with respect to the integration planning principles and in respect of localities.
- 4.4 The Final Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.

## Financial impact

---

- 5.1 It is estimated that the Integration Joint Board will encompass a combined budget in the transition year of 2015/16 of around £590 million; c£200 million of Council funds, c£300 million of community health NHS Lothian funds, and an early estimate of acute hospital related 'set aside' funds of c£90 million.
- 5.2 A report is due in May 2015 on the Council's financial strategy, which will give an early estimate of the Council element of the Integration Joint Board resources for 2016/17, i.e. the first full financial year of the Integration Joint Board. The position in NHS Lothian is more complex, due to the need to 'disaggregate' regional budgets for 2015/16, in line with Scottish Government guidance and then roll forward into 2016/17, in line with NHS financial planning arrangements.
- 5.3 The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The delegated resources will be subject to financial assurance in order for the Integration Joint Board to understand any underlying financial risks. This process is set out in the Final Edinburgh Integration Scheme.
- 5.4 The Strategic Plan will identify how the resources are to be spent to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings. Planned variances will be retained by the Integration Joint Board, which will have the power to carry reserves.

## Risk, policy, compliance and governance impact

---

- 6.1 A detailed risk log is maintained for the Integration Programme and reported through the status reporting process to the Shadow Health and Social Care Partnership and through the CPO Major Projects reporting procedure.
- 6.2 Major risks to both the Council and NHS Lothian as a result of the programme of change are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.
- 6.3 The approach to risk management for the Integration Authority and respective parties is set out in the Final Edinburgh Integration Scheme and discussions are ongoing between Council and NHS Lothian.

## Equalities impact

---

- 7.1 The integration of health and social care services aims to overcome some of the current 'disconnects' within and between existing health and social care services for adults, to improve pathways of care, and to improve outcomes.
- 7.2 Furthermore, the intention is to improve access to the most appropriate health treatments and care. This is in line with the human right to health.

- 7.3 A combined impact assessment procedure between NHS Lothian and Health and Social Care has been developed. This will be used for all impact assessments as required across the joint service once the Integration Joint Board is fully established.
- 7.4 An impact assessment of all four Lothian Draft Schemes was completed on 10 February by representatives from NHS Lothian and the four Lothian councils.

## Sustainability impact

---

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh because:
- joint health and social care resources will be used more effectively to meet and manage the demand for health and care services;
  - they will promote personal wellbeing of older people and other adults in needs of health and social care services; and
  - they will promote social inclusion of and care for a range of vulnerable individuals.

## Consultation and engagement

---

- 9.1 Consultation and engagement form a key work stream in the programme. A number of events have taken place and mechanisms are being established to ensure the Shadow Health and Social Care Partnership is engaging at all levels. This included the recruitment of service users and carers as members of the Shadow Health and Social Care Partnership, with the express purpose of bringing their own perspective to the discussions. A comprehensive engagement programme is also underway to engage with a wide range of staff and practitioners across health and social care services.
- 9.2 A full report on the consultation on the Integration Scheme was provided to Council on 30 April 2015.
- 9.3 The Strategic Commissioning Plan process is developing a co-production approach to ensure timely and productive engagement with key stakeholders. The Statutory Strategic Planning Group has been established in shadow form and met for the first time in March 2015. Its programme of work includes consulting on the Draft Joint Strategic Needs Assessment, engaging to develop Edinburgh's priorities for the Strategic Plan and the form and content of the Plan itself.

## **Background reading/external references**

---

[Finance and Resources Committee – 13 May 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 30 April 2015, Health and Social Care Integration Scheme - Consultation Responses](#)

[Health, Social Care and Housing Committee – 21 April 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 19 March 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 12 March 2015, Health and Social Care Integration Scheme: Final for Submission.](#)

Finance and Resources Committee – 3 February 2015, Health and Social Care: Draft Integration Scheme Consultation.

Health, Social Care and Housing Committee – 27 January 2015, Draft Integration Scheme Consultation.

Corporate Policy and Strategy Committee – 20 January 2015, Health and Social Care Integration Scheme: Draft for Public Consultation.

Finance and Resources Committee – 15 January 2015, Health and Social Care Integration; General Update.

City of Edinburgh Council – 11 December 2014, Health and Social Care Integration Scheme; Update on Draft Integration Scheme.

Finance and Resources Committee – 27 November 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 October 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 September 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 28 August 2014, Health and Social Care Integration Update.

Corporate Policy and Strategy Committee – 5 August 2014, Health and Social Care Integration – Options Analysis of Integration Models.

Corporate Policy and Strategy Committee – 5 August 2014, Response to Draft Regulations relating to the Public Bodies (Joint Working) (Scotland) Act 2014.

See reports above for earlier reporting.

### **Peter Gabbitas**

Director of Health and Social Care

Contact: Susanne Harrison, Integration Programme Manager

E-mail: [susanne.harrison@edinburgh.gov.uk](mailto:susanne.harrison@edinburgh.gov.uk) | Tel: 0131 469 3982

## Links

---

<b>Coalition pledges</b>	Ensuring Edinburgh and its residents are well cared for.
<b>Council outcomes</b>	Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it.
<b>Single Outcome Agreement</b>	Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	None

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Accounts Commission Review of Treasury Management

Item number	7.4
Report number	
Executive/routine	
Wards	

### Executive summary

---

The Accounts Commission has produced a review of Treasury Management in local authorities across Scotland. The review concluded that although Treasury Management is a highly complex technical area, it is a professionally run function in local authorities and that local authorities were complying with the relevant codes of practice and regulations. However, it also concluded that further work needed to be done by officers to demonstrate the long term affordability and sustainability of borrowing and that the Treasury Management function needs to be subject to robust scrutiny by Elected Members.

### Links

---

Coalition pledges	P30
Council outcomes	C025
Single Outcome Agreement	S01



## Accounts Commission Review of Treasury Management

### Recommendations

---

- 1.1 It is recommended that the Committee:
  - 1.1.1 Note the Accounts Commission report and its recommendations;
  - 1.1.2 Note that the reporting of Treasury Management activities will be reviewed;
  - 1.1.3 Consider how scrutiny of Treasury Management could be improved within the Council and what further support would assist in delivering that scrutiny; and
  - 1.1.4 Refer the report to the Governance Risk and Best Value Committee for their further consideration.

### Background

---

#### Review Objectives

- 2.1 The Accounts Commission published a report in March 2015 on borrowing and Treasury Management in Councils. This report assessed how councils show best value in borrowing and treasury management decisions. Its specific objectives were to answer:
  - What is borrowing and treasury management in councils?
  - To what extent do councils' borrowing and treasury management strategies meet good practice and contribute to corporate plans and priorities
  - Can councils demonstrate the affordability and sustainability of borrowing decisions? For example can they show that borrowing will not adversely affect their financial position? Will that continue to be the case in the future?
  - How effective are the governance arrangements for borrowing and treasury management? Governance covers areas such as responsibility and accountability for borrowing and treasury management decisions, arrangements for reporting decisions and for scrutinising them

## Review Methodology

- 2.2 The review was carried out on behalf of the Accounts Commission by Audit Scotland and had three main components:

**Data analysis:** Audit Scotland analysed information on borrowing and debt from councils' audited accounts, CIPFA statistics and the Scottish Government in order to inform a selection of 12 councils for further desk research.

**Desk research:** They reviewed a range of relevant written material on borrowing and treasury management, focusing on the treasury management strategies for the 12 councils. They also looked at the committee arrangements for consideration of these and other treasury management reports which informed their sample of six councils for interview. The City of Edinburgh Council was one of the 12 councils included in the desk research but not one of the six councils for the field work.

**Interviews with councils and stakeholders:** They visited six councils to find out more about their approach and strategy for treasury management, their governance arrangements and scrutiny and training for councillors. They spoke to council leaders and councillors about their role in scrutinising borrowing and treasury management and their experience of the training and support received. They also interviewed representatives from organisations including the Scottish Government, CIPFA and the CIPFA Scottish Treasury Management Forum.

## Main report

---

### Key Messages

- 3.1 The Key Messages identified by the Accounts Commission in the report are that:
- 3.1.1 Councils have total debt of £14.8 billion of which £12.1 billion, 82 per cent, is from borrowing. Debt commits councils to charges over the long term. There are different types of debt with different features and varying degrees of risk.
  - 3.1.2 Borrowing is a key source of finance for councils to invest in vital public services. Overall borrowing has remained at around £12 billion for the last three years, with total assets of £39 billion. Councils have developed borrowing strategies to suit their own local priorities and needs, in response to the flexibility introduced by the Prudential Code in 2004. Seventeen councils have increased their borrowing levels, in real terms, over the last ten years.
  - 3.1.3 Councils are following the general principles of the relevant codes of practice in demonstrating short-term affordability, but they are not always highlighting the strategic importance of borrowing and treasury management or clearly analysing and reporting the long-term affordability and sustainability of their borrowing. Councils need to develop detailed analysis to support borrowing decisions and to demonstrate they represent best value for the council.

- 3.1.4 Treasury management is a professionally run function in councils with appropriately qualified officers. Succession planning, ongoing training and the availability of appropriate professional qualifications are important. Councils have started to integrate their treasury management and capital investment functions which is a positive step.
- 3.1.5 Councils need to improve scrutiny of borrowing and treasury management. This is a complex and technical subject and officers need to provide wider training and support to councillors, and also provide clearer, more accessible reports. The current governance structures in some councils could be improved to support more effective scrutiny.
- 3.2 The review found that Treasury Management was being undertaken professionally at an officer level, and that all the relevant codes of practice and regulations were generally being adhered to. However, the Accounts Commission believe that more work needs to be done to analyse the long term financial implications of borrowing decisions and link them more closely to corporate and capital plans. Although they acknowledge the highly complex and technical nature of Treasury Management activities, they consider that information could be presented more clearly to Elected Members. They also consider that the scrutiny of borrowing and Treasury Management activities by Elected Members could be improved.

## **Review Recommendations**

- 3.3 The Recommendations made by the Accounts Commission in the report are that:

### **Council officers should:**

Use the treasury management strategy to present a wider strategic view of borrowing and treasury management. It should use clear and accessible language and be prepared for councillors as the key audience. It should include how the borrowing strategy is informed by corporate priorities and capital investment needs. The strategy should include:

- links to capital investment plans and corporate objectives
- all borrowing and other debt
- prudential indicators as a core part of the strategy
- a clear assessment of the affordability and the impact on revenue budgets both in the short and long term

Create more detailed and longer-term borrowing and treasury management analysis as informed by the council's financial strategy. It should include:

- scenario planning to show the potential impact of different budget scenarios, income generation plans, and changes in external factors such as interest rates
- analysis of capital financing options to compare affordability and sustainability between different debt and borrowing options
- the use of indicators over a longer period than the minimum three years set by the Prudential Code

Share strategies with other councils to help inform good practice, and exchange of ideas• carry out joint planning with other councils to identify future qualification and training needs and enhance their capacity, in order to negotiate with training providers

Review the content of year-end reports to ensure they provide an assessment of the effectiveness of the year's borrowing and treasury management activities and the performance of the treasury management function. This should include appropriate indicators, comparative figures, and appropriate explanations.

**Council officers and councillors involved in treasury management should:**

Review governance arrangements, and update as necessary, to ensure they provide:

- the treasury management strategy, mid-year and year-end reports to the same council committee, and that the full council has access to them
- councillors with mid-year reports by the end of December each year– councillors with the wider picture, that is, make the links to capital investment decisions and revenue budgets
- councillors with access to all reports relating to borrowing and treasury management activity including risk registers

Ensure scrutiny arrangements are robust by:

- considering widening the range of training options to councillors on borrowing and treasury management activities and whether this training should be mandatory
- considering whether training for councillors provides a balance of scrutiny skills and knowledge of treasury management.

3.4 The following sections detail the actions being taken in Edinburgh as a consequence of the report.

## Reporting Arrangements

- 3.5 The Accounts Commission consider that both the layout and the content of treasury management reports could be improved. From the recommendations above, they also want additional information on links to the capital investment plan and corporate objectives included in the Treasury Strategy report. For a large authority such as Edinburgh, the strategy report is already a substantial document. However, internal audit have previously commented on the readability of the report, and although it was reviewed, a further review of all three of the main treasury management reports will be undertaken to ensure their adherence to the recommendations above.
- 3.6 In addition, it is proposed to bring forward a separate report on risk within Treasury Management and how these risks are being managed or mitigated. This will allow Elected Members the opportunity to review the Treasury Management Risk Register and ensure that the risks are being managed appropriately.
- 3.7 The only adverse comment regarding The City of Edinburgh Council in the Accounts Commission's report was in Paragraph 70 where they noted that the Prudential Indicators are currently monitored as part of the capital monitoring process throughout the year, but the outturn not reported in the Annual Treasury Management Report. From the 2014/15 Treasury Management Annual Report, a comparison of the Prudential Indicators with the estimate in the Treasury Strategy will be included within both the Annual Report and the Mid-term update report.

## Governance and Scrutiny Arrangements

- 3.8 The review was clear that although Treasury Management is a professionally run function, scrutiny by Councillors could be better and that Councillors need further support to improve their scrutiny role. The report states that:

*“Borrowing and treasury management decisions are complex and involve a significant level of financial risk. It is essential that any decisions are effectively scrutinised to demonstrate sound financial management and help councils achieve their local outcomes and priorities. Councils’ scrutiny committees are a vital part of a council’s governance arrangements and it is important that these committees are effective. Councils have a responsibility to ensure that those charged with governance have access to the skills and knowledge they need to carry out their role effectively. The councillors on committees need to have a combination of technical knowledge and scrutiny skills for the committee to be most effective. Those charged with governance also have a personal responsibility to ensure that they have the appropriate skills and training for their role. We found that councils provide both scrutiny training and treasury management training to councillors. Scrutiny training tends to be provided at the start of a political term, or for new councillors, as part of the induction process.*”

*In areas of high importance and complexity, such as treasury management, additional scrutiny arrangements can be put in place. For example:*

- *Councils seek members with appropriate expertise for the relevant scrutiny panel.*
- *Councils nominate lead members for borrowing and treasury management to help guide other members.*
- *Councils seek external expertise to help members on the scrutiny committee.*

*The most important aspect of scrutiny is the challenge of reports and information presented to councillors through asking questions. We found variation in the type of questions that councillors ask, from issues of detail to clarification of the meaning of phrases in reports. Some councillors told us that they are not always confident in challenging the strategy and framework for future decisions and asking questions about the content of reports. Many have built up trust and confidence in officers and look for officers to highlight issues or problems for them. All councillors we spoke to would welcome additional support in their scrutiny role. We have prepared a supplement to this report which includes questions to help councillors in their scrutiny role.”*

- 3.9 Although the City of Edinburgh Council was not one of the six Councils where Elected Members were interviewed, members of both the Finance & Resources and the Governance Risk and Best Value Committees are invited to reflect on the comments above and consider how the scrutiny of the Treasury Management function could be improved as well as what additional support they believe would assist in undertaking their scrutiny role.
- 3.10 Training in treasury management essentials has previously been offered to Elected Members with only a relatively modest take up. The offer by officers to provide training on a 1 to 1 or small group basis still stands. However, as recommended in the Accounts Commission report, other means of providing the training such as online training will be considered.

## Measures of success

---

- 4.1 An increase in the level of scrutiny for the Council's Treasury Management function.

## Financial impact

---

- 5.1 There are no financial implications arising directly from the contents of this report.

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

---

- 6.1 The City of Edinburgh Council currently complies with all the relevant Treasury Management and Prudential Codes of Practice and regulations. However, Treasury Management decisions involve a significant level of financial risk and the proposals in this report are designed to strengthen the scrutiny and governance of the Treasury Management function within the Council.

## **Equalities impact**

---

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

## **Sustainability impact**

---

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

## **Consultation and engagement**

---

- 9.1 Not applicable.

## **Background reading / external references**

---

[Main Accounts Commission Report](#)

[Supplement for Councillors](#)

### **Alastair Maclean**

Director of Corporate Governance

Contact: Innes Edwards, Principal Treasury and Banking Manager

E-mail: [innes.edwards@edinburgh.gov.uk](mailto:innes.edwards@edinburgh.gov.uk) | Tel: 0131 469 6291

## Links

---

<b>Coalition pledges</b>	<b>P30</b> - Continue to Maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	<b>C025</b> - The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	<b>SO1</b> - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	



# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Financial Strategy 2015/16 to 2019/20

Item number	7.5
Report number	
Executive/routine	
Wards	

### Executive summary

---

The Council faces well-documented challenges in reconciling increasing demands for its services with a reduction in total funding. The strategy therefore sets out a broad principle-based framework within which available resources will be aligned to the Council's key priorities going forward.

An update on recent work reviewing the appropriateness of the level of demographic provision contained within the Long-Term Financial Plan is also provided.

### Links

---

Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

## Financial Strategy 2015/16 to 2019/20

### Recommendations

---

- 1.1 To note the Council's financial strategy for the period 2015/16 to 2019/20 and that updates on progress will continue to be reported to the Committee going forward.

### Background

---

- 2.1 The Council continues to operate in a challenging environment, with increases in service demand, complexity of need and service user expectations all set against a backdrop of steady real-terms reductions in the level of available resources through Government Grant and Council Tax.
- 2.2 In view of these conflicting pressures, the Council has established a transformation programme, [an overview of which](#) was reported to the Corporate Policy and Strategy Committee on 12 May 2015. This programme is geared towards building a lean and agile organisation, centred on customers, services and communities, and underpinned by significant investment to deliver both service benefits and financial savings. It is important to emphasise, however, that substantial further savings will be required to allow a sustainable position to be achieved going forward.
- 2.3 Sound financial management forms a key foundation of the plan. The financial management workstream therefore focuses not only on the development of options to address the overall funding gap but also on tracking subsequent delivery of the related financial savings and other service impacts. This enhanced scrutiny has been reinforced by the establishment of monthly "budget challenge" meetings, attended by the Chief Executive, Service Directors, the Head of Finance and key elected members.

### Main report

---

- 3.1 Given the scale of the challenge facing the Council, a medium-term financial strategy covering the period 2015/16 to 2019/20 has been developed and is included as Appendix 1. The strategy sets out the principal assumptions and approaches in identifying the total level of funding required to deliver the Council's services and a framework for deploying resources in the most efficient and effective manner, consistent with wider objectives.
- 3.2 The strategy is underpinned by a number of guiding principles, namely:

- maximising investment in those frontline services reflecting the priorities of the citizens of Edinburgh;
  - investing, wherever practicable, in preventative activity and “right first time” principles;
  - maximising income, whilst keeping charges affordable through taking appropriate account of service users’ ability to pay;
  - maintaining earmarked and unallocated reserves at a level consistent with the risks and liabilities to which the Council is exposed whilst providing for investment in technology and/or service transformation to release staffing efficiencies; and
  - undertaking additional borrowing only insofar as this is prudent, affordable and sustainable.
- 3.3 In addition to recapping key planning assumptions around expenditure and income, the strategy provides, in sections 2.9 to 2.16, an update on work assessing the on-going appropriateness of current levels of demographic-related provision included within the long-term financial plan.
- 3.4 This review has concluded that existing levels of provision for Health and Social Care services, specifically those reflecting increasing numbers of older people and those with physical and/or learning disabilities, remain broadly consistent with updated client volumes and the associated complexity of this need.
- 3.5 For Children and Families services, significant additional pressures have been highlighted, mainly stemming from sustained increases in birth rates and the numbers of at-risk children. It is therefore recommended that £2.1m of the additional demographic-related pressures identified in 2016/17 be funded by means of savings relative to previous estimates in respect of increases in National Insurance contributions effective from April 2016. In view of continuing incremental demographic-related pressures thereafter, opportunities will be examined to realise further savings in Council Tax and loans charges.
- 3.6 More generally, however, the extent of the savings requirement across the Council reinforces the need to focus investment on key priorities if a sustainable way forward is to be found.

## Measures of success

---

- 4.1 Relevant measures in setting the Council’s revenue budget include:
- Accurate capturing and quantification of the key determinants of the Council’s overall expenditure requirement and available sources of income,

allowing a balanced overall budget for 2016/17 and subsequent years to be set as part of a longer-term sustainable framework;

- Development of savings and investment options aligned to the Council's priority outcomes, with due opportunity provided for public consultation and engagement; and
- Subsequent delivery of the approved savings, particularly where these are linked to additional service investment.

## **Financial impact**

---

- 5.1 Inclusion of any additional revenue investment within the budget framework is contingent upon the development, and subsequent delivery, of corresponding savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

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

---

- 6.1 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the anticipated service impacts outlined in the respective budget templates.
- 6.2 Recent improvements to the budget monitoring process should also enhance CLG and elected member scrutiny of the management of service pressures and delivery of approved savings.

## **Equalities impact**

---

- 7.1 As in previous years, those proposals comprising the budget framework will be assessed for their corresponding potential equalities and human rights impacts. The results of these assessments will be referred to Council to ensure that members pay due regard to them in setting the Council's 2016/17 budget on 11 February 2016.

## **Sustainability impact**

---

- 8.1 The proposals comprising the budget framework will also be subject to an assessment of their likely corresponding carbon impacts. As with the equalities impacts, the results of these assessments will be referred to Council to ensure that members pay appropriate regard to them in setting the Council's 2016/17 budget on 11 February 2016.

## Consultation and engagement

---

- 9.1 As in previous years, draft budget proposals will be the subject of around eleven weeks' public engagement and consultation, with the feedback received shaping the final budget in February. In addition, Directors have been asked to take explicit account of the priorities of the city's residents as expressed through the budget planner in developing proposals to address residual savings requirements.

## Background reading/external references

---

[Revenue Budget Framework 2016/20](#), Finance and Resources Committee, 13 May 2015

[Council's Budget 2015/16 – Risks and Reserves](#), Finance and Resources Committee, 15 January 2015

### Alastair Maclean

Director of Corporate Governance

Contact: Hugh Dunn, Head of Finance

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Links

---

### Coalition pledges

#### Council outcomes

CO25 the council has efficient and effective services that deliver on objectives.

#### Single Outcome Agreement

#### Appendices

Financial Strategy 2015/16 to 2019/20

**THE CITY OF EDINBURGH COUNCIL**  
**FINANCIAL STRATEGY 2015/16 TO 2019/20**

**Background**

- 1.1 The Council continues to operate in a challenging environment, with increases in service demand, complexity of need and service user expectations all set against a backdrop of steady real-terms reductions in the level of available resources through Government Grant and Council Tax.
- 1.2 In view of these conflicting pressures, the Council has established a transformation programme, [an overview of which](#) was reported to the Corporate Policy and Strategy Committee on 12 May 2015. This programme is geared towards building a lean and agile organisation, centred on customers, services and communities, and underpinned by significant investment to deliver both service benefits and financial savings.
- 1.3 Sound financial management forms a key foundation of the plan. The financial management workstream therefore focuses not only on the development of options to address the overall funding gap but also on tracking subsequent delivery of the related financial savings and other service impacts. This enhanced scrutiny has been reinforced by the establishment of monthly “budget challenge” meetings, attended by the Chief Executive, Service Directors, the Head of Finance and key elected members.

**Purpose of strategy**

- 1.4 The primary purpose of this financial strategy, however, is to set out, at a high level:
  - the principal assumptions and approaches to be applied in identifying the total level of funding required to deliver the approved level of services; and
  - a broad framework as to how resources will be deployed in the most effective and efficient manner, consistent with the Council’s corporate objectives and individual service plans. While the strategy focuses primarily on the General Fund revenue budget, the associated revenue consequences of capital investment are reflected in the long-term financial plan.
- 1.5 The Council was one of the first in Scotland to introduce a long-term financial plan, doing so in October 2009. The plan is regularly reviewed, with [an update on the key assumptions](#) reported to the Committee’s last meeting on

13 May. While the plan is best seen as informing, rather than driving, the Council's financial strategy, there are, nonetheless, some common elements. The Council's financial planning arrangements more generally have been favourably assessed by Audit Scotland.

- 1.6 The most recent review has confirmed the need to identify and deliver recurring annual savings of at least £107m by 2019/20 (summarised in Appendix 1). Due to a combination of increasing service demand, reducing grant funding and the impact of increases in both National Insurance and superannuation employer contribution rates, the position in 2016/17 is particularly challenging; taking account of savings approved as part of previous years' budgets, total savings of at least £45m require to be delivered. It is clear, therefore, that there is a need to look beyond the potential savings offered by the transformation programme to more fundamental service prioritisation in order to secure longer-term financial sustainability.
- 1.7 The strategy also reflects the overriding principles of:
- maximising investment in those frontline services reflecting the priorities of the citizens of Edinburgh;
  - investing, wherever practicable, in preventative activity and "right first time" principles;
  - maximising income, whilst keeping charges affordable through taking appropriate account of service users' ability to pay;
  - maintaining earmarked and unallocated reserves at a level consistent with the risks and liabilities to which the Council is exposed whilst providing for investment in technology and/or service transformation to release staffing efficiencies; and
  - undertaking additional borrowing only insofar as this is prudent, affordable and sustainable.
- 1.8 The financial strategy is intended to serve as a framework of guiding principles, the detail of which will change over time. The importance of securing financial sustainability cannot, however, be overstated, allowing available resources to be matched to the Council's objectives over the short- to medium-term (assumed to be 2015/16 to 2019/20) covered by this strategy.
- 1.9 The following sections of the strategy set out, in turn, the principal elements of the Council's expenditure and income, along with a summary of current planning assumptions in these areas. Changes in the Council's expenditure are presented in three broad categories; those arising from the effects of

inflation, the impact of demographic trends on the costs of service provision and the effects of legislative change. It is worth emphasising that developing, and potential further, constitutional changes may have a particular impact on funding arrangements and the commentary should therefore be read in that light.

- 1.10 An overview of the Council's risks and reserves strategy, along with the legislative and Council-specific financial governance framework, is then provided.

### **Inflationary factors – pay awards**

- 2.1 Despite improvements in efficiency and recent programmes of staff release, staff-related costs remain the largest single element of Council expenditure, accounting for some 39% of the gross General Fund budget. In addition, recharges from the Council's remaining Significant Trading Operations (STOs) and care service providers primarily comprise staff-related costs and, as such, are influenced by wider public sector pay policy.
- 2.2 Current provision within the Council's Long-Term Financial Plan is aligned to the employer's offer of 2.5% across 2015/16 and 2016/17. Projections beyond this point are inherently more speculative but, at this stage, the plan provides for annual increases thereafter of up to 1.5%. As with all relevant factors contained within the plan, the appropriateness of these assumptions will be kept under review as additional details emerge.

### **Energy tariffs**

- 2.3 The Council has invested significantly in energy-efficiency measures in recent years, with consequent reductions in consumption. Energy tariffs have, however, consistently been subject to uplifts in excess of wider rates of inflation, meaning that combined annual General Fund spend on electricity and gas remains at around £14m. Whilst efforts to reduce consumption will be redoubled, the LTFP therefore incrementally provides £0.75m each year (equivalent to a 5.4% annual tariff increase based on current consumption) over the period 2015/16 to 2019/20.

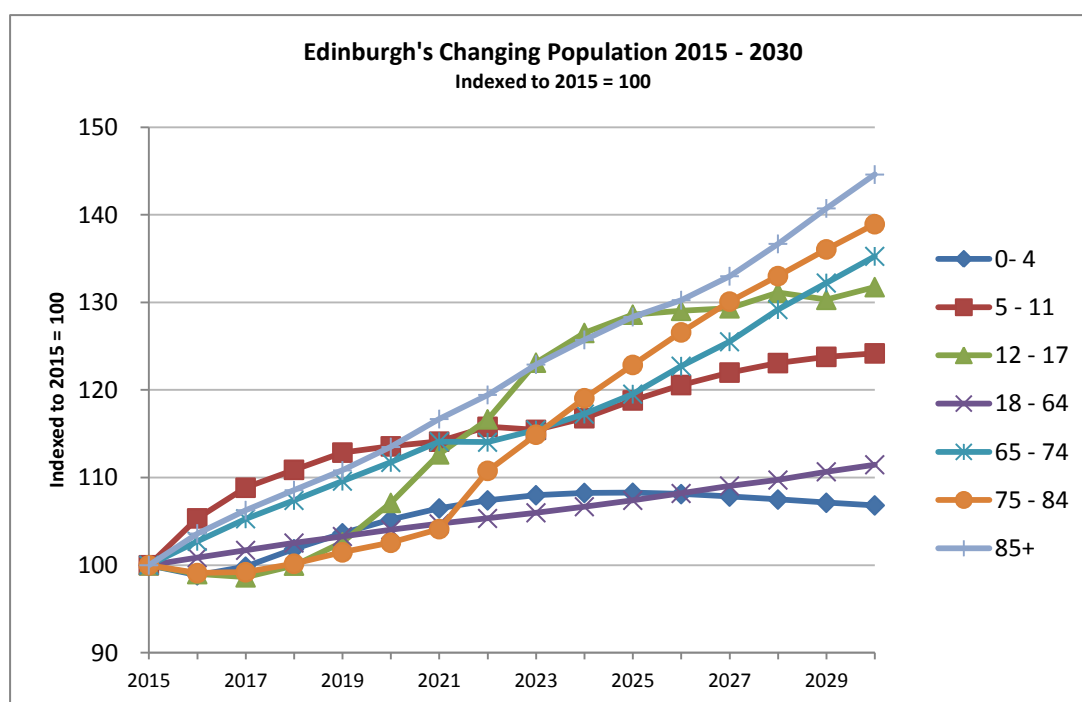
### **Other inflationary factors**

- 2.4 Besides staff pay awards and energy costs, the level of inflation directly or indirectly influences a number of aspects of the Council's expenditure, including sums due through index-linked contracts (particularly the PPP and current ICT contracts but also those negotiated at a national level on councils' behalf, such as for older people's residential care) and non-domestic (business) rates. Given the Office for Budgetary Responsibility's medium-term Consumer Price Index (CPI) target of 2%, inflationary provision within the plan for these other factors remains aligned to this broad level.



## Demographic factors

- 2.5 The broad impact of changes in the population size and profile on demand for the Council's services has been documented in a number of previous reports. The chart below indicates the projected changes in population across a number of key age groups between 2015 and 2030.



- 2.6 As can be seen from the chart, other than for the 0-4 year age group, over the period as a whole, growth in all other groups exceeds that of the traditional "working age" population. This has significant additional cost implications given that, in overall terms, Council services are most focused on the school-age and older (65+) age groups. These trends manifest themselves over the period 2015-2020 primarily in terms of:

### Children and Families services

- increased capacity requirements in early years facilities; and
- rising overall school rolls across the primary and secondary education sector.

### Health and Social Care services

- increased demand for both residential and at-home care services, with growth in the 85+ age group, for which needs increase exponentially, being particularly pronounced.

- 2.7 In addition to changes linked purely to increases in the size of the relevant population, medical advances have seen the survival rate for people born with disabilities (or acquiring them through illness or trauma) increase dramatically, resulting in larger numbers, and more particularly complexity of need, of cases of physical and/or learning disability. While the numbers concerned are considerably smaller, such is the intensive nature of support required, that the associated incremental financial provision requiring to be made in the LTFP is markedly higher than for increases in the numbers of older people.
- 2.8 Although not demographic-related per se, provision has historically also been made for steady growth in the number of at-risk children, with this investment then used to support the Council's wider looked-after children transformation plan. An overall summary of existing demographic provision within the LTFP is provided in Appendix 2.

### **Review of existing demographic provision**

- 2.9 The report to the Committee's meeting of 13 May intimated that a high-level review of the on-going appropriateness of sums included within the LTFP was underway. This work has now been completed.
- 2.10 For **Health and Social Care services**, analysis of projected service volume and cost data suggests that, in net terms, the existing level of incremental expenditure provision to reflect changes in the number of older people remains appropriate. While still increasing, the number of older people is not now expected to rise at the rate underpinning earlier census-based projections, albeit unit costs have increased, resulting in a broadly-neutral overall position. In the case of physical and learning disabilities, the position is inherently more difficult to predict but, at this stage, no change to current assumptions is again proposed.
- 2.11 A comprehensive review of the position in respect of **Children and Families services** has also been undertaken, taking account of updated pupil roll projections, revised early years provision estimates and best-available data for the likely numbers of looked-after children and those with special needs over the next ten years. Estimates have also been incorporated for additional property and school meal costs based on an increase in the overall school population (although, in budgetary terms, these costs will be met by Services for Communities). The Children and Families submission furthermore outlined additional recurring primary school-related revenue costs anticipated to be required to support the level of housing in the second Local Development Plan.
- 2.12 The updated submission indicates significant additional incremental costs relative to current provision of around £2.3m in 2016/17 and a further £1.9m (i.e. £34.2m in total) in 2017/18. As the additional service investment

provided through the priority-based planning process extended only as far as 2017/18, these additional costs increase further by £3.9m and £4.5m in 2018/19 and 2019/20 respectively (giving a total increase relative to current provision of £12.6m by 2019/20).

- 2.13 Previous reports have made reference to the introduction from April 2016 of a UK-wide single-tier state pension, resulting in the loss of the existing employer's National Insurance rebate for staff in membership of either the Local Government or Teachers' Pension Scheme. Initial estimates of the potential cost of these changes, assuming an increase in overall pension scheme membership following enactment of pensions auto-enrolment legislation, pointed to a likely increase in expenditure of around £12m.
- 2.14 Following clarification of the precise nature of the changes, further analysis has now been undertaken on an updated data set and this indicates a somewhat-lower projected liability of some £10m, assuming current pension scheme membership levels do not change materially. It is proposed that the resulting anticipated saving of £2.1m relative to current LTFP assumptions be allocated to contributing to the additional 2016/17 demographic-related costs highlighted at 2.12 above.
- 2.15 In view of savings relative to budget in respect of Council Tax and loans charges in 2014/15 and taking into account any savings already approved going forward, assumptions in these areas will be re-examined to determine whether these might be used to supplement the existing level of demographic provision made in 2017/18 and subsequent years. More fundamentally, however, the size of the challenge facing the Council is such that the on-going affordability of the strategy of providing for demography funding may need to be reconsidered, given that the level of per capita Scottish Government grant funding is steadily reducing.
- 2.16 The Children and Families submission also highlights potential additional borrowing costs associated with the second Local Development Plan, based on the assumption that an element of total expenditure is not met by developers' contributions. While, if funded by prudential borrowing, these costs have the potential to reach over £12m annually by 2021/22, pending clarification of precise plan requirements and the level and timing of developers' contributions, no specific adjustment will be incorporated at this time but the position will be kept under review and any change reported to the Committee in the autumn.

### **Legislative change**

- 2.17 Following the outcome of the referendum on Scottish independence, the UK Government mandated the Smith Commission to bring forward recommendations to deliver more financial, welfare and taxation powers,

strengthening the Scottish Parliament within the United Kingdom. The resulting changes to the Parliament's borrowing and tax-raising powers have the potential to change materially a number of the assumptions within the LTFP but given that these remain at a formative stage, no changes are reflected at this point.

- 2.18 The LTFP does, however, reflect the provision of additional monies to take forward Scottish Government commitments in the areas of free school meals and early years learning and childcare provision, as well as changes to National Insurance contribution rates as outlined at 2.13 above. The plan also reflects the full-year effect of changes to employer superannuation contribution rates for teachers effective from September 2015, for which no additional funding has been received by the Council.

### **Loans charges**

- 2.19 The Council has adopted the Chartered Institute of Public Finance and Accountancy's "Code for Treasury Management in Local Authorities". Under the Code, a Treasury Policy Statement has been agreed setting out the Council's strategy and procedures. The implementation and monitoring of the Treasury Policy Statement is the responsibility of the Council, with scrutiny provided through the Governance, Risk and Best Value Committee.
- 2.20 The Council's revenue budget requires to make full provision for the revenue impacts of the capital programme and the 2015/16 budget therefore includes £119m of loans charge expenditure, covering both principal and interest payments. The Council can only commit to further capital expenditure if revenue expenditure plans are affordable and sustainable. When the revenue budget was approved in February 2015, the budget framework identified only broad themes in later years, and, as a result, in the absence of firm plans to balance expenditure to the available level of resources, no additional investment was included within the revenue framework.
- 2.21 The Council's treasury management strategy continues to use available cash balances in lieu of external borrowing, thus generating savings based on the differential between (i) avoided interest on borrowing and (ii) investment income foregone. This strategy, coupled with the upcoming redemption of a number of high-interest loans in the short- and medium-term, offers the potential for further savings to be generated in loans charge expenditure going forward, much of which have already been built into the LTFP. Further opportunities will be regularly reviewed and any recommendations reported to the Finance and Resources Committee as appropriate.

### **Principal sources of income – Government Grant and Non-Domestic Rates**

- 2.22 After the announcement of a three-year financial settlement spanning the period 2012/13 to 2014/15, due to the timing of the UK Spending Review, a one-year settlement for 2015/16 was then intimated in December 2014. Local authority Chief Financial Officers have, however, emphasised the importance for planning purposes of a settlement covering a longer period and it is hoped that firm allocations for 2016/17, along with indicative allocations for the two following years, will be announced in November/December 2015.
- 2.23 The Local Government Finance Settlement is underpinned by a complex series of needs-based formulae spanning the full range of council services. Due to the incorporation for the first time of updated, (lower) census-based population estimates in 2015/16, the Council's year-on-year level of grant funding fell by some 1.8% relative to an essentially "flat cash" position for Scotland as a whole. Going forward, however, it is anticipated that the Council's share of overall resources will slowly increase, given that population growth, and particularly that in the younger and traditional working age groups, will likely exceed the equivalent position elsewhere in Scotland.
- 2.24 Of arguably greater relevance, however, is the overall quantum of available funding. The Local Government Finance Settlement works on the principle that authorities' need to spend is recognised by the provision of combined grant funding and non-domestic rates income equal to the difference between the Scottish Government's needs assessment and the proportion of that need able to be met through local domestic taxation i.e. Council Tax.
- 2.25 As mentioned above, no firm allocations, even at local government-wide level, have been confirmed beyond 2015/16. Assumptions within the LTFP are therefore necessarily based on UK-wide forecasts of public expenditure, adjusted as appropriate for the element of local government expenditure not funded by means of the Scottish Block (particularly non-domestic rates, the poundage for which is set by the Scottish Government). Taking these national and local factors into account, current forecasts for the combined level of grant and non-domestic rates funding are for a 0.5% year-on-year cash-terms decrease in each of 2016/17, 2017/18 and 2018/19, no change in 2019/20 (but with the potential for an upside) and modest cash-terms increases thereafter. This position will be kept under regular review as additional details become available. It is important to emphasise that these reductions imply larger real-terms and per capita decreases.
- 2.26 The Scottish Government also introduced a Business Rates Incentivisation Scheme (BRIS) in 2012/13, with a number of amendments incorporated in a revised scheme launched in 2014/15. While the scheme provides the potential to supplement the Council's total level of available income and now focuses more specifically on factors deemed to be within local authorities'

direct control, no additional funding is assumed through the scheme for the duration of this plan.

### **Council Tax**

- 2.27 Due to the relative affluence of the city's domestic tax base, Council Tax currently funds around 24% of the Council's net spending requirement after income received from fees and charges has been taken into account. The Scottish Government has, since 2008/09, operated a policy whereby local authorities have been provided with additional funding, equivalent to around a 3% increase on Band D tax levels, to freeze Council Tax at 2007/08 levels. The Council has each year signed up to attendant conditions around maintaining teacher and (formerly) police numbers to secure its full allocation and the LTFP assumes the policy, and the Council's receipt of corresponding compensating funding, will continue in 2016/17. It is important to emphasise, however, that this compensating income is paid as general revenue grant with, as a result, changes in overall Council Tax income mainly a product only of changes in the underlying number and banding profile of domestic properties (known as buoyancy), the level of exemption and reliefs and (albeit more marginally, given existing high rates) collection levels.
- 2.28 The LTFP assumes that the current Council Tax freeze policy will end at the conclusion of the current Parliamentary term in May 2016, with annual rises in Band D levels broadly aligned to inflation thereafter. This is an important assumption and its validity will be kept under review. It should be stressed, however, that this consideration needs to be seen in the context of the wider review of local domestic and non-domestic taxation being taken forward by the Commission on Local Tax Reform which may result in amendments, or more wholesale changes, to current arrangements.
- 2.29 The Council's financial strategy also assumes continuation of current arrangements whereby Council Tax discounts on second homes are restricted to 10%, with the additional income raised relative to the maximum permitted level of discount of 50% placed in an earmarked reserve to promote the provision of additional affordable social housing. A 100% surcharge will also continue to be charged on long-term empty properties.

### **Fees and charges**

- 2.30 While the majority of Council revenue expenditure is supported by means of Government Grant, Non-Domestic Rates and Council Tax, a significant element is provided through income from service fees and charges. In 2015/16, total budgeted income in this area is around £105m, with the Council able to exercise an element of discretion in charge levels, structure or scope for around 80% of this.

- 2.31 The level of fees and charges set by the Council aims to strike an appropriate balance between the costs of service delivery, wider Council priorities and the needs and ability to pay of service users. Unless prevented by legislation or where there are other pre-existing plans in place, fees and charges will continue to be subject to an annual inflation-linked uplift. [The Corporate Charging Policy framework](#), approved in June 2014, provides further details in this area.

### **Risks and reserves**

- 2.32 A central element of the financial strategy is the effective identification, management and mitigation of the main risks affecting the Council. Review of key current, emerging and potential risks is regularly undertaken at Divisional and Senior Management Teams and overseen by the Corporate Leadership Group and Governance, Risk and Best Value Committee.
- 2.33 A comprehensive overview of the risks as they affect the budget-setting process is considered by the Finance and Resources Committee in January each year; the most recent such review may be found [here](#).
- 2.34 Unallocated reserves are held against the risk of unanticipated expenditure or reduced income arising in any particular year. In addition, under accounting rules, some earmarked reserves are set aside to manage timing differences between the receipt of income and expenditure being incurred.
- 2.35 As with risks, the reserves held by the Council are reviewed annually as part of the revenue budget process. The review considers the level of balances, the risks inherent in the budget process and the adequacy of arrangements in place to manage these known risks. A summarised list of these reserves, their purpose and current and projected balances was most recently reported to the Finance and Resources Committee in January 2015.
- 2.36 The precise level of balances held at any one time needs to be viewed in light of known commitments, liabilities and risks. The Council maintains, for example, an insurance fund to meet insurance premia and outstanding claims. In the absence at this stage of firm longer-term plans to address the Council's overall savings requirement, however, reliance on reserves solely to facilitate additional investment and/or reduce the level of required savings would be considered neither prudent nor sustainable.
- 2.37 The Council previously approved a medium-term strategy to re-establish the unallocated General Fund reserve to a level equating to 1% of its gross annual expenditure i.e. around £13m. This was achieved in March 2011 and has been maintained since that time. The current level of this reserve, together with the forward strategy, is considered appropriate, in view of the

financial liabilities and risks likely to face the Council in the short- to medium-term, including identifying £107m of budget savings by 2019/20.

### **Financial Governance framework - statutory and regulatory requirements**

- 2.38 Section 95 of the Local Government (Scotland) Act 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.
- 2.39 The Local Authority Accounts (Scotland) Regulations 1985 further 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.
- 2.40 The City of Edinburgh Council has designated the 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.
- 2.41 Other relevant statutory requirements include:
- Setting a balanced budget on an annual basis, including transfers to, or from, reserves – the Council can budget for a surplus but it cannot budget for a deficit;
  - Setting the Council Tax by 11 March prior to the commencement of the financial year to which the tax relates;
  - Complying with the Service Accounting Code of Practice and related statements of practice such as for Treasury Management;
  - Submitting for audit draft financial statements for the Council by 30 June.

### **Roles and responsibilities**

- 2.42 The following section sets out the roles and responsibilities of the key individuals or groups of individuals who are involved in the development and delivery of the Council's financial strategy and management of financial resources.



- 2.43 **Elected members** through the Council and Committees are responsible for considering and approving the financial strategy, plans and annual budgets of the Council. The Governance, Risk and Best Value Committee fulfils a scrutiny role on all financial matters.
- 2.44 **The Chief Executive and Service Directors** who form the Corporate Leadership Group are responsible collectively and individually for ensuring that best value is achieved across the Council in service delivery, procurement, use of assets, internal processes and compliance with the Council's Local Code of Corporate Governance. Each Director also has a specific responsibility to maintain his/her expenditure within the level of budget approved by Council.
- 2.45 As part of ensuring the overall sustainability of the Council's financial planning and management arrangements, 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.
- 2.46 **The Head of Finance** is the Council's statutory Chief Financial Officer under Section 95 of the Local Government (Scotland) Act 1973. In practice this means that he carries a responsibility for managing the totality of the authority's financial affairs in all its dealings. In addition he has a fiduciary responsibility to local citizens. He has the authority to comment on any financial decision and advise officers and members of the Council on all financial matters. The Head of Finance may also request that Directors report to Council during the year on measures being taken to ensure expenditure is contained within approved levels.
- 2.47 **Budget Managers** are officers who are responsible for preparing the budgets of specific service areas and making spending decisions in line with previously agreed policy, within budget limits and in accordance with the Council's financial regulations. Budget managers operate at various levels within the organisation depending on the extent of delegation.
- 2.48 **Internal Audit** is an independent function which provides an objective evaluation of the effectiveness of risk management, control and governance processes within the Council. Internal Audit provides reports to the Council's Section 95 Officer, other senior officers and the Governance, Risk and Best Value Committee.
- 2.49 The role of **External Audit** is to provide assurance to the Accounts Commission that the Council has spent public money properly to deliver outcomes in an efficient and effective manner. They provide specific reports in relation to the Council's financial statements, systems of control,

performance and value for money. The external auditor is appointed by the Accounts Commission.

**EXTRACT FROM LONG-TERM FINANCIAL PLAN, 2015/16 TO 2019/20**

**Appendix 1**

	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
<b>Frontline service area budgets</b>	810.5	812.6	826.8	845.9	866.0
<b>Budgets to be disaggregated to services according to actual expenditure</b> (non-domestic rates, energy, Living Wage)	3.0	4.2	5.9	7.1	8.3
<b>National Insurance</b> - estimated impact of creation of single-tier state pension and consequent loss of existing employer's contracted-out rebate	0.0	10.0	10.0	10.0	10.0
<b>Corporate budgets</b> (Modernising Pay, Carbon Tax, Pension Fund lump sum payments, inflation uplift provision, etc.)	15.3	25.5	31.4	37.5	43.2
<b>Total General Fund Services</b>	<b>828.8</b>	<b>852.4</b>	<b>874.1</b>	<b>900.5</b>	<b>927.5</b>
Loan Charges	119.2	117.5	116.9	114.7	114.6
Net Cost of Housing Benefit/Council Tax Reduction Scheme	1.5	3.3	3.3	3.3	3.3
Net Use of Earmarked Balances	(1.2)	2.9	2.4	0.7	0.7
Expenditure linked to Specific Grants	0.3	0.3	0.3	0.3	0.3
<b>Total planned expenditure (net of fees and charges income)</b>	<b>948.5</b>	<b>976.4</b>	<b>997.0</b>	<b>1,019.6</b>	<b>1,046.5</b>
Combined General Revenue Grant and Non-Domestic Rates	(712.3)	(708.8)	(705.3)	(701.7)	(701.7)
Council Tax Income	(236.2)	(237.3)	(245.6)	(252.9)	(260.5)
Specific Grants	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Total income (excluding fees and charges)</b>	<b>(948.7)</b>	<b>(946.4)</b>	<b>(951.1)</b>	<b>(954.9)</b>	<b>(962.5)</b>
<b>Total shortfall / (surplus) of funding</b>	<b>(0.2)</b>	<b>30.0</b>	<b>45.9</b>	<b>64.6</b>	<b>83.9</b>

NB The total savings requirement over five-year period to 2019/20 is the £83.9m per this analysis plus £21.9m of net savings identified in the approved 2015/16 budget motion, resulting in an overall requirement of £105.8m. The requirements above are shown before factoring in any savings resulting from the Council's transformation programme.

The above analysis also incorporates the reduction in provision to reflect changes in National Insurance rates upon creation of a single-tier state pension in April 2016 and the consequent reallocation of £2.1m to address additional demographic-related pressures highlighted by Children and Families.

**DEMOGRAPHIC-RELATED FUNDING INCLUDED IN LONG-TERM FINANCIAL PLAN, 2015/16 - 2019/20**

NB Increases are shown incrementally relative to level of provision in preceding year.

Appendix 2

The analysis does not include the proposed increase in Children and Families demographic-related provision in 2016/17.

SERVICE AREA	DESCRIPTION	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	TOTAL £m
<b>CHILDREN AND FAMILIES SERVICES</b>							
Primary Schools	Pupil Numbers Demography	0.786	1.361	1.378	1.344	1.277	<b>6.670</b>
Secondary Schools	Pupil Numbers Demography	0.524					
Family Based Care	Vulnerable Children Demography	1.789	1.789	1.789	0.000	0.000	<b>5.367</b>
Professional Support	Additional Support Needs - Devolved Mainstream Schools	0.059	0.369	(0.032)	0.000	0.000	<b>0.396</b>
Professional Support	Additional Support Needs - Nursery Schools	0.355	0.114	(0.014)	0.000	0.000	<b>0.455</b>
Nursery Schools &	Nursery Classes	0.115	0.058	0.000	0.000	0.000	<b>0.173</b>
Nursery Schools &	Nursery Schools	0.058	0.031	0.000	0.000	0.000	<b>0.089</b>
<b>HEALTH AND SOCIAL CARE SERVICES</b>							
Older People Services	Demography - increasing number of Older people	1.982	2.043	1.937	2.369	2.372	<b>10.703</b>
Disability Services	Demography - adults with learning disabilities	2.495	2.600	2.705	3.204	3.334	<b>14.338</b>
Disability Services	Demography - adults with physical disabilities	0.368	0.373	0.379	0.384	0.390	<b>1.894</b>
Mental Health and Care Assessment	Demography - Mental Health and Care Assessment	0.900	0.900	0.900	0.000	0.000	<b>2.700</b>
<b>CORPORATE GOVERNANCE</b>							
Customer Services	Increasing Council Tax- and Housing Benefit/CTRS administration-related activity based on population changes	0.180	0.180	0.180	0.000	0.000	<b>0.540</b>
<b>SERVICES FOR COMMUNITIES</b>							
Environment	Impact of increase in household numbers on waste collection routing and disposal	0.000	0.348	0.348	0.348	0.348	<b>1.392</b>
<b>TOTAL CURRENT PROVISION</b>		<b>9.611</b>	<b>10.166</b>	<b>9.570</b>	<b>7.649</b>	<b>7.721</b>	<b>44.717</b>

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Finance Policies – Assurance Statement

<b>Item number</b>	7.6
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive summary

---

Council policies are key governance tools. They help realise the Council's vision, values, pledges and outcomes and are critical to the Council's operations, ensuring that statutory and regulatory obligations are met in an efficient and accountable manner.

To strengthen governance arrangements in this area, a policy framework has been developed to ensure that all current policies are easily accessible and created, revised and renewed in a consistent manner and to an agreed standard.

To ensure that Council policies remain current and relevant, all directorates are required to review these policies on an annual basis. The following report sets out the main results of this review for policies falling within the remit of the Head of Finance.

### Links

---

<b>Coalition pledges</b>	
<b>Council outcomes</b>	CO25
<b>Single Outcome Agreement</b>	

## Finance Policies – Assurance Statement

### Recommendations

---

- 1.1 To note that the Finance policies detailed in this report have been reviewed and are considered as being current, relevant and fit for purpose.

### Background

---

- 2.1 Council policies are key governance tools. They help realise the Council's vision, values, pledges and outcomes and are critical to the Council's operations, ensuring that statutory and regulatory obligations are met in an efficient and accountable manner.
- 2.2 To strengthen governance arrangements in this area, a policy framework has been developed to ensure that all current Council policies are easily accessible and created, revised and renewed in a consistent manner and to an agreed standard. These arrangements include the development of a comprehensive register of Council policies and introduction of a policy template to provide the Council with a standardised format in terms of content and style.
- 2.3 The Corporate Policy and Strategy Committee agreed the approach detailed above on 3 September 2013.

### Main report

---

- 3.1 A critical element of the policy framework is to ensure that all Council policies are fit for purpose. This requires each directorate to review, on an annual basis, all policies relating to its services and to provide the necessary level of assurance that these policies remain current and relevant.
- 3.2 Six distinct policies fall within the remit of the Head of Finance. A short update on review activity on each is set out below, with a summary provided in the appendix.

#### **Financial Regulations and Finance Rules**

- 3.3 The City of Edinburgh Council operates under a set of documents that governs and guides the decisions made by the Council and its officers and ensures that robust, clear and accountable organisational frameworks are in place. The

Council's Financial Regulations form an integral part of these key documents and are reviewed on an at-least six-monthly basis.

- 3.4 The [Financial Regulations](#) outline, at a summarised level, the arrangements the Council has put in place to discharge its responsibilities under section 95 of the Local Government (Scotland) Act 1973. 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. The Council has designated the Head of Finance as section 95 officer.
- 3.5 It is anticipated that a number of revisions to the current Financial Regulations will be presented to Council for approval on 25 June. The revisions primarily reflect slight changes in organisational and decision-making structures, clearer wording concerning the role of the internal audit function and reinforcement of Directors' responsibilities in respect of financial management, in turn aligned to closer monitoring of the delivery of approved savings and management of service pressures.
- 3.6 The Financial Regulations are supplemented by a more detailed set of Finance Rules outlining the procedures to be adopted across a wide range of finance-related activity including budget monitoring, income collection, supplier payment, treasury management and insurance. These rules are also regularly reviewed, with a full refresh undertaken in early 2015 and an updated version published on the Council's intranet in April. In addition to having publicised the updated rules to budget managers and financial systems users across the Council, a customised briefing session for Finance staff is planned later in the year.

### **Contract Standing Orders and Guidance on the Appointment of Consultants**

- 3.7 As with the Financial Regulations above, the Council's [Contract Standing Orders](#) and [Guidance on the Appointment of Consultants](#) form part of the Council's core set of governance-related documents. The contents are subject to regular scrutiny and review, with briefing sessions held for both staff and elected members.
- 3.8 The Contract Standing Orders apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.
- 3.9 A number of changes to each policy were reflected in revised versions approved by Council on 5 February 2015. Further detail of the nature of these changes is included in the appendix.

### **Anti Money-Laundering Policy**

- 3.10 While less formal arrangements were already in place, the Corporate Policy and Strategy Committee approved the Council's [Anti-Money Laundering Policy](#) on 13 May 2014. The policy sets out procedures for mitigating the risk of money-laundering's affecting the Council's activities and monitoring their effectiveness. Where relevant activity is suspected, however, the policy also clarifies reporting routes and the resulting investigative action that will be undertaken.
- 3.11 The contents of the policy have previously been communicated to staff in those areas most susceptible to money-laundering activity. Subsequent review of its content in April 2015 has confirmed its continuing relevance and that no substantive changes are required at this time.

### **Fraud Prevention Policy**

- 3.12 The Council's [Policy on Fraud Prevention](#) was approved by the Finance and Resources Committee on 31 October 2013. This report is supplemented on an annual basis by a review of external fraud prevention and detection activity, with the most recent such report considered by the Governance, Risk and Best Value Committee on 11 November 2014.
- 3.13 The Fraud Prevention policy forms part of the core set of employee policies and, as such, was included in the mandatory policy refresh in June 2014, whereby all staff were required to confirm that they had read and understood its contents. Awareness of the policy in addition forms part of staff induction procedures, with a corresponding e-learning module also available. As with the anti-money laundering policy, its contents primarily comprise guiding principles and reporting procedures and, as such, following review, these remain relevant to all staff and no substantive changes are required.

### **Corporate Debt Policy**

- 3.14 The Council's [Corporate Debt Policy](#) was approved by the Corporate Policy and Strategy Committee on 3 September 2013. The policy covers the principal income streams of Council Tax, Non-Domestic Rates, house rents and sundry (miscellaneous) debt and outlines how the Council will seek to strike an appropriate balance between the financial needs of the Council and the social needs of its customers. A number of changes in respect of statutory notice-related debt were subsequently approved on 2 December 2014.
- 3.15 The policy is the subject of an annual report, the first of which was reported to the Corporate Policy and Strategy Committee on 30 September 2014. In addition, following approval of a motion at the Finance and Resources Committee meeting of 30 October, a member-officer working group was established to consider the policy's contents in greater detail. A series of meetings has since been held, with a report on the working group's activity included elsewhere on today's agenda.



## **Corporate Charging Policy**

- 3.16 In recognising the need for greater consistency and transparency in the setting of charges for Council services, the Council's [Corporate Charging Policy Framework](#) was approved by the Finance and Resources Committee on 5 June 2014. One change effected by approval of the policy was the application of an inflation-linked uplift to charges for all services unless prevented by the existence of pre-existing plans, legal requirements or other compelling service considerations. This change was reflected in the February 2015 budget motion and a comprehensive [register of fees and charges](#) levied by the Council has subsequently been published on the Council's website.
- 3.17 In line with the corporate cycle, the policy's contents will be reviewed by the end of June and any substantive changes reported to Committee as appropriate.

### **Annual Treasury Strategy and review of risks and reserves as part of budget process**

- 3.18 While not considered policies in the sense of the others included within this document, the Annual Treasury Strategy was approved by Council on 12 March 2015 and the Council's risks and reserves strategy approved as part of setting the Council's 2015/16 budget on 12 February. Review of the existing policies was implicit in these reports.

## **Measures of success**

---

- 4.1 Access to up-to-date and relevant Council policies, for internal and external stakeholders, which are quality assured and reviewed on an annual basis.

## **Financial impact**

---

- 5.1 There are no direct financial impacts as a result of this report, although maintenance and promotion of policies contributes to effective financial management.

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

---

- 6.1 Increased accountability, transparency and efficiencies concerning Council actions and operations.

## **Equalities impact**

---

- 7.1 There are no direct equalities impacts as a result of this report, although a number of relevant policies emphasise the importance of equalities-related considerations.

## Sustainability impact

---

- 8.1 There are no direct sustainability impacts as a result of this report, although a number of relevant policies emphasise the importance of sustainability-related considerations.

## Consultation and engagement

---

- 9.1 Consultation was undertaken with directorates and service areas as part of the development of a policy framework for the Council.

## Background reading/external references

---

[Corporate Policy and Strategy Committee Report 3 September 2013 – Review of Council Policy](#)

[Governance, Risk and Best Value Committee Report 22 May 2014 – Review of Council Policy: up-date](#)

Relevant links to Finance policies are included within the main report.

### Alastair Maclean

Director of Corporate Governance

Contact: Hugh Dunn, Head of Finance

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Links

---

### Coalition pledges

#### Council outcomes

CO25 the council has efficient and effective services that deliver on objectives.

#### Single Outcome Agreement

#### Appendices

Appendix 1 Assured Policies

## Appendix 1 – Assured Policies

---

<b>Policy title:</b>	Financial Regulations
<b>Approval date:</b>	<i>25 October 2012 (date of original approval)</i>
<b>Approval body:</b>	<i>Council</i>
<b>Review process:</b>	<i>Content reviewed by Head of Finance, liaising as appropriate with section contacts as part of parallel updating of Finance Rules</i>
<b>Change details:</b>	<i>Minor amendments reflecting changes in organisational and decision-making structures, clearer wording concerning the role of the internal audit function and reinforcement of Directors' responsibilities in respect of financial management.  These revisions will be presented to Council for approval on 25 June.</i>

<b>Policy title:</b>	Contract Standing Orders and Guidance on the Appointment of Consultants
<b>Approval date:</b>	<i>25 October 2012 (date of original approval)</i>
<b>Approval body:</b>	<i>Council</i>
<b>Review process:</b>	<i>Content reviewed by Commercial and Procurement Manager, liaising as appropriate with section contacts and the Head of Legal, Risk and Compliance</i>
<b>Change details:</b>	<i>Clarification around definition of some terms used within the policy; some changes to Directorate approval limits and use of waivers. Clearer guidance provided on prohibition of aggregation/splitting of contracts. Changes approved by Council on 5 February 2015</i>

<b>Policy title:</b>	Anti Money-Laundering Policy
<b>Approval date:</b>	13 May 2014
<b>Approval body:</b>	Corporate Policy and Strategy Committee
<b>Review process:</b>	Content reviewed by policy authors, liaising as appropriate with affected service areas and Organisational Development
<b>Change details:</b>	No substantive changes at this time

<b>Policy title:</b>	Fraud Prevention Policy
<b>Approval date:</b>	31 October 2013
<b>Approval body:</b>	Corporate Policy and Strategy Committee
<b>Review process:</b>	Content reviewed by policy authors, liaising as appropriate with affected service areas and Organisational Development
<b>Change details:</b>	No substantive changes at this time

<b>Policy title:</b>	Corporate Debt Policy
<b>Approval date:</b>	3 September 2013 (changes in respect of Statutory Notice-related debt approved 2 December 2014)
<b>Approval body:</b>	Corporate Policy and Strategy Committee
<b>Review process:</b>	Content reviewed by policy authors, supplemented by work of member-officer working group
<b>Change details:</b>	Report of member-officer working group to be considered at Finance and Resources Committee meeting of 4 June; any resulting changes to policy to be ratified by Corporate Policy and Strategy Committee meeting of 9 June

<b>Policy title:</b>	Corporate Charging Policy Framework
<b>Approval date:</b>	<i>5 June 2014</i>
<b>Approval body:</b>	<i>Finance and Resources Committee</i>
<b>Review process:</b>	<i>Content to be reviewed by end of June 2015 and any substantive changes presented to Committee as appropriate for approval</i>
<b>Change details:</b>	<i>n/a</i>

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Review of Corporate Debt Policy

Item number	7.7
Report number	
Executive/routine	
Wards	

### Executive summary

---

At the Finance and Resources Committee meeting of 30 October 2014, the Director of Corporate Governance was instructed to convene a member-officer working group to examine all non-statutory notice-related aspects of the Corporate Debt Policy to determine if any changes to the policy were required. This report sets out the main conclusions of the group's work. While these deliberations have confirmed the broad appropriateness of the current policy, a number of minor changes have nonetheless been suggested and, following consideration by this Committee, will be referred on to the Corporate Policy and Strategy Committee for formal ratification.

### Links

---

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25</a> , <a href="#">CO26</a>
Single Outcome Agreement	

## Review of Corporate Debt Policy

### Recommendations

---

- 1.1 Members of the Finance and Resources Committee are requested to note the main findings of the Corporate Debt Policy Working Group and that a number of minor changes to the current policy will be submitted to the Corporate Policy and Strategy Committee on 9 June for approval.

### Background

---

- 2.1 In considering the 2014/15 half-year revenue monitoring report, the Finance and Resources Committee meeting of 30 October approved a motion instructing the Director of Corporate Governance to bring forward recommendations on potential changes to the provisions set out within the Corporate Debt Policy specifically in respect of legacy statutory notice debt. A corresponding report was brought back to the following meeting of the Corporate Policy and Strategy Committee on 2 December 2014.
- 2.2 The approved motion also instructed the Director to establish a short-life member-officer working group to look at recovery arrangements for all other debt types and, in so doing, determine whether any changes were required to the Council's [Corporate Debt Policy](#). The working group has now convened on five separate occasions and its principal findings are set out below.

### Main report

---

- 3.1 The Corporate Debt Policy is underpinned by the following key principles:
- (i) taking early and co-ordinated debt recovery action before debts become unmanageable for the citizen;
  - (ii) taking account of all relevant circumstances relating to the debt;
  - (iii) offering a range of payment methods to make it easier to settle debts;
  - (iv) providing links to debt advice; and
  - (v) adopting a debt hierarchy that prioritises those debts where non-payment could directly impact on an individual's wellbeing.
- 3.2 The policy also emphasises the importance of proportionality i.e. striking an appropriate balance between the potential loss of income to the Council and the

costs of recovery and any emerging Council or third party costs relating to welfare, care or housing support.

- 3.3 The Corporate Debt Policy Working Group has focused on the major income types that the Council is responsible for managing and collecting:
- Council Tax;
  - Non-Domestic Rates;
  - Tenancy charges;
  - Service and care charges;
  - Parking charges; and
  - Benefit overpayment recovery.
- 3.4 The Working Group has considered all aspects of these services, including billing activities, service co-ordination, citizen engagement, debt recovery practices and related debt advice.
- 3.5 In general, the working group has concluded that the Council's income procedures continue to work effectively. These procedures have delivered a number of recent improvements, with the in-year Council Tax collection rate increasing by 0.7% (equating to a £1.3m net income increase after taking account of changes in the number of chargeable properties) and Non-Domestic Rates collection increasing by 0.25% when compared with 2013/14. These positive results support the Council's immediate cash flow position and significantly increase the likelihood of higher overall collection in future years.
- 3.6 The Working Group's discussions have reinforced wider moves to improve service co-ordination and improve engagement with citizens, with a particular emphasis on trying to avoid, or at least reduce the likelihood and impact of, debt arising in the first place.

#### **Joint working**

- 3.7 Income collection and debt recovery activities are currently undertaken by a wide range of services across the Council. While procedures are generally consistent, there is scope for increased co-ordination to create an income management specialism within the Council. This would deliver:
- improved citizen experience;
  - improved debtor co-ordination and common recovery practices;
  - more effective implementation of the Corporate Debt Policy;
  - service efficiencies through improved processes and reduced duplication; and
  - financial benefits through improved collection rates.
- 3.8 Work is already underway to strengthen service links, with Services for Communities and Corporate Governance reviewing internal processes to support Tenancy and Council Tax collection. The new Sheriff Officer arrangement now places all major income streams with one provider, and this



will deliver an improved focus on the Council's Corporate Debt Policy and agreed debt hierarchy. Where a citizen has multiple debts, Council services will continue to liaise to determine the best means of recovery and co-ordinated collection activity.

- 3.9 It is anticipated that further opportunities for joint working will be considered as part of the Council's Transformation Programme.

### **ICT opportunities**

- 3.10 The Council's major income types are managed by a small number of ICT systems. In most cases the systems are fit for purpose, however, opportunities are being explored through the ICT procurement to enhance these vital support systems. One area where urgent action is required is the Council's service debt system, which currently has functional and management information limitations that impact on the Council's ability to achieve higher levels of income collection. This has been prioritised during the procurement process and significant improvements, such as direct debit functionality, are expected as part of the new ICT contract. Members may wish to undertake a further review of the policy's provisions once any new system is in place.
- 3.11 Other potential improvements have focused on the ability to create a single view of all debt types and citizen interactions in order to support co-ordinated collection and recovery activities. This single view of the citizen is one of the fundamental principles of the Council's ICT strategy, where information is stored, shared and utilised to shape efficient service delivery. The new ICT partner is expected to play a key role in taking forward this work.

### **Links to Transformation Programme**

- 3.12 The Council's Transformation and Improvement Programme focuses on efficient service channels and local service delivery. Income collection is an important part of this Programme and a number of new processes have already been introduced that make it easier to access and pay for Council services.
- 3.13 The Council Tax and Non-Domestic Rates teams have implemented an online self-service system that allows citizens to access their accounts and manage their preferred payment method. This is already proving popular with citizens, with more than 1,800 self service transactions being progressed each week. The ability to issue electronic bills is also being progressed, along with text reminders and mobile payment functionality. The Housing service is also exploring similar technology, including the use of text messages to communicate information in an accessible and user friendly manner.
- 3.14 These innovations will enable citizens to access up to date information about their bills and accounts and allow them to make payments in a convenient and easy way. By using clear and simple messages on devices that the citizen is familiar with, the Council anticipates that response rates and collection figures

will improve. The use of this technology will also have cost and environmental benefits through reduced postage and printing.

- 3.15 Channel shift opportunities continue to be identified in various income services and the recent transfer of the Non-Domestic Rates telephone contact to the Customer Hub has resulted in improved call response times and service efficiencies. This transfer also allows the Non-Domestic Rates team to focus on processing and recovery activities that will support improved collection rates.

#### **Recovery of Service Debts/Legacy debt**

- 3.16 The Corporate Debt Policy recognises that debts relating to certain types of Council services need to be treated sensitively and as result recovery processes have been extended. Citizens, however, have a responsibility to pay for the services they receive and processes are continually under review to ensure that an appropriate focus on income recovery exists.
- 3.17 The Council funds over 3,000 residents in both public and private homes and each service user is financially assessed and charged based on their means. This is a complex task that is compounded by the fact that many service users are vulnerable and do not manage their own finances. To support this task a specialist team has been created to focus on care home income and the management of related debt.
- 3.18 The Council also provides non-residential care services and the current charging policy and related financial assessment process is under review. This review aims to simplify the charging policy, reduce administration costs and introduce increased payment options. It will also consider the issue of persistent non payers and the need to focus on those that have been assessed as having the means to pay for the service.
- 3.19 The Council has a responsibility to collect all outstanding debts. A recent project has seen contact reinitiated with account holders who have longstanding Council Tax arrears but where no payment plan is in place. This activity has attempted to recognise individuals' particular circumstances and has specifically focused on those who have the ability to pay outstanding arrears. This project has had some initial success with repayment plans now in place for 15% of the citizens who were contacted. Where the Council determines that there is a likelihood of further sums being collected, these will be progressed through the normal Sheriff Officer recovery route.

#### **Engagement**

- 3.20 The Council sends a significant volume of correspondence in support of its income collection and debt recovery activities. In a typical 12 months the Council Tax service sends or e-mails over one million items of correspondence. It is essential that this correspondence is clear, concise and importantly strikes an appropriate balance between highlighting the need for early payment whilst not causing unnecessary alarm or concern. This is an area that is under

continuous review and correspondence is shaped by customer feedback, the Council's customer experience team and external recovery agents.

### **Signposting and Welfare Reform**

- 3.21 The Council understands that personal indebtedness is increasing and debt recovery action can potentially cause distress, particularly where the person has other debts or is on a low income. The Council makes every effort to support citizens in managing their Council debts and actively engages with a wide range of welfare and debt agencies.
- 3.22 The introduction of Universal Credit will potentially see an increase in claimants that require budget support and advice. The Council has taken steps to address this need, and as part of a partnership agreement with the DWP, officers in Customer Services and Services for Communities are now providing targeted debt advice.
- 3.23 The Council is also responsible for managing the Scottish Welfare Fund claim process and Council officers are signposting citizens to appropriate agencies for support to prevent and address debt issues. Council officers involved in Housing Benefit, Council Tax Reduction Scheme and Discretionary Housing Payment activities are also encouraging citizens to access the Council's Advice Shop, which provides a wide range of debt advice and support.
- 3.24 The Council is also funding various community-based advice projects to ensure debt advice is accessible to citizens across Edinburgh. These activities are reported to Committee as part of the regular Welfare Reform updates and include the Council's commitment to support Edinburgh-based food banks. The Council is also engaging with citizens who are using the food banks and offering debt advice to reduce repeat visits and seek to address the issues which have led citizens to need this type of support.

### **Changes to Policy**

- 3.25 While, as noted above, the working group has concluded that the existing policy operates satisfactorily, the opportunity has been taken to incorporate a number of updates, primarily changes to fee rates, and a number of more stylistic points. These are indicated by means of tracked changes in Appendix 1. Following consideration by the Finance and Resources Committee, these will be referred on to the Corporate Policy and Strategy Committee for formal ratification on 9 June.
- 3.26 The effectiveness of the policy in general, and the write-off provisions in particular, will be kept under regular review and a further update will be included as part of the Corporate Debt Policy Annual Report to be considered by the Corporate Policy and Strategy Committee in the autumn. An update will also be provided on how the principles underpinning the policy are being embedded within service areas.

## Measures of success

---

- 4.1 To ensure the Corporate Debt Policy achieves its objectives, a range of performance indicators has been developed to monitor performance against targets.
- 4.2 As noted at 3.5 in the main report, the in-year level of Council Tax collection for 2014/15 was the highest achieved since the Council's formation in 1996, with improvement also apparent in the cumulative, five-year rate. This performance was achieved at the same time as a reduction in the associated collection cost. The in-year collection rate for Non-Domestic Rate also increased compared to 2013/14.
- 4.3 The Council continues to conduct customer surveys and mystery shopping for a sample of relevant services and across the piece, these indicate good performance in both staff's technical competence and wider customer care skills.

## Financial impact

---

- 5.1 The recovery actions detailed in the Policy are responsible for the collection of over £600m of income annually. Maximisation of collection rates increases the overall level of resources available to support frontline service delivery. Streamlining of associated administration and efficiencies in sheriff officer and other debt recovery activity also contribute towards delivery of the Council's overall savings requirements.

## Risk, policy, compliance and governance impact

---

- 6.1 Approval and regular updating of the Corporate Debt Policy promotes consistency and transparency across all aspects of recovery activity.

## Equalities impact

---

- 7.1 There are no additional equalities- and rights-related impacts arising from the report's contents. The policy approved in September 2013 was, however, subject to extensive engagement with relevant equality groups.

## Sustainability impact

---

- 8.1 There are no direct sustainability impacts as a result of this report.

## Consultation and engagement

---

- 9.1 Consultation with elected members, council officers, equalities and anti-poverty groups was undertaken and the resulting feedback included in the final policy approved by the Corporate Policy and Strategy Committee in September 2013. The policy also took account of a number of recommendations made by Internal Audit in this area.
- 9.2 The extent of customer insight and engagement in developing the policy was highlighted as an area of good practice as part of the Customer Services Division's Customer Service Excellence re-accreditation.

## Background reading/external references

---

[Compliance, Risk and Governance: Corporate Debt Policy](#), Corporate Policy and Strategy Committee, 3 September 2013

[Corporate Debt Policy - Annual Update](#), Corporate Policy and Strategy Committee, 30 September 2014

### Alastair D Maclean

Director of Corporate Governance

Contact: Hugh Dunn, Head of Finance

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Links

---

<b>Coalition pledges</b>	<b>P30</b> – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	<b>CO25</b> - The Council has efficient and effective services that deliver on objectives. <b>CO26</b> - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
<b>Single Outcome Agreement</b>	n/a
<b>Appendices</b>	Appendix 1 – Proposed revisions to Corporate Debt Policy

The City of Edinburgh Council

Corporate Debt Policy

1. Overview
2. Key Aims of the Policy
3. Scope
4. Debt Recovery Principles
5. Hierarchy of Debt
6. Methods of Payment
7. Write-offs
8. Performance Monitoring
9. Stakeholders
10. Equalities and Diversity
11. Confidentiality
12. Review
13. Segregation of Duties

Appendix 1 Rent Collection Policy

Appendix 2 Council Tax and NNDR Recovery Policy

Appendix 3 Council Tax and NNDR Court Costs and Fees Policy

Appendix 4 Sundry Debt Policy (including statutory repairs)

Appendix 5 Housing and Council Tax Benefit Overpayments Policy

Appendix 6 Parking Charges and Bus Lane Charges Recovery

Appendix 7 Overpaid Salaries and Wages Policy

Appendix 8 Methods of Payment Policy

Appendix 9 Write-off Policy

Appendix 10 Bankruptcy Policy

# The City of Edinburgh Council

## Corporate Debt Policy

### 1. Overview

While an element of the Council's overall spending is supported by means of Scottish Government grant, Council services are also funded through taxes and a range of statutory and non-statutory service charges. Customers, citizens and businesses within Edinburgh have a responsibility to pay for the services they receive and the charges and rents they are liable for. It is essential that all monies due to the Council are actively pursued and this document sets out the general debt principles to be applied in doing so.

The Council also recognises that personal indebtedness levels are increasing and there may be circumstances where our customers are suffering hardship and need help and advice. The Council is committed to providing suitable support wherever it is appropriate, for example issuing Scottish Welfare Fund grants, and will engage with all relevant welfare and debt agencies.

### 2. Key Aims of the Policy

This Policy aims to strike a fair balance between the financial needs of the Council and the social needs of our customers by:

- coordinating income collection, recovery and debt management activities;
- ensuring circumstances are taken into account when determining appropriate recovery action, including potential emerging costs for ongoing support and care;
- adopting a debt hierarchy for multiple debts;
- providing money management advice and identifying appropriate support to those owing money to the Council, ensuring they are maximising reliefs, discounts or benefit entitlements;
- taking early recovery action before debts become unmanageable for the customer;
- applying best-practice debt collection methods e.g. timely and accurate billing;
- offering a range of cost-effective payment methods;
- treating customers fairly and equitably and avoiding stigmatising those in debt; and
- recognising that failure to recover monies due impacts on the Council's ability to provide key services.

### 3. Scope

This Policy applies to the collection of:

- Rental income for Council properties;
- Council Tax;
- Sundry debt and service charges e.g. Trade Waste and including statutory notices;
- Non-Domestic Rates;
- Housing Benefit and Council Tax Benefit/Reduction overpayments;
- Parking Charge Notices; and
- Overpaid Council salaries and wages.

#### 4. Debt Recovery Principles

The Council's debt recovery principles are outlined below.

- **Proportionate:** establishing an appropriate balance between the potential loss of income to the Council, recovery costs and any emerging Council or third party costs relating to welfare, care or housing support.
- **Consistent:** the Council aims to achieve consistency in the advice it gives, the use of its powers and the recovery procedures adopted. Council officers will take account of the social circumstances of the debtor, the debtor's payment history and their ability to pay.
- **Transparent:** ensuring people understand what is expected of them and what they should expect from the Council, including explaining clearly the reasons for taking debt recovery action. The Council aims to take early recovery action before debts become unmanageable for the customer.
- **Offset:** where a customer owes money to the Council but this is less than any funds due from the Council, with their agreement, this will be offset against what is owed and the net balance settled. Where a customer owes money to the Council that is greater than any funds due to them by the Council, with their agreement, these funds will be used to reduce the amount owed and the customer contacted about arrangements to repay the outstanding balance. Any such arrangements will be undertaken in a fair and legal manner.
- **Appropriate Costs/Fees:** where legislation permits, the Council will seek to apply and recover from the debtor any costs/fees that are legitimately due to the Council or its agents. Only in exceptional cases, where it would not be in the public interest to pursue such costs/fees, will these be waived.

Detailed recovery action for key debt types is outlined in the appendices to the Corporate Debt Policy.

#### 5. Hierarchy of Debt

Customers, citizens and businesses within the City of Edinburgh have a responsibility to pay for the services they receive and the charges and rents they are liable for. In some instances customers will owe more than one debt to the Council. The Council will adopt a co-ordinated approach when dealing with multiple debts, taking into account the person's circumstances, legislation, the level of debt and the potential for financial hardship.

Where the Council, or its identified collection agent, is pursuing multiple debt then payments will be allocated firstly to debts where non-payment could lead to loss of the customer's home or have direct implications for an individual's wellbeing.

Collection of rent for current tenancies is the first priority in terms of income collection as the overall aim is to help tenants remain in their homes whenever possible and to minimise the impacts on tenants of accruing debt. The collection of current rent arrears is managed within Services for Communities but any existing repayment arrangements and the responsibilities for payment of current rent will be taken into account when pursuing other debts outstanding to the Council.

Priority debts have then been ranked as follows:

- 1) Former Housing Rent Arrears and tenancy-related charges
- 2) Council Tax Arrears
- 3) Arrears relating to supported accommodation and care in the home charges



All debt will be actively pursued in accordance with the Corporate Debt Policy, however for accounting and collection purposes, the above debts will have priority.

The Council's Corporate Debt Policy and complementary third party collection arrangements will ensure that incidences of multiple debt are effectively monitored. These arrangements will provide timely and regular information to facilitate the annual review of the Policy and assess the ongoing appropriateness of the hierarchy of debt.

## **6. Methods of Payment**

The Council recognises that the easier it is to pay, the more likely that payment will be made and the less likely that debts will accrue. The Council's preference is for low-cost payment options that provide a high degree of accuracy and certainty, such as Direct Debit. However to provide our customers with the greatest flexibility a range of payment types appropriate to the debt type and size is offered. Customers currently use a mixture of payment methods and channels for different services, including cash, cheque, postal order, debit cards, standing orders and other electronic banking methods, such as online internet banking and touch tone telephone payments. Specific services may also be paid by credit card.

## **7. Write-offs**

The Council recognises that a small proportion of its overall income may not be collectable due to matters outwith its control. Where a debt is assessed to be irrecoverable it will be subject to a write-off process that is consistent with recognised accounting practices. The Council will seek to minimise the cost of write-offs by taking all appropriate action to recover what is due including the use, where appropriate, of inhibitions.

Income deemed irrecoverable must satisfy one of the pre-determined criteria in Appendix 9. Key write-off categories include:

- the customer has died and there are no or insufficient funds in the estate;
- the customer cannot be traced;
- it is cost-prohibitive to pursue the debt;
- the income is uncollectable due to insolvency;
- all recovery methods have been exhausted;
- it is not in the public's interest to pursue e.g. at risk and vulnerable service users; and
- the debt is prescribed under the Prescription and Limitation (Scotland) Act 1973.

All write-offs will be carried out in accordance with the relevant provisions contained within the Council's Financial Regulations, as supplemented by the Finance Rules. A summary of write-offs will be reported on an annual basis, including where appropriate reporting to Committee for approval and scrutiny.

## **8. Performance Monitoring**

The Council recognises that prompt recovery action is essential for effective debt management. The Council will:

- regularly monitor the level and age of its debt;
- set clear targets for the recovery of debt;
- have written recovery procedures;
- assess recovery methods to ensure maximum returns; and

- regularly review irrecoverable debts for write-off.

To ensure the Corporate Debt Policy achieves its objectives a range of indicators has been developed to monitor performance against annual targets. Key indicators include:

- Average debtor days
- Aged debt profile (28, 60, 180 and 365 days plus – proportion and value)
- Value of debt more than 90 days old
- Sundry debt invoices outstanding (value/number)
- In-year collection targets
- Long-term collection rate – rolling trend
- Legal/recovery costs as proportion of direct debt recovered
- Outstanding inhibitions (number/value)
- In year write-off as proportion of total debt
- Summary warrant accounts on hold/suspense (proportion and value)
- Summary warrant accounts withdrawn (proportion and value)
- Related social and welfare outcomes

The Council recognises that failure to achieve income and collection targets will have financial and service consequences. Performance will be reviewed on a monthly basis by operational managers and this information will be reported as part of the Council's wider performance updates to Committee.

Where an external agency assists the Council's collection and recovery process it will also be required to produce detailed performance and management information.

## 9. Stakeholders

The Council recognises that personal indebtedness is increasing and that any debt recovery action can potentially cause distress, particularly where the person has other debts or is on a low income. The Council will make every effort to support customers in managing their Council debts and will engage with relevant welfare and debt agencies where appropriate.

The Council's Welfare Rights Service offers free, independent and confidential advice and representation on benefits and tax credits for people living in Edinburgh. Staff can assist in identifying all relevant entitlements, completing forms and appealing assessments. The Council also offers a free, comprehensive and independent money and debt advice service to Edinburgh residents, including advice around rescheduling existing debts, bankruptcy and steps that can be taken to reduce the likelihood of getting into debt. Appointments may be booked at the Council's Advice Shop based at 249 High Street, Edinburgh, [advice.shop@edinburgh.gov.uk](mailto:advice.shop@edinburgh.gov.uk), telephone (0131) 200 2360, or through surgeries held at the Community Ability Network and Citizens' Advice Bureaux across the city.

The Council is also responsible for the administration of various benefits and support funds for the citizens of Edinburgh. This includes the Scottish Welfare Fund, a discretionary scheme that provides two types of grant, Community Care Grants and Crisis Grants.

In cases of multiple debts there will be close liaison between Council services to determine any current payment responsibilities, the relative priority and repayment of debts. In such cases Council Officers will identify an appropriate means of coordinated recovery, consistent with this Policy.

## 10. Equalities and Diversity

The Council will ensure that the provisions outlined within the Corporate Debt Policy are accessible to everyone and that customers are treated fairly and equitably. The Council will:

- ensure that all relevant equality standards are being met;
- ensure appropriate staff receive cultural awareness, disability discrimination and mental health awareness training;
- communicate to customers using plain English and help customers whose first language is not English; and
- ensure our documents and communications can be made available in different languages and formats.

## 11. Confidentiality

The Council will ensure that all information about a customer's personal and/or financial circumstances is dealt with in the strictest confidence [and in accordance with the Data Protection Act 1998 and any other statutory functions duties and responsibilities of the Council.](#)

Formatted: Indent: Left: 54 pt

## 12. Review

The Corporate Debt Policy will be reviewed on an annual basis. This review will take account of changes in legislation, service improvements, regulations and wider policy initiatives. Any proposed changes will be discussed with appropriate stakeholders and updated in line with related policies. These include:

- [A Framework to Advance Equality and Rights 2012-17](#)
- [Customer Access Strategy](#)
- Customer Care Charter
- [Financial Regulations](#)
- Rent Collection Policy
- Rent Collection Strategy
- Scottish Welfare Fund

## 13. Segregation of Duties

The Council will ensure that income and debt recovery transactions are governed by robust controls, with clear segregation of duties. Financial decisions will be made by identified officers and reviewed by appropriate managers. These arrangements will be clearly detailed in relevant service operation manuals and the Finance Rules.

## Rent Collection Policy

### Overview

1. The Council's Rent Collection Policy details the services provided for existing and former Council house tenants. The Council recognises that effective arrears management helps pay for the services that all tenants receive and contributes to investment in existing homes and new homes.
2. The collection of current tenancy rent arrears is managed within Services for Communities and the overall approach focuses on prevention and early intervention, with eviction serving as a last resort. Before serving a Notice of Proceedings for recovery of possession, the Council will always make efforts to provide advice and assistance on Housing Benefit and other financial help and put in place a reasonable plan for repayment of rent arrears and future rent.
3. The Council will only seek possession of a property where the tenant refuses to engage with the Council and negotiate repayment arrangements. Enforcement of decrees for repossession comes at a high social cost and imposes a heavy financial burden through the provision of temporary accommodation and other support services. This action is therefore only taken as a last resort where a tenant refuses to engage and all attempts taken to support them to deal with their debts have been unsuccessful.

### Recovery of Former Tenancy Arrears (FTA)

4. The Council also aims to minimise the amount of rent arrears owed by former council tenants and to ensure the collection of outstanding debt is maximised. Involvement commences when a notice to terminate a tenancy is received and ends when the former tenancy arrears are cleared.
5. The aim of policy is to:
  - Minimise the amount of rent arrears owed by former council tenants
  - Ensure the collection of outstanding debt is maximised which in turn contributes to the provision of services which tenants need
  - Ensure through training and learning that staff are well-equipped and the service is well organised to deliver ambitious targets.
  - Support continuous improvement in FTA service and performance.
6. The Council will pursue former tenants' arrears when a tenancy comes to an end. The initial attempt to recover debt is pursued by staff within Services for Communities (Housing and Regeneration Division). The Council will:
  - Ensure tenants with arrears are contacted before and after their tenancy is terminated;
  - Provide advice and assistance on repayment of debt. Former tenants may be referred to other debt and advice agencies where appropriate; and
  - Accurately calculate the former arrears outstanding, taking into account the individual circumstances in each case such as Housing Benefit entitlements, contested tenancy termination dates and any rent abatements applicable.
7. Repayment of arrears will be sought in full where possible but reasonable arrangements will be agreed to enable former tenants to meet their obligation to reduce and then clear debts without them incurring undue financial hardship.

8. Where internal checks have been exhausted, the case will be referred to the Council's contracted external Debt Collection Agency. Cases will be referred for both trace and collect and trace and/or collection only. Further action will only be taken as long as recovery remains viable.

#### **Write-Off**

9. The Council recognises that a proportion of income from former tenancy arrears may not be collectable due to matters outwith its control. The Council will seek to minimise the cost of write-offs by taking all appropriate action to recover what is due and every effort is made to trace former tenants to collect debt prior to making the decision to write off. Where a debt is irrecoverable it will be subject to a write-off process that is consistent with recognised accounting practices. The write-off relates to any accounts with outstanding arrears where all attempts to trace the tenant and collect have been exhausted. If the whereabouts later become known after a debt is written off in line with accounting practice the debt will still be pursued for payment.
10. Debts arising from former tenancy arrears are written off on an annual basis. Debts under £1,000 are written off under delegated authority by the Director of Services for Communities (Scheme of Delegation to Officers ["the Scheme of Delegation"](#) – [Appendix 5 Section 154](#)). Write-off for debts over £1,000 is reported to the Finance and [Resources Budget](#) Committee for approval and the debts under £1,000 are also provided for information.

#### **Performance Management**

11. The collection of Former Tenancy Arrears is managed within the Housing Management Northgate IT system and an escalation policy is set for former tenancy rent arrears accounts. An audit trail of action and activity is available for each account.
12. FTA is included and monitored on an ongoing basis as an element of the Services for Communities performance management framework. External reporting on FTA is also included within the Scottish Social Housing Charter Contextual Indicator (C23 Amount and percentage of former tenant rent arrears written off at the year end) that ~~will~~ replace the former Audit Scotland Statutory Performance Indicators from 2013/14. Benchmarking and best practice exchange is also undertaken on an ongoing basis through the Scottish Housing Best Value Network, Scottish Rent Forum and Rent Income Excellence Network.

## Appendix 2

### Council Tax and Non Domestic Rates Recovery

1. Council Tax is levied on all eligible domestic dwellings. Non-Domestic Rates are levied on eligible business properties. The amount of Council Tax levied is dependent on the Council Tax band that the property falls into and the amount of tax to be raised. The amount of Non-Domestic Rates is dependent on the rateable value of the property and the rates poundage.
2. The full rate of tax is liable to be paid unless the property, owner or occupier is eligible for a reduction, relief or exemption. The main reasons for reductions include empty property discounts, benefits for residents on low income, disregards, single occupancy discounts and charitable relief.
3. Council Tax and Non-Domestic Rates are payable in line with a statutory instalment scheme or by agreement. There is a legal duty placed on the Council and its Officers to collect outstanding debts in accordance with the Council Tax (Administration and Enforcement) (Scotland) Regulations 1992 and the Local Government (Scotland) Act 1947 ~~(as amended)~~.
4. The Council will ensure that all billing, collection and recovery action is undertaken in an economic, effective and efficient manner in accordance with legislation and best practice.
  - Demand notices and adjustment notices will be issued in accordance with regulations.
  - A recovery timetable will be drawn up before the beginning of each financial year.
  - Council Tax reminders will be issued no earlier than 1044 days after an instalment has fallen due.
  - Non-Domestic Rates reminders/final notices will be issued in accordance with statute.
  - A summary warrant will be granted~~issued~~ by the Sheriff Court if full payment has not been made in accordance with the previously ~~issued~~ notice.
5. Following the granting of a summary warrant the debtor will be given an opportunity to make a suitable payment arrangement. Should the debtor not make, or keep to, a payment arrangement then recovery action(s) may~~can~~ be taken. The recovery action(s) will be dependent on the circumstances of each individual case. Where a Charge for Payment is served the customer has 14 days to pay. If payment is not made the following diligences may apply
  - **Attachment of Earnings** - Deductions are made from the debtor's wages at a rate determined by legislation.
  - **Funds Attachment** - Attachment placed on the debtor's bank account of any funds in excess of £400.
  - **Ordinary/Exceptional Attachments** - Allows for Officers to enter a property (~~e~~Exceptional attachment requires prior application to Sheriff) and list items of value for possible removal and sale.
  - **Money Attachment (NDR only)** - Allows seizure of money belonging to the debtor (at business premises) in satisfaction of debt.
  - **Deductions from Income Support, Job Seeker's Allowance and Employment Support Allowance (Council Tax only)** - Deductions are made from the debtor's benefits at a rate determined by legislation.
  - **Bankruptcy/Liquidation** - If sufficient assets exist to meet the outstanding debt the Council may~~can~~ petition for Bankruptcy/Liquidation.
  - **Inhibition Order** - Prevents debtor from selling any property prior to payment of outstanding debt.

|

6. All taxpayers and ratepayers will be treated fairly and objectively, and any activity will be consistent with the Council's equalities policy.

DRAFT

## Appendix 3

### Council Tax and NNDR Court Costs and Fees Policy

1. Considerable costs are incurred to recover sums due from defaulting Council Tax payers and Non-Domestic ratepayers. The Council Tax (Administration and Enforcement) (Scotland) Regulations 1992 (~~as amended~~) and the Local Government (Scotland) Act 1947 (~~as amended~~) empower the Council to recover reasonable costs from defaulters with the approval of the Courts. The Council has no discretion in the level of Court costs which are governed by legislation.
2. The following scale of costs is applicable with effect from ~~-28 August 2014~~ 28 January 2013.

	£
Sheriff Officer Recovery Stage Costs	
Summary Warrant	<del>67.00</del> 64.00
Charge for Payment	<del>78.10</del> 76.45
Additional Copy	<del>17.60</del> 17.25
Bank Arrestment	<del>78.10</del> 76.45
Earning Arrestment (inc Postage outlay)	<del>58.87</del> 56.79

#### Bankruptcy Proceedings

The petitioning creditor's costs associated with bankruptcy proceedings are:

	£
Fixed Costs (in accordance with statutory scale of fees and charges currently in force)	
Court Fee – payable on filing of petition (non-refundable)	<del>107.00</del> 101.00
A.I.B. fee, if no I.P. appointed additional fee of £200 incurred	100.00
Service fee	<del>78.10</del> 76.45
Solicitor's fee – presenting petition	400.00
<b>Variable Costs</b> (to be claimed in the bankruptcy)	
Actual costs incurred for additional matters e.g. Counsel's opinion, additional legal representation, etc.	-

All costs may be claimed in the bankruptcy.

#### Charging Orders

	£
Fixed Costs (in accordance with statutory scale of fees and charges currently in force)	
Application fee	100.00
Land registry Registration Fee	50.00
Cost of Office Copy of Land Registry Entry	4.00
Fixed costs that may be awarded by the Court	110.00



## Sundry Debt Policy

### Overview

1. This Policy covers the collection of customer accounts and sundry debt due to The City of Edinburgh Council. It is the Council's aim to recover all collectable debt owed to it and this Policy aims to:
  - maximise the collection of the Council's income;
  - reduce the time taken to collect charges;
  - reduce the level of debt owed to the Council and its provision for bad debts;
  - reduce the incidence of debt that cannot be collected;
  - raise service awareness of the importance of prompt debt recovery; and
  - tackle any non-payment culture amongst customers.
2. This Policy supports these aims by:
  - making recovery activity more efficient by prioritising debt collection;
  - ensuring invoicing procedures are carried out on an accurate and timely basis; and
  - encouraging debtors to pay promptly.

### Key Principles of Fees and Charges

3. The key principles for fees and charges are:
  - the fees or charges imposed by the Council must be fair in relation to the goods and/or services provided;
  - charges must, depending on legislation, always cover the cost of providing goods or service and the costs of collection, unless the Council has taken a decision to subsidise the service;
  - charges should wherever possible be obtained in advance of the goods and/or services being provided;
  - there should be a clear and prompt billing and collection process;
  - a consistent Council-wide approach to credit and debt collection should be taken; and
  - recovery action will be taken by the Council Income Team.

### Billing and Invoicing

4. The Service responsible for raising the invoice must ensure that the evidence of the service provided is fully validated and that the invoice is accurate and contains sufficient detail for both billing and recovery purposes. It is the responsibility of the originating Service to ensure that the correct billing details are collected. Any invoice discrepancies must be treated as a service priority to prevent unnecessary delays in payment.
5. Services are responsible for the raising of invoices in respect of the goods and/or services they supply on credit. Information for the invoice will be determined by the service provided but will potentially include:
  - Customer's full name(s)
  - Customer's full address(es), including postcode(s)
  - Customer's contact telephone number(s)
  - Date of supply
  - The Council's VAT registration number

- Purchase order number (where applicable)
  - Full description of the service/goods provided
  - Amount due
  - VAT amount
  - Total due
  - Financial code
  - Originating Service
  - Certification
6. All invoices must be raised timeously and to a correctly named legal entity. In the event of non-payment, legal action cannot be taken against a non-legal entity. Legal entities are:
- Individuals (over 18 and with sufficient capacity to contract)
  - Sole Traders
  - Partnerships (including those with Limited Liability)
  - Limited companies
  - Charities limited by guarantee
  - Incorporated Scottish Charities
  - Clubs run by a committee
  - Trustees
  - Executors or Personal Representatives
7. An invoice should not be raised:
- where the charge is not known in advance;
  - when it cannot be proven that the goods and/or services have been supplied;
  - when the amount due has previously been paid; and
  - where an invoice for the same goods or service has already been raised.

**Payment Terms – applies to all categories of sundry debt except legacy Statutory Notice-related debt**

8. The Council will collect monies owing to it fully and promptly. Where invoices are raised payment will typically become due after 14 days. Payment terms will only be considered where the customer is not able to settle the debt in full in one payment.
9. The Council will consider an interest-free instalment plan if the debt is settled within three months of becoming due. Any instalment plan longer than three months will attract interest at the court approved rate. The Council's maximum instalment term is 48 months. Where the Council secures a court decree interest will immediately be applied to the principal debt at the court approved rate.
10. The Accounts Receivable Team will set up and monitor all payment arrangements. Payment terms will be withdrawn if a debtor fails to honour the agreement.

**Payment terms – legacy Statutory Notice-related debt**

11. While the above terms relate to all other categories of sundry debt, it is recognised that the often-substantial sums relating to legacy statutory notice works (i.e. those initiated prior to April 2011) require particular attention. In order to spread the cost over a more manageable period and set the interest rate at such a level as to maximise overall collection rates, the following terms will apply:

- (i) A three-month interest-free instalment plan will be offered to all property owners in receipt of a legacy statutory notice-related invoice as defined above;
- (ii) Payment plans in respect of statutory notice-related works will be based on the combined debts outstanding for individual property owners as follows:
  - owners with total debts of up to £5,000 will be offered a payment plan of a maximum of four years;
  - owners with total debts of between £5,000 and £10,000 will be offered a payment plan of no longer than seven years and
  - owners with total debts of more than £10,000 will be offered a payment plan of a maximum of ten years.

12. In accordance with the Scheme of Delegation, the Head of Finance will review all relevant factors in determining the interest rate to be applied to legacy statutory notice-related debt; in order to provide greater certainty, this rate will remain fixed for the full period of repayment.

13. In exceptional circumstances the Council may consider offering a legacy Statutory Notice-related debtor the option of being made subject to a voluntary inhibition without the need for court proceedings to be instigated. At the time any offer is made, the Council will advise the debtor that legal advice should be sought in this regard.

#### **Accounting Arrangements**

14. Services will receive the credit when an invoice is raised. Where a debt cannot be recovered, the original credit will be debited from the Service budget by way of a write-off.
15. Refunds of any overpayments will be processed by the Accounts Receivable Team via an email request only where there are no other debts outstanding for that customer. If the customer has an outstanding debt then any overpayment will be offset after the customer has been informed [and agreed to such an arrangement](#).

#### **Recovery**

16. The revised recovery process for the majority of sundry debts is outlined below:

- A **final notice** will be sent for all invoices unpaid usually after one day past the due date (15 days from date of invoice)
- If after a further 14 days the invoice is unpaid, a **pre legal letter** (letter before claim) will be issued (30 days from date of invoice)
- After a further seven days, if the invoice is still unpaid, the Accounts Receivable Team may commence **legal action to recover the debt** (37 days from date of invoice)

17. At any time after the issue of a final notice the Accounts Receivable Team may refer the debt to a debt collection agency. Payment arrangements will then be made directly with that agency.

18. A number of other debt types such as supported accommodation and care in the home charges have an extended recovery process. This reflects the nature of the debt:
- A **final notice** will be sent for all invoices unpaid usually after one day past the due date (day 43 from date of invoice)
  - If after a further 21 days the invoice is unpaid, a **pre legal letter** (letter before claim) will be issued (65 days from date of invoice)
  - After a further 21 days if the invoice is still unpaid, the Accounts Receivable Team may commence **legal action to recover the debt** (86 days from date of invoice)
19. At any time after the issue of a final notice the Accounts Receivable Team may refer the debt to a debt collection agency and further action will be agreed with the service.
20. The Accounts Receivable Team must attempt to trace any debtors who have absconded and where appropriate use external agents to do so.
21. Recovery action may be halted at any part of the process if the debtor enters into suitable payment terms with the Accounts Receivable Team to clear the debt by instalments within a reasonable timeframe.
22. Recovery action may be halted at any time if the originating Service decides that it is not in the best interests of the Council e.g. for at-risk service users. When this happens the Accounts Receivable Team will arrange to raise a credit note to cancel the charge.
23. Further requests for goods or services should be reviewed by services where outstanding or repeat debts exist. This will be for each Service to determine e.g. school lets service withdrawn following non-payment of three invoices.

#### **Queries and Disputes**

24. If a charge is disputed the Service must notify the Accounts Receivable Team immediately to prevent the recovery process continuing. All disputes must be resolved by the Service within 90 days of the invoice being raised and the Accounts Receivable Team notified of the outcome.
25. Where disputes are not resolved within this timeframe the Accounts Receivable Team will place the invoice on suspend or hold. The Service is then responsible for resolving the issue and updating the Accounts Receivable Team.

#### **Legal action**

26. Legal action will be taken where a debt collection agency fails to collect the amount due or where a decision is made to pursue the debt in the Sheriff Court.
27. Single or multiple recoverable debts up to £5,000 will be considered for action through the small claims court by the Accounts Receivable Team. All recoverable debts over £5,000 will be considered for Sheriff Court action by the Accounts Receivable Team.
28. Where necessary, legal advice and representation will be sought by the Accounts Receivable Team.

#### **Credit Notes**

29. A credit note to cancel or reduce a debt must only be issued to:

- correct a factual inaccuracy;
- correct an administrative error;
- cancel an invoice where a dispute has not been resolved in the specified time; or
- adjust the amount of debt due

#### **Write-offs**

30. A review will be undertaken to assess the recoverability of debt outstanding on a monthly basis. The following factors will be considered in the review:

- the type of debt;
- how long it has been unpaid; and
- the history of the debt since it was raised.

31. Where these factors suggest that the debt may not be recovered, a provision will be raised against the balance and a charge will be made against the service to more accurately reflect the financial position of the Council. In the event that the income is collected at a future date, an adjustment will be made to the service to reflect the recovery. Write-offs will be charged to individual service budgets.

32. Delegations and limits regarding sundry debt write-offs are detailed in the relevant Appendix of this Policy.

33. A debt write-off must not be used to by-pass the normal debt recovery procedure and internal monitoring will ensure write-offs are being used correctly.

#### **Monitoring**

34. Regular reports, including monthly write-off reports, will be issued to each Service to enable a detailed review of outstanding debts. A centralised record of all write-offs will be maintained by the Accounts Receivable Team.

**Formatted:** Indent: Left: 36 pt, Right: 7.1 pt, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

**Formatted:** Indent: First line: 36 pt

## Housing Benefit and Council Tax Benefit/Reduction Overpayment Policy

### Overview

1. The Council's policy for the administration and recovery of Housing Benefit and Council Tax Benefit overpayments is intended to be used in conjunction with operational procedures maintained by the Department for Work and Pensions and takes account of all current legislation, corporate policy and best practice. The monitoring of overpayments is essential to maintaining a secure and effective Benefit Scheme.
2. The administration of the Schemes requires Local Authorities to calculate and recover any recoverable overpayments as defined by the regulations.
3. The Policy aims to:
  - prevent or minimise the number and value of overpayments via effective administration and publicising the duty of any persons claiming or receiving benefit to report relevant changes of circumstance;
  - prevent the occurrence of overpayments through timely administrative procedures, verification of data and associated verification visits;
  - minimise the occurrence of Local Authority error overpayments through effective administration, documented procedures, quality control and staff training;
  - maximise the recovery of overpaid benefit through effective and documented recovery procedures and the use of all recovery methods available to the Council;
  - maximise subsidy income through the accurate classification of overpayments; and
  - monitor the effectiveness of the administration of overpayments through ongoing assessment and reporting of overpaid benefit against set targets.

### Calculation and Classification

4. The accurate and timely calculation and classification of overpayments has a direct effect on the level of overpaid benefit and the amount of subsidy claimed. The Council will seek to:
  - prevent the continuance of an overpayment and minimise Local Authority error by ensuring that changes of circumstances are identified and the ongoing payment ceased or reduced within 10 calendar days of receipt of the relevant correspondence;
  - process the calculation of the overpayment within 10 calendar days of receipt of the correspondence. The same timescale will apply to underpayments;
  - ensure that the appropriate subsidy classification is allocated to each overpayment and that sufficient management checks are carried out to maximise accuracy;
  - ensure that uncashed Rent Allowance cheques are stopped to reduce the overall overpayment; and
  - reduce the total overpayment through application of the underlying entitlement provision.

### Notification

5. The notification of an overpayment is a statutory requirement that can be contested during the recovery stage, should the requirements of the regulations not be met. The Council will:
  - ensure that all notifications are compliant with relevant regulations;
  - ensure that notifications are issued to all persons affected within two working days of the calculation of the overpayment;

- maintain copies of all notifications; and
- carry out visits to vulnerable persons, where requested or considered appropriate, in order to explain the notification and proposed recovery action.

### Recovery

Formatted: Indent: Left: 54 pt, No bullets or numbering

6. The effective recovery of overpaid benefit is essential to minimise the outstanding value, the number of overpayments and the management of debt to the Council. The Council will seek to maximise the recovery of debt by:

- documenting, maintaining and making the procedures used for recovery action available to all relevant persons;
- ensuring that overpayments are recovered ~~from the appropriate person~~, depending on the nature and reason for the overpayment;
- utilising all recovery methods at the Council's disposal to maximise recovery;
- recovering from ongoing entitlement to benefit wherever possible;
- utilising Rent Account credits to offset overpayments of Rent Rebate where appropriate;
- recovering overpayments of Council Tax Benefit/Reduction by debiting the Council Tax account;
- issuing invoices within 35 days of the calculation of the overpayment. To comply with legislation, one calendar month for appeal must be allowed between the issue of the overpayment notification and issue of the invoice;
- agreeing payment arrangements that recover overpayment within an acceptable period;
- reviewing instalment arrangements for changes in debtor's circumstances; and
- maintaining records of debts where no recovery action is currently possible for future recovery for up to a period of five years.

7. When determining the person from whom recovery should be sought, the Council will give relevant consideration to the Housing Benefit regulations, which currently detail:

- the person from whom recovery can be made;
- the person to whom payment was made;
- the reason for the overpayment occurring;
- any information relating to the fact that an overpayment was occurring that was available to any person affected and from whom recovery may be sought; and
- whether the overpayment was caused by fraudulent activity.

8. When considering the maximum amount that shall be deducted from ongoing entitlement, the amount shall be determined in accordance with the Housing Benefit and Council Tax ~~of the~~ regulations and any specific earnings or income disregards.

### Write-Offs

9. In certain circumstances the Council will give consideration to the non-recovery of overpayments and the subsequent write-off of the debt. The circumstances in which this consideration will be applied are as follows:

- where the recovery of the overpayment will cause undue hardship; and
- where the recovery process has been exhausted and/or there are no realistic prospects for recovery.

10. In considering a debt for write-off the following stipulations will be applied:

- each case will be considered on the merits of the individual's circumstances;
- each request will be supported by relevant documentation;
- each case will receive authorisation from the appropriate authorised officer;
- financial authorisation limits will be set for authorised officers by the Benefits Manager;
- appropriate records of all authorised write-offs will be maintained; and
- relevant Financial Regulations, operational procedure and guidance will be followed in all cases.

#### Monitoring

11. Housing Benefit Overpayment arrears will be regularly monitored in terms of the age and value profile. This will ensure that resources are targeted and that arrears are not allowed to accumulate without recovery action being taken.

Formatted: Indent: Left: 54 pt, No bullets or numbering

Formatted: Indent: Left: 36 pt, First line: 0 pt

Formatted: Indent: Left: 36 pt

DRAFT



## Appendix 6

### Parking Charges and Bus Lane Charges Recovery

1. In the case of parking and bus lane charges a Notice to Owner is sent to the registered keeper advising that payment is due within 28 days. Should payment not be received within this timescale the debt is increased by 50% and a Charge Certificate is issued.
2. Following the issue of a Charge Certificate the customer has 14 days to settle the debt before it is passed to the Sheriff Officer for collection. The Charge Certificate has the same status as an extract registered decree and contains authority for immediate enforcement by officers of the court.
3. The Sheriff Officer has the authority under legislation to collect debt by:
  - **Attachment and auction of effects** (usually vehicle) owned by debtor.
  - **Attachment of Earnings** – deductions are made from the debtor's salary at a rate determined by legislation.
  - **Attachment on Bank Account** – Funds [mayean](#) be attached from Debtor's bank account.
  - **Money Attachment** – Allows seizure of money belonging to debtor at business premises.
  - **Bankruptcy/Liquidation** – The Council [mayean](#) petition for bankruptcy/liquidation to meet the outstanding debt.
  - **Inhibition Order** – Prevents debtor from selling any property prior to payment of outstanding debt.
4. If, at any stage, the charge is disputed the case will be put on hold until the matter is resolved. The target for resolution is within 10 working days. Where this is not possible an acknowledgment letter will be sent extending the timeframe

### Monitoring and Write-off of Parking and Bus Lane Charges

5. All actions in regard to debt recovery for Parking and Bus Lane Charges are recorded on the Parking system. The system produces reports of monies collected by type, reason, payment date and amount. Reports can also be produced to verify write-off and cancellation reasons. These reports are used for monitoring and audit purposes.
6. The Parking Operations Manager, Head of Transport and Service Manager have delegated authority to write off any debt related to unenforceable cases.
7. The Parking Services Team Leader and Parking Services Manager have the authority to write off debt in the following circumstances:
  - All Actions Failed
  - Company Liquidated
  - Deceased
  - Diplomatic Vehicle
  - Discount for Postal Payments
  - Foreign Driver
  - Make Mismatch no Photos
  - No Poindable Effects
  - No Trace at DVLA
  - Outwith Sheriff Officer Jurisdiction
  - Overseas Hirer
  - Unable to Trace
  - Small Balance Write Off
  - Unable to Trace Keeper/Owner
  - Unable to Process
  - Vehicle Disposed of
  - Vehicle Driven Away
  - Vehicle Released from Pound

## Overpaid Salaries and Wages Policy

### Introduction

1. The Council must ensure that employees are paid correctly at all times. The purpose of this document is to ensure that there is a consistent approach to the correction of underpayments and the recovery of overpayments throughout the Council. It is an overriding principle that if an overpayment of salary occurs the Council will recover the overpayment from the employee. Overpayments are recoverable even when the employee is not at fault.
2. If it is considered that an overpayment has been brought about fraudulently, the matter will be reported to the Council's Internal Audit section, in line with Section 4.4.7.3 of the Financial Regulations.

### Scope of Policy

3. This procedure applies to all employees of the Council.

### Overpayments

4. This document explains the process which will be used when an employee receives an overpayment in their salary.

### Definitions

5. The definition of an overpayment is where an employee or someone who has left employment is paid an amount in excess of contractual entitlement. Likely causes of an overpayment include but are not restricted to:
  - a termination form not being completed, received or implemented on time;
  - late notification of sickness absence;
  - staff not returning from maternity leave;
  - an error being made; and
  - a late change notification.

### Identification of Overpayment

6. Overpayments can be identified in several ways by:
  - a member of staff in the HR and Payroll Service Centre who identifies that an error has occurred, as part of the internal controls;
  - the employee upon receipt of salary/payslip; or
  - the budget manager through normal budget monitoring.
7. When an overpayment has been identified, action must be taken as quickly as possible to rectify the error.

### Underpayments

8. This document explains the process which will be used when an employee is underpaid in their salary.

## Definitions

9. The definition of an underpayment is where an employee is paid less than their contractual entitlement. Likely causes of an underpayment include but are not restricted to:
- a contractual change request being submitted after the service centre deadline;
  - a late submission of a claim form;
  - a deduction made in error;

**Formatted:** Indent: First line: 36 pt, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

## Identification of Underpayment

10. Underpayments can be identified in several ways:
- a member of HR and Payroll Service Centre identifies that an error has occurred, as part of the internal controls;
  - the employee upon receipt of salary/payslip; or
  - the relevant budget manager.
11. When an underpayment has been identified, action must be taken as quickly as possible to rectify the error.

## Resolving Errors in Pay

### Responsibilities of HR and Payroll Service Centre (HR and PSC)

12. It is the responsibility of HR and PSC to:
- identify errors and advise the employee (or their line manager, if appropriate) in a timely manner (normally immediately);
  - take interim action to ensure the error cannot continue, while the matter is being resolved;
  - confirm in writing any overpayment;
  - where necessary issue a new contract, amendment to contract letter etc.;
  - ensure any errors are resolved by following the appropriate business procedure; and
  - escalate any individual errors in excess of £2,000 or errors over a period of more than 12 months with a value greater than £1,000 to the Customer Services Manager.

### Responsibilities of line managers

13. It is the responsibility of line managers to make sure that:
- paperwork relating to changes in pay or termination, etc. is submitted to HR and PSC in accordance with Service Centre deadlines;
  - when an error in payment is identified the member of staff concerned is supported and appropriate action taken to resolve the situation; and
  - review on a regular basis all salaries charged to their cost centre

### Responsibilities of employees

14. It is the responsibility of individual employees to:
- ensure that they understand their salary, as agreed contractually; and
  - raise any anomalies with their pay immediately using the HR and PSC escalation process set out at item 15 below.

**Formatted:** Font: Not Bold

Failure to report a known overpayment is deemed to be a fraudulent act.

#### **HR and PSC escalation process for employees**

15. For employees, the HR and PSC process is as follows:

- all payroll queries must be logged with the help desk;
- where an employee has received no pay or less than 75% of basic pay, the HR and PSC will respond within 24 hours. Underpayments will normally be corrected on the next pay day or in extreme circumstances immediately;
- calls relating to overpayments will be responded to within 48 hours;
- if the query has not been resolved within the agreed timescale, individuals should contact the HR and PSC again and speak with the Customer Services Assistant to check the status of their query; and
- where a response is still not received the query should be escalated by contacting the relevant Customer Services Team Leader

#### **Process for resolving payment errors**

16. The exact nature of the payment error will be investigated by a Customer Services Assistant who will calculate the amount of the payment error. Payroll will then be notified of the error including the reason.

- For underpayments, Payroll will arrange payment to the employee where it has been agreed that an immediate payment is to be made.
- For overpayments, Payroll will write to the employee including an apology and a brief explanation as to how the error occurred. This letter will confirm the repayment plan, specifying the amount and the period of recovery.

17. Current employees will have overpayments recovered from their gross pay. The repayment period will normally be equal to the period over which the overpayment occurred. In cases where the period or value of the overpayment is significant, the Payroll Team Leader can agree a suitable repayment period.

18. Decisions regarding the duration of this extended period for repayment of an overpayment will take into consideration a number of factors. This includes the amount of overpayment, personal circumstances which could lead to undue financial hardship, duration of contract (if not permanent), proximity to retirement or maternity leave.

19. If the employee has not made contact to discuss the letter received, Payroll will commence recovery from the next available pay period as specified in the letter to the employee.

20. Where necessary the Customer Services Manager will conduct a full investigation of the payment error. A full investigation would be required if for example there has been an overpayment over a long period of time, where there is concern that fraudulent activity may have taken place or where there is a significant overpayment.

21. Internal audit will be notified of any suspected fraud.

#### **Leavers**

22. Where an overpayment has occurred and an employee leaves, during or before the start of an agreed repayment period, the balance of the overpayment will be taken from their final salary. If the overpayment is greater than the final salary or notification of leaving is received

|

after the final salary has been paid, the repayment process for a former employees will be used.

23. Where an underpayment has occurred and an employee leaves, full payment will be made in their final salary.

|

**Former employees**

24. Where a payment error is identified for an employee who has already left the Council, the gross and net figure of the overpayment will be calculated. Payroll will write to the former employee to request a payment be made for the outstanding amount. If the former employee is unable to repay the overpayment in full, an invoice will be raised by the Income Services Team.
25. Overpayments will be processed through the payroll once a former employee has been advised of the error unless they left in a previous tax year. In this case Payroll will correct by a manual adjustment and inform HM Revenue and Customs accordingly.

|

**Reporting**

26. Payroll will maintain a list of all payment errors including the reasons. This will be reported to the Payroll Manager on a monthly basis and is monitored as part of the Performance Indicators of the HR and Payroll Service Centre.

## Methods of Payment

1. The Council is committed to providing a wide range of payment methods for its customers. These methods will offer flexibility through online, contact centre and face to face engagements while also promoting the Council's objective to operate accurately, consistently and efficiently.
2. In order to minimise the cost of collection the Council will actively promote low cost payment options such as Direct Debit. The following main methods of payment will, however, be offered/accepted:
  - Direct Debit (the preferred method)
  - Cash
  - Debit card/Credit Card (for specific services)
  - Online
  - Touchtone telephone using a debit or credit card.
  - Standing Order
  - BACS/CHAPS
  - Cheque/Postal Order
  - "Allpay" facilities at shops and outlets across Edinburgh
3. Invoices raised by the Council will be clear and wherever possible include a barcode to facilitate easy payment. Instalment plans, payment dates and any relevant interest will be communicated clearly.
4. The Council will adopt best practice payment approaches to facilitate, authenticate and, where possible, automate payments from the customer to the relevant Council account.
5. This Policy aims to:
  - promote a range of payment methods that are relevant to the customer;
  - allow customers to make payments outside of office hours;
  - standardise payment methods; and
  - enable efficiency savings through rationalisation and process improvement.

## Write-off Policy

### Overview

1. An integral part of debt recovery is the effective management of outstanding debts. The Council will normally consider debts owed as being recoverable, however, it is good accounting practice to identify and write-off irrecoverable debts. This ensures the Council uses its resources in an efficient manner and supports strategic financial planning.
2. Debts will only be considered for write-off when every possible recovery process has been exhausted and the debt remains outstanding. Debts will also normally only be considered for write-off where the account is "closed" (i.e. no recurring debt). Only in exceptional circumstances will amounts on "live" (i.e. on-going accruing debt) accounts be considered. Such cases must demonstrate that further recovery action will not achieve collection of the debt
3. The Council will also consider the specific circumstances of the debt and the debtor to ensure the Council's financial position is balanced against relevant factors such as anti-poverty issues, economic considerations and official error. This review will ensure that debt recovery actions are in the public interest.
4. It is not possible to list every scenario that may make a debt suitable for write-off, however, Appendix 9A shows the main reasons why debts become irrecoverable. Not all categories will be relevant to all debt types, and the specific reasons for write-off will be determined by the nature of the debt e.g. sequestration is *generally* not considered to be an appropriate action in relation to miscellaneous and sundry debt.
5. This Policy applies to all Council debt types, including service debts such as statutory notices, care charges, parking charges, premises hire, etc. All write-offs will be carried out in accordance with the principles outlined within the Council's Financial Regulations as supplemented by the Finance Rules. A record will be kept of all relevant decisions and the reasons for them.
6. Authority to write off debts will be carried out in accordance with the Council's Scheme of Delegation to Officers. Where a Director or senior officer has the authority to delegate powers to other relevant officers then any such delegation must be formally recorded with the Head of Finance. Certain officers have authority to write off debts as set out in the Scheme of Delegation. Where a Director or senior officer has authority to sub-delegate the power to write-off debts to other relevant officers under the Scheme of Delegation, any such sub-delegation that relates to the write-off of debt must be formally recorded with the Head of Finance.

Formatted: Font: (Default) Arial, 11 pt

Formatted: Outline numbered +  
Level: 1 + Numbering Style: 1, 2, 3, ...  
+ Start at: 1 + Alignment: Left +  
Aligned at: 18 pt + Indent at: 36 pt

6.

### Write-off Practices – Specific Debts

7. The following sections consider write-off levels and responsible officers for specific debt types. If a debt category is not specifically referenced then it will be governed by the write-off arrangements for service/sundry debt, as detailed below.
8. Officers' write-off levels are determined by the nature of the debt. For example higher write-off values are applied to Non Domestic Rates debt due to the value of the bills involved. Write-off values for debts such as Council Tax and service and miscellaneous debts are

considerably lower, and this again reflects the debt levels involved. These values enable services to run in an efficient manner, whilst also ensuring write-offs are subject to appropriate senior management and councillor scrutiny.

9. The Director of Corporate Governance and the Head of Finance, ~~Head of Corporate and Transactional Services and Council Income Manager~~ may write off ~~service debts and~~ Housing/Council Tax Benefit/Reduction overpayments of up to £3,000 in any case where all possible recovery has been attempted and recovery is not in the Council's best interests. In addition the identified officers can write off any amount where the debtor is in liquidation, and a suitable claim has been made, the debtor cannot be traced or the debtor is deceased and there are no funds in the estate. The Director of Corporate Governance and Head of Finance may furthermore write off service debts of up to £3,000 in cases where all possible recovery action has been attempted.

10. With regard to Non-Domestic Rates, Community Charge and Council Tax debts, the Director of Corporate Governance and the Head of Finance, ~~Head of Corporate and Transactional Services and Council Income Manager (and any other officer so designated in writing)~~ may write off:

- any balances claimed in liquidation or sequestrations where a suitable claim has been made, where the debtor cannot be traced or where the debtor is deceased and there are no funds in the estate;
- other Rates and Council Tax debts up to £3,000; and
- all Community Charge debts in line with national legislation.
- ~~Community Charge debts up to £2,000.~~

Debt write-offs in excess of these amounts, and other write-off types, will be reported to Finance and ResourcesBudget Committee for approval twice a year.

11. Bulk write-offs will only be used to process accounts that have are subject to sequestration and the Council has made the relevant claim.

12. The Director of Corporate Governance and the Head of Finance may also authorise other senior officers to write off ~~debt in the above categories up to a level not exceeding the identified maximum the debts set out in paragraphs 10 and 11 above in accordance with the Scheme of Delegation to Officers. Examples of the officers to whom the Director of Corporate Governance and the Head of Finance may delegate authority are as set out in Appendix 9B. This list is not exhaustive.~~

12. The most common authorisations are detailed in Appendix B.

13. The Director of Services for Communities is responsible for the collection of rents for Council housing, and accounting thereafter to the Director of Corporate Governance. The Director of Services for Communities ~~may~~ write off arrears balances of former tenants of Council housing of up to £1,000. The Director of Services for Communities may sub-delegate this power to other senior officers in accordance with the Scheme of Delegation. Write-offs over £1,000 are reported to the Finance and ResourcesBudget Committee for approval on a regular basis.

14. The Director of Health and Social Care, and ~~authorised~~ officers to whom he has sub-delegated authority in accordance with the Scheme of Delegation, have delegated powers to may authorise the following ~~charge~~ write-offs:

- incorrect assessment brought to light at a later date (the power to write-off debts in these circumstances where the debt is in excess of £5,000 must not be sub-delegated to any

Formatted: Font: (Default) Arial, 11 pt, Font color: Text 1

Formatted: List Paragraph

Formatted: Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 18 pt + Indent at: 36 pt

Formatted: No bullets or numbering

Formatted: Indent: Left: 0 pt

Formatted: Font: Bold



~~officer other than the (Director, Head of Older People and Disability Services or Chief Social Work Officer) must authorise sums in excess of £5,000;~~

- ~~service user has died and there is no money in the estate ((the power to write-off debts in these circumstances where the debt is in excess of £5,000 must not be sub-delegated to any officer other than the Head of Older People and Disability Services or Chief Social Worker)Director, Head of Older People and Disability Services or Chief Social Work Officer must authorise sums in excess of £5,000);~~
- ~~service user cannot be traced (the power to write-off debts in these circumstances where the debt is in excess of £5,000 must not be sub-delegated to any officer other than the Head of Older People and Disability Services or Chief Social Worker(Director, Head of Older People and Disability Services or Chief Social Work Officer must authorise sums in excess of £5,000);~~
- ~~service dispute where a complaint has been upheld (the power to write-off debts in these circumstances where the debt is in excess of £5,000 must not be sub-delegated to any officer other than the Head of Older People and Disability Services or Chief Social Worker(Director, Head of Older People and Disability Services or Chief Social Work Officer must authorise sums in excess of £5,000); and~~
- ~~social reasons e.g. service user has spent money due to mental health issues and has no funds to pay bills (the power to write-off debts in these circumstances where the debt is in excess of £3,000 must not be sub-delegated to any officer other than a (Senior Manager (Assessment) or Senior Manager (Older People)) or above must authorise sums in excess of £3,000).~~

~~The write-off of dDebts write-offs~~ in excess of £5,000 will be made in consultation with the relevant ~~service-~~ convener or vice convener. A record of any charges written off will be kept by the ~~service~~Department and reported to the Finance and ~~Resources~~Budget Committee on an annual basis as part –of \_\_\_\_ normal performance reporting.

15. The Director of Children and Families, and ~~authorised~~ officers ~~to whom she has sub-delegated authority in accordance with the Scheme of Delegation, have delegated power to~~ ~~may~~ authorise write-offs on social grounds or exceptional circumstances e.g. mental health issues ~~etc.~~ ~~The write-off of dDebts~~ that exceed £5,000 will be subject to consultation with the appropriate service convener or vice-convener. A record of write-offs will be kept by the service and reported on an annual basis as part of normal performance reporting to the Finance and ~~Budget~~Resources Committee.

#### **Inhibitions and Charges – Write-offs**

16. Debts secured through inhibitions and charges are subject to a write-off process that is consistent with recognised accounting practices. When the inhibition or charge is discharged the debt is written-on and the account settled. The Council will maintain detailed records of all outstanding inhibitions and charges, and will review these on a periodic basis.

#### **Monitoring and Reporting**

17. Write-off activity will be monitored on a regular basis to ensure that delegated powers are used appropriately.
18. Monthly write-off reports will be produced for sundry and miscellaneous debt and passed to service areas for review.
19. Proposals to write off sums in excess of the identified delegated powers will be reported to the Finance and ~~Resources~~Budget Committee twice yearly for approval and scrutiny.

20. All identified values are inclusive of VAT.

21. An annual report will be also produced for the Finance and ~~Resources~~[Budget](#) Committee at the financial year end detailing write-off activity for key debt categories. This report will include summary details of existing Inhibitions and Charges held by the Council and any bulk write-offs.

#### **Write-offs Prior to Billing**

22. The provisions set out within this write-off policy apply in the first instance to sums subsequently assessed to be irrecoverable once physical billing has taken place. In exceptional circumstances and taking account of the enforceability of the debt, however, a recommendation may be made not to bill for services provided. In such cases, the write-off provisions outlined in the preceding sections will apply.

23. In the case of debts apportioned amongst a number of parties, the total value of these multiple shares will be used to determine appropriate delegated authority and reporting. In the case of sundry debts (including statutory notices), for example, where billing of sums ~~otherwise~~ due would ~~otherwise~~ exceed £3,000, approval by the Finance and ~~Budget~~[Resources](#) Committee is required.

## REASONS FOR RECOMMENDING WRITE-OFF

1	<b>Collection Agent Report</b>	No available funds or assets to attach
2	<b>Inhibition Registered</b>	Debtor prevented from free disposal of assets, full recovery probable on asset realisation
3	<b>Charging Order</b>	Deferred payment of statutory repairs or residential care fees as charges recorded on debtor's property
4	<b>Unemployed</b>	No Attachable Assets, uneconomic to proceed
5	<b>Legal Services advice</b>	Debt unenforceable in Sheriff Court
6	<b>Legal Services advice</b>	Debt prescribed/time barred to pursue
7	<b>Property repossessed</b>	Shortfall in funds
8	<b>Debt Unenforceable</b>	Statutory Notice not served on Property/Owner
9	<b>Irrevocable Mandate Held</b>	No free funds on sale
10	<b>Director of Health and Social Care advice</b>	Enforcement would cause undue financial hardship
11	<b>In prison</b>	Debts not enforceable
12	<b>Full and Final Settlement</b>	Balance irrecoverable
13	<b>Trust Deed</b>	Debtor has multiple debts and affairs now handled by Trustee, dividend expected
14	<b>Absconded/No Trace</b>	All reasonable attempts to find the debtor have failed.
15	<b>Deceased</b>	Insufficient or no funds in the Deceased's estate to pay the amount outstanding.
16	<b>Uneconomic to pursue / pursue further</b>	When all recovery processes have been tried or considered or the cost of proceeding would be prohibitive.
17	<b>Sequestration/Liquidation/Administration</b>	Suitable claim has been made

Appendix 9B

Delegated Write-off Powers – Key Debt Types

Debt Type	Council Officer	Value
Council Tax	Income Manager	£3,000*
	Benefits Manager	£3,000*
	Debt Recovery/Team Manager	£3,000
Community Charge	Income Manager	£2,000*
	Benefits Manager	£2,000* <i>In line with national legislation</i>
	Debt Recovery/Team Manager	£2,000
Non Domestic Rates	Income Manager	£100,000+*
	Benefits Manager	£100,000+*
	Non Domestic Rates Manager	£100,000**
	Non Domestic Rates Technical	£50,000**
	Non Domestic Rates Officer	£20,000**
Housing/Council Tax Benefit/Reduction overpayment	Benefits Manager	£3,000
	Income Manager	£3,000
	Team Manager	£2,000
Miscellaneous and Sundry Debt	<del>Head of Finance</del> Income Manager	£3,000
	Corporate Finance Manager	£3,000
	Benefits Manager	£3,000
	Debt Recovery/Team Manager	£1,500

Formatted Table

\* Unlimited where debtor in liquidation or sequestrations where a suitable claim has been made, where the debtor cannot be traced or where the debtor is deceased and there are no funds in the estate. [Team Managers may write off Council Tax debts of up to £10,000 in these circumstances.](#)

\*\*Higher limits apply to the categories detailed above

Specific Service Debt

Debt Type	Council Officer	Value
Arrears balances for former tenants of Council houses	Director of Services for Communities (and authorised officers)	£1,000
Care Charges	Director of Health and Social Care (and authorised officers)	£5,000 (in consultation with convener or vice-convener)
Service and Care Charges	Director of Children and Families (and authorised officers)	£5,000 (in consultation with convener or vice-convener)

## Bankruptcy Policy

### Purpose of document

1. The Council is committed to using the most effective recovery methods available to it, and this Policy will ensure that the Council's use of sequestration (the process whereby an individual is made bankrupt) is consistent and complies with the relevant legislation and best practice.

### Legislation and Prerequisites to Bankruptcy

2. [The Bankruptcy and Debt Advice \(Scotland\) Act 2014 amends and adds additional sections to the Bankruptcy \(Scotland\) Act 1985 to ensure access to fair and just processes of debt advice, debt relief and debt management. The Bankruptcy \(Scotland\) Act 1985 provides that](#) Qualified creditors can commence bankruptcy proceedings if a debtor is apparently insolvent, but only if the creditor has presented the debtor with a debt advice and information package under the Debt Arrangement and Attachment (Scotland) Act 2002.
3. The consequences of sequestration can be severe and can involve the loss of the debtor's home or business, and considerable legal and trustee costs. The level of costs will reflect the complexity of the matters involved, and the extent to which the debtor co-operates with the trustee administering the bankruptcy estate.
4. Bankruptcy action takes place in the debtor's local Sheriff Court with bankruptcy jurisdiction.

**Formatted:** List Paragraph, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

**Formatted:** Font: 11 pt

**Formatted:** Font: (Default) Arial, 11 pt

**Formatted:** Font: (Default) Arial, 11 pt

### Administration

5. The Corporate Debt Team will manage the administration of sequestration cases and proceedings, including legal advice as appropriate.

### When Bankruptcy Action may be taken

6. Insolvency proceedings may arise in the following circumstances (the list is not exhaustive):
  - where the debtor is not making regular and mutually agreed payments that are sufficient to clear accruing debt and arrears within a reasonable and acceptable timescale;
  - where other methods of recovery are considered inappropriate or have failed and bankruptcy action appears to be a fair and proportionate course of action to recover from a particular debtor;
  - where the debt has arisen as a result of fraud; and
  - where bankruptcy action may elicit payment from specific groups of debtors, for example company directors, those for whom a bankruptcy order may affect their employment, professional status or ability to practice, self-employed people and those people needing finance.

### Decision Making

7. Prior to commencing bankruptcy proceedings enquiries will be made of the Income and Benefits Teams to:
  - i) Establish a debt history and whether any previous debts have been collected within a reasonable period by other means.

- ii) Ensure that all known benefits, discounts and exemptions have been granted based on the information held.
- iii) Based on information held, establish whether the debtor may be vulnerable or unable to deal with their day to day financial matters.
- iv) Ascertain if the debtor is known to them as a result of adult care service provision and therefore may be vulnerable.
- v) If records held and enquiries do not indicate that the debtor may be vulnerable then enquiries may be made with a credit reference agency and the Land Registry to establish information about the debtor's financial standing and ownership of property.
- vi) In order to assist with the decision as to the appropriateness of bankruptcy a visit will be made to the debtor's home address (and/or business address if known) to serve a written request on the debtor to pay in full, advising that bankruptcy proceedings are being considered, outlining the effect and likely high costs of bankruptcy and advising the debtor to seek independent advice. A debt advice and information package will be given to the debtor in accordance with the Debt Arrangement and Attachment (Scotland) Act 2002.
- vii) Where payment in full cannot be made, financial information and a proposal for repayment will be requested. If payment in full is not made but financial information is provided it may result in either acceptance of a proposal for repayment, an alternative course of action being taken, or pursuing bankruptcy proceedings. The reasons for the decision will be recorded. If an officer is unable to speak to the debtor in person the written request will be left at their home address, together with details of how to contact the Council.
- viii) In the event that the visit establishes that the debtor may be vulnerable then details of the perceived vulnerability will be recorded. Further enquiries will be made to check that council tax benefit, discounts and exemptions have been applied for, for possible referral to other agencies, and to determine an appropriate method of recovery. The debtor will be notified in writing of any decisions taken.
- ix) Where a decision is taken to commence bankruptcy proceedings a letter will be sent to the debtor setting out the decision, warning them again of the consequences and high costs of bankruptcy, advising them to seek independent advice.

#### **Petition for Sequestration**

8. The Council may present a Creditor's Petition for Sequestration to the Sheriff Court within three months of the date of presentation to the debtor of the debt advice and information package. Prior to presentation of the Petition further enquiries will be made concerning adult care to establish whether the debtor has become known to them during the process, in which case the action will be reconsidered.
9. At this stage the debtor is required to pay the debt in full before the hearing of the Petition at Court otherwise the Court will be asked to make an award of sequestration. The Sheriff will cite the debtor to appear at the hearing of the Petition to show cause why sequestration should not be granted. The Council will not object to a short continuation of the proceedings

|

if the debtor provides the Court with evidence that they will be able to pay in full within a very short period.

10. If, between the Petition being presented to the Court and the hearing of the Petition, it becomes known that the debtor does not have the capacity to deal with the matter, then full consideration will be given to seeking a continuation of the proceedings to enable both the debtor and the Council to obtain further advice.
- |

DRAFT

## Trustees in Sequestration

11. When the Council is the petitioning creditor in a bankruptcy they will nominate a trustee in the sequestration that is local and easily accessible by the debtor. The appointment of a local or easily accessible trustee will enable Officers to attend meetings of creditors when necessary. ~~However, the ultimate decision to appoint the trustee in the sequestration is that of the sheriff, rather than the Council. If a Trustee is not nominated or declines the nomination, the Court will appoint the Accountant in Bankruptcy as Interim Trustee.~~

**Formatted:** Font: (Default) Arial, 11 pt

**Formatted:** List Paragraph, Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 18 pt + Indent at: 36 pt

**Formatted:** Font: Arial

**Formatted:** Indent: Left: 18 pt, No bullets or numbering

DRAFT



# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Extension of the Contract for Edinburgh's Christmas and Edinburgh's Hogmanay

Item number	7.8(a)
Report number	
Executive	
Wards	All

### Executive summary

The Finance and Resources Committee on [21 March 2013](#) approved the award of the contract for Edinburgh's Hogmanay and Edinburgh's Christmas to a consortium of Underbelly Ltd and Unique Events Ltd for a period of three years (2013/14; 2014/15; and 2015/16) with an option to extend by two further 12 month periods (2016/17 and 2017/18). The Council should decide by June 2015 whether to extend the contract to cover 2016/17 and notify the consortium.

Key performance indicators for the first two years of Edinburgh's Christmas and Edinburgh's Hogmanay were reported to Culture and Sport Committee on 26 May 2015 as satisfactory and are attached as an appendix to this report.

This report provides an update on the performance of the contract, summarises research into the positive economic impact of the programmes for the city and recommends that the contract be extended for an initial 12 month period.

### Links

Coalition pledges	P24
Council outcomes	CO8, CO20, CO26
Single Outcome Agreement	SO1

## Extension of the Contract for Edinburgh's Christmas and Edinburgh's Hogmanay

### Recommendations

---

- 1.1 Welcome the performance of the 2013/14 and 2014/15 events;
- 1.2 Note that the consortium is seeking to identify sponsorship or other additional external income which in turn would improve the financial return from the consortium to the Council;
- 1.3 Note that the consortium is also in discussions to extend the programmes into other areas of the city;
- 1.4 Approve the extension of the contract to the consortium of Unique Events and Underbelly Ltd for an initial period of 12 months for 2016/17 at a maximum cost of £1,312,456;
- 1.5 Note that the Director of Corporate Governance has delegated power to agree the final terms of the extension to the contract and to enter into the extension to the contract; and
- 1.6 Refer this report to the Corporate Policy and Strategy Committee for its information.

### Background

---

- 2.1 The consortium of Unique Events and Underbelly is contracted to deliver Edinburgh's Hogmanay and Edinburgh's Christmas. Through the delivery of this Festival and event programme, the Council aims to ensure that Edinburgh maintains its position as an attractive destination city for visitors throughout the winter season and aims to:
  - 2.1.1 create a dynamic, contemporary feel whilst retaining a sense of tradition, resulting in a 'unique to Edinburgh' product;
  - 2.1.2 offer different customer experiences;
  - 2.1.3 identify new creative activities and events to refresh the programme; and
  - 2.1.4 retain and enhance world class status for these programmes.
- 2.2 Edinburgh's Christmas takes place over a six-week period from November to January in and around the city centre.
- 2.3 Edinburgh's Hogmanay is an internationally renowned New Year festival, taking place over three days centred on 31 December. The Festival provides unrivalled

promotion for the city. Images of the midnight fireworks are broadcast around the world to significant international audiences. Social media coverage is also extensive.

- 2.4 The current contract replaced two separate contracts, and transfers all financial risk to the consortium contractor comprising Unique Events Ltd and Underbelly Ltd.
- 2.5 The term of the contract is three years from 2013/14 (at a cost of £3,937,368) with an option to extend for up to two further years.
- 2.6 The maximum subsidy in any year to the contractor is £1,312,456. The consortium will be liable for any costs that exceed the agreed subsidy.
- 2.7 The consortium is required to report regularly against contractual terms throughout the year.
- 2.8 The Corporate Policy and Strategy Committee agreed on 5 August 2014 that a set of key performance indicators be developed for Edinburgh's Christmas and Edinburgh's Hogmanay and reported annually.

## Main report

---

- 3.1 Appendix one provides an update on the performance of Edinburgh's Christmas and Edinburgh's Hogmanay in delivering the objectives outlined in paragraph 2.1 above.
- 3.2 Over the first two years of the contract, the consortium has performed well, improving the quality of the Christmas and Hogmanay celebrations, maintaining high levels of customer satisfaction, providing more opportunities for local community groups to participate and increasing value for money for local residents. Edinburgh's Christmas offered a discount in 2014/15 for all those with an EH postcode, and sold 97,500 discounted tickets to EH postcode holders.

### Research commissioned by the Consortium

- 3.3 The consortium commissioned research from [Culture Republic](#) into the economic impact of the 2014/15 programmes. Using data provided by the consortium, and a survey of a sample of attendees, Culture Republic has calculated the following for Edinburgh's Christmas:
  - 3.3.1 1,508,154 attendances;
  - 3.3.2 886,651 unique attendances (having allowed for repeat visits); and
  - 3.3.3 a total footfall of 2.8m (compared with 2.6m in 2013/14).
- 3.4 The [eventIMPACTS](#) toolkit was developed by eight partner agencies across the UK, including UK Sport, Visit Britain, Event Scotland, the London Development Agency and Glasgow City Marketing Bureau. It comprises some key guidance and good practice principles for evaluating the social, economic, environmental and media-related impacts associated with staging major sporting and cultural

events. Using the eventIMPACTS methodology, Culture Republic has calculated the direct economic impact of Edinburgh's Christmas 2014/15 as £118.8m.

- 3.5 This figure excludes expenditure by Edinburgh residents at Edinburgh's Christmas, but will include some influence from the annual increase in commercial activity in the run up to Christmas. On 27 May, the consortium announced that with the application of multipliers, the economic impact for the city of Edinburgh from the 2014/15 event was £199.5m.
- 3.6 Culture Republic also conducted a post-event evaluation survey of Edinburgh's Hogmanay 2014/15. On 27 May, the consortium announced that with the application of multipliers, Edinburgh's Hogmanay 2014/15 achieved an economic impact of £41.8m for the city. Edinburgh's Hogmanay 2014/15 welcomed audiences of over 150,000 (with visitors from over 70 countries as well as local residents) to three days of sold-out events in the capital. Edinburgh's Hogmanay, as one of the city's 12 major Festivals, is a member of Festivals Edinburgh. The ongoing programme of themed impact analyses by Festivals Edinburgh focuses on economic impact throughout 2015. All 12 Festivals will be impact assessed, which for Edinburgh's Hogmanay will mean its 2015/16 programme. The results of this impact assessment should be available in March 2016.

#### **Other research commissioned by Essential Edinburgh**

- 3.7 Other independent research reinforces this point. A survey carried out on behalf of Essential Edinburgh, which runs the city centre Business Improvement District (BID), looked at all types of businesses in the city centre to fully gauge the impact Edinburgh's Christmas and Edinburgh's Hogmanay had on business within the BID area. The survey highlights that Edinburgh's retail sector achieved better results than the Scottish retail sector and the UK retail sector:
- 3.7.1 60% of retailers saw an increase year on year for December, while 20% traded in-line with the previous year;
- 3.7.2 retail sales for Edinburgh in December 2014 were up by +1.2% compared with the Scottish average of -1.8% and the UK average of -0.4%.
- 3.8 Commenting on these results in the April/May 2015 issue of *Business Comment*, the official magazine of the Edinburgh Chamber of Commerce, the former Chief Executive of Essential Edinburgh wrote:

'A key factor in delivering the increased figures has been the role played by the Christmas and New Year activities in attracting people to the city centre. Footfall is massively up compared to the UK average with Edinburgh up +4.4% vs the UK average of -2.1% and the BID area up +5.7%. The highest increase in footfall in the city centre, compared to December 2013, was South St Andrew Street, up 18.7% although both George Street (at Nat West) and Princes Street (at M&S) were also considerably up, 14.1% and 9.8% respectively.'

3.9 The article (which is provided in full in appendix two) continues:

‘In the final quarter of 2014 overall visitor expenditure experienced significant growth compared to Q4 2013, according to the Edinburgh Visitors Survey, an on-going survey conducted by LJ Research on behalf of Essential Edinburgh. This growth was distributed and observed across all categories, with shopping spend increasing by 7% compared to the final quarter in 2013.’

3.10 This impact is spread among businesses within Edinburgh and represents a significant addition to the local economy. This has been reinforced by other business leaders, including the Director of Harvey Nichols Regional Stores, speaking in his capacity as Director of Essential Edinburgh and as a member of the Edinburgh Business Forum, who was also quoted in the April/May 2015 issue of *Business Comment*. Here is an extract from the article (the full piece is also provided in appendix two):

‘Part of the success has been driven by the dynamic partnerships the city enjoys and the activities that spin out from those. “While we get lots of customers from Edinburgh, Glasgow and further afield in Scotland, there is no doubt that the summer is very important for us when the Festivals are in full swing and we see a real increase in the number of foreign customers. And this year the Christmas activity really raised the bar considerably. It’s important that we continue to be active as a city to attract visitors both nationally and internationally.”’

3.11 Given the year on year success achieved by both of these programmes, and their positive impact on the city, it is recommended that the contract for the delivery of Edinburgh’s Christmas and Edinburgh’s Hogmanay be extended for an initial period of 12 months for 2016/17, with the option to extend for a further 12 months beyond this to 2017/18.

3.12 The consortium is in discussions with the Council and stakeholders across the city to extend the Christmas and Hogmanay programmes beyond the current footprint.

## Measures of success

---

4.1 The success of the contract is measured against the key performance indicators contained in appendix one. In addition, as noted above, the Council uses these programmes to ensure that Edinburgh maintains its position as an attractive destination city for visitors throughout the winter season. The visitor numbers reported above, and the commentary provided by business leaders, show that this contract is supporting this aim.

## Financial impact

---

- 5.1 The subsidy from the Council for delivery of both events is £1,312,456 per annum, fixed for the duration of the contract. This is in line with the previous combined budget for both events. The value of the extension for 2016/17 will be a maximum of £1,312,456, and may be less than this if proposed cost savings can be achieved. (Any savings would be set against the Council's overall savings target for 2016/17.)
- 5.2 The maximum subsidy in any year is £1,312,456. The contractor will be liable for any costs that exceed the agreed subsidy.
- 5.3 Under the terms of the contract, the Council is entitled to a share of the profits generated by both events. In the second year of the contract Edinburgh's Christmas returned £16,373 while Edinburgh's Hogmanay returned £12,381. The consortium will seek to identify sponsorship or other additional external funding to enhance the programmes. If successful, this should also enable the consortium to provide a greater financial return to the Council.
- 5.4 Police Scotland introduced charges for the first time in 2014. The impact of Police charges amounted to a total of £107,000, which was contained within the Corporate Governance budget. The Council is in early negotiations with Police Scotland to establish costs for 2015/16 and beyond.

## Risk, policy, compliance and governance impact

---

- 6.1 The Council's contribution to these events is within budget, with the exception of the Police Scotland charges. Financial risk for the two programmes rests with the contractor. The events comply with all Council event management and safety policies.

## Equalities impact

---

- 7.1 The contractor is expected to ensure that the two programmes remain attractive to Edinburgh residents, and Edinburgh's Christmas in particular includes indicators to ensure that it remains attractive and accessible to families, and accessible to community groups.

## Sustainability impact

---

- 8.1 The contractor has an Environmental Policy which includes undertaking to minimise impact on the environment by the reduction of emissions; the efficient use of energy; the use of biodegradable and recycled products; and minimisation of waste amongst other activities.

8.2 Edinburgh’s Hogmanay participates in the Festivals Edinburgh Green Venue Initiative which promotes best practice in sustainability. The contractor will maintain membership.

## Consultation and engagement

---

9.1 The contractor has consulted and engaged with local businesses; stakeholder agencies and organisations as well as community groups, schools and other groups and individuals in the planning, delivery and assessment of events and attractions. This is expected to continue.

## Background reading/external references

---

Reports to Finance and Resources Committee on [21 February](#) and [21 March 2013](#); report to Corporate Policy and Strategy Committee on [5 August 2014](#); report to Culture and Sport Committee on 26 May 2015.

### Alastair D Maclean

Director of Corporate Governance

Contacts:

David Waddell, Senior Events Officer

E-mail: [david.waddell@edinburgh.gov.uk](mailto:david.waddell@edinburgh.gov.uk) | Tel: 0131 529 4929

## Links

---

<b>Coalition pledges</b>	P24 - Maintain and embrace support for our world-famous festivals and events
<b>Council outcomes</b>	CO8 - Edinburgh’s economy creates and sustains job opportunities CO20 - Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
<b>Single Outcome Agreement</b>	SO1 - Edinburgh’s economy delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	Appendix 1 – Key performance indicators for Edinburgh’s Christmas and Edinburgh’s Hogmanay 2013/14 and 2014/15 Appendix 2 – “A Christmas and Hogmanay Cracker for Edinburgh Businesses” article and “A Passion for Retailing” article from page 5 and pages 28 to 29 respectively of <i>Business Comment</i> April/May 2015

## Appendix One: Edinburgh's Christmas Contractual Key Performance Indicators

Action	Deliverables and Measures	Review Period	Baseline (Tender)	2013/14	2014/15	RAGG
Increase the accessibility of the Christmas events to visitors and residents	Number of tickets sold for Edinburgh's Christmas	Annual	248,000	387,462	541,151	Green
	Number of people attending Light Night	Annual	6,000	26,000	28,000	Green
	Footfall measured at the St Andrew Square site	Annual	267k	1.1m	1.6m	Green
	Footfall measured at the Princes Street site, next to East Gardens	Annual	1.06m	1.5m	2m	Green
Enhance customer experience	% of attendees who expressed satisfaction with the programme	Annual	70%	98%	98%	Green
	% of attendees who agreed the programme provided good value for money	Annual	70%	74%	80%	Green
Ensure the programme remains attractive to Edinburgh residents	% of Edinburgh's Christmas attendees that are Edinburgh residents	Annual	30%	37%	30%	Green
Ensure the programme is attractive and accessible to families	Number of attractions suitable for families	Annual	7	7	19	Green
Ensure the programme is accessible to local community groups	No of events in which local community groups participate	Annual	2	2	6	Green
Promote Edinburgh as a winter destination through social media channels	Number of Facebook 'Likes'	Annual	9,000	37,450	58,412	Green
	Number of Twitter followers	Annual	4,789	7,024	8,894	Green
Ensure the Council is not financially exposed	Profit share returned to the Council from Edinburgh's Christmas	Annual	17%	0	£16,373	Amber



## Appendix One: Edinburgh's Hogmanay Contractual Key Performance Indicators

Action	Deliverables and Measures	Review Period	Baseline (Tender)	2013/14	2014/15	RAGG
Ensure the Street Party and Concert in the Gardens remain accessible and attractive to visitors and residents (out of a total audience for all Hogmanay events of 75,000)	No of tickets sold for the Street Party/Concert in the Gardens	Annual	56,094	57,692	64,065	Green
Ensure the Torchlight Procession remains accessible and attractive to visitors and residents (dependent on securing external funding)	No attending Torchlight Procession	Annual	27,500	27,500	35,000	Green
Maintain level of international visitors to the Street Party	% of international visitors to the Street Party	Biennial	14%	N/A	18%	Green
Maintain high level of customer satisfaction	% of attendees who expressed satisfaction with the programme	Biennial	N/A	N/A	87%	Green
Ensure the Edinburgh's Hogmanay programme is attractive and accessible to Edinburgh residents	% of Edinburgh's Hogmanay attendees that are Edinburgh residents	Biennial	24%	N/A	25%	Green
Increase domestic and international promotion of Edinburgh through social media channels	Number of Instagram followers	Annual	0	592	1,036	Green
	Number of Facebook 'Likes'	Annual	7,232	26,351	36,551	Green
	Number of Twitter followers	Annual	2,502	8,109	10,903	Green
Ensure the Council is not financially exposed	Profit share returned to the Council from Edinburgh's Hogmanay	Annual	35%	0	£12,381	Amber



# A Christmas and Hogmanay Cracker For Edinburgh Businesses

By Andy Neal, former Chief Executive, Essential Edinburgh

Edinburgh city centre businesses have given resounding backing to the city's Christmas and New Year festivals after enjoying successful festive trading fuelled by high footfall.

A survey carried out on behalf of Essential Edinburgh, which runs the city centre Business Improvement District (BID), looked at all kinds of businesses in the city centre to fully gauge the impact Edinburgh's Christmas and Hogmanay activities had on businesses within the BID area.

In particular, the survey looked at how the activities have benefitted the city centre's Retail Sector – along with hospitality.

The figures make very positive reading. The survey highlights that 60% of retailers saw an increase year on year for December, with a further 20% trading in-line.

Retail sales for Edinburgh in December 2014 were up by +1.2% compared with the Scottish average of -1.8% and the UK of -0.4%.

A key factor in delivering the increased figures has been the role played by the Christmas and New Year activities in attracting people to the city centre. Footfall is massively up

compared to the UK average with Edinburgh up +4.4% vs the UK average of -2.1% and the BID area up +5.7%. The highest increase in footfall in the city centre, compared to December 2013, was South St Andrew Street, up 18.7% although both George Street (at Nat West) and Princes Street (At M&S) were also considerably up, 14.1% and 9.8% respectively.

Why is it so important that our shops have a good Christmas? Clearly, it is the most important trading period for most retailers, and that is of great importance to the wider economic health of our city. Buoyant, confident retailers invest in our city and that creates jobs and wealth and brings great benefits to all parts of our local economy.

That is a view clearly shared by the Scottish Government. They describe Retail thus: "As one of the most significant sectors of the economy, retailing is one of the largest Scottish urban employers. But more than this, the quality and range of a city's Retail Sector reflects on and contributes to its vibrancy, image and attractiveness to residents and visitors alike. A growing and dynamic retail sector can help restore and rejuvenate our cities."

In other words, Retail is a vital employer and generator of jobs and wealth, but it also plays a key role in attracting people to visit our city and our city centre.

In the final quarter of 2014 overall visitor expenditure experienced significant growth compared to Q4 2013, according to the Edinburgh Visitor's Survey, an on-going survey conducted by LJ Research on behalf of Essential Edinburgh. This growth was distributed and observed across all categories, with shopping spend increasing by 7% compared to the final quarter in 2013. Over 80% of all visitors surveyed shopped whilst they were in Edinburgh, the second highest activity after walking around the city. This shows not just how important retail is to a thriving city centre for locals but for tourists too.

Although tourists are spending on shopping, the vast majority of spend comes from locals. This group has been targeted in two ways in recent months; Edinburgh's Christmas offering a discount for all those with an Edinburgh post code – 97,500 tickets sold with an EH postcode discount – and through the "This is Edinburgh" marketing campaign. A recent survey identified that those who are "very proud of their city" has increased from 51% to 88% over the last year and interestingly when asked what made them most proud it was Edinburgh's nightlife, restaurants, bars and shopping. This all bodes well for the future prosperity of the city.





# A Passion for Retailing

**You would expect Gordon Drummond to be passionate about retailing – and he doesn't disappoint.**

This, after all, is the man who heads the aspirational Harvey Nichols in Edinburgh, the luxury retail name that has been in the vanguard in transforming the Capital's retail offering over the past decade.

The 100,000 sq ft store is built over five levels, including its stunning Forth Floor restaurant

which enjoys stupendous views over the city centre, and employs around 400 staff.

After a lifetime spent working in the retail sector – much of it in Edinburgh – Gordon is just about as positive and optimistic about the future of this vital sector as he has ever been.

Retail in Edinburgh employs close to 30,000 people – around 12% of the employment on offer in the city's varied and successful economy. But as Gordon is quick to point out, it is much, much more than a major employer.

He subscribes to the view espoused by the Scottish Government that the quality and range of a city's retail sector "reflects on and contributes to its vibrancy, image and attractiveness to residents and visitors alike. A growing and dynamic retail sector can help restore and rejuvenate our cities."

Gordon said: "Shopping provides the anchor around which our bars and restaurants operate, it is a huge driver of visitors both from Scotland, the UK and further afield, and it is nowadays very much a social activity, you and your friends and families."



Gordon sees an enormous amount to be encouraged by in terms of the recent and future development of the retail sector in the Capital, which has seen Edinburgh rise sharply through the ranks of UK retail destinations. With work due to start this year on the enormous £850 million Edinburgh St James development, he expects that ranking to escalate into the UK's top 10.

He said: "There is no doubt that Edinburgh's retail offering has changed enormously for the better in the past decade. We are now seeing the kind of retail mix that people expect of a Capital city – with less emphasis on 'high street' and a greater variety that includes niche independent shops and much more luxury retail."

In Gordon's view, and the view of most analysts, that mixture is likely to prove more resilient than less varied offerings, in particular the luxury market, in the face of increasing competition from online shopping. The challenges posed by technology are something Gordon believes should be viewed as opportunities, in the way that many major retailers have successfully built 'click and collect' and online offerings.

"There is no doubt that consumers, like to do their research and browse online to be up to date and on trend about what is available. But they also like to come into the store armed with the information they gain online, to see and touch the clothes, and to have a conversation with a knowledgeable assistant. In that regard, it is essential that staff are passionate about their merchandise and are enthusiastic and positive when dealing with well-informed customers.

"Given the pace of change over the past ten years it is very difficult to predict exactly what is likely to happen over the next few years, but we can be sure that there will be much more use of technology. As consumers become more aware and more informed, retailers will have to become even more engaged with their customers to develop very personal relationships with them."

Gordon, who is now a Director of Harvey Nichols Regional Stores, joined the company as the store General Manager, in 2003 shortly after it opened in Edinburgh. He has seen at first hand the surge in interest in luxury brands in the Capital.

"We've seen a lot of luxury brands come to Edinburgh since then, and there is no doubt that more will follow, particularly in Multrees

Walk next to our store and in George Street. Add in to that the appeal of the leading high street names in Princes Street, and the independent, niche retailers to be found in the Grassmarket, West End and Stockbridge, and the sector is in a very healthy position."

Gordon is quick to emphasise that there is no room for the City to rest on its laurels however. Part of the success has been driven by the dynamic partnerships the city enjoys and the activities that spin out from those. "While we get lots of customers from Edinburgh, Glasgow and further afield in Scotland, there is no doubt that the summer is very important for us when the Festivals are in full swing and we see a real increase in the number of foreign customers.

"And this year the Christmas activity really raised the bar considerably. It's important that we continue to be active as a city to attract visitors both nationally and internationally.

Gordon Drummond is a director of the Business Improvement District Company Essential Edinburgh and a member of the Edinburgh Business Forum.



Gordon Drummond



# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Edinburgh's Christmas and Edinburgh's Hogmanay Key Performance Indicators 2014/15 – referral report from the Culture and Sport Committee

<b>Item number</b>	7.8(b)
<b>Report number</b>	
<b>Wards</b>	All

### Executive summary

---

The Culture and Sport Committee on 26 May 2015 considered a report that provided an update on the key performance indicators of Edinburgh's Christmas and Edinburgh's Hogmanay for 2014/15. The two events were successful and returned a profit share of £28,754 to the Council. However, the Council had to cover an unbudgeted police cost of £107,000 as a result of Police Scotland introducing these charges for the first time. The report has been referred to the Finance and Resources Committee as part of its deliberations on the extension of the Edinburgh's Christmas and Edinburgh's Hogmanay contract with a view to covering unbudgeted costs and limiting financial exposure to the Council.

### Links

---

<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

# Terms of Referral

## Edinburgh's Christmas and Edinburgh's Hogmanay Key Performance Indicators 2014/15

### Terms of referral

---

- 1.1 On 26 May 2015 the Culture and Sport Committee considered a report that provided an update on the key performance indicators of Edinburgh's Christmas and Edinburgh's Hogmanay for 2014/15. The consortium of Unique Events and Underbelly was contracted to deliver Edinburgh's Christmas and Edinburgh's Hogmanay. Through the delivery of this Festival and event programme, the Council aimed to ensure that Edinburgh maintained its position as an attractive destination city for visitors throughout the winter season.
- 1.2 The two events were successful and returned a profit share of £28,754 to the Council. However, the Council had to cover an unbudgeted police cost of £107,000 as a result of Police Scotland introducing these charges for the first time.
- 1.3 The Culture and Sport Committee agreed:
  - 1.3.1 To welcome the outcomes of the 2014/15 events.
  - 1.3.2 To refer the report to the Corporate Policy and Strategy Committee for its information.
  - 1.3.3 To note that while a profit share of £28,754 was returned to the Council there was an unbudgeted police cost of £107,000 borne by the Council.
  - 1.3.4 To note that the Finance and Resources Committee was due to consider an extension of contract for Edinburgh's Christmas and Edinburgh's Hogmanay shortly.
  - 1.3.5 To refer the report to the Finance and Resources Committee as part of its deliberations on the extension of the contract for Edinburgh's Christmas and Edinburgh's Hogmanay with a view to covering unbudgeted costs and limiting financial exposure to the Council.

### For Decision/Action

---

- 2.1 The Finance and Resources Committee is asked to consider the report as part of its deliberations on the extension of the contract for Edinburgh's Christmas

and Edinburgh's Hogmanay with a view to covering unbudgeted costs and limiting financial exposure to the Council.

## Background reading / external references

---

[Edinburgh's Christmas and Edinburgh's Hogmanay Key Performance Indicators 2014/15](#)

### Carol Campbell

Head of Legal, Risk and Compliance

Contact: Veronica MacMillan, Committee Clerk

E-mail: [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) | Tel: 0131 529 4283

## Links

---

<b>Coalition pledges</b>	See attached report
<b>Council outcomes</b>	See attached report
<b>Single Outcome Agreement</b>	See attached report
<b>Appendices</b>	See attached report

# Culture and Sport Committee

10.00am, Tuesday, 26 May 2015

## Edinburgh's Christmas and Edinburgh's Hogmanay Key Performance Indicators 2014/15

Item number	7.3
Report number	
Executive	
Wards	All

### Executive summary

---

The Corporate Policy and Strategy Committee agreed on [5 August 2014](#) that a set of key performance indicators for Edinburgh's Christmas and Edinburgh's Hogmanay would be produced, against which the success of the contract could be measured and reported to this Committee.

Under the terms of the contract, Unique Events Ltd and Underbelly Ltd are jointly and severally responsible for delivery of the service contract for Edinburgh's Christmas and Edinburgh's Hogmanay. Underbelly Ltd has operational responsibility for delivering the former, while Unique Events has operational responsibility for the latter.

This report provides an update on the 2014/15 event, notes that the key performance indicators were all met (including a profit share returned to the Council from both programmes), and notes that the Council contained the Policing charge, which was introduced for the first time in 2014/15.

### Links

---

Coalition pledges	P24
Council outcomes	CO8, CO20, CO26
Single Outcome Agreement	SO1



## Edinburgh's Christmas and Edinburgh's Hogmanay Key Performance Indicators 2014/15

### Recommendations

---

- 1.1 Note the outcomes of the 2014/15 event; and
- 1.2 Refer this report to the Corporate Policy and Strategy Committee for its information.

### Background

---

- 2.1 The consortium of Unique Events and Underbelly is contracted to deliver Edinburgh's Hogmanay and Edinburgh's Christmas. Through the delivery of this Festival and event programme, the Council aims to ensure that Edinburgh maintains its position as an attractive destination city for visitors throughout the winter season and aims to:
  - 2.1.1 create a dynamic, contemporary feel whilst retaining a sense of tradition, resulting in a 'unique to Edinburgh' product;
  - 2.1.2 offer different customer experiences;
  - 2.1.3 identify new creative activities and events to refresh the programme; and
  - 2.1.4 retain and enhance world class status for these programmes.
- 2.2 This report provides an update on the performance monitoring framework which allows the Council and consortium to evaluate the programmes each year.
- 2.3 Edinburgh's Christmas takes place over a six-week period from November to January in and around the city centre.
- 2.4 Edinburgh's Hogmanay is an internationally renowned New Year festival, taking place over three days centred on 31 December. The Festival provides unrivalled promotion for the city. Images of the midnight fireworks are broadcast around the world to significant international audiences. Social media coverage is also extensive.
- 2.5 The current contract replaced two separate contracts, and transfers all financial risk to the consortium contractor comprising Unique Events Ltd and Underbelly Ltd.
- 2.6 The term of the contract is three years from 2013/14 (at a cost of £3,937,368) with an option to extend for up to two further years.

- 2.7 The maximum subsidy in any year to the contractor is £1,312,456. The consortium will be liable for any costs that exceed the agreed subsidy.
- 2.8 The consortium is required to report regularly against contractual terms throughout the year.
- 2.9 The Corporate Policy and Strategy Committee agreed on 5 August 2014 that a set of key performance indicators be developed for Edinburgh's Christmas and Edinburgh's Hogmanay and reported annually.

## Main report

---

- 3.1 Appendix one provides an update on the performance of Edinburgh's Christmas and Edinburgh's Hogmanay in delivering the objectives outlined in paragraph 2.1 above.
- 3.2 The framework is built around 21 key performance indicators monitored on an annual basis against specific targets contained within the contract, set in advance by the Council and agreed with the consortium. Performance is measured against these targets and analysed using the standard red/amber/green format of all Council performance analysis.
- 3.3 The baseline figures contained within appendix one are taken from the original successful tender submission of 2013 from the consortium. Baseline figures not contained within the tender submission are taken from 2012, the most recent data available prior to the start of this contract.
- 3.4 Edinburgh's Christmas undertakes annual audience research; Edinburgh's Hogmanay's research is undertaken biennially. The review periods within the appendix reflect these differing cycles of audience research. Edinburgh's Hogmanay, as one of the 12 major Festivals, is a member of Festivals Edinburgh. The ongoing programme of themed impact analyses by Festivals Edinburgh focuses on economic impact throughout 2015. All 12 Festivals will be impact assessed, which for Edinburgh's Hogmanay, will mean its 2015/16 programme. The results of this impact assessment should be available in March 2016.
- 3.5 At its meeting on [5 August 2014](#), the Corporate Policy and Strategy Committee considered key issues which arose in the consortium's first year, including affordability of some activities for families and an incident involving one of the attractions, which generated criticism in the local press. It was agreed as a result that a number of new family attractions and offers would be introduced, and co-operative promotional campaigns with key local media would continue for the 2014/15 event.

### **Edinburgh's Christmas**

- 3.6 Edinburgh's Christmas performed well with an increase in ticket sales of 40% to 541,151 for 2014/15 against 386,045 for 2013/14.

- 3.7 Footfall at the two Edinburgh's Christmas sites in St Andrew Square and Princes Street Gardens increased from 2.6m to 3.6m, with 2.8m of those specifically entering the sites to attend the Christmas events.
- 3.8 A reconfigured Light Night launched the celebrations with an estimated audience in George Street of 28,000 people. The St Andrew's Day celebrations attracted over 43,000 people to St Andrew Square.
- 3.9 Edinburgh's Christmas expanded its programme of more affordable entertainment with the introduction of lower priced rides for children in Princes Street Gardens. All EH postcodes were offered a 20% discount on attractions at Edinburgh's Christmas and 97,500 of these tickets were purchased by Edinburgh residents.
- 3.10 A number of community initiatives were also delivered. A Christmas tree trail around the city centre, called Decorate Edinburgh, was supported and designed by 50 local businesses. The proceeds from the involvement of the businesses supported four local charities: the Bethany Trust; Waverley Care; Women's Aid and Haldeel. The 24 Days of Advent provided a twist on the doors open day concept. Each day in the approach to Christmas a building or space which is normally closed to the public opened its door, and welcomed visitors with a mince pie or choral performance and a chance to explore the building or space. The Stained Glass Window project exhibited 12 stained glass windows designed by primary school pupils from across Edinburgh. These were displayed throughout East Princes Street Gardens.
- 3.11 Edinburgh's Christmas generated 132 articles in the printed press and online media and attracted coverage from several television and radio broadcasters.

### **Edinburgh's Hogmanay**

- 3.12 Hogmanay had its most successful year since 2007/08 with all events selling out in advance. The three day festival began with the Torchlight Procession, attracting over 35,000 people. The Street Party, Keilidh and Concert In The Gardens saw 75,000 people celebrating the new year in Edinburgh, with an estimated city centre audience in excess of 100,000 viewing the fireworks. The 1<sup>st</sup> January featured the Loony Dook in South Queensferry and the highly successful Scot:Lands programme, which opened 11 venues across the city to stage artistic performances, dance and song. In total, 148,000 people attended the events over the three days.
- 3.13 Hogmanay continues to attract a diverse audience with 64% of the street party audience coming from outwith Scotland. Box office data shows that tickets for this year's event were bought from 70 countries.
- 3.14 The BBC's live broadcast from Edinburgh peaked at 1.3m viewers during the celebrations. Sky News and Radio 5 Live also broadcast throughout the Hogmanay celebrations from Edinburgh.

- 3.15 Research commissioned for Edinburgh's Hogmanay showed a satisfaction rate for attendees of 87% (satisfied/very satisfied); value for money for the street party was rated as excellent/good value by 74% of attendees.
- 3.16 Blogmanay allowed 35 local businesses to engage with the 20 national and international bloggers who were hosted in Edinburgh for Hogmanay. The Blogmanay campaign reached 9.9m people with 77.3m impressions and 18,000 tweets on Twitter.

## **Measures of success**

---

- 4.1 The key performance indicators contained in appendix 1 are the framework against which the success of the contract is measured.

## **Financial impact**

---

- 5.1 The subsidy from the Council for delivery of both events is £1,312,456 per annum, fixed for three years. This is in line with the previous combined budget for both events.
- 5.2 The maximum subsidy in any year is £1,312,456. The contractor will be liable for any costs that exceed the agreed subsidy.
- 5.3 Under the terms of the contract, the Council is entitled to a share of the profits generated by both events. For Edinburgh's Christmas this share is £16,373; for Edinburgh's Hogmanay the profit share is £12,381.
- 5.4 These two events were a success allowing the consortium to offer the Council the profit share of just under £29,000 for the first time. However, the Council had to cover unbudgeted costs of £107,000 as a result of Police charges, which were introduced for the first time by Police Scotland.

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

---

- 6.1 The Council's contribution to these events is within budget, with the exception of the Police Scotland charges. Financial risk for the two programmes rests with the contractor. The events comply with all Council event management and safety policies. Discussions are underway about the policing of the 2015/16 events.

## **Equalities impact**

---

- 7.1 The contractor is expected to ensure that the two programmes remain attractive to Edinburgh residents, and Edinburgh's Christmas in particular includes indicators to ensure that it remains attractive and accessible to families, and accessible to community groups.

## **Sustainability impact**

---

- 8.1 The contractor has an Environmental Policy including undertaking to minimise impact on the environment which includes the reduction of emissions; the

efficient use of energy; the use of biodegradable and recycled products and minimisation of waste amongst others.

- 8.2 Edinburgh's Hogmanay participates in the Festivals Edinburgh Green Venue Initiative which promotes best practice in sustainability. The contractor will maintain membership.

## Consultation and engagement

---

- 9.1 The contractor has consulted and engaged with local businesses; stakeholder agencies and organisations as well as community groups, schools and other groups and individuals in the planning, delivery and assessment of events and attractions. This is expected to continue

## Background reading/external references

---

Reports to Finance and Resources Committee on [21 February](#) and [21 March 2013](#); report to Corporate Policy and Strategy Committee on [5 August 2014](#).

### Alastair D Maclean

Director of Corporate Governance

Contacts:

David Waddell, Senior Events Officer

E-mail: [david.waddell@edinburgh.gov.uk](mailto:david.waddell@edinburgh.gov.uk) | Tel: 0131 529 4929

## Links

---

<b>Coalition pledges</b>	P24 - Maintain and embrace support for our world-famous festivals and events
<b>Council outcomes</b>	CO8 - Edinburgh's economy creates and sustains job opportunities CO20 - Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	Appendix 1 – Key performance indicators for Edinburgh's Christmas and Edinburgh's Hogmanay

## Appendix One: Edinburgh's Christmas Contractual Key Performance Indicators

Action	Deliverables and Measures	Review Period	Baseline (Tender)	2013/14	2014/15	RAGG
Increase the accessibility of the Christmas events to visitors and residents	Number of tickets sold for Edinburgh's Christmas	Annual	248,000	387,462	541,151	Green
	Number of people attending Light Night	Annual	6,000	26,000	28,000	Green
	Footfall measured at the St Andrew Square site	Annual	267k	1.1m	1.6m	Green
	Footfall measured at the Princes Street site, next to East Gardens	Annual	1.06m	1.5m	2m	Green
Enhance customer experience	% of attendees who expressed satisfaction with the programme	Annual	70%	98%	98%	Green
	% of attendees who agreed the programme provided good value for money	Annual	70%	74%	80%	Green
Ensure the programme remains attractive to Edinburgh residents	% of Edinburgh's Christmas attendees that are Edinburgh residents	Annual	30%	37%	30%	Green
Ensure the programme is attractive and accessible to families	Number of attractions suitable for families	Annual	7	7	19	Green
Ensure the programme is accessible to local community groups	No of events in which local community groups participate	Annual	2	2	6	Green
Promote Edinburgh as a winter destination through social media channels	Number of Facebook 'Likes'	Annual	9,000	37,450	58,412	Green
	Number of Twitter followers	Annual	4,789	7,024	8,894	Green
Ensure the Council is not financially exposed	Profit share returned to the Council from Edinburgh's Christmas	Annual	17%	0	£16,373	Amber

## Appendix One: Edinburgh's Hogmanay Contractual Key Performance Indicators

Action	Deliverables and Measures	Review Period	Baseline (Tender)	2013/14	2014/15	RAGG
Ensure the Street Party and Concert in the Gardens remain accessible and attractive to visitors and residents (out of a total audience for all Hogmanay events of 75,000)	No of tickets sold for the Street Party/Concert in the Gardens	Annual	56,094	57,692	64,065	Green
Ensure the Torchlight Procession remains accessible and attractive to visitors and residents (dependent on securing external funding)	No attending Torchlight Procession	Annual	27,500	27,500	35,000	Green
Maintain level of international visitors to the Street Party	% of international visitors to the Street Party	Biennial	14%	N/A	18%	Green
Maintain high level of customer satisfaction	% of attendees who expressed satisfaction with the programme	Biennial	N/A	N/A	87%	Green
Ensure the Edinburgh's Hogmanay programme is attractive and accessible to Edinburgh residents	% of Edinburgh's Hogmanay attendees that are Edinburgh residents	Biennial	24%	N/A	25%	Green
Increase domestic and international promotion of Edinburgh through social media channels	Number of Instagram followers	Annual	0	592	1,036	Green
	Number of Facebook 'Likes'	Annual	7,232	26,351	36,551	Green
	Number of Twitter followers	Annual	2,502	8,109	10,903	Green
Ensure the Council is not financially exposed	Profit share returned to the Council from Edinburgh's Hogmanay	Annual	35%	0	£12,381	Amber

# Finance and Resources Committee

10.00am, Thursday 4 June 2015

## Home Energy Efficiency Programmes for Scotland: Area Based Schemes update

Item number	7.9
Report number	
Executive/routine	Executive
Wards	All

### Executive summary

---

The purpose of this report is to provide an update on the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) for Edinburgh and advise Committee of delivery arrangements for future phases of the programme.

HEEPS:ABS is the Scottish Government's programme to specifically target areas of fuel poverty by funding owners' contributions to energy efficiency works to their homes.

Current HEEPS:ABS projects are successfully delivering free and part-funded home insulation schemes for private owners. This not only helps individual home owners to improve the energy efficiency of their homes, but supports Council led mixed tenure projects by funding (or part funding) owners' contributions to these works.

The scheme supports the delivery of the Homes and Energy Strategy, as part of the overarching City Housing Strategy, addressing the priority to improve existing homes of all tenures.

### Links

---

Coalition pledges	<a href="#">P8 P50</a>
Council outcomes	<a href="#">CO10 CO18 CO19</a>
Single Outcome Agreement	<a href="#">SO2 SO4</a>



## Home Energy Efficiency Programmes for Scotland: Area Based Schemes update

### Recommendations

---

It is recommended that the Finance and Resources Committee:

- 1.1 Notes the success of the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS: ABS) projects to date.
- 1.2 Notes that the Council will continue to access the Energy Saving Trust (EST) framework to deliver HEEPS: ABS projects for the duration of its lifetime.
- 1.3 Notes that additional resources from the Housing Revenue Account (HRA) will be required to establish a customer relationship team where work is being carried out in mixed tenure areas.
- 1.4 Refers this report to Health, Social Care and Housing Committee for information.

### Background

---

- 2.1 At its meeting on 20 March 2014, the Health Social Care and Housing Committee approved the use of the EST insulation contractors framework to deliver HEEPS: ABS projects and agreed to receive an update on the progress of this programme.
- 2.2 The Scottish Government HEEPS: ABS funding is allocated to Scottish local authorities to fund insulation works to privately owned homes in areas with high levels of fuel poverty.
- 2.3 The key objectives of HEEPS: ABS are to reduce fuel poverty, reduce carbon emissions, and attract Energy Companies Obligation (ECO) funding to Scotland from utility companies.
- 2.4 This funds loft, loft top-up and cavity wall insulation for homes in Council Tax bands A-C, hard to treat cavity wall insulation, flat roof insulation, and solid wall insulation for houses and mixed tenure blocks. The programme contributes to improving homes and reducing fuel poverty for households in all tenures as prioritised in the City Housing Strategy 2012-17.

### Main report

---

- 3.1 The purpose of this report is to provide an update on the delivery of the HEEPS: ABS projects in Edinburgh and to advise of delivery arrangements for future phases of the HEEPS: ABS programme.

- 3.2 Areas are selected for the HEEPS: ABS programme on the basis of levels of fuel poverty and house construction type. The programme is targeted at those construction types which would benefit the most from having insulation measures installed.
- 3.3 HEEPS: ABS funding offers free and subsidised insulation to private householders. Depending on the nature of the work, some householders may be asked to pay a contribution towards costs.
- 3.4 The Council works closely with the Home Energy Scotland (HES) advice centre, which is the free and impartial energy advice service funded by the Scottish Government. This ensures that householders benefitting from insulation also get the opportunity to benefit from other HES services including energy advice, referrals for social tariffs, and benefits checks. HEEPS: ABS funds the secondment of a senior energy adviser within HES to engage with owners in mixed tenure schemes. This is beneficial in schemes with a majority of private owners and this post is in place to support existing and new HEEPS: ABS schemes.
- 3.5 The Council encourages Registered Social Landlords (RSLs) operating in Edinburgh to access HEEPS: ABS funding, to extend their own projects to private owners in their neighbourhoods.

#### **2013/14 Programme**

- 3.6 HEEPS: ABS 2013/14 has supported Council led energy efficiency improvements in Dumbiedykes and funded loft, cavity and hard to treat cavity schemes for individuals in Council Tax bands A-C across the city. The 2013/14 programme also funded projects led by Horizon Housing Association and Port of Leith Housing Association.
- 3.7 The Council spent its full 2013/14 HEEPS: ABS funding allocation of £1.5 million by the Scottish Government deadline of December 2014 and an estimated £920,000 of ECO funding was also levered in through these projects.
- 3.8 To date, over 1,880 Edinburgh homes have been insulated through this programme, which has assisted private owners to fund insulation works to individual homes and as part of communal works. The 2013/14 programme is now complete, and has saved 23,521 tonnes of carbon.

#### **2014/15 Programme**

- 3.9 The Council was allocated £3.3 million from the 2014/15 HEEPS: ABS funding pot. Approximately 470 homes in Edinburgh will be insulated using the 2014/15 funding. These projects will be delivered by the Scottish Government's deadline of September 2015.
- 3.10 A mixed tenure refurbishment project is currently on site at Dumbiedykes using 2014/15 funding. Loft, cavity and hard to treat cavity wall insulation for homes in Council tax bands A-C continue to be delivered.

- 3.11 As part of the 2014/15 programme, the Council is working in partnership with Manor Estates Housing Association to deliver a mixed tenure solid wall insulation project at Telford worth approximately £1.4 million. It is estimated the 2014/15 programme will save 12,400 tonnes of carbon.

### **2015/16 Programme**

- 3.12 In April 2015, the Scottish Government announced that the Council had been awarded £3.58 million in HEEPS: ABS funding for 2015/16. This allocation is expected to deliver insulation to approximately 1594 homes across the city.
- 3.13 The 2015/16 programme consists of areas with high levels of fuel poverty, containing suitable homes for solid wall insulation, and in areas in the bottom 25% of the Scottish Indices of Multiple Deprivation (SIMD).
- 3.14 The programme includes projects at Moredun, West Mains, South Queensferry and hard to treat cavity wall insulation across the city. It also includes a Manor Estates Housing Association project at Niddrie Mill and continued Council led refurbishment at Dumbiedykes.
- 3.15 The Council is now developing projects for 2016/17 HEEPS: ABS schemes, and the future programme will include the continuation of previous projects including Dumbiedykes and Westburn. It is estimated the 2015/16 programme will save 27,000 tonnes of carbon emissions

### **Promotion of HEEPS:ABS**

- 3.16 HES branding is used to promote loft, cavity and hard to treat cavity schemes for private homes. This is promoted through letters, contractor generated referrals, HES referrals and Council social media and through the 'Warm your home' campaign.
- 3.17 The Council and HES engage directly with owners and tenants in mixed tenure refurbishment schemes led by the Council. An energy advisor has been seconded within HES, specifically to encourage owner participation in mixed tenure projects.

### **Delivery through the Energy Saving Trust framework**

- 3.18 The EST framework of insulation contractors was established via a European Union compliant procurement process. The EST has now exercised its option to extend this framework to the end of March 2017. The contractors included on this framework are Wates, Everwarm, BCA Insulation, AC Whyte, Keep Moat and Help Link. Projects are delivered through mini tenders managed by Changeworks on the Council's behalf. Everwarm have to date been successful in three mini-tenders to deliver loft and cavity wall insulation programmes.
- 3.19 The HEEPS: ABS programme is delivered in phases, so further mini-tenders will be carried out as required, up to a maximum value of £1.5 million each. The Council will access the framework to deliver 2015/16 and 2016/17 projects using HEEPS: ABS funding.

## Measures of success

---

- 4.1 Measures of success include:
- the number of homes insulated;
  - fuel bill reductions and warmer homes for Edinburgh residents;
  - carbon emissions reductions from housing in the city; and
  - spending Edinburgh's allocation of HEEPS:ABS funding within the timescales set by the Scottish Government.

## Financial impact

---

- 5.1 The Council funds works to its own homes through the Housing Revenue Account (HRA) and the costs are contained within the existing capital programme.
- 5.2 HEEPS: ABS funding is intended to pay for private owners contributions for insulation, plus any enabling works required to achieve this. HEEPS:ABS therefore covers the cost of the secondment of a senior energy adviser within HES to support communications and engagement with owners.
- 5.3 HEEPS: ABS funding could also be used to fund or part-fund a fixed term post to manage HEEPS:ABS projects for the Council. This could mean the number of measures delivered is fewer, but assists the smoother delivery of insulation schemes. This proposal would be subject to the Council re-submitting a revised bid for the 2015/16 funding and approval by the Scottish Government approval.
- 5.4 The cost of the Council accessing the EST framework was included in the HEEPS: ABS funding allocated to the Council for 2013/14. This was a one-off payment which allows the Council to access the framework for its lifetime. The cost to the Council of each mini-tender undertaken is estimated at £1,500, which is paid for by the HEEPS: ABS funding.

## Risk, policy, compliance and governance impact

---

- 6.1 The Council will continue to use the current delivery arrangements through the EST framework. Under the Council's Contract Standing Orders, the Director of Services for Communities can approve mini tenders of up to £1.5 million.
- 6.2 The energy adviser, Changeworks and the contractor are responsible for resolving complaints from owners involved in the schemes.
- 6.3 Homeowners are understandably concerned about any work to their property, even when all or most of the costs are being met. Investment in effective customer communication and direct customer contact is essential to secure agreement to work being carried out, particularly in mixed tenure blocks. This will ultimately reduce the number of complaints from customers, many of which are based on misunderstanding of the nature and extent of work which will be done to their home and a misunderstanding of the nature of the Council's role in

relation to the works to be carried out. Investment of resources at the initial stages of any project should reduce the risk of reputational damage to the Council.

## Equalities impact

---

- 7.1 There is a positive impact on the duty to advance equality of opportunity by tackling fuel poverty among private owners and tenants, and fostering good relations with private owners. The projects minimise disadvantage to owners, as they can access free or low cost insulation.

## Sustainability impact

---

- 8.1 HEEPS: ABS funding assists owners who may not otherwise be in a position to participate in insulation schemes. It can also help the Council to progress works to its homes in mixed tenure blocks, which would not otherwise be possible without owner participation. The projects improve energy efficiency in homes, resulting in carbon emissions savings for Edinburgh.
- 8.2 The 2013/14 programme is now complete, and has saved 23,521 tonnes of carbon. It is estimated that the 2014/15 programme will save 12,400 tonnes and 2015/16 programme will save 27,000 tonnes of carbon emissions.

## Consultation and engagement

---

- 9.1 Proposals for the 2015/16 programme have been developed in consultation with Changeworks and HES. The Council has consulted Edinburgh Tenants Federation on the Homes and Energy Strategy reported to Health, Social Care and Housing Committee in June 2014. The 2015/16 programme contributes to those outcomes, by ensuring owners can contribute to mixed tenure refurbishment schemes.
- 9.2 An energy adviser from HES, funded through HEEPS: ABS, will support the Council to further develop communications and owner liaison for the HEEPS:ABS projects.

## Background reading/external references

---

[Home Energy Efficiency Programmes for Scotland: Area Based Schemes, Finance and Resources Committee, 20 March 2014](#)

[Homes and Energy Strategy, Health, Social Care and Housing Committee, 17 June 2014](#)

[City Housing Strategy Annual Review, Health, Social Care and Housing Committee, 17 June 2014](#)

**John Bury**

Director of Services for Communities

Contact: Katie Ward, Senior Project Manager

E-mail: [katie.ward@edinburgh.gov.uk](mailto:katie.ward@edinburgh.gov.uk) | Tel: 0131 529 7112

## Links

---

<b>Coalition pledges</b>	P8 Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites P50 Meet greenhouse gas targets, including the national target of 42% by 2020
<b>Council outcomes</b>	CO10 Improved health and reduced inequalities CO18 We reduce the local environmental impact of our consumption and production CO19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm
<b>Single Outcome Agreement</b>	SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO4 Edinburgh's communities are safe and have improved physical and social fabric
<b>Appendices</b>	None.

# Finance and Resources Committee

10am, Thursday, 4 June 2015

## Temporary Accommodation Framework - Award of Contract

Item number	7.10
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report seeks the approval of the Finance and Resources Committee to award a multi-supplier Framework agreement consisting of 2 Lots for Temporary Accommodation Bed and Breakfast and Shared House delivery, following a competitive tendering process.

The term of the framework will be two years, with the option to extend for a maximum of a further two years.

### Links

---

Coalition pledges	<a href="#">P8, P30</a>
Council outcomes	<a href="#">C10,C14, C16, C23, C25, C26</a>
Single Outcome Agreement	<a href="#">SO2, SO4</a>

## Temporary Accommodation Framework - Award of Contract

### Recommendations

---

It is recommended that the Finance and Resource Committee:

- 1.1 Approves the appointment of the following Providers for two years, with the option to extend for up to a maximum of two years:
- 1.2 Lot 1 – Dalkeith House, Leamington Guest House, 3A Solutions Ltd, Cameron Guest House Group, Ardblair House, Bainfield House, Shiloh B&B, Newington Guest House for the provision of Bed and Breakfast Temporary Accommodation.
- 1.3 Lot 2 – Camstone (Scotland) Ltd, Cameron Guest House Group, St Albans Lodge for the provision of Shared House Temporary Accommodation.

### Background

---

- 2.1 This report outlines the result of the procurement of the temporary accommodation Bed and Breakfast (B&B) and Shared House provision. The Council currently uses spot purchase bed and breakfast properties to accommodate customers (mainly singles and couples) who are assessed as homeless and require short-term temporary accommodation.
- 2.2 The Council has been utilising B&B, since 1987, when alternative accommodation is not available. It is the temporary accommodation of last resort. Other temporary accommodation is provided from Council stock, Registered Social Landlord (RSL) stock with some supported accommodation commissioned from the third sector.
- 2.3 The Council has a legal duty to provide temporary accommodation for homeless households or households at risk of homelessness.
- 2.4 This procurement exercise will secure circa 390 beds, 80% will be 'fixed' beds (pre-paid) and 20% 'flex' beds (paid for if used). Priority has been given to shared house, self-catering accommodation.
- 2.5 In 2014/15 the average individual nightly bed use was 373 beds. Bed use has never fallen below 312 beds during this period. More than 390 beds were used on 17 different weeks during this period, with a peak of 414 beds in March 2015.
- 2.6 This fluctuating bed use indicates the unpredictability of demand for temporary accommodation. A framework contract will allow the Council to draw down additional beds to accommodate the varying demand, without committing the Council to pay for fixed beds which might not be used.



## Main report

---

- 3.1 The Council currently spot-purchases Bed and Breakfast accommodation as a means to provide short-term temporary accommodation as part of the Council's housing options service and statutory obligations to homeless households.
- 3.2 This contract will replace spot purchase B&B accommodation with a contracted service which will fix prices and improve standards. It also provides an alternative to B&B temporary accommodation by offering self-catering shared housing. Such service provision assists with developing customer budgeting and daily living skills. The contract will ensure that the Council continues to adhere to the Homelessness Persons (Unsuitable Accommodation) (Scotland) Order 2004, not to place households with children (or pregnant women), in bed and breakfast accommodation for longer than 14 calendar days.
- 3.3 An open tender was published on Public Contracts Scotland on 7 January 2015, resulting in 15 notes of interest and 11 tender submissions.
- 3.4 The supplier selection and award was based on a weighting of quality (40%) and price (60%). The essential requirements of the specification and the quality assessment took into account that the service will be provided to customers who may be vulnerable. All accommodation providers are required to hold a House in Multiple Occupation (HMO) license in order to participate in the framework contract. Failure to renew a HMO license will result in contract termination.
- 3.5 This was a first time tender for the majority of the organisations taking part; in recognition of this fact the Council did not set a minimum acceptable score. All suppliers have through subsequent clarification, offered provision that meets the specification standards and each will receive detailed feedback to improve future tender submissions.
- 3.6 The qualitative criteria and evaluation, as set out below.

<b>Award Criteria</b>	<b>Weighting (%)</b>
Accommodation & Facilities	25%
Service Delivery	20%
Management & Staffing	15%
Performance Management	10%
Quality Assurance	10%
Business Continuity	10%
Community Benefits	10%
<b>Total</b>	<b>100%</b>

3.7 The scoring methodology is set out in Appendix 2. The resultant score for the tender is as follows:-

**Lot 1 Bed and Breakfast (335 beds)**

Contractor	Quality (Max 40)	Price (Max 60)	Overall Rank
Dalkeith House	37.5	49.2	1
Leamington GH	35.5	49.2	2
3A Solutions Ltd	34.5	50.2	3
Cameron GH Group	36.5	47.1	4
Ardblair House	31.5	49.2	5
Bainfield House	28.5	49.2	6
Shiloh B&B	12.5	60	7
Newington GH	10	55.3	8

3.8 The bids submitted range from £48,107 to £3,390,668 per annum, prices vary depending on property numbers and size of accommodation.

**Lot 2 Shared House (58 beds)**

Contractor	Quality (Max 40)	Price (Max 60)	Overall Rank
Cameron GH Group	36.5	55.6	1
Camstone (Scotland) Ltd	29	60	2
St Albans Lodge	29	59.4	3

3.9 The bids submitted range from £129,910 to £567,575 per annum, prices vary depending on property numbers and size of accommodation.

3.10 The Assessment, Homelessness and Support team will be responsible for the management of the new contract. Properties provided by the contractors will be called off in line with the ranked order established from the evaluation of tender with Lot 2 taking priority over Lot 1.

## Measures of success

---

- 4.1 A successful tender process has been completed and is compliant with European Union (EU) regulations and Contract Standing Orders.
- 4.2 Acquisition of a new shared house model that offers more flexibility for the service users until a more permanent accommodation solution is achieved.

## Financial impact

---

- 5.1 The current spend on this form of homelessness provision is circa £5.8m per annum.
- 5.2 The framework contract, including extension period (two years, plus two), has a maximum potential cost of £24,217,460 based on the maximum usage level of 393 rooms per night of each year. This equates to £6,054,365 per annum.
- 5.3 The framework has been secured through a mix of fixed and flexible beds. This means that if not all 393 beds are used the potential spend in budget would reduce. However if all 393 beds are in continual use the contract value suggests expenditure will be greater than the current B&B spend because of increased use. The number of B&B bed nights used increased by 7% between 2013/14 and 2014/15.
- 5.4 In addition to the flexible payment model, potential further savings are anticipated by securing a fixed rate price over the term of contract.
- 5.5 No transition costs will be incurred because moves will be arranged in a planned way. In addition all future providers currently provide spot purchase B&B beds.
- 5.6 The costs associated with procuring this contract are estimated at between £20,001 and £35,000.

## Risk, policy, compliance and governance impact

---

- 6.1 This contract is required to comply with the EU procurement regulations and reduce risk of budgetary pressures. Procurement of B&B and shared housing accommodation will ensure the Council is able to meet its statutory duty to provide temporary accommodation for people who are homeless. These 393 beds will comprise approximately 12% of all Council or commissioned temporary accommodation.
- 6.2 This contract will be monitored by the Assessment, Homelessness & Support manager, reporting to SFC Housing and Regeneration Head of Service.

## Equalities impact

---

- 7.1 An equalities impact assessment was conducted as part of the temporary accommodation procurement process and there were no equalities issues identified.

## Sustainability impact

---

- 8.1 The new framework will offer a core contract of two years, with an option of an additional period up to a maximum of two years.

## Consultation and engagement

---

- 9.1 Finance and Housing & Regeneration staff members all involved in the project team which drafted the service specification.
- 9.2 Service user views were captured through the Homelessness Customer Survey, which was carried out in July 2014 and included a specific B&B service user focus group. Feedback was used to influence the service specification.
- 9.3 Providers' views were obtained through a series of consultation meetings held between January 2014 and January 2015.
- 9.4 Temporary accommodation staff conduct three monthly community liaison meetings, visiting neighbours and nearby local businesses to discuss B&B accommodation in a given area and ascertain if there are any issues to address.

## Background reading/external references

---

None.

### John Bury

Acting Director, Services for Communities

**Contact:** Susan Bruce, Assessment, Homelessness and Support Manager  
[susan.bruce@edinburgh.gov.uk](mailto:susan.bruce@edinburgh.gov.uk) , 0131 529 7334

## Links

---

<b>Coalition pledges</b>	P8. Make sure the city's people are well housed, P30. Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	C10. Improved health and reduced inequalities C14. Communities have the capacity to help support people, C16. Well-housed- People live in a good quality home that is affordable and meets their needs and is well managed. C23. Well engaged and well informed-Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community C25. The Council has efficient and effective services that deliver on objectives C26. The Council engages with stakeholders and works in

partnership to improve services and deliver on agreed objectives

**Single Outcome Agreement**

SO2. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

SO4. Edinburgh's communities are safer and have improved physical and social fabric

**Appendices**

Appendix 1- Summary Tendering and tender evaluation Process

Appendix 2 – Scoring Methodology

## Appendix 1: Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	<b>Temporary Accommodation – Lot 1 &amp; Lot 2</b>
Contract Period	1 July 2015 to 30 June 2017 with the option to extend for up to two years.
Estimated contract value	£ 6,054,365 (Annual) £24,217,460 (Total including extensions)
Standing Orders observed	Open Procedure
EC Directives	2004/18/EC
Tenders Returned	11
Tenders fully compliant	11
Recommended Provider/s	11
Primary Criterion	Most economically advantageous tenders to have met the qualitative and technical specification of the client department'
Evaluation criteria and weightings and reasons for this approach	Quality (40%) Price (60%); Price was of higher importance due to the nature of the provision and Quality lower as requirements include a number of statutory requirements which it was essential all bids met and which are continually monitored.
Evaluation Team	Council Officers from Services for Communities, and Finance.

## Appendix 2 – Scoring Methodology

---

<b>Score</b>	<b>Description</b>
<b>0 Unacceptable</b>	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
<b>1 Poor</b>	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
<b>2 Acceptable</b>	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
<b>3 Good</b>	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
<b>4 Excellent</b>	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

# Finance and Resources Committee

10am, Thursday 4 June 2015

## Extension of Short Term Lets for Homeless Households contract

Item number	7.11
Report number	
Executive/routine	
Wards	

### Executive summary

---

This report seeks approval to extend the existing contract to Easylet Scotland (Ltd) for a further 18 months to supply emergency accommodation for households who are homeless.

This report also seeks approval to increase the number of homes for let under the existing contract from 107 to 130 short-term flats to be used as emergency accommodation.

The current contract was agreed for 18 months with the option to extend for a further 18 months. The contract began on the 17 January 2014 and terminates on 16 October 2015 and the extension to the current contract will run for a further 18 months from 17 October 2015 to 14 April 2017.

### Links

---

Coalition pledges	<a href="#">P8</a> , <a href="#">P30</a>
Council outcomes	<a href="#">C10</a> , <a href="#">C14</a> , <a href="#">C16</a> , <a href="#">C23</a> , <a href="#">C25</a> , <a href="#">C26</a>
Single Outcome Agreement	<a href="#">SO2</a> <a href="#">SO4</a>



## Extension of Short Term Lets for Homeless Households contract

### Recommendations

---

It is recommended that Finance and Resources Committee:

- 1.1 Approves the extension of the Easylet Scotland (Ltd) contract for an additional 18 months, in line with the option contained in the current contract.
- 1.2 Agrees to increase the scope of the contract by 23 homes giving a total of 130 homes.
- 1.3 Authorises the Director of Services for Communities to agree the final terms of the contract extension and to enter into the contract.

### Background

---

- 2.1 In order to meet the statutory duties towards homeless people and provide emergency accommodation, the Council has to access a range of accommodation including bed and breakfast (B&B) accommodation and accommodation marketed as short term private lets.
- 2.2 Legislation prohibits the placing of families in B&B so family accommodation is sourced from the private rented sector. Annually, the cost of purchasing short-term let flats is approximately £1,504,000. Procurement is required to both comply with the European Union procurement regulations and relieve budgetary pressures.

### Main report

---

- 3.1 The current contract awarded to Easylet Scotland (Ltd) to provide short-term let flats began on 17 January 2014 and will end on 16 October 2015. This report seeks approval to extend the contract to Easylet Scotland (Ltd) for a further 18 months, which will run until 14 April 2017.
- 3.2 The contract was awarded in January 2014 following a tendering exercise and allows for extension. Performance against the contract requirements has been good and savings have been delivered. A contract extension will allow these benefits to continue without any disruption of service for homeless households occupying short term lets.

- 3.3 The contract commits the Council to paying for 108 properties, with a further 22 properties being available for use but only paid for when required. A condition of the contract is that it allows a flexible response to service demand.
- 3.4 Given the acute lack of affordable housing in the city and the increased legislative requirement to provide settled accommodation to everyone who is unintentionally homeless, demand for temporary accommodation is high.
- 3.5 108 flats will be 'fixed' cost, i.e. pre-paid. Given that current demand is between 108 and 114 flats, it is envisaged that all of these will be utilised. 22 flats will be 'flex' cost and will only be paid for if used.
- 3.6 This flex element will assist the Council to ensure continued compliance with the Homelessness Persons (Unsuitable Accommodation) (Scotland) Order 2004, not to place households with children (or pregnant women), in bed and breakfast accommodation for longer than 14 calendar days.
- 3.7 Local authorities have a legal duty under the Housing (Scotland) Act 1987 and subsequent legislation to assist people if they have nowhere to live and have been assessed as homeless. Short-term let flats are emergency accommodation used primarily for families and pregnant women when they have been assessed as homeless.

## Measures of success

---

- 4.1 Measures of success include:
  - a. Continued compliance with homelessness guidance not to place households with children and pregnant woman in bed and breakfast accommodation.
  - b. Reduction in cost of short-term lets.

## Financial impact

---

- 5.1 In 2013/14, the Council spent £1,622,999 from the General Fund on short-term lets for emergency accommodation.
- 5.2 In 2014/15, spend on short-term let flats was £1,503,925.50, however usage has increased from 29,156 bed nights in 2013/14 to 31,819 bed nights in 2014/15.
- 5.3 By comparing unit price for 2013/14 (based on off contract spend) at £55.84 per night to 2014/15 average unit price of £45.92, it indicates that the Short-term let flats contract has delivered savings of £330,717.43 in 2014/15.
- 5.3 Projected savings from extension 2015 to contract end in 2017 are £270,006.

## Risk, policy, compliance and governance impact

---

- 6.1 An extension of this contract, within the terms of the original procurement is required to comply with the European Union procurement regulations and reduce risk of budgetary pressures.
- 6.2 Procurement of short-term let flats will contribute to the Council meeting its statutory duty to provide appropriate temporary accommodation for homeless households.
- 6.3 If the extension is not approved, it is highly likely that unsuitable B&B accommodation will be used for families and pregnant women requiring interim housing. This would put the Council in breach of the Homelessness Persons (Unsuitable Accommodation) (Scotland) Order 2004.
- 6.2 This contract will be monitored by the Assessment, Homelessness & Support manager, reporting to the Head of Housing and Regeneration.

### **Equalities impact**

---

- 7.1 The provision of good quality emergency accommodation enhances four areas of equality rights; the right to health, physical security, standard of living and individual, family and social life.

### **Sustainability impact**

---

- 8.1 The provision of good quality emergency accommodation for households with children who are homeless will have a positive impact on social cohesion and will promote personal wellbeing.

### **Consultation and engagement**

---

- 9.1 During the initial procurement exercise, consultation and engagement took place with a range of private rented sector accommodation providers. These discussions took place over a period between June 2012 and October 2013.
- 9.2 There is a continued demand for this accommodation and a constructive working relationship with the Provider has been developed throughout the duration of the current contract.

### **Background reading/external references**

---

[Finance & Resources Committee Report; Procurement of Short-term Lets for Homeless Households Report 16<sup>th</sup> January 2014](#)

## **John Bury**

Director of Services for Communities

Finance and Resource Committee – 4 June 15

Contract Extension Short Term Lets - vFINAL

Contact: David Smith, Temporary Accommodation Review Programme Manager

E-mail: david.smith@edinburgh.gov.uk | Tel: 0131 529 7335

## Links

---

<b>Coalition pledges</b>	P8. Make sure that the city's people are well housed P30. Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	C10. Improved health and reduced inequalities C14. Communities have the capacity to help support people C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community C25. The Council has efficient and effective services that deliver on objectives C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
<b>Single Outcome Agreement</b>	S02. Edinburgh's citizens experience improved health and wellbeing with reduced inequalities in health. S04. Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Appendix One Short-term Lets Stock Profile

## Appendix One

### Short-term Let Flats Report F&R Committee 4<sup>th</sup> June 2015

#### Projected Stock profile based upon 130 flats

<b>Number of Bed Rooms</b>	<b>% Required</b>	<b>Number of flats required &amp; size</b>
1	22%	28
2	60%	78
3	16%	21
4	2%	3
<b>TOTAL</b>	<b>100%</b>	<b>130</b>

# Finance and Resources Committee

10am, Thursday, 4 June 2015

## Contract Award for Homeless Prevention – Crisis and Complex Services

<b>Item number</b>	7.12
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All

### Executive summary

---

The purpose of this report is to provide an update on the co-production process and to seek approval to award two contracts for the duration of a pilot to two third sector organisations that currently provide support to people who have complex needs and who are homeless or at risk of becoming homeless.

The commissioned services referred to in this report help the City of Edinburgh Council meet a range of statutory duties relating to homelessness and support for people who are in housing crisis and have complex needs.

The Crisis and Complex workstream includes visiting housing support and a crisis outreach/centre service. The work stream forms part of a wider range of services provided by the voluntary and private sectors which are subject to a programme of collaborative working to achieve significant savings, rebalancing of services towards homelessness prevention and achieving better and sustainable outcomes for people who are homeless or at risk of homelessness.

Overall savings of £245,679 have been achieved reducing the annual budgeted expenditure from £1,819,843 to £1,574,164.81. Part year savings will be achieved in 2015/16 with full year savings applying from 2016/17.

### Links

---

<b>Coalition pledges</b>	<a href="#">P11, P13, P14, P32, P36</a>
<b>Council outcomes</b>	<a href="#">C09, C10, C11, C13, C14, C16, C23, C25, C26</a>
<b>Single Outcome Agreements</b>	<a href="#">S02, S03, S04</a>

## Contract Award for Homeless Prevention – Crisis and Complex Services

### Recommendations

---

It is recommended that the Finance and Resources Committee:

- 1.1 Notes that overall savings of £245,679 have been achieved reducing the annual budget expenditure from £1,819,843 to £1,574,164. New services will be implemented from August 2015.
- 1.2 Notes the collaborative work with service providers and other stakeholders carried out to date to achieve a joint approach for the delivery of services for people in housing crisis and people who have complex needs as defined in paragraph 2.5.
- 1.3 Approves the award of a contract to Turning Point Scotland to provide visiting housing support to this client group for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be re-procured). The total annual value of the contract from August 2015 is £262,824.
- 1.4 Approves the award of a contract to Streetwork UK to provide visiting housing support and a Rough Sleeper Crisis Centre to this client group for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be re-procured). The total annual value of the contract from August 2015 is £1,311,341.
- 1.5 Notes the review process for the pilot as outlined in section 3.13 and 3.14 of this report.

### Background

---

- 2.1 On 6 September 2011, the Homelessness Prevention Commissioning Plan (the Plan) was agreed by Policy and Strategy Committee. This sets out the need to prevent homelessness wherever possible. The Plan was developed after extensive consultation, and is part of the City of Edinburgh Council's wider City Housing Strategy 2012-2017.
- 2.2 On 13 February 2014, the City of Edinburgh Council agreed savings in the Revenue Budget Framework of £2.3 million from the Commissioning budget between 2014/15 and 2016/17. The savings required from the Crisis and Complex services have been included in this report.

- 2.3 On 11 November 2014, the Health, Social Care and Housing Committee considered a report on progress made to reshape services for people in crisis and with complex needs. Having considered the risks, committee agreed that the preferred option was to undertake a collaborative pilot with the current providers of the service. The decision was referred to the Finance and Resources Committee. On 27 November 2014, following consideration, the Finance and Resources Committee noted the report and decision of the Health, Social Care and Housing Committee.
- 2.4 The reshaping of services will happen in parallel with the Inclusive Edinburgh review, which aims to transform services to provide support to support a small, but highly demanding and vulnerable group of people.
- 2.5 The services included in this report help the City of Edinburgh Council meet a range of statutory duties towards people who are in housing crisis and people who have complex needs:
- Crisis outreach to people who are rough sleeping or at risk of rough sleeping.
  - Housing support to people assessed as homeless and requiring housing support.
  - Housing support to people who have complex or multiple needs who are at risk of homelessness

## Main report

---

- 3.1 Many people who have high support needs or who are in housing crisis manage to engage with services. However, some people find it difficult or challenging to access services in a traditional way. Housing support services identified an estimated 130 to 150 clients who have complex needs and are difficult to engage.
- 3.2 Current services provide crisis outreach to around 1,400 people per year, and visiting housing support to around 250 people per year. Two organisations providing seven services, service users and stakeholders from allied services have co-produced the service specifications to achieve savings and deliver outcomes through the reshaped services that are within the approach approved by Health, Social Care and Housing Committee on 11 November 2014.
- 3.3 Services agreed that savings of 13.5% would apply from August 2015, even if no agreement could be reached to reshape services through the co-production. This ensured that there was no incentive to delay the process and will deliver annual savings from the work stream of £245,679 across both organisations.
- 3.4 The co-production has been used to successfully agree service specifications for a visiting housing support service and a rough sleeper crisis centre for people with complex needs. These are to be provided by Streetwork UK and Turning



Point Scotland and meet the outcomes in the Homelessness Prevention Commissioning Plan.

3.5 Key changes to the services are:

- Payments are focussed on the outcomes that individuals achieve rather than hours or length of support. This is a similar approach to the previously agreed pilot 'Advice and Support' but needs to be managed within the more complex support cases of this work stream.
- Visiting support is extended to include people who are in temporary accommodation, so more people receive visiting housing support.
- Increasing the support delivered outwith the Rough Sleeper Crisis Centre to help people get and keep temporary and settled accommodation.
- Providing a 24 hour telephone helpline for members of the community to make referrals to the rough sleeper crisis centre.
- Closer working with other homelessness prevention services to establish pathways and referral routes to minimise both duplication and gaps between services.
- Adoption of new criteria to prioritise access to services for those most in need.
- Closer working with Council services.

3.6 The services will help to prevent homelessness by providing people with support to gain independent living skills so they can get and keep settled accommodation. Support will no longer be restricted to face to face visiting support to the person in their home. Providers will have the flexibility to provide support in the way that best meets the needs of the individual and will focus on the outcomes the person has to achieve.

**Visiting Housing Support**

3.7 Visiting housing support will provide continuity of support to people as they move from temporary accommodation to permanent accommodation. Support will help people find and keep a home and gain independent living skills. The support will also include:

- Advising on housing options (including private renting, social renting, owner occupation, shared ownership, mid-market rent, supported accommodation, sharing, subletting, and managing moves due to changes in welfare benefits).
- An assessment of needs and help to get:
  - health support from a doctor, nurse or hospital;
  - benefits;
  - support from Social work;

- into addiction services; and
  - into mental health services.
- 3.8 People will be able to access visiting housing support through referrals from: The Access Point, Out of Hours, Homelessness Assessment, Temporary Accommodation and the Crisis Centre. Where there is capacity the services may also receive referrals from statutory services including the Police and NHS, other third sector services and direct referrals.
- 3.9 Visiting housing support will be provided to people who are living in their own tenancies but are at risk of becoming homeless, and to people in temporary accommodation to help them get a home.

### **Rough Sleeper Crisis Centre**

- 3.10 The Rough Sleeper Crisis Centre will support people to access and maintain temporary and permanent accommodation. The support will also include:
- Access to basic amenities like toilets, showers and luggage storage.
  - An assessment of needs and help to get:
    - health support from a doctor, nurse or hospital;
    - benefits;
    - support from Social work;
    - into addiction services; and
    - into mental health services.
- 3.12 People will be able to access the rough sleeper crisis centre by presenting directly to the centre or through the street based outreach. People can also access the centre following referrals from: The Access Point, Out of Hours, Homelessness Assessment and Temporary Accommodation. Where there is capacity, the services may also receive referrals from statutory services including the Police and NHS, other third sector services and direct referrals.

### **Review of the Pilot**

- 3.13 There will be a review of the pilot. The purpose of the review will be to:
- Review the number of people who get support and the outcomes providers help these people to achieve.
  - Ensure payment by person and outcomes are challenging but do not make services financially unviable.
  - Identify good practice.
  - Inform the development of service specification for the re-commissioning of services after the pilot.

- Review the relationship and integration between services (including, for example, TAP).
- 3.14 The review will take account of the performance of the service and external monitoring by the Care Inspectorate. The review will also include feedback from other services, a full range of stakeholders from within the City of Edinburgh Council and service users.
- 3.15 The Council is undergoing significant change through the Council Transformation Programme. Contracts will stipulate that organisations which are providing the piloted services within this report may need to participate within specific reviews to support the transformation programme. Contracted services may need to respond to strategic change.

## Measures of success

---

- 4.1 Reshaped services in the approach will:
- Prevent homelessness by providing visiting housing support to clients in the first year of the service of which:
    - 70% of clients will not present as homeless within 12 months after a planned exit from the service;
    - 50% of clients successfully move from temporary to settled accommodation; and
    - 50% of clients achieve core life skills in the life skills matrix.
  - Prevent homelessness by ensuring clients are supported through the Rough Sleeper Crisis Centre in the first year of which:
    - 40% of clients will access and sustain temporary accommodation.
    - 5% will directly access and sustain settled accommodation (without additional visiting support).
    - 20% of clients achieve core life skills in the life skills matrix (without additional visiting support).
  - Achieve savings of at least 13.5% against the Crisis and Complex work stream budget for 2014/15.

## Financial impact

---

- 5.1 On 13 February 2014, as part of the annual budget setting process, the City of Edinburgh Council approved a reduction in the budget for externally commissioned housing advice and support services. This totalled £2.3 million over three years between 2014/15 and 2016/17.
- 5.2 Following a small efficiency saving of 1.1% applied to contracts for 2014/15, budget reductions of around 13.5% have been built into the Crisis and Complex

services contracts for the rough sleeper crisis centre and visiting housing support for the duration of the pilot.

- 5.3 The maximum value of the two contracts to be awarded is £3,148,330 if they run for 18 months and utilise the potential six month extension. Annualised figures are in Appendix 1.
- 5.4 The total annual saving agreed from the work stream is £245,679 (13.5%).
- 5.5 The contracts for the pilot contain a clause that allows further savings to be applied with appropriate notice in the event that further reductions have to be applied. Negotiations have taken place with providers to ensure savings are achieved in line with the strategic goals of the City of Edinburgh Council.

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

---

- 6.1 Policy and Strategy Committee on 6 September 2011 agreed the Homelessness Prevention Commissioning Plan. The proposals for Crisis and Complex form one part of a number of workstreams implementing the plan.
- 6.2 As reported report to Finance and Resources Committee, on 27 November 2014, there are risks associated with the Committee's favoured option to work with existing providers rather than tender the contracts.
- 6.3 Such challenges could come from providers interested in delivering a similar range of services. However, this should be minimal because the proposal is to pilot new services for a relatively short timescale with the intention to tender the reconfigured services following the evaluation of the pilot. Additionally, there has been no challenge to the Finance and Resources Committee decision of 27 November 2014.
- 6.4 If the pilot is not progressed new risks will be created. Providers have negotiated to date in good faith and there is a risk of reputational damage if there is a decision to tender these services.
- 6.5 Delays in commissioning decreases the Council's ability to support improved resilience and outcomes for this client group through lifeskills and access to settled accommodation. Delays also increase the risk that efficiencies will not be achieved. Without the realignment to the proposed model there will be an increased risk of a reduction in the amount of support people with complex needs get, and a greater risk of services becoming financially unviable. Without the pilot there is no immediately available way to provide the new approach.
- 6.6 Streetwork will be contracted to provide distinct Visiting Support and Crisis Outreach Centre Services. The visiting support element (including pricing) by Streetwork is challenging, but given assurances by Streetwork, it may nonetheless be useful to test the sustainability of the proposals. There is a risk that the provider may not be able to achieve the level of required support at the price stated, and may subsequently seek to negotiate a higher price or reduce

the level of required support. This can be tested through the pilot. The provision of visiting support for this vulnerable client group is a priority and budgetary pressures do not permit an increase in the total contract value. Alternatively, holding the provider to contract potentially places an unacceptable risk on the viability of the provider during a pilot. The risk can be managed through regular reviews throughout the pilot and if necessary transferring resources from the Crisis Outreach element to the Visiting Support element during or at the end of the pilot period. The benefits of a pilot allow continual reviews to ensure that resources are targeted in the most effective way, in line with legislative duties and the Homelessness Prevention Commissioning Plan.

- 6.7 A Check Point Group, which involves providers, service users, trade unions and other stakeholders, is in place to oversee the consultation and communication of the Homelessness Prevention and Commissioning Plan. In March 2015, the Checkpoint Group approved the consultation that took place to that date in the Crisis and Complex work stream. The group will continue to have oversight of all of the work streams in the Plan.

## Equalities and Right Impact

---

- 7.1 An Equalities and Rights Impact Assessment (ERIA) was completed for the Homelessness Prevention Commissioning Plan and a further assessment has been carried out in respect of the proposals for the Crisis and Complex work stream.
- 7.2 This pilot will have a positive effect on the rights of clients who use these services, specifically in areas of health, standard of living, participation, influence and voice and physical and legal security. The services help to minimise discrimination, harassment and victimisation and promote equality of opportunity for people with complex needs.
- 7.3 If current services are decommissioned, there could be a negative impact not only on users of the services but also on other services including NHS and the Police. If services are decommissioned the Council will work with all stakeholders to ensure clients can find alternative support.

## Sustainability impact

---

- 8.1 The proposal in this report will help achieve a sustainable Edinburgh and will impact positively on local communities and businesses. The services will also have a positive impact on social cohesion and inclusion and promote personal wellbeing through the proposals to prevent homelessness, enhance independent living skills and promote employability.
- 8.2 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties. Relevant City of Edinburgh Council's sustainable development policies have been taken into account.

## Consultation and engagement

---

- 9.1 Initial consultation was carried out with service providers and stakeholders from within the City of Edinburgh Council between May and August 2014, to identify the services that people use, service users' needs, the context, gaps in service provision and potential types of services that can help people in crisis and people with complex needs avoid becoming homeless. The consultation was used to develop the broad direction for services which was subsequently approved by Health, Social Care and Housing Committee on 11 November 2014.
- 9.2 There was extensive co-production to develop the service specifications between September 2014 and April 2015. The co-production included representatives from both existing service providers, and staff from Health and Social Care and Homelessness Assessment and Temporary Accommodation. A representative selection of 45 service users also gave feedback which has been integral to the co-production of service specifications.
- 9.3 A number of methods were used to engage stakeholders throughout the co-production to ensure it was inclusive. This included surveys, focus groups and one to one meetings. As a result all of the components of the service specifications were co-produced including:
- Entry criteria for services;
  - Descriptions of the type of support to be offered;
  - Measurements of the effectiveness of services;
  - Targets for the number of people to receive services and achieve outcomes; and
  - Payment rates.
- 9.4 The co-production was overseen by the Check Point Group, which includes service users, providers and stakeholders from the third sector and across the City of Edinburgh Council.

## Background reading/external references

---

[Homelessness Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)

[Homeless Prevention – Crisis and Complex Work Stream Update - referral from the Health, Social Care and Housing Committee , 27 November 2014](#)

['Inclusive Edinburgh'– a review of support for people with complex needs. Health Social Care & Housing Committee 28 January 2014](#)

## John Bury

Acting Director of Services for Communities

Contact: Graeme Fairbrother, Acting Commissioning Manager

E-mail: [graeme.fairbrother@edinburgh.gov.uk](mailto:graeme.fairbrother@edinburgh.gov.uk) | Tel: 0131 469 3503

Links

### Coalition pledges

- P8. Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.
- P11. Encourage the development of co-operative housing arrangements.
- P13. Enforce tenancy agreements (council and private landlord) with a view to ensuring tenants and landlords fulfil their good conduct responsibilities.
- P14. Strengthen Council housing allocation policy to give recognition to good tenants and to encourage responsible tenant behaviour and responsibilities.
- P30. Continue to maintain a sound financial position including long-term financial planning.
- P32. Develop and strengthen local community links with the police.
- P36. Develop improved partnership working across the Capital and with the voluntary sector to build on the "Total Craigroyston" model.

### Council outcomes

- C09. Edinburgh residents are able to access job opportunities
- C10. Improved health and reduced inequalities
- C11. Preventative and personalised support in place
- C13. People are supported to live at home
- C14. Communities have the capacity to help support people
- C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed
- C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community
- C25. The Council has efficient and effective services that deliver on objectives
- C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

**Single Outcome Agreement**

S02. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health  
S03. Edinburgh's children and young people enjoy their childhood and fulfil their potential

**Appendices**

S04. Edinburgh's communities are safer and have improved physical and social fabric  
Appendix 1: Contract Awards and Values (12 months)

## Appendix 1: Contract Awards, Values (12 months) and entry criteria

<b>Provider</b>	<b>Contract Type</b>	<b>Indicative Annual Value</b>	<b>Maximum Value (18 months plus 6 month extension)</b>
Streetwork	Part 1 - Rough Sleepers Crisis Centre	£1,311,341.12	£2,622,682.24
Streetwork	Part 2 - Visiting Support		
Turning Point	Visiting Support	£262,823.69	£525,647.38
<b>Total</b>		<b>£1,574,164.81</b>	<b>£3,148,329,62</b>



## **ENTRY CRITERIA – CRISIS OUTREACH**

The service should be available to any person who has complex and multiple needs and is multiply excluded including homelessness. In addition the service should be available to those with complex and multiple needs and multiply excluded requiring crisis and complex support, housed in temporary accommodation and assessed requiring housing support. The support would then be prioritised by:

(Note A: only a single criteria within each category needs to be present.)

### **Critical risk**

- Currently rough sleeping or roofless including those with multiple and complex needs
- Homeless and requiring support under Duty under Housing (Scotland) Act 2010

### **Substantial risk**

- At immediate risk of rough sleeping or roofless including those with multiple and complex needs

### **Moderate risk**

- Has been rough sleeping or roofless less than 2 months including those with multiple and complex needs

### **Low risk**

- Has been rough sleeping or roofless more than 2 months ago including those with multiple and complex needs

## **CRITERIA –VISITING HOUSING SUPPORT**

Any person with a housing support need assessed as having multiple and complex needs and multiply excluded and therefore cannot have those needs met through a mainstream housing support service. The support would then be prioritised by:

(Note A: only a single criteria within each category needs to be present.)

### **Critical risk**

- Duty under Housing (Scotland) Act 2010
- Homeless and in temporary accommodation (no safe settled accommodation with identifiable own space).
- In settled accommodation with complex and multiple needs.
- Fleeing domestic abuse (and other forms of abuse) and needing a home
- Notice to quit current accommodation (within 2 months).

### **Substantial risk**

- Living in overcrowded accommodation
- Severe breakdown in relationship with family, neighbours or landlord
- Insufficient income to cover current rent and core living expenses
- Poor life skills in relation to maintaining accommodation
- Experienced recent breakdown of accommodation.

### **Moderate risk**

- Some risks to independence that may be manageable with advice or without visiting housing support
- Accommodation is in a serious state of disrepair.
- Minor breakdown in relationship with family, neighbours or landlord.

### **Low risk**

- Wants a spare bedroom
- Dislikes current area
- May have some quality of life issues that result in a low level threat of homelessness.

# Finance and Resources Committee

10.00am, Wednesday, 4 June 2015

## Sale of Housing Revenue Account Land – Clovenstone Park

Item number	7.13
Report number	
Executive/routine	Executive
Wards	2 – Pentlands

### Executive summary

---

This report seeks Committee approval to sell 1120 square metres of Housing Revenue Account (HRA) land adjacent to the Wester Hailes Baptist Church (WHBC), 1 Clovenstone Park. WHBC wish to buy the amenity land in order to accommodate the proposed extension of the Church building and to provide a car park for the Dove Centre's transport vehicles.

The site has an adopted footpath running through it and has no realistic development potential for housing. The site is surplus to the requirements of the HRA and would be sold to the applicant and achieve best value which would provide the HRA with a capital receipt. A location plan showing the site and the hatched adopted footway is attached at Appendix 1.

If Committee approves the recommendations in this report, an application will be made to Scottish Ministers for consent to dispose of this HRA site under Section 12 of the Housing (Scotland) Act 1987.

### Links

---

Coalition pledges	<a href="#">P33</a>
Council outcomes	<a href="#">C10</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Sale of Housing Revenue Account Land – Clovenstone Park

### Recommendations

---

It is recommended that the Finance and Resources Committee:

- 1.1 Approves sale of the site to the Wester Hailes Baptist Church (WHBC) under terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance and subject to approval from Scottish Ministers under Section 12 (5) of the Housing (Scotland) Act 1987.
- 1.2 Grants authority to the Director of Services for Communities to negotiate a sale price with the applicant which reflects best value to the HRA.
- 1.3 Grants authority to the Director of Services for Communities to negotiate and conclude sale of the site.

### Background

---

- 2.1 The Dove Centre is a Scottish Charitable Incorporated Organisation which receives Council funding to provide and organise recreational services to older people to help them remain independent. It leased premises at 22 Hailesland Place from the Council but following fire vandalism these were no longer fit for purpose, and were demolished on 30 April 2013. The Dove Centre then leased space in the Wester Hailes Baptist Church on a temporary basis pending the identification of suitable alternative accommodation in the area.
- 2.2 The relocation of the Dove Centre to WHBC has been successful and both parties wish to continue the arrangement. The Church premises need to be extended in order to accommodate fully the Dove Centre's activities, as well as other Church projects.
- 2.3 The Dove Centre is funded through the City of Edinburgh Council's Health and Social Care service and receives a transport grant from Services for Communities.

### Main report

---

- 3.1 WHBC has applied to purchase amenity land held on the HRA as shown outlined in red on the attached plan in Appendix 1. The hatched area is currently an adopted footpath.
- 3.2 WHBC proposes to extend its building and car park to provide additional accommodation and parking for Church projects, as well as the Dove Centre, on

an area of land owned by the Council and held on the Housing Revenue Account.

- 3.3 The site measures approximately 1120 square metres and has no operational use and no development potential.
- 3.4 It is proposed that WHBC will purchase the site from the Council, achieving best value for the site. WHBC will then be responsible for obtaining a Stopping Up Order to remove the adopted footpath and all costs relating thereto. There is an alternative footpath for local residents which has street lighting and which is highlighted in blue on the plan in Appendix 1.
- 3.5 The Wester Hailes Baptist Church and the Dove centre provide a range of services for people over 50, including those with dementia and add a significant value both to the community and in contributing to achieving Council objectives.
- 3.6 Following the disposal the applicant would be responsible for all maintenance costs of the site.

### **Measures of success**

---

- 4.1 In selling the site to WHBC the Council will have made available land in order that the Church can provide suitable premises for the Dove Centre activities.
- 4.2 Local residents can continue to use the Dove Centre's services in an appropriate setting.

### **Financial impact**

---

- 5.1 A capital receipt representing best value for the site will be credited to the HRA. The estimated development value of the land is £65,000.
- 5.2 The HRA will no longer be responsible for all ongoing and future maintenance costs relating to this area of ground.

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

---

- 6.1 As the site exceeds 150 square metres Committee approval is required to dispose of the site.
- 6.2 If Committee approves this land sale a report will be sent to the Scottish Government seeking consent from Scottish Ministers to dispose of the site under Section 12(5) of the Housing (Scotland) Act 1987.
- 6.3 There are no significant risks associated with the proposed transaction detailed in this report.

### **Equalities impact**

---

- 7.1 This report has been assessed in terms of equalities and human rights. If the recommendations within this report are approved this will assist WHBC and the Dove Centre to achieve more equality in the provision of services to residents over 50 in West Edinburgh.

- 7.2 This will positively support and contribute to the City of Edinburgh Council's equalities duties.

## Sustainability impact

---

- 8.1 Developing the site will increase carbon emissions, though every effort will be made to ensure these are kept to a minimum.

## Consultation and engagement

---

- 9.1 Consultation took place with a range of stakeholders: 120 surrounding residents received hand delivered letters whilst elected members, Edinburgh Tenants Federation and Wester Hailes Community Council were consulted via email.
- 9.2 Responses were received from Councillor Ricky Henderson, Councillor Bill Henderson, and Edinburgh Tenants Federation who all stated they were supportive of the project.
- 9.3 No response was received from the Community Council.
- 9.4 The South West Neighbourhood Management Team supports the application.
- 9.5 One objection was received from a resident, who was concerned that a footpath would be removed. The resident also advised that children occasionally played in the area. The objection was noted and raised with the South West Neighbourhood Team which advised that, from its observations, local children do not play on this particular area, however, there are several other grassed areas away from the busy road which children do use. Additionally there is a play park nearby which is well used. In relation to the footpath, this will be removed when the building extension takes place and the neighbourhood team noted that there is an alternative and more secure footpath in close proximity, which is regularly used by local residents and is equipped with street lighting.
- 9.6 No other objections were received.

## Background reading/external references

---

None.

### John Bury

Acting Director of Services for Communities

Contacts: John McDonald, Acting Neighbourhood Regeneration Manager

[john.mcdonald1@edinburgh.gov.uk](mailto:john.mcdonald1@edinburgh.gov.uk) Tel: 0131 529 6349

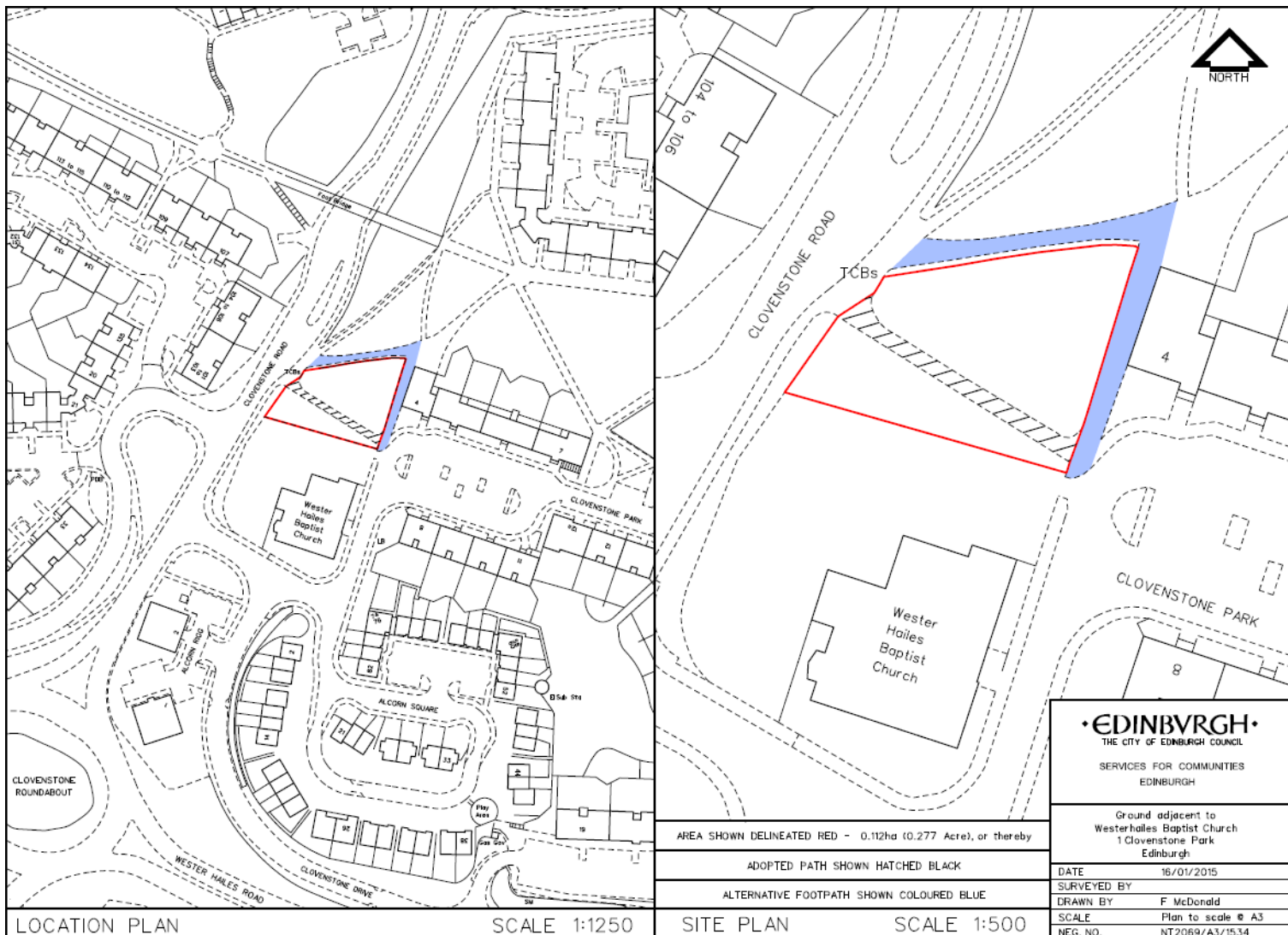
## Links

---

**Coalition pledges** P33 – Strengthen Neighbourhood Partnerships and further

	involve local people in decisions on how Council resources are used
<b>Council outcomes</b>	C010 – Improved health and reduced inequalities
<b>Single Outcome Agreement</b>	S04 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix One – Location plan

# Appendix 1 – Location Plan





# Finance and Resources Committee

10.00 a.m, Thursday, 4 June 2015

## Redhall House and Lawn – Progress Report

<b>Item number</b>	7.14
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	Ward 9 – Fountainbridge/Craiglockhart

### Executive summary

---

On 27 November 2014, the Finance and Resources Committee considered a progress report, which stated that a further update report would be brought back to Committee no later than June 2015. This report provides that update.

The Finance and Resources Committee in November 2014 resolved that the Convenor and Vice-Convenor be granted delegated authority to implement a legal remedy to enforce refurbishment of the house, if appropriate. The Convenor and Vice-Convenor, along with local councillors, were briefed on progress in January 2015 and Council officers were instructed to commence legal proceedings against the owner of Redhall House, seeking to enforce development obligations. It was also agreed that, once formally commenced, the court action would then be put on hold to allow the owner to engage in the planning process. Accordingly, court action has now been formally commenced.

The owner has submitted planning and listed building applications. Additional information was requested and has now been provided. A further 21 day period, for public comment, commenced on 1 June 2015. Separately to the assessment of the applications, a site visit has taken place to monitor the condition of the listed building.

### Links

---

<b>Coalition pledges</b>	<a href="#">P40</a>
<b>Council outcomes</b>	<a href="#">CO19</a> , <a href="#">CO23</a>
<b>Single Outcome Agreement</b>	<a href="#">SO4</a>

## Redhall House and Lawn – Progress Report

### Recommendations

---

It is recommended that Committee:

- 1.1 Notes the progress that has been made in relation to the legal and planning processes.

### Background

---

- 2.1 Following submission of a petition entitled “Save Redhall House and Lawn”, the Petitions Committee referred the matter to Finance and Resources Committee. The Committee considered reports on 5 June 2014 and 27 November 2014, and a further progress report was requested no later than June 2015. This report provides that update on progress.

### Main report

---

#### Update on Legal Position

- 3.1 At Finance and Resources Committee on 27 November 2014, Committee approved the immediate initiation of preparatory legal work and granted delegated authority to the Convenor and Vice-Convenor to begin legal action to enforce the restoration of Redhall House, if appropriate.
- 3.2 The preparatory legal work was completed during December 2014. The Convenor and Vice-Convenor along with local councillors, received a briefing note on 7 January 2015. This was followed up by a verbal briefing on 15 January 2015. At that meeting, the Councillors agreed legal action was appropriate and officers were instructed to commence legal proceedings to have the owner of the property implement the development obligations they previously agreed to, to bring the property back into beneficial use. It was also agreed that, once formally commenced, officers would seek to place the court action on hold to allow further progress to be made with the planning application.
- 3.3 The Council’s court action for specific implement, (the legal procedure required to enforce the owner’s development obligations at Redhall House), was raised at the Court of Session on 10 March 2015.
- 3.4 The Council and owner have agreed to the court action being placed on hold to allow a suitable period of time for a voluntary resolution of the matter. Placing the court action on hold is felt to be appropriate in the circumstances, as it will enable the owner to bring forward a proposal that they can commit to. At the same time, the owner will know that if they do not do so promptly, the Council can re-activate the action. There is also the additional benefit that it avoids the

Council incurring the associated costs of the legal action, which may not be necessary.

### **Update on Planning Position**

3.5 Separate applications for different aspects of a proposal to restore and redevelop Redhall House have been submitted. These include:

- A planning application setting out a proposal for a row of eight mews properties on the land to the side and rear of Redhall House (14/05302/FUL). The application puts forward a case that the new-build would constitute enabling development to fund the financial shortfall in the restoration of Redhall House.

This application was submitted on 23 December 2014, and the associated financial justification for an enabling case was submitted on 5 March 2015. Further information was requested to fully assess the impact of the proposed development, specifically:

- Additional drawings showing the restoration and conversion of Redhall House and associated landscaping;
- A Tree Survey; and
- An Ecological Survey.

This information was requested on 30 January 2015, and the final survey was received on 27 May 2015. A further 21 day consultation period commenced on 1 June 2015 to give the public the opportunity to comment on the additional information.

An application for listed building consent for the subdivision of Redhall House into six flats (15/00293/LBC). The application was submitted on 27 January 2015. Assessment of this application is on hold pending progression of the above planning application.

- The historic planning application for the subdivision of Redhall House into six flats (with no enabling development) is still live, and has an approval subject to the signing of a Section 75 legal agreement (08/01204/FUL) (minded to grant). The applicants could choose to progress this application by moving forward with the legal agreement, though it should be noted that a reassessment of the appropriate financial contribution may be required if the needs of the area have changed since the application was first assessed in 2008.

3.6 Separate to the Planning applications, a site visit was arranged by planning officers to assess the condition of the building, including the interior. This visit took place on 5 May 2015 in heavy rain and five minor leaks were identified along with some breaches in the building's security. The owner arranged for the building to be made secure promptly, and is in the process of obtaining quotes for the other repairs with a view to carrying them out as soon as possible.

## Planning Powers

- 3.7 The Council has a general duty to protect the historic environment, however, there are limited statutory powers which can be employed when dealing with owners of listed buildings as detailed below.

The Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 provides local authorities with two powers to intervene in the care of historic buildings:

- i. An Urgent Works Notice specifying works required to keep the building wind and watertight. If the owners do not comply with the Notice then the local authority can carry out the works and recover the costs from the owners.
- ii. Full Repairs Notice leading to Compulsory Purchase. A Repairs Notice specifies the works required for the proper preservation of the building. It can only be served where a local authority is committed to moving to Compulsory Purchase in the event that the owners do not comply with the notice. This is a time consuming and expensive measure of last resort.

At present, the owner is maintaining the property in a wind and watertight condition, carrying out repairs as necessary so an Urgent Works Notice is not necessary at this time.

As the owner is actively pursuing planning applications for the site, compulsory purchase would not currently be a proportionate measure. Should the proposals stall, or if the applications are refused consent, then it may be prudent to reconsider the potential suitability of compulsory purchase at that time.

## Conclusion

- 3.8 While progress has been made towards obtaining the necessary planning consents for the restoration of Redhall House, analysis of these applications is still required which will be concluded after the public consultation period.
- 3.9 As a result of the Council instigating Court proceedings, it is hoped that the owner will now progress the applications with added impetus and officers will continue working with the owner towards a satisfactory resolution, which will ensure the restoration of the listed building.
- 3.10 In the meantime, the legal proceedings will be put on hold, however, the Council can restart these if sufficient progress is not made.

## Measures of success

---

- 4.1 Encouraging the restoration of a listed building is helping to meet the Council's objective to conserve Edinburgh's built heritage and to remove a building from the Buildings at Risk Register.

## Financial impact

---

- 5.1 There are ongoing legal costs relating to the Court action which will be minimised if a negotiated solution can be reached, and are further mitigated by the action being placed on hold for the time being.
- 5.2 To date, approximately £15,000 has been spent on external legal fees.

## Risk, policy, compliance and governance impact

---

- 6.1 There are risks involved with any court action. These have been mitigated by the court action being placed on hold, and will be mitigated further should a suitable voluntary agreement be reached with the owner, which ensures the restoration of the building, without the need for further court action.

## Equalities impact

---

- 7.1 Successfully encouraging the owner to bring the listed building back into use would enhance the rights to health, physical security and participation, influence and voice in the local community.
- 7.2 Pursuing legal action against the owner could potentially have a negative impact on his right to standard of living and individual, family and social life. Any such potential impact is justified by the benefit to the listed building and the public and the fact that the owner agreed to the legal obligations at the time of purchase.
- 7.3 Any potential impact will also be mitigated by agreeing to put the legal action on hold while a negotiated solution is pursued.

## Sustainability impact

---

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below:
  - The proposals in this report will increase carbon emissions because a currently vacant building will be brought back into use, and this impact will be addressed by the need for the restoration plans to comply with planning and listed building consents, and building control regulations. Reusing an existing building rather than utilising new build will help mitigate the impact;
  - The need to build resilience to climate change impacts is not relevant to the proposals in this report because it relates to the reuse of an existing building; and
  - The proposals in this report will help achieve a sustainable Edinburgh because local residents, and the community council, are some of the main drivers behind the desire to restore this listed building to enhance the local area, and reuse of this building to provide dwelling houses in the place of a derelict building, which will benefit the local community.

## Consultation and engagement

---

- 9.1 The local community have engaged with this issue through their petition and the previous committee meetings.
- 9.2 There will be further consultation as part of the planning process.

## Background reading/external references

---

Report to Finance and Resources Committee on 5 June 2014 entitled “Redhall House and Lawn – Options for Action”.

Report to Finance and Resources Committee on 27 November 2014 entitled “Redhall House and Lawn – Progress Report”.

### John Bury

Acting Director of Services for Communities

Contact: Lesley Turner, Senior Estates Surveyor

E-mail: [lesley.turner@edinburgh.gov.uk](mailto:lesley.turner@edinburgh.gov.uk) | Tel: 0131 529 5954

## Links

---

<b>Coalition pledges</b>	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city’s built heritage.
<b>Council outcomes</b>	CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. CO23 – Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community.
<b>Single Outcome Agreement</b>	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	

# Finance and Resources Committee

10am Thursday 4 June 2015

## Adoption of the Scotland Excel Framework for Janitorial Products from 5 June 2015 until 28 February 2018 with an option to extend for one further year

Item number	7.15
Report number	
Executive/routine	Executive
Wards	All

### Executive summary

This report seeks approval from the Finances and Resources Committee to adopt the Framework Contract for the supply and distribution of janitorial products. Scotland Excel leads on this collaborative procurement, and 29 Councils agreed to participate including the City of Edinburgh Council.

The current framework expired on 28 February 2015. Following User Intelligence Group (UIG) discussions, and based on the high level of satisfaction with the current framework, participating Councils agreed that a second generation framework should be established. The new framework will operate from 1 March 2015 to 28 February 2018 with an option to extend for a further year. The new framework has been renamed Janitorial Products to establish a clear difference for customers from the Washroom Solutions framework. This framework covers a wide range of janitorial products, the significant spend items are black bags, paper towels and washing detergents. The estimated contract value, including the option to extend for a further year, is £ 4.9 million.

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO1</a>
Single Outcome Agreement	<a href="#">S04</a>

## Adoption of the Scotland Excel Framework for Janitorial Products

### Recommendations

---

- 1.1 It is recommended that Committee approves the adoption of the Scotland Excel led Framework Agreement, for the supply and distribution of Janitorial Products, from 4 June 2015 - 28 February 2018, with an optional 12 month extension. The three suppliers awarded a place on the framework are:
- Alliance Disposables;
  - Instock Disposables; and
  - Unico.

### Background

---

- 2.1 The current framework for hygiene solutions (as it was previously known) expired on the 28 February 2015.
- 2.2 There was a delay in Scotland Excel awarding this framework contract, which has resulted in a delay in reporting to Committee.
- 2.3 This report covers the outcome from the tender for the replacement hygiene solutions framework, covering the period 1 March 2015 to 28 February 2018, with an option to extend for up to one year. The new framework has been renamed Janitorial Products to establish a clear difference for customers from the Washroom Solutions framework. The framework covers a wide range of janitorial products. The significant spend items are black bin bags, paper towels and washing detergents.

### Main report

---

- 3.1 As part of the strategy development for this framework it was agreed to split the contract into three distinct product group areas within one lot:
- Janitorial Products;
  - Paper Products; and
  - Chemical Products.

Additionally each group has two sections:

- Highest Value spend range to include products that have demonstrated expenditure in excess of £20k per annum; and



- Mid Value spend range to include products that have demonstrated spend in excess of £5k per annum.
- 3.2 A User Intelligence Group (UIG) comprising procurement and operational representatives from the participating councils was established to develop a procurement strategy to best meet user requirements.
  - 3.3 To ensure that the framework is awarded to the most capable suppliers, the UIG agreed that an open procedure for tendering should be used, consisting of a 2 stage tendering process. At the first stage, bidders were assessed on financial capability, technical / professional capacity and business probity. Bidders were required to pass this stage in order for their offer to be evaluated.
  - 3.4 At the second stage of the process, the offers were evaluated against the following criteria and weightings:
 

Quality	20%
Price	80%
  - 3.5 Tenderers were required to supply prices for 90% of all products listed in all Highest Value spend range, in order to submit a compliant offer. Offers would be rejected that did not meet this requirement.
  - 3.6 Tenderers were required to supply prices for 65% of all products listed in all Mid Value spend range, in order to submit a compliant offer. Offers would be rejected that did not meet this requirement.
  - 3.7 There was improvement to the specification for the Higher Value products for the first time. For example, the specification for bin bags has a reference to the Cleaning and Hygiene Supplier Association (CHSA) Accreditation Scheme or equivalent, which ensures that customers are getting quality products.
  - 3.8 The framework was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal. The tender process was conducted using the Public Contracts Scotland tender system (PCS-Tender).
  - 3.9 51 suppliers expressed an interest in the framework, with 16 suppliers responding.
  - 3.10 Based on the criteria and methodology set out in the tender document, a full evaluation of the remaining offers received was completed. Scoring achieved by each tenderer is detailed overleaf:

SUPPLIER	COMMERCIAL SCORE 80%	TECHNICAL SCORE 20%	TOTAL SCORE 100%
** Unico Ltd	80.00	16.75	96.75
** Instock Disposables	79.77	16.25	96.02
** Alliance	77.10	15.38	92.47
Supplier 4	76.09	9.88	85.97
Supplier 5	73.76	11.88	85.64
Supplier 6	70.86	12.88	83.73
Supplier 7	65.45	16.25	81.70
Supplier 8	66.05	15.13	81.18
Supplier 9	59.95	15.63	75.57
Supplier 10	62.75	12.13	74.87
Supplier 11	66.01	8.63	74.63
Supplier 12	60.59	10.25	70.84
Supplier 13	53.04	14.50	67.54
Supplier 14	61.26	4.00	65.26
Supplier 15	60.22	4.00	64.22
Supplier 16	46.76	8.88	55.63

3.11 Based on the evaluation undertaken in accordance with the criteria and weightings set out above, it is recommended that framework agreements are awarded to 3 suppliers (the 3 successful tenderers were on the previous framework):

- Alliance Disposables;
- Instock Disposables; and
- Unico.

## Measures of success

---

- 4.1 By working closely with the service areas and analysing product mix, brand utilised and supplier choice, a 10% cost reduction may be achieved.

## Financial impact

---

- 5.1 Scotland Excel conducted individual benchmarking exercises for each council using a spend profile of the most popular products purchased in a full year. This had been previously agreed with the councils.

If there are no changes to the product mix an estimated annual saving of 3% is forecast, however, if changes are made to the way products are purchased savings of 10% per annum could be achieved (as shown in Appendix 2).

- 5.2 European Regulation No. 1272/2008, EU Chemical Classification, Labelling and Packaging Regulation (CLP), is due to be implemented from 1 June 2015 and requires companies to classify and label both substances and mixtures according to CLP Regulation. This will affect prices, as the supply base will pass on the costs involved in implementing this Regulation.
- 5.3 All suppliers pricing will be fixed for 12 months from contract commencement.
- 5.4 The costs associated with procuring this contract are estimated up to £10,000.

## Risk, policy, compliance and governance impact

---

- 6.1 Implementation risks will be managed by the Corporate Facilities Management Team.

## Equalities impact

---

- 7.1 The Equality and Rights Impact Assessment has identified no impact on the Council's specific public sector equality duties.

## Sustainability impact

---

- 8.1 The Council will work with the suppliers to deliver Community Benefits on this contract.
- 8.2 Tenderers offered to assist councils to look at the ways to reduce their waste through improved products and processes during the life of this framework.
- 8.3 Tenderers will, on request will be required to submit a detailed chemical analysis and any relevant efficiency / evaluation / in use / soil / microbiological test results.

## Consultation and engagement

---

- 9.1 Scotland Excel has engaged with Council's in order to specify requirements. Commercial and Procurement Services has been working with service areas in order to ensure the Council's requirements are covered.

## Background reading / external references

---

None

### John Bury

Acting Director of Services for Communities

Contact: Audrey Vass, Acting FM Performance Manager

Email [audrey.vass@edinburgh.gov.uk](mailto:audrey.vass@edinburgh.gov.uk) Tel: 0131 529 4887

---

## Links

---

<b>Coalition pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning.
<b>Council outcomes</b>	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.
<b>Single Outcome Agreement</b>	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Appendix 1 Summary of Tendering Process. Appendix 2 Participation, Spend and Savings Summary.

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Framework Contract for Supply of Janitorial Products
Contract period	1 March 2015 to 28 February 2018 (with an optional 1 year)
Estimated contract value	£2,248,440 (including 3 <sup>rd</sup> and 4 <sup>th</sup> year)
Governing UK Regulation	Public Contracts (Scotland) Regulations 2012
EC Procedure chosen	Open
Standing Orders observed	<p>2.4 EU Principles been applied</p> <p>2.7 Commercial and Procurement Manager provided resource to undertake tendering</p> <p>3.2 Director has responsibility for all Contracts tendered and let by their Directorate</p> <p>5.1 (b) Tenders evaluated on basis of most economically advantageous criteria</p> <p>8.1 Procurement process conducted electronically via Public Contracts Scotland.</p>
Tenders returned	16
Tenders fully compliant	16
No. of recommended suppliers	3
Primary criterion	Most economically advantageous offer
Secondary criteria	Price
	Degree of compliance with Conditions of Contract
	Financial Stability
	Quality
	Service
	Contract Management

Evaluation Team	Scotland Excel and selected LAs
Procurement Costs	<£10,000

## Participation, Spend and Savings Summary

## Appendix 2

### Supply and Delivery of Janitorial Products 14-14

Council	Participate in contract	Participation entry date	Est annual spend	Source of spend data	% forecast savings	Est annual savings	Basis of savings calculation
Aberdeen City Council	Yes	02-Mar-15	£359,327	Management Information	8.00%	£28,746.16	Benchmarked against spend
Aberdeenshire Council	Yes	02-Mar-15	£495,252	Management Information	10.41%	£51,535.39	Benchmarked against spend
Angus Council	Yes	02-Mar-15	£134,628	Management Information	3.66%	£4,927.38	Benchmarked against spend
Argyll & Bute Council	Yes	02-Mar-15	£144,748	Management Information	12.85%	£18,601.94	Benchmarked against spend
City of Edinburgh Council	Yes	02-Mar-15	£1,107,941	Management Information	10.00%	£110,794.10	Benchmarked against spend
Clackmannanshire Council	Yes	02-Mar-15	£83,694	Management Information	22.75%	£19,036.78	Benchmarked against spend
Comhairle nan Eilean Siar	Yes	02-Mar-15	£91,463	Management Information	8.71%	£7,966.64	Benchmarked against spend
Dumfries & Galloway Council	Yes	02-Mar-15	£348,935	Management Information	26.04%	£90,872.23	Benchmarked against spend
Dundee City Council	Yes	02-Mar-15	£142,401	Management Information	3.66%	£5,211.88	Benchmarked against spend
East Ayrshire Council	Yes	02-Mar-15	£199,236	Management Information	15.37%	£30,621.28	Benchmarked against spend
East Dunbartonshire Council	Yes	02-Mar-15	£197,410	Management Information	4.95%	£9,768.35	Benchmarked against spend
East Lothian Council	Yes	02-Mar-15	£218,950	Management Information	6.00%	£13,137.00	Benchmarked against spend
East Renfrewshire Council	Yes	02-Mar-15	£200,037	Management Information	14.77%	£29,552.86	Benchmarked against spend
Falkirk Council	Yes	02-Mar-15	£320,048	Management Information	21.55%	£68,985.23	Benchmarked against spend
Fife Council	Yes	02-Mar-15	£720,010	Management Information	0.38%	£2,736	Benchmarked against spend
Inverclyde Council	Yes	02-Mar-15	£114,037	Management Information	14.64%	£16,695.34	Benchmarked against spend
Midlothian Council	Yes	02-Mar-15	£297,283	Management Information	10.17%	£30,233.14	Benchmarked against spend
North Ayrshire Council	Yes	02-Mar-15	£223,603	Management Information	8.74%	£19,541.41	Benchmarked against spend
North Lanarkshire Council	Yes	02-Mar-15	£700,634	Management Information	17.71%	£124,110.98	Benchmarked against spend
Orkney Council	Yes	02-Mar-15		Management Information			
Perth & Kinross Council	Yes	02-Mar-15	£191,074	Management Information	3.66%	£6,993.31	Benchmarked against spend
Renfrewshire Council	Yes	02-Mar-15	£350,226	Management Information	17.56%	£61,501.20	Benchmarked against spend
Scottish Borders Council	Yes	02-Mar-15	£222,947	Management Information	8.00%	£17,835.76	Benchmarked against spend
South Ayrshire Council	Yes	02-Mar-15	£190,455	Management Information	11.82%	£22,511.14	Benchmarked against spend
South Lanarkshire Council	Yes	02-Mar-15	£664,249	Management Information	16.42%	£109,100.12	Benchmarked against spend
Tayside Contracts	Yes	02-Mar-15	£433,350	Management Information	3.66%	£15,860.61	Benchmarked against spend
The Moray Council	Yes	02-Mar-15	£128,450	Management Information	8.01%	£10,291.54	Benchmarked against spend
West Dunbartonshire Council	Yes	02-Mar-15	£294,208	Management Information	18.82%	£55,383.67	Benchmarked against spend
West Lothian Council	Yes	02-Mar-15	£476,543	Management Information	12.28%	£58,511.32	Benchmarked against spend
			£9,051,139		3.00%	£271,658.40	

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Supply and Delivery of Refuse Collection Vehicles

Item number	7.16
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report recommends that Finance and Resource Committee approves the award of the Supply and Delivery of Refuse Collection Vehicles to Dennis Eagle Limited, DAF Trucks Ltd, Heil Europe Ltd and FAUN Zoeller (UK) Ltd. It is proposed that the new Contracts will commence on 22 June 2015 for a period of approximately six years with an overall value of approximately £3m.

The vehicles will be covered by a six year warranty period and free-of-charge replacements will be available to cover periods of vehicles being off the road.

### Links

---

Coalition pledges	<a href="#">P44</a> , <a href="#">P49</a>
Council outcomes	<a href="#">CO18</a> , <a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO4</a>



## Supply and Delivery of Refuse Collection Vehicles

### Recommendations

---

- 1.1 It is recommended that Committee approves the appointment of Dennis Eagle Limited, DAF Trucks Ltd, Heil Europe Ltd and FAUN Zoeller (UK) Ltd. to supply and deliver Refuse Collection Vehicles (RCVs), as listed below:
- 26 Tonne RCV Chassis – Dennis Eagle Limited
  - 26 Tonne RCV Body - Dennis Eagle Limited
  - 26 Tonne RCV Bin Lift - FAUN Zoeller (UK) Ltd
  - 26 Tonne Side-loading RCV Chassis – DAF Trucks Ltd
  - 26 Tonne Side-loading Body – Heil Europe Ltd
  - 18 Tonne RCV Chassis – Dennis Eagle Limited
  - 18 Tonne RCV Body - Dennis Eagle Limited
  - 18 Tonne RCV Bin Lift - FAUN Zoeller (UK) Ltd.

### Background

---

- 2.1 As part of the regular replacement of vehicles, Waste Services is seeking to replace part of the current fleet of Refuse Collection Vehicles (RCVs). The age of the current vehicles is making them difficult and expensive to maintain, and can affect refuse collection service reliability with an unacceptable rate of vehicle breakdowns. The current RCV fleet is 51 in number and this procurement seeks to replace 19 of these.
- 2.2 A requirement to purchase the following vehicles has been identified:
- 15 x 26 Tonne RCVs
  - 2 x 26 Tonne Side-loading RCVs
  - 2 x 18 Tonne RCVs.

### Main report

---

- 3.1 These Contracts will provide Refuse Collection Vehicles (RCVs) for a period of approximately six years.

- 3.2 The mini-competition was advertised on Public Contracts Scotland advertising portal on 9 January 2015, utilising the Scotland Excel Heavy and Municipal Vehicles Framework Agreement.
- 3.3 The Commercial and Technical evaluations were carried out by three Fleet Services Officers, and one Commercial and Procurement Services Officer. The pricing evaluation was undertaken after the completion of the quality evaluation.
- 3.4 A ratio of 70% commercial and 30% technical was used to ensure that suppliers were evaluated on their ability to provide vehicles at competitive rates and to measure their ability to meet high performance requirements.
- 3.5 The vehicles will be procured in three separate parts:
- Body
  - Chassis
  - Bin lift (except 26 Tonne Side-loading RCVs).
- 3.6 The Body provider will be the Principal Contractor, with Chassis and Bin Lift providers acting as sub contractors to the Principal Contractor.
- 3.7 Suppliers shortlisted under Lots 1, 7 and 10 of the Framework Agreement were invited to participate in the mini-competition.
- 3.8 The Contract is divided into three separate Lots:  
 Lot 1 - Supply of 15 x 26 Tonne RCVs  
 Lot 2 – Supply of 2 x 26 Tonne Side-loading RCVs  
 Lot 3 - Supply of 2 x 18 Tonne RCVs.
- 3.9 Each Lot was divided into three sub lots as follows:

	<b>Lot 1 – 26 Tonne RCV</b>	<b>Lot 2 – 26T Side-loading RCV</b>	<b>Lot 3 – 18T RCV</b>
<b>Body</b>	Lot 1A	Lot 2A	Lot 3A
<b>Bin-Lift</b>	Lot 1B	(Integral with body)	Lot 3B
<b>Chassis</b>	Lot 1C	Lot 2B	Lot 3C

- 3.10 There are a number of suppliers for the refuse collection Bodies and Bin Lifting equipment that either supply both, or specialise in one of these two areas.
- 3.11 To generate the maximum competition within this market, these vehicles have been purchased in three distinct parts. This is standard practice for these vehicles.
- 3.12 The Body provider will be responsible for the safe attachment of the Body to the Chassis to meet all legislation and in line with the specification.

### 3.13 The Lot specific breakdown is as follows:

- Lot 1A – If Dennis Eagle Limited is appointed, the estimated value of the fifteen Bodies will be £719,625 (£47,975 per unit)
- Lot 1B – If FAUN Zoeller (UK) Ltd is appointed, the estimated value of the fifteen Bin Lifts will be £276,750 (£18,450 per unit)
- Lot 1C – If Dennis Eagle Limited is appointed, the estimated value of the fifteen Chassis will be £1,356,975 (£90,405 per unit)
- Lot 2A – If Heil Europe Ltd is appointed, the estimated value of the two Bodies will be £209,190 (£104,595 per unit)
- Lot 2B – If DAF Trucks Ltd is appointed, the estimated value of the two Chassis will be £153,310 (£76,655 per unit)
- Lot 3A – If Dennis Eagle Limited is appointed, the estimated value of the two Bodies will be £95,950 (£47,975 per unit)
- Lot 3B – If FAUN Zoeller (UK) Ltd is appointed, the estimated value of the two Bin Lifts will be £36,900 (£18,450 per unit)
- Lot 3C – If Dennis Eagle Limited is appointed, the estimated value of the two Chassis will be £160,810 (£80,405 per unit)

3.14 If a vehicle goes off the road for a warranty repair, a replacement vehicle will be provided free of charge after 24 hours

## Measures of success

---

- 4.1 Increased reliability of RCVs and with free-of-charge replacements when vehicles are off-road, stopping the need for “spot hires” to supplement the existing fleet.
- 4.2 The new vehicles will be fitted with Euro VI engines, improving air quality with reduced Nitrogen Oxide and Particulate Matter (PM<sub>10</sub>).
- 4.3 Refuse Collection service reliability will improve with reduced vehicle failure and lower maintenance costs.
- 4.4 The vehicles have improved Contract Management requirements. The quality of the vehicles will be higher and cheaper to maintain with inclusion of a six year warranty.

## Financial Impact

---

- 5.1 The estimated Contract value is £3,009,510 resulting in a saving of £42,670 (1.41%) across all Lots.
- 5.2 This savings figure has been benchmarked through a comparison of list prices from the Scotland Excel Framework with list prices derived from this tendering exercise.

- 5.3 This method was used as the previous vehicles were purchased over five years ago and a like-for-like price comparison would have provided an inaccurate indication of value for money.
- 5.4 The list prices from this tendering exercise compared to the list prices from the Scotland Excel Framework are illustrated in the table below with the savings figures per Lot:

<b>Lot</b>	<b>Scotland Excel – List Price</b>	<b>Tender Submission – List Price</b>	<b>Saving per Unit</b>	<b>Overall Savings</b>
1A – 26T Body	£36,750	£36,750	0	0
1B – 26T Bin Lift	£16,962	£14,950	£2,012	£30,180
1C – 26T Chassis	£79,500	£79,500	0	0
2A – 26T Body	£83,302	£81,223	£2,079	£4,158
2B – 26T Chassis	£70,950	£70,950	0	0
3A – 18T Body	£40,022	£37,868	£2,154	£4,308
3B – 18T Bin Lift	£16,962	£14,950	£2,012	£4,024
3C – 18T Chassis	£79,500	£79,500	0	0
<b>Total Saving</b>				<b>£42,670</b>

- 5.5 The whole life costs resulting from this procurement will deliver considerable benefits and savings to the Council. The vehicles procured will be of higher quality resulting in reduced maintenance costs and emissions. There will also be a reduced dependency on the costly practice of utilising spot hire vehicles.
- 5.6 The costs associated with procurement on this contract are estimated between £10,001 - £15,000.
- 5.7 An indication of the operating cost difference between the new and the current vehicles, with finance costs included, is a saving of £1,980 per annum for an 18T vehicle and a saving of £2,600 for a 26T vehicle.

## Risk, policy, compliance and governance impact

---

- 6.1 The following risks have been identified as potential issues to the Council as to the successful delivery of the Contract:

<b>Risk</b>	<b>Mitigating Action</b>
Vehicle Performance	The high performance threshold set in the specification has ensured the suppliers are aware of Council expectations. The two preferred bidders have confirmed their ability to meet strict performance criteria.
Quality of Vehicles	There is a risk that vehicles will break down or will be expensive to maintain. This is being mitigated by asking suppliers to price for warranty over the six year period, as well as ensuring that tenderers must comply with a high quality specification.
Contingencies for Vehicle Break Downs	Free of charge replacements will be available to cover periods when vehicles are off the road.

- 6.2 A Fleet Services representative will be responsible for Contract Management and will monitor the performance of the vehicles throughout the duration of the Contract.
- 6.3 In the event of vehicles failing to meet quality requirements specified in the Contract, Fleet will ensure that strict Contract Management has minimal effect on Refuse Collection service.

## Equalities impact

---

- 7.1 There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

## Sustainability impact

---

- 8.1 These vehicles are required to be compliant with the current regulations and have the latest emission reduction technology, reducing the impact of Council fleet on air quality.
- 8.2 To meet the Council's air quality and carbon management commitments, the vehicles are required to be compliant with Euro VI standards. Euro VI engines produce 90% less particulates and Nitrogen Oxide than the Euro V and Euro IV engines that are being replaced.

## Consultation and engagement

---

- 9.1 Refuse Collection managers, along with Fleet Maintenance, have engaged with Commercial and Procurement Services throughout this procurement exercise.
- 9.2 A tendering exercise was undertaken through a mini-competition utilising the Scotland Excel Heavy and Municipal Vehicles Framework Agreement taking forward the following Framework evaluation criteria:
- 70% - Commercial
  - 30% - Technical
- 9.3 The criteria used to determine the preferred supplier utilised this ratio, in order to determine the most economically advantageous suppliers by Lot.

## Background reading/external references

---

None required.

### John Bury

Acting Director for Services for Communities

Contact: Stephen Madden, Travel and Fleet Manager

E-mail: [Stephen.madden@edinburgh.gov.uk](mailto:Stephen.madden@edinburgh.gov.uk) | Tel: 0131 347 1902

## Links

---

<b>Coalition pledges</b>	<b>P44</b> – Prioritise keeping our streets clean and attractive <b>P49</b> – Continue to increase recycling levels across the City and reducing the proportion of waste going to landfill
<b>Council outcomes</b>	<b>CO18</b> – Green – we reduce the local environmental impact of our consumption and production <b>CO25</b> - The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	<b>SO4</b> – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	<b>Appendix 1</b> – Summary of Tendering and Tender Evaluation Process

**Appendix 1 – Summary of Tendering and Tender Evaluation Processes**

Contract	Supply and Delivery of Refuse Collection Vehicles Ref: CT3003							
Contract Period	May 2015 – April 2021 (six years)							
Estimated Contract Value Across All Lots	£3,008,610							
Estimated Savings Across All Lots	£42,670 (1.41%)							
Standing Orders Observed	<p>2.4 EU Principles applied</p> <p>2.7 Commercial and Procurement Manager provided resource to undertake tendering</p> <p>3.1 Director has responsibility for selecting and appointing contractors</p> <p>3.2 Director has responsibility for all Contracts tendered and let by their Directorate</p> <p>5.1 Tenders were evaluated on the basis of most economically advantageous criteria</p> <p>5.3 Tenders evaluated by a panel with the appropriate technical knowledge and expertise</p> <p>6.1 Standstill period will be observed</p>							
EU Procedure Chosen								
	Lot 1A	Lot 1B	Lot 1C	Lot 2A	Lot 2B	Lot 3A	Lot 3B	Lot 3C
Invitations to Tender Issued	7	7	6	7	7	6		
Tenders Returned	1	3	5	1	2	4		
Tenders Fully Compliant	1	2	5	1	2	4		
Recommended Supplier	1	1	1	1	1	1		

Primary Criteria	<p>Most economically advantageous tender to have met the qualitative and technical specification of the client department.</p> <ul style="list-style-type: none"> <li>• 70% Commercial</li> <li>• 30% Technical</li> </ul>		
Evaluation Team Across All Lots	<ul style="list-style-type: none"> <li>• 3 Fleet Staff</li> <li>• 1 CPS Staff</li> </ul>	•	•
Procurement Advisors	<ul style="list-style-type: none"> <li>• 2 CPS Staff</li> </ul>	•	•



# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Award of Contract for Flooding Planning Consultancy

Item number	7.17
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report seeks the approval to award a contract to Mott MacDonald Ltd for Flood Planning Consultancy.

### Links

---

Coalition pledges

Council outcomes

Single Outcome Agreement [SO4](#)

## Award of Contract for Flooding Planning Consultancy

### Recommendations

---

- 1.1 To approve the appointment of Mott MacDonald Ltd to provide a Flooding Planning Consultant at a cost of £36,561.38.

### Background

---

- 2.1 The Council has a statutory obligation to assess planning applications with possible flood implications. This service is undertaken by the Flood Prevention Unit in Services for Communities.
- 2.2 Due to capacity issues, it is necessary to procure these services for the next 45 weeks; during the period of this appointment all potential routes to fulfilling this role will be explored and a long term solution will be agreed and implemented.

### Main report

---

- 3.1 Ten consultancies listed under Lot 5 (Drainage and Flooding) were invited to tender for the service via Public Contracts Scotland with one submitting a tender on 22 January 2015. Nine consultancies declined to submit a tender. One tender was received from Mott MacDonald Ltd.
- 3.2 The tender was evaluated to ensure compliance and Best Value. A ratio of 60% Quality and 40% price was applied.
- 3.3 The tender was independently scored in relation to quality and price.
- 3.4 Following detailed analysis of the tender it was deemed competitive.
- 3.5 The tenderer's scores were as follows:

Company	Quality Score	Price Score	Combined Score
Mott MacDonald Ltd	30	40	70

- 3.8 Following the tender evaluation it is recommended that a contract be appointed to Mott MacDonald Ltd.

## Measures of success

---

- 4.1 The measures of success for this consultancy will include:
  - 4.1.1 meeting the Council's turnaround times for processing planning applications with a possible flooding implication;
  - 4.1.2 ensuring there are no flood risks to proposed developments or to third parties because of a development;
  - 4.1.3 being able to deal with peaks in demand for processing of applications; and
  - 4.1.4 reducing the risk of damage to the Council's reputation through not being able to progress major projects.

## Financial impact

---

- 5.1 The maximum contract value of £36,561.38 will be met from the Flood revenue budget for 2015/16 and 2016/17.
- 5.2 The costs associated with procuring this contract are up to £5,000.

## Risk, policy, compliance and governance impact

---

- 6.1 The contract will be awarded in line with the Council's Standing Orders.

## Equalities impact

---

- 7.1 The contents and recommendations of this report do not detract from the delivery of the general public sector equality duties. The work carried out by the consultant on the Council's behalf as described in this report does not infringe upon the ten areas of Human Rights and makes a positive contribution to advance equalities.

## Sustainability impact

---

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.

- 8.2 The proposals in this report will help achieve a sustainable Edinburgh in relation to:-
- (i) adapting to climate change because of the reduction in flooding risk to properties through the checking of planning applications.
  - (ii) acting sustainably because of the checking of surface water management plans which are included in planning applications.

## Consultation and engagement

---

- 9.1 The consultant's staff member will be based on Council premises and will address planning applications according to Council policies.

## Background reading/external references

---

None.

### John Bury

Acting Director of Services for communities

Contact: Tom Dougall, Maintenance Manager

E-mail: [tom.dougall@edinburgh.gov.uk](mailto:tom.dougall@edinburgh.gov.uk) | Tel: 0131 469 3753

## Links

---

### Coalition pledges

### Council outcomes

### Single Outcome Agreement

SO4 – Edinburgh's communities are safer and have improved physical and social fabric

### Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

## **Appendix 1 – Summary of Tendering and Tender Evaluation Processes**

Contract	Award of contract for Flood Planning Consultancy
Contract Period	45 Weeks
Contract Value	£36,561.38
Standing Orders Observed	<p>2.4 EU Principles applied</p> <p>2.7 Commercial and Procurement Manager provided resource to undertake tendering</p> <p>3.1 Director has responsibility for selecting and appointing contractors</p> <p>3.2 Director has responsibility for all Contracts tendered and let by their Directorate</p> <p>5.1 Tenders were evaluated on the basis of most economically advantageous criteria</p> <p>5.3 Tenders evaluated by a panel with the appropriate technical knowledge and expertise</p> <p>6.1 Standstill period will be observed</p>
EU Procedure Chosen	Mini-competition utilising Scotland Excel Framework
Invitations to Tender Issued	Ten
Tenders Returned	One
Tenders Fully Compliant	One
Recommended Supplier	Mott MacDonald Ltd
Primary Criteria	<p>Most economically advantageous tender to have met the qualitative and technical specification of the client department.</p> <ul style="list-style-type: none"> <li>• 40% Price</li> <li>• 60% Quality</li> </ul>
Evaluation Team (quality only)	<ul style="list-style-type: none"> <li>• 3 Flood Prevention Staff</li> </ul>
Procurement Advisors	<ul style="list-style-type: none"> <li>• 1 CPS Staff</li> </ul>

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Property Conservation – Programme Momentum Progress Report

Item number	7.18
Report number	
Executive/routine	
Wards	

### Executive summary

---

This report provides Committee with a progress update for Programme Momentum.

### Links

---

Coalition pledges	<a href="#">P40</a> , <a href="#">P41</a>
Council outcomes	<a href="#">CO7</a> , <a href="#">CO19</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Property Conservation – Programme Momentum Progress Report

### Recommendations

---

- 1.1 Committee is requested:
  - 1.1.1 To note the management information dashboard reports in Appendix 1.
  - 1.1.2 To note the progress in respect of financial recovery.
  - 1.1.3 To note progress on the new debt recovery arrangement with Morton Fraser and to note that the level of outstanding debt will increase initially as the remaining bills are issued and the billing process draws to a close.

### Background

---

- 2.1 Programme Momentum has been established as a robust end-to-end process across all workstreams relating to the legacy Statutory Notice issues, including the development of the blueprint for the new enforcement service.
- 2.2 This report gives details of progress to the end of April 2015.

### Main report

---

#### Management information

- 3.1 Management Information as at 25 April 2015 is attached in Appendix 1.

#### Financial Recovery

- 3.2 Billing is progressing well with £13.4million invoiced from Deloitte reviewed cases. Current recovery on this debt is £6.4 million, with a further £7 million outstanding. There remains £4.4million of Deloitte assessed cases to be invoiced. It is anticipated that invoicing will be concluded in summer 2015, with the exception of 2 projects where defect works are being undertaken.

#### Debt Recovery

- 3.3 The new debt recovery arrangements with Morton Fraser commenced on 1 April 2015. A pilot batch of 20 customer cases with a collective debt value of £390,771 was issued to Morton Fraser as part of the new collection/recovery process. At the time of writing and following the issue of an initial letter to customers, 2 of these case have been paid in full and a further 3 customers have queried the invoice. Morton Fraser will now issue the other 15 owners with a 7 day 'Letter Before Action' (LBA). If there is no response to the LBA, Morton

Fraser will approach the sheriff court for court dates and will instruct the sheriff officer to issue a court summons in respect of the outstanding debt.

- 3.4 At the time of writing there are 2,007 invoices with a value of £8,492,569 to be passed to Morton Fraser for recovery action. This represents approximately 700 debtors on the basis of an average 3 invoices per customer. The outstanding amounts will be passed to Morton Fraser on the basis of 100 customers per month. Given the limitations of the Council's current debt recovery IT system, each batch must be prepared as a manual bundle, consisting of a number of invoices per customer, with the value of each batch determined prior to issue. All customers will be sent a letter detailing the amount due and ways to pay before further action is taken. The initial batches are selected on the basis of those statutory notice projects that have been the subject of an independent case review by Deloitte Real Estate.
- 3.5 Committee is asked to note progress on the new debt recovery arrangement with Morton Fraser and to note that the level of outstanding debt will increase initially as the remaining bills are issued and the billing process draws to a close.

#### Complaint Resolution & Settlements

- 3.6 As at the time of writing 130 complaints have been closed as part of the settlement process previously reported to Committee. This represents closure in respect of 35% of the 374 historic complaints. A further 24% of owners have been issued with a settlement letter but have yet to respond within the timescales set. The remaining 41% of complainants will receive a settlement letter by summer, with the 6 additional complex complaints anticipated from Deloitte late summer.
- 3.7 Closure across the 130 complaints is comprised of:
- 98 complainants accepting settlement
  - 23 complainants refusing settlement
  - 9 complainants not responding to the settlement

Almost all cases where an owner has refused or not responded to a settlement involve cases where an invoice has yet to be issued or cases which have outstanding debts. These complaints are now considered closed and are being pursued through debt recovery at the reduced amount. There is a single case where a settlement that involves a repayment has been offered to a complainant and the complainant has refused to accept this settlement.

- 3.8 Settlements to all other affected owners (non-complainants) are progressing, with 650 of approximately 2,000 owners issued with settlement. Of the 650, 149 individual settlements have been closed. 147 owners have accepted settlement and 2 owners have refused settlement.



## New Service update

### IT Delivery Plan

- 3.9 As part of the blueprint development, initial work was completed by Deloitte LLP to assess the IT requirements of the new service. The blueprint acknowledged that the requirements of the Shared Repairs Service are unique and as such, there are no existing IT packages which directly meet our needs.
- 3.10 Work is continuing to assess the most appropriate case management system to support the new service. The project team is working with ICT Solutions to produce a detailed functional requirements specification. This document will be provided to the suppliers of the four main case management systems already in use within the Council – Civica APP, Uniform, Confirm and CAFM. Recommendations can then be developed around the most appropriate system and the timeline and cost of implementation.
- 3.11 In addition to case management, it is also essential that the new service can provide effective account payment management. As such, any new case management software must be able to integrate with the Council's financial systems in a clear and simple manner. Committee should note that the wider ICT re-procurement which is currently underway is likely to result in a new Finance ICT solution. All design work needs to be mindful of this and the project team will need to ensure that it does not commit spend to integration which will have to be re-done in 18 months time.
- 3.12 A further update will be provided to the next meeting of Committee.

### Procurement of Contactors

- 3.13 The revised timescale for the full launch of the expanded Shared Repairs Service provides the opportunity to carry out further due diligence and ensure that the procurement strategy takes account of the specific context of statutory notice work. The procurement strategy will be informed by lessons learned from the former service, market testing and a bidders' day. This is to ensure we drive contractor quality and best value. This workstream will be managed by the new Head of Surveying and a further update will be provided to the next meeting.
- 3.14 The service can use the existing process of mini competition via Quick Quote to procure contractors for repair works carried out during the pilot period. This is a transparent and fully auditable process.

## **Measures of success**

---

- 4.1 Conclusion of reviewing statutory notice projects.
- 4.2 Billing and collection of outstanding debt.
- 4.3 Resolution of complaints.
- 4.4 Launch of new replacement enforcement service.

## Financial impact

---

- 5.1 Significant financial issues with a collective value of approaching £30 million require to be concluded and resolved.
- 5.2 On 19 March 2015, following the decision to make available a budget for 2015/16 of £1.5 million, the Finance and Resources Committee considered a report on the revised implementation plan for the new Shared Repairs Service. Committee approved option 1 which proposes launching the service on a pilot basis from 1 September 2015, with the full launch scheduled for late March 2016.
- 5.3 As a consequence of budget decisions the overall 2015/16 available budget for the legacy and new Shared Repairs Service is £3.9million.

## Risk, policy, compliance and governance impact

---

- 6.1 This area of work represents a significant financial and reputational risk for the Council.

## Equalities impact

---

- 7.1 There is no equalities impact arising from this report.

## Sustainability impact

---

- 8.1 There is no adverse environmental impact arising from this report.

## Consultation and engagement

---

- 9.1 Not applicable.

## Background reading/external references

---

[Report to Finance and Resources Committee, 19 March 2015 - Property Conservation - Programme Momentum Progress Report](#)

[Report to City of Edinburgh Council, 12 February 2015, Shared Repairs Services - Development of a New Service.](#)

[Report to City of Edinburgh Council 11 December 2014, Shared Repairs Services - Development of a New Service -](#)

### **Alastair Maclean**

Director of Corporate Governance

Contact: Andrew Field, Head of Shared Repairs Service

E-mail: [andrew.field@edinburgh.gov.uk](mailto:andrew.field@edinburgh.gov.uk) | Tel: 0131 529 7354

## Links

---

<b>Coalition pledges</b>	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city’s built heritage P41 – Take firm action to resolve issues surrounding the Council’s Property Services
<b>Council outcomes</b>	CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm
<b>Single Outcome Agreement</b>	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1: Management Information Dashboards



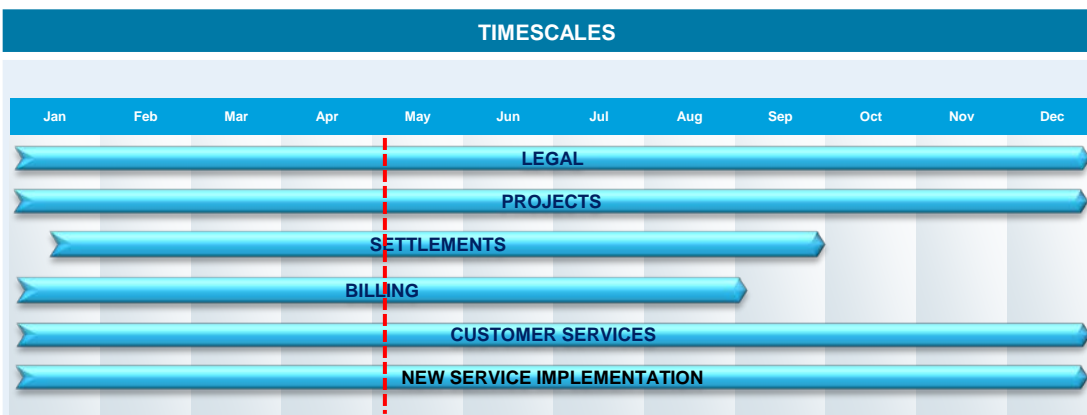
# Programme Momentum Dashboard April 2015



Monthly progress update (for reporting purposes month end is 25 April)

## OVERVIEW OF PROGRESS

All unbilled cases have been reviewed, as have the originally identified complex complaint cases. The new settlement process continues and is on target to compete in July 2015. Billing also continues and has now exceeded £13.4m and £6.4m received. Interviews for the Head of Surveying Services have taken place and the position has been offered to the preferred candidate. Progress is being made in key areas for the pilot of the new service in September 2015 with the full launch in March 2016.



TOP RISKS	MITIGATION	RAG
1. Debt Recovery – Aged Debt	Additional provisions have been made through the appointment of Morton Fraser .	Yellow
2. Recruitment	Attracting and retaining Building Surveyors remains a risk area - there is no longer an option to co-source	Red
3. Bad Debt Provision	The provision continues to be monitored on a weekly basis and reported monthly.	Red
4. Settlement Process	Settlement process underway but reputational, resourcing and financial risk remains high.	Yellow
5. IT Systems	Steering Group established to progress IT workstream.	Yellow
6. Procurement	A full risk and cost/benefit analysis on procurement options is being undertaken.	Red

OVERALL STATUS	RAG	COMMENTS
CUSTOMER SERVICES	Yellow	Complaints decreasing but Councillor enquiries increasing. FOI requests also increasing.
FINANCE	Green	Financial reporting is consistent but limited data within systems complicates reporting.
PROJECTS	Green	TB now working on limited number of projects. The majority of projects will be completed by October 2015.
LEGAL	Red	Steady increase in the number of cases requiring legal action and in numbers being resolved.
CASE REVIEW & SETTLEMENTS	Yellow	All Momentum cases are completed. Additional cases commenced. Settlement process progressing against target
EMERGENCY SERVICE	Green	Activities are well managed and there are no key risks or issues
NEW SERVICE	Red	Implementation activities have commenced. Procurement and Recruitment provision remain the key risks

INFORMATION / DECISIONS
1. Ongoing approvals of irrecoverable WIP and settlements
2. Ongoing resource projection for full legacy closure and implementation and operation of the new service
3. Briefings provided to all political party groups

KEY PLANNED ACTIVITIES
1. Progress new service development in light of new service budget decision
2. Continued client management and control of Morton Fraser in respect of aged debt.
3. Continued focus on escalation of billing and settlements activities
4. Procurement contractor framework analysis for the new service





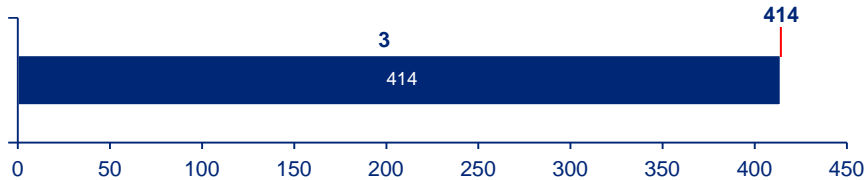
# Case Reviews & Settlements

Programme dashboard as at 25 April 2015

## Progress

The settlement process for complainants remains on target to be completed by Summer 2015, subject to an additional 6 cases anticipated from Deloitte in July 2015. Closure in respect of more than one third of all settlement cases has now been reached, with more than 60% of all complainants issued with settlement. More than 73% of complainants have accepted the offer of settlement. Settlements to other affected owners are progressing well with settlements communicated to 650 owners. Settlements to all other affected owners is anticipated to be complete by Autumn 2015.

## Joule Reviews (unbilled projects)

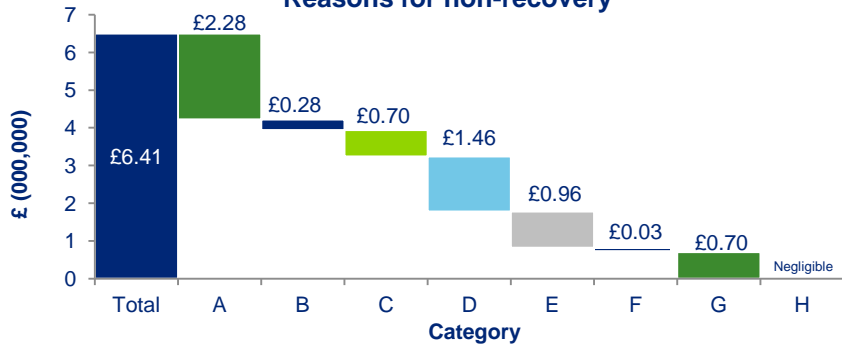


**Stage**  
 1 = Projects with missing critical information  
 2 = QA and panel stage  
 3 = Released for further action or billing

## Metrics

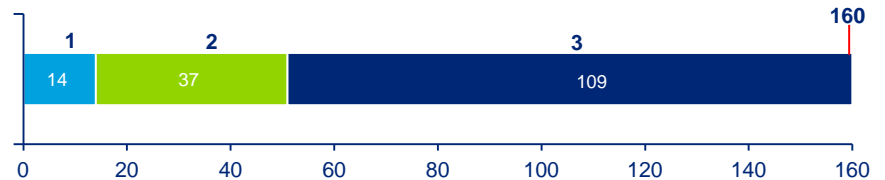
Value released 414 projects	Recommended Recovery 414 projects	Recommended Non-recovery 414 projects	Total Invoiced	Total Recovered
£22.47m	£16.0m	£6.47m (28.79% write off)	£13.4	£6.4m

## Reasons for non-recovery



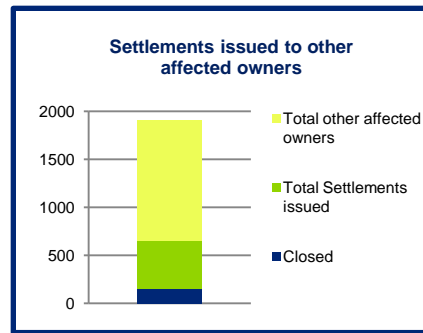
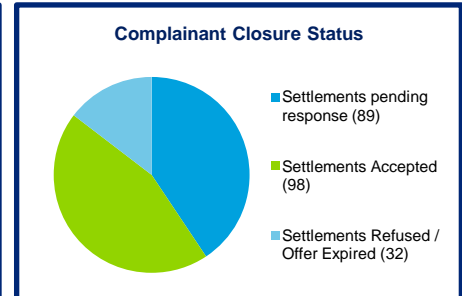
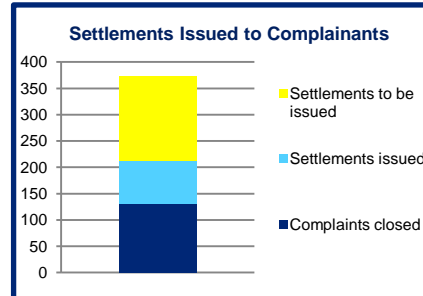
A = Work outside scope of Notice  
 B = Incorrectly served Notice  
 C = Insufficient documentation to support recovery  
 D = Unverifiable costs  
 E = Inappropriate use of Emergency Notice  
 F = Third party costs not included on notice  
 G = Problematic Contractual Conditions  
 H = Equal divisibility per share

## Complex Complaints Case Reviews & Settlements



**Stage (Projects)**  
 1 = Case reviews – additional cases  
 2 = QA and panel stage  
 3 = Offer/ settlement stage

## Settlements Approved & Issued



Settlement Value	
Total Settlements Approved under delegated authority	£1.882m
Settlements offered to date	£1.683m
Settlements paid to date	£254k



# Finance

Programme dashboard as at 25 April 2015

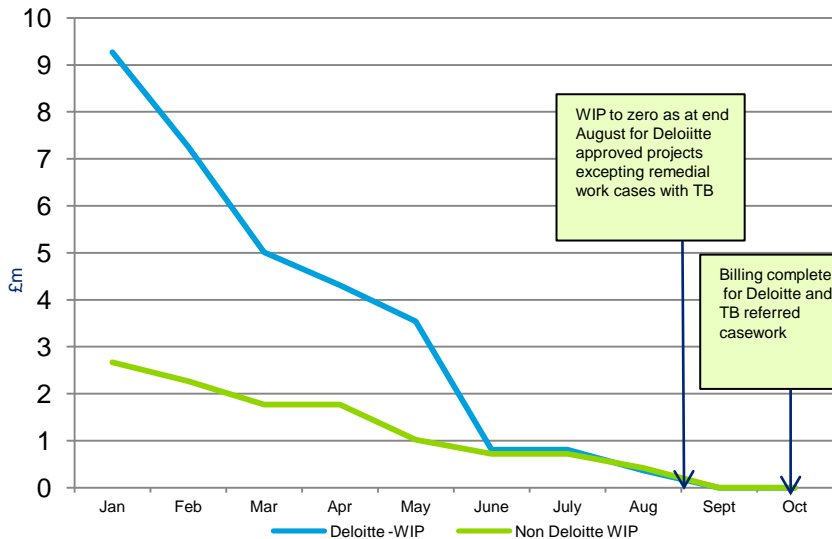
## Progress

- Billing on Project Joule casework is nearing completion with 28 projects with a balance of £4.4m (including administration charge), as at 10 April 2015, remaining to be invoiced. Total WIP as at 25 April is £6.08m that includes Deloitte Project Joule WIP of £4.4m.
- WIP Projections have been undertaken to determine an end date for billing that reduces the WIP to zero. It is assessed that for Deloitte defect free cases all invoices will be billed by end of summer 2015 and the target date for resolving and billing those cases requiring defect works/case review by end September 2015.
- The full year forecast and variance for 15/16 will be developed as monthly expenditure is accrued against account.

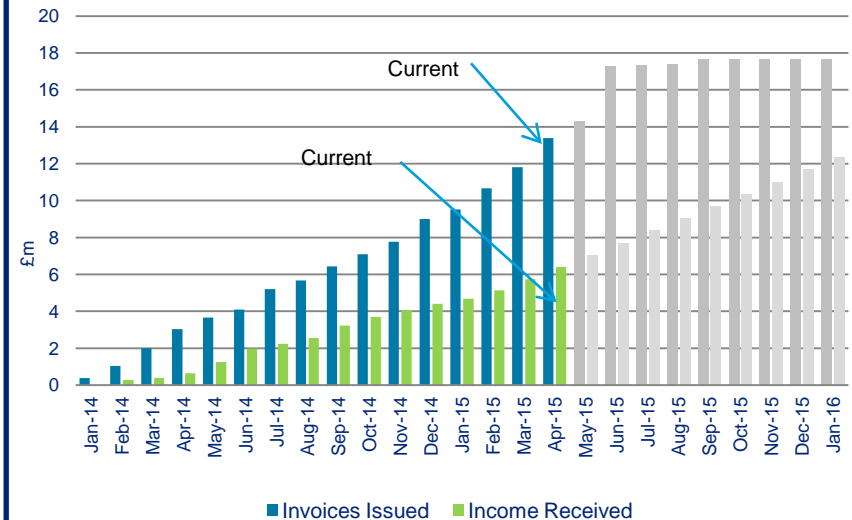
## 15/16 Budget Requirements

Summary	15/16 Revenue Budget	14/15 Actual
Closure Programme & Defect Remedy Costs	£2,261,709	£2,977,027
New Enforcement Service	£1,500,000	£581,959
Shared Repairs Service	£137,679	£452,224
<b>TOTAL</b>	<b>£3,899,388</b>	<b>£4,011,209</b>

## Work in Progress



## Projection of Deloitte Approved Statutory Notice Repair Debt





# Legal & Debt Recovery

Programme dashboard as at 25 April 2015

## Progress

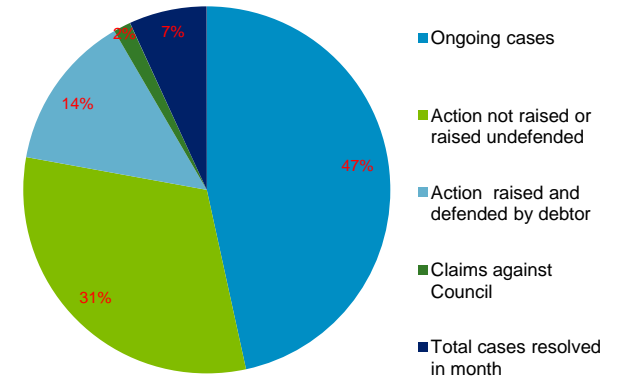
The scope of the existing contract with Morton Fraser has now been extended to include all statutory notice debt recovery under the revised debt recovery policy. It is anticipated that the number of debt recovery cases will increase as more projects are billed. The number of these cases which are contested to the extent that evidence requires to be heard in court are estimated to be less than five, albeit a significant higher number may not resolve themselves until shortly before evidence is due to be heard in court.

In the preceding 3 months, 20 debt recovery cases have been resolved. 16 of these were resolved in the Council's favour and 4 were not pursued. Of the 16 cases resolved in the Council's favour, 7 were resolved by way of a settlement agreement and 9 were resolved by the Court passing judgement in the Council's favour. However, as the owners did not contest the judgement being issued, the Court did not need to hear evidence from witnesses or hear legal arguments.

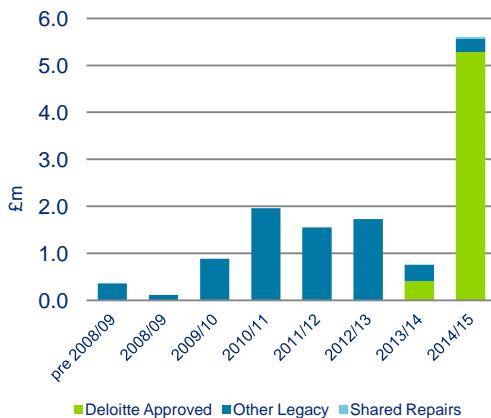
### Legal Cases

	Feb 15	Mar 15	Apr 15
Total number of ongoing cases at month end	75	65	61
Debt pursued by Council - Action not raised or raised and undefended	55	44	41
Debt pursued by Council – Action raised against and defended by debtor	18	19	18
Claims raised against the Council	2	2	2
Total no of cases resolved during month	6	6	9
Resolved by the Council of which (x) were settled out of court	5 (1)	5(1)	6(5)
Resolved against the Council of which (x) were settled out of court	0	0	1(1)
Not pursued - i.e. owner sequestrated, gone away etc	1	1	2

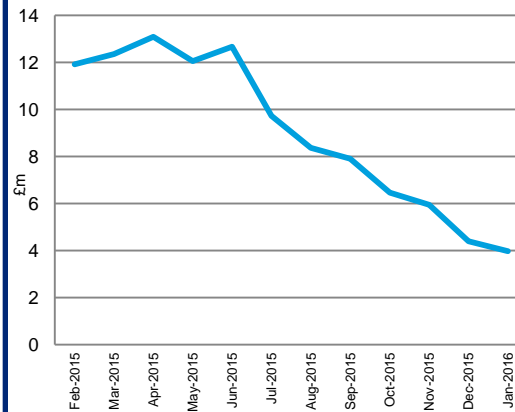
### Legal Cases Across Legacy Service Apr 15



### Aged Debt at 25 Apr- by year



### Adjusted Aged Debt Profile



### Aged Debt breakdown

Status	Deloitte Reviewed	Other Legacy	Shared Repairs	Total
<b>Debt being pursued</b>				
Active	£3,522,815	£11,592	£66,104	£3,600,511
Morton Fraser	£403,236	£1,059,305	£58	£1,462,599
Other Legal	£10,235	£8,413	£6,730	£25,378
Active instalments	£734,702	£462,523	£2,044	£1,199,269
<b>Debt Scheduled for Action</b>				
Suspended	£440,938	£4,375,681	£9,909	£4,826,529
Prepared for Legal	£1,848,686	£1,316,865	£143	£3,165,694
<b>TOTAL</b>	<b>£6,960,612</b>	<b>£7,234,379</b>	<b>£84,988</b>	<b>£14,279,980</b>

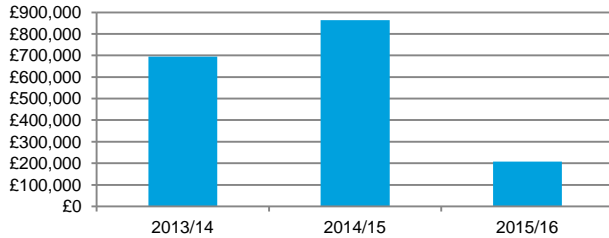


# Projects

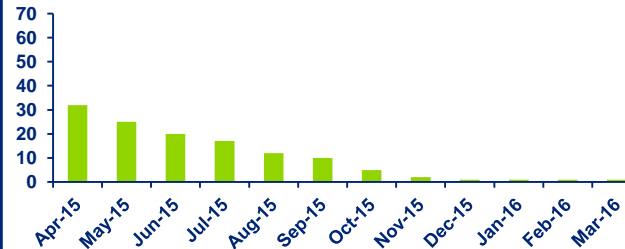
Programme dashboard as at 25 April 2015



Project Costs Incurred by the Council each year



Future Activity on Projects



## Progress

Thomson Bethune continue to provide technical support to the programme including site surveys and reports, together with liaison with consultants and owners to bring cases to a close. Workload continues to show a reduction in volume of projects with almost all projects completed by Autumn 2015.

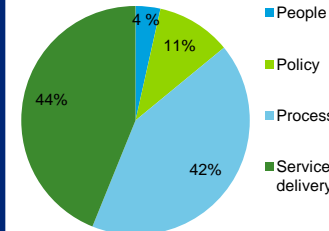


# Customer Services

Programme dashboard as at 25 April 2015

CUSTOMER SERVICES KPI	Feb 15	Mar 15	Apr 15
No. of customer enquiries received	397	342	377
No. of customer enquiries closed	391	309	312
No. of solicitor enquiries	555	648	700
No. of customer complaints received	81	39	21
No of customer complaints closed	84	39	47
No of FOIs received new (reviews)	22	27	29

Types of complaints Closed Apr 15



## Progress

CS continue to see high volumes of enquiries with Councillor enquiries continuing to increase. More complaints are moving towards legal action. 294 Customers have enquired / complained regarding 6,153 Invoices issued to date, a complaint rate of 4.78% Solicitor enquiries continuing to grow with April our highest month to date. Complaints volumes continue to dip.



# Shared repairs

Programme dashboard as at 25 April 2015

SHARED REPAIRS KPI	Feb 15	Mar 15	Apr 15	Trend
No of requests for advice/ info only.	303	251	203	↓
No. of service requests	82	110	97	↓
No of emergency repair inspections resulting in statutory notices issued	63	94	69	↓
No. of Emergency service requests where information/ advice was provided	19	16	28	↑
Value of invoices issued to owners for emergency repairs (cumulative)	272,035	297,994	586,359	↑
Value of income received from owners for emergency repairs (cumulative)	219,099	239,163	476,884	↑

## Progress

The number of service requests for advice and information remain consistent however the number of emergency service requests are 10% higher than those requested in April last year.

The financial information on invoices issued and income received prior to April on the table does not include information pre 2014. This information is now available and the figure for this month now includes all SRS financial information to date.



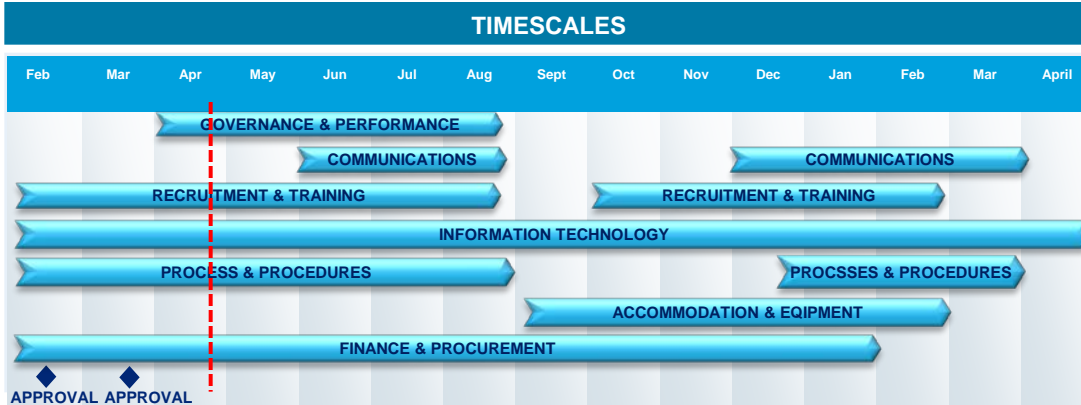


# New Service

Programme dashboard as at 25 April 2015

## OVERVIEW OF PROGRESS

A budget of £1.5m has been allocated to the new service for 2015/16. Finance and Resources Committee approved for the service to be launched on a pilot basis from 1<sup>st</sup> September 2015, with the full launch delayed until 28<sup>th</sup> March 2016 with the emergency service retained in the interim period. The key milestones and critical path have now reviewed and baselined. The project's team focus is to deliver all resources required by the service by the launch of pilot projects in September with the exception of the procurement contract, final IT architecture and full staff team which will be in place for the launch of the full service in March 2016.



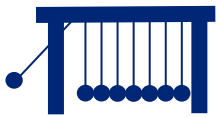
TOP RISKS	MITIGATION	RAG
1. Recruitment of Building Surveyors	Attracting and retaining Building Surveyors remains a risk area and the budget position means there is no longer an option to co-source. Revisit the recruitment strategy and identify additional approaches that are affordable, including head hunting. Head of Surveying will be in post and can lead the recruitment of the remaining team.	Red
2. Market interest in Contractor Framework	The procurement process is unable to attract quality contractors due to volume of forecast projects and low value of work. Corporate Procurement and Project Team are reviewing the most appropriate contract structure. A Bidders Day is planned to test market interest. Quick quotes can be used if required for early projects.	Red
3. Delay in implementing IT System	Implementation of the required IT architecture may be impacted by re-procurement of the Council IT provider, may result in the new service launching with legacy IT systems. Steering Group established to progress IT workstream with representatives from Corporate ICT, so this can be monitored.	Yellow

OVERALL STATUS	RAG	COMMENTS
Governance & Performance	Green	An initial list of MI has been developed and Performance Indicators will follow.
Communications	Green	Communication activity moved into early 2016. Development of new materials will be completed for the launch of pilot projects in September 2015.
Recruitment & Training	Green	The Head of Shared Repairs and Head of Surveying Services will be announced shortly as offers have been made. All other recruitment will now be on hold until November 2015.
IT	Yellow	Workshop scheduled for late April with potential provider of the case management system and IT PM Interviews scheduled w/c 27 April.
Processes & Procedures	Green	Detailed information trackers are continuing to be developed and are being used in all the process areas to commence the writing of procedure manuals and templates for the service. Technical manuals are moving forward at pace.
Accommodation & Equipment	Green	Accommodation team are to be updated as staffing profile changes between Legacy, current Shared Repairs and new team members.
Finance & Procurement	Yellow	Preferred option of a framework of Multi Trade Contractors is currently be developed with Corporate Procurement. Final budget for New Service is being formalised.

## INFORMATION / DECISIONS

Programme Board 12/05/2015 – update on the Procurement Strategy

Programme Board 12/05/2015 – update on the IT development plan



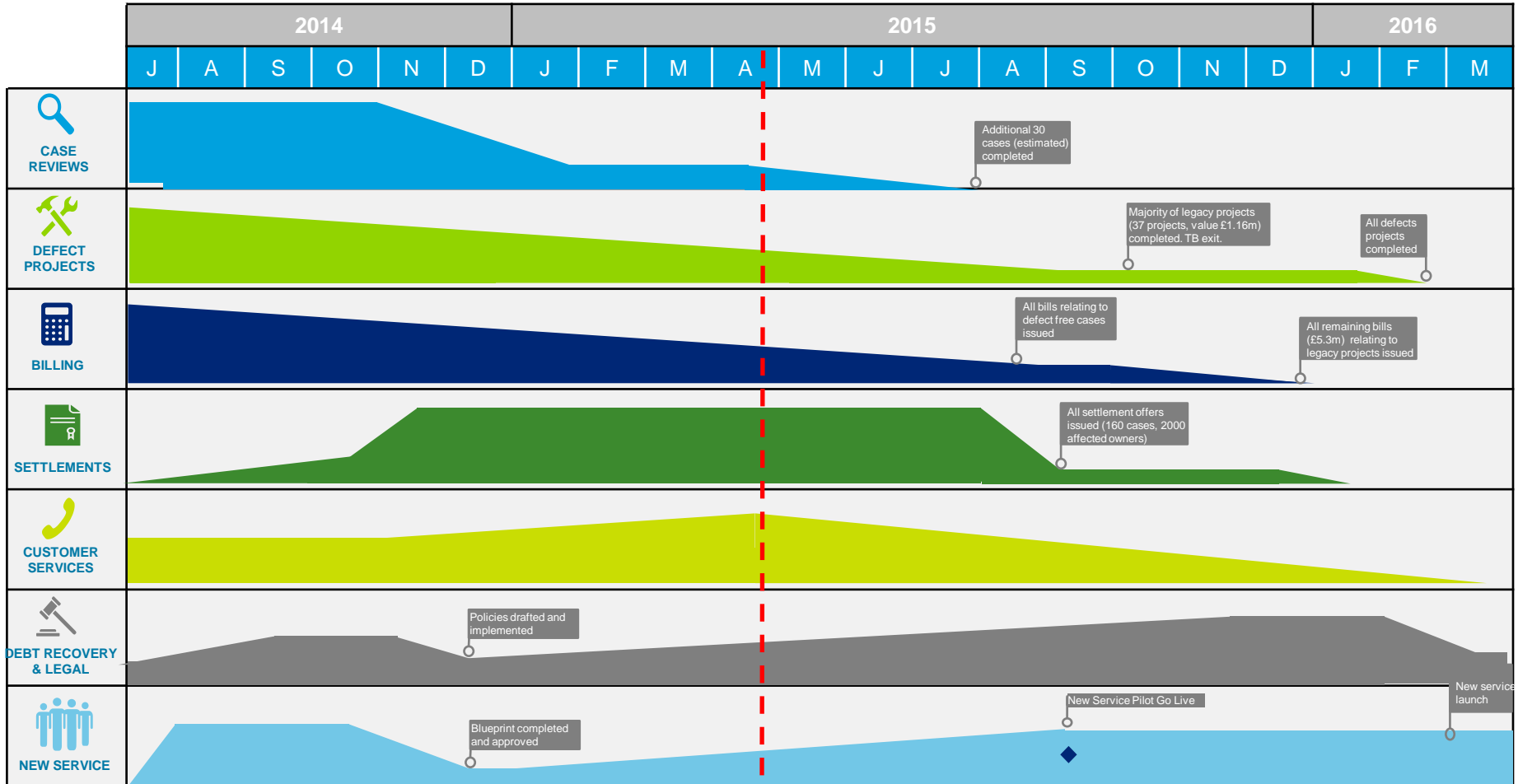
# Programme Momentum – Remaining Activity

Monthly progress update (for reporting purposes month end is 25 April )



## PROGRESS AND FORECAST

Below, an activity volume forecast is provided below to show the progress since the Programme Momentum was established in July 2014 and the estimated remaining programme to close the legacy service and launch the new replacement service.



# Finance and Resources Committee

10.00am, Thursday 4 June 2015

## Appointments to Sub-Committees and Working Groups – 2015/16

Item number	7.19
Report number	
Wards	All

### [Executive summary](#)

---

The Finance and Resources Committee is required to annually re-appoint the membership of its Sub-Committees and Working Groups for 2015/16. The current membership is detailed in Appendix 1 to this report.

### [Links](#)

---

[Coalition pledges](#)

[Council outcomes](#)

[Single Outcome Agreement](#)

[Appendices](#)

## Appointments to Sub-Committees and Working Groups – 2015/16

### Recommendations

---

- 1.1 To appoint the membership of the Sub-Committees and Working Groups for 2015/16 as detailed in Appendix 1 to this report.
- 1.2 To note that the Corporate Debt Policy Working Group has concluded its review of the Corporate Debt Policy and does not require to be reappointed.

### Main report

---

- 2.1 The Finance and Resources Committee on 7 May 2014 had appointed membership to its Sub-Committees and Working Groups for 2014/15.
- 2.2 The Committee is requested to reappoint the membership of its Sub-Committees and Working Groups for 2015/16.

### Measure of Success

---

- 3.1 Not applicable.

### Financial impact

---

- 4.1 Not applicable.

### Risk, policy, compliance and governance impact

---

- 5.1 The Sub-Committee will be unable to take decisions unless a membership is appointed by the Committee in line with the Committee Terms of Reference and Delegated Functions.

### Equalities Impact

---

- 6.1 Not applicable.

### Sustainability Impact

---

- 7.1 Not applicable.

### Consultation and Engagement

---

- 8.1 Not applicable.

## Background reading/external references

---

[Appointments to Sub-Committees and Working Groups - 2014-15](#)

### **Carol Campbell**

Head of Legal, Risk and Compliance

Contact: Veronica MacMillan, Committee Clerk

E-mail: [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) | Tel: 0131 529 4283

### **Links**

---

**Coalition pledges**

**Council outcomes**

**Single Outcome  
Agreement**

**Appendices**

<b>Joint Consultative Group (JCG) – 6 members – Convener and Vice – Convener of the Finance and Resources Committee, 1 Labour, 1 SNP , 1 Conservative and 1 Green member.</b>	
Councillor Rankin (Convener)	Councillor Bill Cook
Councillor Burns	Councillor Dixon
Councillor Chapman	Councillor Whyte
<b>Elected Member ICT and Digital Sounding Board – 8 members – Convener and Vice-Convener of the Finance and Resources Committee, 2 Labour, 3 SNP, 1 Conservative and 1 Green.</b>	
Councillor Rankin	Councillor Gardner
Councillor Booth	Councillor Lunn
Councillor Bill Cook	Councillor Ross
Councillor Dixon	Councillor Whyte
<b>Corporate Health, Safety and Well-Being Group – Vice-Convener of the Finance and Resources Committee.</b>	
Councillor Bill Cook 8 Trade Union Representatives	6 Directorate Health and Safety Champions
<b>Property Sub-Committee – 10 members – Convener and Vice-Convener of the Finance and Resources Committee, 2 Labour, 2 SNP, 2 Conservative, 1 Green and 1 SLD.</b>	
Councillor Rankin	Councillor Griffiths
Councillor Bill Cook	Councillor Jackson
Councillor Corbett	Councillor McVey
Councillor Dixon	Councillor Mowat
Councillor Edie	Councillor Walker
<b>Corporate Debt Policy Working Group – 7 members - Convener and Vice-Convener of the Finance and Resources Committee, 2 Labour, 2 SNP, 1 Conservative, 1 Green and 1 SLD.</b>	

Councillor Bill Cook (Convener)	Councillor McVey
Councillor Child	Councillor Rankin
Councillor Corbett	Councillor Whyte
Councillor Edie	

# Finance and Resources Committee

10.00 a.m, Thursday, 4 June 2015

## Proposed new lease to Highland Care Agency Ltd at 4 Granton Square, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	Forth

### Executive summary

---

The Council owns office premises at 4 Granton Square, which became vacant at the end of January 2015.

The property was subsequently marketed for let, and a closing date for offers was set for 17 April 2015.

This report seeks authority to grant a new 10 year lease, to Highland Care Agency Ltd, on the terms set out in the report.

### Links

---

Coalition pledges	<a href="#">P15</a> , <a href="#">P28</a>
Council outcomes	<a href="#">CO8</a> , <a href="#">CO9</a>
Single Outcome Agreement	<a href="#">SO1</a>



## Proposed new lease to Highland Care Agency Ltd at 4 Granton Square

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves a lease to Highland Care Agency Ltd from 1 July 2015 to 30 June 2025, on the terms outlined in this report, and on other terms and conditions to be agreed by the Director of Services for Communities.

### Background

---

- 2.1 The property comprises a traditional ground floor office premises, extending to 129sqm (1388sqft), located at 4 Granton Square as shown outlined red on the attached plan.
- 2.2 The previous tenants lease terminated at the end of January 2015 and subsequently the property was marketed for let with a closing date set for 17 April 2015. At the closing date a single offer was received, from Highland Care Agency Ltd, at the asking rent of £11,000 per annum, which is considered to be market rent for this location.
- 2.3 Highland Care Agency Ltd specialise in recruitment, supply and training of nurses.

### Main report

---

- 3.1 A new lease has been provisionally agreed with Highland Care Agency Ltd, on the following terms below:

Subjects:	4 Granton Square, Edinburgh;
Lease:	1 July 2015 until 30 June 2025;
Rent:	£11,000 per annum;
Review:	Upwards only rent review on 1 July 2020;
Use:	Office and training suite;
Repairs:	Full repairing and insuring basis; and
Costs:	Each party to meet their own legal costs.

## Measures of success

---

- 4.1 A vacant property will come back into economic use resulting in additional income to the Council.

## Financial impact

---

- 5.1 Rental income payable to the General Property Account of £11,000 per annum exclusive of VAT, subject to upwards only review at 1 July 2020.

## Risk, policy, compliance and governance impact

---

- 6.1 This is an open market letting of a vacant property following a full marketing campaign, where all interested parties were given an opportunity to offer. It can be demonstrated that best value was obtained and, it is considered, that there is little or no impact of Risk, Policy, Compliance or Governance issues.

## Equalities impact

---

- 7.1 An Equality and Rights Impact Assessment has been carried out. By approving the proposed lease to Highland Care Agency Ltd until 2025, this could potentially have an impact on other businesses who may wish to rent this particular property. However, given the property was marketed with limited interest and, a closing date for offers set, with only one offer received, the impact on others is considered to be proportionate and justifiable.

## Sustainability impact

---

- 8.1 There are no sustainability issues arising from this report.

## Consultation and engagement

---

- 9.1 Local ward Councillors have been made aware of this proposed letting to Highland Care Agency Ltd.

## Background reading/external references

---

N/A

### John Bury

Acting Director of Services for Communities

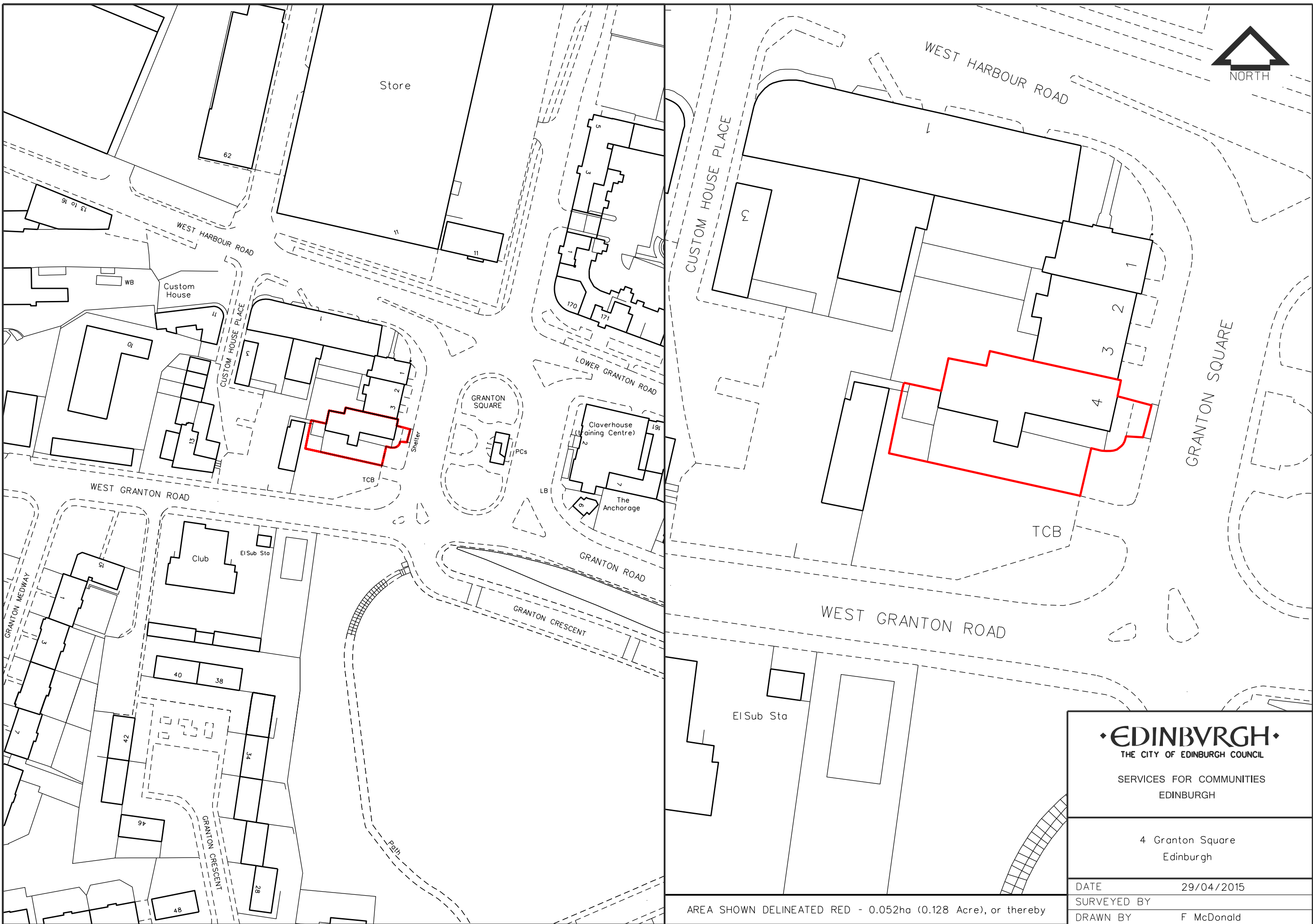
Contact: Craig Dalgliesh, Estates Surveyor

E-mail: [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk) | Tel: 0131 529 3173

## Links

---

<b>Coalition pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
<b>Council outcomes</b>	CO8 – Edinburgh’s economy creates and sustains job opportunities. CO9 – Edinburgh’s residents are able to access job opportunities.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location Plan.



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:500

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SERVICES FOR COMMUNITIES EDINBURGH	
4 Granton Square Edinburgh	
DATE	29/04/2015
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT 2377/A3/1590

AREA SHOWN DELINEATED RED - 0.052ha (0.128 Acre), or thereby

# Finance and Resources Committee

10.00am, Thursday, 4 June 2015

## Roseburn to Union Canal – Approval for Stage 2 of Consultancy Contract

Item number	8.2
Report number	
Executive/routine	
Wards	07 – Sighthill/Gorgie 09 - Fountainbridge/Craiglockhart 06 - Corstorphine/Murrayfield

### Executive summary

The Council is undertaking a study into a new cycle path linking Roseburn to the Union Canal. The study will involve all work necessary to take the project forward to a stage where tenders for construction could be issued. It is intended that this work will be undertaken in three separate stages.

The Council has commissioned WSP to undertake the initial stage of study. Details of the contract for this were included in the Business Bulletin to Finance and Resources Committee on 19 March 2015.

As awarded, the contract covers the following work:

- preliminary project justification appraisal;
- investigation works including topographical survey, environmental assessment, initial geotechnical and structural survey work; and
- detailed feasibility design work.

### Links

Coalition pledges	<a href="#">P44</a> , <a href="#">P45</a>
Council outcomes	<a href="#">CO19</a> , <a href="#">CO22</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Roseburn to Union Canal – Approval for Stage 2 of Consultancy Contract

### Recommendations

---

- 1.1 It is recommended that Committee approves the appointment of WSP UK Ltd to undertake Stage 2 of the consultancy contract for the Roseburn to Union Canal study.

### Background

---

- 2.1 On 19 March 2015, the Finance and Resources Committee noted the appointment of consultancy services for the development of the Roseburn to Union Canal Cycle path.
- 2.2 Given the technical complexity of the project, its potential level of impact on cycling in Edinburgh and the significant anticipated cost of measures being considered, it was important to ensure that the study methodology would be suitably robust and that the key consultancy staff involved would have the appropriate skills and experience. It was therefore considered appropriate to invite tenders on a quality/price basis, using a ratio of 70% quality and 30% price.
- 2.3 A contract for the first stage of the study was awarded to WSP UK Ltd. The value of the contract was £146,991.92. This involved the following work:
- preliminary project justification appraisal;
  - investigation works including topographical survey, environmental assessment, initial geotechnical and structural survey work; and
  - detailed feasibility design work.
- 2.4 The contract includes the facility to carry out further work in stages to take the project forward to the point where tenders for construction could be issued. All tenderers submitted prices to undertake this additional work.
- 2.5 The award of these later stages would be dependent on planning permission and successful bids for external funding.

## Main report

---

- 3.1 Approval is now sought to appoint WSP UK Ltd to carry out the second stage of the study, which would complete the preliminary design for the cycle path and surrounding green spaces.
- 3.2 In addition to submitting the most economically advantageous tender for the whole study, WSP UK Ltd also submitted the most economically advantageous tender for Stage 2. The value of the second stage of the study is £140,329.45. A sum of £70,164.73 has been set aside from the Council's Cycling Capital budget in 2015/16 for this work. This will be match funded by £70,164.72 awarded from Sustrans "Community Links" 2015/16 fund.
- 3.3 This stage of the study involves the following work:
- Geotechnical survey and structural survey work;
  - Detailed preliminary design work for the cycle path and surrounding green space;
  - Planning engagement and application; and
  - Stakeholder and public engagement and consultation.
- 3.4 The advantages to the Council in procuring the same consultant for the next stage of the study are:
- WSP UK Ltd submitted the most economically advantageous tender for the second stage during the procurement process for the whole study;
  - a saving in staff time and costs due to not having to undertake another procurement process;
  - consistency of works arising from the same consultant undertaking the next stage; and
  - the Council is satisfied with the quality of work undertaken to date on the first stage.
- 3.5 Prior to committing to the final stage of the study, additional funding would have to be identified. This would be expected to be sourced from within Transport's future Capital Investment Programme and from further bids to external funding sources, such as the Sustrans "Community Links" fund or the Scottish Natural Heritage Green Infrastructure Bid. The outputs from the study work already undertaken will assist in the preparation of these bids.
- 3.6 Further approval would also be sought from Committee prior to proceeding with the final stage of the contract to complete the study.

3.7 If taken forward the final stage of the contract would involve:

- Completion of the detailed design drawings; and
- Preparation of the tender documents to allow the project to be tendered.

## Measures of success

---

4.1 The measure of success for this stage of the contract will be a completed preliminary design, with full planning permission, which could be used to support bids for external funding contributions towards the final stage of the study.

## Financial impact

---

5.1 The value of the second stage of the study is £140,329.45. A sum of £70,164.73 has been set aside from the Council's Cycling Capital budget in 2015/16 for this work. This will be match funded by £70,164.72 awarded from Sustrans "Community Links" 2015/16 fund.

## Risk, policy, compliance and governance impact

---

- 6.1 The recommendation in this report does not impact on any existing policies of the Council.
- 6.2 There are not expected to be any health and safety, governance, compliance or regulatory implications arising from this report

## Equalities impact

---

- 7.1 An Equalities and Rights Impact Assessment (ERIA) for the Roseburn to Union Canal cycle path commenced during Stage 1 of the study and will be in effect throughout its delivery.
- 7.2 It is likely that potential introduction of new cycle and pedestrian facilities will have a positive impact on the safety, freedom of movement and access for all who use the path and all who live in or use the surrounding areas. This takes into account many people whose characteristics are protected under the Equalities Act 2010.



## Sustainability impact

---

- 8.1 The impacts of the Roseburn to Union Canal cycle path in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and are noted at Background Reading later in this report.
- 8.2 The proposals included in the project will reduce carbon emissions by contributing towards the core objectives of the Council's Active Travel Action Plan to increase the number of people walking and cycling in Edinburgh.
- 8.3 The proposals included in the project will increase the city's resilience to climate change impacts by providing more opportunities for sustainable travel through improvements to walking and cycling infrastructure.
- 8.4 The proposals included in the project will help achieve a sustainable Edinburgh by delivering environmental improvements which will benefit all users of the proposed path and surrounding areas.

## Consultation and engagement

---

- 9.1 Consultation will be undertaken for the Roseburn to Union Canal cycle path during this stage of the project, including a major public and stakeholder consultation and engagement process to be undertaken between June and November 2015 on the preliminary design for the cycle path and surrounding green space areas. This will include stakeholder workshops, an online survey and community drop in events.
- 9.2 A dedicated Roseburn to Union Canal path webpage is in place and is regularly updated to provide information on the proposals.

## Background reading/external references

---

Roseburn to Union Canal Cycle Path Study – Business Bulletin to Finance and Resources Committee Thursday 19 March 2015

Development of Major Cycling and Walking Projects – Implementation Plan – Report to the Transport and Environment Committee by the Acting Director of Services for Communities – 3 June 2014

## John Bury

Acting Director of Services for Communities

Contact: Allan Hutcheon, Professional Officer, Projects Development

E-mail: [allan.hutcheon@edinburgh.gov.uk](mailto:allan.hutcheon@edinburgh.gov.uk) | Tel: 0131 469 3672

## Links

---

<b>Coalition pledges</b>	<b>P44</b> - Prioritise keeping our streets clean and attractive <b>P45</b> – Spend 5% of the transport budget on provision for cyclists
<b>Council outcomes</b>	<b>CO19</b> – Attractive Places and Well-Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. <b>CO22</b> - Moving Efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible
<b>Single Outcome Agreement</b>	<b>SO4</b> - Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	N/A

## Roseburn to Union Canal – Tender Evaluation

	WSP UK Ltd	Tenderer 1	Tenderer 3
Full Tender			
Quality Score (70%)	<b>66.5</b>	<b>63.0</b>	<b>40.3</b>
Price Score (30%)	17.2	15.1	30.0
Overall Score Total Tender	<b>83.7</b>	<b>78.1</b>	<b>70.3</b>
Placing	<b>1</b>	<b>2</b>	<b>3</b>

# Finance and Resources Committee

10.00 a.m, Thursday, 4 June 2015

## Proposed new 15 year lease of Tourist Information Centre, Princes Mall, Edinburgh

<b>Item number</b>	8.3
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	Ward 11 – City Centre

### Executive summary

---

The Council is landlord of a ground lease to Ritchie Investments Lux S.a.r.l. (RILS) of Princes Mall Shopping Centre. RILS subleases back to the Council the Tourist Information Centre on the plaza level of the mall. The Council then sub-under leases the Tourist Information Centre to VisitScotland Limited.

The current demise leased to VisitScotland is no longer fit for purpose and is too large for the Tourist Information Centre, and discussions have taken place with the RILS and VisitScotland to create a new Tourist Information Centre which will better meet the requirements of VisitScotland. The existing property will be subdivided to provide the Tourist Information Centre and a new restaurant. These works will be carried out by RILS which will also meet the capital costs.

The proposal greatly increases the rental payable to the Council which will rise from £49,000 to £90,700 per annum.

This report seeks Committee approval to grant a new 15 year lease of a newly created Tourist information Centre on the Plaza level of Princes Mall, Edinburgh at a rent of £90,700 per annum.

### Links

---

<b>Coalition pledges</b>	<a href="#">P15</a> , <a href="#">P17</a>
<b>Council outcomes</b>	<a href="#">CO7</a> , <a href="#">CO19</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>

## Proposed new 15 years lease of Tourist Information Centre, Princes Mall, Edinburgh

### Recommendations

---

It is recommended that Committee:

- 1.1 Approves a 15 year lease for a new Tourist Information Centre to VisitScotland Limited, on the terms outlined in the report, and on the other terms and conditions to be agreed by the Director of Services for Communities.

### Background

---

- 2.1 The City of Edinburgh Council retains ownership of Princes Mall Shopping Centre. Ritchie Investments Lux S.a.r.l. (RILS) has the head tenant interest under a ground lease, expiring in March 2188, at a peppercorn rent.
- 2.2 RILS subleases back to the Council the Tourist Information Centre and other offices (as shown outlined red on the attached plan), on the roof plaza of Princes Mall Shopping Centre. This lease also expires in March 2188, and the rental is £1.00 per annum (if asked).
- 2.3 The Council then sub-under leases the Tourist Information Centre to VisitScotland Limited at an annual base rent of £24,000 per annum, plus a turnover top up of approximately £25,000 per annum, providing a total annual rental payable of £49,000 per annum. The current sub-under lease, between the Council and VisitScotland, is due to expire on 31 May 2015.
- 2.4 The existing Tourist Information Centre is too large for VisitScotland needs. It is therefore proposed that a new unit will be created to provide them with a more prominent unit, which more closely meets their requirements.
- 2.5 The physical works required to create the new separate units will be undertaken and paid for by RILS. These works will be subject to RILS obtaining all necessary statutory consents, including planning permission and building warrants.
- 2.6 Provisional agreement has been reached between the Council, VisitScotland Limited and RILS for RILS to take over control of the Tourist Information Centre, and to subdivide the property into two individual units. One of the individual units will be retained by the Council under a sublease from RILS. The Council will, in turn, enter into a sub-under lease with VisitScotland Limited, who will

continue to operate a Tourist Information Centre. The remaining unit is intended to be let on the open market by RILS to a suitable high class restaurant operator.

## Main report

---

- 3.1 The existing sub-under lease between the Council and VisitScotland Limited will continue beyond the expiry date of 31 May 2015, until the new unit is ready and all legal documentation is agreed.
- 3.2 The following main terms have been provisionally agreed with VisitScotland Limited on the sub-under lease of the new unit:-
- Demise: A newly created retail unit to be created on the plaza level of the shopping centre which, based on the preferred option of the architects proposals, will extend to approximately 3,819 sqft (354 sqm). The existing demise is approximately 8,051 sqft (747 sqm);
  - Lease Term: 15 year FRI lease from date of entry (estimated to be summer 2016);
  - Rent: £90,700 per annum;
  - Rent Free: Three months from date of entry;
  - Rent Review: At fifth anniversary of the date of entry, and every subsequent five years, the rent will be reviewed on an open market basis (upwards only); and
  - Costs: Each party will be responsible for their own legal costs incurred. VisitScotland will be responsible for registration dues, LBTT and costs of extracts.
- 3.3 In addition to the increased income from the new sub-under lease, between the Council and VisitScotland Limited, the Council will receive additional income as a percentage of turnover from the newly created restaurant unit. This will be a separate agreement between the Council and RILS, with the terms reported to Committee at a later date.

## Measures of success

---

- 4.1 A more prominent unit will be created for VisitScotland Limited allowing it to provide a better service through the Tourist Information Centre. The greater prominence and better accessibility of the unit will allow a higher number of tourist, and other users, to access the VisitScotland service. The proposal greatly increases the income payable to the Council.

## Financial impact

---

- 5.1 An increase in the rental income payable to the General Property Account of £41,700 per annum, pro rata from 2016. The Council will also receive a

percentage of the restaurant turnover, which will be reported to Committee at a later date.

- 5.2 The financial impact with the ground lease and sublease is neutral with both existing arrangements of a peppercorn rent to continue.

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

---

- 6.1 It can be demonstrated that best value is being obtained and it is considered that there is little or no impact of Risk, Policy, Compliance or Governance issues.

### **Equalities impact**

---

- 7.1 This new lease will allow VisitScotland to provide a more prominent, better configured, and more accessible Tourist Information Centre, resulting in a higher standard of service to visitors to the city. This will enhance the rights of productive and valued activities
- 7.2 The new lease is being agreed as a result of direct negotiations between the stakeholders. This could lead to claims by individual or parties who were not given the opportunity to be considered, however, given the nature of the service provided by the Tourist Information Centre, the benefits that brings to the city, and the long standing nature of their presence in this location, it is considered that any potential impact is proportional and justifiable.

### **Sustainability impact**

---

- 8.1 There are no sustainability issues arising from this report.

### **Consultation and engagement**

---

- 9.1 The works required to create the new units will require planning permission. The surrounding owners and occupiers together with the general public will be able to comment on the proposal during the planning application process.

### **Background reading/external references**

---

N/A

## **John Bury**

Acting Director of Services for Communities

Contact: Mark Bulloch, Senior Estates Surveyor

E-mail: [mark.bulloch@edinburgh.gov.uk](mailto:mark.bulloch@edinburgh.gov.uk) | Tel: 0131 529 5991

## Links

---

<b>Coalition pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh. P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
<b>Council outcomes</b>	CO7 – Edinburgh draws new investment in development and regeneration. CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.
<b>Single Outcome Agreement</b>	Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location Plan.





• EDINBURGH •  
 THE CITY OF EDINBURGH COUNCIL  
 SERVICES FOR COMMUNITIES  
 EDINBURGH

TOURIST INFORMATION CENTRE AT PRINCES MALL PRINCES STREET EDINBURGH	
DATE	29/4/15
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1591

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.