

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Thursday 29 October 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

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## **1. Order of business**

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

## **2. Declaration of interests**

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

## **3. Deputations**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minutes of the Meeting of 24 September 2015 (circulated)

## **5. Business Bulletin**

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- 5.1 Finance and Resources Committee Business Bulletin (circulated)

## **6. Forward Planning**

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- 6.1 Finance and Resources Committee Key Decisions Forward Plan (circulated)
- 6.2 Finance and Resources Committee Rolling Actions Log (circulated)
- 6.3 Committee Decisions – November 2014 – September 2015 (circulated)

## **7. Executive decisions**

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- 7.1 Transformation Programme: Progress Report - report by the Deputy Chief Executive (circulated)
- 7.2 Managing Workforce Change – report by the Chief Executive (circulated)
- 7.3 Revenue Monitoring 2015/16 – half-year position – report by the Deputy Chief Executive (circulated)
- 7.4 Capital Monitoring 2015/16 – Half year position – report by the Deputy Chief Executive (circulated)
- 7.5 Corporate Governance Revenue Budget Monitoring 2015/16 and Capital Investment Programme – Month Five Position - report by the Deputy Chief

Executive (circulated)

- 7.6 Local Development Plan – Action programme: Financial Assessment and Next Steps - report by the Acting Director of Services for Communities (circulated)
- 7.7 Discretions Policy Statement – Regulation 58 – The Local Government Pension Scheme (Scotland) Regulations 2014 – report by the Deputy Chief Executive (circulated)
- 7.8 Council Tax Empty Properties – Procedure Review - report by the Deputy Chief Executive (circulated)
- 7.9 Civic Hospitality Policy - report by the Deputy Chief Executive (circulated)
- 7.10 Health and Social Care Integration - Update – report by the Chief Social Work Officer (circulated)
- 7.11 Re-tender of Care at Home Services – report by the Chief Social Work Officer (circulated)
- 7.12 Redhall House and Lawn – Progress Report - report by the Acting Director of Services for Communities (circulated)
- 7.13 Extension of Contingency Framework Agreement for Snow and Ice Maintenance – report by the Acting Director of Services for Communities (circulated)
- 7.14 Youth Work Services Redesign – report by the Executive Director of Children and Families (circulated)
- 7.15 Framework Agreement for Fostering Placements – report by the Executive Director of Communities and Families (circulated)
- 7.16 Property Conservation – Programme Momentum Progress Report - report by Deputy Chief Executive (circulated)

## **8. Routine decisions**

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- 8.1 Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh – report Acting Director of Services for Communities (circulated)

## **9. Motions**

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- 9.1 If any

## **Carol Campbell**

Head of Legal and Risk

### **Committee Members**

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

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

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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**

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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**

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# Item 4.1 - Minutes

## Finance and Resources Committee

10.00am, Thursday, 24 September 2015

### Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Donaldson (Items 19 to 28), Edie, Godzik, Griffiths, Bill Henderson, Ricky Henderson (Items 1 to 18), Howat, Jackson, McVey, Walker, Whyte and Work (substituting for Councillor Dixon).

### 1(a) Deputation: Bridgend Inspiring Growth - Bridgend Farmhouse and Steadings: Update

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The Committee agreed to hear a deputation from Will Golding, Anna Danby, Brendan Hill and Sandra MacAskill of Bridgend Inspiring Growth (BIG).

The main points raised by the deputation were:

- The transfer of Bridgend Farmhouse and Steadings to BIG at nil cost would assist with their application for £1million of Lottery funding for renovation of the building and the delivery of services.
- This was considered at the Economy Committee in April 2014 where it was agreed to transfer ownership of Bridgend Farmhouse and Steadings at nil cost pending successful application for stage 2 lottery funding.
- The decision to request transfer Bridgend Farmhouse and Steadings to BIG at nil cost was a result of 5 years of research, planning and public consultation to ensure the best use of funding and longevity of the project. BIG had already obtained planning permission for alterations to the building.
- There was recognition of the Council's current financial difficulties from BIG, but BIG was a well developed, well managed project that would bring value to Edinburgh. BIG calculated that their project would create a social return on investment of £6 for every £1 invested.

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.

### 1(b) Bridgend Farmhouse and Steadings: Update

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Approval was sought to sell Bridgend Farmhouse and Steadings to Bridgend Inspiring Growth (BIG) on the main terms set out in the report. BIG had applied for lottery funding for the redevelopment of Bridgend Farmhouse and Steadings.

## Decision

- 1) To instruct the transfer of the property to Bridgend Inspiring Growth (BIG) at nil value subject to full development funding being approved by the BIG Lottery Fund – Investing in Communities.
- 2) In order to protect the Council's financial commitment, to instruct the Acting Director of Services for Communities to impose Economic Development Burdens on the transfer that restricted the use of the property for the purposes of a Learning, Eating and Exercise Centre and relevant ancillary uses.
- 3) To request that the Chief Executive work with BIG to ensure that optimum social capital could be derived, for the local and wider community, through association with the project and Bridgend Farmhouse.
- 4) To instruct that a report be brought to the Finance and Resources Committee which detailed progress on all aspects of the project including the cost/benefits contributed to the collaboration by July 2016.

(References – Finance and Resources Committee 7 May 2015, (Item 15); report by the Acting Director of Services for Communities, submitted.)

### **2(a) Deputation: Unison - Transformation Programme: Property and Asset Management Strategy, 2016/20 Revenue and Capital Budget Framework, Managing Workforce Change**

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The Committee agreed to hear a deputation from Amanda Kerr and Gerry Stovin of Unison.

The main points raised by the deputation were:

- 1) There was widespread confusion and uncertainty amongst staff with no information on the proposed structure of organisation below Head of Service level.
- 2) If the proposed reduction in FTE head count was approved, remaining staff would be under extreme pressure to deliver services.
- 3) The Integrated Property and Facilities Management (iPFM) improvement programme was blocked and did not get the opportunity to make any real savings.

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(b) Transformation Programme: Property and Asset Management Strategy**

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Details were provided on the business case for property and asset management to maximise value and deliver the proposed £9million recurring annual savings as part of the Transformation Programme. Approval was sought for the recommendations set out in the Deloitte business case detailed in the report.

## Motion

- 1) To speed up the consolidation of property related budgets and associated resources into Corporate Property in line with the assumptions underpinning the business case and to strengthen the property management control function by no later than 31 December 2015.
- 2) To continue to incorporate changes to the financial baseline through the change control process and to re-profile the current revenue savings from iPFM to the new Asset Management Strategy (AMS).
- 3) To proceed with the planned investment strategy outlined in Section 4 of the business case, including consolidation of the investment portfolio and reinvesting the sale proceeds into the acquisition of income generating assets.
- 4) To recognise the requirement to remediate the revenue backlog maintenance. The prioritisation of addressing the backlog should be based on a proper risk assessment, which could result in a requirement for additional capital expenditure in maintenance projects.
- 5) To develop a revised Service Level Agreement (SLA) for FM services with estate users that reflects the proposed service delivery model.
- 6) To proceed with all of the Estate Rationalisation opportunities outlined in Section 3 of the business case through engagement with users of the estate. Furthermore, allocate resources to develop detailed implementation plans for these opportunities.
- 7) To allocate resources to reassess the core portfolio of operational assets (including libraries, museums and community centres) ensuring stakeholder engagement and exit planning where appropriate.
- 8) To immediately review the current arrangement of transferring assets to EDI as the preferred option.
- 9) To note that the transformation blueprint assumed the Council's Corporate Property function would transfer to Corporate Operations (previously Corporate Governance) and would be led by a Head of Service. Given the ongoing significant financial pressures (currently £9 million per annum and increasing in future years) set out in the report, emergency transitional arrangements would be put in place to support and reorganise the function prior to appointing the permanent Head of Service. There would also be a requirement to agree the reconciliation of the respective budgets within the new Corporate Operations and Place directorates prior to any transfer occurring. All roles within the Council's Corporate Property function would consolidate within Corporate Operations.
- 10) To note that Phase 1 of AMS Transformation Contract with Deloitte had been completed, and agree that the Deputy Chief Executive approved implementation of the Phase 2 of the Transformation Contract in line with the conditions contained therein.
- 11) To explicitly reject the outsourcing of Council services envisaged within Plan A and reaffirm the Capital Coalition's presumption against outsourcing.

- 12) To recognise the need for significant change to property and related services within the Council to establish an affordable and fit-for-purpose estate within three core work-streams:
  - i. Investment portfolio optimisation
  - ii. Estate rationalisation
  - iii. Facilities management (FM) service delivery optimisation
- 13) To note the officer recommendations including the proposal to outsource Council FM services (Plan A), together with the alternative proposal for delivery of facilities management (Plan B).
- 14) To agree the alternative proposal for delivery of facilities management (Plan B).
- 15) To note that a review of the wider property portfolio, including the position of EDI Group Limited ("EDI") was being recommended, and thus called for a report – within two cycles - on how best to manage the delivery of Plan B utilising the potential benefits of such delivery through a Council subsidiary.

- Moved by Councillor Rankin, seconded by Councillor Cook.

#### **Amendment**

- 1) To approve the recommendations set out in the Deloitte business case as follows:
  - 1.1.1 To speed up the consolidation of property related budgets and associated resources into Corporate Property in line with the assumptions underpinning the business case and to strengthen the property management control function by no later than 31 December 2015.
  - 1.1.2 To continue to incorporate changes to the financial baseline through the change control process and to re-profile the current revenue savings from iPFM to the new Asset Management Strategy (AMS).
  - 1.1.3 To proceed with the planned investment strategy outlined in Section 4 of the business case, including consolidation of the investment portfolio and reinvesting the sale proceeds into the acquisition of income generating assets.
  - 1.1.4 To approve the adoption of the Enterprise Wide Strategic Partner model and to proceed with planning for the procurement of an Enterprise Wide Strategic Partner. This planning should include soft market testing to confirm market appetite, validation of indicative cost savings outlined in the business case and further work to confirm the scope of the Partner arrangement;
  - 1.1.5 To recognise the requirement to remediate the revenue backlog maintenance. The prioritisation of addressing the backlog should be based on a proper risk assessment, which could result in a requirement for additional capital expenditure in maintenance projects.
  - 1.1.6 To develop a revised Service Level Agreement (SLA) for FM services with estate users that reflected the proposed service delivery model.

- 1.1.7 To proceed with all of the Estate Rationalisation opportunities outlined in Section 3 of the business case through engagement with users of the estate. Furthermore, allocate resources to develop detailed implementation plans for these opportunities.
- 1.1.8 To allocate resources to reassess the core portfolio of operational assets (including libraries, museums and community centres) ensuring stakeholder engagement and exit planning where appropriate.
- 1.1.9 To immediately review the current arrangement of transferring assets to EDI as the preferred option.
- 2) To note that the transformation blueprint assumed the Council's Corporate Property function would transfer to Corporate Operations (previously Corporate Governance) and would be led by a Head of Service. Given the ongoing significant financial pressures (currently £9 million per annum and increasing in future years) set out in the report, emergency transitional arrangements would be put in place to support and reorganise the function prior to appointing the permanent Head of Service. There would also be a requirement to agree the reconciliation of the respective budgets within the new Corporate Operations and Place directorates prior to any transfer occurring. All roles within the Council's Corporate Property function would consolidate within Corporate Operations.
- 3) To note that Phase 1 of AMS Transformation Contract with Deloitte had been completed, and agree that the Deputy Chief Executive approved implementation of the Phase 2 of the Transformation Contract in line with the conditions contained therein.
- Moved by Councillor Whyte, seconded by Councillor Jackson.

### **Voting**

- For the motion - 11
- For the amendment - 3

### **Decision**

To approve the motion by Councillor Rankin.

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

## **3. Minutes**

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### **Decision**

To approve the minute of the Finance and Resources Committee of 27 August 2015 as a correct record.

## **4. Key Decisions Forward Plan**

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The Finance and Resources Committee Key Decisions Forward Plan from 24 September to 29 October 2015 was presented.

## **Decision**

To note the Key Decisions Forward Plan from 24 September to 29 October 2015.

(Reference – Finance and Resources Committee Key Decisions Forward Plan, 24 September to 29 October 2015, submitted.)

## **5. Rolling Actions Log**

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The Finance and Resources Committee Rolling Actions Log for 29 August 2013 to 27 August 2015 was submitted.

### **Decision**

- 1) To note that Item 16 on the Rolling Actions Log had been closed.
- 2) To request that the Rolling Actions Log was reviewed to ensure that the actions listed had been carried out by officers.

(Reference – Rolling Actions Log, 29 August 2013 to 27 August 2015, submitted.)

## **6. 2016/20 Revenue Budget and Capital Framework**

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Committee considered a report which provided proposals of the budget framework to form the basis of public engagement. The framework was an integrated plan which comprised of savings from both transformation and service prioritisation programmes.

### **Decision**

- 1) To note the contents of the report in the context of considering the Council's revenue and capital budget framework.
- 2) To note that the total value of the officer proposals set out in this report provided the potential for a balanced revenue budget to be set.
- 3) To approve the issuing for public engagement of the proposals listed in Appendix 1 of the report.
- 4) To note the potential additional capital receipts of £7.9 million that might be realised over the period of 2015/20 Capital Investment Programme and the proposal that these be split equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing additional capital investment for priority areas.
- 5) To authorise Executive Directors to take forward detailed planning and development of the savings proposals contained within the budget framework including, where relevant to a savings proposal, planning, development and consultation in accordance with the Council's Organisational Review procedure.
- 6) To note that additional details of the officer proposals to address the savings requirements for the Business and Support Services (BSS) and Citizens and Localities (C&L) workstreams would be brought back to the Committee during the public engagement period.
- 7) To recognise that the budget framework included a number of proposals that were efficiency-related or not otherwise considered material decisions requiring to be the

subject of public engagement and thus refer the report to Council on 22 October to approve the savings set out in Appendix 2 of the report.

(References – Finance and Resources Committee, 27 August 2015 (item 4); report by the Deputy Chief Executive, submitted.)

## **7. Managing Workforce Change**

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Committee considered a report on the proposed organisational re-design which was based upon a locality model focussed on the creation of a more lean and agile council.

### **Decision**

- 1) To note that it was intended to enter into further dialogue with the Trade Unions over the next 4 weeks, ensuring that they and their members were fully aware of the Council's financial and strategic outlook and thereafter to bring a further report to the meeting of the Finance and Resources Committee on Thursday 29 October 2015 that would:-
  - 1.1.1 provide an update on the further dialogue with the Trade Unions.
  - 1.1.2 provide an update on the targeted approach to staff under the current 'Voluntary Early Release Arrangements (VERA)'.  
1.1.3 seek a decision from Committee to allow redundancies on a compulsory basis as a last resort, in line with the procedures set out in the Council's current Redundancy Procedure (2010).

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

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

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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 settlement sums authorised to complainants and other affected owners under delegated authority.
- 3) To note the progress of debt recovery work.
- 4) To note that the pilot of the Edinburgh Shared Repairs Service launched in September 2015.

(References – Finance and Resources Committee, 27 August 2015 (item 36); report by the Deputy Chief Executive, submitted.)

## **9. Consultant Costs 2014/15**

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Committee considered details of the expenditure on consultants during 2014/15.



## **Decision**

- 1) To note the revenue and capital expenditure for consultants in financial year 2014/15.
- 2) To note the enhanced control framework implemented by Corporate Leadership Group (CLG), which now required all proposed consultancy appointments where the cost exceeded £25,000 to be approved by CLG.

(References – Act of Council (No 8), 5 February 2015; report by the Deputy Chief Executive, submitted.)

## **10. Commercial Excellence Programme – Update and Annual Review of the Council’s Commercial and Procurement Strategy**

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An update was provided on the progress of the Commercial Excellence Programme and the delivery of the Commercial and Procurement Strategy.

### **Decision**

To note the progress on the Commercial Excellence Programme, the priorities for 2015/16 and the proposed approach to develop a revised strategy in 2016.

(References – Finance and Resources Committee, 30 October 2014 (item 12); report by the Deputy Chief Executive, submitted.)

## **11. Common Good Annual Performance 2014-15**

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Details were provided on the final outturn position for the Common Good Fund and the cash investment performance for 2014/15.

### **Decision**

To note the report.

(References – Finance and Resources Committee, 27 August 2015 (item 11); report by the Deputy Chief Executive, submitted.)

## **12. The City of Edinburgh Council – Report to those charged with Governance on the 2014/15 Audit - referral report from the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee on 23 September 2015 considered a report on the principal findings that arose from the Council's 2014/15 external audit. The report was referred to the Finance and Resources Committee for approval of the annual audit.

### **Decision**

- 1) To approve the Annual Accounts for 2014/15.
- 2) To refer the report to the City of Edinburgh Council for approval to set aside the £0.162 million increase in the in-year underspend within the Council’s Priorities Fund.

(References – Governance, Risk and Best Value Committee, 23 September 2015 (item 6); report by the Deputy Chief Executive, submitted.)

### **13. The City of Edinburgh Council Charitable Trusts – Report to those charged with Governance on the 2014/15 Audit**

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An update was provided on the External Auditor's view on matters arising from their audit in compliance with International Standard on Auditing 260.

- 1) To note the Annual report and Accounts for 2014/15 and these would be submitted to the External Auditor.
- 2) To note any relevant commentary on the Charitable Trusts that had been included in the External Auditor's Annual Report on the 2014/15 Audit which was included in Appendix 1 of the report.
- 3) To approve the Annual Report and Accounts for 2014/15 by 30 September 2015.

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

### **14. Provision of External Offsite Revenues and Benefits Processing – Award of Contract**

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Approval was sought for the award of a framework agreement for the provision of external offsite revenues and benefits processing support.

#### **Decision**

To approve the award of a Framework Agreement for the provision of an external offsite revenues and benefits processing service to Civica Ltd, Capita Group Plc and Liberata UK Ltd under a ranked Framework Agreement for a period of two years with the option to extend annually for a further two years. The contract would be utilised on an ad-hoc basis with an estimated value of up to £265,000 per annum.

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

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

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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 contents of the report and the authorisations made under delegated authority.

(References – Finance and Resources Committee, 13 May 2015 (item 16); report by the Deputy Chief Executive, submitted.)

## **16. Zero Hour Contracts – External Contractors**

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Details were provided on the criteria drafted to allow evaluation of the workforce related conditions in relation to procurement activity for external contractors who use zero hours contracts.

### **Decision**

- 1) To agree that the Commercial and Procurement Team would conclude and report on the pilot procurement exercise(s) with regard to quality evaluation on workforce matters.
- 2) To agree that the Council adopted a policy statement in all future tender documentation stating the Council's position concerning the use of zero hour contracts.

(References – Finance and Resources Committee, 3 February 2015 (item 12); report by the Deputy Chief Executive, submitted.)

## **17. Review of events in relation to ownership of Parliament House in 2005/6 – referral from the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee on 18 June 2015 considered a report which set out the sequence of events surrounding the acquisition of the legal title to Parliament House by the Scottish Government, despite it apparently being an asset of the Edinburgh Common Good Fund. The report was referred to the Finance and Resources Committee to consider any further legal action.

### **Decision**

To continue consideration of the report pending legal advice.

(Reference – report by the Chief Internal Auditor, submitted.)

## **18. Health and Social Care Integration – Update**

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Committee considered an update on the integration of Council Social Care functions with NHS Lothian health functions.

### **Decision**

- 1) To note the outputs from the Corporate Programme Office (CPO) Programme 'Health Check' and Internal Audit review.
- 2) To note the high level management actions to address the recommendations in the assurance reports
- 3) To note the dependencies with Council transformation projects.

### **Declaration of Interest**

Councillors Ricky Henderson and Paul Edie declared financial interests as a non-Executive Director of NHS Lothian and as Chair of the Care Inspectorate, respectively.

(References – Finance and Resources Committee, 27 August 2015 (item 9); report by the Chief Social Work Officer, submitted.)

## **19. Health and Social Care 2015/16 Revenue Budget – Action Plan Update**

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Details were provided on the projected month 4 revenue monitoring position for Health and Social Care and the progress of the budget action plan which aimed to achieve a balanced budget by the year end.

### **Decision**

- 1) To note the 2015/16 budget position for Health and Social Care as set out in the report, which showed a reduction in the projected overspend from £1.4 million at month three to £1.0 million at month 4, after mitigation actions.
- 2) To note the updated Health and Social Care Action Plan, detailed at Appendix 1 of the report, describing actions taken and in hand.
- 3) To note that the Budget Action Plan sat within a wider strategic work/transformation programme in Health and Social Care intended to underpin financial sustainability going forward.
- 4) To agree to refer the report to the Health, Social Care and Housing Committee for information.

### **Declaration of Interest**

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

(References – Finance and Resources Committee, 27 August 2015 (item 10); report by the Chief Social Work Officer, submitted.)

## **20. Review of Tenant Participation Services Procurement Options - referral from the Health, Social Care and Housing Committee**

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The Health, Social Care and Housing Committee on 8 September 2015 considered a report which set out proposals for the future provision of tenant participation related services. The report was referred to the Finance and Resources Committee to note the approach to commissioning and agree an extension of the service level agreements with ETF and NA for a period of up to 12 months.

### **Decision**

- 1) To note the approach to commissioning and agree that the ETF and NA service level agreements were extended for a period of up to 12 months, from 1 April 2016, to allow this process to be completed.
- 2) To note that all procurement options would be explored to achieve best value in the delivery of tenant participation services, including the potential for a single provider to deliver these services and a report detailing these options would be brought back to the Finance and Resources Committee in January 2016.

(References – Health, Social Care and Housing Committee, 21 April 2015 (item 8); report by the Acting Director of Services for Communities, submitted.)

## **21. Mental Health and Wellbeing Consultation Feedback and Proposed Commissioning Plan 2016-2017 - referral from the Health, Social Care and Housing Committee**

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The Health, Social Care and Housing Committee on 8 September 2015 considered a report from the Chief Social Work Officer that presented feedback from the Mental Health and Well being Consultation. The report described how the consultation exercise would influence a collaborative approach to commissioning mental health and wellbeing services in conjunction with NHS Lothian and other key stakeholders. The report was referred to the Finance and Resources Committee for approval of the extension of contracts for mental health and wellbeing services to 30 September 2016.

### **Decision**

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

## **22. Community Transport – Development of a Public Social Partnership**

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Committee approval was sought to develop a Public Social Partnership to provide community and accessible transport from the Third Sector. Details were also provided on the development of a framework for this provision.

### **Decision**

- 1) To approve the development of a Public Social Partnership with Community Transport providers for the provision of accessible transport on behalf of the Council.
- 2) To note the intention to bring back a further report seeking approval to formally enter into a Public Social Partnership.

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

## **23. Construction Professional Services Framework Agreement – Award of Contract**

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Approval was sought to award a multi-lot framework of 9 lots for construction professional services to support Council in delivering its construction, maintenance and repair programmes.

### **Decision**

- 1) To approve the award of Lot 1 Project Management Services to Doig and Smith Ltd, Sweett (UK) Ltd and Thomas and Adamson Ltd at an estimated contract value of £1,000,000 per annum.
- 2) To approve the award of Lot 2 Building Surveying Services to Faithful and Gould, Hardies and Summers Inman at an estimated contract value of £1,000,000 per annum.

- 3) To approve the award of Lot 3 Quantity Surveying Services to Doig & Smith Ltd, Gardiner & Theobald Ltd and Sweett (UK) Ltd at an estimated contract value of £1,000,000 per annum.
  - 4) To approve the award of Lot 4 Architectural Services to Anderson Bell Christie Ltd, Collective Architecture and Holmes Miller Ltd at an estimated contract value of £1,000,000 per annum.
  - 5) To approve the award of Lot 5 Structural Engineering Services to Aecom Ltd, David Narro Associates and Will Rudd Davidson Ltd at an estimated contract value of £1,250,000 per annum.
  - 6) To approve the award of Lot 6 Mechanical & Electrical Engineering Services to Blackwood Partnership Ltd, Cundall Johnston and RSP Consulting at an estimated contract value of £750,000 per annum.
  - 7) To approve the award of Lot 7 Fire Engineering Services to Aecom Ltd and Ramboll Ltd at an estimated contract value of £300,000 per annum.
  - 8) To approve the award of Lot 8 Interior Design, Space Planning and Move Management Services to Holmes Miller Ltd, Smith Scott Mullan Architects Ltd and Space Solutions Ltd at an estimated contract value of £300,000 per annum.
  - 9) To approve the award of Lot 9 Multi-Discipline Design Team Services to AHR Architects, Capita Property and Infrastructure Ltd and Gardiner & Theobald at an estimated contract value of £1,500,000 per annum.
  - 10) To note the contract values above was reflective of historical spend on these services over the previous three financial years, and that the scope of works might fluctuate subject to budget allocation and funding approvals.
  - 11) To note that the Framework Agreement was a collaborative arrangement to be used predominantly by Corporate Property and Housing Asset Management. The Finance and Resources Committee – 24 September 2015 Page 3 Framework Agreements were also available to other Council Departments and may be utilised by West Lothian Council, Midlothian Council and Council's Arms Length Organisations.
- (Reference – report by the Acting Director of Services for Communities, submitted).

## **24. Receipt and Processing of Recyclable Materials form Kerbside and Communal Collections**

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Committee considered a report which sought approval to award the contract for the receipt and processing of dry recyclable materials from kerbside and communal recycling collections following a competitive tendering process.

### **Decision**

To approve the appointment of William Tracey Group as contractor for the Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Collections for a period of three years with the option to extend by two x 12 month periods.

(References – Transport and Environment Committee, 27 August 2013 (item 20); report by the Acting Director of Services for Communities, submitted.)

## **25. Supply and Delivery of Kerbside Recycling Refuse Collection Vehicles**

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Approval was sought to award a contract for the supply and delivery of 10 refuse collection vehicles for a period of six years with an overall value of £1.57million.

### **Decision**

- 1) To approve the appointment of Dennis Eagle Limited and FAUN Zoeller (UK) Ltd. to supply and deliver refuse collection vehicles (RCVs).
- 2) The breakdown of the Contract award was 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
  - 18 Tonne RCV Chassis – Dennis Eagle Limited
  - 18 Tonne RCV Body - Dennis Eagle Limited
  - 18 Tonne RCV Bin Lift - FAUN Zoeller (UK) Ltd

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

## **26. Liberton High School Extension – Award of Contract**

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Committee were asked to approve the award of the contract for the construction of the extension to Liberton High School sports hall to Ashwood Scotland Limited following a competitive process.

### **Decision**

To approve the award of the contract for the construction of the extension to Liberton High School sports hall to Ashwood Scotland Limited for the contract sum of £2,157,068.58.

(References – Education, Children and Families Committee, 30 September 2014 (item 6); report by the Executive Director of Communities and Families, submitted.)

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

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## **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 Paragraph 6 of Schedule 7(A) of the Act.

### **28. Review of events in relation to Ownership of Parliament House in 2005/6**

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A verbal update was provided on the review of events in relation to the ownership of Parliament House in 2005/6 item by the Head of Legal, Risk and Compliance.

#### **Decision**

To continue consideration of the item pending legal advice.

(Reference – verbal update by the Deputy Chief Executive, submitted.)

### **29. Property Conservation – Irrecoverable Sum, Debt Recovery and Settlements**

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An update was provided on irrecoverable sums approved under delegated authority and the current provision for impairment and settlements.

#### **Decision**

- 1) To note the settlement sums authorised to complainants and other affected owners under delegated authority in Appendix 1 of the report.
- 2) To note the provision for Impairments and Settlements in Appendix 2 of the report.
- 3) To note the analysis of costs incurred to date in Appendix 3 of the report and note that a detailed project cost report would be submitted to the October 2015 Finance and Resources Committee.

(References – Finance and Resources Committee, 27 August 2015 (item 45); report by the Deputy Chief Executive, submitted.)

### **30. Miscellaneous Debts – Write Off**

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Committee approval was sought to write off outstanding miscellaneous debt which was deemed uncollectable.

#### **Decision**

- 1) To agree the write-off of miscellaneous debt of £122,395.08.
- 2) To note the position on the use of registered inhibitions as part of the debt recovery process.

(References – Corporate Policy and Strategy Committee, 9 June 2015 (item 14); report by the Deputy Chief Executive, submitted.)





# Item 5.1 - Business bulletin

## Finance and Resources Committee

**10.00am, Thursday 29 October 2015**

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

# Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Cllr Alasdair Rankin</p>  <p>Vice – Convener Cllr Bill Cook</p> 	<ul style="list-style-type: none"> <li>▪ Cllr Adam McVey</li> <li>▪ Cllr Bill Henderson</li> <li>▪ Cllr David Walker</li> <li>▪ Cllr Denis Dixon</li> <li>▪ Cllr Paul Edie</li> <li>▪ Cllr Gavin Corbett</li> <li>▪ Cllr Iain Whyte</li> <li>▪ Cllr Joan Griffiths</li> <li>▪ Cllr Ricky Henderson</li> <li>▪ Cllr Paul Godzik</li> <li>▪ Cllr Allan Jackson</li> <li>▪ Cllr Andrew Burns (ex officio)</li> <li>▪ Cllr Sandy Howat (ex officio)</li> </ul>	<p><a href="#">Veronica Macmillan</a> Committee Officer Tel: 0131 529 4283</p> <p><a href="#">Linda Fraser</a> Professional Support Manager Tel: 0131 469 3928</p>

Recent news	Background
<p><b>Annual Efficiency Statement, 2014/15</b></p> <p>Scottish Ministers expect all public bodies to deliver efficiency savings equal to at least 3% of net expenditure in each year of the current spending review period (ending in 2015/16) and to report publicly on these. Efficiencies are defined as savings where the output, or outcome, has been maintained with a lower cash-terms level of input (cashable) or where a greater output, or outcome, is achieved without a corresponding increase in inputs (non-cashable). COSLA collates the statements on behalf of all of its member authorities and reports these to the Deputy First Minister.</p> <p>The Council's Efficiency Statement for 2014/15 was submitted to COSLA in late August and set out total efficiencies to a value of £32.2m, including significant savings across the areas of procurement and asset management, as well as additional income through increasing the five-year Council Tax collection rate. The statement also captured savings delivered through the Council's Looked-After Children transformation plan, where a shift in the balance of care towards more preventative services aims to provide both financial savings and better outcomes for</p>	<p>Contact: <a href="#">Hugh Dunn</a>, Head of Finance, Tel: 0131 469 3150</p>

children. The total savings identified met the 3% target and now mean that £242m of efficiencies have been reported since 2006/07.

### **Forthcoming activities**

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# Item 6.1 - Key decisions forward plan

## Finance and Resources Committee

[29 October – 26 November 2015]

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
1.	Financial implications of Community Empowerment Bill	26 November 2015		Alastair Maclean, Deputy Chief Executive  Lead Officer: <a href="#">Pamela Roccio</a> , Corporate Policy & Strategy Officer	
2.	Governance of Major Projects: Progress report	26 November 2015		Alastair Maclean, Deputy Chief Executive  Lead Officer: <a href="#">Scott Robertson</a> Senior Project Manager	
3.	ICT services and transformation procurement: Governance arrangements	26 November 2015		Alastair Maclean, Deputy Chief Executive  Lead Officer: <a href="#">Claudette Jones</a> , Chief Information Officer	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
4.	Procurement of contractor for Queensferry Rec developments (pitches and courts)	26 November 2015		Greg Ward, Executive Director of City Strategy and Economy  Lead Officer: <a href="#">David Wardrop</a> , Sports Development Manager	
5.	Update on External Funding	26 November 2015		Greg Ward, Executive Director of City Strategy and Economy  Lead Officer: <a href="#">Lynne Halfpenny</a> , Director of Culture	
6.	Police Costs for Edinburgh's Hogmanay	26 November 2015		Greg Ward, Executive Director of City Strategy and Economy  Lead Officer: <a href="#">Lynne Halfpenny</a> , Director of Culture	
7.	Health and Social Care Integration: update	26 November 2015		Director: Michelle Miller, Acting Director of Health & Social Care  Lead Officer: <a href="#">Susanne Harrison</a> , Integration Programme Manager	
8.	EADP New Service Contracts	26 November 2015		Director: Michelle Miller, Acting Director of Health & Social Care	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
				Lead Officer: <a href="#">David Williams</a> , Eadp Joint Commissioning Officer	
9.	Taxicard Services	26 November 2015		Director: John Bury, Acting Director of Services for Communities  <a href="#">Gavin Brown</a> , Parking Operations Manager	
10.	Extended Area of Let - Proposed Lease at 63 Niddrie Mains Terrace	26 November 2015		Director: John Bury, Acting Director of Services for Communities  <a href="#">Peter Watton</a> , Acting Head of Corporate Property	
11.	Summary Report on Property Transactions concluded under Delegated Authority	26 November 2015		Director: John Bury, Acting Director of Services for Communities  <a href="#">Peter Watton</a> , Acting Head of Corporate Property	
12.	Award of Contract for Consultancy services for Edinburgh Street Design Guidance - Phase 2 Works	26 November 2015		Director: John Bury, Acting Director of Services for Communities  <a href="#">Nazan Kocak</a> , Professional officer	

# Item 6.2 - Rolling Actions Log

## Finance and Resources Committee

29 August 2013 – 24 September 2015

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
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.	Acting Director of Services for Communities	December 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.	Deputy Chief Executive			<b>Decisions repealed - Closed.</b>
			2) To instruct the Chief Executive to report back to the Finance and Resources Committee by the end				<b>Finance and Resources Committee receive monthly reports on this</b>

			of September 2014, setting out how various complaints were categorised, and in relation to debt recovery, an aged debt analysis and breakdown by value, and by the end of December 2014, setting out what (if any) complaints remained unresolved.				<b>item - closed.</b>
			3) To agree that monthly update reports would be brought to the F+R Committee.				<b>As above – closed.</b>
3	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.	Chief Social Work Officer	Ongoing		<b>The issue of care at home and the associated cost and waiting time pressures were addressed in various reports to Committee during 2014/15 that reported on Health and Social Care’s overall financial position</b>



							<b>– closed.</b>
4	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 contracts.	Executive Director of Families and Communities	28-08-14		
5	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/ Deputy Chief Executive	15-01-15		<b>Bi-monthly reports on the Transformation Programme are brought to the F+R Committee that provides updates – closed.</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	Chief Executive/ Deputy Chief Executive	Ongoing		<b>Bi-monthly reports on the Transformation Programme are brought to the F+R Committee that provides updates – closed.</b>

			theme.				
6	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 levels and report these at period 8.	Chief Social Work Officer/Deputy Chief Executive			<b>The Health and Social Care Revenue Budget Action Plan was reported to the F+R Committee and the Health, Social Care and Housing Committees on a regular basis. The most recent reports to the F+R Committee were on 4 June, 27 August and 24 September 2015 – closed.</b>
7		<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.	Deputy Chief Executive	24-09-15		<b>Report brought to F+R Committee on 24 September 2015 – closed.</b>
8	15-01-15	<a href="#">Governance of Major Projects</a>	1) The Director of Corporate Governance would pursue progress with senior officers	Deputy Chief Executive	As soon as possible		

			at BT regarding the Learning and Teaching Refresh (bandwidth upgrades).				
			<p>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.</p> <p>3) To include a reference to Phase 2 of the Niddrie Burn Restoration in future reports to the Finance and Resources Committee.</p>		03-02-15	19-03-15	<b>Report was brought to F+R Committee on 13 May 2015 – closed.</b>
9	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	Acting Director of Services for Communities	13-05-15		

			brought to the Finance and Resources Committee in May 2015.				
10	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		<b>A briefing was given to Councillors – closed.</b>
11	03-02-15	<a href="#">External Funding Initiative - Spend to Save Programme</a>	<ol style="list-style-type: none"> <li>1) The Head of Finance to liaise with Economic Development to ensure that the fundraising money was classified as additional income.</li> <li>2) Economic Development to confirm if the progress of the activities described in 3.11(f) of the report would be reported back to the Finance and Resources Committee.</li> </ol>	Executive Director of City Strategy and Economy/ Head of Finance	As soon as possible		<b>Closed</b>

12	04-06-15	<a href="#">Health and Social Care Budget – Further Progress Report</a>	<p>1) To note the update from the Chief Executive in 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, and to agree that the Committee would be provided with a report detailing the results of month 3 monitoring to identify any progress/issues in relation to the £5 million Health and Social Care funding gap.</p> <p>2) To authorise the</p>	Chief Social Work Officer	As soon as possible		<p><b>The Period 2 based report that was considered by F+R Committee on 27 August 2015 set out how the funding gap would be addressed – closed.</b></p> <p><b>The contract with</b></p>
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			<p>Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Finance and Resources Committee to extend the contract with KPMG for 3 months for additional work to be done on the review of the Health and Social Care budget, subject to funding being identified for the additional £166,000 costs.</p> <p>3) To agree that the Director of Health and Social Care meets with KPMG to discuss the proposals contained within the report and future measures.</p> <p>4) To agree that the</p>				<p><b>KPMG was extended and KPMG produced a report to assist Health and Social Care with Transformational Change. This was reported to Finance and Resources Committee on 24 September 2015 – closed.</b></p> <p><b>The Chief Social Work Officer had held several meetings with KPMG over the period from June to September 2015 to discuss both phases of their support to Health and Social</b></p>
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			Director of Health and Social Care would clarify whether exit interviews were carried out with staff that has left Health and Social Care posts.				<b>Care – closed. The Chief Social Work Officer confirmed that exit interviews were offered to all employees that were leaving the service, due to their fixed term contract coming to an end, their resignation, their retiral, VERA or redundancy – closed.</b>
13	04-06-15	<a href="#">Accounts Commission Review of Treasury Management</a>	The Head of Finance to arrange a seminar for members ahead of the next treasury report being considered at Committee outlining information needed to allow members to fully scrutinise Treasury Management.	Deputy Chief Executive	As soon as possible		<b>Treasury sessions were arranged – closed.</b>
14	04-06-15	<a href="#">Edinburgh's Christmas and Hogmanay</a>	1) To instruct officers to work with event organisers and	Deputy Chief Executive	27-08-15		<b>1) Both Edinburgh's Hogmanay and</b>

		<a href="#">Extension to Consortiums Contract</a>	<p>relevant bids to extend the 2015/16 Christmas and Hogmanay program in the first instance to include the Grassmarket and Old Town.</p> <p>2) To instruct officers from Corporate Governance and Economic Development to work with the vent organisers to secure commercial opportunities designed to increase the Council's financial return on the event in 2015/16 and 2016/17.</p> <p>3) To submit a report to the Finance and Resources Committee in August 2015 providing details of policing costs for</p>				<p><b>Edinburgh's Christmas would be extending their footprints to include the Old Town and were making extensive use if these streets this year. Christmas has the Street of Light on the High Street: Hogmanay will be moving the Ceilidh from the Mound to West Parliament Square and the High Street. Fireworks would be reconfigured to be visible from the High Street. The Grassmarket Business Improvement District would be programming separate</b></p>
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			<p>the event for 2015/16 and 2016/17.</p> <p>4) To make a representation to the Scottish Government to examine mechanisms for funding towards the Council's contribution to increasing visitor numbers in Edinburgh.</p>				<p><b>Christmas activities which would be supported with some promotion by Edinburgh's Christmas.</b></p> <p><b>2) The organisers have secured a number of further sponsors to support the Christmas and Hogmanay events, including Virgin Money and Stoats Porridge. Work would be continuing to secure further financial support. The Council will receive a share of any profits generated by both events.</b></p> <p><b>3) This topic was included in the bid for a City Region Deal</b></p>
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							which was submitted to the Scottish Government in September by the Council and partner authorities – closed.
							4)A report would be brought on Policing costs to the F+R Committee on 29 October 2015 – ongoing.
15	04-06-15	<a href="#">Home Energy Efficiency Programmes for Scotland</a>	To provide a briefing note on how the impact of home energy efficiency programmes compared to scale with challenges of fuel poverty and carbon reduction that would be circulated to members.	Acting Director of Services for Communities	As soon as possible	30-06-15	
16	04-06-15	<a href="#">Redhall House and Lawn Progress Report</a>	1) To instruct officers to seek further assurance from the building owner and/or agent, due to the protracted	Acting Director of Services fro Communities			Report being brought to the F+R Committee on 29 October 2015 - ongoing

			<p>period since a petition on Redhall House was first submitted in November 2013, and the gap of more than 5 months between a planning was submitted on 23 December 2014 and additional information being received so that public consultation could commence on 1 June 2015, that they understood the need for demonstrable progress to protect a deteriorating building.</p> <p>2) To agree that a further report would be brought to the Finance and Resources Committee no later than October 2015 or upon</p>				
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			determinations of the planning application if sooner.				
17	27-08-15	<a href="#">Property Conservation - Programme Momentum Progress Report</a>	To investigate the number of cases that had not initially been involved in the Deloitte review but had offered to pay to have their cases reviewed.	Deputy Chief Executive	As soon as possible		
18	27-08-15	<a href="#">Proposed 25 Year Lease of the Engine Shed, 19 St Leonard's Lane, Edinburgh</a>	To request that officer from Corporate Property work alongside the Rivers Centre Public Social Partnership/Carr Gomm to identify alternative accommodation and to report the outcome back to Committee.	Acting Director of Services for Communities	Not specified	31-12-15	<b>Estates Services are in regular contact with Carr Gomm and the NHS to help them to identify a suitable property for the Rivers Centre. Various options have been put forward and following a viewing on 23 September 2015, further discussions will take place on a potential property – ongoing.</b>

19	27-08-15	Property Conservation – Irrecoverable Sum, Debt Recovery and Settlements	To bring a report back to the next Committee that would provide the total Property Conservation costs paid out to recover the debts that had been collected.	Deputy Chief Executive	24-09-15		<b>Report brought to the F+R Committee on 24 September 2015 – closed.</b>
20	27-08-15	Property Conservation – Claims Recovery	<ol style="list-style-type: none"> <li>1) To include the contact details of the lead officer for each project.</li> <li>2) To include an additional column in Appendix 1 in future reports to represent the percentages of non-recoverable sums.</li> </ol>	Deputy Chief Executive			<b>Closed.</b>
21	24-09-15	<a href="#">Finance and Resources Committee Rolling Actions Log</a>	To request that the Rolling Actions Log was reviewed to ensure that actions listed had been carried out by officers.	Deputy Chief Executive	As soon as possible	02-10-15	<b>E-mail sent to all Business Managers asking them to confirm actions that had been completed – closed.</b>
22	24-09-15	<a href="#">Bridgend Farmhouse and Steadings: Update</a>	To instruct that a report was brought back to the Finance and Resources Committee detailing	Acting Director of Services for Communities	July 2016		<b>Report to be brought back to F+R by 2016 – ongoing.</b>

			progress on all aspects of the project including the cost/benefits contributed to the collaboration by July 2016.				
23	24-09-15	<a href="#">Transformation Programme: Property and Asset Management Strategy</a>	To note that a review of the wider property portfolio, including the position of EDI GROUP Limited (“EDI”) was being recommended, and thus called for a report – within two cycles – on how best to manage the delivery of Plan B utilising the potential benefits of such delivery through a Council subsidiary.	Deputy Chief Executive	26-11-15		<b>Report to be brought back to F+R in two cycles – ongoing.</b>
24	24-09-15	<a href="#">Managing Workforce Change</a>	To request the Deputy Chief Executive provided a briefing to members which detailed the funding set aside for employee transition.	Deputy Chief Executive	As soon as possible		
25	24-09-15	<a href="#">Common Good Annual Performance 2014/15</a>	To note that there were a number of actions related to Common Good from the Governance, Risk and Best Value and the Corporate Policy and	Deputy Chief Executive	As soon as possible		

			Strategy Committees and to discuss the most appropriate Committee to report on Common Good to.				
26	24-09-15	<a href="#">Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity</a>	To agree the Commercial and Procurement Manager would clarify whether the spend on contracts in the stated timeline was typical and to report back to Councillor Rankin.	Deputy Chief Executive	As soon as possible	05-10-15	<b>Briefing note sent to Councillor Rankin on 5 October 2015 – closed.</b>
27	24-09-15	Property Conservation – Irrecoverable Sum; Debt Recovery and Settlements	<ol style="list-style-type: none"> <li>1) To request the Deputy Chief Executive provided elected members with a briefing on the progress of the recovery and settlement process.</li> <li>2) To include a table in future reports which demonstrates the progress made in terms of recovery of debt over the last three years.</li> </ol>	Deputy Chief Executive			

# Finance and Resources Committee

10am, Thursday 29 October 2015

## Committee Decisions – November 2014 – September 2015

Item number	6.3
Report number	
Executive/routine	
Wards	All

### Executive summary

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Following the decision of the Governance, Risk and Best Value Committee on 19 June 2014, to strengthen existing arrangements and provide greater assurance with regard to the dissemination of committee decisions, a quarterly review of actions has been undertaken by directorates to ensure that all decisions taken by the Corporate Policy and Strategy Committee, the Executive committees and the Governance, Risk and Best Value Committee are progressing as expected and to highlight any exceptions. This report outlines the assurance work undertaken and details the implementation of Finance and Resources Committee decisions covering the initial period from November 2014 to September 2015.

### Links

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Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	



## Committee Decisions – November 2014 – September 2015

### Recommendations

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- 1.1 To note the position on the implementation of Finance and Resources Committee decisions as detailed in the appendix to this report.
- 1.2 To note that an annual summary report would be presented to Committee in 12 months time.

### Background

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- 2.1 The Governance, Risk and Best Value Committee on 19 June 2014 agreed increased monitoring for the dissemination and implementation of committee decisions by directorates.
- 2.2 It was agreed that an annual report outlining all decisions taken in the previous year and an update on the implementation of decisions and recommendations to discharge actions be presented to the Corporate Policy and Strategy Committee, executive committees and the Governance, Risk and Best Value Committee.

### Main report

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- 3.1 When a decision is taken at committee that requires further action this is tracked and monitored by various methods.
- 3.2 Since November 2012 for the Governance, Risk and Best Value Committee and April 2014 for other committees, if a decision requires a further report to committee, it is added to the forward plan, the report schedule and the Rolling Actions Log is updated. The Rolling Actions Log is then considered by committee each cycle, ensuring that there is clear oversight of the implementation of decisions by the committee. It is also published with the committee papers, resulting in the monitoring being carried out in a transparent manner. The majority of decisions that require action are recorded this way and there are clear linkages between the decisions taken at committee and the planning of new business.

- 3.3 However, a gap existed for committee decisions that did not request a further report to Committee. The implementation of these decisions was left with individual service areas and any monitoring was not publicly available.
- 3.4 The approach agreed by the Governance, Risk and Best Value Committee on 19 June 2014 aimed to address this gap. Following the meeting a committee decisions spreadsheet was introduced to track decisions that did not require further reporting and thus would not be covered by the Rolling Actions Log. This new process aimed to ensure that the implementation of relevant actions would be recorded effectively, monitored and considered annually at each committee.
- 3.5 This spreadsheet is completed by Committee Services and directorate staff who are responsible for updating the status of actions attributed to each service area.
- 3.6 A similar report on all decisions taken in the previous year and an update on the implementation of decisions and recommendations to discharge actions will be presented to the Corporate Policy and Strategy Committee and to each executive committee annually.
- 3.7 The consideration of these reports will augment committee oversight of the implementation of decisions, resulting in an increase in accountable and transparent decision making.

#### **Finance and Resources Committee Decisions**

- 3.8 A review of actions has been undertaken by directorates to ensure that all decisions not required to be reported back to committee are progressing as expected and to highlight any exceptions. A summary of decisions for the initial period November 2014 to September 2015, including status, is detailed in the appendix to this report. This report will be submitted on an annual basis to Committee.
- 3.9 At the Finance and Resources Committee there have been 205 decisions made which were recorded through the committee decisions spreadsheet.
- 3.10 All 66 actions that remain open are being progressed and there are no concerns to highlight to Committee.

### **Measures of success**

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- 4.1 Annual reporting ensures the effective implementation and monitoring of committee decisions.

### **Financial impact**

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

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

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- 6.1 The improvements in business processes help ensure increased transparency and assurance across the Council's decision making processes.

## **Equalities impact**

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

## **Sustainability impact**

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

## **Consultation and engagement**

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- 9.1 The spreadsheet described is completed throughout all service areas across the Council.

## **Background reading/external references**

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[Minute of the Governance, Risk and Best Value Committee – 19 June 2014](#)

[Report to the Governance, Risk and Best Value Committee - Committee Decisions – Dissemination and Implementation and Update to member/officer Protocol – Report by Director of Corporate Governance](#)

### **Alastair D Maclean**

Deputy Chief Executive

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Gavin King, Committee Services Manager

E-mail: [Gavin.King@edinburgh.gov.uk](mailto:Gavin.King@edinburgh.gov.uk) | Tel: 0131 469 4239

## Links

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### **Coalition pledges**

**Council outcomes** CO25 - The Council has efficient and effective services that deliver on objectives.

### **Single Outcome Agreement**

**Appendices** 1 – Finance and Resources - Committee Decisions

## Appendix 1 – Committee Decisions – Finance and Resources Committee

<b>Finance and Resources Committee Decisions Overview</b>			
<b>Date</b>	<b>Number of Decisions</b>	<b>Open</b>	<b>Closed</b>
27/11/2014	31	0	31
15/01/2015	10	2	8
03/02/2015	16	6	10
19/03/2015	34	13	21
13/05/2015	26	10	16
04/06/2015	33	15	16
27/08/2015	36	15	21
24/09/2015	19	5	14
<b>Total</b>	<b>205</b>	<b>-</b>	<b>-</b>

<b>Breakdown of tasks by directorate</b>			
<b>Directorate</b>	<b>Number of Decisions</b>	<b>Open</b>	<b>Closed</b>
Chief Executive's Office	0	-	-
Children and Families	3	-	3
Corporate Governance	42	9	33
Economic Development	7	1	6
Health & Social Care	17	1	16
Services for Communities	136	55	81

**N.B:** - Tasks can belong to more than one directorate, leading to slight disparity in figures.

### Outstanding Tasks in full

Item no.	Date	Directorate	Item	Decision	Status	Comments
1	27/11/2014	CG	7.5 - Treasury Management - Mid Term Report 2014/15	To refer the report to Council for approval and subsequent referral by Council to the Governance, Risk and Best Value Committee for scrutiny.	Closed	Council 11/12/15 & GRBV 18/12/15
2	27/11/2014	SFC	7.12 - Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts	<p>1) To approve the extension of contracts for 67 commissioned services, until 31 March 2016.</p> <p>2) To approve a waiver, under Contract Standing Orders, to extend five other contracts, subject to tender in 2009, for a further 12 months, for the following services: Streetwork Crisis Centre, Bethany ChristianTrust Gateway to Homes and Communities, Orchard and Shipman Letfirst, Turning Point Multiple Needs, Streetwork Multiple Needs.</p> <p>3) To approve a waiver under Contract Standing Orders to extend the contract with Gallery Partnership for the Edinburgh Common Client Outcomes (ECCO)</p>	Closed.	Housing & Regeneration – an update report is scheduled for 26 November 2015

				monitoring system for a further six months.		
<b>3</b>	27/11/2014	Health and Social Care	7.13 - Castlegreen Care Home and North Merchiston Care Home - Contract Extension with Four Seasons Health Care	<p>1) To agree plans to align contract start/end dates in respect of Castlegreen and North Merchiston Care Homes.</p> <p>2) To exercise the Council's option to extend contracts with Four Seasons Health Care for the management and delivery of residential care services at the Council owned Castlegreen and North Merchiston Care homes for the period 1 April 2015 to 31 March 2018. on the basis of the cost increase and adjustment to the fee uplift formula set out in the report.</p> <p>3) To agree the grant of property lease extensions in respect of Castlegreen and North Merchiston care homes for the period 1 April 2015 to 31 March 2018.</p>	Closed	All actions completed
<b>4</b>	27/11/2014	Health and Social Care	7.14 - Contract for Canalside Registered Day Service for Older People from 1 April 2015	To approve the award of a block contract with Cornerstone Community Care (operating as Cornerstone), from 1 April 2015 to 30 March 2018 with an option to extend for up to two twelve month periods.	Closed	Contract awarded
<b>5</b>	27/11/2014	CG	7.15 - Purchase Card Programme Expansion	To approve the promotion of the use of purchase cards as a means of paying for one-off and low value purchases where a Council contract did not exist or as an option	Closed	

				to reduce the levels of petty cash used across the Council.		
<b>6</b>	27/11/2014	CG	7.15 - Employee Benefit - Car Lease Salary Sacrifice Scheme	<p>1) To approve a new car lease scheme, which utilises the North Tyneside Council's Framework Agreement (supplied by NHS Fleet Solutions). This would include a standard car lease and a salary sacrifice car lease option;</p> <p>2) To approve extending the eligibility criteria from authorised car users to all appropriate Council staff.</p> <p>3) To approve setting a CO<sub>2</sub> emissions cap of 130g/km for all new lease cars.</p> <p>4) To delegate authority to the Director of Corporate Governance to finalise the terms and conditions of the Council's participation in the North Tyneside Council's Framework Agreement.</p>	Closed	
<b>7</b>	27/11/2014	CG	7.17 - Procurement of a New Material Supplier - Edinburgh Building Services	To approve the award of a contract to Travis Perkins Trading Co. Ltd. For the supply and delivery of trade materials and commodities for Edinburgh Building Services.	Closed	Contract signed
<b>8</b>	27/11/2014	SFC	7.18 - Framework Agreement for Unescorted Passenger Journeys for the City of Edinburgh Council	To approve the appointment of Central Radio Taxis (Tollcross) Ltd to supply all three lots of the Framework Agreement for Unescorted Passenger Journeys for the City	Closed	Contract commencement date 15/12/2014 for three years



				of Edinburgh Council.		until 14/12/2017 with one year extension option.
<b>9</b>	27/11/2014	SFC	7.19 - Bus Services 38: Renewal of Supported Bus Service Contract	1) To approve the waiving of the tendering procedure laid out in the Council's Contract Standing Orders (CSO). 2) To approve the implementation of a new one year contract that covered the enhancement of service 38.	Closed	New contract in place.
<b>10</b>	27/11/2014	SFC	7.20 - Extension of Existing Framework Agreement for the Provision of Road Planners	To agree to waive Contract Standing Orders and extend the existing Framework Agreement for the provision of Planers. Mechanical Brushes and Lorries (with Operators) until 31 March 2015 at a total cost of £137, 470.	Closed	New contract in place at agreed price increase March 2015.
<b>11</b>	27/11/2014	SFC	7.21 - Extension of Existing Term Contract for the Provision of Hire and Maintenance of Heavy Plant Equipment	To agree to waive Contract Standing Orders and extend the existing Term Contract with Jarvie Plant Limited for the Hire and Maintenance of Heavy Plant Equipment until 31 March 2015 at a total cost of £234,257.	Closed	New Contract starts on 1 April 2015
<b>12</b>	27/11/2014	SFC	7.22 - Newbridge Public Transport Study Appointment of Consultant	To approve the appointment of AECOM Limited to undertake the Newbridge Public Transport Study for the three month duration of the contract.	Closed	Consultant has been appointed and study is nearing

						completion.
<b>13</b>	27/11/2014	SFC	7.23 (b) - Fleet Replacement Programme - Supply and Delivery of Cars and Vans	To approve the appointment of Peugeot Motor Company PLC to supply and deliver 268 cars and vans.	Closed	Contract Award Letters signed by Director of Services for Communities on 15 December 2014.
<b>14</b>	27/11/2014	Health and Social Care	7.24 - Adoption of the Scotland Excel Framework Contract for the Supply and Distribution of Meats (Fresh, Prepared and Cooked) incorporating Fresh Fish on behalf of the City of Edinburgh Council	To approve the adoption of the Scotland Excel Framework for the City of Edinburgh Council for the Supply and Distribution of Meats (Fresh, Prepared and Cooked) incorporating Fresh Fish.	Closed	Framework has been adopted.
<b>15</b>	27/11/2014	SFC	7.26 - Building Services Engineering and Reactive Maintenance Services 2015-2019	To approve the award of a term contract agreement for the provision of the building services engineering planned and reactive maintenance service to Arthur McKay Ltd, FES Ltd and Skanska Facilities Services.	Closed	Term contract approved 27 November 2014.
<b>16</b>	27/11/2014	ED	7.27 - Supported Employment Service	1) To approve the award of a four year contract for a Supported Employment Service to the Consortium of Edinburgh Supported Employment (CESE). Enable	Closed	Contract agreed and awards implemented.

				<p>Scotland would act as the lead within the consortium which included Forth Sector IntoWork and the Action Group.</p> <p>2) To authorise the Director of Economic Development to agree the final terms of the contract and to agree the final terms of the contract and to implement the contract.</p>		
<b>17</b>	27/11/2014	CG	7.29 - Shared Repairs Service - Development of a New Service	To refer the report to Full Council for approval.	Approved by Full Council on 11 December 2014 - Closed	
<b>18</b>	27/11/2014	SFC	8.2 - Sale of Former Towerbank Primary School Annexe, 13 Bath Street, Portobello	To approve the sale of the former Towerbank Primary School Annexe, 13 Bath Street, Portobello, to Jamal Jabir on the terms outlined in paragraph 3.3 of the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.	Closed	Recommendations approved.
<b>19</b>	27/11/2014	SFC	B1.2 - Zero Waste Project - Edinburgh and Midlothian - Award of Residual Waste Treatment Contract	1) To approve the appointment of FCC as Preferred Bidder, and subject to Midlothian Council approving a similar recommendation, sought approval for the Acting Director of Services for Communities to award the residual waste contract to FCC once the final documentation had been	Closed	Midlothian Council agreed similar recommendation. FCC appointed Preferred Bidder formally on 10

				<p>completed in line with the contents of the report.</p> <p>2) To authorise the Acting Director of Services for Communities to sign the required documents include those set out in the report on behalf of the City of Edinburgh Council and designated the Acting Director of Services for Communities as the proper officer to execute the documents, in each case subject to such amendments as the proper officer deemed appropriate: the Project Agreement with FCC; the inter authority agreement with Midlothian Council that would deal with the contract management regime between two Councils for the residual waste treatment ("Inter-Authority Agreement"); and all other ancillary documentation relative to the Zero Waste Project.</p>		<p>December 2014.</p> <p>Residual Waste contract not signed yet. Current estimated date for signature is December 2015. This will include completion and signing of all documents referred to in 2.</p>
<b>20</b>	27/11/2014	SFC	B1.3 - Framework Agreement for the Hire of Plant to Assist Road Services' Road Maintenance Activities	To approve the adoption of the Framework Agreement for the Hire of Plant for Road Services and the Appointment of the successful suppliers for each respective lot as identified in Appendix C of the report for a period of 4 years.	Closed	Framework Agreement commenced 1 April 2015.
<b>21</b>	27/11/2014	SFC	B1.4 - Kerbside Collection and Reprocessing of Dry	To approve the extension of the contract for Kerbside collection and processing of dry	Closed	Report to F&R 27 August 15 Award

			Recyclables - Request for Contract Extension	recyclables to Palm Recycling Ltd for a period of 10 months from 1 February 2015 to 30 November 2015		of Contract for the Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Collections.
<b>22</b>	15/01/2015	SFC	Item 7.17 - Mediation Services- Request for Contract Extension	To approve the extension of the existing Service Level Agreement (SLA) for the Edinburgh Community Mediation Service provided by SACRO until 31 March 2015 at a cost of £123,750	Closed	Contract extension implemented 15 January 2015.
<b>23</b>	15/01/2015	SFC	Item 7.18 - St James Quarter Land Transactions	To delegate authority to the Acting Director of Services for Communities in consultation with the Head of Legal, Risk and Compliance, to agree terms and conditions and complete legal agreements with SJEL, to; <ul style="list-style-type: none"> <li>- sell the areas 1 to 7 as shown coloured blue on Plan No 1 as attached to this report.</li> <li>- acquire from SJEL the area coloured green on Plan No 2 as attached to this report.</li> <li>- grant a long lease back to SJEL at a nominal rent of the area coloured green and hatched black on Plan No 2 as attached to this report.</li> </ul>	Open	Corporate Property

<b>24</b>	15/01/2015	SFC	Item 7.19 - Award of contract for consultancy services to carry out a feasibility study of George IV Bridge	To approve the appointment of Capita Symonds Limited for £32,350.00 to carry out a feasibility study into masonry repairs, waterproofing and drainage for George IV Bridge.	Closed	Feasibility study being carried out 21 January 2015.  Feasibility work started in late January and is ongoing. The study is due to be completed early in the New Year.
<b>25</b>	15/01/2015	SFC	Item 7.21 - Extension of Existing Community and Accessible Transport Agreements from 1 April 2015 to 31 March 2016	To authorise the extension of the service level agreements with: Lothian Community Transport Service, South Edinburgh Amenities Group, HcL, Pilton Equalities Group, Dove Transport and Lothian Shopmobility for a period of 12 months from 1 April 2015 to 31 March 2016	Closed	Contract extension implemented.
<b>26</b>	15/01/2015	ED	Item 7.22 - Creative Leith Exchange	To approve the proposed lease of a further to rooms within the Old Corn Exchange, 29 Constitution Street, Leith	Closed	Lease Extension implemented.
<b>27</b>	15/01/2015	CG	Item 7.24 - Property Conservation - Programme Momentum Progress Report	To approve the extension of the Deloitte contract to carry out additional case reviews emerging from the closure programme.	Closed	
<b>28</b>	15/01/2015	SFC	Item 8.1 - Balcarres Street Depot: Proposed sale to	1) To approve the sale of the former depot at Balcarres Street to Lindermann	Closed	Sale was concluded on 14

			Lindermann Healthcare Ltd.	Healthcare Ltd in the terms and conditions outlined in this report and on such other terms to be agreed by the Acting Director of Services for Communities and Head of Legal, Risk and Compliance. 2) To agree that nothing in the disposal should preclude the provision of an access through the site to a footbridge over the rail line delivered as part of the Royal Edinburgh Hospital master-plan.		July 2015.
29	15/01/2015	SFC	Item 8.2 - Land at the Wisp: Proposed sale to Thistle Timber Ltd	To approve the sale of the site at the Wisp to Thistle Timber Ltd on the terms and conditions outlined in this report and on other such terms to be agreed by the Acting Director of Services for Communities and Head of Legal Risk and Compliance.	Ongoing	
30	15/01/2015	CG	Item B1.2 - Appointment of Contractor to Undertake Sheriff Officer Duties	To approve the appointment of Scott and Company to undertake Sheriff Officer debt recovery services for a two year period, with the potential for a two year extension.	Closed	
31	03-Feb-15	SFC	7.10 - Adoption of a Collaborative Framework Agreement for the Supply and Distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs	1) To approve that the Framework Agreement for the supply and distribution of Fruit and Vegetables, Bakery Products and Free Range Eggs was awarded to George Anderson and Sons from 1 March 2015 - 28 February 2017 with an optional 12 month	Closed	Recommendations implemented 3 February 2015

				extension. 2) To approve the use of the other suppliers on the framework, as a contingency measure, should there be a need.		
<b>32</b>	03-Feb-15	SFC	7.11 - Extension of Service Level Agreement for Changeworks Resources for Life	To agree to extend the Service Level Agreement (SLA) with Changeworks Resources for Life until 31 March 2016 to allow for service requirements and procurement options to be reviewed.	Ongoing	Housing & Regeneration  Update report scheduled for 26 November 2016
<b>33</b>	03-Feb-15	SFC	7.12 - Hyvots Regeneration - Disposal of Site Known as Phase 7	1) To approve the disposal of the Hyvots Phase 7 site to Dunedin Canmore Housing (DCH) on the terms outlined at section 3.1 of the report, as well as any additional terms and conditions agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance. 2) To grant authority to the Acting Director of Services for Communities to negotiate and conclude the sale of the site.	Ongoing	Corporate Property
<b>34</b>	03-Feb-15	ED	7.16 - External Funding Initiative - Spend to Save Programme	To agree the basis by which officer activity could reimburse the "Spend to Save" fund.	Closed	Basis for reimbursement implemented.
<b>35</b>	03-Feb-15	C+F	7.17 - Review of Community Access to Schools - Revised	To approve the implementation of the appended revised scale of charges for participation in Adult Education	Closed	Implemented



			Scale of Charges	programmes and use of secondary school facilities across the City from August 2015.		
<b>36</b>	03-Feb-15	SFC	8.2 - Sale of Cammo Home Steading, 37 Cammo Road, Edinburgh	<p>1) To approve the reduction in the purchase price from £727,000 to £627,000 (both inclusive of legal and surveyors fees).</p> <p>2) To agree that it was an essential condition of the sale that the purchaser restored the listed building and, to that end, entered into a lease of the steading with an option to purchase once the restoration was completed.</p> <p>3) To approve that the lease and sale be completed on the terms set out in the report and on such other terms to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.</p> <p>4) To agree that, if the sale to Kamran Akbar did not proceed, an application for delisting would be submitted to Historic Scotland and the property remarketed for sale.</p>	Closed	Purchaser withdrew their interest. An application for delisting was submitted and would be remarketed in due course.
<b>37</b>	03/02/2015	SFC	8.3 - Proposed Lease Extension at Mary King's Close, City Chambers	To approve a 25 year lease extension and revised leased area at the City Chambers to the Continuum Group on the terms outlined in the report and on the other terms and conditions to be agreed by the Acting Director of Services for Communities and	Closed	Transaction concluded.

				the Head of Legal, Risk and Compliance.		
<b>38</b>	03/02/2015	SFC	8.5 - Proposed Ground Lease to Braidwood Bike Group	To approve the grant of a 25 year lease of 0.0805 hectares (1.99 acres), or thereby, of land at Braidwood Gate, Dumbiedykes, to the Braidwood Bike Group on the terms and conditions contained within the report and on the other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.	Open	Corporate Property
<b>39</b>	03/02/2015	SFC	8.6 - Proposed New Lease - Unit 22, Muirhouse Shopping Centre	To approve the grant of a five year lease, with an option to extend the lease for a period of five years, to Whitecross Dental Care Limited, of Unit 22, Muirhouse Shopping Centre, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.	Ongoing	Corporate Property
<b>40</b>	03/02/2015	SFC	8.7 - Proposed New Lease - Unit 12, Muirhouse Shopping Centre	To approve the grant of a five year lease, with an option to extend for a period of five years, to Mr Tendayi Chengeta of Unit 12, Muirhouse Shopping Centre, on the terms outlined in the report and on the other terms and conditions to be agreed by the Acting Director of Services for Communities	Ongoing	Corporate Property

				and the Head of Legal, Risk and Compliance.		
<b>41</b>	19-Mar-15	H&SC	7.3 - Health and Social Care Integration: Strategic Business Case	To agree that the Corporate Programmes Office would provide support to the programme governance and financial tracking of the Health and Social Care Integration programme.	Closed	CPO provided "health check" of the programme in Spring 2015.
<b>42</b>	19-Mar-15	CG	7.5(a) Engaged and Empowered Workforce: Workforce Strategy 2015-2020	1) To approve the Council's Workforce Strategy 2015-2020, outlined in appendix one to the report. 2) To agree future phases of the workforce implementation plan outlined in appendix two of the report.	Closed	
<b>43</b>	19-Mar-15	CG	7.5(b) An Engaged and Empowered Workforce: 'Supporting Managers' Control Framework	To agree the enhanced resource management and oversight framework 'Supporting Managers', outlined in appendix one to the report.	Closed	
<b>44</b>	19-Mar-15	CG	7.7 - Health and Safety: Proposed Health and Safety Governance Framework	To approve the proposed governance and reporting framework for health and safety	Closed	
<b>45</b>	19-Mar-15	CG	7.8 - Health and Safety: Proposed Corporate Health and Safety Strategy for 2015/16	To approve the proposed Corporate Health and Safety Strategy for 2015/16.	Closed	

46	19-Mar-15	CG	7.9 - Property Insurance Strategy Update	To approve that a £1,000,000 excess and £3,500,000 aggregate was adopted for the Council's property insurance policy	Closed	
47	19-Mar-15	CG	7.12 - Contract Standing Orders – Exemption for Contracts with Statutory Organisations from the Waiver Process under Contract Standing Orders	To authorise the Commercial and Procurement Manager to maintain a list of statutory bodies or utilities which were exempt from the Council's Contract Standing Orders (CSOs) requirement to obtain 3 quotes or carry out a competitive tendering process and that purchases from these bodies be exempt from the waiver process because they were the sole provider by means of legislation.	Closed	
48	19-Mar-15	SFC	7.13 - Award of Contract for the Management of the Private Sector Leasing Scheme	To approve the appointment of Link Group Ltd for the management of the Private Sector Leasing (PSL) scheme for three years, with the option to extend for up to a maximum of two years.	Closed	Housing & Regeneration  Contract Awarded.
49	19-Mar-15	SFC	7.15 - Transfer of General Fund Sites to Housing Revenue Account for Housing Development – referral report from the Economy Committee	To ratify the decision of the Economy Committee to transfer five sites to the Housing Revenue Account by way of debt transfer.	Closed	Housing & Regeneration. Sites Transferred. Update report scheduled for Health, Social Care and Housing Committee 10

						November 2015
50	19-Mar-15	SFC	7.16 - Contract Extension for Nice Works Ltd (Maintenance and Support of Bespoke Databases)	To approve a waiver of the Council's Contract Standing Orders, to allow technical support to continue to be delivered by Nice Works Ltd for business critical databases for an additional year, until 31 March 2016.	Open	Housing & Regeneration
51	19-Mar-15	H&SC	7.17 - Carer Support Services	To approve the award of contracts for the duration of three years, with an option to extend for up to one year, to the providers listed in the report for each respective lot of the tender.	Closed	Contracts awarded from 1 July 2015
52	19-Mar-15	SFC	7.18 - One to One Day Service for Older People – Non Centre Based - from 1st July 2015 to 30th June 2018 with option to extend for up to 12 months	1) To approve the award of a three year contract to Carr Gomm for provision of a One to One Day Service - Non Centre Based, with the option to extend the contract for up to a further twelve months. 2) To approve the extension of the current contract with existing provider until 30 June 2015 to allow transition to the new provider	Closed	Contract commenced July 2015.
53	19-Mar-15	SFC	7.19 - Road Safety Consultancy Service	To approve the award of the Road Safety Consultancy Service contract to AECOM Limited for a period of two years with an option to extend for a further year	Closed	Contract awarded
54	19-Mar-15	C&F	7.20 - Extension of Children	To approve the further extension of the contract with Dean and Cauvin Trust for	Closed	Implemented

			and Families Care Contract	Residential Care Services, due to expire on the 31 March 2015, until 31 March 2017.		
55	19-Mar-15	C&F	7.21 - National Framework Agreement for Children's Residential Care and Education Services	To approve the adoption of the national framework agreement for use by the City of Edinburgh Council to contract with and make placements with independent providers of children's residential care and education services	Closed	Implemented
56	19-Mar-15	SFC	8.1 - Land at Kinleith Mills – Proposed Disposal	To approve the disposal of the land at Kinleith Mills, extending to 599sq m or thereby, on the terms and conditions outlined in the report, and on such terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal Risk and Compliance	Ongoing	Corporate Property
57	19-Mar-15	SFC	8.2 - Porthaven Care Home – Proposed Disposal	1) To approve the sale of the property to Port of Leith Housing Association, in accordance with the terms set out in the report, and on such other terms and conditions to be agreed by the Acting Director of Services for Communities and Head of Legal, Risk and Compliance. 2) To approve the lease back of the property by the Council at a nominal rent until such time as the operation had transferred to the new Royston Care Home.	Closed	Sale completed 31 March 2015.

<b>58</b>	19-Mar-15	SFC	8.3 - Proposed Lease Extension at 36 Nicolson Street, Edinburgh	To approve a 10 year lease extension to MBBC (Foods) Limited, of retail premises at 36 Nicolson Street, Edinburgh, on the terms outlined in the report, and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance	Ongoing	Corporate Property
<b>59</b>	19-Mar-15	SFC	8.4 - Proposed sale of a site at 22 Potterrow	1) To approve the sale of the development site at 22 Potterrow, to Macdonald Estates plc, on terms and conditions as set out in the report, and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal Risk and Compliance. 2) To approve the reconveyance of the basement area, to the University Court of the University of Edinburgh, on terms and conditions set out in the report and on the other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal Risk and Compliance	Ongoing	Corporate Property
<b>60</b>	19-Mar-15	SFC	8.5 - Proposed new lease to Gallery Support Group at Unit the Clocktower, Flassches Yard, South Gyle Industrial Estate, Edinburgh	To approve a lease to GSG, from 28 March 2017 to 31 December 2024, on the terms outlined in the report, and on other terms and conditions to be agreed by the Acting Director of Services for Communities and	Closed	Transaction never progressed, tenant pulled out.

				the Head of Legal, Risk and Compliance		
<b>61</b>	19-Mar-15	SFC	8.6 - Land adjacent to Maybury Road – Proposed Acquisition	<p>1) To approve the acquisition of 0.76Ha or thereby of land from Scottish Ministers at Maybury Road.</p> <p>2) To approve the grant of a servitude right of access over the land to West Craigs Ltd.</p> <p>3) To approve an agreement with Network Rail to indemnify the Council for all costs associated with these transactions.</p> <p>4) To approve completion of these transactions, in accordance with the terms outlined in the report, and on such other terms and conditions to be agreed by the Acting Director of Services for Communities and Head of Legal, Risk and Compliance.</p>	Ongoing	Corporate Property
<b>62</b>	19-Mar-15	SFC	8.7 - Merchant Navy Memorial, Leith	<p>1) To approve the assignation of the tenant's interest, in the ground lease between Forth Ports PLC and the Merchant Navy Memorial Trust (Scotland), from the Merchant Navy Memorial Trust to the Council, on the provisionally agreed terms and conditions set out in the report, and on the other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.</p> <p>2) To approve the transfer of the ownership</p>	Ongoing	Corporate Property



				of the Merchant Navy Memorial to the City of Edinburgh Council at the same time.		
63	19-Mar-15	CG	B1.2 - Connected Capital Programme	1) To agree to award the 10 year city wireless concession contract to Intechology plc and delegates authority to sign the contract to the Director of Corporate Governance. This would provide free Wi-Fi access for residents and visitors 24 hours a day, 7 days per week at a minimum speed of 1 megabyte per second (1Mbps). 2) To approve the extension of Aitkins contract by £30,000 as technical consultants to the Wireless Concession contract.	Closed	
64	19-Mar-15	SFC	B1.3 - 8-20 King Stables Road – Update on Disposal – referral from the Economy Committee	To ratify the decision of the Economy Committee to transfer five sites to the Housing Revenue Account by way of debt transfer.	Ongoing	Corporate Property
65	19-Mar-15	CG	B1.4 - Miscellaneous Debts - Write Off	To agree the write-off of miscellaneous debt of £105,528.85	Closed	
66	13-May-15	H&SC	7.3 - Impact on Providers of Recent Employment Appeal Tribunal Judgements - Night Time 'Sleepover' Support	1) To approve payment rates made by the Council for each hour of the sleepover service purchased should be increased, with effect from 1 April 2015, to the level of National Minimum Wage.	Closed	Following liaison with Head of Finance, it was agreed no further action was

			Costs	2) To agree that the Head of Finance would liaise with Organisational Development about any potential costs related to holiday pay, pension costs or any other related items.		required.
67	13-May-15	CG	7.10 - Insurance Premiums Waiver of Contract Standing Orders	To approve the waiver of the Council's Contract Standing Orders (CSOs) in relation to the purchase of insurance for the following risks: All Risks, Fidelity Guarantee and Professional Indemnity.	Closed	
68	13-May-15	CG	7.14 - Design Team for Cycling Hub at Hunter's Hall Park - Award of Contract	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.		
69	13-May-15	H&SC	7.15 - Award and Extension of Health and Social Care Contracts	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 Integration Joint Board Strategic Plan for Health and Social Care Services from 2016-19.	Closed	All actions completed

				<p>3) To approve the extension and/or transfer of the disability services contracts listed in Appendix 3 of the report.</p> <p>4) To approve the proposed transfer of the contract listed in Appendix 4 of the report to the grants portfolio.</p>		
<b>70</b>	13-May-15	SfC	7.19 - Proposed Sale of Boroughmuir High School, Viewforth, Bruntsfield	<p>1) To approve the disposal of the existing school site to CALA Management Limited (CALA), on the 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.</p> <p>2) 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.</p> <p>3) To agree that the additional funding should be prioritised towards the site acquisition for a long term solution to rising rolls in south and Edinburgh and the re-provision of facilities at Leith Primary School.</p> <p>4) To note that Council's ongoing support to developing the arts and cultural spaces in Edinburgh, as shown by projects such as the ongoing transformation of the old British Rubber Company in Fountainbridge into an</p>	Ongoing	Corporate Property

				<p>arts centre some 600m away from the Boroughmuir site.</p> <p>5) To recognise Out of the Blue's desire to provide further arts, cultural and social space within Edinburgh and requested that that Council officers met with Out of the Bule to discuss how we could work in partnership to achieve our joint aims.</p>		
<b>71</b>	13-May-15	SfC	7.20 - Framework Agreement for the provision of Commercial Estate Management and Residential Property Consultancy Services	<p>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) and GVA Grimely Ltd (trading as GVA James Barr).</p> <p>2) To approve the award of Lot 2, Residential Property Consultancy Services to Rettie and Co and Ryden LLP.</p>	Closed	Corporate Property
<b>72</b>	13-May-15	ED	7.21 - Award of Subsidised Childcare Contracts for 2 years with the option to extend for 12 months	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 - 31 May 2017 with the option to extend for a further 12 months.	Closed	Awards made.
<b>73</b>	13-May-15	SfC	8.2 - Proposed Ground Lease at Craioglockhart Sports Centre to Edinburgh Kayak	To approve the grant of a new 20 year ground lease, of 60 square metres of ground at Craiglockhart Sports Centre (CSC), for the	Open	Corporate Property

			Club	erection of a new metal storage container, to Edinburgh Kayak Club on terms and conditions contained within the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.		
<b>74</b>	13-May-15	SfC	8.3 - Disposal of Housing Revenue Land adjacent to 1 Murrayburn Park	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 Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.	Ongoing	Corporate Property
<b>75</b>	13-May-15	SfC	8.4 - Proposed Servitude for a Surface Water Drainage Pipe at Katesmill Road	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 Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.	Ongoing	Corporate Property
<b>76</b>	13-May-15	SfC	8.5 - Proposed Sale of Land at 12-24 Bothwell Street, Edinburgh	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	Ongoing	Corporate Property

				conditions outlined in the report and on such terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.		
<b>77</b>	13-May-15	SfC	8.6 - Balcarres Street Depot: Proposed sale to Lindemann Healthcare Ltd	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 Acting Director of Services for Communities in consultation with the Head of Legal, Risk and Compliance	Closed	Corporate Property
<b>78</b>	13-May-15	CG	B1.1 - Property Conservation - Irrecoverable Sums; Debt Recovery and Settlements	To authorise the irrecoverable sums in excess of £100,000 per project as set out in Appendix 3 of the report.	Closed	
<b>79</b>	13-May-15	SfC	B1.3 - Water of Leith Flood Protection Scheme Phase 2 Enabling Works and Legal Agreements	<ol style="list-style-type: none"> <li>1) To agree to enter into an agreement with the Scottish Rugby Union (SRU) in accordance with the terms set out herein.</li> <li>2) To enter into an agreement with Scotia Gas Networks (SGN) in accordance with the terms set out herein.</li> <li>3) To agree to enter into an agreement with Scottish Power in accordance with the terms set out herein.</li> <li>4) To instruct the Council Street Lighting Team to commence the relocation of street</li> </ol>	Closed	<ol style="list-style-type: none"> <li>1) The SRU agreement was signed by SRU on 05/06/15.</li> <li>2) The agreement with Scotia Gas Networks (SGN) was signed by CEC 22/05/15 and the agreement was sent to SGN on</li> </ol>

				lighting in accordance with the terms set out herein.		05/06/15.. 3) Contract sign with SP and works commencing 4) Works completed.
80	04/06/2015	Health and Social Care	Item 7.1 - Health and Social Care 2015/16 Budget Action Plan	<p>1) To authorise the Director of Corporate Governance, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee, to extend the contract with KPMG for 3 months for additional work to be done on the review of the Health and Social Care budget, subject to £166,000 of funding being identified to cover the costs.</p> <p>2) To request that the Director of Health and Social Care met with KPMG to discuss the proposals contained within the report and future measures re the Health and Social Care budget.</p> <p>3) To agree that the Director of Health and Social Care would clarify whether exit interviews were carried out with staff that had left Health and Social Care posts and to investigate whether untrained staff had administered drugs to health and social care clients.</p>	Closed.	The Director of Corporate Governance/Chief Executive did extend the contract with KPMG for additional work to be done on the review of the H&SC budget. We have received KPMG's draft report and are considering it with Finance. There is also a paragraph about this in the latest report to Finance and Resources Committee on

						<p>27.08.15. The Chief Social Work Officer and other Health and Social Care senior managers have worked closely with KPMG during phase 2 of their work to review and identify budget savings options. Where an employee leaves due to their fixed term contract ending, their resignation, their retiral, VERA or redundancy, they will be sent an exit questionnaire for completion and return to the HR and Payroll Service Centre. The employee is also able to ask</p>
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						<p>for an exit interview with their manager or another manager in their service area. They may approach their manager directly during their notice period to request an exit interview. Alternatively, they may indicate this in their returned exit questionnaire in which case the HR and Payroll Service Centre will let the manager know so they can contact the employee directly to arrange. Managers are required to conduct an exit interview where the employee requests it. After</p>
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						the interview the manager will send their notes to the HR and Payroll Service Centre. All exit questionnaires and exit interview notes will be analysed on a regular basis so that any common issues, actions, trends can be identified and reported and appropriate actions taken as necessary.
81	04/06/2015	Health and Social Care	Item 7.2 - Edinburgh Integration Joint Board - Integrated Senior Management Structure	<p>1) To agree the proposed organisational arrangements for the senior management structure reporting to the Chief Officer of the EIJB.</p> <p>2) To note and agree the arrangements for the joint appointments process for the posts reporting to the Chief Officer.</p>		Recruitment ongoing.

82	04/06/2015	Corporate Governance	Item 7.4 - Accounts Commission Review of Treasury Management	The Head of Finance to arrange a seminar for members ahead of the next treasury report being considered at Committee, outlining the information needed to allow members to fully scrutinise Treasury Management.	Closed	Drop in session for Elected Members provided in the City Chambers on 17/18/19 August (following APM but before publication of the F&R Committee papers) to cover the Treasury Management Annual Report and the Council's Capital Investment Programme.
83	04/06/2015	Corporate Governance	Item 7.5 - Financial Strategy 2015/16 to 2019/20	To agree that the Chief Executive would circulate the induction programme planned for the new Chief Executive to elected members.	Closed	
84	04/06/2015	Corporate Governance	Item 7.8(a) - Extension of the Contract for Edinburgh's Christmas and Edinburgh's Hogmanay	1) To 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. 2) To instruct officers to work with event	Closed  Ongoing	



				<p>Shiloh B&amp;B, Newington Guest House for the provision of Bed and Breakfast Temporary Accommodation.</p> <p>Lot 2 - Camstone (Scotland) Ltd, Cameron Guest House Group, St Albans Lodge for the provision of Shared House Temporary Accommodation.</p>		
<b>87</b>	04/06/2015	Services for Communities	Item 7.11 - Extension of Short Term Lets for Homeless Households Contract	<p>1) To approve the extension of the Easyjet Scotland (Ltd) contract for an additional 18 months, in line wity the option contained within the current contract.</p> <p>2) To agree to increase the scope of the contract by 23 homes giving a total of 130 homes.</p> <p>3) To authorise the Director of Services for Communities to agree the final terms of the contract extension and to enter into the contract.</p>	Closed	Housing & Regeneration This was implemented on 17 September 2015.
<b>88</b>	04/06/2015	Services for Communities	Item 7.12 - Contract Award for Homeless Prevention - Crisis and Complex Services	<p>1) To approve 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 period (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.</p> <p>2) To approve the award of a contract to</p>	Closed	Contract Awarded to Turning Point Scotland. Contract to Streetwork delayed due to separate report on Risk Management (Item 127 below).

				Streetwork UK to provide visiting housing support and 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.	Ongoing	Currently being negotiated
89	04/06/2015	Services for Communities	Item 7.13 - Sale of Housing Revenue Account Land - Clovenstone Park	<p>1) To approve the sale of the site to the Wester Hailes Baptist Church (WHBC) under the 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.</p> <p>2) To grant authority to the Director of Services for Communities to negotiate a sale price with the applicant which reflected best value to the HRA.</p> <p>3) To grant authority to the Director of Services for Communities to negotiate and conclude sale of the site.</p>	Ongoing	Corporate Property
90	04/06/2015	Services for Communities	Item 7.14 - Redhall House and Lawn - Progress Update	1) To note the protracted period since a petition on Redhall House was first submitted in November 2013 and the gap of more than 5 months between a planning application being submitted on 23 December 2014 and	Ongoing	Corporate Property

				<p>additional information being received so that public consultation could commence on June 1 2015.</p> <p>2) To instruct officers to seek further assurance from the building owner and/or agent that they understood the need for demonstratable progress to protect a deteriorating building.</p>		
91	04/06/2015	Services for Communities	Item 7.15 - Adoption of the Scotland Excel Framework for Janitorial Products	To approve 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 were: Alliance Disposables, Instock Disposables and Unico.	Ongoing	Corporate Property
92	04/06/2015	Services for Communities	Item 7.16 - Supply and Delivery of Refuse Collection Vehicles	To approve the appointment of Denis Eagle Limited, DAF Trucks Ltd, Heil Europe Ltd and FAUN Zoeller (UK ) Ltd) to supply and deliver Refuse Collection Vehicles as listed in the report.	Closed	Environment - Vehicles ordered, delivery of first vehicles anticipated end October 2015
93	04/06/2015	Services for Communities	Item 7.17 - Award of Contract for Flooding Planning Consultancy	To approve the appointment of Mott MacDonald Ltd to provide a Flooding Planning Consultant at a cost of £36,561.38.	Closed	Consultant has been appointed.

94	04/06/2015	Services for Communities	Item 8.1 - Proposed New Lease of Highland Care Agency Ltd at 4 Granton Square, Edinburgh	To approve a lease to Highland Care Agency Ltd from 1 July 2015 to 30 June 2025, on the terms outlined in the report and on the other terms and conditions to be agreed by the Director of Services for Communities.	Closed	Transaction concluded.
95	04/06/2015	Services for Communities	Item 8.2 - Roseburn to Union Canal - Approval for Stage 2 of Consultancy Contract	To approve the appointment of WSP UK Ltd to undertake Stage 2 of the consultancy contract for the Roseburn to Union Canal study.	Closed	Consultant has been appointed.
96	04/06/2015	Services for Communities	Item 8.3 - Proposed new 15 year lease of Tourist Information Centre, Princes Mall, Edinburgh	To approve a 15 year lease for a new Tourist Information Centre to Visit Scotland 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.	Ongoing	Corporate Property
97	04/06/2015	Corporate Governance	Item B1.1 - Property Conservation - Irrecoverable Sums, Debt Recovery and Settlement	To authorise the irrecoverable sums in excess of £100,000 per project as set out in Appendix 3 of the report.	Closed	
98	04/06/2015	Services for Communities	Item B1.3 - 21st Century Homes - Award of Contract for Leith Fort Housing Development	1) To authorise the Director of Services for Communities to enter into two contracts with CCG for Council housing of £3.032,274, and infrastructure, £2,805,828. 2) To designate the Director of Services for Communities (or alternative officer designated by him in writing) as the proper officer to execute the contracts, in each case	Closed	Housing & Regeneration  Contract(s) signed 19/08/2015.



				subject to such amendments as the proper officer deemed appropriate and any other associated documents.		
99	04/06/2015	Services for Communities	Item B1.4 - Fountainbridge Transfer of land to the EDI Group Limited	To approve the transfer of the land to EDI in accordance with the terms set out in the report and on such other terms and conditions to be agreed by the Director of Services for Communities	Ongoing	Corporate Property
100	27/08/2015	CG	CEC Transformation Programme: Progress Update	To approve the revised governance arrangements as set out in paragraph 3.18.	Closed	Revised governance arrangements in place.
101	27/08/2015	CG	Capital Monitoring 2014/15 - Outturn and Receipts	To approve the revised Capital Programme for 2015-2020.	Closed	
102	27/08/2015	CG	Budget and Transformation 2016 - 2019: Approach to Engagement	To approve the objectives and planned engagement tools outlined in paragraphs 3.8 and 3.9 of the report.	Closed	
103	27/08/2015	CG	Scottish Government Consultation on the draft Cyber Resilience Strategy for Scotland - Response	To approve the consultation responses, as set out in Appendix one of the report, be submitted to the Scottish Government.	Closed	Response submitted.
104	27/08/2015	CG	Review of Whistleblowing Arrangements	To approve the recommendations subject to: > the deletion of recommendation 1.2 of the	Closed	

				<p>report.</p> <ul style="list-style-type: none"> <li>&gt; the retention of the independence of the external provider outlined in paragraph 3.3 of the report.</li> <li>&gt; the deletion of recommendation 5 in the Whistleblowing Review Action Plan.</li> </ul>		
<b>105</b>	27/08/2015	CG	Specialist Marketing and PR for Assembly Rooms and Church Hill Theatre - Award of Contract	<p>1) To approve the award of a contract for Specialist Marketing and PR for the Assembly Rooms and Church Hill Theatre to 3x1 Public Relations for the contract sum of £108,000 over the full four-year contract term. The contract was for an initial two years (from 1 September 2015 to 31 August 2017) at a cost of £54,000 with an option to extend if for a further two years as one year extension (2+1+1) at a cost of £27,000 per annum.</p> <p>2) To request that business cases were clearer in future reports.</p>	Open	
<b>106</b>	27/08/2015	SfC	Extension of Contract for Telecare Technology (Installation, Maintenance and Responsive Repair)	To approve the waiver of the Contract Standing Orders to award a contract extension to SPIE Scotshield for the installation, maintenance and responsive repair of telecare technology until 31 March 2016, at a value of approximately £90,000.	Closed	Extension awarded. Procurement is underway for replacement contract to be in place by 01/04/2016

107	27/08/2015	SfC	Contract Award for Homeless Prevention - Domestic Abuse Services	<p>1) To approve the award of three contracts to provide visiting housing support to women who had suffered domestic abuse for the pilot (with an option to extend for a further 6 months to allow services to be re-procured). The organisations to be awarded contracts were: Edinburgh's Women's Aid, Shakti Women's Aid and Saheliya. The total annual value of the contracts from November 2015 was £240,168 up to a £480,336 for 18 months plus extension.</p> <p>2) To approve the award of four contracts to provide temporary accommodation in the form of three refuges and one hostel 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 awarded contracts were Edinburgh Women's Aid (2 contracts), Keymoves Cranston Street Women's Hostel and Shakti Women's Aid Refuge. The total annual value of the contracts from November 2015 was £739,440 up to a £1,478,880 for 18 months plus extension.</p>	Closed	Contracts to start on 9 November 2015 on schedule.
108	27/08/2015	SfC	Former Tenants Rent Arrears 2014/15	To approve the write-off of £530,187 rent arrears of 221 former Council tenants who had a balance greater than £1,000	Closed	Annual write-off process has been completed.

				outstanding in 2014/15.		
<b>109</b>	27/08/2015	SfC	Homeless Prevention - Advice and Support: Additional Contracts	To approve the award of contracts to four providers (Blackwood Care, Health in Mind, Link Living and Penumbra) for the period 13 October 2014 to 31 March 2016, to provide housing support to identified individuals, to a total value of £686,442.	Closed	Contracts to be awarded.
<b>110</b>	27/08/2015	SfC	Our Power: Tackling Fuel Poverty for Council Tenants - referral report from the Health, Social Care and Housing Committee	To approve the proposal for the Council, as a social housing provider, to join Our Power and enter into agreement with the company as the preferred supplier for its empty homes.	Closed	Agreement entered.
<b>111</b>	27/08/2015	SfC	Invest to Improve, Invest to Grow - Edinburgh Housing Revenue Account Business Plan	To agree to review the options for increasing the HRA's contingency and future investment fund over the next five years.	Closed	Remit covered in HRA Budget strategy 2016/17-2020/21 which will be considered HSC&H committee in Nov 2015.
<b>112</b>	27/08/2015	Chief Social Work Officer	Waiver Report for Servicing and Repairs Contract	To approve the waiver reports attached in Appendix 1 of the report.	In progress	
<b>113</b>	27/08/2015	SfC	Approval for Appointment of Workplace Travel Planning Consultant for Smarter	To approve award of the workplace travel planning contract to Grontmij Limited for a value of £122,532.	Closed	Contract Awarded

			Choices, Smarter Places			
<b>114</b>	27/08/2015	SfC	Bustracker Operation and Maintenance	To approve continued quarterly maintenance payments to Cofely Ineo and associated payments to radio infrastructure and first line maintenance providers for a period of 12 months at a value of approximately £450,000, with an option to extend for a further 6 months. This would allow the Bustracker system to continue operating until an options appraisal for longer-term maintenance, development and appropriate procurement strategy are confirmed.	Closed	Payments continuing
<b>115</b>	27/08/2015	SfC	Supply of Non-Wheeled Waste and Recycling Containers and Spare Parts	To approve the appointment of Spider UK Ltd, as a single supplier framework agreement for the Supply and Delivery of Non-Wheeled Waste and Recycling Containers and Spare Parts, for a period of two years with the option to extend by two 12 month periods.	Closed	Contract award letter sent 02/09/15
<b>116</b>	27/08/2015	SfC	Approval to Grant a Licence to Edinburgh Community Solar Co-operative to Install Solar PV Panels on Council Owned Buildings	To approve the grant of a 21 year licence to Edinburgh Community Solar Co-operative for the installation of Solar PV Panels on Council owned buildings.	Open	

<b>117</b>	27/08/2015	ED	Edinburgh Technology Transfer Centre Limited	<p>1) To agree to renounce the Council's shareholding in Edinburgh Technology Transfer Centre Limited.</p> <p>2) To approve the termination of the lease of the 3rd and 4th Floors of the Alrick Building to Edinburgh Technology Transfer Centre.</p> <p>3) To approve the termination of the lease of the 3rd and 4th floors of the Alrick Building to the Council from the University of Edinburgh.</p>	Open	
<b>118</b>	27/08/2015	SfC	Sale of Housing Revenue Account Land - 16 Cleric's Hill, Gateside, Kirkliston	<p>1) To approve the sale of the site to the applicant under the terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.</p> <p>2) To grant authority to the Director of Services for Communities to negotiate a sale price with the applicant which reflected best value to the HRA.</p>	Closed	Sale did not progress at request of applicant.
<b>119</b>	27/08/2015	SfC	Proposed Short-term lease extension of Victorian Market at Tron Kirk, 122 High Street, Edinburgh	To approve a 12 month lease extension to Edinburgh 2014, on the terms outlined in the report, and on the other terms and conditions to be agreed by the Director of Services for Communities.	Open	

<b>120</b>	27/08/2015	SfC	Proposed 25 year lease of the Engine Shed, 19 St Leonard's Lane, Edinburgh	1)To approve the grant of a 25 year lease to Newmake 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.	Open	
<b>121</b>	27/08/2015	SfC	Proposed lease of rooftops for the citywide Smart Meter project	To approve the lease of part of the rooftops of Kirkgate House, Greendykes House and Trinity Academy for the installation of Smart Meter radio transmitting equipment, on the terms outlined in the report, and on other terms and conditions to be agreed by the Director of Services for Communities.	Open	
<b>122</b>	27/08/2015	SfC	Proposed Sale of Baird House, 12 Newtoft Street, Edinburgh	To approve the sale of Baird House, on the terms and conditions highlighted in the report and on the other terms and conditions to be agreed by the Director of Services for Communities.	Open	
<b>123</b>	27/08/2015	SfC	Proposed New Lease to Daniel Kubiak at 10 West Harbour Road, Granton, Edinburgh	To approve the lease of workshops at 10 West Harbour Road To Daniel Kubiak, from 1 September 2015 to 31 August 2025, on the terms outlined in the report and on other terms and conditions to be agreed by the Director of Services for Communities.	Open	
<b>124</b>	27/08/2015	SfC	Grant of Servitude - Gogar Gateway Interchange Station -	To approve the grant of servitude to Scottish Gas Networks on the terms outlined in the report and on such other terms and	Open	

			Gas Main Diversion	conditions to be agreed by the Director of Services for Communities.		
125	27/08/2105	CG	Property Conservation - Claims Recovery (B agenda)	To accept the recommendation to carry out a detailed review of limited preselected projects in accordance with the terms set out herein.	Open	
126	27/08/2015	SfC	Sale of Site at 18-28 Dewar Place/44-50 Torphichen Street, Edinburgh (B agenda)	To approve the sale of the site at 18-28 Dewar Place/44-50 Torphichen Street, to Croydon Hotels Ltd, on the main terms outlined in paragraph 3.10 and on other terms and conditions to be agreed by the Director of Services for Communities.	Open	
127	27/08/2015	SfC	Homelessness Prevention: Risk Management	<p>1) To agree that Cost Group A was offset against the under-provision from the Streetwork Services Contract to a value of £109,346.</p> <p>2) To agree that Cost Group B is also to offset against the under-provision from the Streetwork Services Contract to a value of £116,212.</p> <p>3) To agree that £38,484 was recovered from Streetwork for the Tenancy Support Services Contract and £49,521 was recovered from the Multiple Needs Service Contract. The total of this under-provision to be reclaimed was £88,005 and might be</p>	Closed	Streetwork informed of decision. Recovery of 'In-kind' service still to be agreed. Recovery of 2015/16 under provision to be arranged after new contract starts in October 2015.



				<p>recovered through 'in-kind' service provision.</p> <p>4) To agree that officers, at the appropriate time, assessed under-provision and unplanned costs for 2015/16 in line with the principles and decisions of the report.</p>		
<b>128</b>	24/09/2015	SfC	Bridgend Farmhouse and Steadings: Disposal Update	<p>1) To instruct the transfer of the property to BIG at nil value subject to full development finding being approved by the BIG Lottery Fund - Investing in Communities.</p> <p>2) To instruct the Acting Director of Services for Communities, in order to protect the Council's financial commitment, to impose Economic Development Burdens on the transfer that would restrict the use of the property for the purposes of a Learning, Eating and Exercise Centre and relevant ancillary uses.</p> <p>3) To request that the Chief Executive worked with BIG to ensure that optimum social capital could be derived, for the local and wider community, through association with the project and Bridgend Farmhouse.</p>	Ongoing	
<b>129</b>	24/09/2015	CG	The City of Edinburgh Council Charitable Trusts - Report to Those Charged with Governance on the 2014/15	To approve the Annual Report and Accounts for 2014/15 by 30 September 2015.		

			Audit			
<b>130</b>	24/09/2015	CG	Provision of External Offsite Revenues and Benefits Processing - Award of Contract	To approve the award of a Framework Agreement for the provision of an external offsite revenues and benefits processing service to Civica Ltd, Capita Group Plc and Liberata UK Ltd under a ranked Framework Agreement for a period of 2 years with the option to extend annually for a further two years. The contract would be utilised on an ad-hoc basis with an estimated value of up to £265,000 per annum.	Closed	Contract awarded.
<b>131</b>	24/09/2015	CG	Miscellaneous Debts - Write-Off (B agenda)	To agree the write-off of miscellaneous debt of £122,395.08		
<b>132</b>	24/09/2015	SfC	Liberton High School Extension - Award of Contract	To approve the award of the contract for the construction of the extension to Liberton High School sports hall to Ashwood Scotland Limited for the contract sum of £2,157,068.58.	Open	
<b>133</b>	24/09/2015	SfC	Construction Professional Services Framework Agreement - Award of Contract	1) To approve the award of Lot 1 Project Management Services to Doig and Smith Ltd, Sweett (UK) Ltd and Thomas Admanson Ltd at an estimated contract value of £1,000,000 per annum. 2) To approve the award of Lot 2 Building and Surveying Services to Faithful and	Closed	Contract(s) awarded 12/10/15  To commence from date of first commissioned job.

				<p>Gould, Hardies and Summers Inman at an estimated contract value of £1,000,000 per annum.</p> <p>3) To approve the award of Lot 3 Quantity Surveying Services to Doig and Smith Ltd, Gardner and Theobald Ltd and Sweett (UK) Ltd at an estimated contract value of £1,000,000 per annum.</p> <p>4) To approve the award of Lot 4 Architectural Services to Anderson Bell Christie Ltd, Collective Architecture and Holmes Miller Ltd at an estimated contract value of £1,000,000 per annum.</p> <p>5) To approve the award of Lot 5 Structural Engineering Services to Aecom Ltd, David Narro Associates and Will Rudd Davidson Ltd at an estimated contract value of £1,250,000 per annum.</p> <p>6) To approve the award of Lot 6 Mechanical and Electrical Engineering Services to Blackwood Partnership Ltd, Cundall Johnston and RSP Consulting at an estimated contract value of £750,000.</p> <p>7) To approve the award of Lot 7 Fire Engineering Services to Aecom Ltd and Ramboll Ltd at an estimated contract value of £300,000 per annum.</p> <p>8) To approve the award of Lot 8 Interior Design, Space Planning and Move</p>		
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				Management Services to Holmes Miller Limited, Smith Scott Mullan Architects Ltd and Space Solutions Ltd at an estimated contract value of £300,000 per annum. 9) To approve the award of Lot 9 Multi-discipline Design Team Services to AHR Architects, Capita Property and Infrastructure Ltd and Gardiner and Theobald at an estimated contract value of £1,500,000 per annum.		
<b>134</b>	24/09/2015	SfC	Supply and Delivery of Kerbside Recycling Refuse Collection Vehicles	To approve the appointment of Dennis Eagle Limited and FAUN Zoeller (UK) Ltd to supply and deliver refuse collection vehicles (RCVs).	Closed	Award letter sent 18/10/15
<b>135</b>	24/09/2015	SfC	Receipt and Processing of Recyclable Materials from Kerbside and Communal Collections	To approve the appointment of William Tracey Group as contractor for the Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Collections for a period of three years with the option to extend by two x 12 month period.	Closed	Approved at Committee
<b>136</b>	24/09/2015	CG	Zero Contract Hours - External Contractors	To agree that the Council would adopt a policy statement in all future tender documentation that stated the Council's position concerning the use of zero hours contracts.		

# Finance and Resources Committee

10.00am, Thursday, 29 October 2015

## Transformation Programme: Progress Update

Item number	7.1
Report number	
Executive/routine	
Wards	

### Executive summary

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This report provides the Finance and Resources Committee with a single, consolidated status update on the Council Transformation Programme, aimed at delivering a lean and agile Council, centred on customers, services and communities. The progress update highlights revised savings targets and an outline plan for delivery.

### Links

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

## Transformation Programme: Progress Update

### Recommendations

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- 1.1 Note the revised savings targets as outlined in paragraphs 3.5 and 3.6;
- 1.2 Note that the achievement of the savings is dependent on the Council's ability to reduce its workforce and that there is a further report on this agenda which sets out the requirement for compulsory redundancy to be re-introduced as a last resort;
- 1.3 Note the outline accelerated programme set out in Appendix 1;
- 1.4 Note the final Tier 2 (Head of Service) structure as set out in Appendix 2;
- 1.5 Note the management information dashboards attached as Appendix 3.

### Background

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- 2.1 The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints. In response, the Council has developed a Transformation Programme aimed at building a lean and agile organisation, centred on customers, services and communities.
- 2.2 On 25 June 2015, Council approved a report on the Transformation Programme which set out the future operating model for the Council.
- 2.3 This report highlights revised savings targets within the Transformation Programme and an outline plan for delivery.

### Main report

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#### **Transformation Savings Targets**

- 3.1 The Council's financial challenge is significant. The Financial Strategy 2016 - 2020 as reported to the Finance and Resources Committee in June 2015 detailed a gap of £107 million between available resources and projected expenditure by 2019/20.
- 3.2 The budget framework update reported to Committee in September 2015 reaffirmed the requirement to identify at least £107m of recurring annual savings by 2019/20, but also factored in the expenditure pressures in Health & Social Care (£10 million) and in Property (£9.0 million). This resulted in an increase on

the budget gap to £126 million. In addition to this, a further £15 million provision was included to help offset the possibility of some of the proposed savings measures not being taken forward and / or make a contribution to potential pressures (e.g. additional demography pressures, local development plan, national minimum wage) not factored into the Council's overall spending requirement at this time. As such, the savings target is now £141 million over the next four years.

- 3.3 In June 2015, Council approved a report on the Transformation Programme which set out targets of 25% management savings and 2% frontline savings within the Citizens and Localities workstream and 11.5% savings within the Business and Support Services workstream.
- 3.4 In response to the revised overall savings target of £141 million however, it is now proposed that the savings targeted through the Transformation Programme are increased. This was outlined in the Revenue and Capital Budget Framework report which was considered by the Finance and Resources Committee on 24 September 2015.
- 3.5 For the Business and Support Services workstream, the target will increase to 26% by April 2017, which will release savings of £18.9 million.
- 3.6 For Citizens and Localities, the management savings target has been increased to 27% and the frontline target increased to 15%, releasing savings of £44.4 million by April 2017.
- 3.7 These increased targets mean that the likely overall reduction in jobs will be around 2000.
- 3.8 A Voluntary Early Release Arrangement (VERA) invitation was issued to the majority of Council staff on Monday 28 September with a closing date of 14 October. Early indications suggest that the level of interest which this has attracted means that it will not be possible to achieve the necessary workforce reductions through voluntary measures alone.
- 3.9 As such, there will still be a requirement for elected members to approve compulsory redundancy as a further option of last resort in the future and further detail is provided in a separate report on this agenda – Managing Workforce Change.

#### **Accelerated Programme for Implementation**

- 3.10 The original Better Outcomes through Leaner Delivery (BOLD) business cases which were reported to Council in January 2015 set out a five year programme for the delivery of savings. A progress report to the Finance and Resources Committee in August 2015 then outlined a draft accelerated programme which aimed to deliver the savings within a three year period, by the end of 2017/18.
- 3.11 However, given the scale of the financial challenge which the Council must address and in recognition of the uncertainty faced by staff during this difficult

time, it is now proposed that the programme is further accelerated and the Council moves to its new operating model as quickly as possible.

- 3.12 Appendix 1 therefore shows the outline programme plan to deliver the required staff savings by May 2016. This sets out the planned phased approach to organisational reviews.

#### **Implementation Progress to Date**

- 3.13 The Council's Organisational Review protocols are being used to implement the future operating model.
- 3.14 The Transformation Programme team is currently working with Directors and their management teams to design structures for their services which will deliver the revised savings targets. The finalised structure to Tier 2 (Head of Service) has now been agreed and is operational. This structure is set out in Appendix 2.
- 3.15 The structure for Tier 3 (Senior Manager) is being implemented as a single organisational review and is currently subject to consultation with affected staff and trade unions. Tier 3 is expected to be operational by late December. Further details of this structure will be shared for information once they have been finalised.
- 3.16 Beneath Tier 3, the future model will be implemented through a series of functional organisational reviews, aligned to Head of Service area. Heads of Service and Senior Managers will be responsible for driving organisational reviews within their area to deliver the required savings. The Transformation Team will provide support and challenge to managers throughout the process to ensure consistency and the effective realisation of savings within the required timescales.
- 3.17 The programme plan attached as Appendix 1 gives a high level indication of the target timescales for these reviews. All organisational review proposals will be approved by the Corporate Leadership Group prior to the commencement of formal trade union and staff consultation.
- 3.18 It is recognised that there may be some areas where it is not possible to introduce the new model in its entirety within this accelerated timescale. This applies particularly to the 15% frontline reductions within the CLS workstream, where there is a recognition that there may be a need to implement some proposals more slowly to avoid damage to essential services, or where implementation may take longer due to the need for additional consultation or further political approval.
- 3.19 Further details of all 15% savings proposals will be provided during the public engagement period.

#### **Management Information Dashboards**

- 3.20 Newly developed management information dashboards for the Transformation Programme, covering the month to 18 September 2015, are set out in Appendix



3 for information. These highlight progress to date, key risks and issues and planned activity.

- 3.21 As the programme moves into the implementation phase these dashboards will provide details on FTE and cost reductions. Additional information will also be included which will track the progress of the organisational reviews aligned to Head of Service areas.
- 3.22 The main issues to note in relation to these dashboards are set out below.

#### Asset Management Strategy

- 3.23 The dashboards set out the position with the Asset Management Strategy at the time of writing. Since then, the Asset Management Strategy business case has been considered by Finance and Resources Committee.
- 3.24 The recommendations set out in the September report were agreed with the exception of 1.1.4. The Committee explicitly rejected the outsourcing of Council services envisaged within Plan A and reaffirmed the Capital Coalition's presumption against outsourcing. The Committee did however agree to the alternative proposal (Plan B) for the delivery of facilities management services.
- 3.25 Furthermore the Committee recognised the need for significant change to property and related services within the Council to establish an affordable and fit-for-purpose estate within the three core work-streams set out in the report.
- 3.26 Finally the Committee noted that a review of the wider property portfolio, including the position of EDI Group Limited ("EDI") is being recommended, and requested a report in November 2015 on how best to manage the delivery of Plan B utilising the potential benefits of such delivery through a Council subsidiary.
- 3.27 Work is now underway to implement the recommendations in the report and the work required in relation to exploring delivery through a Council subsidiary.

#### Business and Support Services

- 3.28 The project scope has been refined to produce an updated baseline for the project. This has built in further analysis of the current state assessment information. The scope will continue to be refined as each function is formally reviewed as part of the delivery plan.
- 3.29 Work has continued on the development of Tiers 2 and 3 structures for BSS which are now in the implementation stages and a series of organisational reviews will be brought forward to implement the remaining tiers.
- 3.30 Marketing activity has commenced to promote use of our existing on line services to drive Channel shift to a greater digital means of access (the most cost effective channel). Work is ongoing with our new ICT partner to the prepare for an ambitious roll out of 153 new digital transaction types in 16/17, this work will include adopting proven best practice process improvements across the

relevant services. Channel shift will be a key enabler of savings, particularly in the BSS project.

#### Citizens and Localities

- 3.31 A Locality Transformation Plan has been agreed by the CLS Project Board, which describes in detail the primary rationale, objectives and deliverables of the CLS Project. The Plan will also provide a platform for an extensive staff and partner engagement programme starting February 2016.
- 3.32 Arrangements for establishing the four Locality Leadership Teams are now well underway, with a small working group established to agree governance arrangements. A guidance document has also been produced to help define the roles and responsibilities of these teams. A critical product of these teams will be the development and publication of Locality Improvement Plans (required as a result of the Community Empowerment (Scotland) Act 2015). These will focus specifically on actions to address poverty and inequality and to better meet the needs of families and individuals with complex needs.
- 3.33 The CLS Project Team is working with HSC colleagues in the Council and NHS Lothian to assist in designing draft staffing structures and integrated team arrangements in line with the appointment of the interim heads of service / locality managers for the IJB (due to be in post by early October 2015). This work is aligned to a broader package of joint activities to meet legislative duties, required as a result of the Public Bodies Joint Working (Scotland) Act 2014, to implement an integrated HSC localities model.

#### Payments to Third Parties

- 3.34 Savings of £2.2 million have already been delivered in 2015/16. Most of the savings in 15/16 came from a combination of ongoing grant programmes and new grant arrangements. In delivering savings targets in 16/17 and 17/18, a combination of reductions in grants and contracts will be applied, however the majority of this will impact upon contract spend.
- 3.35 The project savings target remains 10% of Third Party spend over 3 years. However, the Corporate Leadership Group has recently agreed that the Self Directed Support (SDS) element of the scope is removed, as such payments are made to individuals (not third sector or private sector third parties) based on social work assessments, to meet identified personal care needs. SDS payments are estimated to be £30 million per annum. It is proposed that all matters relating to SDS (including any reductions) would be managed through either integrated Health and Social Care or integrated children's services projects.
- 3.36 The target savings are therefore £5.6 million by 2017/18.

## Programme Risks

- 3.37 The dashboard highlights a number of key risks to the delivery of the programme. These include the requirement to adequately resource the implementation of the programme, the risks associated with service disruption due to accelerated timescales, risks surrounding alignment with the Health and Social Care Integration Programme and risks relating to the Managing Workforce Change Policy and in particular, the need to introduce the option of compulsory redundancy as a last resort. Further details of these risks, including current mitigations, are contained within the dashboards.

## **Measures of success**

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- 4.1 The business cases have identified significant financial and non-financial benefits associated with the Transformation Programme.
- 4.2 The PMO are developing a clear financial and non-financial benefits framework which will form the basis of bi-monthly reporting to Committee.

## **Financial impact**

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- 5.1 As reported to Committee on 24 September 2015, the Transformation Programme is targeting the development and delivery of cumulative savings of £73.4m as a critical element of the Council's 2016/2020 budget framework. The inclusion of any additional revenue investment within the budget framework is contingent upon the development, approval and subsequent delivery, of all savings within the budget framework, alongside management of all risks and pressures, particularly those of a demand-led nature.

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

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- 6.1 A risk register has been developed as part of the PMO and is reported monthly to the Corporate Leadership Group.

## **Equalities impact**

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- 7.1 New locality management arrangements and local community engagement arrangements take cognisance of the needs of equalities communities of interest in addition to communities of place
- 7.2 New grant and contract programmes are designed to ensure the protection of the most vulnerable communities, families and individuals to maintain equality of opportunity.

- 7.3 Face to face contact and other contact channels are maintained for individuals, families and groups that have difficulties when accessing new or IT based channels.
- 7.4 Proposals comprising the budget framework will be assessed for their corresponding potential equalities and human rights impacts. The combined and cumulative impact of the proposals across the transformation programme will be assessed and reported to Committee. The results of these assessments will then be referred to Council to ensure that members pay due regard to them in setting the Council's 2016/17 budget.

## Sustainability impact

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- 8.1 The recommendations of this report have been assessed in line with the public bodies duties described within the Climate Change Scotland Act (2009). In summary, a move to enhanced locality working will provide for new opportunities to strengthen the Council's work to mitigate against climate change, adapt to climate change and act in a more sustainable manner.

## Consultation and engagement

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- 9.1 The Council Transformation Programme has engaged with staff using a number of methods, including drop-in sessions, workshops, a dedicated email address, ORB pages, blogs, communications updates and briefings from line managers.
- 9.2 A comprehensive customer and employee engagement plan will be developed for each of the workstreams, with a dedicated overarching change plan involving staff, elected members, partners and trade unions.

## Background reading/external references

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### Alastair Maclean

Deputy Chief Executive

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### Links

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[Report to Council, 25 June 2015 - Council Transformation Programme Status Report](#)

[Report to Finance and Resources Committee, 27 August 2015 - Transformation Programme: Progress Update](#)

[Report to Finance and Resources Committee, 24 September 2015 - 2016/2020 Revenue and Capital Budget Framework](#)

[Report to Finance & Resources Committee, 24 September 2015 - Transformation Programme: Property and Asset Management Strategy](#)

**Coalition pledges**

**Council outcomes**

**Single Outcome Agreement**

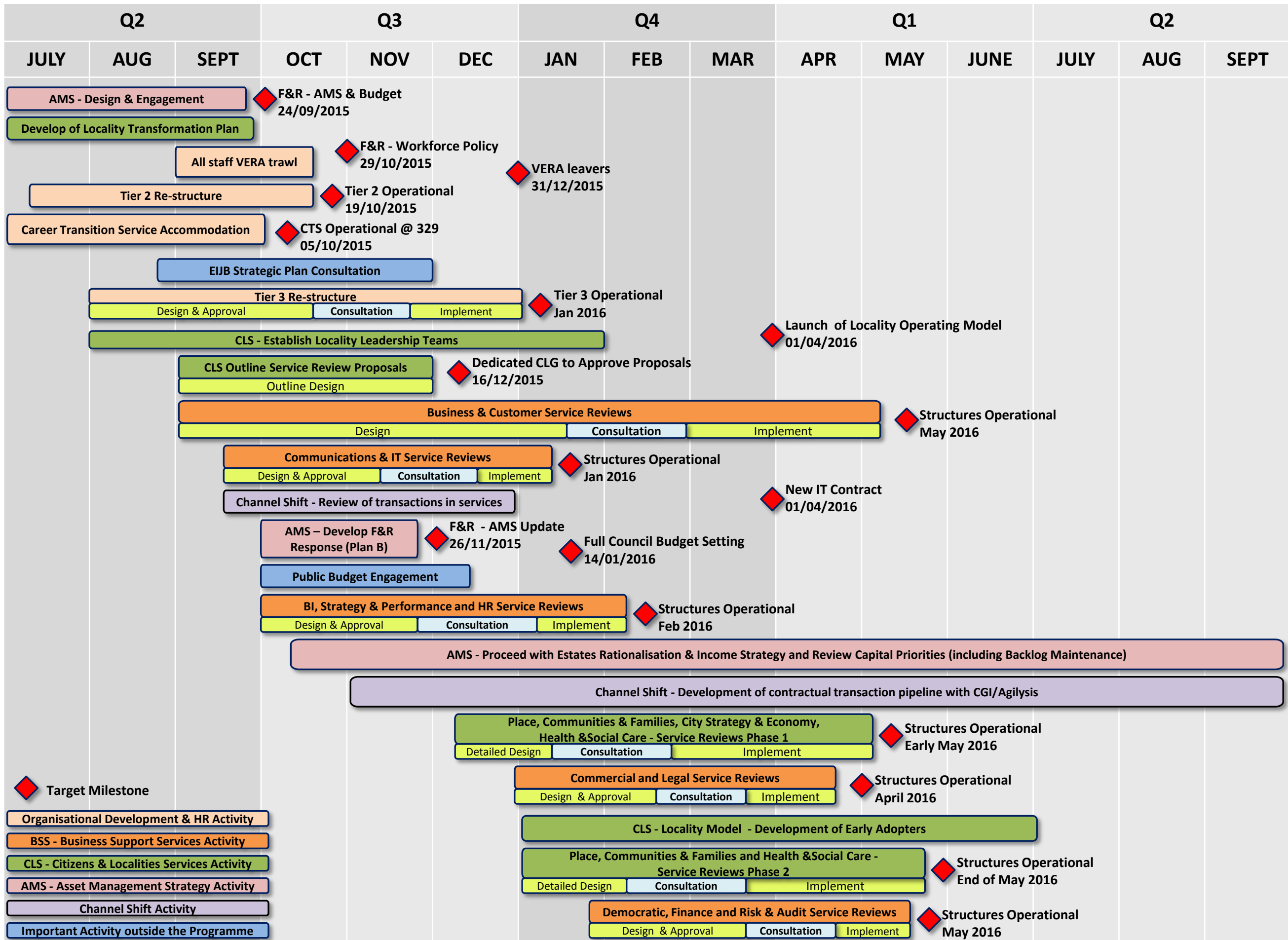
**Appendices**

Appendix 1 – Draft key programme activities

Appendix 2 – Tier 2 structure

Appendix 3 – Transformation Programme dashboard

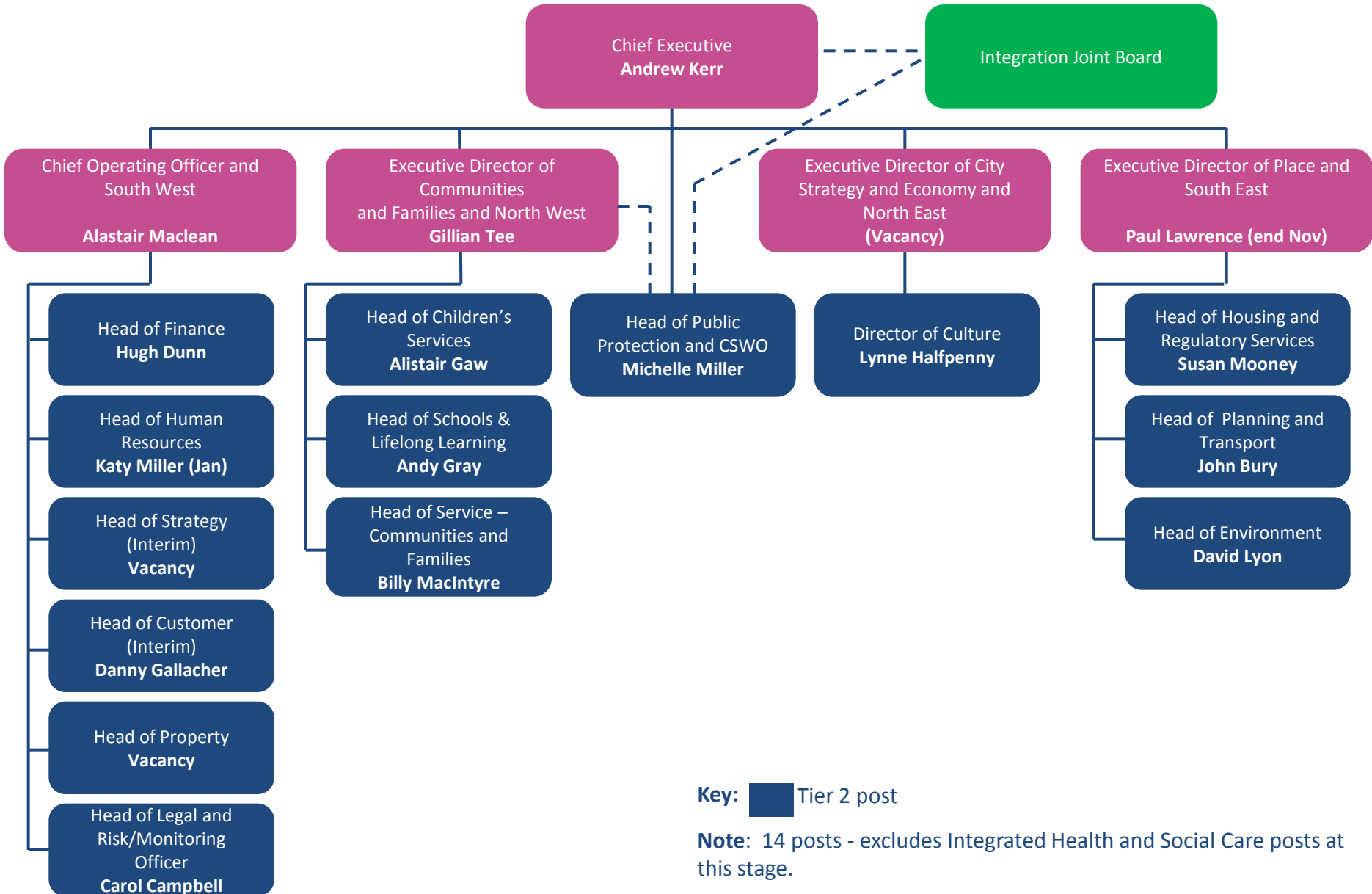
# Appendix 1 - Key Activities & Target Milestones to May 2016



◆ Target Milestone

- Organisational Development & HR Activity
- BSS - Business Support Services Activity
- CLS - Citizens & Localities Services Activity
- AMS - Asset Management Strategy Activity
- Channel Shift Activity
- Important Activity outside the Programme

# Appendix 2 - Tier 2 structure





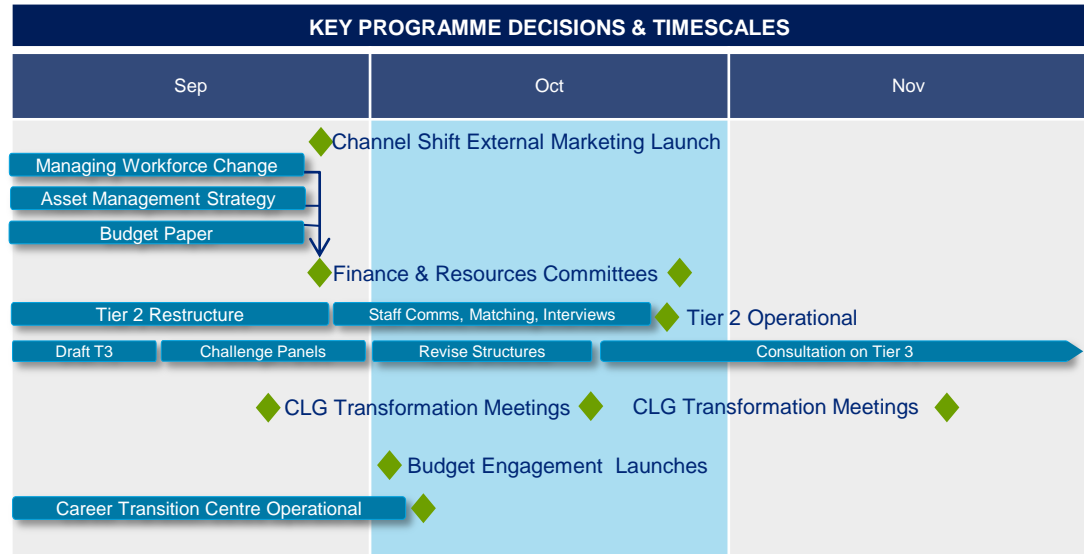
# Transformation Programme Management Dashboard

Monthly progress update at 18 September 2015

## OVERVIEW OF PROGRESS

Following Corporate Leadership Group (CLG) Away Days revised targets applied across Citizens & Localities Services (CLS) - 27% Management & 15% Service Delivery) and Business Support Services (BSS) 26%. Core programme focus has been supporting development of As Is / Future State organisation structures for CLG Challenge Sessions. Dashboard produced to report on programme progress. Asset Management Strategy (AMS), Managing Workforce Change Paper and Budget Paper presented to Finance & Resources Committee on 24 September 2015.

PROJECT	RAG	COMMENTS
Business Support Services		Information for Challenge Panel prepared incorporating draft Tier 2 and 3 structure which have been recently developed. Scope has been refined with CLS to enable a change request to be submitted to re-baseline the scope.
Citizens & Localities Services		Initial approval for draft Locality Transformation Plan. Joint CLS/H&SC project team established to drive H&SC structure development & localities integration. Support to Directors and Challenge Panels to develop and scrutinise proposals for new senior management organisational structure.
Channel Shift		Mini business case development/business analysis for the pipeline in progress Early engagement with CGI to inform future developments External and internal Channel Shift marketing launched.
Asset Management Strategy		Business Case presented to Finance & Resources Committee on 24 September. Continuing political stakeholder engagement.
Payments to Third Parties		Agree service area financial savings targets for contracts for 2016/17 and 2017/18 & identify major contract programme renewal dates.
Finance & Benefits		Budget framework for 2016-2020 updated to recognise demand-led pressures in Health & Social Care and shortfalls against previously approved savings targets in Corporate Property. Support provided to Directors to assess the financial implications of proposed management structures.



RISK	DESCRIPTION	RAG	MITIGATION
Programme Resourcing	The accelerated programme plan will create an up-front resource requirement to deliver increased programme targets.		Establish a 2 year resourcing plan via internal resources to deliver accelerated programme for CLG to approve and assess other recruitment strategies.
Asset Management	Agreement required by Committee on Asset Management approach.		Further work to develop report on how best to manage delivery and effective implementation of Plan B.
Health & Social Care Integration	Currently insufficient integration between 2 programmes & lack of visibility of EIJB integration plans.		Align programme plans and define interdependencies, financial modelling & governance structures across the two.
Service Failure	Accelerated savings & timeline could lead to service disruption or failure.		Establish a comprehensive programme plan and develop customer journey mapping across the programme to flag inter-dependences.
Managing Workforce Policy	If policy not approved then could mean inability to deliver savings. If approved potential of industrial action & service disruption.		Continued engagement with Elected Members and Trade Unions to explain the need for this policy and the processes which would be followed to make it fair and transparent across the organisation.





# Finance & Benefits Update

Monthly progress update (18/09)

## Acronym Key:

BSS: Business Support Services

AMS: Asset Management Strategy

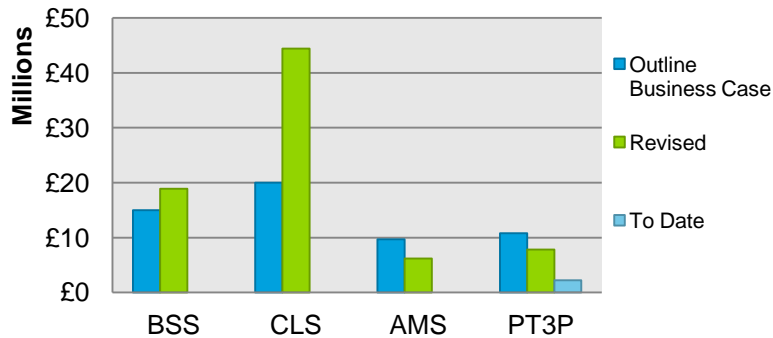
CLS: Citizen & Locality Services

PT3P: Payments to Third Parties

PMO: Programme Management Office

FTE: Full-time Equivalent

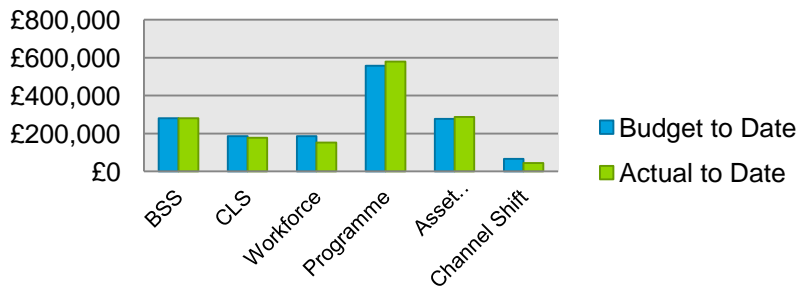
## Total Programme Savings



### Summary:

This graph shows original targeted savings in Outline Business Case; the revised targeted savings and current savings to date. (NB - Channel Shift targets merged with Business Support Services.)

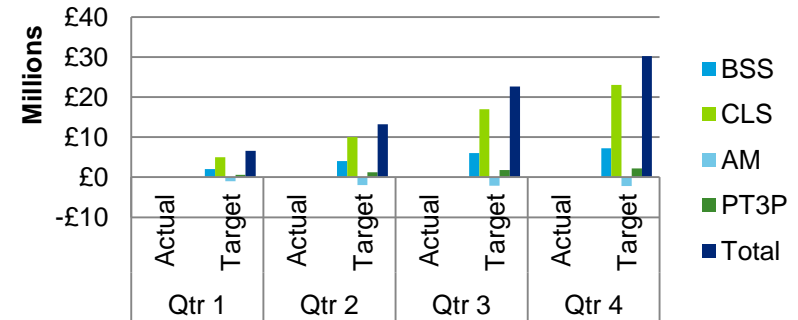
## Programme Expenditure 2015 - 16



### Summary:

This graph shows programme expenditure to date against budget to date.

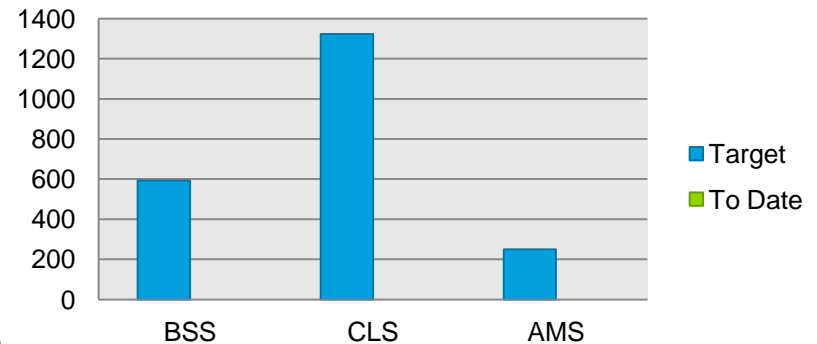
## 16/17 Quarterly Savings Targets vs Actual



### Summary:

This graph shows quarterly savings targets for 2016/17 vs actual by project (cumulative). NB – quarterly targets will be refined by project implementation plans.

## Approximate FTE Reduction



### Summary:

This graph shows an average full-time equivalent (FTE) reduction based on programme savings to be delivered.

# Business & Support Services (BSS)

Progress update 18 September 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
		PMO TBC

## Completed

- Information for Challenge Panel has been prepared incorporating the draft tier 2/3 and structures which have been developed
- Scope has been refined with CLS to enable a change request to be submitted to re-baseline the scope. This will continue as part of the detailed design process
- Meetings are continuing with functional leads to commence the detailed design step and support the development of the functional organisation structures
- A revised target has been developed including previous Channel Shift targets.

## Planned

- Hold additional meeting with functional leads
- Continue with Deep dive into function specific data to support the detailed design process focusing on Strategy, Communication, HR and ICT areas
- Confirm Strategy and Communication function scope with Directors to allow VERA process to commence in these areas
- Start to develop key implementation deliverables such as job descriptions for draft designs
- Further develop draft definition of the BS and CS design and sense check with functions
- Develop an engagement plan with comms for implementation

## PROJECT RISKS

Without sufficient engagement and change management, there is a risk that there is increased resistance to change within the organisation leading to a reduction in the delivery of benefits both financial and non-financial

The union consultation or other key project dependency if the process takes longer than planned it could result in the project being delayed and savings not being delivered in the required timescale.

Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved.

Accelerated delivery timescale could limit the amount of process improvement delivered. In the short term this could lead to a dip in services before the formal performance improvement phase for the service has been delivered

## MITIGATION

A detailed change and communication plan is being developed incorporating representatives from each function to act with Change Champions. Stakeholder management will be proactively managed throughout the programme

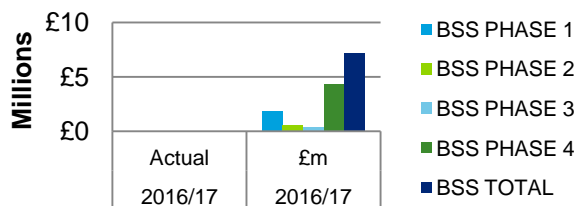
The BSS plan has been developed in line with the latest consultation/OD plan and opportunities to accelerate/increase the delivery of savings in specific areas are being identified

Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Engage widely.

Detailed design of new operating model and transition states includes service requirements and implementation planning takes account of risk raised. A clear go/no go decision making process is put in place for all operational change

## RAG

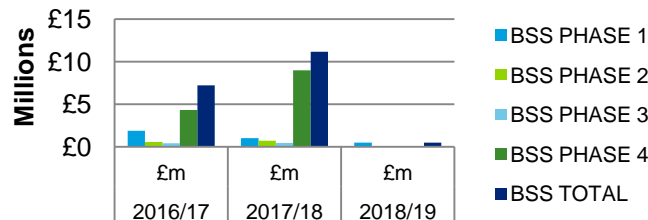

## BSS Phased Savings vs Actual (2016/17)



## BUSINESS & SUPPORT SERVICES

Actual savings against targeted savings by implementation phase (2016 / 17)

## BSS Savings / Implementation Phase



## BUSINESS & SUPPORT SERVICES

Targeted savings by implementation phase (three year implementation).

		September	October	November	December
1	Tier 2 Org Design approved	On track			
2	Tier 3 Org Design drafted	In progress			
3	Draft Tier 3 Org Design approved by Challenge Panel		On track		
4	Phase 1 Org Design drafted		In progress		
5	Phase 1 Org Design approved		On track		
6	Phase 2 Org Design drafted		In progress		
7	Phase 2 Org Design approved		On track		
8	New tier 3 structure operational		In progress	On track	

## Project Dependencies

TBC

# Citizens and Localities (CLS)

Progress update 18 September 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
		Developing – 14 May 2015

## Completed

Locality Transformation Plan draft completed and approved by Executive Director for Communities and Families (as Locality Champion).

Establishment of joint project Citizens & Locality Services / Health & Social Care (H&SC) project team to drive H&SC structure development and localities integration.

Support to Executive Directors and Heads of Service / Senior Management Teams on development of senior management structures. Support also to challenge panels, including analysis of proposals

## Planned

Agree functional baseline for Citizen & Locality Services scope

Progress organisational design work and development of organisational review for Phase 1 services, in conjunction with Directors and Heads of Service.

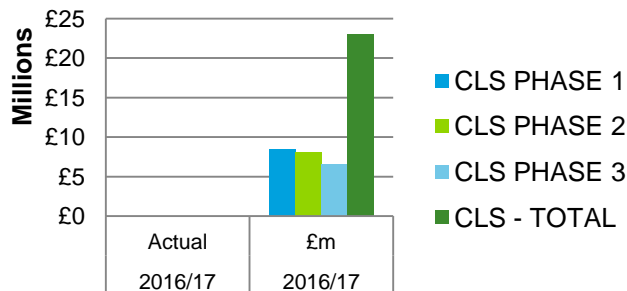
Initiate wider communication and stakeholder engagement on Locality Transformation Plan.

Further develop proposed locality governance arrangements, including locality leadership team

## PROJECT RISKS

PROJECT RISKS	MITIGATION	RAG
Failure to embed the desired cultural change to support the new target operating model results in project outcomes and benefits not being fully realised.	Senior Manager Leadership Programme underway. Localities transformation includes plans for co-location, programme of stakeholder engagement and development of learning and development programme to support new ways of working (including area based induction).	
Inadequate design and/or service readiness for implementation of new model. Financial efficiencies are delivered but does not improve service delivery, impacts negatively on statutory services; does not deliver an effective localities model and/or does not improve the customer experience.	Design of management structures led by Directors and Heads of Service. Development of localities model to underpin organisational design, including locality demand profiling and development of performance management framework. Comprehensive stakeholder engagement and customer journey mapping being developed as part of Locality Insight programme.	
Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved.	Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Engage widely.	
Localities model and matrix management structures may not deliver efficiencies	Structures agreed which ensure future state is more cost effective. Further engagement with key stakeholders to develop and implement detailed arrangements.	

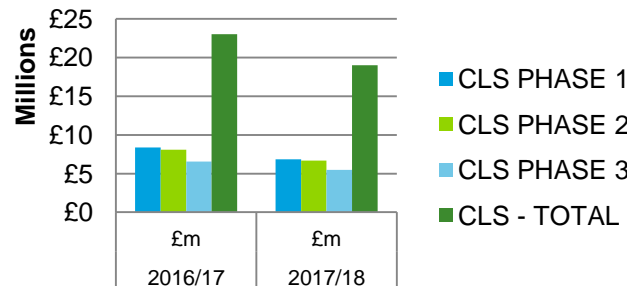
## CLS Phased Savings vs Actual (2016/17)



### CITIZENS & LOCALITIES

Actual savings against targeted savings by implementation phase (2016 / 17)

## CLS Savings by Implementation Phase



### CITIZENS & LOCALITIES

Targeted savings by implementation phase (two year implementation).

		September	October	November	December
1	Service Review Phase 1 – Design and organisational review development				
2	Service Review Phase 1 – Organisational Review approved				◆
3	Service Review Phase 2 – Design and Organisational Review development				
4	H&SC – appointment of Interim HoS/Locality Managers		◆		
5	Develop locality governance and establish Locality Leadership Teams				
6	Develop citywide and locality needs assessment				

## Project Dependencies

The final Citizen & Locality Services organisation structure will need to align to the Council future operating model. Mitigation through Senior Responsible Owner Meeting and CLS Board (Business Support Services attend)

Changes in C&LS staffing (including locations) will need to be confirmed (via the blueprint and organisational design) to allow asset management to feed this into their scope, planning and determine the asset requirements of the future state organisation. Property Rationalisation Team are working in partnership- with the CLS team

# Channel Shift

Progress update 18 September 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
		TBC

- Mini business case development/business analysis for the pipeline in progress
- Early engagement with CGI to inform future developments
- External and internal Channel Shift marketing launched

- Planned**
- Further mini business case development/business analysis for the pipeline.
  - Completion of comprehensive report on data quality issues and solutions for Programme Board approval prior to submission to Council Leadership Group[
  - Council Wide Contact Strategy in development.
  - Targeted data analysis project .
  - Working with current supplier to close off live issues in preparation for the transition to the new ICT provider.
  - Internal and external Channel Shift marketing begins.

PROJECT RISKS	MITIGATION	RAG
Initial data based on a number of assumptions which requires verification.	More data becoming readily available through the regular use of CRM, and service areas such as Neighbourhoods using it more regularly. More data coming through other channels.	
Insufficient Project Management resource to implement the work required by all the different mini business cases.	Identify the resource within the business.	
Service area fails to fulfil their contribution to the online transaction resulting in a reduction in potential take up and reputational damage to the online transaction.	Work with service areas to refine processes and Service Level Agreements. Improve data collection methods.	

		September	October	November	December
1	Collaboration with new ICT provider on delivery of contractual pipeline				
2	Completion of Mini Business Cases for approval				
3	Internal marketing campaign				
4	External marketing campaign				

Project Dependencies	
Channel Shift principles must be understood across the organisation is required to assist with the project's engagement with service areas.	
Neighbourhood office to standardise their use of CRM.	
Key Milestones	
<b>MyGov accounts</b>	<b>Online transactions</b>
43,738	2,500(p/w)

# Asset Management Strategy (AMS)

Progress update 18 September 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
		TBC

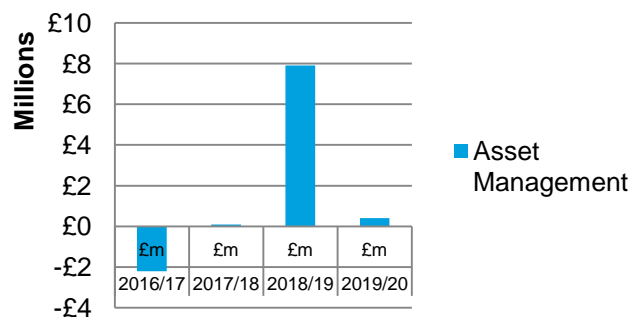
## Completed

- Coalition workshop and political consultations
- Plan B outline
- Revised report to Finance & Resources Committee on 24/09/15
- Communications plan for Asset Management Strategy Report

## Planned

- Project Initiation Document for Phase 2 – Asset Management Strategy Programme Implementation
- Use of 2<sup>nd</sup> stage procurement contract for 3<sup>rd</sup> party delivery of Implementation Phase
- Communications plan for Finance & Resources decision options

## Asset Management Savings Per Year



ASSET MANAGEMENT STRATEGY

SAVINGS PER YEAR WILL DEPEND ON APPROVED OPTION BY F&R COMMITTEE 24 SEPTEMBER 2015.

PROJECT RISKS	MITIGATION	RAG
1- Savings not met if Finance & Resources chose Plan B instead of recommended Plan A.	-Recommendations for Plan A validated. Plan B Implications clear. -Data Room information on Business Case and savings delivery. -Coalition lobbying on finances and redundancy numbers	
2- Increase in savings deficit in first 4 years (2015-2019), to fund implementation costs for Plan B, In-house FM.	-Information to coalition group and Finance & Resources committee on unidentified budget required for Plan B; number of redundancies required agreed; agreement to required flexibility in HR policies to deliver; Trade Union support as an alternative to Plan A.	
3-Reducing estate via closing core services buildings not supported politically.	-Estimation of number of properties to close but services to be re-located to be subject of consultations with coalition and all party groups; and new departmental heads of service. -Reduction of estate to align with improved IT programme.	
4-Increase in rents not achieved because no funding for grant growth.	-Full costing validation of rent increases in 18 month target.	
5- No strategic control over capital receipts if new governance not adhered to, including EDI	-New governance arrangement established, including political consultation.	

	September	October	November	December
1 F&R Report				
2 Phase 2 Implementation Team Formation				
3 FM Review - Plan A or B				
4				
5				
6				
7				
8				

## Project Dependencies

Major dependency on outcome of Finance and Resources Committee on 24 September to determine which option will be progressed.

Key: On track In progress Attention

# Payments to Third Parties (PT3P)

Progress update 18 September 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
		TBC

## Completed

With some exceptions services have completed coproduction activity for new grant programmes and grant application processes have commenced for 2016/17 and beyond.

Service budget proposals for achieving contract savings have been collected.

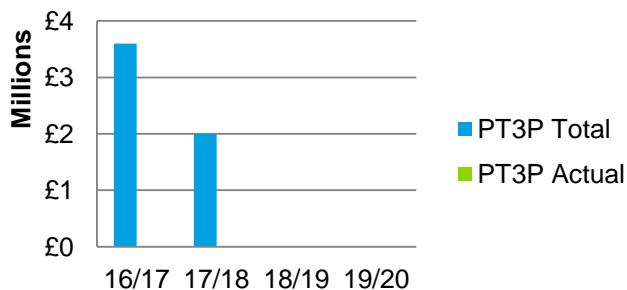
Commissioning and Coproduction seminar resulted in recognition of need for more integrated working procurement and commissioning staff

## Planned

The third cooperative capital seminar is scheduled for early November and will be a chance to consolidate and spread good practice on coop

A process for engagement with the third sector about budget proposals is in the early stages of planning.

### PT3P Target Savings vs Actual



#### PAYMENTS TO THIRD PARTIES

£2.2m savings delivered in 2015/16 . A further target of £5.6m to be achieved by 17/18.

PROJECT RISKS	MITIGATION	RAG
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Service duplication and scale of year-on-year reductions in funding may impact service provision to vulnerable citizens resulting in inefficiencies and greater demand on Council services.	Regular monitoring by project team. Equality Impact Assessment of major grant and contract reductions. Ongoing dialogue with third sector regarding unintended consequences.	Red
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Varied approaches to coproduction of new grant and contract programmes across Executive Committees may result in variable quality of new grant and contract programmes and participant complaints about the process.	Briefings for Elected Members on coproduction best practice. Training and guidance for Council officers on coproduction. Establishment of cross-service project team and coproduction working group with third sector.	Yellow
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		September	October	November	December
1	Gather information on service plans for savings	▶▶			
2	Leader's Briefing on Commissioning and Coproduction	▶			
3	New grant programme briefings for third parties and application process commence	▶▶			
4	Steering Group Coproduction Group meetings		▶	▶	
5	Cooperative Capital - Annual Seminar			▶	
6	Engagement on Budget Proposals			▶	▶

Project Dependencies
TBC

# Finance and Resources Committee

10.00am, Thursday, 29 October 2015

## Managing Workforce Change

Item number	7.2
Report number	
Executive/routine	
Wards	

### Executive summary

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The Council is going through a period of unprecedented change and is required to address a budget shortfall of £126 m whilst at the same time maintaining outcomes for those who use its services.

Through the transformation programme we are re-designing the organisation based upon a locality model to make services leaner, more responsive and agile.

Given the size of the challenge, this will inevitably mean that there will be a reduction in the workforce. We must support people through the reorganisation of our services whilst ensuring the level of savings required is achieved.

This paper updates elected members on the further dialogue that officers have had with union colleagues on the need for workforce reductions, gives an overview to date on the recent targeted VERA (Voluntary Early Release Arrangement) exercise and asks elected members to approve compulsory redundancies if all other avenues i.e. the offer of an enhanced VERA package and redeployment have been exhausted.

### Links

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**Coalition pledges**  
**Council outcomes**  
**Single Outcome Agreement**

## Managing Workforce Change

### Recommendations

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- 1.1 Notes the budget gap of £126m and the need to take action which both improves Council services and outcomes whilst also delivering a sustainable budget position where front line services are protected
- 1.2 Approves a revision of VERA terms to better incentivise early voluntary release in advance of organisational reviews taking place;
- 1.3 Approves revised Voluntary Severance and Redundancy terms to minimise the need to use compulsory redundancy;
- 1.4 Approves the use of compulsory redundancy where employees have opted not to take advantage of voluntary terms within the set timescale; and
- 1.5 Notes that officers have had dialogue with Trade Unions and further notes the Trades Unions position in relation to cuts in public services and to compulsory redundancies.

### Background

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- 2.1 The Council needs to address a budget shortfall of up to £126m over the next 4 years whilst at the same time improving service delivery to those who use our services.
- 2.2 Through the transformation programme we are re-designing the organisation based upon a locality model designed to make services leaner, more responsive and agile. Given the size of the challenge, this will inevitably mean that there will be a reduction in and streamlining of the workforce.
- 2.3 Following further dialogue with the Trade Unions and a targeted VERA exercise it is believed that workforce reductions of the size we need and timescales within which we need to deliver them are unlikely to be achieved without recourse to compulsory redundancies.
- 2.4 If approved, compulsory redundancies will be used only where voluntary means have not achieved the level of workforce reductions needed to meet service redesign.



## Main report

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- 3.1 At the Finance and Resources Committee meeting on 24 September, officers were instructed to discuss the transformation programme with the Trade Unions so that they were clear on its aims and the importance of achieving the level of workforce reductions needed.
- 3.2 Officers acknowledge that whilst the Trade Unions understand the difficult financial position of the Council they remain opposed to cuts in public services and compulsory redundancies.
- 3.3 We have asked the Trade Unions for alternatives ways of avoiding workforce reductions. However, on issues such as an amnesty over interest payments on loans fund debt and a Transient Visitor Levy officers are of the opinion that the proposals are either not feasible or within the remit of the Council.
- 3.4 It is proposed that:-
  - 3.4.1. the financial terms of current VERA are revised, on an interim basis during the transformation programme, to further encourage early release and will revert to current terms in 2017/18. (see appendix 1);
  - 3.4.2 the current age restriction of 65 within the VERA policy is also to be removed; and
  - 3.4.3 the Redundancy Procedure is revised to incentivise the uptake of voluntary redundancy, further mitigating the need to use compulsory redundancy (see appendix 2).
- 3.5 In addition, officers have undertaken a targeted VERA exercise of the workforce, on current terms, to assess the level of interest in people leaving the organisation on a voluntary basis. Should new terms be approved, any existing and new requests will benefit from the improved offer. To date, approx 1,300 requests have been received and officers are currently considering how many staff can be released. It is anticipated that the process will be complete and staff informed early December. At the moment, it is estimated that 50-60% of requests will be accepted.
- 3.6 On the basis that the level of savings is considerably short of the amount required, Officers believe there is no alternative but to seek members' agreement to allow them to utilise the compulsory redundancy clause within the existing policy dated 2010.
- 3.7 At the Finance and Resources Committee on 24 September members also asked for an update on the cost of the transition services being made available to staff affected by organisational change.
- 3.8 The council has established a Career Transition Service, in conjunction with Right Management to help staff, affected by organisational change, make informed choices about their future. A range of services include:

- Career counselling
- CV writing
- Interview preparation
- Advice on financial issues (Money Advice Services – MAS – on hand to provide support)
- Access to online job boards and portals
- Named contacts with other major leading employers in Edinburgh who are keen to use our source of talent, displaced through organisational change, to help fill their own vacancies
- Advice on setting up a business
- Advice on moving to further education
- Links with the Edinburgh Fostering Team

3.9 Funding for this service has been identified within the costs of transformation and are £388,500 over 3 years.

## Measures of success

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- 4.1 The required savings from the workforce reduction is achieved within the timeframe of the transformation programme
- 4.2 Demonstration that the revised terms encourage voluntary exit.

## Financial impact

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- 5.1 Estimated cost of release with revised financial terms is around £70million with a payback period of around 15 months.
- 5.2 The Council's reserves strategy and Long Term Financial Plan provide resources towards the cost of managing the workforce change outlined in this report. This position will be kept under regular review.

## Risk, policy, compliance and governance impact

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- 6.1 Should voluntary take up not achieve the required savings, it is estimated that rolling monthly costs of £2.5m would be incurred and thus the savings would need to be made elsewhere detrimentally affecting the Councils ability to maintain frontline services.

## Equalities impact

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- 7.1 Equalities impact assessments will be carried out as part of the organisational reviews which will be undertaken as part of the process of redesigning the workforce. These assessments will be shared and discussed with trade unions as part of the consultation arrangements.
- 7.2 We will also undertake stress risk assessments as part of these arrangements and again discuss them and any actions needed to be implemented as part of our consultation processes with trade unions and individual staff members here appropriate.

## Sustainability impact

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- 8.1 None.

## Consultation and engagement

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- 9.1 The Trade Unions and Members have been engaged around the need for changes to the voluntary and compulsory arrangements.

## Background reading/external references

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Chief Executive

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## Links

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**Coalition pledges**

**Council outcomes**

**Single Outcome Agreement**

**Appendices**

Appendix 1 – Proposed Voluntary Severance and Redundancy Scheme (VERA)

Appendix 2 – Voluntary Severance payment

## **Proposed Voluntary Redundancy Scheme**

### **Voluntary Early Release Arrangement (VERA)**

VERA is a cost efficiency tool, which enables workforce reduction on a voluntary basis without the need for formal redundancy procedures and has worked effectively since 2010. This would only be offered in advance of formal consultation of redundancy

#### **1.0 Proposed interim terms:**

##### **1.1 For those with NO access to pension**

- An employee's actual week's salary will be used for the calculation
- The number of weeks' pay will be multiplied by a factor of 2.5
- Capped at £30,000
- Cost savings test remains

##### **1.2 For those with access to pension**

- An employee's actual week's salary will be used for the calculation
- The number of weeks' pay will be multiplied by a factor of 1.5
- Capped at £30,000
- Cost savings test remains

### Voluntary Redundancy Payment

#### 2.0 Proposed terms:

Available from the start of formal consultation of potential redundancies and for two weeks after being declared surplus.

Voluntary redundancy is a dismissal in law by reason of redundancy. Where Voluntary Redundancy takes place staff will be entitled to notice or a payment in lieu of notice.

#### 2.1 For those with NO access to pension:

- The statutory redundancy rules will be used to determine the number of weeks' pay the members of staff is entitled
- An employee's actual week's salary will be used for the calculation
- The number of weeks' pay will be multiplied by a factor of 2.5
- Cost savings test remains

#### 2.2 For those with access to pension

- The statutory redundancy rules will be used to determine the number of weeks' pay the members of staff is entitled to
- An employee's actual week's salary will be used for the calculation
- The number of weeks' pay will be multiplied by a factor of 1.5
- Cost savings test remains

#### 3.0 After being declared surplus

To the extent that the Council determines the need for Compulsory Redundancy, in future, it will be done on the following terms:-

Payable from week 2 of being declared surplus and notice of dismissal is served in line with the statutory notice period.

#### 3.1 For those with NO access to pension:

- The statutory redundancy rules will be used to determine the number of weeks' pay the members of staff is entitled
- An employee's actual week's salary will be used for the calculation
- The number of weeks' pay will be multiplied by a factor of 1.5
- Cost saving test remains

#### 3.2 For those with access to pension

- The statutory redundancy rules will be used to determine the number of weeks' pay the members of staff is entitled
- An employee's actual week's salary will be used for the calculation
- No multiplier.
- Cost savings test remains

# Finance and Resources Committee

10am, Thursday, 29 October 2015

## Revenue Monitoring 2015/16 – half-year position

Item number	7.3
Report number	
Executive/routine	
Wards	

### Executive summary

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The report sets out the projected current-year revenue monitoring position for the Council, based on period five data. The full-year outturn forecast shows a balanced position across all areas, albeit there are significant risks and pressures to be managed throughout the remainder of the financial year to achieve this.

There continue to be significant pressures (totalling £16.9m), in particular, within Health and Social Care. An action plan has been developed to deliver £11.3m of expenditure reductions during 2015/16, of which £6.3m are currently assessed as being achievable.

As previously reported, £9.8m of one-off transitional savings measures have been identified across other service and corporate budgets and these were approved by Council on 17 September 2015. The combined impact of these measures (assuming full delivery) and the mitigating actions from the action plan that are currently assessed as achievable brings the forecast pressure down to £0.8m. Work continues to implement further actions to deliver the remaining savings required to allow a balanced Council-wide budget position to be achieved by the year end.

### Links

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Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO1</a> , <a href="#">SO2</a> , <a href="#">SO3</a> , <a href="#">SO4</a>

## Revenue Monitoring 2015/16 – half-year position

### Recommendations

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- 1.1 Members of the Finance and Resources Committee are asked to:
  - 1.1.1 note the projected balanced position at month five, subject to delivery of additional savings within Health and Social Care as noted below;
  - 1.1.2 note the Health and Social Care forecast overspend of £0.8m after mitigating actions and instruct the service to report further to the Committee's meeting on 26 November, setting out progress in the delivery of mitigating measures within the action plan as necessary to deliver at least a further £0.8m of net savings;
  - 1.1.3 note the on-going risks and challenges in achieving the necessary offsetting savings across other areas of the budget which will require further management actions and active scrutiny for the remainder of the year; and
  - 1.1.4 note the balanced position projected on the Housing Revenue Account (HRA) after making a £17m contribution towards the construction of new homes.

### Background

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- 2.1 This report sets out the projected overall position for the Council's revenue expenditure budget for 2015/16 as at the half-year.

### Main report

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- 3.1 This report represents the second of the quarterly revenue monitoring reports for 2015/16. On-going analysis of the revenue position is undertaken in line with agreed, risk-based principles, with any material changes reported in the intervening periods as required. The introduction of monthly budget review and challenge meetings has also enhanced the focus on the prompt identification of, and development of appropriate mitigating action to address, service risks and pressures.

## **Overall position**

- 3.2 As of period five, the Council is projecting a balanced position for the year, albeit this is subject to delivery of a further £0.8m of net savings within Health and Social Care. Most other service areas have, however, also highlighted a number of pressures and/or risks to achieving the projected outturns set out in Appendix 1. Directors have already implemented a range of management measures to control expenditure and work is ongoing to identify further actions to ensure identified residual pressures are contained. Service-specific issues and corresponding mitigating actions are highlighted in Appendix 2.

## **Health and Social Care**

- 3.3 A report to this Committee on 24 September 2015 highlighted demand-led pressures within the 2015/16 Health and Social Care budget of £16.3m. As of period five, however, subsequent additional purchasing expenditure had increased this pressure slightly to £16.9m.
- 3.4 At the Council meeting on 17 September, £9.8m of one-off savings from other service and corporate budgets were approved to assist in alleviating the Health and Social Care pressures. The resulting changes are reflected in the revised budgets set out in Appendix 1. As corporate area budget transfers in particular were based on current-year expenditure projections at that time, no net variances are now projected.
- 3.5 The Chief Social Worker, on behalf of the Health and Social Care service, has developed a budget action plan which aims to deliver £11.3m of expenditure reductions during 2015/16. As shown in Appendix 3, £6.3m of the planned actions have thus far been assessed as being achievable, or represent funding streams expected to be received.
- 3.6 The impact of the £9.8m of one-off savings and £6.3m of planned actions against the £16.0m of identified pressures will leave a residual pressure of £0.8m in the service which will require delivery of further mitigating actions identified within the action plan during 2015/16.

## **Children and Families**

- 3.7 The Director of Children and Families is forecasting a break-even position, albeit the service continues to be subject to a number of demand-led pressures in such areas as fostering, out-of-Council residential schools and units and various impacts of increasing pupil rolls.
- 3.8 Current budget pressures and undelivered savings total £10.3m, of which mitigating actions and one-off savings of £7.9m have been delivered, leaving a net pressure of £2.4m. The service's contribution to addressing pressures within Health and Social Care has made the position more challenging. The Senior Management Team remains committed to putting in place additional measures as appropriate to ensure a balanced position is achieved by year-end, however



there is a risk that Children and Families will have an overspend in the current financial year.

### **Services for Communities**

- 3.9 The Acting Director of Services for Communities is reporting a balanced position at period five. Service-wide pressures of £8.25m have been identified. With mitigating actions in place to address £7.78m of these, however, it is anticipated that the remaining pressure will be managed through further senior management scrutiny of overspending areas to identify potential cost reductions and reviewing areas of underspend in 2014/15 for instances of recurring savings and/or increased income.

### **Housing Revenue Account**

- 3.10 The Housing Revenue Account continues to forecast a break-even position after making a £17m contribution towards housing investment, as reported at month three. The favourable position is due to (i) the delay in the implementation of temporary accommodation-related welfare reforms which has mitigated the reduction in income anticipated in this area and (ii) treasury management savings as a result of additional debt write-off made in 2014/15.

### **Savings delivery**

- 3.11 The savings of £39.903m approved by Council on 12 February 2015 as part of the approved budget for 2015/16 have been subject to ongoing progress assessments at both Senior Management Team and Corporate Leadership Group level.
- 3.12 The assessments categorise progress with savings implementation on a red, amber, green status based on degree of certainty of delivery. The assessments at period five indicate that 84% of these are classified as green, with a further 7% on target subject to additional measures being taken to ensure delivery. For those savings where in-year delivery is now considered unlikely, corresponding mitigating actions have been developed. A summary of the assessments by service area is shown in Appendix 4, with further details being reported to respective Executive Committees. Following the approval by Council of additional savings measures to address pressures in Health and Social Care, delivery of these will also now be monitored by Senior Management Teams and progress reported as part of Committee's wider consideration of the third quarter's position.

### **Pay award**

- 3.13 A final, two-year employer's pay award offer has now been made and accepted by the non-teaching trade unions, comprising a 1.5% increase on all salary spinal points effective from 1 April 2015 and a further 1% from 1 April 2016, alongside an uprating to the level of the Living Wage. As of the time of writing, whilst members of the Educational Institute of Scotland had voted in favour of

acceptance of a similar offer, formal confirmation from the Scottish Negotiating Committee for Teachers was not anticipated until the end of October.

- 3.14 Although the approved 2015/16 budget provided only for a 1% in-year increase across all staff groups, the potential for a higher level of settlement was previously recognised. Council Tax income is now forecast to be higher than originally budgeted and Council Tax Reduction Scheme payments can be contained within the level of expenditure underpinning the Local Government Finance Settlement. Taken together, these factors release sufficient funds to manage the financial impact of the additional 0.5% award in 2015/16, with on-going provision for this increase also made within the budget framework. The budget framework already includes provision for a 1% award for all staff groups in 2016/17.

### **Council Priorities Fund**

- 3.15 Further details of the planned movements on the Council Priorities Fund were requested at the Governance, Risk and Best Value Committee meeting on 24 September. These planned uses and approvals are as set out below. Members should note that the opening balance shown includes the full amount of the restated underspend for 2014/15 and, as such, based on previous approvals, the fund is essentially fully committed.

	£ '000	£ '000	Approval
Balance at 1 April 2015		3,318	
<u>Planned uses</u>			
Early Years Change Fund	(98)		Council, 26 September 2013
Statutory Repairs – legacy service costs	(2,250)		Council, 13 February 2014
Tram feasibility study balance	(287)		Council, 11 December 2014
City Deal Business Case	(250)		Council, 28 May 2015
KPMG – Health and Social Care Phase 2 report	(166)		Council, 25 June 2015
Health and Social Care transitional funding	(200)		Council, 17 September 2015
		<u>(3,251)</u>	
Projected balance at 31 March 2016		<u>67</u>	

## Measures of success

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- 4.1 Achieving a balanced overall budget outturn position for 2015/16 and successful delivery of approved savings.

## Financial impact

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- 5.1 The report's contents point to a balanced overall position for the year as a whole, although this is dependent upon delivery of further savings within Health and Social Care and management of other risks and pressures.

## Risk, policy, compliance and governance impact

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- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and savings delivery targets are regularly monitored and reviewed and management action is taken as appropriate.
- 6.2 Ongoing communications by the Council's section 95 Officer have reinforced the respective responsibilities of Directors to maintain expenditure within approved levels in accordance with the Financial Regulations. Directors also have a requirement to ensure that savings identified are both achievable and delivered to maintain a sustainable budget across the Council. With this in mind, structured plans are in place for review and feedback on current and future years' savings proposals.

## Equalities impact

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- 7.1 While there is no direct additional impact of the report's contents, all budget proposals are now subject to an initial Equalities and Rights Impact Assessment. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

## Sustainability impact

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- 8.1 While there is no direct additional impact of the report's contents, the Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront Carbon Impact Assessment.

## Consultation and engagement

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- 9.1 There is no external consultation and engagement arising directly from this report, although the Council's budget continues to be subject to a process of annual consultation and engagement.

## Background reading/external references

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[Revenue Monitoring 2015-16 - Month 3 position - referral from the Finance and Resources Committee](#), City of Edinburgh Council, 17 September 2015

[Health and Social Care 2015/16 revenue budget - action plan update](#), Finance and Resources Committee, 24 September 2015

Service monitoring statements for period five

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### Links

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<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 SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 – Period five service analysis Appendix 2 – Significant pressures, key risks and mitigating actions Appendix 3 – Health and Social Care 2015/16 budget action plan: progress in delivery of mitigating actions Appendix 4 – Savings assurance assessment

## REVENUE MONITORING 2015-16

## PERIOD 5 REPORT

## SERVICE ANALYSIS

Account	Revised Budget £000	Budget to Date £000	Actual to Date £000	Variance to Date		Projected Outturn £000	Projected Variance	
				£000	%		£000	%
Children and Families	394,363	159,612	155,587	(4,025)	(2.5%)	394,363	0	0.0%
Corporate Governance	74,260	40,711	40,711	0	0.0%	74,260	0	0.0%
Economic Development	11,742	7,239	7,167	(72)	(1.0%)	11,742	0	0.0%
Health and Social Care	210,573	105,446	108,851	3,405	3.2%	210,573	0	0.0%
Services for Communities	131,493	50,807	52,345	1,538	3.0%	131,493	0	0.0%
Valuation Joint Board Requisition	3,744	1,560	1,560	0	0.0%	3,744	0	0.0%
<b>Direct Service Expenditure</b>	<b>826,175</b>	<b>365,375</b>	<b>366,221</b>	<b>846</b>	<b>0.2%</b>	<b>826,175</b>	<b>0</b>	<b>0.0%</b>
Council-wide - Energy Costs	774	0	0	0	n/a	774	0	0.0%
Council-wide - Living Wage	1,032	0	0	0	n/a	1,032	0	0.0%
Council-wide - Non-Domestic Rates	468	0	0	0	n/a	468	0	0.0%
<b>General Fund Services Subtotal</b>	<b>828,448</b>	<b>365,375</b>	<b>366,221</b>	<b>846</b>	<b>0.2%</b>	<b>828,448</b>	<b>0</b>	<b>0.0%</b>
Net Cost of Benefits	(62)	(26)	-4,576	-4,550	n/a	(62)	0	0.0%
Modernising Pay and related employee cost and other contingencies	4,478	0	0	0	n/a	4,478	0	0.0%
Pension Auto Enrolment	237	0	0	0	n/a	237	0	0.0%
Pension Fund - Lump Sum Payment	3,064	1,277	1,277	0	0%	3,064	0	0.0%
Non-Domestic Rates - Discret. Relief	350	0	0	0	n/a	350	0	0.0%
Carbon Tax	1,200	1,200	1,218	18	1.5%	1,200	0	0.0%
Insurance Excesses	175	0	0	0	n/a	175	0	0.0%
Loans Charges / Interest on Rev Bals	117,875	0	0	0	n/a	117,875	0	0.0%
Dividend and Investment Income	(5,000)	0	0	0	n/a	(5,000)	0	0.0%
Unallocated budget motion funding	(3)	0	0	0	n/a	(3)	0	0.0%
Prior Year and Other Adjustments	4,221	0	0	0	n/a	4,221	0	0.0%
<b>Total General Fund</b>	<b>954,984</b>	<b>367,825</b>	<b>364,140</b>	<b>(3,686)</b>	<b>(1.0%)</b>	<b>954,984</b>	<b>0</b>	<b>0.0%</b>
Funding								
General Grant Funding	(338,113)	(140,880)	(140,880)	0	0%	(338,113)	0	0.0%
Non Domestic Rates	(404,108)	(168,378)	(168,378)	0	0%	(404,108)	0	0.0%
Council Tax	(238,113)	(99,214)	(99,214)	0	0%	(238,113)	0	0.0%
Less: Council Tax Reduction Scheme	27,052	11,272	11,272	0	0%	27,052	0	0.0%
<b>Operating Deficit / (Surplus)</b>	<b>1,702</b>	<b>(29,375)</b>	<b>(33,061)</b>	<b>(3,686)</b>	<b>n/a</b>	<b>1,702</b>	<b>0</b>	<b>0.0%</b>
<b>Contribution to / (from) Reserves</b>								
Earmarked Reserves								
- BT Efficiencies Fund	1,662	0	0	0	n/a	1,662	0	0.0%
- Dilapidations Fund	717	0	0	0	n/a	717	0	0.0%
- Council Priorities Fund	(4,081)	0	0	0	n/a	(4,081)	0	0.0%
Total Contribution to / (from) Reserves	(1,702)	0	0	0	n/a	(1,702)	0	0.0%
<b>In-year Deficit / (Surplus)</b>	<b>n/a</b>					<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Housing - HRA</b>	<b>0</b>	<b>(26,439)</b>	<b>(28,682)</b>	<b>(2,243)</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>n/a</b>

Note: Net cost of Benefits variance reflects expenditure that will be recovered from the Department for Work and Pensions at period six or seven.

HRA period variance is related to a delay in implementation of temporary accommodation-related welfare reforms.

Children and Families period variance reflects various premises budgets that are due to be transferred to Services for Communities as part of IPFM, along with centrally-held staffing budgets which are not fully aligned to spend.

Service Area	Significant Pressures	Mitigating Actions/Key Risks
<p><b>Children and Families</b></p>	<p>There are budget pressures in many areas of the service and a number of challenges relating to delivery of approved savings, in total amounting to £10.3m (after £2.025m contribution to address Health and Social Care pressures). Areas of significant budget pressure include:</p> <ul style="list-style-type: none"> <li>- out-of-Council residential schools and secure units;</li> <li>- fostering, adoption and kinship placements; and</li> <li>- demographic pressures within the schools budget.</li> </ul>	<p>Mitigating management actions have been put in place to address the projected pressures, including strict controls on vacancies and discretionary expenditure, and largely one-off savings such as postponing spend. Currently, a net pressure of £2.4m remains.</p> <p>The Senior Management Team is fully committed to identifying further actions to address these. However, the scale of management action which has already been implemented and the necessity to deliver additional savings limits the scope for additional management action to offset the residual budget pressures. There is therefore a risk that there will be an overspend in the current financial year.</p>
<p><b>Corporate Governance</b></p>	<p>No pressures are currently foreseen in this service area which cannot be contained within the approved budget.</p>	<p>A service-specific contingency has been created to mitigate budget pressures arising during 2015/16.</p> <p>One-off or accelerated savings proposals have been developed to meet savings of £0.995m to offset Health and Social Care budget pressures, as agreed by Council. These comprise:</p> <ul style="list-style-type: none"> <li>- £0.1m increased income - Usher Hall, Summer Wheel and monuments one-off;</li> <li>- £0.05m reduction in required provision for ICT contract inflation;</li> <li>- £0.2m Transformation Programme acceleration;</li> <li>- £0.2m use of contingency; and</li> <li>- £0.445m reflecting current demand and further controls on discretionary spend.</li> </ul> <p>There is a risk of demand for payment of Discretionary Housing Payments exceeding available resources. This will continue to be monitored.</p> <p>Other risks include costs of supernumerary staff and costs of COGNOS; options to address these are currently being looked at.</p>

Service Area	Significant Pressures	Mitigating Actions/Key Risks
<b>Economic Development</b>	No pressures are currently foreseen in this service area which cannot be contained within the approved service budget.	
<b>Health and Social Care</b>	<p>A number of significant pressures amounting to £16.9m have been identified, including:</p> <ul style="list-style-type: none"> <li>- Care at Home, Residential and Nursing, Day Care and Direct Payments - £12.3m</li> <li>- Supplies and Services - £1.7m</li> <li>- Care Homes and Home Care staff costs - £1.6m</li> <li>- Respite income shortfall - £0.8m</li> <li>- Transport and Premises costs - £0.5m</li> </ul>	<p>£11.3m of mitigating actions have been identified, of which £6.3m has been assessed as green.</p> <p>A planned programme of mitigation is being progressed in partnership with external partners, including demand management. However at this stage it is too early to quantify the impact of this work in addressing the expenditure pressures identified.</p> <p>Council approved on 17 September one-off funding of £9.8m from across other Council budgets to assist with the pressures, leaving a further £0.8m of savings requiring to be delivered.</p> <p>Stringent management controls remain in place in respect of staff recruitment and the filling of vacancies.</p>
<b>Services for Communities (SfC)</b>	<p>The most significant of the £8.25m budget pressures within the service are:</p> <ul style="list-style-type: none"> <li>- Corporate Property £4.0m - mainly related to £7.3m of unachieved iPFM savings, offset in part by increased income and reserves drawdown</li> <li>- Waste Services £2.3m - driven by additional landfill tax, removal of food waste grants, staffing budget pressures, vehicle costs, recycling redesign delays and delays in implementation of savings in public conveniences.</li> </ul>	<p>One-off budget reductions of £3m have been made across the SfC budget to create a contingency to manage an element of the pressures.</p> <p>There is £2.5m available within earmarked reserves to address shortfalls in the internal improvement plans.</p> <p>The current forecast includes £0.86m of underspends from various elements of the SfC budget.</p> <p>Further management action is required to balance the overall budget position, which will include:</p> <ul style="list-style-type: none"> <li>- cost reductions in areas currently projecting overspends;</li> <li>- reviewing areas of underspend from 2014/15; and</li> <li>- further cost reduction exercises if required.</li> </ul> <p>There are potential further risks which have not been reflected in the pressures above:</p>

Service Area	Significant Pressures	Mitigating Actions/Key Risks
		<ul style="list-style-type: none"><li>- EBS - potential shortfall of £2m against budgeted contribution due to reduced level of housing repairs and reduced productivity following removal of bonus scheme;</li><li>- Mortonhall Crematorium - temporary closure for essential repairs, resulting in loss of income; and</li><li>- Repairs and Maintenance - risk that additional funding of £2m will not be sufficient to cover health and safety and wind and watertight expenditure demands.</li></ul> <p>Management action and assessments are ongoing to contain these potential risks.</p>



### Appendix 3

## 2015/16 Health and Social Care budget action plan: progress in delivery of mitigating actions

Ref	Mitigating Action	£'000	RAG status	Details
1	Use remaining unallocated demography monies	-1,690	Green	Demography monies for older people (£470k), learning disabilities (£400k), and mental health problems and assessment (£820k) have been used for existing unfunded care at home packages, not new demand in year: increase in waiting lists.
2	Additional Housing Revenue Account (HRA) contribution to telecare	-200	Green	Agreed increase in Housing Revenue Account's contribution to TeleCare.
3	Use unallocated Integrated Care Fund monies	-300	Green	Agreement reached in June with NHS and Third Sector partnership
4	Do not fill Home Care and Reablement vacancies as they arise in year	-1,055	Green	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: negative impacts on delayed discharge and waiting lists.
5	Cease purchasing 20 Step Down Beds via natural turnover	-720	Green	Transfer funding for 20 purchased step down beds (as people are discharged) to reduce care at home budget pressures. Agreed by Integrated Care Fund Core Group, 16/6/15. Assumes phased bed reduction completed by November.
6	Constrain new purchased Residential/ Nursing Home places to available budget	-800	Amber	Full year effect of 2014/15 overspend reduces budget available for new care home placements – some impact likely on delayed discharges
7	CEC share (8%) of £10m Scottish Government funding for National Care Home Contract fees increase	-801	Green	Scottish Government is paying funding to councils via Health Boards. Sum confirmed: awaiting payment.
8	Integration Transition Funding	-160	Amber	Share of one-off Scottish Government funding for Health and Social Care implementation planning
9	Procurement saving - Additional Monies from Intensive Housing Benefit	-400	Green	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
10	Additional procurement savings	-150	Green	Contract management savings
11	Reprovisioning of Silverlea Care home	-420	Green	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: on track.
12	Cease Carers payment	-200	Green	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.
13	Further procurement savings	-352	Green	Contract management savings

Ref	Mitigating Action	£'000	RAG status	Details
14	Equivalency model for supporting people at home	-250	Amber	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 further implementation planning currently underway. The HSCH Committee will be asked to make a decision in late 2015.
15	Revised practitioner guidance for new cases and reviews	-1,450	Red	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.
16	Review packages of care	-2,000	Red	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. This work is in two phases, one completed, the second underway).
17	Respite Policy - reduce annual maximum respite from 42 days to 35 days	-200	Red	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.
18	Care Home dependency levels	-200	Amber	Higher staffing levels required to meet higher dependency levels of individuals in care homes.
	<b>TOTAL</b>	<b>-11,348</b>		

Red	3,650
Amber	1,410
Green	6,288
	<b>11,348</b>

## Approved Budget Framework savings 2015/16 - assurance assessment

Appendix 4

Services	Total £000	RAG Status			Notes and/or actions
		Red £000	Amber £000	Green £000	
Children and Families	(14,075)	(700)	(390)	(12,985)	The majority of the current "red" status saving relates to a partial shortfall in increased budgeted income resulting from greater and more efficient community and other use of school facilities and is reflected as a pressure within the overall service monitoring. Risks around full delivery have also been identified for an element of the savings associated with the looked-after children transformation plan. A number of green savings are being achieved through substitutes and one-off solutions which will require long-term plans to allow them to be addressed on a sustainable basis.
Corporate Governance	(6,969)			(6,969)	The full value of the service's approved savings is projected to be delivered during the year.
Economic Development	(869)			(869)	The full value of the service's approved savings is projected to be delivered during the year.
Health and Social Care	(7,515)	(704)	(641)	(6,170)	A number of green savings are being achieved through substitutes and one-off solutions. Management actions are being taken to progress delivery of red and amber savings (most of which relate to organisational review-dependent, or other workforce control-related, savings) or identify alternative options.
Services for Communities	(10,475)	(2,182)	(1,901)	(6,392)	Red status savings, the majority of which relate to the Corporate Property functions, are incorporated in pressures in monitoring. There are some delays in progressing savings options and ongoing negotiations with staff on deliverability. Mitigating actions have been developed to manage the red status savings on a one-off basis.
<b>Total</b>	<b>(39,903)</b>	<b>(3,586)</b>	<b>(2,932)</b>	<b>(33,385)</b>	
		<b>9.0%</b>	<b>7.3%</b>	<b>83.7%</b>	

## Savings and mitigating actions to offset Health and Social Care pressures

Transitional corporate funding	Total £000	Red £000	Amber £000	Green £000
Children and Families	(2,025)			(2,025)
Corporate Governance	(995)			(995)
Economic Development	(250)			(250)
Services for Communities	(1,650)			(1,650)
Corporate funding	(4,865)			(4,865)
<b>Total</b>	<b>(9,785)</b>			<b>(9,785)</b>

# Finance and Resources Committee

10.00am, Thursday, 29 October 2015

## Capital Monitoring 2015/16 – Half year position

<b>Item number</b>	7.4
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive summary

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The month five position shows that the Council is projecting to borrow £28.598m and will be in receipt of grants and capital income amounting to £119.439m. Together this will fund projected capital investment of £148.037m. The level of borrowing is projected to be £6.014m less than budget based on both a net surplus in capital receipts / grant income and net slippage on gross expenditure. Current projections suggest that over the five-year period of the 2015-2020 Capital Investment Programme, sale of general assets will generate additional income of £7.9m over and above that previously budgeted for. The net surplus in capital receipts / grant income projected this year reflects additional income that counts towards this.

### Links

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<b>Coalition pledges</b>	P3; P8; P30; P31; P33; P42
<b>Council outcomes</b>	CO1; CO16; CO20; CO23; CO25
<b>Single Outcome Agreement</b>	SO3; SO4

## Capital Monitoring 2015/16 – Half year position

### Recommendations

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- 1.1 Members of the Finance and Resources Committee are requested to:
- 1.1.1 Note the projected capital outturn positions on the General Fund and HRA at month five;
  - 1.1.2 Note the additional requirement of £0.2m as part of the Council contribution to the National Performance Centre for Sport and that this has been contained within existing resources within the Capital Programme;
  - 1.1.3 Note the prudential indicators at month five;
  - 1.1.4 Note that the Acting Director of Services for Communities is closely monitoring the capital receipts position; and
  - 1.1.5 Refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

### Background

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- 2.1 This report sets out the overall position of the Council's capital budget at the half year position (based on month five data) and the projected outturn for the year.

### Main report

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- 3.1 The position at month five is summarised in the table below, while further details can be seen in Appendix 1.

	<b>Outturn Variance at Month Five £000</b>	<b>Outturn Variance at Month Three £000</b>	<b>Movement from Month Three £000</b>
Net (slippage) / acceleration in gross expenditure	(5,904)	0	(5,904)
Net (surplus) / deficit in capital receipts / grant income	(110)	(328)	218
<b>Net increase / (decrease) in borrowing requirement</b>	<b>(6,014)</b>	<b>(328)</b>	<b>(5,686)</b>

- 3.2 As presented in the table at 3.1 above, the month five position reports £5.904m of slippage in gross expenditure, compared to a balanced position at month three. At month three, capital receipts were expected to exceed the budgeted level by £0.328m. This excess has now decreased to £0.110m at month five. The net effect of the variances projected at month five is a reduction of £6.014m in the amount that the Council requires to borrow corporately to support its capital programme relative to budgeted assumptions.
- 3.3 Explanations for significant slippage and accelerations projected at month five are presented in appendix 2. The net slippage on gross expenditure projected at month five represents a variance against budget of 3.84% and in the majority, relates to slippage caused by unforeseen delays that have occurred since re-profiling and aligning the revised budget. In the main, the factors have largely been uncontrollable and unforeseen and have occurred over the last month. These include delays caused by a change in procurement route on the early learning and childcare estate improvements project and the loss at short notice of internal resources to carry out the design stage of certain transport infrastructure projects. Transport is currently in the process of recruiting replacement design staff with the aim of having them in post by mid November bringing potential to put certain projects back on track.
- 3.4 As the economic outlook continues to improve, the construction industry has regained momentum meaning the demand for skilled and specialist staff has increased. As a result, the capital programme is being affected by the impact of in-house design and project management resources leaving Council employment to move to roles within other sectors, often at short notice. The increased demand within a small pool of qualified and skilled personnel, combined with lower average salaries, means the Council is losing skilled in-house resources to other sectors and is unable to quickly replace them with that of a suitable calibre. In some areas of the programme this is impacting both in year delivery and the planning / design phases of next year's planned work schedule.
- 3.5 Members are reminded that the nature of capital projects means that in any given year, variance against budget will occur due to delays or unforeseen circumstances out with the control of the Council, like those described in 3.3 above. In the previous two financial years, the impact of this type of slippage has been minimised as much as possible through acceleration / better than originally anticipated progress elsewhere in the programme. The ability to accelerate projects is dependent on the ability to make these 'shovel-ready' at short notice. It should be noted that every effort will be made to accelerate suitable projects to minimise in year slippage but that the ability to do this will likely be limited due to the factors set out in 3.4 above.

## **National Performance Centre for Sport Update**

- 3.6 On 30 May 2013, Council approved in principle, a contribution of up to £2.5m towards the overall costs of the National Performance Centre for Sport (NPCS), a world class standard sports facility providing specialist services. At the time of approving this, the total cost of the project was estimated to be £30m, with funding of £25m being made available from the Scottish Government alongside Heriot-Watt University and the Council agreeing to fund the £5m gap, equally split between the two organisations.
- 3.7 Since this approval was given, the Guaranteed Maximum Price of the capital construction costs have increased and all three partners are now required to increase their share of contribution by an equal percentage on the pro-rata basis. Therefore the contribution now required to be made by the Council is £2.7m. Currently the project is progressing well and is forecast to be delivered on time and on budget.
- 3.8 The revised Capital Investment Programme (CIP) 2015-2020 was reported to Finance and Resources Committee on 27 August 2015. As part of a realignment and re-phasing exercise, Corporate Governance utilised a contingency budget to earmark the additional £0.2m of funding required for the NPCS in 2016/17. Through this realignment, the additional funding required has been met and contained within existing resources.
- 3.9 As the Council cannot contribute capital to an asset that it does not own, the Council's overall contribution will be paid through revenue. The additional £0.2m will be transferred from capital to revenue through utilisation of the Capital Fund mechanism.

## **Capital receipts/grant income**

- 3.10 A review of capital receipts from asset sales undertaken by Corporate Property and Finance estimates that net receipts of £12.962m will be realised in 2015/16, compared to a budget of £12.852m resulting in a receipts surplus of £0.110m. The decrease from the month three position relates to revised settlement dates for some receipts including those for Oxfangs Path and Newtoft Street.
- 3.11 A budget update report presented to Finance and Resources Committee on 24 September 2015 noted potential additional capital receipt income of £7.9m (of which this year's net surplus forms a part) that may be realised over the period of 2015/20 Capital Programme and the proposal that this be split equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing additional capital investment for priority areas.

## **Prudential Indicators**

- 3.12 The prudential indicator monitoring at month five is shown in Appendix 3.

## **Housing Revenue Account (HRA)**

- 3.13 The Housing Revenue Account is forecasting slippage in gross expenditure of £5.411m at month five (balanced position at month three) as shown in Appendix 4. At month five, the forecast is gross expenditure of £43.419m (£48.830m at month three), capital receipts / grant income of £15.396m (£17.562m at month three) and borrowing of £28.023m (£31.268m at month three).
- 3.14 At period three, potential risks that could affect delivery and result in slippage being reported as the financial year progresses were identified and these have been detailed again in 6.4 of this report. The projected slippage at period 5 is based on an assessment of the various risks identified and their impact on in-year delivery. The main areas of the programme affected are those relating to External Fabric works in both high and low rise blocks and Neighbourhood Environmental partnership improvements.

## **Measures of success**

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- 4.1 Completion of capital projects as budgeted for in the 2015/16 capital programme.
- 4.2 Identifying slippage at the earliest opportunity and accelerating projects where possible to ensure best use of available resources.

## **Financial impact**

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- 5.1 The projected 2015/16 general fund outturn outlines capital borrowing of £28.598m. The overall loan charges associated with this borrowing over a 20 year period would be a principal amount of £28.598m, interest of £18.617m, resulting in a total cost of £47.215m based on a loans fund interest rate of 5.1%. The loan charges will be interest only in the first year, at a cost of £0.735m, followed by an annual cost of £2.324m for 20 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 5.2 The loan charge costs outlined above will be met from this year's revenue budget for loan charges.

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

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- 6.1 Significant budget virements have complied with relevant financial rules and regulations.
- 6.2 Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.



- 6.3 Monitoring of major capital projects including risk assessment is carried out by the Council's Corporate Programmes Office (CPO).
- 6.4 Over 80% of the 2015/16 core HRA capital investment programme will be delivered through the new Housing Asset Management Framework. This presents significant risks to delivery:
- With over 80% of the programme being tendered in the second half of the financial year, this will reduce the time available to maximise delivery.
  - The Council will not have previous experience of the new contractors on the Framework and as such, there may be capacity or mobilisation issues for contractors given the reduced timeline for delivery.
  - With the majority of the programme starting in the second half of the financial year, there is a risk that delivery of external fabric work streams could be adversely affected by inclement weather over the winter period.

## Equalities impact

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- 7.1 The Council's capital expenditure contributes to the delivery of the public sector equality duty to advance equality of opportunity and foster good relations e.g. enhancement works related to the Disability Discrimination Act, works on Children and Families establishments and capital expenditure on Council housing stock.
- 7.2 There is little contribution with regard to capital expenditure and the duty to eliminate unlawful discrimination, harassment or victimisation.

## Sustainability impact

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- 8.1 The impacts of the projects set out within the appendices 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. Relevant Council sustainable development policies have been taken into account.
- 8.2 The proposals in this report will help achieve a sustainable Edinburgh because they are ensuring funding for key strategic projects that will enhance facilities and infrastructure in the city. A carbon impact assessment shall be carried out on each new project to achieve the most sustainable outcome for the city in each case.
- 8.3 The proposals in this report will increase the city's resilience to climate change impacts because they are securing funding for flood prevention projects.

## Consultation and engagement

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- 9.1 Consultation on the budget will be undertaken as part of the budget process.

## Background reading/external references

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[Capital Monitoring 2015/16 – Month three position](#), Finance and Resources Committee, 27 August 2015

[Capital Monitoring 2014/15 – Outturn and Receipts](#), Finance and Resources Committee, 27 August 2015

[Edinburgh Bid by Heriot-Watt University to host the National Performance Centre for Sport](#), City of Edinburgh Council, 30 May 2013

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## Links

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<b>Coalition pledges</b>	<p>P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P30 – Continue to maintain a sound financial position including long-term financial planning</p> <p>P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure</p> <p>P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used</p> <p>P42 – Continue to support and invest in our sporting infrastructure</p>
<b>Council outcomes</b>	<p>CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed</p> <p>CO16 – Edinburgh draws new investment in development and regeneration</p> <p>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 future of citizens</p> <p>CO23 – Well-Engaged and Well-Informed – Communities and</p>

individuals are empowered and supported to improve local outcomes and foster a sense of community

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

**Single Outcome Agreement**

SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential

SO4 - Edinburgh's communities are safer and have improved physical and social fabric

**Appendices**

1 – Capital Monitoring 2015/16 – General Fund

2 – Slippage / Acceleration on capital projects 2015/16

3 – Prudential Indicators 2015/16

4 – Capital Monitoring 2015/16 - HRA

## Capital Monitoring 2015/16

### General Fund Summary

#### Period 5

Expenditure	Revised Budget £000	Adjusts £000	Total Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance £000 %	
Children and Families	57,995	-	57,995	17,399	52,724	(5,271)	-9.09%
Economic Development	52	-	52	-	52	-	0.00%
Corporate Governance	2,350	327	2,677	616	2,677	-	0.00%
Council Wide / Corporate Projects	-	178	178	178	178	-	0.00%
Health and Social Care	5,598	-	5,598	2,002	6,607	1,009	18.02%
Services for Communities	73,097	1,084	74,181	21,525	72,539	(1,642)	-2.21%
Services for Communities-Asset Management	13,260	-	13,260	4,349	13,260	-	0.00%
<b>Total Gross Expenditure</b>	<b>152,352</b>	<b>1,589</b>	<b>153,941</b>	<b>46,069</b>	<b>148,037</b>	<b>(5,904)</b>	<b>-3.84%</b>

#### Resources

<i>Capital Receipts</i>							
General Services	10,952	-	10,952	1,328	11,231	279	2.55%
Capital Receipts in lieu of prudential borrowing	-	850	850	-	850	-	n/a
Ringfenced Asset Sales to be provided as part of carryforward	-	-	-	81	81	81	n/a
Asset Sales to reduce Corporate borrowing	1,900	(850)	1,050	312	1,050	-	n/a
Less Fees Relating to Receipts	-	-	-	(43)	(250)	(250)	
<i>Total Capital Receipts from Asset Sales</i>	<i>12,852</i>	<i>-</i>	<i>12,852</i>	<i>1,678</i>	<i>12,962</i>	<i>110</i>	<i>0.86%</i>
Developer and other Contributions	14,663	1,272	15,935	3,078	15,935	-	0.00%
Capital Grants Unapplied Account drawdown	689	-	689	689	689	-	n/a
<i>Total Capital Receipts</i>	<i>28,204</i>	<i>1,272</i>	<i>29,476</i>	<i>5,445</i>	<i>29,586</i>	<i>110</i>	<i>0.37%</i>
<i>Grants</i>							
Scottish Government General Capital Grant	57,461	-	57,461	23,942	57,461	-	0.00%
Cycling, Walking and Safer Streets	729	-	729	-	729	-	0.00%
Management Development Funding	31,663	-	31,663	3,849	31,663	-	0.00%
<i>Total Grants</i>	<i>89,853</i>	<i>-</i>	<i>89,853</i>	<i>27,791</i>	<i>89,853</i>	<i>-</i>	<i>0.00%</i>
<b>Total Resources</b>	<b>118,057</b>	<b>1,272</b>	<b>119,329</b>	<b>33,236</b>	<b>119,439</b>	<b>110</b>	<b>0.09%</b>

<b>Balance to be funded through borrowing</b>	<b>34,295</b>	<b>317</b>	<b>34,612</b>		<b>28,598</b>	<b>(6,014)</b>	<b>-17.38%</b>
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**CAPITAL MONITORING 2015/2016 - Period 5****Slippage and Acceleration on Projects**

Slippage on projects is shown as a negative value, while acceleration or overspends are shown as positive values.

**Key to variance category***Type*

1. Slippage due to unforeseen delays

2. Slippage due to optimistic budget

3. Slippage due to timing of payments

4. Acceleration on a project

*Explanation*

Slippage that has occurred due to unforeseen circumstances or delays that for the most part, are out with the Council's control.

Slippage that has occurred due to optimism bias when budget was set. Issues include projecting spend on block budgets when a programme of works has not been considered or designed, not applying a discount factor for adverse weather / risk issues, providing for too much contingency and predicting an optimistic works timetable.

Slippage that has occurred where a project is on time and schedule but is as a result of the timing of cash flows.

Represents accelerated spend on a project i.e. due to better than anticipated progress.

Note that a project will exhibit an element of all of the above but the over riding reason has been considered when applying a variance category.

	Period 5 £000	Period 3 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<b>Children and Families</b>					
Early learning and childcare estate improvements	-4,024	0	-4,024	Now being delivered through the traditional procurement route following protracted difficulties in agreeing an affordable total cost package with the originally envisaged procurement method. The time this has taken has created delays on programme delivery.	1
Upgrade kitchens - free school meals initiative	-845	0	-845	Delays caused by protracted dialogue with external project manager to agree the affordability cap of individual projects.	1
Portobello High School	-458	0	-458	Based on revised cash flow projection but forecast to be delivered by original timescales.	3
Fees relating to the cost of sale of assets	56	0	56	Acceleration of spend to be met from future receipts.	4
<b>Total Children and Families</b>	<b>-5,271</b>	<b>0</b>	<b>-5,271</b>		

	Period 5 £000	Period 3 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<b><u>Health and Social Care</u></b>					
New Royston care home	1,000	0	1,000	Revised cash flow projection based on better than anticipated progress on site.	4
Fees relating to the cost of sale of assets	9		9	Acceleration of spend to be met from future receipts.	4
<b>Total Health and Social Care</b>	<b>1,009</b>	<b>0</b>	<b>1,009</b>		
<b><u>Services for Communities</u></b>					
Carriageway/footways enhancement and other transport projects	-1,138	0	-1,138	Due to the loss of four members of staff within the in-house design team at short notice. This is having an impact on getting smaller capital projects to the 'shovel ready' stage. Aim is to recruit new staff by November but likely to still impact on in year delivery.	1
Mortonhall cremator replacement	-365	0	-365	Cremator replacement now to be packaged with roof enhancement project which has made procurement process more complicated and time consuming than originally envisaged creating delay. Packaging together will allow economies of scale and ensure works can be carried out in parallel with more ease.	1
Net (slippage) / acceleration on other projects	-139	0	-139	Based on revised cash flow projection.	2
<b>Total Services for Communities</b>	<b>-1,642</b>	<b>0</b>	<b>-1,642</b>		
<b>Total for all Services</b>	<b>-5,904</b>	<b>0</b>	<b>-5,904</b>		
<b>Summary of Variance Category</b>					
1. Slippage due to unforeseen delays	-6,372	0	-6,372		
2. Slippage due to optimistic budget	-139	0	-139		
3. Slippage due to timing of payments	-458	0	-458		
4. Acceleration on a project	1,065	0	1,065		
	<b>-5,904</b>	<b>0</b>	<b>-5,904</b>		

**PRUDENTIAL INDICATORS 2015/16 - Period 5****Indicator 1 - Estimate of Capital Expenditure**

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
Children & Families	15,843	16,903	68,556	52,724	31,060	49,897	15,543	15,731	4,531	6,940	0	660
Corporate Governance	5,885	7,582	3,895	2,677	2,089	4,794	165	165	165	165	165	165
Economic Development	52	0	0	52	0	0	0	0	0	0	0	0
Health & Social Care	4,646	4,616	7,171	6,607	1,514	3,770	114	114	0	0	0	0
Services for Communities	79,854	85,260	82,358	72,539	68,586	87,627	47,979	47,981	21,361	21,363	17,835	17,835
SfC - Asset Management Programme	14,191	18,657	22,545	13,260	13,657	24,750	14,000	10,929	14,000	8,436	14,000	19,173
Other Capital Projects	797	1,049	0	178	0	0	0	0	0	0	0	0
Trams	5,385	5,246	0	0	0	0	0	0	0	0	0	0
Unallocated funding	0	0	13,319	0	0	0	0	0	0	0	9,000	9,000
Total General Services	126,653	139,313	197,844	148,037	116,906	170,838	77,801	74,920	40,057	36,904	41,000	46,833
Housing Revenue Account	34,135	37,308	49,830	43,419	48,693	48,693	51,485	51,485	44,375	44,375	40,347	40,347
Total	160,788	176,621	247,674	191,456	165,599	219,531	129,286	126,405	84,432	81,279	81,347	87,180

The 'estimate' figures relate to those reported in the prudential indicators as part of the budget motion in February 2015. Differences between these and the 'forecast' figures relate to further realignment and rephasing that has taken place as part of the revised budget process.

**Indicator 2 - Ratio of Financing Costs to Net Revenue Stream**

	2014/15 Estimate %	2014/15 Actual %	2015/16 Estimate %	2015/16 Forecast %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Services	12.11	11.63	12.56	12.02	12.42	12.29	N/A	N/A
Housing Revenue Account	37.30	33.97	39.61	35.55	41.51	43.05	44.49	45.16

Forecast and estimates include the financing cost relating to the Trams project.

Figures for 2016/17 onwards are indicative as neither the Council nor HRA has set a budget for these years. The figures for General Services are based on the budget framework to the end of the term of the Capital Coalition and so figures for 2018/19 and 2019/20 have been excluded.

**Indicator 3 - Capital Financing Requirement**

	2014/15 Estimate £000	2014/15 Actual £000	2015/16 Estimate £000	2015/16 Forecast £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000
General Services (including finance leases)	1,305,992	1,357,972	1,378,274	1,315,932	1,356,927	1,345,573	1,308,749	1,292,994	1,231,180	1,210,765	1,154,804	1,139,462
Housing Revenue Account	372,390	368,053	386,158	377,383	395,556	386,781	404,181	395,406	409,558	404,013	413,587	414,804
Total	<u>1,678,382</u>	<u>1,726,025</u>	<u>1,764,432</u>	<u>1,693,315</u>	<u>1,752,483</u>	<u>1,732,354</u>	<u>1,712,930</u>	<u>1,688,400</u>	<u>1,640,738</u>	<u>1,614,778</u>	<u>1,568,391</u>	<u>1,554,266</u>

Forecasts include the capital financing requirement relating to PPP assets and Trams project

**Indicator 4 - Authorised Limit for External Debt**

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,579,785	1,579,785	1,636,773	1,636,773	1,636,477	1,636,477	1,607,353	1,607,353	1,541,678	1,541,678
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	<u>1,770,619</u>	<u>1,806,374</u>	<u>1,818,289</u>	<u>1,852,550</u>	<u>1,809,148</u>	<u>1,841,889</u>	<u>1,772,077</u>	<u>1,803,311</u>	<u>1,698,959</u>	<u>1,729,433</u>

Other Long-Term Liabilities includes finance lease repayments for PPP assets

**Indicator 5 - Operational Boundary for External Debt**

	2015/16 Estimate £000	2015/16 Rev Est £000	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000
Borrowing	1,558,752	1,558,752	1,611,363	1,611,363	1,609,881	1,609,881	1,579,955	1,579,955	1,514,969	1,514,969
Other Long-Term Liabilities	190,834	226,589	181,516	215,777	172,671	205,412	164,724	195,958	157,281	187,755
Total	<u>1,749,586</u>	<u>1,785,341</u>	<u>1,792,879</u>	<u>1,827,140</u>	<u>1,782,552</u>	<u>1,815,293</u>	<u>1,744,679</u>	<u>1,775,913</u>	<u>1,672,250</u>	<u>1,702,724</u>

Other Long-Term Liabilities includes finance lease repayments for PPP assets



**Indicator 6 - Impact on Council Tax and House Rents**

	<b>2015/16</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
for the band "D" Council Tax	0.29	-7.01	4.14	-13.79	10.19	6.56	N/A	N/A	N/A	N/A
for the average weekly housing rents	0.21	0.02	0.69	0.07	0.52	-0.10	-0.05	-0.60	0.52	0.27

In calculating the incremental impact of capital investment decisions on the band "D" Council Tax, investment decisions relating to National Housing Trust Phases have been omitted. As agreed with the Scottish Government, the borrowing and associated interest costs related to this expenditure are directly rechargeable to developers at agreed periods in the future. As such, there is no cost to the Council in relation to this element of borrowing and therefore it has been omitted in calculating the incremental impact of capital investment decisions.

The changes between the forecast and the original estimate reflect the realignment of the Capital Investment Programme reported to Finance and Resources Committee in August 2015.

**CAPITAL MONITORING 2015/16****Housing Revenue Account Summary****Period 5**

	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance	
				£000	%
Gross Expenditure	48,830	10,482	43,419	-5,411	-11.1%
Total Gross Expenditure	48,830	10,482	43,419	-5,411	-11.1%

<b>Resources</b>					
Capital Receipts	-6,112	292	-3,864	2,248	-36.8%
Developers and Other Contributions	-7,670	-2,731	-7,663	7	-0.1%
Specific Capital Grant	-3,780	-1,308	-3,869	-89	2.4%
Total Resources	-17,562	-3,747	-15,396	2,166	-12.3%

<b>Borrowing</b>					
Borrowing	31,268	6,735	28,023	-3,245	-10.4%
Total	31,268	6,735	28,023	-3,245	-10.4%

# Finance and Resources Committee

10.00a.m., Thursday, 29 October 2015

## Corporate Governance Revenue Budget Monitoring 2015/16 and Capital Investment Programme - Month Five Position

Item number	7.5
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report provides updated information on the Corporate Governance revenue budget performance for 2015/16, based on actual expenditure and income to the end of August 2015 and expenditure and income projections for the remainder of the financial year.

The report advises of a balanced year-end projection for the Corporate Governance revenue budget for 2015/16. This position is achieved after transfer of £0.995m of budget provision to offset pressures in the Health and Social Care revenue budget. The attainment of this position is subject to on-going management of service-specific risks and pressures.

### Links

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

## Corporate Governance - Revenue Budget Monitoring 2015/16 and Capital Investment Programme - Month Five position

### Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes:
  - 1.1.1 Corporate Governance service is currently projecting expenditure within the approved revenue budget for 2015/16;
  - 1.1.2 the risks to the achievement of a balanced revenue budget projection; and
  - 1.1.3 expenditure on the Corporate Governance Capital Investment Programme is projected to be in line with budget.

### Background

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- 2.1 The Council's Financial Regulations require submission of quarterly monitoring reports on Corporate Governance service financial performance to the Finance and Resources Committee.
- 2.2 This report advises on the projected outturn for the Corporate Governance revenue budget for 2015/16 after five months of the financial year. A projection is also provided for the Corporate Governance Capital Investment Programme.

### Main report

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#### Month Five Position

- 3.1 The Corporate Governance net revenue budget for 2015/16 is £74.6 million. This requires achievement of approved savings of £6.969 million.
- 3.2 The period five projection reflects expenditure within approved budget. This is stated after achievement of favourable variances of £0.995 million, which have been transferred to contribute towards mitigation of Health and Social Care budget pressures.
- 3.3 An analysis of the projection by service area is provided in Appendix 1. One-off and accelerated savings proposals of £0.995 million approved by Council on 17 September 2015 to meet Health and Social Care budget pressures were:
  - increased income recoveries (2015/16 only) – Culture and Sport - halls, museums and venues £0.1 million;
  - controls over discretionary expenditure (2015/16 only) - £0.345 million;

- one-off savings in cost of benefits (2015/16 only) - £0.1 million;
- inflation provision indexation (2015/16 only) - £0.050 million;
- acceleration of planned savings from 2016/17 to 2015/16 - £0.2 million; and
- favourable variance on service contingency (2015/16 only) - £0.2 million.

### **Savings Implementation Plans**

- 3.4 The revenue budget approved by Council on 12 February 2015 requires Corporate Governance to achieve incremental savings of £6.969 million in 2015/16. These are detailed in Appendix 2.
- 3.5 The Savings Plan has been updated to reflect the additional savings of £0.995million approved by Council on 17 September 2015, as referred to at paragraph 3.3.
- 3.6 Savings implementation plans have been developed and revenue budget monitoring reports are considered by Corporate Governance Management Team on a regular basis.
- 3.7 Savings and additional income targets are forecast to be fully achieved in 2015/16 and are therefore classified as 'green'. Savings of £0.200 million from acceleration of the Transformation Programme Business and Support Services are included within this classification, following Finance and Resources Committee approval of the report [2016/20 revenue and capital budget framework](#) on 24 September 2015 to authorise Executive Directors to take forward detailed planning and development of 2016/20 savings proposals (recommendation 1.1.5).

### **Risks**

- 3.8 There remain a number of risks in the Corporate Governance revenue budget. Key risks are:
- Demand for payment of Discretionary Housing Payment (DHP) exceeding available resources. At this stage in the financial year, there is sufficient evidence to indicate this risk is reducing. To mitigate this risk, payment thresholds will continue to be monitored and will be reviewed, if required;
  - Cost of supernumerary staff within Human Resources and Organisational Development. The Council's policies on redeployment and voluntary severance are being utilised to mitigate this risk;
  - Risk of under-recovery of Council Tax and Non-Domestic Rates intervention income. Income will continue to be monitored for the remainder of the year. It should be noted that the level of income achievable is not fully known with certainty until the year end;
  - Risk of savings not being fully achieved. Progress towards the achievement of all savings targets will continue to be tracked and reported to Corporate Governance Management Team. Alternative

savings measures will be developed, where a risk emerges as to the achievement of existing savings proposals.

### **Contingency Planning**

- 3.9 Following partial use of service contingency to offset Health and Social Care budget pressures of £0.2 million and to fund additional Health and Safety staff costs of £0.1million, a service contingency of £0.2 million is available to mitigate service financial risks for the remainder of 2015/16.

### **Capital**

- 3.10 Corporate Governance service has a capital investment programme of £2.7million in 2015/16. This is projected to be fully spent in line with the approved budget. The capital investment programme has increased by £0.3million since the Month Two position reported to Finance and Resources Committee, following confirmation of funding of £0.3 million from the Scottish Government for the Connected Capital project. The main projects are:
- Customer Services ICT Investment/Transformation (£1.8 million);
  - Pavilion, pitches and sports facilities (£0.3 million);
  - Connected Capital (£0.3 million);
  - Edinburgh Leisure – investment in sports facilities (£0.2 million);
  - City Observatory-Calton Hill/Collective Gallery project (£0.1 million). On 24 September 2015, Heritage Lottery Fund announced funding of £1.3million towards the cost of this project. It is anticipated that construction costs will occur in 2016/17.

## **Measures of success**

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- 4.1 Corporate Governance final outturn for 2015/16 is within budgeted levels and the service meets performance targets.

## **Financial impact**

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- 5.1 The report projects Corporate Governance expenditure and income will be within approved budget, after achievement of a favourable variance of £0.995 million to contribute towards Health and Social Care budget pressures. Attainment of this position is subject to active management of financial risks and, where appropriate, the taking of timely remedial action.

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

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- 6.1 The delivery of expenditure within the approved revenue budget for 2015/16 is the key target. The risk of budget pressures arising throughout the course of the

financial year will continue to be regularly monitored and reviewed and management action is taken as appropriate.

## Equalities impact

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- 7.1 While there is no direct additional impact of the report's contents, all budget proposals are subject to an initial Equalities and Rights Impact Assessment.

## Sustainability impact

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

## Consultation and engagement

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- 9.1 There is no external consultation and engagement arising directly from this report. The Council undertook a budget engagement exercise when developing the 2015/16 revenue budget.

## Background reading/external references

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[Corporate Governance Revenue Budget Monitoring 2015/16 and Capital Investment Programme – Month Two Position – report to Finance and Resources Committee 17 August 2015](#)

2016/20 revenue and capital budget framework - report to Finance and Resources Committee 24 September 2015

### **Alastair D Maclean**

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## Links

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<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>	
<b>Appendices</b>	Appendix 1 - Revenue Budget Monitoring 2015/16 - Month Five

position - Forecast Revenue Outturn by Service Area.  
Appendix 2 - Corporate Governance - Approved Revenue  
Budget Savings 2015/16.



# Appendix 1

## Corporate Governance

### Revenue Budget Monitoring 2015/16

#### Month Five position

#### Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Corporate Programme Office	234	250	16	Adv
Human Resources and Organisational Development	5,922	5,922	0	-
Culture and Sport	19,258	19,258	0	-
Finance	6,932	6,932	0	-
Legal Risk and Compliance	3,124	3,124	0	-
Communications	1,819	1,803	(16)	Fav
Customer Services	36,260	36,260	0	-
Directorate / Chief Executive	1,434	1,434	0	-
Service wide controls on discretionary expenditure	(345)	(345)	0	-
Contingency	200	200	0	-
Transformational Programme savings	(200)	(200)	0	-
<b>Total Net Expenditure</b>	<b>74,638</b>	<b>74,638</b>	<b>0</b>	<b>-</b>

# Appendix 2

## Corporate Governance

### Approved Revenue Budget Savings 2015/16

Service	Saving Description	2015/16 £ million	Red/Amber/Green assessment
Communications	Development of merchandising.	0.025	
Communications	Contract Reviews - reduction in news management and media monitoring services	0.003	
Corporate Programme Office	Corporate Programme Office – funding to be achieved from support provided to projects.	0.225	
Culture and Sport	Reduction in Service Payment - Edinburgh Leisure.	0.500	
Culture and Sport	Reduction in Events Partnership funding.	0.190	
Culture and Sport	Reduction in Activity budget.	0.025	
Culture and Sport	Staff savings/vacancy management.	0.016	
Culture and Sport	Policy and Planning - vacancy management.	0.045	
Culture and Sport	Public Safety - vacancy management.	0.015	
Culture and Sport	Implement recharges for Licensing for non-houses of multiple occupancy.	0.056	
Culture and Sport	Rates - vacant property (Leith Waterworld) - property transfer concluded.	0.100	
Culture and Sport	Cessation of approved investment to undertake a review of sports facilities and services currently managed by Edinburgh Leisure and the Council.	0.050	
Culture and Sport	Additional Income from the Assembly Rooms, Usher Hall and Museums.	0.184	
Culture and Sport	Public Safety - additional external income.	0.010	
Culture and Sport	Increased income recoveries (2015/16 only) – Culture and Sport - halls, museums and venues	0.100	
Customer Services	Staffing reductions in Non Domestic Rates, Council Tax debt recovery and Banking	0.200	
Customer Services	ICT Transformation - Core ICT team workforce management, to include reduction in agency staff and vacancy management.	0.075	
Customer Services	Customer Services Improvement Plan - staff savings, driven by maximising uptake of online services and through increased marketing activity.	0.375	
Customer Services	Sheriff Officer contract - new contract negotiated with reduced commission rates.	0.200	
Customer Services	Additional income - Council Tax Fraud Team.	0.050	
Customer Services	Revenues and Benefits, Contact Centre, Human Resource Service Centre / Payroll, ICT (Operations) and Print Services.	0.918	
Customer Services	Channel Shift.	0.128	
Customer Services	Contract Review – postages.	0.100	

# Appendix 2 (cont.)

## Corporate Governance

### Approved Revenue Budget Savings 2015/16

Service	Saving Description	2015/16 £ million	Red/Amber/Green assessment
Customer Services	Customer Services ICT Transformation.	0.150	
Customer Services	ICT contract inflation provision indexation (2015/16 only)	0.050	
Customer Services	Council Tax Reduction Scheme - re-alignment of expenditure to reflect current demand.	0.586	
Customer Services	Housing Benefits - re-alignment of expenditure to reflect current demand.	0.350	
Finance	Financial Services staff saving.	0.250	
Finance	Procurement Service staff saving.	0.050	
HR and Org Dev	Agency staff contract - negotiate supplier rebate.	0.090	
HR and Org Dev	Members' Services - staff saving.	0.100	
HR and Org Dev	Re-alignment of budgeted expenditure.	0.030	
Legal, Risk and Compliance	Legal Services staff saving and efficiencies.	0.350	
Legal Risk and Compliance	Governance Service staff saving.	0.050	
Legal, Risk and Compliance	Transfer former District Court to Corporate Property resource.	0.460	
Legal, Risk and Compliance	Governance Service: Records Centre - recharges to other local authorities.	0.050	
Legal, Risk and Compliance	Staffing reductions in Business Intelligence.	0.100	
Legal, Risk and Compliance	Re-align Risk Management service.	0.025	
Legal, Risk and Compliance	Cessation of time-limited investment in business intelligence, external relationships and community planning partnerships.	0.050	
Service-wide	Sharing of support staff	0.100	
Service-wide	Reduction in discretionary expenditure	0.390	
Service-wide	Procurement efficiency tariff	0.058	
Service-wide	Workforce savings	0.685	
Service-wide	Acceleration of Transformation Programme savings	0.200	
Service-wide	Application of service contingency	0.200	
	<b>TOTAL</b>	<b>7.964</b>	

# Finance and Resources Committee

10am Thursday, 29 October 2015

## Local Development Plan - Action Programme: Financial Assessment and Next Steps

Item number	7.6
Report number	
Executive/routine	
Wards	All

### Executive summary

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The LDP Action Programme is a statutory requirement of the development plan process. It sets out a list of actions, including infrastructure measures, needed to deliver the policies and proposals in the LDP. The Action Programme is a corporate document and is intended to be used as a mechanism to coordinate development proposals with the infrastructure and services needed to support them. It seeks to align the delivery of the LDP with corporate and national investment in infrastructure.

The purpose of this report is to update Committee on the financial implications of the infrastructure requirements of the Local Development Plan (LDP) Action Programme on future capital and revenue budgets. This report also provides details of the potential funding sources available to the Council to support this infrastructure and the alternative supplementary income streams to be investigated.

### Links

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Coalition pledges	P2, P4, P15, P17, P28, P30, P8
Council outcomes	CO7, CO16, CO18, CO19, CO22, CO23
Single Outcome Agreement	SO1, SO2, SO3, SO4

## Local Development Plan Action Programme: Financial Assessment and Next Steps

### Recommendations

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- 1.1 It is recommended that Committee:
- notes the current second proposed Action Programme (Appendix 1);
  - approves the conclusions of the LDP Action Programme Financial Assessment (Appendix 2);
  - agrees that updates will be provided as these become available and that consideration will be given to any funding pressure that arises from the LDP infrastructure requirements as part of the on-going budget process;
  - agrees the possible funding solutions that may be considered to deliver the infrastructure identified within the Action Programme;
  - agrees that the Council will engage with the Scottish Government in moving forward with alternative funding sources, and,
  - agrees the next steps.

### Background

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- 2.1 The second proposed Edinburgh Local Development Plan (LDP) sets out policies and proposals relating to the development and use of land. The policies within the LDP are used to determine planning applications and through its proposals, the LDP sets out how Edinburgh will develop over the next 5 to 10 years. The Council is required by law to produce an LDP and to make sure that the current LDP is up-to-date. The Council has prepared its proposed LDP which was submitted to the Directorate of Planning and Environmental Appeals (DPEA) for examination in June 2015.
- 2.2 Planning authorities are also required to prepare a statutory Action Programme to accompany their LDP. An Action Programme sets out the actions, including infrastructure measures, needed to deliver the policies and proposals in the Plan. The Action Programme is required to be submitted to Scottish Ministers for approval within 3 months of the adoption of the LDP, and kept up to date thereafter.

- 2.3 The Second Proposed Action Programme to accompany Edinburgh's LDP was approved by Planning Committee, on 19 June 2014. In approving the Second Proposed LDP the Planning Committee noted a requirement to have in place sufficient infrastructure to facilitate the level of housing development proposed in the LDP, and that the required infrastructure be identified and costed, with a budget provision identified through the Action Programme and a date for delivery identified.
- 2.4 In addition to the above statutory requirements set out above, it is intended the Action Programme for the Edinburgh LDP will be used to align the delivery of the LDP with both corporate and national investment in infrastructure. A corporate Action Programme Board and an Oversight Group has been established to deliver on this intention. The Oversight Group is chaired by the Chief Executive.
- 2.5 An updated Proposed Action Programme was reported to Planning Committee in May 2015. At this Committee it was agreed that because of the capital and revenue financial implications of the Action Programme to the Council, it should be reported annually for approval by the Finance and Resources Committee as well as by the Planning Committee, on a schedule which would align with the corporate budget setting process.
- 2.6 This report updates Committee on the work on the Action Programme to date, sets out the financial implications of the Action Programme to the Council, the proposed funding options and the next steps.

## Main report

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### Introduction

- 3.1 Edinburgh is a successful growing city. This growth has continued during a period of economic instability. It is driven by the city's assets which include its citizens, its centres of employment and learning, and its quality of life. This growth needs to be guided and shaped in order to maintain and promote these assets and to deliver the Council's objectives.
- 3.2 The Edinburgh Partnership Community Plan 2015-18 sets out the vision for the city. It highlights that the city's population is both changing and growing and that as a result significant investment in infrastructure will be needed to maintain economic growth and sustain the quality of life in the city. The LDP is the spatial expression of this aspect of the Community Plan. It guides growth to meet those aims. Its Action Programme sets out the actions needed to deliver that growth and infrastructure. The Action Programme is a vehicle to join up infrastructure investment and ensure that the full costs of growth and estimated and planned for.
- 3.3 The LDP aims to support both the growth of the city economy and to help increase the number, and improve the quality, of new homes being built. To

support this, the Plan also aims to help ensure that the citizens of Edinburgh can get around easily by sustainable transport modes to access jobs and services, look after and improve the environment for future generations in a changing climate and help create strong, sustainable and healthier communities.

- 3.4 To support these aims, the Second Proposed LDP identifies housing land allocations to accommodate 9,215 new residential units (flats and houses) to 2024 and a ‘windfall’ allowance of an additional 5200 units which have a high expectation of coming forward within the Plan period. The LDP also identifies economic growth areas at Edinburgh Park, the International Business Gateway, Edinburgh BioQuarter, the waterfront and the city centre. To support this development, the plan sets out green network proposals including new parks associated with housing development; and other new school, healthcare provisions, and transport proposals.
- 3.5 Where housing and economic proposals require infrastructure to support their delivery, ‘actions’ to mitigate this impact are set out in the Local Development Action Programme (current version, May 2015 Appendix 1). These actions include large junction improvements, new primary schools, and high school extensions.
- 3.6 In order to quantify the implications of the LDP Action Programme for the Council, including its impact on both future capital and revenue budgets, a Financial Assessment (Appendix 2) has been prepared. A summary of this assessment is set out below.

### Financial Assessment of the LDP Action Programme

- 3.7 The Financial Assessment of the LDP Action Programme (Appendix 2) sets out an assessment of the costs of the infrastructure requirements to support growth. The implications and consequent costs of these actions are summarised in the table below:

<b>Summary of capital costs associated with the delivery of LDP Actions</b>	
<b>Infrastructure Requirement</b>	<b>Cost</b>
Education (LDP Housing Sites – 9215 units)	£155,880,000
Education (Windfall Housing Sites – 5200 units)	£87,963,000
Transport (LDP Housing Sites)	£5,000,000
Transport (Windfall Housing Sites)	£2,600,000
Transport (Non-housing development)	£45,000,000
<b>TOTAL</b>	<b>£296,443,000</b>

- 3.8 The costs set out above are based on financial modelling work prepared by council officers. This modelling work takes the base capital costs of infrastructure, derived from cost metrics, and models these costs forward to the anticipated desired point of delivery to allow the real cost of infrastructure to be understood. This work allows both the council officers and relevant developers to establish both the full cost of infrastructure delivery and the risks associated with it. For the windfall housing sites, the average cost of education and transport infrastructure across the city has been extrapolated.
- 3.9 In addition to the capital costs above, the revenue costs associated with new schools have also been assessed. The annual cost increases gradually over the next few years starting from an estimated £216,288 in 2016/17, rising to £2,145,762 in 2018/19 up to the full recurring cost of £4,536,252 in 2021/22. This would be a future budget pressure.
- 3.10 There has been no budget provision made for any of these costs, capital or revenue at this point in time. However, as a means of identifying more cost effective ways of delivering infrastructure, funding of £905,000 was identified in the Council Budget 2015/16, to be used for feasibility studies required in relation to this project.

### **Sources of potential funding**

#### *Developer Contributions*

- 3.11 The Council has powers to ensure that development contributes to the infrastructure it requires through financial contributions. To ensure that developers understand their role in helping to meet the financial challenge of delivering infrastructure, a revised Developer Contributions and Affordable Housing Guideline was reported to the Planning Committee on 6 August 2015 for consultation purposes. It is expected that a finalised Guideline will be approved in December 2015.
- 3.12 The approach taken by the revised guidance is to maximise the potential income to the Council through developer contributions and to give the greatest degree of flexibility to the Council in how these contributions are used to deliver the infrastructure required. This is to be achieved through assessing the impact of development cumulatively, with contributions collected through Contribution Zones.
- 3.13 However, the planning authority's powers to collect developer contributions were not provided to ensure that they are protected from the cost of development. The powers are not absolute and there are risks associated with their use. Firstly, developer contributions need to meet the tests set out in Scottish Government Circular 3/2012 in that they meet a planning purpose, are necessary and proportionate. In particular, legal agreements that the Council uses to secure contributions can be appealed to the Scottish Ministers. Secondly, the level of



contribution sought could render development and therefore economic growth within Edinburgh unviable.

- 3.14 At the present time, based on the current financial assessment of actions arising out of the LDP set out above, the level of developer contributions which might be achieved is at a level of £10,000 a unit. For the 14,415 residential units (upper level and windfall) set out in the Plan this would result in developer contributions of £144,150,000, albeit this represents a step change from what has been achieved historically. This leaves a funding gap of around £107,293,000 from housing related development.
- 3.15 From the transport requirements of economic development in West Edinburgh, Appendix 2, para 6.2 states that there is expected to be a funding gap of £45,000,000. This projection is drawn from historical experience in negotiating contributions from major developments which suggests that contributions cover the tram or other infrastructure, but not both. It is likely that this development will contribute towards the tram, not other transport infrastructure. However, as economic conditions improve the financial feasibility of the contributions may change.
- 3.16 Based on the above it is estimated that net capital expenditure of £152,293,000 will be required to deliver necessary infrastructure to support housing growth in Edinburgh. This figure is based on estimated gross infrastructure costs of £296,443,000 and estimated S.75 developer contribution income of £144,150,000.

### *Borrowing*

- 3.17 For illustrative purposes, if the net capital expenditure projection highlighted of £152,293,000 were to be funded fully by borrowing, the overall loan charges over a 20 year period would be a principal amount of £152,293,000 and interest of £99,147,000. This would result in a total cost of £251,440,000 based on a loans fund interest rate of 5.1% resulting in annual loan charges of £12,572,000.
- 3.18 This demonstrates a likely level of funding pressure faced by the Council should infrastructure requirements be met. It should be noted that this assessment of revenue loan charge impact is based on the high level cost and does not take into account of the impact of the timing of spend or receipt of developer contributions. The estimated period of spend is over a 10 year timeframe and financial models need further development in order to calculate a more accurate assessment of borrowing costs based on the timing of income and levels of expenditure.
- 3.19 Although alternative supplementary income streams are being investigated to reduce the overall net cost to the Council, there will still likely be an overall large funding requirement falling to the Council as a result of infrastructure provision. With the exception of £0.9m provided in 2015/16 for early design works on likely transport and education infrastructure, no allowance has been provided for this

future pressure in the current capital programme or within the indicative five year capital plan 2019-2024.

- 3.20 Future updates will be provided as these become available and members will be asked to consider any funding pressure that arises from the LDP infrastructure requirements as part of the on-going budget process.

*Government Grant funding, Council Tax and Non-Domestic Rates*

- 3.21 As indicated in para 3.4 above, the LDP is estimated to give rise to significant additional net housing provision within the city. Given the underlying needs basis of the grant distribution system, other things being equal, the resulting rise in population would increase the city's share of available funding. It is important to emphasise, however, that there is not a one-for-one correlation between expenditure requirements and the level of grant funding made available. This is particularly relevant in the current financial climate as the combined impact of an increasing Scotland-wide population and real-term reductions in available grant funding is anticipated to result in a year-on-year decrease in the level of per capita grant funding support for at least the next five years.
- 3.22 An increase in the city's housing stock will also give rise to additional Council Tax income. The size of a local authority's tax base is, however, currently used by the Scottish Government to identify the element of its need to spend that can be funded through domestic taxation and thus any additional income generated would only be fully retained until the updating of that council's tax base as part of the following Finance Settlement.
- 3.23 Similarly, while any associated growth in the non-domestic tax base might give rise to additional income through the Business Rates Incentivisation Scheme (BRIS), this would only be retained, at the maximum, for the period until the next revaluation i.e. no longer than five years. As such, under current arrangements, neither additional Council Tax nor Non-Domestic Rates income would, in isolation, provide a sustainable means to support any additional medium- to long-term borrowing requirements falling on the Council.

**Alternative potential income / funding streams**

*Review of Scottish Planning Policy and Circular 3/2012*

- 3.24 Scottish Government Circular 3/2012 Planning Obligations requires a clear linkage between development and infrastructure impacts. However, both the Circular and Scottish Planning Policy allow for contributions to be taken towards the cumulative impact of more than one development to be taken, specifically where this impact is caused by growth.
- 3.25 Following the publication of Scottish Government research into planning and infrastructure in August 2015, it is expected that a review of the circular will take place to give greater certainty to local authorities which wish to use cumulative contributions, including those towards infrastructure which falls cross-boundary.

An amendment to the Circular to focus on the strategic impact of growth, rather than just the immediate locality, is supported.

#### *Scottish Government Guarantee / Infrastructure loans*

- 3.26 In order to de-risk and provide upfront capital funding for strategic infrastructure projects, the option of a Scottish Government guarantee scheme to underwrite borrowing has been identified. This will allow qualified projects to access bank or private finance for infrastructure investment. In addition, the option of a Scottish Government loan fund to provide initial seed funding for infrastructure projects has also been put forward.
- 3.27 This approach may help to de-risk the use of developer contributions and to maximise the levels achieved. The discussions should also explore what role the Scottish Government might take in underwriting/de-risking infrastructure delivery. It is recommended that the Council engages with the Scottish Government on any potential guarantee or loan scheme. For example, this could potentially include funding linked to the Land and Buildings Transaction Tax received when land and new residential and commercial buildings are first sold.

#### *Standard Development Charge*

- 3.28 Current legislation in Scotland does not allow for Council's to implement a standard development charge (or a development tariff) to pay for infrastructure delivery. However, with the move towards statutory action programming and infrastructure planning through local development plans, an amendment to policy and legislation is being considered.
- 3.29 This will allow a business case, outlining development, infrastructure and funding to be submitted to the Scottish Government, for approval. This would allow a local development plan or strategic development plan development tariff to be implemented. It is recommended that the Council engages with the Scottish Government on the appropriateness of using a standard development charge within Edinburgh.

#### *City Region Deal*

- 3.30 The six local authorities that make up the Edinburgh and South East Scotland City region are working collectively on a bid to the Scottish and Westminster Governments for a City Region Deal. The City Region Deal is a mechanism for accelerating growth and investing in success. Investing in infrastructure, skills and innovation will create a step change in economic performance, which will generate funds to pay back this initial investment. It is also about greater autonomy and decision making powers for the region to make public service delivery more effective and to tackle inequality and deprivation across the region. The ambition is to secure £1bn of funding and it is estimated that an additional £3.2bn worth of private sector investment could be leveraged if the bid is successful.

3.31 Whilst City Region Deal funding could provide funding for infrastructure projects required as part of the LDP, for example, transport projects that could accelerate economic growth, it is not a replacement for the Action Programme. Indeed City Region funding would not be able to fund many of the infrastructure actions identified, specifically those which are defined as social infrastructure, which includes schools.

### **Next Steps**

3.32 A detailed programme for the delivery of the Action Programme was agreed by the Programme Board and Oversight Group at their meetings in September 2015. This has been prepared in conjunction with the Corporate Programme Office. As part of this programme key dates and outputs are proposed:

- December 2015 – Finalised Guidance on Developer Contributions and Affordable Housing to be returned to Planning Committee following consultation for approval. This will set out the Council’s position in respect of developer contributions towards infrastructure.
- February 2016 – Expected publication of LDP examination report.
- May 2016 – Updated Action Programme to be reported to Planning Committee and Finance and Resources Committee and approved in preparation for the adoption of the LDP.
- May 2016 - Adoption of LDP expected.
- August 2016 – Submission of Action Programme to Scottish Ministers for approval.

### **Measures of success**

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- 4.1 That a robust governance arrangement that allows the cost of infrastructure that is needed for the city to grow is established.
- 4.2 That the development identified in the LDP is delivered providing housing and employment opportunities for the city.

### **Financial impact**

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- 5.1 The financial impact of delivering the LDP has been provided in this report. The on-going work on the Action Programme will continue to track this impact.
- 5.2 Although alternative supplementary income streams are being investigated to reduce the overall net cost to the Council (currently projected at £152,293,000 based on gross infrastructure costs of £296,443,000 against S.75 developer contribution income of £144,150,000), there will still likely be an overall large funding requirement falling to the Council as a result of infrastructure provision.

With the exception of £900,000 provided in 2015/16 for early design works on likely transport and education infrastructure, no allowance has been provided for this likely future pressure in the current capital programme or within the indicative five year capital plan 2019-2024.

- 5.3 In addition to the capital costs above, the revenue costs associated with new schools have also been assessed. The annual cost increases gradually over the next few years starting from an estimated £216,288 in 2016/17, rising to £2,145,762 in 2018/19 up to the full recurring cost of £4,536,252 in 2021/22.
- 5.4 Future updates of actions and costs will be provided as these become available, on a quarterly basis, once approved by the Action Programme Oversight Group. Members will be asked to consider any funding pressure that arises from the LDP infrastructure requirements as part of the on-going budget consultation process.

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

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- 6.1 The risks associated with this area of work are significant in terms of finance, reputation, and performance in relation to the statutory duties of the Council as Planning Authority, Roads Authority and Education Authority.
- 6.2 The proposed governance arrangements are designed to minimise all of these risks and ensure compliance. The Action Programme is included in the Council's risk register. Monitoring of progress and risk reporting will be through the Action Programme Board and the Oversight Group. This will provide a clear understanding of progress and whether or not the funding gap as identified, is being closed or not.

## **Equalities impact**

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- 7.1 No equalities or rights issues have been identified in relation to this report.

## **Sustainability impact**

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- 8.1 There are no direct sustainability impacts arising from this report although the ability of the Council to mitigate successfully the impacts arising from the growth of the city is critical to achieving sustainable development. The proposed governance arrangements are seen as a means of managing impact on sustainability.

## Consultation and engagement

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- 9.1 Consultation with the proposed memberships of both the Action Programme Board and the Oversight Group has been undertaken. No external consultation with external parties has been undertaken.

## Background reading/external references

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Corporate Policy and Strategy Committee Report: Local Development Plan – Aims and Delivery 4 December 2012

Planning Committee Report - Local Development Plan: Action Programme Update 2 October 2014

Planning Committee Report – Local Development Plan Action Programme Update – 14 May 2015

Planning Committee Report - Developer Contributions and Affordable Housing Guidance – update for consultation – 6 August 2015

Circular 3/2012 – Planning Obligations and Good Neighbour Agreements

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## Links

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<b>Coalition pledges</b>	<p>P2 - Hold the maximum P1 class size ratio at 25 and seek to reduce class sizes in line with Scottish Government recommendations</p> <p>P4 - Draw up a long term strategic plan to tackle both overcrowding and under use in schools</p> <p>P8 Make sure the city's people are well-housed, including encouraging developers to built residential communities, starting with brownfield sites</p> <p>P18 Complete the tram project in accordance with current plans</p> <p>P15 - Work with public organisations, private sector and social enterprise to promote Edinburgh to investors</p> <p>P17 - Continue efforts to develop the city's gap sites and encourage regeneration</p> <p>P28 - Further strengthen our links with the business community</p>
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by developing and implementing strategies to promote and protect the economic well being of the City

P30 - Continue to maintain a sound financial position including long term financial planning

P8 - Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites

**Council outcomes**

CO7 Edinburgh draws in new investment in development and regeneration

CO8 Edinburgh's economy creates and sustains job opportunities

CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well-managed neighbourhood

CO18 Green – 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

CO22 Moving efficiently – Edinburgh has transport system that improves connectivity and is green, healthy and accessible

CO23 Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community

**Single Outcome Agreement**

SO1 Edinburgh's economy delivers increased investment, jobs and opportunities for all

SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

SO3 Edinburgh's children and young people enjoy their childhood and fulfil their potential

SO4 Edinburgh's communities are safer and have improved physical and social fabric

**Appendices**

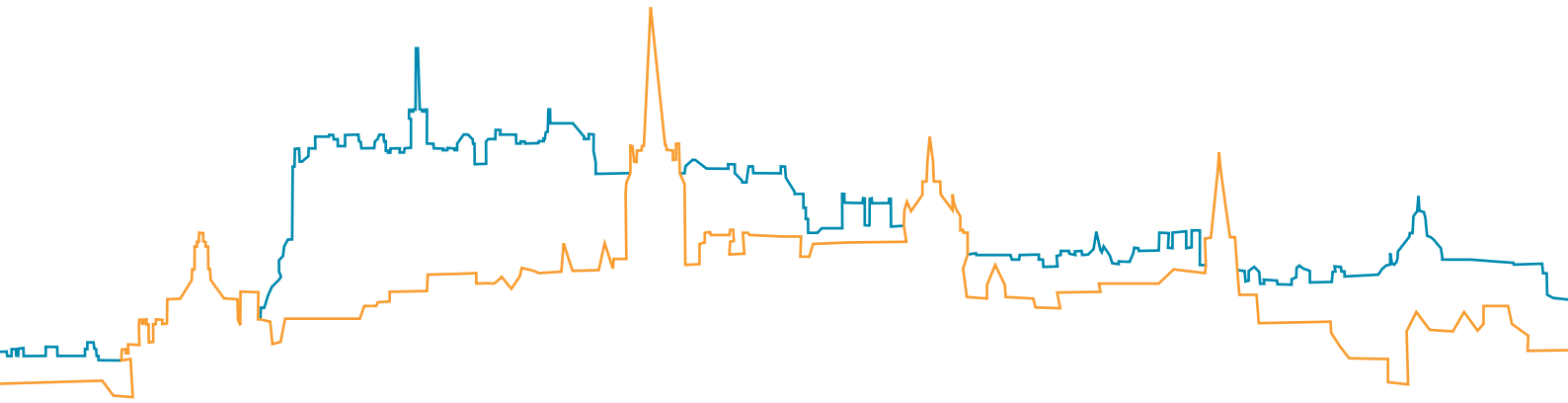
Appendix 1 - LDP Action Programme

Appendix 2 - LDP Financial Assessment

EDINBURGH LOCAL DEVELOPMENT PLAN

# SECOND PROPOSED ACTION PROGRAMME

UPDATED MAY 2015







The Action Programme sets out actions to deliver the Plan.

The Report of Conformity explains how the Council carried out engagement activities as stated in its Development Plan Scheme.

The Environmental Report Addendum provides further information on the selection of new housing sites.

See the documents and other information at: [www.edinburgh.gov.uk/localdevelopmentplan](http://www.edinburgh.gov.uk/localdevelopmentplan)

Published in 2014



Published in 2013



Published in 2011



# **Second Proposed Action Programme**

**Updated May 2015**

# Contents

The Action Programme is set out in five sections:

## **1. Introduction**

## **2. How to use the Action Programme**

## **3. City wide transport proposals**

- Including Tram, Edinburgh Glasgow Improvement Project (EGIP) and the Orbital Bus route.

## **4. Strategic Development Areas**

- Proposals within the City Centre, Edinburgh Waterfront, West Edinburgh, and South East Edinburgh.

## **5. Elsewhere across the city**

- Proposals in Queensferry, South West Edinburgh, other housing, economic and school actions, other active travel actions and other greenspace actions

## **6. Policies**

- Actions to deliver the policies set out within the Plan.

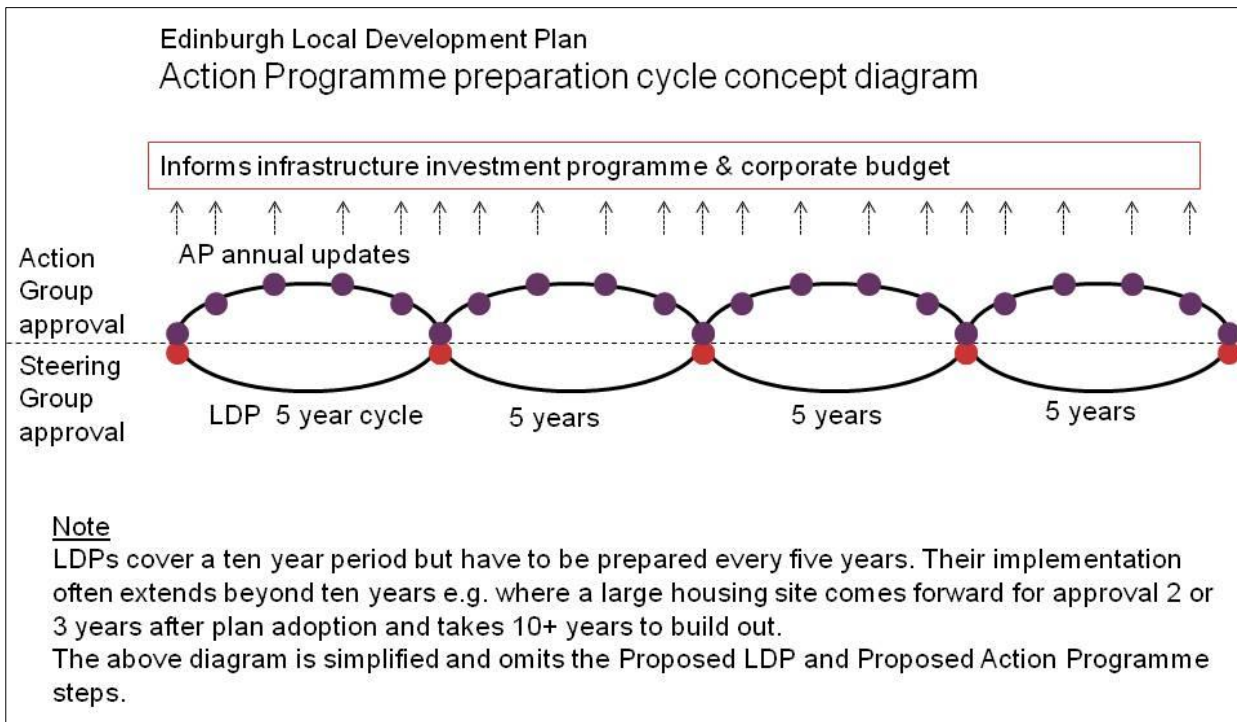
# 1. Introduction

This is the Second Proposed Action Programme which accompanies the Second Proposed Edinburgh Local Development Plan (LDP). Section 21 of the Planning etc. (Scotland) Act 2006 requires planning authorities to prepare an Action Programme setting out how the authority proposes to implement their LDP. A proposed version must accompany a proposed plan and the Council must publish the first Action Programme within 3 months of the adoption of the LDP.

The Council recognises that adopting the LDP is not the end of the story; development plans need to be deliverable, not just present good ideas. The challenge in tough economic times is to deliver effective sites, key priorities and developments to support the aims of the Plan.

The Action Programme is intended to help align the delivery of the Local Development Plan with corporate and national investment in infrastructure. It will be used by the Council as a delivery mechanism to lever the best possible outcome for the city and to coordinate development proposals with the infrastructure and services needed to support them.

It is intended that this Action Programme will be a live working document, and will be annually reviewed. Actions, including identified costs, set out within this action programme are subject to review and change. The Action Programme will be reported to the Council’s Planning Committee and to other relevant committees for approval on an annual basis.



## 2. How to use the Action Programme

The Action Programme sets out actions to help mitigate the impact of strategic and planned growth and to deliver the policies and proposals identified within the Proposed Plan.

Local Development Plan Policies Del 1 (Developer Contributions) and Policy Del 2 (Retrospective Developer Contributions) set out the Council's approach to the provision of infrastructure and improvements associated with development, taking account of current economic conditions.

Further guidance is also available in the Council's non-statutory guidance on Developer Contributions and Affordable Housing.

### Strategic Infrastructure Actions

The Action Programme identifies strategic road, tram, school and public realm infrastructure improvements which are needed to support development across a wide area. Where multiple developments will need to fund the delivery of these actions, Contribution Zones have been established within which legal agreements will be used to secure developer contributions.

\* denotes estimated costs at April 2015 which include modelled inflation and contingency for the life of the project.

### Site-specific Actions

For each of the development sites identified within the Plan, the Action Programme identifies site specific transport, shopping and greenspace actions which are required to mitigate the impact of the development.

### 3. City Wide Transport Proposals

#### Action

#### Delivery

#### Edinburgh Tram (T1)

- The Plan safeguards long term extensions to the network connecting with the waterfront and to the south east.

**Who:** CEC

**Timescale:** Line 1a complete.

#### Edinburgh Glasgow Improvement Project (EGIP) (T2)

- The Edinburgh Glasgow Improvement Programme (EGIP) is a comprehensive package of improvements to Scotland's railway infrastructure.
- Within Edinburgh, the LDP identifies three long term safeguards to support the project:
  - To support wider development to the West of Edinburgh adjacent to the airport, a new station will be established at Gogar.
  - The Almond Chord to the south of Dalmeny will allow Glasgow and Dunblane services to access Edinburgh Gateway Station and will increase public transport accessibility to West Edinburgh from West and Central Scotland.
  - Part of the Abbeyhill branchline to the east of the city centre is needed for new turnback facilities to allow reversing of trains.

**Who:** Network Rail

**Timescale:** 2019 onwards

**Cost:** Part of a £650m package

**Funding:** Transport Scotland

#### Rail Halts at: Portobello, Piershill and Meadowbank (T3)

- LDP Safeguard. Required to ensure development does not prejudice future re-use of existing abandoned halts. Re-introduction of passenger services is not currently considered viable by the rail authority but this may change.

**Who:** Network Rail

**Timescale:** No timescale for delivery

**Cost:** Not identified

**Funding:** Not identified

#### South Suburban halts (T3)

- LDP Safeguard. Required to ensure development does not prejudice future re-use of existing abandoned halts. Re-introduction of passenger services is not currently considered viable by the rail authority but this may change.

**Who:** Network Rail

**Timescale:** No timescale for delivery

**Cost:** Not identified

**Funding:** Not identified

#### Orbital Bus Route (T3)

- The Orbital Bus Route will create an east-west public transport link across the city. A disused railway line between Danderhall

**Who:** SEStran, CEC, Midlothian, East Lothian,

and the City Bypass at Straiton is safeguarded in the LDP for appropriate public transport use or use as a cycle / footpath.

Transport Scotland

**Timescale:** No timescale for delivery

**Cost:** Not identified

**Funding:** Not identified

## 4a. City Centre Strategic Development Area

The proposed plan provides support for four major development opportunities in the City Centre (Proposals CC1 – CC4). With the exception of Quartermile where development is well underway, the plan sets out key development principles to guide any new or revised proposals on these important sites.

### Site-specific Actions

#### Action

#### Delivery

#### St James Quarter (CC 1)

- 04.06.2009 - Outline planning permission was granted for the redevelopment and refurbishment of the St James Quarter including retail, leisure and culture, hotel, offices, food and drink, residential, and other related ancillary uses and the refurbishment of the existing department store.
- Detailed approval of siting and maximum height of building blocks, points of vehicular access and egress and location of pedestrian routes has also been given (Application reference – 08/03361/OUT).

**Who:** Henderson Global Investors

**Timescale:** The final approval of matters specified in conditions relating to the permission is expected in June 2015. CPO hearings September 2015.

#### Caltongate (CC 2)

- 27.03.2014 – Planning permission was granted for the redevelopment/demolition/erection of buildings for mixed use development comprising hotels, retail and commercial, business, community uses, leisure, landscaping/public realm and other associated works (Application reference – 13/03407/FUL). This permission relates to land adjacent to New Street, Canongate and East Market Street.
- 27.03.2014 – Planning permission was granted for the redevelopment/erection of buildings for mixed use development including offices, retail and commercial, non-residential institutions, leisure and other associated uses, landscaping/public realm and other associated works (Application reference – 13/03406/FUL). This permission relates to land adjacent to New Street.

**Who:** Artisan REI

**Timescale:** Under construction.

#### Fountainbridge(CC 3)

- 22.09.2011 – Planning permission was granted for the proposed erection of student residence (117 flats) with student centre and associated ancillary facilities, access, infrastructure and landscaping, a retail unit, a community facility (with ancillary cafe) and a public park (Application reference – 11/00123/FUL).
- 09.04.2014 – Planning permission was granted for a proposed new secondary school, associated facilities and ancillary development

**Who:** The EDI Group Limited

**Timescale:** student flats completed. PAN for mixed use development submitted 24.01.2014.



(Application reference – 13/05207/AMC).

- 24.01.2014 – Planning applications have been submitted for planning permission in principle for mixed use development comprising retail, financial services, food and drink, office/light industrial, hotel, housing, community use, leisure, public house (non-classified use) and associated parking, open space, infrastructure and public realm works (14/02814/PPP)

### Quartermile (CC 4)

- Cycle facilities £34,000
- Signalised crossing £55,000
- School contribution £219,320

**Who:** Moorfield  
**Timescale:** under construction  
**Cost/ Funding:** S75 contributions collected

## 4b Edinburgh Waterfront Strategic Development Area

The proposed LDP continues to support the regeneration of Granton Waterfront and part of Leith Waterfront for housing and other uses.

### Leith and Granton Waterfront

#### Transport Actions

##### Edinburgh Waterfront Promenade (T8)

- New and upgraded sections of waterfront promenade at Granton, Leith and Portobello

**Who:** CEC / Developers  
**Timescale:** up to 2038, some sections at complete  
**Cost:** TBC  
**Funding:** CEC / Developer

### Leith Waterfront

#### Transport Actions

##### New street in Leith Docks (T15)

- LDP Safeguard. Required to support development of Leith Waterfront (EW1b, c, d, e). Extension to Ocean Drive. Route identified within Leith Docks Development Framework and NETAP. Currently subject to review as part of the current masterplan and technical feasibility study of the Port of Leith.

**Who:** CEC / Forth Ports / developers  
**Timescale:** With dvpt  
**Cost:** £15m  
**Funding:** Tax Incremental Finance (TIF)

##### Craightinny – Leith Links Cycle link. (Leith to Portobello) (T8)

- LDP Safeguard

**Who:** CEC / Developers  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** TBC

##### Salamander Cycle Link (T8)

- LDP Safeguard

**Who:** CEC / Developers  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** TBC

##### Couper Street – Citadel Place (T8)

- LDP Safeguard

**Who:** CEC / Developers  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** TBC

**Education Actions**



**New Western Harbour ND primary school (SCH 5)**

- New primary school to be provided as part of major housing-led regeneration proposals at Leith Waterfront

Who: Leith developers  
 Timescale: TBC  
 Cost: TBC  
 Funding: TBC

**Western Harbour (EW 1a)**

**Site-specific Actions**

**Action**

- Leith Western Harbour Central Park (GS2)
- New local centre (S3)

**Delivery**

**Who:** Barratt East  
 Scotland + Ashfield Land  
 Ltd / Port Of Leith/ A B  
 Leith Ltd  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** TBC

## Central Leith (EW 1b)

### Transport Actions

#### Action

#### Central Leith site specific transport actions

- Tram - £663,000
- Transport Infrastructure - £412,153
- TRO - £5,000

#### Delivery

**Who:** Forth Ports  
**Timescale:** with dvpt  
**Cost / Funding:** S75 contributions collected

## Salamander Place (EW 1c)

### Transport Actions

#### Action

#### Salamander Place site specific transport actions

- City Car Club - £16,500
- Improvements to vehicular and pedestrian movements in the vicinity of the development and the surrounding road network - £434,000
- Transport Action Plan - £9,091
- TRO - £2,000
- Tram - £928,740

#### Delivery

**Who:** Teague Developments  
**Timescale:** with dvpt  
**Cost / Funding:** S75 contributions collected

### Education Actions

- St Mary's RC Primary - £31,460
- Leith Academy - £228,400
- Holyrood RC - £28,550

**Who:** Teague Developments  
**Timescale:** with dvpt  
**Cost / Funding:** S75 contributions collected

### Greenspace Actions

#### Leith Links Seaward Extension (GS3)

- New Park - Southern section to be delivered as part of mixed use development (07/03238/FUL)

**Who:** Teague Developments (1<sup>st</sup> phase)  
**Timescale:** with dvpt  
**Cost:** To be established  
**Funding:** S75

## Seafield Industrial Area (EW 1d)

#### Action

- Waste management / combined heat and power safeguard (RS3)

#### Delivery

LDP Safeguard only

## Northern and Eastern Docks (EW 1e)

### Action

- Industrial / renewable energy

### Delivery

LDP Safeguard only

## Granton Waterfront

### Transport Actions

#### Waterfront Avenue to Granton Rail path link (T8)

- LDP Safeguard for active travel.

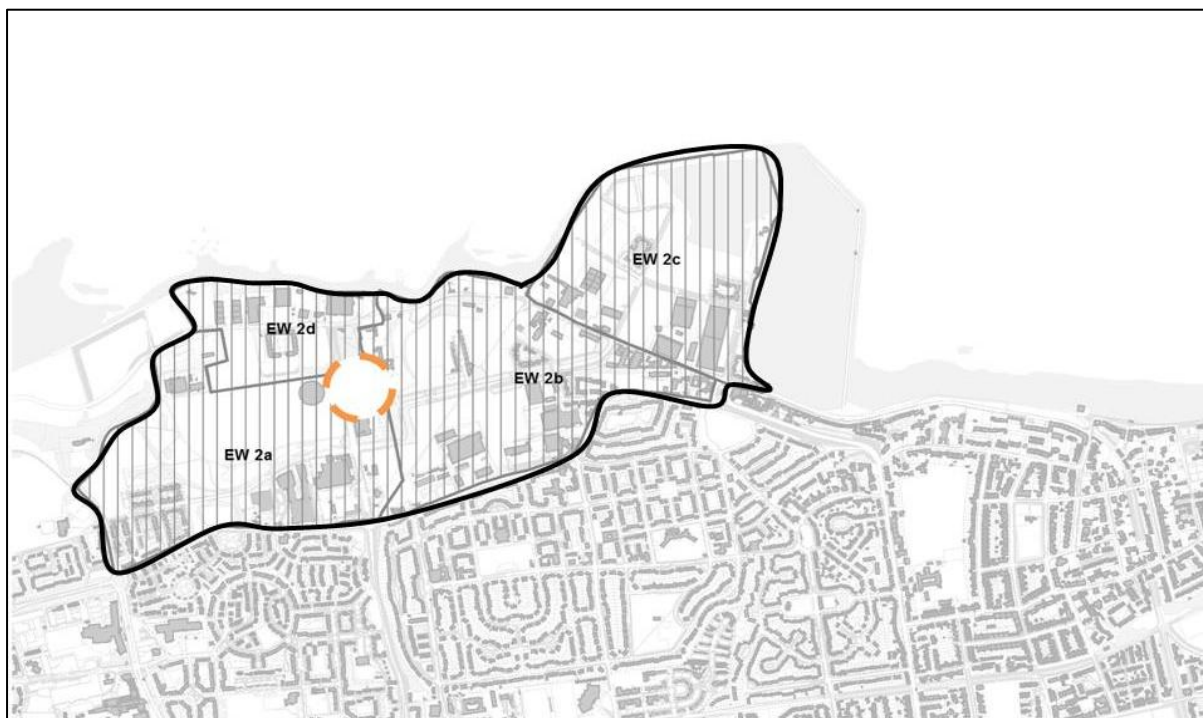
**Who:** CEC / Developers

**Timescale:** TBC

**Cost:** £100,000

**Funding:** TBC

### Education Actions



#### New Waterfront Avenue (ND) Primary School.

- New primary school to be provided as part of major housing-led regeneration proposals at Granton Waterfront

**Who:** CEC / Developers

**Timescale:** TBC

**Cost:** TBC

**Funding:** TBC

### Shopping Actions

#### New Granton Local Centre

- Creation of a new local centre at Granton Waterfront.

LDP Safeguard only

**Forth Quarter (EW 2a)****Action**

- LDP safeguard for housing led mixed use development. Nearly 800 homes already built along with offices, superstore and a new park

**Delivery**

**Who:** Forth Ports  
**Timescale:** Under construction  
**Cost / Funding:** S75 collected

**Central Development Area (EW 2b)****Action**

- LDP safeguard for housing led mixed use development. Some housing completed along a new avenue.

**Delivery**

**Who:** CEC  
**Timescale:** under construction  
**Cost / Funding:** S75 contributions collected

**Granton Harbour (EW 2c)****Action**

- LDP safeguard housing –led mixed use development. Some housing development in accordance with an approved master plan.

**Delivery**

**Who:** CEC  
**Timescale:** under construction  
**Cost / Funding:** S75 contributions collected

**North Shore (EW 2d)****Action**

- LDP safeguard. Opportunity for housing-led mixed use development. Implementation of this proposal unlikely to come forward in the short term.

**Delivery**

**Who:** CEC  
**Timescale:** TBC  
**Cost / Funding:** S75

## 4c West Edinburgh Strategic Development Area

West Edinburgh currently includes a number of major existing uses such as the Airport, the Royal Highland Centre, RBS at Gogarburn, the Gyle shopping centre, and the business and industrial areas of Edinburgh Park, South Gyle and Newbridge. The Proposed LDP also supports housing development on two greenfield sites at Maybury and Cammo and as part of business led mixed use proposals in the International Business Gateway (IBG) and Edinburgh Park/South Gyle.

### Edinburgh Airport, Royal Highland Centre, IBG, RBS Gogarburn

#### Transport Actions



**West Edinburgh Transport Contribution Zone (WETCZ)**

#### Action

##### Eastfield Road and Dumbells junction (T9)

- Land for additional carriageway to be provided on land to east of existing road line
- Existing dumbbells to be replaced by signalised roundabout with two bridges carrying A8 over the roundabout and a 3 lane capacity
- Widening on A8 approaches to and possibly through junction to provide bus priority.

#### Delivery

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** With dvpt

**Cost:** Not identified

**Funding:** WETCZ

**Gogar Link Road (T10)**

- Largely single carriageway through IBG with some widening to allow public transport priority.

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** With development

**Cost:** £37.2m

**Funding:** WETCZ

**A8 additional junction (T11)**

- New junction on A8 west of dumbbells to serve RHC development north and, in the future, south of the A8.

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** 2014-2017

**Cost:** £1.8m

**Funding:** WETCZ

**Improvements to Newbridge Roundabout (T12)**

- Improvements to provide public transport priority and/or enhanced lane capacity on M9 and A8.

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** Evaluation of options by 2013

**Cost:** £5m

**Funding:** WETCZ

**Improvements to Gogar Roundabout (T13)**

- Likely to include extra lane on inside of existing roundabout. May also require some widening of approaches.

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** 2014-2017

**Cost:** £0.3m

**Funding:** WETCZ / Action also applies to Edinburgh Park / South Gyle

**Bus Priority Measures on M8 and A89**

- Identified with in the Rural West Edinburgh Local Plan Alteration June 2011 and the West Edinburgh Transport Appraisal

**Who:** Edinburgh Airport, IBG, RHSG

**Timescale:** 2014-2017

**Cost:** £0.3m

**Funding:** WETCZ / Action also applies to Edinburgh Park / South Gyle

**East Craigs Estate junction at Maybury Drive**

**Who:** CEC

**Timescale:** TBC

**Cost:** TBC

**Funding:** TBC

**Greenspace Actions****Action****Gogar Burn (GS7)**

- Proposed diversion of the Gogar Burn as shown on the Proposals Map.

**Delivery**

**Who:** Edinburgh Airport / SEPA / CEC / SNH

**Timescale:** 2018-2022

**Cost:** £22m

**Funding:** Edinburgh Airport / SEPA / CEC / SNH



## International Business Gateway (IBG) (Emp 6)

### Transport Actions

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#### Action

##### IBG Site specific transport actions

- New footpath / cycle path along A8 Glasgow Rd
- Upgrade bus facilities along A8 Glasgow Road
- Bus only access via Edinburgh Gateway Station, tram interchange
- Tram stop within Development

#### Delivery

**Who:** IBG Developers

**Timescale:** With development

**Cost:** Not identified

**Funding:** Not identified

### Greenspace Actions

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#### Action

##### IBG Open Space (GS6)

- The West Edinburgh Landscape Framework (approved in December 2011) identifies strategic landscape design and open space requirements. Three main areas of open space are proposed as key elements of the International Business Gateway:
  - 1) along A8 corridor
  - 2) central parkland and
  - 3) archaeology park.

#### Delivery

**Who:** New Ingliston Ltd / Murray Estates / FSH Frogmore / CEC

**Timescale:** PPP & masterplan expected March/April 2014

**Cost:** 2m

**Funding:** Not identified

## Edinburgh Park / South Gyle (Del 5) Maybury (HSG 19) and Cammo (HSG 20)

### Transport Actions



Barton Maybury Transport Contribution Zone 2 (BMT CZ)

#### Action

##### Maybury Junction (T17)

- Increase junction capacity, including consideration of access from Turnhouse Road, and efficiency of traffic signals.
- Provide bus priority and better provision for pedestrians and cyclists.

##### Craigs Road Junction (T18)

- Improvements to Craigs Road and increased junction capacity/bus priority at junction with Maybury Road.
- New signalised cross roads allowing bus, pedestrian and cycle access to and from Craigs Road.

##### Barnton Junction (T19)

- Increase junction capacity based on increasing the efficiency of the traffic signals through installation of MOVA (Microprocessor Optimised Vehicle Actuation)

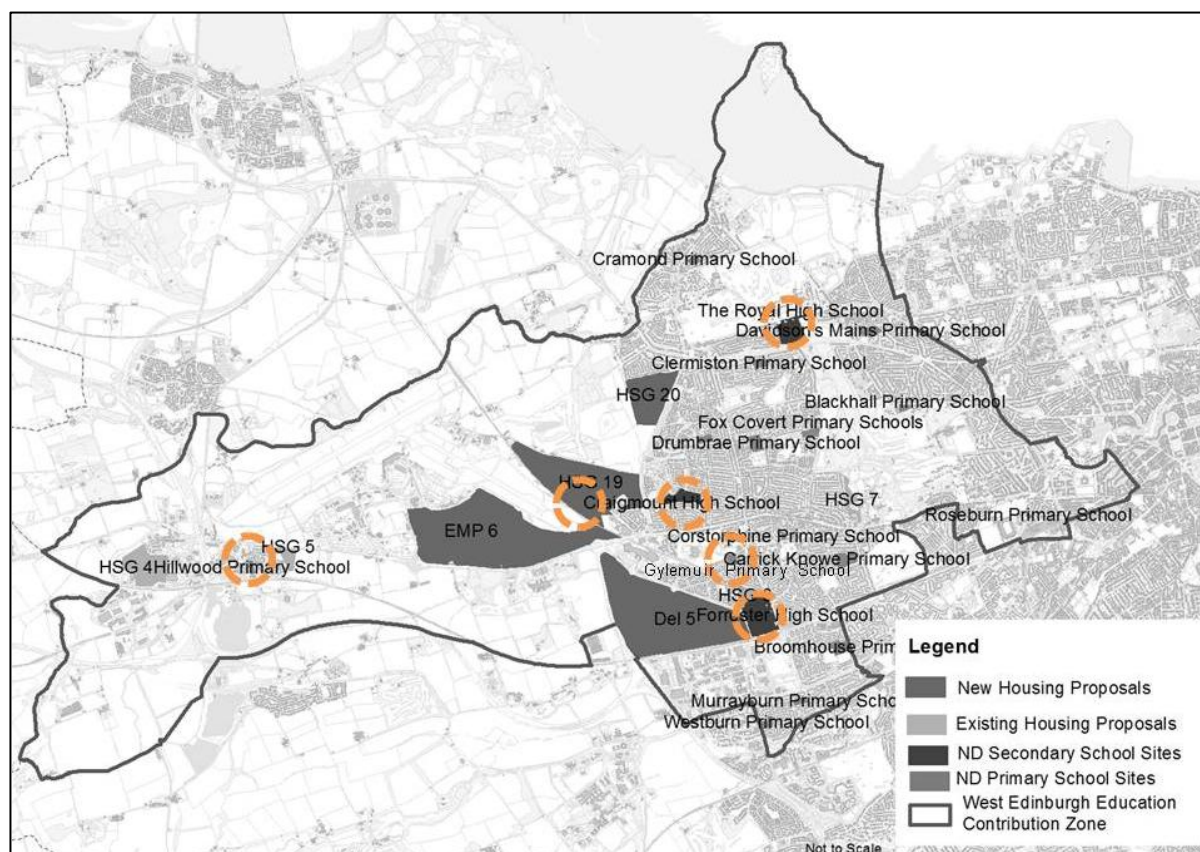
#### Delivery

**Who:** Maybury/Cammo/  
South Gyle  
**Timescale:** with dvpt  
**Cost:** £1,500,000\*  
**Funding:** BMT CZ

**Who:** Maybury / Cammo /  
South Gyle  
**Timescale:** with dvpt  
**Cost:** £500,000\*  
**Funding:** BMT CZ

**Who:** Maybury/Cammo /  
South Gyle  
**Timescale:** with dvpt  
**Cost:** £500,000\*  
**Funding:** BMT CZ

## Education Actions



West Edinburgh Education ND Contribution Zone (WEECZ) with actions

### Action

#### New Maybury (ND) primary school (SCH6)

- A 21 class (three stream) primary school and 60/60 nursery. Located towards the eastern end of the Maybury housing site, to the south of Turnhouse Road. Land requirements to be established. Catchment area to be established and taken from greenfield sites and existing catchments of Cramond and Corstophine primary schools.

#### Extension to Gylemuir (ND) Primary School

- 4 class extension (including 1 GP space) to Gylemuir Primary School. Additional land requirement to be established. Catchment area for Gylemuir Primary to be extended.

#### Extension to Hillwood (ND) Primary School

- Three class extension. Additional land requirement to be established. Catchment area for Hillwood Primary to be extended.

### Delivery

**Who:** Sites within WEECZ

**Timescale:** with dvpt

**Cost:** £16,651,722\*

**Funding:** WEECZ

**Who:** Maybury / Cammo / South Gyle/ WEECZ

**Timescale:** with dvpt

**Cost:** £1,114,948\*

**Funding:** WEECZ

**Who:** Maybury / Cammo / South Gyle/ WEECZ

**Timescale:** with dvpt

**Cost:** £914,080\*

**Funding:** WEECZ

### High School Extension (ND)

- Extensions to ND secondary schools - additional capacity will be required in the secondary schools serving the area to accommodate an estimated 441 additional nondenominational pupils from the new sites in the LDP. Further detailed assessment is necessary to determine where the additional capacity would be best provided; either at The Royal High School, Craigmount High School or Forrester High School or a combination across some, or all, of these schools.

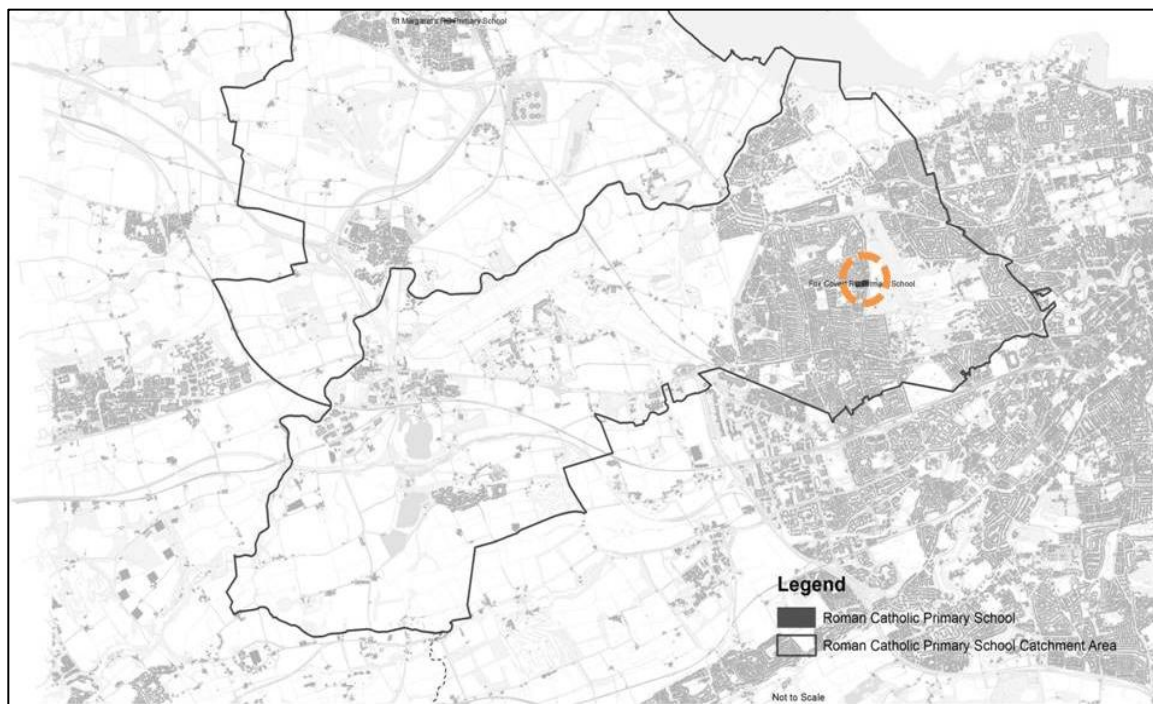
**Who:** Maybury / Cammo /

South Gyle/ WEECZ

**Timescale:** with dvpt

**Cost:** £16,917,137\*

**Funding:** WEECZ



### West Edinburgh Education RC Primary Contribution Zone (WEERCCZ) with actions

#### Extension to Fox Covert (RC) Primary

2 class extension to accommodate additional RC pupils. Additional land requirements to be established.

**Who:** Maybury / Cammo /

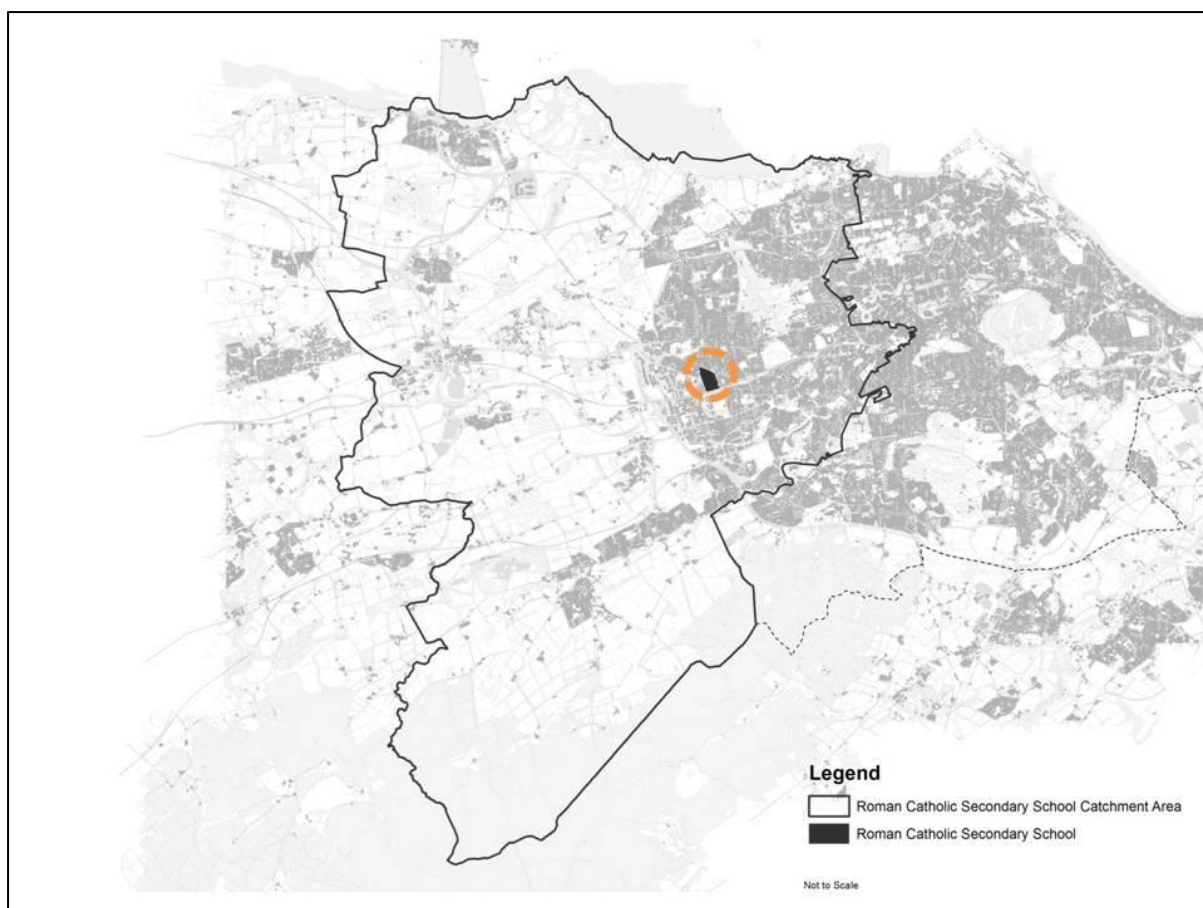
South Gyle/ WEECZ

**Timescale:** with dvpt

**Cost:** £815,841\*

**Funding:** WEECZ





#### West Edinburgh Education RC Secondary Contribution Zone (WEERCCZ) with actions

##### Extension to St Augustines (RC) High School

- Additional capacity will be required at St Augustine's RC High School to accommodate an estimated 77 additional RC pupils from the new sites in the LDP. The necessity for further additional capacity at the school has been identified from the new sites in the Queensferry area (see below).

**Who:** WEECZ / QECZ

**Timescale:** with dvpt

**Cost:** £2,953,786\*

**Funding:** WEECZ

## Edinburgh Park / South Gyle (Del 5)

### Transport Actions

#### Action

##### Edinburgh Park / South Gyle site specific transport actions

- Edinburgh Park – Gogarburn pedestrian cycle link
- Adoptable roads to be brought up to standard.
- Bus infrastructure - provide new facilities on internal roads.
- Internal CPZ, integrated parking/traffic management.

Note – also required to contribute to Gogar roundabout.

#### Delivery

**Who:** Edinburgh Park / South Gyle

**Timescale:** with dvpt

**Cost:** Not identified

**Funding:** Developer

## Maybury (HSG 19)

### Transport Actions

#### Action

##### Maybury site specific transport actions

- Maybury Edinburgh Gateway Station pedestrian / cycle route
- South-west side of Turnhouse Road pedestrian cycle path
- TRO for lower speed limit along Turnhouse Road
- Bus route Craigs Road/Turnhouse Rd
- Upgrade bus infrastructure on Turnhouse Rd
- New footway/cycleway along south-west side of Turnhouse Road
- 3no. crossing facilities Turnhouse Rd and Craigs Rd at Maybury Rd

#### Delivery

**Who:** Maybury  
**Timescale:** with dvpt  
**Cost:** Not identified  
**Funding:** Developer

### Greenspace Actions

#### Action

- **Cammo Walk link (south)** - New Green Corridor between proposed pedestrian cycle bridge and south end of Cammo Walk.
- Other new greenspaces with masterplan, includes semi-natural Greenspace along northern edge of site

#### Delivery

**Who:** Maybury  
**Timescale:** with dvpt  
**Cost:** Not identified  
**Funding:** Developer

## Cammo (HSG 20)

### Transport Actions

#### Action

##### Cammo site specific transport actions

- TRO for lower speed limit along Maybury Road
- Bus infrastructure on Maybury Road / peak period bus capacity
- Pedestrian crossing facilities on Maybury Road /pedestrian cycle connections to east.
- **Cammo Walk link (north)** – Cammo to Craigs Road section

#### Delivery

**Who:** Cammo  
**Timescale:** with dvpt  
**Cost:** Not identified  
**Funding:** Developer

## 4d South East Edinburgh Strategic Development Area

The proposed LDP incorporates a number of existing housing developments at Greendykes, mixed use regeneration at Craigmillar and life sciences related business development at Edinburgh BioQuarter. The proposed LDP allocates a number of additional housing sites; two sites along the Burdiehouse corridor, three sites along Gilmerton corridor, three sites at Newcraighall and one site on Council owned open space at Moredunvale Road.

### South East Edinburgh Actions

#### Transport and Greenspace Actions



South East Edinburgh Transport and Greenspace actions

#### Action

##### Sherrifhall Junction Upgrade (T14)

- Grade separation

#### Delivery

**Who:** To be established at SDP level.

**Timescale:** TBC

**Cost:** Not identified

**Funding:** Strategic contribution zone

**West of Fort Kinnaird Road to the Wisp (T16)**

- LDP Safeguard for new link road between The Wisp and Newcraighall Road to improve traffic conditions on the approaches to Fort Kinnaird retail park.

**Who:** CEC  
**Timescale:** with dvpt  
**Cost:** Not identified  
**Funding:** Not established

**South East Wedge Parkland (GS4)**

- Land around Craigmillar/Greendykes retained in the green belt will be landscaped to provide multi-functional parkland, woodland and country paths linking with parallel developments in Midlothian.

**Who:** CEC  
**Timescale:** TBC - Currently at Feasibility Stage  
**Cost:** Not identified.  
**Funding:** CEC/ Scottish Enterprise /Developers

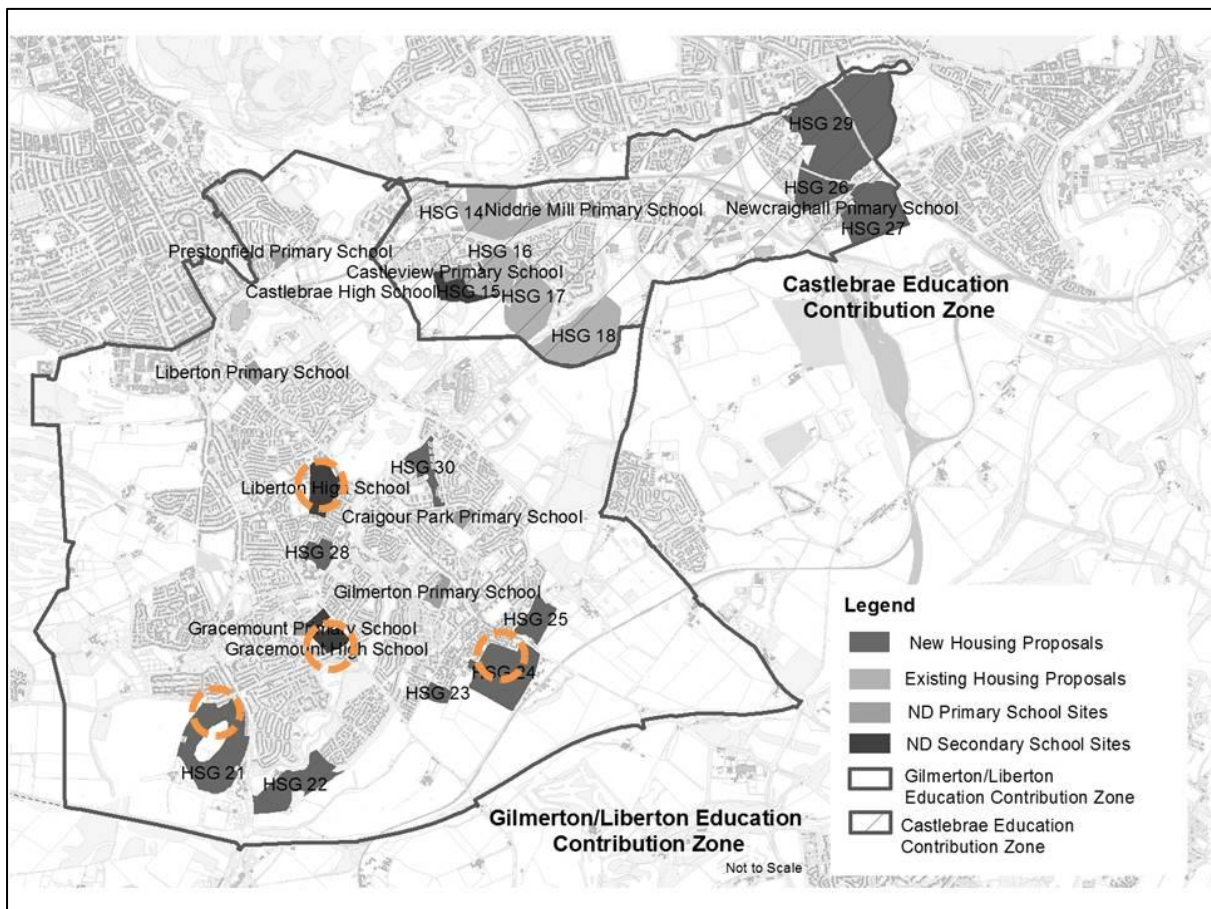
**Niddrie Burn Parkland (GS5)**

- River restoration and public transport link. Further landscaping may be required.

**Who:** CEC  
**Timescale:** 2010-2015 Basic engineering works underway  
**Cost:** £1,000,000  
**Funding:** S75 / developers

**South East Edinburgh housing sites**

**Education Actions – Option 1**



**Gilmerton / Liberton Education Contribution Zone Option 1 (GLECZ01)**



**Action**

**New Gilmerton (ND) primary school (SCH 7)**

A 7 class (single stream) and 30/30 nursery primary school. Land requirements to be established.

**New Broomhill (ND) primary school (SCH 8)**

A 9 class primary school and 40/40 nursery. Land requirements to be established.

**Extension to South East Edinburgh High Schools**

Additional capacity will be required in the secondary schools serving the area to accommodate an estimated 260 additional non-denominational pupils from the new sites in the LDP. Further detailed assessment is necessary to determine where the additional capacity would be best provided; either at Liberton High School or Gracemount High School or a combination across both of these schools.

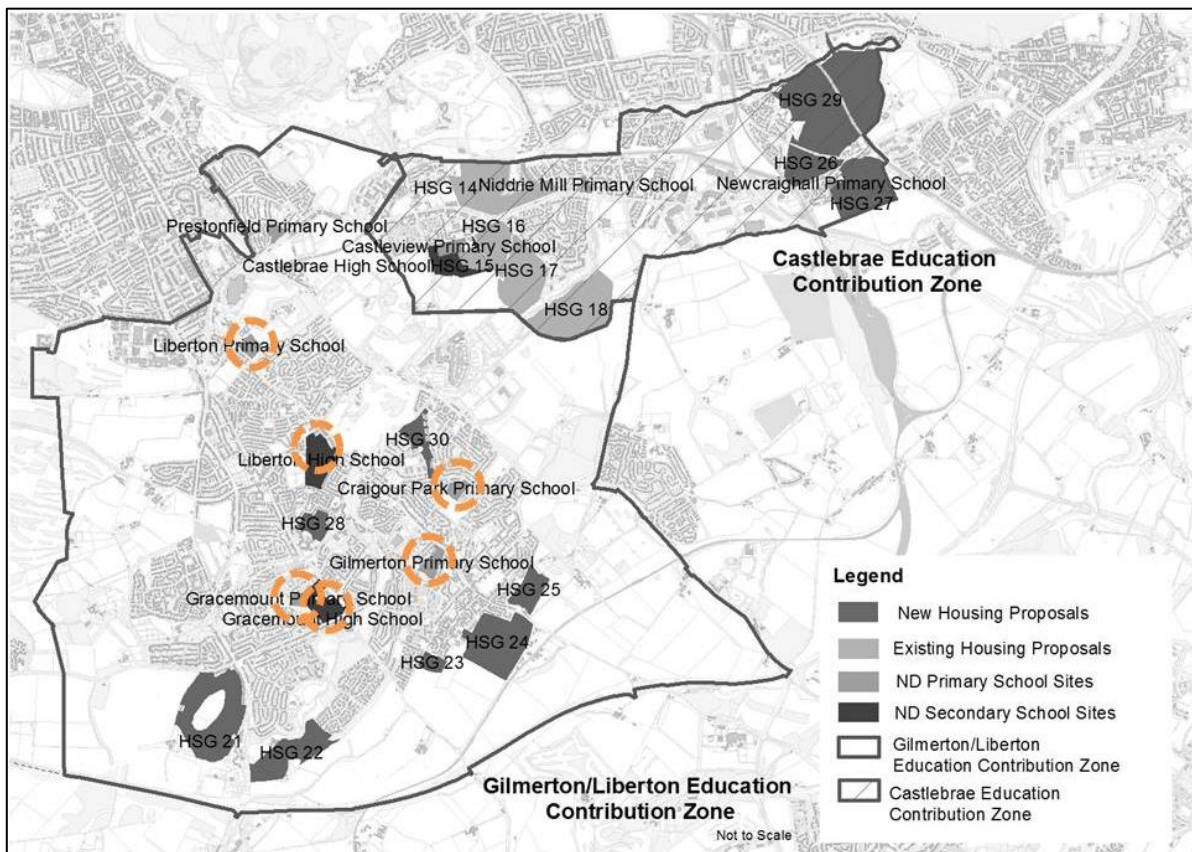
**Delivery**

**Who:** Developer  
**Timescale:** with dvpt  
**Cost:** £8,294,887\*  
**Funding:** GLE CZ01

**Who:** Developer  
**Timescale:** with dvpt  
**Cost:** £9,817,776\*  
**Funding:** GLE CZ01

**Who:** WEE CZ / QECZ  
**Timescale:** with dvpt  
**Cost:** £9,344,342\*  
**Funding:** GLE CZ01

**Education Actions – option 2**



**Gilmerton / Liberton Education Contribution Zone Option 2 (GLE CZ)**

**Extension to Gilmerton (ND) primary school**

Extend Gilmerton Primary School to 4 stream

**Who:** Developer

**Timescale:** with dvpt

**Cost:** tbc through feasibility study

**Funding:** GLE CZ02

**Extension to Gracemount (ND) primary school**

Extend Gracemount Primary School to 4 stream.

**Who:** Developer

**Timescale:** with dvpt

**Cost:** tbc through feasibility study

**Funding:** GLE CZ02

**Extension to Liberton and Craighour Park if required due to catchment changes**

**Who:** Developer

**Timescale:** with dvpt

**Cost:** tbc through feasibility study

**Funding:** GLE CZ02

**Extension to South East Edinburgh High Schools**

Additional capacity will be required in the secondary schools serving the area to accommodate an estimated 260 additional non-denominational pupils from the new sites in the LDP.

Further detailed assessment is necessary to determine where the additional capacity would be best provided; either at Liberton High School or Gracemount High School or a combination across both of these schools.

**Who:** WEE CZ / QECZ

**Timescale:** with dvpt

**Cost:** £9,344,342\*

**Funding:** GLE CZ02

## Education Actions – RC

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### SE Edinburgh Education RC Primary Contribution Zone (SEERCCZ) with actions

#### Extension to St John's Vianney (RC) Primary School

1 class extension to accommodate additional RC pupils. Additional land requirements to be established.

**Who:** Developers

**Timescale:** with dvpt

**Cost:** £366,714\*

**Funding:** GLE CZ

#### Extension to St Catherine's (RC) Primary School

3 class extension to accommodate additional RC pupils. Additional land requirements to be established.

**Who:** Developer

**Timescale:** with dvpt

**Cost:** £927,436\*

**Funding:** GLE CZ

## Broomhills (HSG 21) Burdiehouse (HSG 22)

### Transport Actions



#### Action

##### **Burdiehouse Junction (T21)**

- Reconfiguration of junction to ease congestion for north to south traffic

#### Delivery

**Who:** CEC / developer

**Timescale:** With dvpt

**Cost:** £500000\*

**Funding:** SEETCZ1

## Broomhills (HSG 21)

#### Action

##### **Broomhills site-specific transport actions**

- Secure pedestrian and cycleway access from Old Burdiehouse Road linking to Burdiehouse Burn path [Broomhills Road]
- Secure pedestrian and cycleway access from Old Burdiehouse

#### Delivery

**Who:** Barrats / David Wilson Homes

**Timescale:** With dvpt

**Cost:** TBC

Road linking to Broomhills Road

**Funding:** Broomhills

- Street improvements to Burdiehouse Road
- Upgrade bus stops on Burdiehouse Road

### Greenspace Actions

#### Action

#### Delivery

##### Broomhills Park (GS9)

- New Park

**Who:** Barrats / David Wilson Homes

**Timescale:** With dvpt

**Cost:** TBC

**Funding:** Broomhills

## Burdiehouse (HSG 22)

### Transport Actions

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#### Action

#### Delivery

##### Burdiehouse site-specific transport actions

- (T8) Cycleway safeguard (A720 underpass – Burdiehouse Burn path link) -off-site multi user path connection to link the site with path networks in Midlothian via Straiton Pond Street improvements and pedestrian crossing on Burdiehouse Road
- Pedestrian cycleway access across site from Straiton path to Burdiehouse Burn at both the east and west edges of the site
- Upgrade bus stops on Burdiehouse Rd and Frogston Rd East. Enhance peak capacity.
- Bus route through site and bus gate.

**Who:** Hallam Land

Management / Barrats

**Timescale:** With dvpt

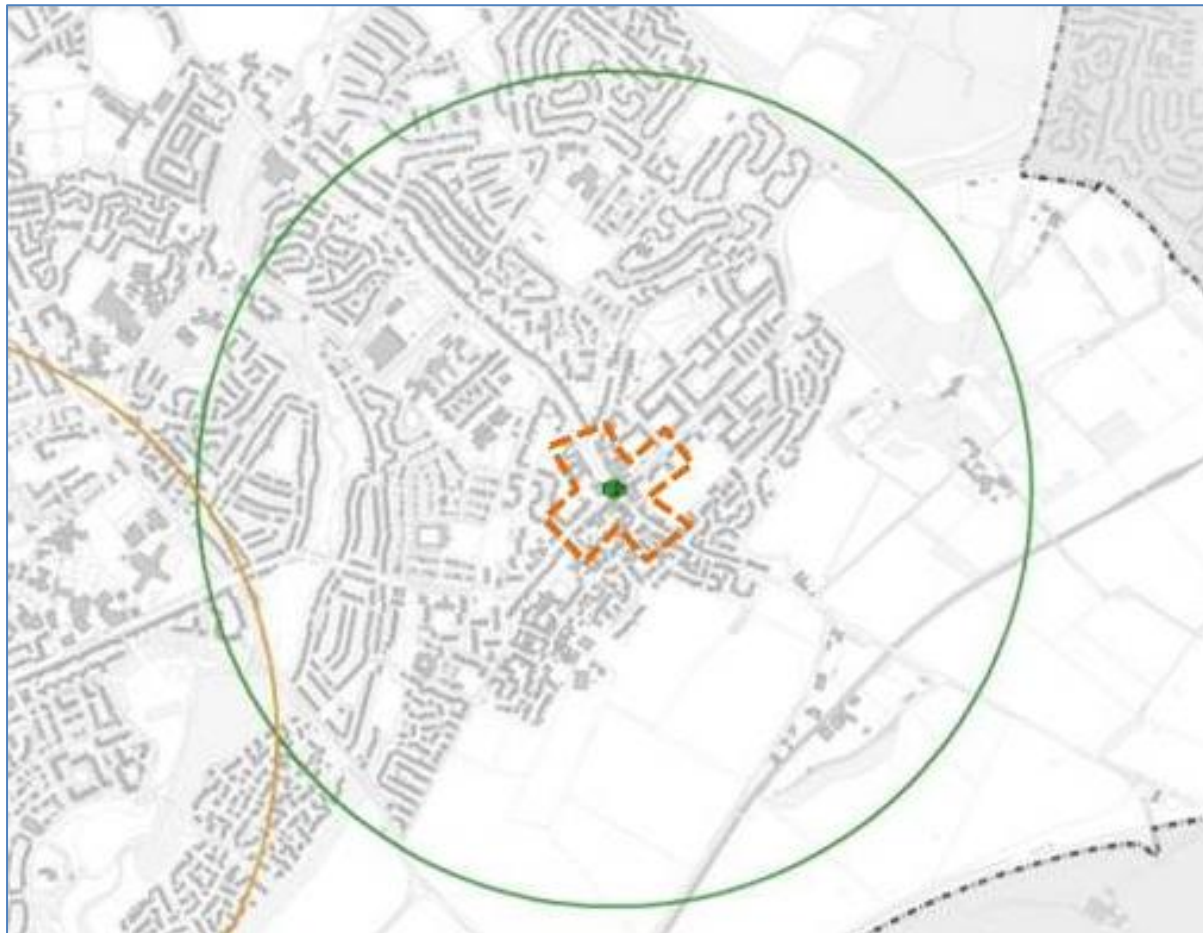
**Cost:** TBC

**Funding:** Burdiehouse



## Gilmerton Dykes Road (HSG 23) Gilmerton Station Road (HSG 24) Drum (HSG 25)

### Transport Actions



#### Action

##### **Gilmerton Crossroads (T20)**

Reconfiguration of junction with access and parking strategy for Drum Street to alleviate congestion caused by parked cars close to the junction.

#### Delivery

**Who:** CEC / developer

**Timescale:** With dvpt

**Cost:** £500,000\*

**Funding:** SEETCZ1

## Gilmerton Station Road (HSG 24) and Drum (HSG 25)

### Transport Actions

#### Action

##### **Gilmerton Rd / Drum Street Junction capacity upgrade**

- Junction improvement.

#### Delivery

**Who:** developer

**Timescale:** With dvpt

**Cost:** TBC

**Funding:** Drum/  
Gilmerton Station Road

**Access and parking strategy for Drum Street**

- Junction improvement.

**Who:** developer**Timescale:** With dvpt**Cost:** TBC**Funding:** Drum/  
Gilmerton Station Road**Gilmerton Dykes Road (HSG 23)****Transport Actions****Action****Gilmerton Dykes Road site-specific transport actions**

- Cycle link – Gilmerton Road to Laswade Road
- Upgrade bus stops on Laswade Rd/Gilmerton Rd
- Enhance peak period bus capacity on Gilmerton Road
- New footway along Gilmerton Dykes Road.

**Delivery****Who:** Cruden Homes**Timescale:** With dvpt**Cost:** TBC**Funding:** Gilmerton Dykes  
Road**Gilmerton Station Road (HSG 24)****Transport Actions****Action****Gilmerton Station Road site-specific transport actions**

- Drum Street cycle pedestrian crossing and connecting cycle pedestrian path through site to link to Mutli-user path to Straiton
- TRO for lower speed limit on Gilmerton Station Road
- Upgrade bus stops and peak capacity on Gilmerton Road
- Safeguard land along Gilmerton Road frontage for potential bus priority scheme
- New footway along Gilmerton Station Rd
- Pedestrian crossing facilities on Gilmerton Rd

**Delivery****Who:** Mactaggart &  
Mickel**Timescale:** With dvpt**Cost:** TBC**Funding:** Gilmerton  
Station Road

## Drum (HSG 25)

### Transport Actions

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#### Action

##### Drum site-specific transport actions

- Cycle link – Gilmerton Road to Lasswade Road
- Cycle link - Drum Street to SE Wedge Parkland
- Upgrade bus stops and enhance peak capacity on Gilmerton Road

#### Delivery

**Who:** South East Edinburgh Development Company  
**Timescale:** With dvpt  
**Cost:** TBC  
**Funding:** Drum/  
Gilmerton Station Road

## Ellen's Glen Road (HSG 28)

### Transport Actions

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#### Action

##### Ellen's Glen Road site-specific transport actions

- Upgrade existing bus stops in Lasswade Road.
- Upgrade existing S/B bus stop and provide new N/B bus stop in Gilmerton Road.
- New footway along east boundary frontage of site.
- Widening and upgrade of existing footway along Ellen's Glen Road

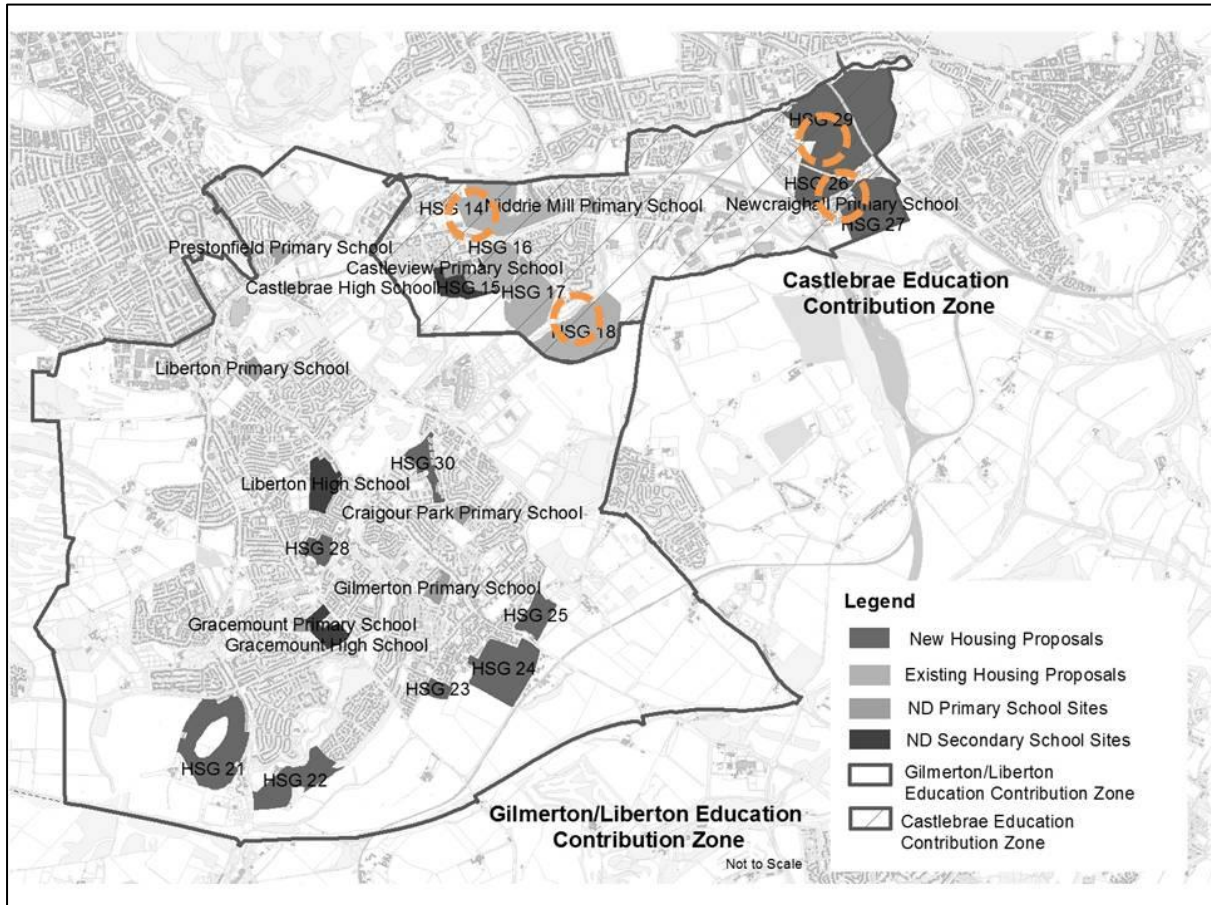
#### Delivery

**Who:** NHS Lothian  
**Timescale:** With dvpt  
**Cost:** TBC  
**Funding:** Ellen's Glen Road



**Newcraighall (HSG 26 / 27) Brunstane (HSG 29) Craigmillar and Greendykes (HSG 14 -18)**

**Education Actions 1**



**Action**

**Option 1 - New Brunstane (ND) Primary School (SCH 9)**

- New 14 class Primary School and 40/40 nursery - Brunstane. LDP Safeguard.

**Option 2 – As option 1, but additional 2 class extension to Newcraighall (ND) Primary School**

- Including all weather pitch

**New Greendykes (ND) Primary School (SCH 3)**

- A new 14 class (two-stream) primary school. LDP Safeguard.

**Delivery**

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** £13,594,300\*  
**Funding:** CEZ

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** £774,137\*  
**Funding:** Newcraighall applications. S75 contributions - share of £830,000

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** TBC

**Funding:** CEC / PARC / S75 / developers / CECZ

### Extension to Castlebrae High School

- Extension to Castlebrae High to accommodate 255 additional pupils from new LDP sites plus other pupil growth assumptions.

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** £10,256,873\*  
**Funding:** CECZ

### Replacement Castlebrae High School (SCH 2)

- Replace the existing school on a new site at Niddrie Mains Road. LDP Safeguard.

**Who:** CEC (safeguarding)  
**Timescale:** No timescale for delivery.  
**Cost:** TBC  
**Funding:** CEC / PARC / S75 / developers

\*estimated costs

## Newcraighall (HSG 26 / 27) Brunstane (HSG 29)

### Transport Actions

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#### Action

#### Gilberstoun link (T8)

- LDP Safeguard for active travel.

#### Delivery

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** Not established  
**Funding:** S75 / developers

## Newcraighall East (HSG 27)

### Transport Actions

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#### Action

#### Newcraighall to QMUC public transport link (T7)

- LDP Safeguard for appropriate public transport or active travel. Land not prejudiced by development or consent.
- Note, site to contribute towards delivery of Fork Kinnaird to QMUC link

#### Delivery

**Who:** CEC (safeguarding)  
**Timescale:** 2010-2015  
**Cost:** Not established  
**Funding:** S75 / developers

## Brunstane (HSG 29)

### Transport Actions

#### Action

##### Brunstane site-specific actions

- Improve pedestrian/cycle crossing facilities on Milton Road East and Newcraighall Road.
- Safeguard for link under the Newcraighall railway line.
- Increase cycle parking at Brunstane and Newcraighall Stations.
- Upgrade existing bus stops on Milton Road East.
- Increase frequency of direct city centre service and also to key local facilities, to achieve PT mode share.
- Review operation of A1/Newcraighall Road junction and help provide improvements, if deemed necessary.

#### Delivery

**Who:** CEC (safeguarding)  
**Timescale:** with dvpt  
**Cost:** Not established  
**Funding:** S75 / developers

## Craigmillar / Greendykes

### Transport Actions

#### Action

##### Greendykes Public Transport Link (T6)

- LDP Safeguard for public transport. Contained within proposals for new Greendykes (HSG18) and Niddrie Burn Parkland (GS5) and ERI and BioQuarter (EMP2).

#### Delivery

**Who:** CEC  
**Timescale:** Under construction  
**Cost:** Burn restoration - £8.5M. PTL £2.3M  
**Funding:** S75 / developers

##### Craigmillar Transport Actions

- Peffer Place / Duddingston Road West New Signalised Junction
- Greendykes Road / Niddrie Mains Road New Signalised Junction
- Craigmillar Castle Avenue / Niddrie Mains Road New Signalised Junction
- Duddingston Road West / Niddrie Mains Road Upgrade of Junction
- Harewood Road/ Peffer Place closed/stopped up
- Craigmillar Town Square Pedestrian Improvements
- Wauchope Square Bus Stops
- East of Town Centre Bus Stops
- West of Town Centre Bus Stops
- Duddingston Rd West crossroads to Greendykes Rd Bus Priority Scheme
- Greendykes Road / The Wisp Bus Priority Scheme
- Greendykes Road Bus Priority Scheme
- Upgrade to National Cycle Route

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

**Part 14/03416/PPP**

## Shopping Actions

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### Action

#### Niddrie Mains Road, Craigmillar (S1)

- Redevelopment and enhancement of local centre at Niddrie Mains Road.

### Delivery

**Who:** CEC (safeguarding)

**Timescale:** with dvpt

**Cost:** TBC

**Funding:** CEC / PARC / S75 / developers

## Niddrie Mains (HSG 14)

### Site-specific Actions

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#### Action

- LDP allocates land for housing

#### Delivery

**Who:** Parc / Castle Rock Edinvar Association

**Timescale:** TBC

## Greendykes Road (HSG 15)

### Site-specific Actions

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#### Action

- LDP allocates land for housing

#### Delivery

**Who:** Parc / Castle Rock Edinvar Association

**Timescale:** TBC. Site will become available if Castlebrae High School closes.

## Thistle Foundation (HSG 16)

### Site-specific Transport Actions

---

#### Action

- Bus infrastructure improvements in the vicinity of the development - £8500

#### Delivery

**Who:** Castlerock Edinvar  
**Timescale:** 38 units complete.

**Cost / Funding:** S75 transport contribution collected

## Greendykes (HSG 17)

### Site-specific Transport Actions

---

**Action**

- Transport - £500 per unit

**Delivery**

**Who:** PARC  
**Timescale:** TBC  
**Cost:** £28,500 - S75 contribution collected

**New Greendykes (HSG 18)****Site-specific Transport Actions**

---

**Action**

- Public Transport Link and Niddrie Burn £1,250,000
- Bus infrastructure improvements £340,547
- Education - New Greendykes primary £1,070,000
- Landscaping £500,000
- Open space £800,000

**Delivery**

**Who:** Persimmon Homes  
**Timescale:** with dvpt  
**Funding / Cost:** S75 contributions collected

**Moredunvale (HSG 30)****Transport Actions**

---

**Action**

- Direct Link to Moredunvale Road (T8)

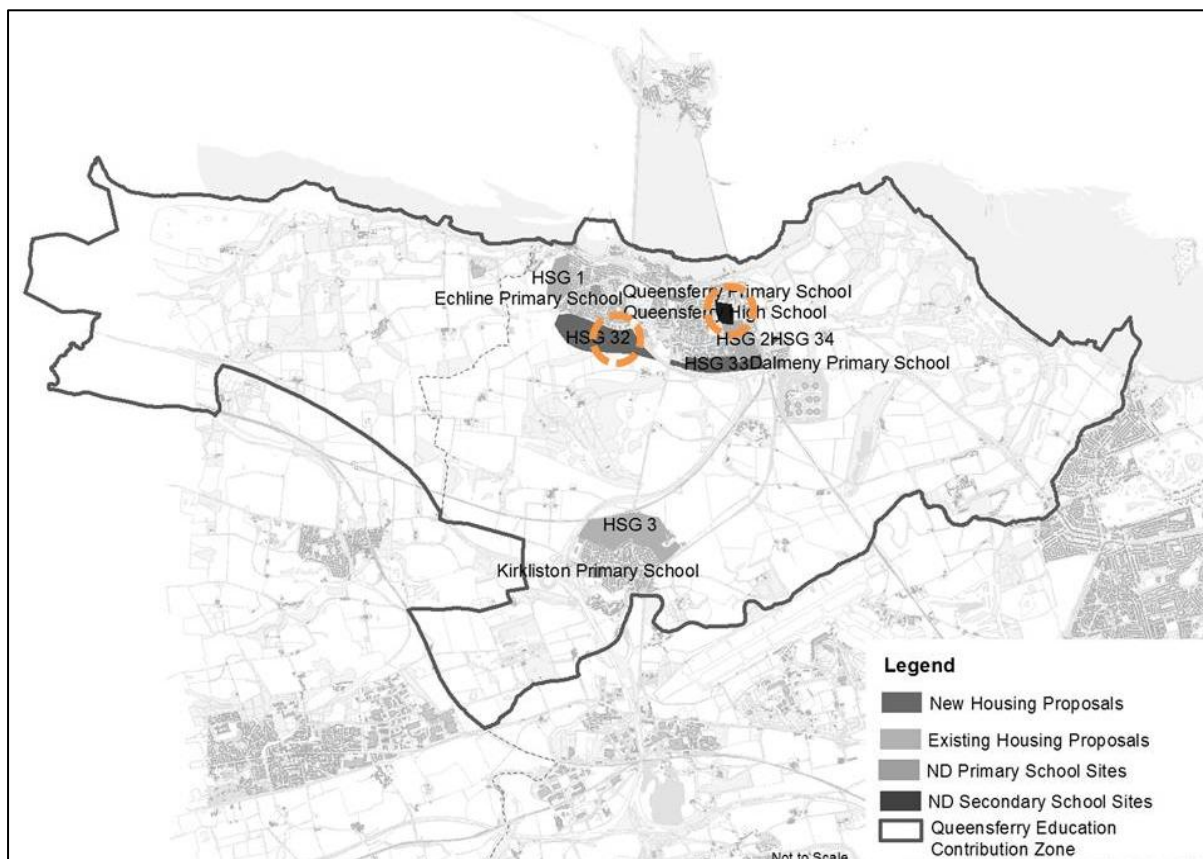
**Delivery**

**Who:** developer  
**Timescale:** With dvpt  
**Cost:** TBC  
**Funding:** CEC / Developer

## 5a Queensferry

### Queensferry Housing Sites

#### Education Actions



#### Queensferry Education Contribution Zone

##### Action

##### **New Builyeon Road (ND) Primary School (SCH 10)**

- New 14 class primary school and 40/40 nursery. LDP Safeguard.

##### Delivery

**Who:** Developers / CEC (safeguarding)

**Timescale:** with dvpt

**Cost:** £13,594,300\*

**Funding:** QECZ

##### **Extension to Queensferry (ND) High School**

- Extension to Queensferry High School to a new capacity sufficient to accommodate 232 additional pupils from new LDP sites plus other pupil growth assumptions.

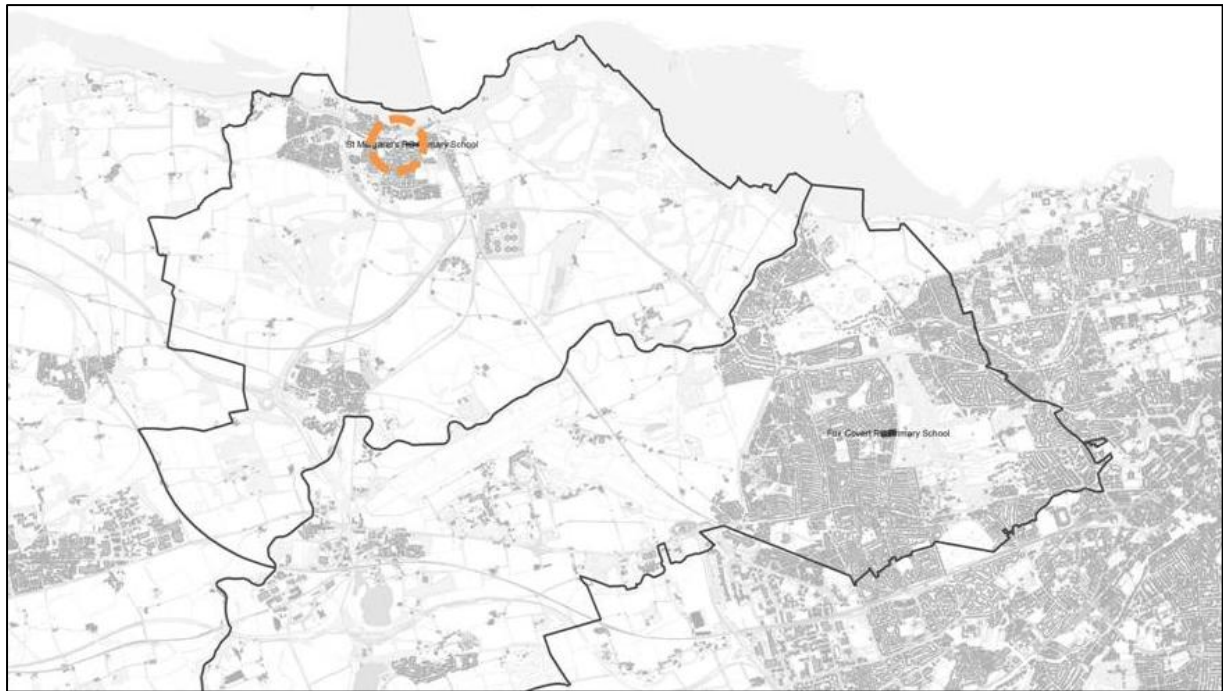
**Who:** CEC (safeguarding)

**Timescale:** with dvpt

**Cost:** £9,331,743\*

**Funding:** QECZ





**2 class extension to St Margaret's (RC) Primary School**

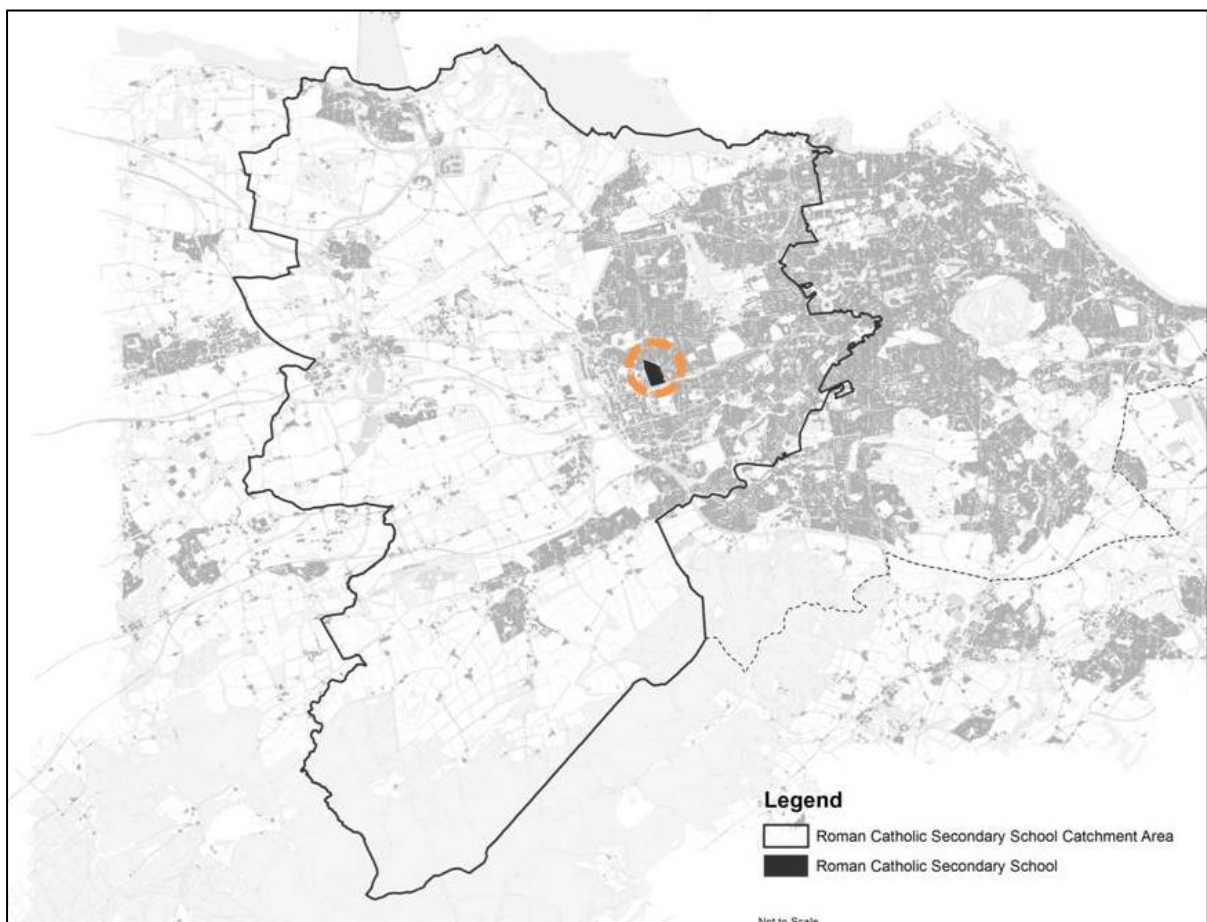
- LDP Safeguard.

**Who:** CEC (safeguarding)

**Timescale:** with dvpt

**Cost:** £886,217\*

**Funding:** CZ



**Extension to St Augustines (RC) High School**

- Additional capacity in St Augustine’s RC High School - 17 pupils @ 10m2

\*estimated costs

**Who:** QECZ / WEECZ

**Timescale:** with dvpt

**Cost:** £683,792\*

**Funding:** QECZ / WEECZ

**Water and Drainage Actions****South Queensferry Waste Water Treatment Works**

- Upgrade to WWTW to accommodate new development

**Who:** TBC

**Timescale:** with dvpt

**Cost:**

**Funding:**

**Springfield (HSG 1)****Site-specific Actions****Action**

- LDP allocates land for housing.
- Opportunity to create a link road from Bo’ness Road to Society Road should be investigated.

**Delivery**

**Who:** Scottish

Government

**Timescale:** TBC

**Agilent (HSG 2)****Site-specific Actions****Action**

- LDP allocates land for housing.

**Delivery**

**Who:** Ediston Properties Ltd + West Register (Realisations) Ltd.

**Timescale:** Planning permission granted



## Builyeon Road (HSG 32)

### Site-specific Transport Actions

---

#### Action

- New footway and cycle path along frontage of site on south side of Builyeon Road.
- Provide pedestrian/cycle crossing facilities on Builyeon Road.
- Upgrade of existing external pedestrian/cycle routes, in particular a high quality pedestrian/cycle route to Dalmeny Station including a new route crossing the A90.
- Upgrade existing bus infrastructure facilities and provide new stops on Builyeon Road. Additional bus capacity and increased frequency of direct city centre service and also to key local facilities.
- Improved cycle parking at Dalmeny Station
- Enhanced car parking capacity at Dalmeny Station by adding new level.
- Implement TRO and physical measures for reduced speed limit on Builyeon Road.

#### Delivery

**Who:** Mrs M Bowlby  
1992 Trust  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** Developer

## South Scotstoun (HSG 33)

### Site-specific Transport Actions

---

#### Action

- High quality east/west cycle route through site to allow realignment of existing NCR running nearby.
- Additional cycle parking at Dalmeny Station.
- Enhanced car parking capacity at Dalmeny Station by adding new level.
- Upgrade existing bus stop facilities on Kirkliston Road, Scotstoun Avenue and in Dalmeny. Additional capacity and increased frequency of direct city centre service and also to key local facilities.

#### Delivery

**Who:** Taylor Wimpey  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** Developer

## Dalmeny (HSG 34)

### Site-specific Transport Actions

---

#### Action

- Upgrade bus stops in Bankhead Road / Main Street

#### Delivery

**Who:** Developer  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** Developer

## 5b South West Edinburgh

### South West Edinburgh Housing Sites

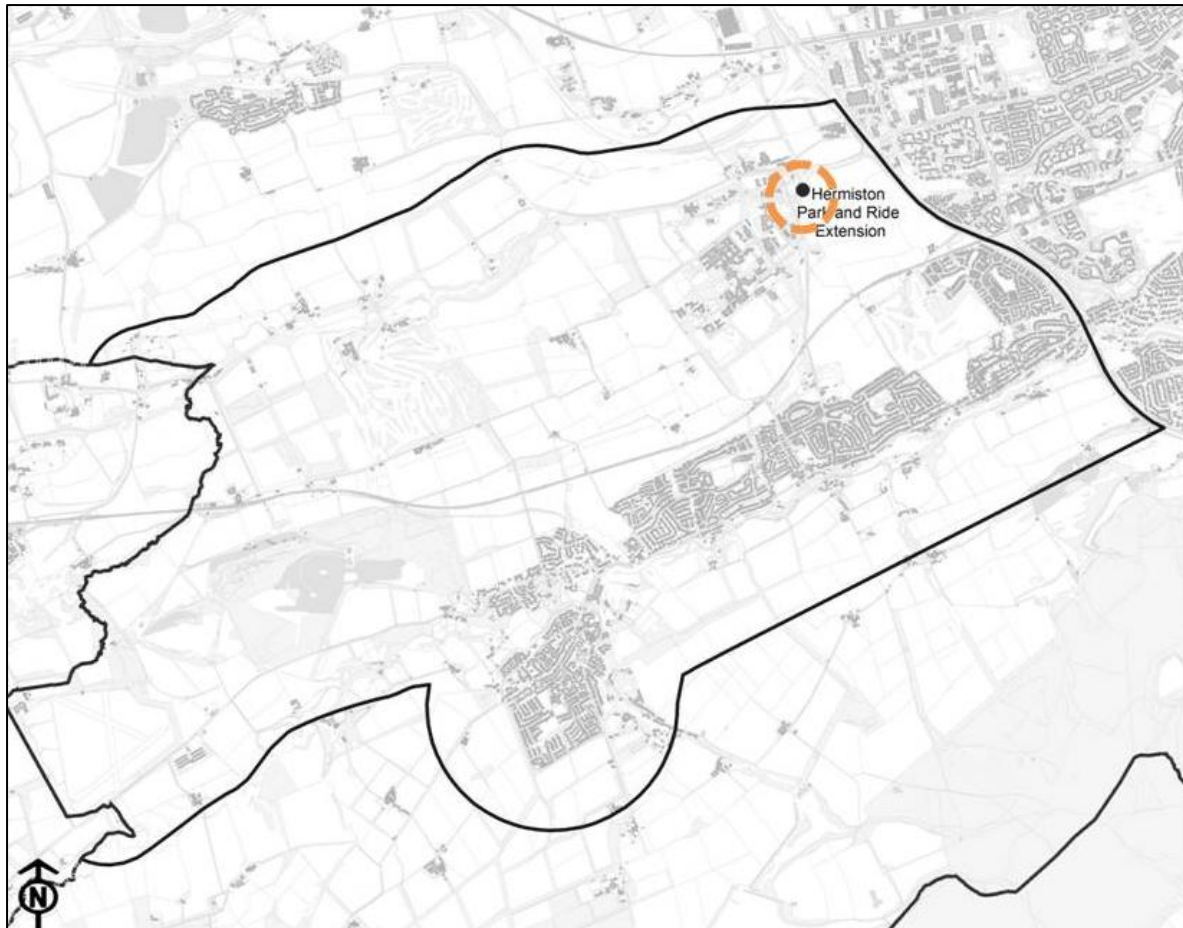
#### Transport Actions



#### Gillespie Crossroads

- Increase junction capacity based on increasing the efficiency of the traffic signals through installation of MOVA (Microprocessor Optimised Vehicle Actuation)

**Who:** South West Edinburgh Housing sites  
**Timescale:** with dvpt  
**Cost:** £500,000 (est)  
**Funding:** BMT CZ

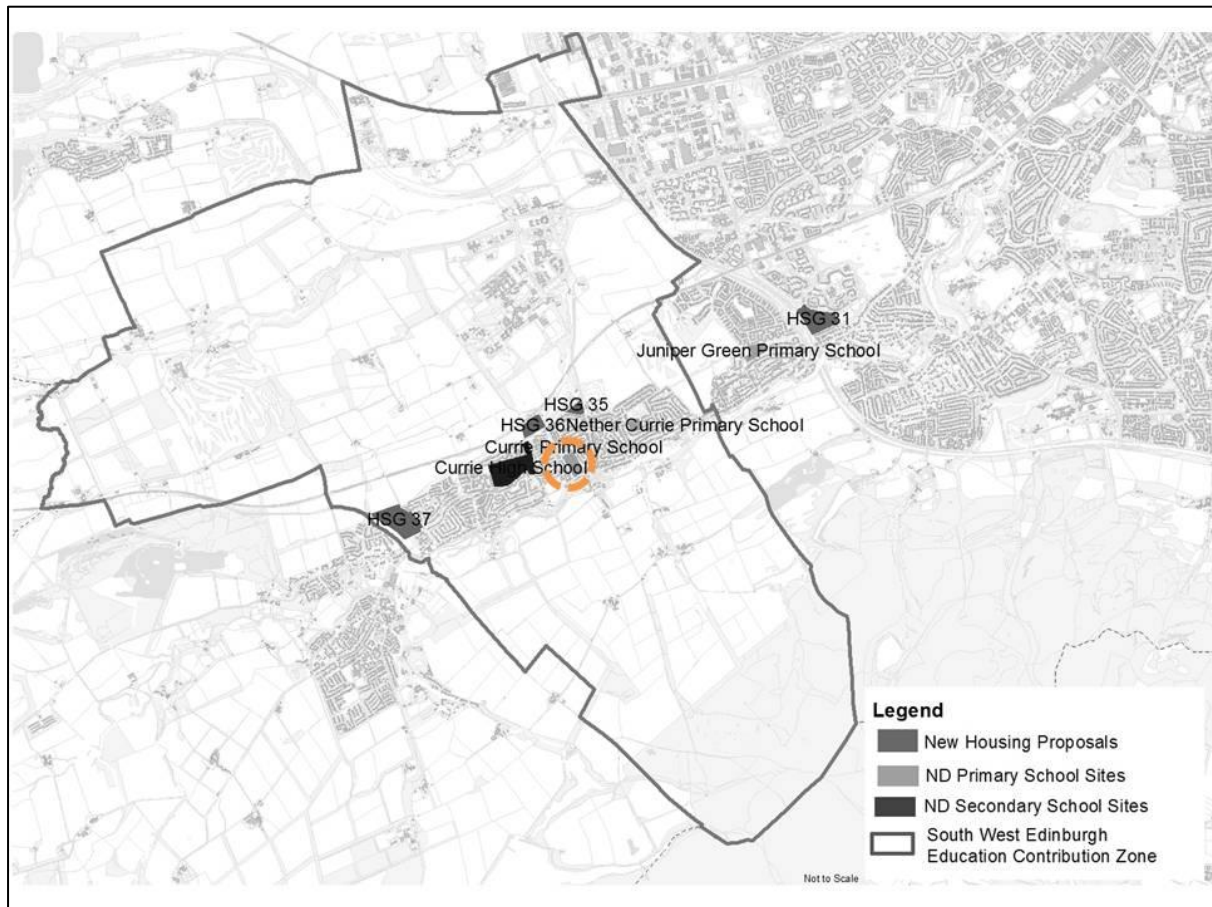


**Hermiston Park & Ride**

- Extension to Hermiston Park and Ride

**Who:** South West  
Edinburgh Housing sites  
**Timescale:** with dvpt  
**Cost:** £tbc  
**Funding:** HPRCZ

**Education Actions**



**South West Edinburgh Education Contribution Zone**

**Action**

**5 class extension to Currie (ND) Primary School (SCH10)**

- LDP Safeguard.

**Delivery**

**Who:** CEC (safeguarding)

**Timescale:** with dvpt

**Cost:** £1,177,095\*

**Funding:** SWECZ

**Riccarton Mains Road (HSG 35) only**

**Site-specific Transport Actions**

- TRO and movement of 40mph speed limit zone on Riccarton Mains Road

**Who:** Sudlow Trust

**Timescale:** TBC

## Curriehill Road, Currie (HSG 36)

### Site-specific Transport Actions

---

- Provide new footway along east boundary frontage (Curriehill Road) to link with existing footway network.
- Improve high quality pedestrian/cycle link to Curriehill Station (may involve upgrading existing link).
- Help provide additional cycle parking at Curriehill Station.
- Upgrade existing bus stop facilities in Riccarton Avenue.

**Who:** Cala Homes  
**Timescale:** TBC

## Newmills, Balerno (HSG 37)

### Site-specific Transport Actions

---

- New footway along east frontage boundary
- Improved pedestrian/cycle crossing facilities on A70, in vicinity of Newmills Road junction – may be requirement for signal control.
- Upgrade cycle routes between Newmills Road and Curriehill Station.
- Provide additional cycle parking at Curriehill Station
- Provide new bus stop facilities on A70, in vicinity of Newmills Road.
- Train - extended car park at Curriehill Station.

**Who:** Cala Homes  
**Timescale:** TBC

### Site-specific Greenspace Actions

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- **Newmills Park GS11** - 3 hectare linear park

## Curriemuirend (HSG 31)

### Site-specific Greenspace Actions

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- Clovenstone Drive open space upgrade (GS10)

**Who:** CEC  
**Timescale:** TBC

## 3c Other housing sites

### North Kirkliston (HSG 3)

#### Site-specific Transport Actions

- Traffic calming £110,000
- Road capacity £40,000
- Traffic signals maintenance £10,000
- Traffic signals £1,500
- Bus enhancement £100,000
- Bus re-routing £100,000
- Public realm £280,000
- Safer routes to school £30,000
- Forrester High cycle link (T8)

**Who:** Walker Group  
Scotland  
**Timescale:** Planning permission granted and development underway.

#### Site-specific Education Actions

- New School S75 contribution: £4,900,000

### West Newbridge (HSG 4)

#### Site-specific Actions

- LDP allocates land for housing. Opportunity for housing-led regeneration in heart of Newbridge.
- Environmental concerns such as the proximity of the site to industrial uses and impact of aircraft noise must be addressed through a comprehensive master plan for the whole site.

**Who:** TBC  
**Timescale:** TBC

### Hillwood, Ratho Station (HSG 5)

#### Site-specific Actions

- LDP allocates land for housing. Opportunity for housing development and community facilities (either provided on site or elsewhere in Ratho Station).

**Who:** TBC  
**Timescale:** TBC

### South Gyle Wynd (HSG 6)

#### Site-specific Actions

- Housing opportunity on site adjacent to Forrester's and St Augustine's High Schools.
- Forrester High cycle link (T8)

**Who:** Persimmon Homes  
**Timescale:** TBC

### Edinburgh Zoo (HSG 7)



### Site-specific Actions

---

- LDP allocates land for housing. Land on the western edge of the zoo which is no longer required for zoo purposes. **Who:** Edinburgh Zoo  
**Timescale:** TBC

## Telford College, North Campus (HSG 8)

### Site-specific Transport Actions

---

- Transport (including bus shelter) £22,000 **Who:** Miller Homes  
**Timescale:** TBC

### Site-specific Education Actions

---

- School contribution £33,801

## Telford College, North Campus (HSG 8)

### Site-specific Transport Actions

---

- Link to Ferry Road Path (T9) **Who:** Link Group Ltd And J Smart + Co (Contractors) Plc  
**Timescale:** Planning permission granted and development underway.

## City Park (HSG 9)

### Site-specific Actions

---

- LDP allocates land for housing **Who:** TBC  
**Timescale:** TBC

## Fairmilehead Water Treatment Plant (HSG 10)

### Site-specific Transport Actions

---

- Tram £525,000
  - Traffic signals £66,585
  - Safer routes to school £8,877
  - Cycling £44,389
  - City car club £6,500
- Who:** BL Developments Ltd  
**Timescale:** Planning permission granted for the redevelopment of the former Scottish Water treatment works. The existing tanks have been decommissioned to make

the site suitable for housing use.

### Site-specific Education Actions

---

- School contribution £19,269
- 

## Shrub Place (HSG 11)

### Site-specific Actions

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- LDP allocates land for housing.

**Who:** TBC

**Timescale:** TBC

## Lochend Butterfly (HSG 12)

### Site-specific Transport Actions

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- City car club - £18,000
- Public transport and footway improvements in the vicinity of the development £45,000
- Permanent strengthening of the existing rail bridge on Easter Road at the junction of Easter Road and Albion Road and (two) in assisting with the provision of a new pedestrian bridge over the railway from the south development site and Moray Park Terrace in the event that the railway line is reinstated for use. £227,000
- TRO contribution £2,500
- Lochend Butterfly cycle link with new bridge (T8) - £2,500

**Who:** Places for People

**Timescale:**

### Site-specific Education Actions

---

- School contribution £32,042

## Eastern General Hospital (HSG 13)

### Site-specific Transport Actions

---

- Upgrading of the existing signal controlled junction at Seafeld Street / Seafeld Road - £110,000
- Craightinny – Leith Links cycle link (T8)

**Who:** East & Midlothian NHS Trust

**Timescale:** Proposals to retain three existing buildings (two of which are listed). Planning permission granted for



housing including 64 affordable units and a care home. The affordable housing is complete and comprises a mix of tenures.

### Site-specific Education Actions

---

- School contribution £8,483

### Riccarton University Campus and Business Park (Emp 3)

- There is currently 20.28 hectares of undeveloped land available within Riccarton Research Park. Update Heriot Watt University Masterplan (2001)  
**Who:** Heriot Watt University  
**Timescale:** TBC

### Replacement Portobello High School (SCH 1)

- Replacement Portobello High School  
**Who:** CEC (safeguarding)  
**Timescale:** TBC  
**Cost:** TBC  
**Funding:** CEC

## 5e Other Active Travel Actions (T8)

Action	Delivery
• West Approach cycle link	LDP Safeguard for active travel
• Family Cycle Network Link along railway viaduct (multiple bridges required)	LDP Safeguard for active travel
• North Meggetland – Shandon Link (includes bridge over railway)	LDP Safeguard for active travel
• Donaldson cycle link	LDP Safeguard for active travel
• Inglis Green cycle link, new Water of Leith Bridge	LDP Safeguard for active travel
• Westfield Road – City Centre	LDP Safeguard for active travel
• Gordon Terrace – Robert Burns Drive link path	LDP Safeguard for active travel
• Barnton Avenue crossing	LDP Safeguard for active travel
• To King’s Buildings and Mayfield Road	LDP Safeguard for active travel
• Astley Ainslie Hospital	LDP Safeguard for active travel
• Pilrig Park – Pirrie Street	LDP Safeguard for active travel
• Off road alternative NCR 75	LDP Safeguard for active travel
• Ramped access from Canal to Yeoman Place	LDP Safeguard for active travel
• Morningside to Union Canal link	LDP Safeguard for active travel
• Fork Kinnaird to QMUC link	LDP Safeguard for active travel
• Wisp to Fort Kinnaird link	LDP Safeguard for active travel

## 5f Other Greenspace

### Dalry Community Park (GS1)

#### Action

- Improve to standard and park realignment, to be delivered as part of development adjacent to park

#### Delivery

**Who:** CEC  
**Timescale:**  
**Cost:** £30,000  
**Funding:** CEC / S75

### Inverleith Depot (GS8)

#### Action

- Conversion of service depot into green space

#### Delivery

**Who:** CEC  
**Timescale:** Awaiting outcome of review of depots and other service requirements.  
**Cost:** TBC  
**Funding:** CEC / S75

## 6 Policies

Del 1, 2 and Hou 6 & 10	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Developer Contributions and Affordable Housing</li> </ul>
Del 3, 4, 5	Implement through LDP
Des 1 - 5, and 7 - 11 Hou 2 - 6	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Edinburgh Design Guidance</li> <li>• Guidance for Householders</li> <li>• Guidance for Businesses</li> </ul>
Des 6	Maintain and update Sustainability Form (S1) in line with current Scottish Building Standards and other relevant policy and legislation.
Env 1 – 9	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Listed Buildings and Conservation Areas</li> </ul>
Env 10 – 22	Maintain and update statutory guidance: <ul style="list-style-type: none"> <li>• Countryside and Green Belt development</li> </ul>
Emp 1	Implement through LDP
Emp 2	Maintain and update supplementary guidance: <ul style="list-style-type: none"> <li>• Edinburgh BioQuarter and SEW Parkland</li> </ul>
Emp 3 – 10	Implement through LDP
Hou 1, 7 and 9	Implement through LDP
Hou 8	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Student Housing</li> </ul>
Ret 1, 2	Maintain and update supplementary guidance for 9 town centres
Ret 3 – 10	Implement through LDP
Tra 1 – 9	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Street design guidance</li> <li>• Parking Standards</li> </ul>
Tra 10 -11	Implement through LDP
RS 1 – 6	Implement through LDP
RS 7	Maintain and update non-statutory planning guidance: <ul style="list-style-type: none"> <li>• Communications Infrastructure</li> </ul>



online - [www.edinburgh.gov.uk/localdevelopmentplan](http://www.edinburgh.gov.uk/localdevelopmentplan)

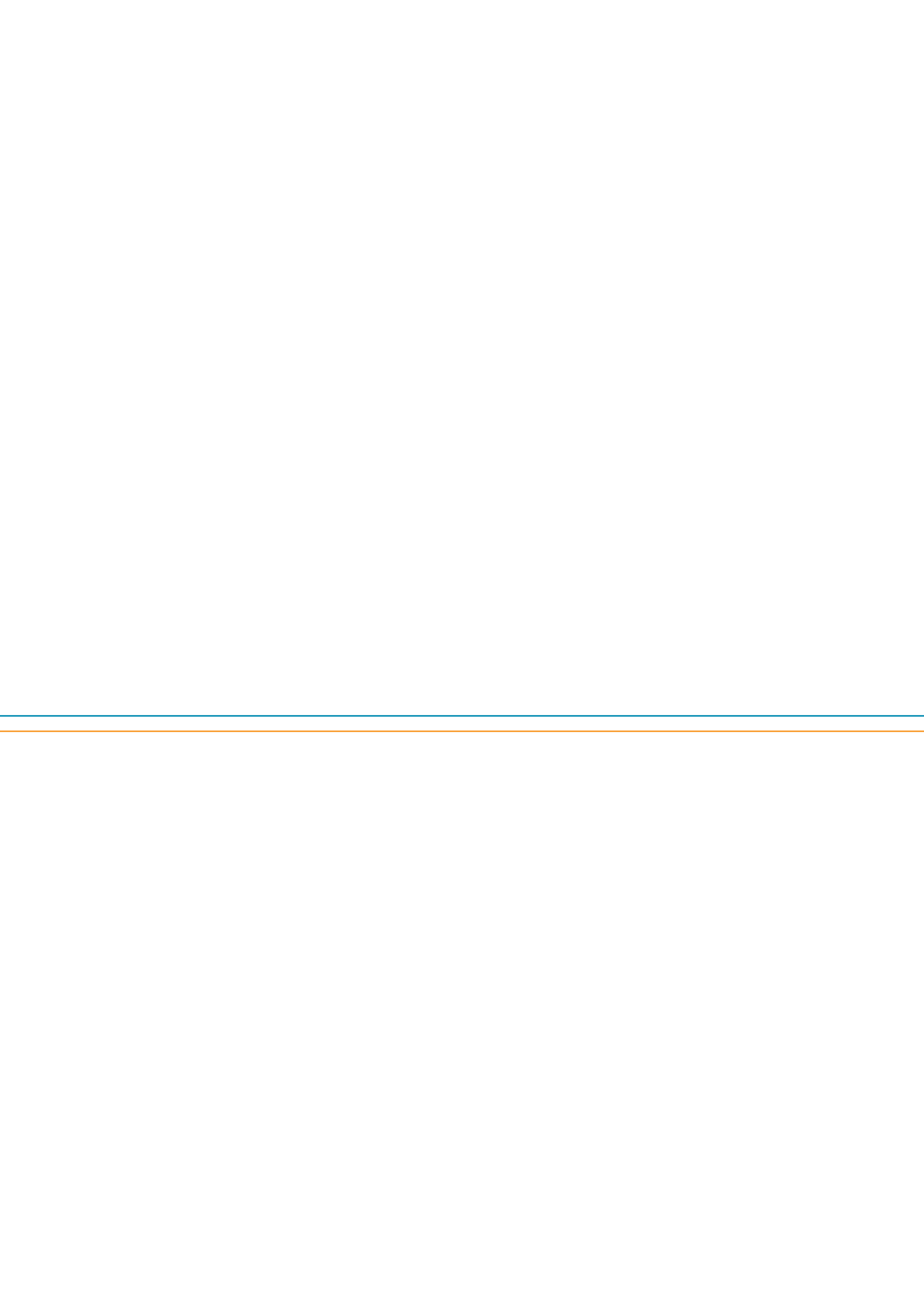
email - [localdevelopmentplan@edinburgh.gov.uk](mailto:localdevelopmentplan@edinburgh.gov.uk)

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### **Edinburgh Local Development Plan Action Programme** **Draft Financial Assessment**

#### **1.0 Introduction**

---

- 1.1 This report has been prepared to provide an assessment of the financial implications of the Local Development Plan (LDP) Action Programme. This is the first stage of this assessment and provides an overview of the implications of the proposed 'greenfield' housing allocations and expected 'windfall developments' as set out in the LDP.
- 1.2 Following this report, further and full assessment of the Action Programme will be carried out. This will include assessment of economic development sites such as the IBG and Edinburgh Waterfront and additional infrastructure actions such as active travel, greenspace and health care in order to inform wider council strategies and community planning.

#### **2.0 Background**

---

- 2.1 Edinburgh is a successful growing city. This growth continues even in this time of economic instability. It is driven by the city's assets which include its citizens, its centres of employment and learning, and its quality of life. This growth needs to be guided and shaped in order to maintain and promote these assets and to deliver the Council's objectives.
- 2.2 The Edinburgh Partnership Community Plan 2015-18 sets out the vision for the city. It highlights that the city's population is both changing and growing and that as a result, significant investment in infrastructure will be needed to maintain economic growth and sustain the quality of life in the city. The LDP is the spatial expression of this aspect of the Community Plan. It guides growth to best meet those aims. Its Action Programme sets out the actions needed to deliver that growth and infrastructure. The Action Programme is a vehicle to join up infrastructure investment and ensure that the full costs of growth and estimated and planned for.
- 2.3 The LDP sets out policies and proposals relating to the development and use of land. The policies within the LDP are used to determine planning applications and through its proposals, the LDP sets out how Edinburgh will develop over the next 5 to 10 years. The Council is required by law to produce an LDP and to make sure that the current LDP is up-to-date. The Council has prepared its proposed LDP which was submitted to the Directorate of Planning and Environmental Appeals (DPEA) for examination in June 2015.
- 2.4 To support growth in Edinburgh, the proposed LDP identifies housing land allocations to accommodate 9,215 new residential units (flats and houses) to 2024 plus a 'windfall' allowance of an additional 5200 units which have a high expectation of coming forward within the Plan period.



- 2.5 The LDP also identifies economic growth areas at Edinburgh Park, the International Business Gateway, Edinburgh BioQuarter, the waterfront and the city centre; green network proposals including new parks associated with housing development; and other new school, healthcare provisions, and transport proposals.
- 2.6 The LDP is accompanied by a statutory Action Programme which sets out how the policies and proposals in the LDP are to be delivered. The Action Programme is intended to be used as a mechanism to coordinate development proposals with the infrastructure and services needed to support them. Where housing or economic development proposed by the LDP has a net impact on infrastructure, transport and education 'actions' are identified in the proposed Action Programme. These actions include junction improvements, new primary schools or school extensions.
- 2.7 Through its planning powers, the Council is able to secure financial contributions from developers towards the delivery of the infrastructure actions identified. However, these powers were never provided to ensure that local authorities are protected from the cost of development. The powers are not absolute and legal agreements that the Council uses to secure contributions can be appealed.
- 2.8 This report now provides an analysis of the housing land allocations to accommodate 9,215 new residential units (flats and houses) to 2024 plus a 'windfall' allowance of an additional 5200 units which have a high expectation of coming forward within the LDP period.

### **3.0 Capital Cost of LDP infrastructure associated with housing growth**

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#### **Education infrastructure**

- 3.1 The Education Infrastructure enhancement needs arising from the LDP have been assessed by the Education Infrastructure Appraisal (June 2013, revised September 2014) which accompanies the LDP. These education actions and their costs are set out within the LDP Action Programme.

#### *Proposed LDP housing sites*

- 3.2 To support the new housing allocations set out in the proposed LDP a number of new schools and extensions will be required:
- The capital cost of building the school actions is £118,809,478.
  - The land and servicing cost associated with these actions is estimated at £37,070,750.
  - The total estimated cost is therefore currently **£155,880,228** excluding any financing costs (at 30 June 2015).
- 3.3 In order for the capital cost of education infrastructure to be understood across the lifetime of the project, base capital costs have been uplifted to include estimated inflation up to the point when it has been assumed that delivery of the new infrastructure will be required and also a 7.5% contingency.

- 3.4 These cost estimates are regularly reviewed to ensure they are based on the latest available intelligence regarding potential costs. However, costs can only be determined with any degree of certainty once detailed feasibility studies (including the appropriate site investigations) are undertaken and the required delivery dates for the infrastructure have been determined.

#### *Other Education Infrastructure*

- 3.5 In addition to the above education actions which support the proposed LDP sites, there are also a number of actions required to support existing housing proposals. The Action Programme contains two existing school proposals:

- A new primary school to be located north of Waterfront Avenue, Granton
- A new primary school to be located within Western Harbour, Leith.

- 3.6 Due to revised development proposals within these areas, further analysis of the education infrastructure (and land) requirements for these two school proposals is underway.

#### *Windfall Assumption*

- 3.7 In addition to the proposed housing sites identified in the LDP, additional housing or 'windfall development' will be built across the city on brownfield sites. The assumption is that this will be around 5,200 units from now until 2024. Using the above figures as a proxy baseline, the average cost per unit on a Greenfield site is £16,916 (including construction cost, land and servicing). Extrapolating this to the further 5,200 units, if the same level of educational infrastructure is needed to support this additional Brownfield development, the additional cost would be **£87,963,200**.

#### **Transport**

- 3.8 The Action Programme sets out a number of transport proposals which will support both the housing and economic development proposals set out within the plan. The capital cost of these transport actions is estimated at approximately **£5,000,000** (early design work is required to firm up this figure) for housing sites across the city. This excludes any financing costs. In addition to these costs, individual sites are responsible for contributions towards active travel actions such as the cycle network and public transport proposals, some of which may also be significant in terms of cost.

- 3.9 The Action Programme also includes Transport proposals which are not specifically related to the delivery of allocated housing sites. These actions include:

- The West Edinburgh Strategic Development Area (WESDA) which Includes the Gogar Link Road (T10), Eastfield Road & Dumbells roundabout, Newbridge Interchange, Gogar Junction with costs of £150M to support full build out of the International Business Gateway (as per West Edinburgh Transport Appraisal study) and £15M for initial phase (as per Transport

Infrastructure Study West Edinburgh Phase 1); Over the Plan period, transport costs are expected to be in the region of **£45,000,000**. This is included within this appraisal.

- The North Edinburgh Transport Appraisal Public Transport is currently under review in relation to revised development proposals;
- Tram - which has already been delivered albeit that it is still a cost to the Council but for which retrospective developer contributions are collected from development within its contribution zone; and,
- Projects such as the Orbital Bus Route and active travel cycle actions which still require to be planned and costed.

#### *Windfall Assumptions*

- 3.10 It is assumed that Brownfield windfall housing sites will have limited transport infrastructure costs and should be able to meet these costs through developer contributions. For the purposes of informing this paper a cost of £500 per unit (taken from Council guidance on Developer Contributions) is used. Therefore, the cost of windfall development is estimated at **£2,600,000**.

## **4.0 Total Capital Costs**

---

- 3.12 The total capital costs of the LDP Action Programme are summarised in the table below.

<b>Summary of capital costs associated with the delivery of LDP Actions</b>	
<b>Infrastructure Requirement</b>	<b>Cost</b>
Education (LDP Housing Sites)	£155,880,228
Education (Windfall Housing Sites)	£87,963,200
Transport (LDP Housing Sites)	£5,000,000
Transport (Windfall Housing Sites)	£2,600,000
Transport (Non-housing development)	£45,000,000
<b>TOTAL</b>	<b>£296,443,428</b>

## **5.0 Developer Contributions**

---

- 5.1 The proposed LDP allocates land for 9,215 residential units (flats and houses based on maximum density) and planning applications are now coming forward for approval. In order to determine how costs of infrastructure are allocated for each development site, these are broken down by area on a cumulative contribution zone basis.
- 5.2 Early evidence from development sites (specifically LDP Site HSG 23 Gilmerton Dykes Road in South East Edinburgh) suggests that developers are prepared to/capable of contributing approximately £10,000 per unit (blended figure - houses and flats combined for both education

and transport contributions) compared to the requirements set out below. Note that there also other active travel and public transport actions may be required on a site by site basis and the per unit cost is different dependent on the area of the city and education actions required.

Example	No. Units	Contribution
Gilmerton Dykes Road – Education	70	£1,644,100.38
Gilmerton Dykes Road – Transport	70	£47,619
	Total	£1,691,719.38
		<b>£24,167 per unit</b>

5.3 If all the other applications came forward on this basis, this would generate total developer contributions of **£92,150,000** from housing development. If a further 5,200 units are delivered on other sites in the city, this would mean a further **£52,000,000** if developer contributions could be secured at the above amount per unit. However, this could be optimistic estimate for developer contributions given the challenges in developing Brownfield land.

#### Historic Developer Contribution Income

5.4 As a comparison to the above figures, below is the amount achieved through developer contributions for education and transport infrastructure on an annual basis:

- 2010 - £600,000
- 2011 - £1,870,000
- 2012 - £2,400,00
- 2013 - £3,350,000
- 2014 – £5,800,000

5.5 Contributions received have been steadily increasing, but this is determined by the amount of development which is proceeding. As an average, this is approximately £2,400,000 per annum Over the planned period of development (now till 2024) this would equate to a total of £36,000,000. Note that this requires further analysis, by development type. While the larger Greenfield developments are capable of paying a higher level of contribution it is likely based on this evidence that there will be a shortfall.

## 6.0 Assessment of Funding Gap/Expenditure Projection

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6.1 Based on evidence at the current time the level of developer contributions which might be achieved is at a level of £10,000 a unit, partial cost recovery, as set out in paragraph 4.1 above. For the 14,415 residential units (upper level and windfall) set out in the Plan this would result in developer contributions of **£144,150,000**, albeit this represents a set change from what has been achieved historically. This leaves a funding gap of **£107,293,428** from housing related development.

6.2 For non-housing related development, historical experience in negotiating contributions from major developments suggests that contributions cover the tram or other infrastructure, but not

both. It is likely that this development will contribute towards the tram, not other transport infrastructure. This leaves a funding gap of **£45,000,000**. However, as economic conditions improve the financial feasibility of the contributions may change. Tram is not included in this assessment.

<b>Summary of funding gap</b>	
<b>Infrastructure Requirement</b>	
Housing	£107,293,428
West Edinburgh / IBG Transport	£45,000,000
<b>TOTAL GAP</b>	<b>£152,293,428</b>

6.3 This leaves a net funding gap / expenditure projection of **£152,293,428**

## **7.0 Revenue Costs**

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7.1 In addition to capital costs of delivering education infrastructure related to the proposed LDP, an analysis of the revenue implications has been carried out. This is set out below.

### **Education**

7.2 To support the new education infrastructure requirements arising as a result of the proposed LDP, it is estimated that additional recurring annual revenue expenditure of £4,536,252 will be incurred (based on 2015 prices and excluding any future cost inflation). The annual cost increases gradually over the next few years starting from an estimated £216,288 in 2016/17, rising to £2,145,762 in 2018/19 up to the full recurring cost of £4,536,252 in 2021/22.

7.3 There is currently no provision for this additional expenditure in any existing Council service budgets nor has this been reflected in the latest iteration of the long Term Financial Plan. This comprises property costs (rates, cleaning, utilities, etc.) of £1,682,272 and additional staffing costs (for the core staffing of new establishments, not including teachers) of £2,853,980.

### *Windfall Assumptions*

7.4 Using the above figures as a baseline, the revenue cost per unit is £492. Using this as proxy would result in an estimated additional cost of £2,559,795 if the same level of educational infrastructure is needed to support additional greenfield/greenbelt windfall development.

### **Transport**

7.5 An assessment of the impact of the new and upgraded transport infrastructure on revenue budgets is underway. As per education revenue, there is currently no provision for additional expenditure in any existing Council service budgets nor has this been reflected in the latest iteration of the long Term Financial Plan.

## **8.0 Borrowing**

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- 8.1 As set out in Paragraph 4.6 above, for the purposes of assessing the borrowing costs that may result from infrastructure expenditure by the Council, the net capital expenditure projection/gap of **£152,293,428** has been used. If this were to be funded fully by borrowing, the overall loan charges over a 20 year period would be a principal amount of £152.293m and interest of £99.147m. This would result in a total cost of £251.440m based on a loans fund interest rate of 5.1% resulting in annual loan charges of £12.572m.
- 8.2 It should be noted that this assessment of revenue loan charge impact is based on high level cost not taking account of the timing of spend or developer contribution. Financial models need further development in order to calculate an accurate assessment of borrowing costs based on the timing of income and expenditure.

## **9.0 Conclusion**

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- 9.1 Based on current information it is estimated that net capital expenditure projection of for delivering the LDP infrastructure will be **£152,293,428**. This would represent annual loan charges of £12.572m. As stated above, further development of the financial model is required in relation to the timing of income and expenditure. However, the cost assumptions are robust and the developer contribution estimates are appropriate.
- 9.2 In addition to the capital costs, revenue costs associated with new schools and extensions have been estimated. The annual cost increases gradually over the next few years starting from an estimated £216,288 in 2016/17, rising to £2,145,762 in 2018/19 up to the full recurring cost of £4,536,252 in 2021/22.
- 9.3 There has been no budget provision made for any of these costs at this point in time. This financial assessment will be developed further and these costs will be factored into future Council financial planning.

# Finance and Resources Committee

10.00am, Thursday 29 October 2015

## Discretions Policy Statement – Regulation 58 The Local Government Pension Scheme (Scotland) Regulations 2014

Item number	7.7
Report number	
Executive/routine	
Wards	

### Executive summary

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The Local Government Pension Scheme (Scotland) Regulations 2014 came into effect on 1 April 2015. The new regulations include some changes to the discretions that are available to employers who are members of the Local Government Pension Scheme.

The Council is required by the Regulations to state what their position is in relation to some of these discretions. The attached Discretions Policy Statement sets out which of the discretions the Council intends to adopt and how it intends to operate them.

### Links

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Coalition pledges	P27
Council outcomes	CO27
Single Outcome Agreement	SO1

## Discretions Policy Statement – Regulation 58 - The Local Government Pension Scheme (Scotland) Regulations 2014

### Recommendations

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- 1.1 Committee is asked to note and approve the Discretions Policy Statement.

### Background

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- 2.1 The current summary and position statement has been in place since 2010, following the last changes to the Local Government Pension Scheme Regulations in 2008.
- 2.2 The *Local Government Pension Scheme (Scotland) Regulations 2014* has, with effect from 1 April 2015, implemented further changes and a Discretions Policy Statement has been drafted to reflect those changes.
- 2.3 Under Regulation 58 of the *Local Government Pension Scheme (Scotland) Regulations 2014*, each employer who is a member of the Local Government Pension Scheme is required to have a policy covering the various discretions that are contained in the regulations. This Discretions Policy Statement fulfils that obligation.
- 2.4 When considering the various discretions available to the Council, the main consideration has been how the use of a discretion would look to the general public, in terms of whether adopting and using any particular discretion could lead to a serious loss of confidence in the Council as a publicly funded body.

### Main report

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- 3.1 Under Regulation 58 of the *Local Government Pension Scheme (Scotland) Regulations 2014*, the Council is required to have a Discretions Policy Statement covering the various discretions that are available to members. A statement in respect of some of the discretions available is compulsory, in that the Council must say how it will deal with them. For others a statement is optional. This Discretions Policy Statement groups the compulsory and non-compulsory discretions together under separate headings, for ease of reference.



3.2 This report sets out all the discretions covered in the summary and Discretions Policy Statement, noting how each affects the Council. While more detail can be found in the Discretions Policy Statement, a summary of the discretions is listed here together with the position we recommend the Council adopts in relation to each of them.

### 3.3 **Compulsory Items**

#### 3.3.1 **Additional Pension Contributions (APCs)**

This Regulation deals with employees buying **additional** pension contributions to increase their pension. The Regulations allow the Council to pay the associated employer costs, where an employee has chosen to buy additional pension, by entering into a Shared Cost APC with the employee. This is an extra cost to the Council. It is recommended that the Council's position should be that there is **not** a policy of entering into Shared Cost APCs with employees in these circumstances because of the additional cost.

#### 3.3.2 **Early Payment of Pension on or after age 55 but before age 60**

The Council already allows early retirement and this is covered in the [Managing Retirement Policy](#).

#### 3.3.3 **Flexible Retirement**

The Council already allows flexible retirement and this is covered in the Managing Retirement Policy. One change that has been brought in is that the rule of 85 protections will automatically apply to any member who meets the criteria, whether or not they were part of the group that retained the historic protections.

#### 3.3.4 **Waiving Actuarial Reduction on Early Retirement after age 55 and before age 60**

Where the Council agrees to an employee retiring early under this Regulation, the Council could choose to waive any reduction which would normally be applied to the member's benefits. It is recommended that the Council choose **not** to waive any reduction, as this is an additional cost to the Council.

#### 3.3.5 **Choice of Early Payment of Pension**

This discretion would allow the Council to apply the rule of 85 to all employees retiring early. It is recommended that the Council should **not** adopt this discretion, due to the additional costs involved. Furthermore, the Council will **not** waive any actuarial reduction that would normally be applied to the benefits.

#### 3.3.6 **Award of Additional Pension**

This Regulation allows employers to award active members up to £5,000 towards their pension pot in certain circumstances. It is recommended that the Council position should be that there is not a policy of awarding additional pension in this way but will consider cases their merits.

### 3.3.7 **Voluntary Early Retirement for Former Employees aged 55 and 60 (2014 Regulations)**

This covers employees who leave employment after 1 April 2015. It is recommended that the Council should **not** have a general policy of allowing early payment of benefits for former employees, but will consider applications on their merits.

### 3.3.8 **Voluntary Early Retirement between the ages of 55 and 60 (2008 Regulations)**

This deals with former employees who left the Council and the Local Government Pension Scheme before 1 April 2015 and are covered by the 2008 regulations. It is recommended that the Council should **not** have a general policy of allowing early payment of benefits for former employees, but will consider applications on their merits.

## 3.4 **Non-Compulsory Items**

### 3.4.1 **Establishment of shared cost AVC schemes**

This regulation allows the Council to set up an additional voluntary contribution (AVC) scheme. As this would require contributions from the Council, it is recommended that the Council does **not** adopt this discretion.

### 3.4.2 **Forfeiture of pension rights after conviction of employment related offences**

This allows the Council to apply to the Scottish Ministers to forfeit all or part of a current employee's pension benefits in cases where they are convicted of certain serious offences. It is recommended that the Council elect to **reserve the right** to exercise this discretion, should the need arise, in the interest of maintaining confidence in the public service.

### 3.4.3 **Recovery or retention where former member has misconduct obligation**

This allows the Council to recoup funds from employees' pension benefits to cover a loss it has suffered in relation to a criminal, negligent or fraudulent act by those employees. It is recommended that the Council elect to **reserve the right** to exercise this discretion, should the need arise, in the interest of maintaining confidence in the public service.

### 3.4.4 **Inward Transfers of Pension Rights**

This covers cases where new employees to the Council want to transfer service accrued with other pension funds to Lothian Pension Fund. It is recommended that the Council should **not** have a general policy of allowing late transfers to proceed but should consider individual applications on their merits, given that there may be additional costs for the Council.

### 3.4.5 Member Contributions

This covers cases where employees move to a different pay band during the financial year, which would result in a change in their pension contributions. Providing that a consistent approach is taken, in the interest of maintaining confidence in the public service, it is recommended that the Council **reserves the right** to exercise this discretion should the need arise.

### 3.4.6 Additional Pension Contributions - Shared Cost Additional Pension Contracts

This covers cases where employees with Shared Cost Additional Pension Contracts have a gap in their contributions following an agreed period of absence from the Council. Similar rules to gaps in ordinary pension service apply i.e. employees should ask in writing within 30 days of returning to work to buy back lost pension. This discretion allows the Council to extend this time limit. It is recommended that the Council **adopt** this discretion but only agree to an extension exceptionally, where an employee provides evidence of extenuating circumstances as to why they could not write within the 30 day period.

3.5 Regulation 58 of the *Local Government Pension Scheme (Scotland) Regulations 2014* also requires the Council to make a statement about how it intends to calculate certain discretionary payments i.e. the calculation of redundancy payments and the calculation of Voluntary Early Release Arrangement (VERA) payments. These are included in the summary statement.

3.6 The Council is also obliged to state the circumstances under which it will award and deal with added years. This is also included in the summary statement.

## Measures of Success

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4.1 Improved recruitment and retention, as this policy clarifies further employment benefits we offer our employees.

## Financial impact

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5.1 The Council may have to pay the element of employer costs, where employees who are members of Lothian Pension Fund, choose to make a payment to cover the time they were on an employment break.

## Risk, policy, compliance and governance impact

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6.1 As the Council is obliged under Regulation 58 of the *Local Government Pension Scheme (Scotland) Regulations 2014* to have this summary statement, this ensures our compliance with that.

## Equalities impact

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- 7.1 There are no adverse equality issues arising from this report which will impact on employee groups with protected characteristics as defined by the Equality Act 2010. The equality relevance assessment score is 0.

## Sustainability impact

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- 8.1 No impact.

## Consultation and engagement

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- 9.1 This is a summary Discretions Policy Statement in relation to the Local Government Pension Scheme (Scotland) Regulations 2014 and is not a Local Collective Agreement.
- 9.2 This item was considered by the Corporate Leadership Group on 30 September.
- 9.3 Discussions with the trades unions have however taken place regarding the content of the Discretions Policy Statement, which will be placed on the Orb as well as the Council's external website.

## Background reading/external references

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None.

### **Alastair D Maclean**

Deputy Chief Executive

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### **Links**

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<b>Coalition pledges</b>	P27: Seek to work in full partnership with Council staff and their representatives.
<b>Council outcomes</b>	CO27: The Council supports, invests in and develops our people.
<b>Single Outcome Agreement</b>	SO1: Edinburgh's economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 –Discretions Policy Statement, Regulation 58, The Local Government Pension Scheme (Scotland) Regulations 2014



THE CITY OF EDINBURGH COUNCIL

**THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)  
REGULATIONS 2014 – Regulation 58**

**Discretions Policy Statement**

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19. Review

Appendix 1: Definitions

## **1. DISCRETIONS POLICY STATEMENT**

- 1.1 Under Regulation 58 of the *Local Government Pension Scheme (Scotland) Regulations 2014*, each employer who is a member of the Local Government Pension Scheme is required to have a discretions policy statement covering the various discretions that are contained in the regulations.
- 1.2 The new regulations came into effect on 1 April 2015.
- 1.3 This Discretions Policy Statement sets out which of the discretions the Council intends to adopt and how it will operate them. When coming to a decision about the discretions that are available, the main consideration has been how the use of a discretion would look to the general public, in terms of whether it could lead to a serious loss of confidence in the Council as a publicly funded body.

## **2. SCOPE**

- 2.1 Some of the statements are compulsory, in that every member of the Local Government Pensions Scheme must publish their intentions towards some discretions. Others are optional. The Discretions Policy Statement groups the compulsory and non-compulsory discretions together under separate headings, for ease of reference.
- 2.2 The Council's position applies to all Council employees who are members of the Local Government Pension Scheme.

## **3. DEFINITIONS**

- 3.1. There is a list of definitions and an explanation of terms in Appendix 1.

## **COMPULSORY DISCRETIONS**

### **4. Additional Pension Contributions (APCs) (Regulation 16(2)(e) & 16(4)(d) of the LGPS (Scotland) Regulations 2014)**

#### **4.1 Council Policy:**

*The Council's policy on this is **not** to enter into Shared Cost APCs with employees who wish to increase their pension because of the additional employer costs.*

## Explanation

- 4.2 This regulation deals with employees buying **additional** pension contributions to increase their pension. Employees can choose to buy additional pension up to an agreed limit, which is subject to annual increase in line with the Pensions (Increase) Act 1971 (£6,500 from 1<sup>st</sup> April 2015). Pension contributions like this are called Additional Pension Contributions (APCs).
- 4.3 The Regulations allow the Council to pay the associated employer costs, where an employee has chosen to buy additional pension. Given that this is an extra cost to the Council, and APCs are additional pension beyond the standard pension available to all employees, the Council's Policy is not to enter into Shared Cost APC's to increase employees' pensions.

## How it works

- 4.4 The regulations allow employers to enter voluntarily into an APC contract with a pension member who is contributing to the main section of the scheme, in order to purchase additional pension of not more than the additional pension limit.
- 4.5 The scheme member can choose to make their additional pension contributions in regular instalments (in accordance with Regulation 16(2) (e)) or as a lump sum (in accordance with Regulation 16(4) (d)).
- 4.6 Employees looking for more information about APCs should contact [Lothian Pension Fund](#), in the first instance.

## 5. Early Payment of Pension on or after age 55 but before age 60 (Regulation 29(5) of LGPS (Scotland) Regulations 2014) – still in employment

### 5.1 Council Policy:

- *The Council will **not** have a policy of granting early payment of benefits (i.e. early retirement) on or after age 55 and before age 60 to those still in employment when they make the request;*
- *Where the Council does agree that an employee may retire early, they will **not** have a general policy of waiving the actuarial reduction by applying the rule of 85 protections.*

## Explanation

- 5.2 Employees can only retire early with the Council's agreement. Employees can apply for early retirement and details about this can be found in the [Managing Retirement Policy](#). All requests are considered on a case-by-case basis. The Council will only allow early retirement where a sound business case can be made for doing so or where other exceptional circumstances make payment of those benefits justifiable.

- 5.3 When employees retire early, their pensions may be subject to an actuarial reduction, to compensate for them leaving the fund earlier than expected. The 2014 Regulations give employers the discretion to turn on the rule of 85 protections (see section 8, below).

#### **How it works**

- 5.4 If the Council agrees that an employee can retire early, the Council has to meet the pension strain costs associated with that decision and the employee's pension is also subject to an actuarial reduction. If the Council decides to apply the rule of 85 protection, the resulting pension strain costs that have to be met would increase. This strain cost must be included in the early retirement business case and the cost savings test will still have to be met before the case can be approved.

### **6. Flexible Retirement (Regulation 29(6) of the Local Government Pension Scheme (Scotland) Regulations 2014)**

#### **6.1 Council Policy:**

*The Council has adopted this regulation and details of our flexible retirement scheme can be found in the [Managing Retirement Policy](#).*

#### **Explanation**

- 6.2 Flexible retirement is where employees, who are pension members and are aged 55 or over, can ask the Council to allow them to access their pension benefits while agreeing to work either reduced hours and/or at a lower grade.
- 6.3 Approval will be subject to it being shown that the request is operationally beneficial, will result in a clear business benefit to the Council and the costs are affordable and can be met.

#### **How it works**

- 6.4 When pension members take flexible retirement, they must take all the pension benefits they have accrued in respect of membership before 1 April 2009.
- 6.5 For pension accrued from 1 April 2009, members can decide to:
- take all, part or none of the benefits in respect of membership from 1 April 2009 onwards;
  - take any additional benefits such as added years contracts, additional pension contracts (APCs), additional voluntary contributions (AVCs) or additional pension or membership awarded by the employer.
- 6.6 Where they decide to take part or none of the pension they have accrued since 2009, they will get access to that once they retire.



6.7 If the rule of 85 applies, there may still be some actuarial reduction to the member's pension. This will depend on when the member joined the LGPS and other variables.

6.8 Where there is an actuarial reduction, the regulations give the Council the option to waive the reduction but this would result in the Council having to meet that cost. The Council does **not** have a general policy of waiving any actuarial reductions (see 7 below).

## 7. **Waiving Actuarial Reduction on Early Retirement aged 55 and under 60 (Regulation 29(8) of LGPS (Scotland) Regulations 2014 – still in employment.**

### 7.1 **Council Policy:**

*The Council **will not waive** any reduction which would normally be applied to the member's benefits.*

### **Explanation**

7.2 Any scheme member can ask for the early payment of their pension benefits, providing they are aged between 55 and 60. However, the benefits may be reduced for early payment.

7.3 The Council allows employees to request early retirement under the [Managing Retirement Policy](#), as noted at 5, above.

7.4 The Council does have the discretion to waive the reduction that would apply. However, doing so would mean the Council would be liable to cover the pension strain costs that would apply. Therefore, the Council **has not adopted** this discretion.

## 8. **Choice of Early Payment of Pension Schedule 2 (Paragraphs 2 & 3 of the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014)**

### 8.1 **Council Policy:**

*The Council will **not** have a general policy of applying the Rule of 85 in cases where early retirement is agreed. Nor will the Council waive any reduction that would normally be applied to the benefits.*

### **Explanation**

8.2 This regulation deals with applying the rule of 85 to employees retiring early under Regulation 29 (5) between age 55 and 60.

8.3 The rule of 85 does not automatically apply to members who voluntarily retire and take their pension benefits on or after age 55 and before age 60 (except in cases of flexible retirement). As a result, the member's benefits may be actuarially reduced.

## **How it works**

- 8.4 The new regulations allow the Council the discretion to apply the 85 year rule protections to avoid pension members having their benefits reduced. There is also the option of waiving part of the actuarial reduction. If the Council agreed to do this, the Council would then have to meet the pension strain costs. For this reason, the Council has chosen not to adopt this discretion.

## **9. Award of Additional Pension (Regulation 30 of the Local Government Pension Scheme (Scotland) Regulations 2014)**

### **9.1 Council Policy:**

*The Council will **not** have a general policy of awarding additional pension.*

## **Explanation**

- 9.2 This regulation allows employers to award current members up to £5,000 additional pension. Employers can also make an award to former employees whose employment was terminated on the grounds of redundancy or the interest of efficiency, provided they do this within 6 months of the employee leaving.
- 9.3 The Council may consider written requests on their individual merits, where there is a financial or operational advantage to the Council and will consider individual cases on their merits.

## **How it works**

- 9.4 An employer may award a member additional pension which would become payable from the same date as the member's normal pension. The maximum extra pension which can be awarded is £5,000. Such awards can be made to current members or, within 6 months of leaving, to members whose employment was terminated on the grounds of redundancy or the interest of efficiency. The employer must make an appropriate payment into the fund within one month of making a decision.
- 9.5 The figure of £5,000 will be increased annually each April (from April 2016) under the Pension (Increase) Act 1971.

## **10. Voluntary Early Retirement for Former Employees aged 55 and 60 (Regulation 29(5) of the Local Government Pension Scheme (Scotland) Regulations 2014)**

## 10.1 Council Policy:

*The Council will **not** have a general policy of allowing early payment of benefits for former employees, but will consider applications on their merits.*

## Explanation

10.2 This deals with former employees of the Council who:

- were members of Lothian Pension Fund;
- left the Scheme after 1 April 2015; and
- want to access their pension early.

10.3 This is an option in the Scheme Regulations which allows former members of staff to access their deferred pension benefits early, provided they are at least 55 years old and have the Council's agreement.

## How it works

10.4 Where the member has left Council employment and is aged 55 or over and under age 60, they can ask for the early payment of their deferred pension benefits, providing they are not in local government employment. They need to get the Council's agreement to early payment.

10.5 The Council may wish to agree to early payment where there are financial or operational benefits in doing so. Financial hardship of the former employee will not, in itself, be considered grounds for agreement. Where early payment is agreed, the Council will not have a general policy of applying the Rule of 85, or waiving any reduction which would normally be applied to the benefits.

## 11. Voluntary Early Retirement between the ages of 55 and 60 (Regulation 30 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008) – Former Employees

### 11.1 Council Policy:

- *The Council will **not** have a general early release policy for former employees, but will consider applications on their merits. The Council may agree, where it can be demonstrated as being in the Council's financial or operational interests.*
- *The Council will only waive any actuarial reduction applied to the member's benefits in exceptional cases of hardship.*

## Explanation

11.2 This regulation deals with former employees of the Council who were members of Lothian Pension Fund, who are covered by the 2008 regulations and who want to access their pension early.

- 11.3 It applies to former employees with deferred benefits who left the Scheme before 1 April 2015. The Scheme Regulations allows former members to obtain access to their deferred benefits early provided they are at least 55 years old. Benefits would be reduced for early payment of pension. The amount of the reduction depends on the extent of the protection applicable to the member in respect of the 'Rule of 85'. The reduction is calculated in accordance with guidance issued by the Government Actuary's department.
- 11.4 Decisions to award early payment of benefits under this regulation put a strain on the pension fund, which results in a pension strain cost being passed on to the Council. However, the Council has the discretion to agree where it could be demonstrated that there were financial or operational benefits in doing so.

### **How it works**

- 11.5 Any scheme member aged 55 or over, who has left their employment, can ask for the early payment of pension benefits. If the member is under age 60, it is at the Council's discretion whether to agree to early payment. (This discretion may also apply to former members with deferred pension rights when they attain age 50, depending on when they originally joined Lothian Pension Fund).
- 11.6 If the Council does agree, it can then go on to consider whether any actuarial reduction should be made. Regulation 30(5), states that where compassionate grounds exist, the Council could agree that a scheme member's benefits should not be reduced. The Council will only waive any actuarial reduction applied to the member's benefits in exceptional cases of hardship.

## **DISCRETIONS - NON COMPULSORY POLICY STATEMENT**

### **12. Establishment of shared cost AVC schemes (Regulation 17(1) of the Local Government Pension Scheme (Scotland) Regulations 2014)**

#### **12.1 Council Policy:**

*The policy of the City of Edinburgh Council is **not** to establish a shared cost AVC scheme.*

### **Explanation**

- 12.2 This regulation allows the City of Edinburgh Council to set up an additional voluntary contribution (AVC) scheme, which would require contributions from the Council. Scheme members already have access to an AVC arrangement, which accepts member-only contributions.
- 12.3 No employing authority in the UK has established a shared cost AVC scheme. To do so would result in further costs for the employer.

**13. Forfeiture of pension rights after conviction of employment related offences  
(Regulation 89 of the Local Government Pension Scheme (Scotland) Regulations 2014)**

**13.1 Council Policy:**

*The Council reserves the right to exercise this discretion, should the need arise, in the interest of maintaining confidence in the public service.*

**Explanation**

13.2 This regulation deals with current employees, who are member of the Local Government Pension Scheme, and are convicted of serious offences. In these circumstances, the Council can apply to the Scottish Ministers to forfeit all or part of a scheme member's pension benefits. This would only apply in cases where the conviction was for a serious offence which was either '*gravely injurious to the State*' or '*liable to lead to serious loss of confidence in the public service*'.

13.3 It is recommended by Lothian Pension Fund that all employers adopt this provision.

**14. Recovery or retention where former member has misconduct obligation  
(Regulation 90 of the Local Government Pension Scheme ((Scotland) Regulations 2014)**

**14.1 Council Policy:**

*The Council reserves the right to exercise this discretion, should the need arise, in the interest of maintaining confidence in the public service.*

**Explanation**

14.2 This regulation deals with situations where the Council suffers a loss arising from a criminal, negligent or fraudulent act by an employee or a former employee. This provision allows the Council to recover funds to cover that loss from the former employee's pension benefits, providing that all other efforts to recover the loss have been exhausted.

**How it works**

14.3 This provision allows employers to recover monies from pension benefits in respect of acts of theft or fraud carried out by an employee. For example, the theft of a substantial sum of money could be recovered from a scheme member's pension benefits. This provision can also apply to former employees by deducting this amount from a member's pension so they only receive the reduced pension when they retire. It is recommended by the Lothian Government Pension Scheme that all employers adopt this provision.

## **15. Inward Transfers of Pension Rights (Regulation 98 of the Local Government Pension Scheme (Scotland) Regulations 2014)**

### **15.1 Council Policy:**

*The Council will **not** have a general policy of allowing late transfers to proceed in respect of the inward transfer of pension rights from schemes that the Lothian Pension Fund recognises.*

### **Explanation**

15.2 This covers cases where new employees to the Council want to transfer service accrued with other pension funds to the Lothian Pension Fund. Lothian Pension Fund does not, and will not, permit the inward transfer of pension rights from private sector pension schemes or personal pension arrangements.

15.3 The Scheme Regulations allow members to transfer previous pension rights into the Local Government Pension Scheme. The Regulations state that all transfers must be requested within **12 months** of the member joining the scheme. However, employers and administering authorities have the discretion to allow transfers to proceed after this time-limit has expired.

15.4 Allowing late transfers results in a cost to the Council. This will be a particular consideration if there is a possibility that early retirement may be considered in the future, as such an increase in liabilities could give rise to increased strain on Fund costs.

### **How it works**

15.5 Employees can apply and the Council will consider individual applications for late transfers on their merits and may, in agreement with Lothian Pension Fund, exercise discretion to allow a late transfer to proceed where there is no financial impact on either the Council or Lothian Pension Fund and/or if there are extenuating circumstances as to why the member did not request the transfer previously.

## **16. Member Contributions (Regulation 9(4) of the Local Government Pension Scheme (Scotland) Regulations 2014)**

### **16.1 Council Policy:**

*The Council reserves the right to exercise this discretion should the need arise providing that a consistent approach is taken, in the interest of maintaining confidence in the public service.*

## **Explanation**

16.2 This regulation covers cases where employees move to a different pay band during the financial year, which would result in a change to their pension contributions. Under this regulation, the Council may adjust a member's contribution rate during the financial year if their pay changes.

## **How it works**

16.3 Employers have to allocate members into the appropriate contribution bands annually. If a member's pay moves into a different band during a financial year, the employer has discretion to implement the new band immediately but may prefer to wait until the next annual review.

## **17. Additional Pension Contributions (Regulation 16 (16) of the Local Government Pension Scheme (Scotland) Regulations 2014)**

### **17.1 Council Policy:**

*Employees who have gaps in their pension contributions due to agreed unpaid leave can choose to buy back the missing element. They must decide to do this within 30 days of returning to work. The Council will **not** generally agree to extend the 30-day time limit, but may do so exceptionally, where an employee provides evidence of extenuating circumstances.*

## **Explanation**

17.2 This covers cases where employees have a gap in their contributions following an agreed period of absence from the Council.

17.3 Under this regulation employees must make a written request to the Council to buy back lost pension within 30 days of returning to work. If they decide to do so the cost of buying back the lost pension will be shared with the employer. The Regulations give the employer discretion to extend the 30-day time limit.

## **How it works**

17.4 Where an employee decides to buy back missed pension contributions within 30 days of returning to work, the employer **MUST** pay the associated employer costs. There is no discretion around this. The Regulations are quite clear that the employer must meet the costs if the employee's request is made within the 30-day deadline. The mechanism for these payments is a Shared Cost Additional Pension Contract.

## 18. Discretionary Payments (The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998; and the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2008)

18.1 The Discretionary Payments and Injury Benefits Regulations allow employers, such as the Council to make discretionary payments to employees, who may also get access to their pension at the same time, in relation to:

- Injury Allowances;
- Redundancy payments;
- Awarding compensatory added years; and
- Gratuities for non-pensionable service.

18.2 Under regulation 51A, the Council must formulate and publish a policy in relation to:

- **Regulation 4:** basing redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit;
- **Regulation 35:** awarding compensation for redundancy payment of up to 104 weeks pay;
- **Regulation 8:** awarding compensatory added years; and
- **Regulation 49B:** ill-health gratuities.

18.3 It is up to each employer to consider how to deal with these discretions within the context of its own policies on severance, redundancy and early retirement.

18.4 In considering how it makes these payments, all employer members of the Local Government Pension Scheme must have regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. All employer members are urged to ensure that they are satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

### Calculation of Severance and Redundancy Payments

18.5 The Council's method of calculating severance and redundancy payments can be found in the Councils' policies, [which can be downloaded here](#). Employees who do not have access to the internet should ask their line manager for a copy. Details of the process and the cost/savings test can also be found there.

### Added Years with Early Access to Pension

18.6 The Council will **not** have a general policy of awarding added years compensation in redundancy cases where the employee is also getting access to their pension.



- 18.7 The Council will consider each individual case on its merits and have regard to the operational benefits, the affordability of the proposal and the extent to which the case meets the Council's cost/saving test and provides a financial benefit of 25% of basic annual pay.
- 18.8 Where added years are agreed, the employee's redundancy payment will not be enhanced i.e. it will be based on the statutory weeks pay limit multiplied by the statutory number of weeks.
- 18.9 The level of added years to be awarded in each case is determined by the statutory conditions and the local conditions applied by the City of Edinburgh Council which:
- i) limit added years to one added year for every two years of Pension Scheme service; and
  - ii) limit the maximum award of added years to 5 years.
- 18.10 Added years will be reduced where that is necessary to ensure the required financial benefit is provided.
- 18.11 These local conditions will apply to voluntary severance/ redundancies and compulsory redundancies. An employee does **not** have the right to have an application for added years considered or approved.

### **III-Health Gratuities**

- 18.12 Regulation 49B allows the Council to make discretionary payments to employees who leave on the grounds capability but who do not meet the criteria for ill-health retiral, either in terms of length of pension membership or the medical criteria for ill-health retiral. In these circumstances, the Council has the discretion to make a payment of not more than the equivalent of 30 weeks pay.
- 18.13 Given the cost of this, the Council will not pay ill-health gratuities in these circumstances.

### **19. Review**

- 19.1 In making this Discretions Policy Statement, the Council has referred to the statutory provisions and to advice from the City of Edinburgh Council as the Pension Scheme administering authority.
- 19.2 This Discretions Policy Statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations or policy. Any changes to this Discretions Policy Statement will be advised to the administering authority and scheme members in writing within one month of the change taking effect.

**DEFINITIONS/EXPLANATION OF TERMS**

Actuarial reduction	If you leave the pension fund before age 65, your pension may be reduced as your pension is being paid earlier than expected and will be payable for longer. The reduction is based on factors calculated by the Government Actuary's Department.
Additional Pension Contribution (APC)	These are payments that pension fund members can make to cover some gaps in their pension contribution history or to increase their pension benefits.
APC contract	When an employee makes additional pension contributions to increase pension benefits or to make up for lost pension, these are paid over an agreed period of time, and this is known as an APC contract.
AVC	Additional voluntary contribution. City of Edinburgh Council staff can choose to pay these through the in-house AVC scheme with Prudential or Standard Life.
Deferred pension benefits	The pension built up by someone who has left the pension fund.
Early payment of pension/benefits	Early retirement.
LGPS	Local Government Pension Scheme – a nationwide scheme for employees working in local government. The Scheme is administered locally for participating employers through 99 regional pension funds.
LPF	Lothian Pension Fund - the regional pension fund that administers the LGPS for the Council.
Pension member	A member of staff (or ex-members of staff) who pays, or paid, contributions into the LGPS.
Pension strain cost	The charge that may be made to the Council to compensate LPF if you retire early.
Rule of 85	Where your calendar length of active membership of the LGPS and your age, when added together, come to 85, you may have some protection against actuarial reduction, depending on when you joined the scheme.

# Finance and Resources Committee

10.00am, Thursday 29 October, 2015

## Council Tax Empty Properties - Procedure Review

Item number	7.8
Report number	
Executive/routine	
Wards	

### Executive summary

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The Scottish Government and the City of Edinburgh Council (Coalition Pledge 10) are committed to encouraging owners to return long term empty properties back to the market and increase the supply of affordable housing.

On 21 March 2013 the Finance and Budget Committee approved a revised charging procedure designed to reduce the number of empty properties in the city. This included a 50% Council Tax reduction, for up to 24 months, for properties that are actively being marketed for sale or let. Empty properties that do not fall in to this category are subject to a 100% Council Tax surcharge on homes unoccupied for a period of 12 months or more.

The procedure was implemented on 1 January 2014 and this report details the outcomes of the first 15 months of operation:

- the main policy objective of reducing the number of long term empty homes in Edinburgh is currently being met;
- there has also been a significant increase in the number of properties being marketed for sale or let; and
- when the higher charge is fully collected, and offset against the discounted charge for properties being marketed this results in a potential net income gain of £141k.

## Council Tax Empty Properties - Procedure Review

### Recommendations

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- 1.1 It is recommended that Committee:
  - 1.1.1 notes that the implementation of the revised empty property procedure in 2014 has successfully reduced the number of long standing empty properties in Edinburgh;
  - 1.1.2 approves the proposal to reduce the discount applied to empty properties that are actively being marketed for sale or let from 50% to 10%, with the 200% charge still being applied after 24 months. This would be introduced from 1 April 2016; and
  - 1.1.3 approves ring fencing £75k from the additional Council Tax collected to support the Council Tax administration process.

### Background

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- 2.1 In 2005 the Scottish Government introduced legislation in an attempt to return long term empty properties to the market and increase the supply of housing in Scotland. The legislation enabled councils to modify the 50% council tax discount available on empty and unfurnished properties to between 10% and 50%. This modification only applied where a property had been empty for 12 months, with any additional revenue ring fenced for affordable housing. As a result in July 2005 the Council reduced the discount available for properties that had been empty and unfurnished for 12 months to 10%.
- 2.2 The Scottish Government then implemented the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 that allowed councils to further vary the discount and, in some cases, increase the level of council tax payable on unoccupied properties.
- 2.3 On 21 March 2013 the Finance and Budget Committee approved a new empty property procedure that included a 50% Council Tax reduction, for up to 24 months, for unoccupied properties actively being marketed for sale or let. Properties that do not fall in to this category are subject to a 100% Council Tax surcharge, if the property has been unoccupied for a period of 12 months or more. These arrangements are consistent with the Council's commitment to encourage owners to return long term empty properties back to the market and increase the supply of affordable housing in Edinburgh.

### Implementation

- 3.1 The Council's current empty property procedure was implemented on 1 January 2014. To support the arrangements 3,500 letters were issued to owners of empty properties advising them of the new charges and enclosing a promotional leaflet for the services provided by the Council's Empty Homes Task Force Team.
- 3.2 This contact and the normal annual billing process generated a range of enquiries to the Empty Homes and Council Tax teams and advice and guidance was provided on the procedure. This included further information on a national scheme that provided financial assistance, in the form of a loan, to bring empty properties back to a standard that they could be occupied again.
- 3.3 Following the initial increase in contact the number of Council Tax payers querying the empty property charge has diminished. There are however relatively regular queries that are both complex and resource intensive to resolve. This has created some resource pressures.
- 3.4 There are many reasons why properties remain unoccupied and the personal and financial circumstances of property owners vary greatly. The existing procedure operates within the principles of the Council's Corporate Debt Policy, whereby charges are raised in a proportionate and transparent manner, while also considering an individual's circumstances, including hardship.

### Procedure Outcomes

- 3.5 Over the 15 month period from January 2014 to March 2015 the procedure has delivered a number of positive outcomes:
  - the number of properties subject to the long term empty charge reduced by **14.3%** (125 fewer properties); and
  - the number of empty properties being actively marketed for sale or let increased by **56.5%** (460 more properties).
- 3.6 The decrease of 125 long term empty homes is a positive result that aligns with the overall policy intention of reducing the number of long term empty homes in Edinburgh.
- 3.7 In addition the increase in properties being actively marketed indicates that owners are being more proactive in trying to sell or rent their unoccupied properties. These owners benefit from a significant 50% Council Tax discount for up to 24 months, whilst also delaying the 100% Council Tax surcharge being levied against them.
- 3.8 The procedure has also delivered processing benefits as landlords are advising the Council of tenancy changes at the earliest opportunity. Previously late notifications led to billing delays and difficulties in collecting Council Tax from

tenants that had moved in and out of properties without the Council being made aware of the liability changes.

- 3.9 Over the same 15 month period the additional Council Tax levied through the new charge was £843k, with potential revenue of £702k lost due to the increased Council Tax discount applied for properties being actively marketed for sale or let. When the charge is fully collected this will result in a net income gain of £141k for the Council.

### **Procedure Update Proposal**

- 3.10 The existing procedure has successfully reduced the number of empty/unoccupied properties within Edinburgh. At the same time it has offered a significant benefit to empty property owners in Edinburgh by way of a 50% reduction, for up to 24 months, for properties that are being marketed for sale or let. There is evidence that those benefiting from this incentive are owners whose properties are empty for a relatively short space of time e.g. between tenancies. Since the introduction of the discount until July 2015, Council data highlights that the average length of discount is 37 days, and that half of all discounts are awarded for two weeks or less. This supports the conclusion that discounts are being awarded for short periods.
- 3.11 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 provides Scottish councils with flexibility over the Council Tax charges that can be raised on empty dwellings. As a result there is scope for the Council to reduce the 50% discount for actively marketed properties to 10%. This level of discount would bring it in line with the previous discounts offered for empty properties, while still providing an incentive to market the property and also delaying the implementation of the 100% surcharge for a maximum of 24 months. This potential change is outlined in Appendix 1.
- 3.12 Based on the Council's initial caseload, reducing the discount from 50% to 10% would have potentially generated an additional £701k during the period 1 January 2014 to 31 March 2015. This assumes that all of the liability is collected, however, it is likely to be reduced by some level of write off or collection delay. For comparison in-year Council Tax collection is typically around 95% of the charge levied.
- 3.13 Any proposal to amend the sale or let discount will potentially impact on a significant number of property owners. It is therefore essential that any arrangements are implemented in a managed way and that customers are given notice of the changes. In addition any changes proposed would need to be supported by an information campaign, developed in consultation with the Empty Homes Team.

## Measures of success

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- 4.1 The key measure of success is the reduction of long term empty properties in Edinburgh, consistent with Coalition pledge 10.

## Financial impact

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- 5.1 The implementation of the 100% surcharge for long term empty properties has increased Council Tax revenue for the 15 month period from 1 January 2014 to 31 March 2015:
- 1379 Council Tax accounts levied with the additional Council Tax 100% surcharge, at some stage, during the period.
  - Generating potential additional income of £842k of which £770k has been collected up to 31 March 2015.
- 5.2 The implementation of the 50% discount for properties actively marketed for sale or let reduced Council Tax revenue over the same period:
- 11,901 Council Tax accounts had the increased 50% discount awarded, at some stage, during the period, generating charges of £ 877k of which £ 833k has been collected up to 31 March 2015.
  - However the increase in the marketing/let discount from 10% to 50% resulted in an income reduction of £ 701k (the 40% difference between the historical 90% charge and the current 50% charge).
- 5.3 When the potential additional income of £842k income is fully collected this will create a net benefit to the Council of £141k.
- 5.4 As detailed at 3.13 the proposal to reduce the available discount from 50% to 10% would have potentially generated an additional £ 701k during the period 1 January 2014 to 31 March 2015. This assumes that all of the liability is collected however it is recognised that this would be reduced by some level of write off
- 5.5 When the current policy was approved in March 2013 it was highlighted that implementation and enforcement activities would require significant recovery and administration resource. These changes have resulted in extra workload, with a focus on complex cases that require investigation, dedicated visits to establish occupancy, detailed follow-ups and an increased number of appeals. To continue to support and implement the proposed changes in this report and the wider Council Tax administration it is estimated that an extra £75k of staff resource is required. This would be met from the projected increase in Council Tax, detailed in paragraph 5.4

## Risk, policy, compliance and governance impact

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- 6.1 The procedures are regularly reviewed for ongoing compliance with relevant policies, such as the Corporate Debt Policy.

## Equalities impact

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- 7.1 The Scottish Government's consultation exercise included an Equality Impact Assessment that concluded that the legislation was not expected to lead to negative impacts on particular equalities groups.

## Sustainability impact

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- 8.1 A reduction in unoccupied properties will have positive environmental and economic benefits by increasing the number of homes available for individuals and families.

## Consultation and engagement

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- 9.1 The existing empty homes policy was developed in consultation with the Council's Empty Homes Task Force. It was widely communicated to affected property owners before the effective date of 1 January 2014, with advice and guidance on the changes. This early intervention allowed property owners to consider their options and take appropriate action.
- 9.2 Any further change to the Policy would require a similar engagement programme and it is recommended that any change to the procedure would be introduced from April 2016.

## Background reading/external references

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[Corporate Debt Policy](#) - Corporate Policy and Strategy Committee, Tuesday, 3 September 2013 and update

Empty Properties – Council Tax Changes – Finance and Budget, Tuesday 21 March 2013

### **Alastair Maclean**

Deputy Chief Executive

Neil Jamieson Income Manager

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## Links

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<b>Coalition pledges</b>	<b>P8</b> - Make sure the city's people are well-housed <b>P10</b> - Set up a taskforce to investigate ways to bring empty homes into use
<b>Council outcomes</b>	<b>CO25</b> - The Council has efficient and effective services <b>CO26</b> - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
<b>Single Outcome</b>	<b>SO1</b> - Edinburgh's Economy Delivers increased investment, jobs





Policy Overview

Type of property	Position	On date home becomes empty			
		0-6 months	7 to 12 months	13 to 24 months	24 months +
Unoccupied & unfurnished	Current CEC Position	No charge	10% discount	100% increase	
	Proposed CEC Position	No charge	10% discount	100% increase	
Unoccupied & furnished	Current CEC Position	10% discount	10% discount	100% increase	
	Proposed CEC Position	10% discount	10% discount	100% increase	
Unoccupied & unfurnished – actively marketing for sale or let <b>Note 1</b>	Current CEC Position	No charge	50% discount	50% discount	100% increase
	Proposed CEC Position	No charge	<b>10% discount</b>	<b>10% discount</b>	100% increase
Unoccupied & furnished - actively marketing for sale or let <b>Note 1</b>	Current CEC Position	50% discount	50% discount	50% discount	100% increase
	Proposed CEC Position	<b>10% discount</b>	<b>10% discount</b>	<b>10% discount</b>	100% increase

Note 1 Unoccupied dwellings that have been continuously unoccupied for less than two years and in respect of which the person who is liable to pay council tax that is chargeable can produce evidence to establish that – it is being actively marketed for sale or let on terms and conditions, including proposed price or rent, which are appropriate for sale or let of the property and an offer to purchase at that price or pay such a rent would be accepted by the owner or would be likely to lead to creation of a tenancy

# Finance and Resources Committee

10.00am, Thursday, 29 October 2015

## Civic Hospitality Policy

Item number	7.9
Report number	
Executive/routine	
Wards	

### Executive summary

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The report provides a revised Civic Hospitality Policy for approval. In addition, changes to the level of delegation are also proposed to ensure the value remains at an appropriate level to enable the efficient management of civic hospitality and ensure clear accountability.

### Links

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Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

## Civic Hospitality Policy

### Recommendations

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- 1.1 To approve the Civic Hospitality Policy set out in appendix 1 of this report.

### Background

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- 2.1 The Scheme of Delegation to Officers delegates power to the Chief Operating Officer and Deputy Chief Executive to authorise expenditure on civic hospitality in line with Council policy. Such a policy needs to outline the levels of expenditure that can be authorised by officers and the level that requires committee approval.
- 2.2 The policy covering civic hospitality was last reviewed in November 2008. As part of the Council's aim to improve governance arrangements, the policy has been revised with the intention that it be regularly reviewed in line with the Council's policy framework.

### Main report

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- 3.1 The Civic Hospitality Policy outlines in what circumstances it is appropriate to have civic hospitality and the decision making process for agreeing an event.
- 3.2 Widespread changes to the policy, which generally has worked well, are not proposed. However, the policy has been modernised and streamlined to help ensure a more transparent and straightforward process for identifying and agreeing civic hospitality. The changes to the policy focus on:
  - 3.2.1 A requirement for any spend outwith budget to be reported to committee for approval;
  - 3.2.2 Clear and robust eligibility criteria;
  - 3.2.3 Appropriate oversight;
  - 3.2.4 An increase in the level of delegated authority; and
  - 3.2.5 A simplification and modernisation of the decision making process.
- 3.3 The different types of hospitality in the existing policy (City Receptions, Committee Receptions, Neighbourhood Receptions and Conference Receptions), have been removed. This is to recognise that civic hospitality can take many varied forms but that there are common principles on when it should

- be provided. These common principles and rules are laid out in the policy, providing clear and robust guidance when it is appropriate to provide civic hospitality.
- 3.4 Although removing the different types of civic hospitality has simplified the policy and the decision making process, there is no reduction in what hospitality the Council can provide and no reduction in the criteria and rules governing civic hospitality.
  - 3.5 In 2008, delegated authority for expenditure on hospitality was extended to the then Director of Corporate Services to £1500 from £1000. The majority of the expenditure on civic hospitality is from a budget contained within the Lord Provost's service within the Chief Operating Officer/Deputy Chief Executive's area. There is clear management control of this budget by the Lord Provost's Executive Assistant and the Chief Operating Officer/Deputy Chief Executive provides oversight and scrutiny of any proposals before considering whether to agree the expenditure. In light of these robust controls it is proposed that the level of delegated authority given to the Chief Operating Officer/Deputy Chief Executive be increased to up to £10,000 on civic hospitality. Any individual items of expenditure which costs £10,000 and above would be required to be approved by the Finance and Resources Committee.
  - 3.6 As a further control it is proposed that delegated authority should only apply to any expenditure that is within budget. Any expenditure above the civic hospitality budget requires to be approved by the Finance and Resources Committee.
  - 3.7 The civic hospitality budget for the Lord Provost's area will be presented annually with this policy to ensure that it is monitored by the committee.
  - 3.8 It is also proposed to alter the councillor consulted for civic hospitality. It is currently the Convener of Finance and Resources Committee but to reflect the role of the Lord Provost it is proposed the consultation now takes place with the Lord Provost.
  - 3.9 This policy is to be reviewed annually and the levels of delegation can be considered to ensure that they remain appropriate.
  - 3.10 No alterations are required to the Scheme of Delegation to Officers as a result of this policy.
  - 3.11 This policy covers civic hospitality only and does not cover general hospitality for items such as tea and coffees at meetings.

## Measures of success

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- 4.1 That the civic hospitality budget remains within budget and there is sufficient oversight at committee.

## Financial impact

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- 5.1 The proposed policy will have no financial impact as there is a requirement for spend on civic hospitality to remain within budget. If spend on civic hospitality is over and above the relevant budget then it is required to be approved by the Finance and Resources Committee.
- 5.2 The expenditure on civic hospitality will be included in the regular revenue reports to Finance and Resources Committee where spend will be monitored.

## Risk, policy, compliance and governance impact

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- 6.1 This policy is an essential component of the decision making process and governance structure surrounding expenditure on hospitality.

## Equalities impact

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

## Sustainability impact

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- 8.1 There are no sustainability issues arising from this report.

## Consultation and engagement

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- 9.1 Consultation has taken place with the Convener and Vice-Convener of the Finance and Resources Committee and the relevant Council officers.

## Background reading/external references

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[Scheme of Delegation to Officers](#)

### **Alastair D Maclean**

Deputy Chief Executive

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## Links

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**Coalition pledges**

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

**Single Outcome Agreement**

**Appendices** Civic Hospitality Policy

# Civic Hospitality Policy

**Implementation date:**

## Control schedule

**Approved by**

**Approval date**

**Senior Responsible Officer**

Kirsty-Louise Campbell, Strategy and Governance Manager

**Author**

Gavin King, Committee Services Manager

**Scheduled for review**

## Version control

Version	Date	Author	Comment
0.1	03.08.15	Gavin King	Circulated to Emma Blundell – Legal Services
0.2	05.08.15	Gavin King	Circulated to Kirsty-Louise Campbell
0.3	10.08.15	Gavin King	Circulated to Convener and Vice Convener of F+R
0.4	10.09.15	Gavin King	Circulated to Agenda Planning Meeting

## Committee decisions affecting this policy

Date	Committee	Link to report	Link to minute
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# Civic Hospitality Policy

## Policy statement

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- 1.1 This policy sets out how expenditure on civic hospitality should be managed and agreed.

## Scope

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- 2.1 This policy applies to all civic hospitality provided by the Council, whether on its own initiative or in response to an application. It does not apply to general hospitality which for example would include tea and coffee for meetings or training events.

## Definitions

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- 3.1 Civic Hospitality can be provided for a variety of reasons and is provided on behalf of the Council, a particular Council committee or the Lord Provost. Civic Hospitality should not be provided for political purposes and should not be provided by political groups. When deciding whether to approve civic hospitality, consideration should be given as to whether it is in line with the Council's strategic priorities. Additionally, civic hospitality should only take place for one or more of the following reasons:
- 3.1.1 To welcome distinguished visitors to the City;
  - 3.1.2 To mark special achievements and/or present awards;
  - 3.1.3 To celebrate the major anniversaries of organisations which have contributed to the general wellbeing of the City;
  - 3.1.4 Hospitality in connection with the civic services at St Giles Cathedral;
  - 3.1.5 Hospitality associated with Edinburgh's festivals;
  - 3.1.6 Hospitality in connection with prestigious conferences, events or festivals taking place within the City; or
  - 3.1.7 To promote the Council's strategic priorities or a committee's objectives or policies.

## Policy content

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- 4.1 Civic hospitality should, wherever practical, be held on Council premises. If accommodation on Council premises is not available or is insufficient then alternative locations may be agreed by the Deputy Chief Executive / Chief Operating Officer.
- 4.2 The Lord Provost, Deputy Convener or nominated Baillie will host the majority of civic receptions. The appropriate committee convener or his/her nominee will host civic receptions when the hospitality is being provided on behalf of a particular committee.
- 4.3 Where an applicant specifically requests use of a venue outwith Council premises for the convenience of their event, a civic hospitality grant may be awarded. The grant should be limited to the equivalent cost of holding the reception in Council premises.
- 4.4 Funding for civic hospitality will be met by the Deputy Chief Executive / Chief Operating Officer's civic hospitality budget unless it is for receptions on behalf of a particular committee which will be met by the relevant service area.
- 4.5 The Council will provide the venue for receptions associated with externally hosted conferences if appropriate and will negotiate with the applicant a suitable financial arrangement to meet the cost of food and drink provided.
- 4.6 The celebration of major anniversaries should normally be restricted to multiples of 25 years up to 100 years and thereafter multiples of 50 years. It is also hoped that increasingly more lasting confirmation, such as scholarships, can be proposed which will replace receptions in some cases
- 4.7 General hospitality providing for example tea and coffee for meetings and training events are not covered by this policy.

## Implementation

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- 5.1 If approved this policy will be published on the Council's website and made available to the appropriate officers to ensure any reporting is undertaken appropriately.

## **Roles and responsibilities**

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- 6.1 The Deputy Chief Executive/Chief Operating Officer has delegated authority to approve expenditure on civic hospitality up to £10000, in consultation with the Lord Provost or the appropriate convener if the hospitality is provided on behalf of a Council committee. Approval should be sought from the Finance and Resources Committee on individual items of expenditure which costs £10000 and above. This approval should be brought in the form of a report to the Finance and Resources Committee.
- 6.2 Any amount spent on hospitality that is outwith the relevant allocated budget requires approval by the appropriate committee, which is the Finance and Resources Committee for the civic hospitality budget within the Lord Provost's area. The 2015/16 budget for civic hospitality within the Lord Provost's area is £67,000.
- 6.3 The Office of the Lord Provost will co-ordinate the organisation and administrative arrangements for all civic hospitality unless it is mutually agreed that another service area will do so.
- 6.4 Executive Directors and the Deputy Chief Executive/Chief Operating Officer are responsible for ensuring expenditure on civic hospitality is contained in their respective budgets.

## **Related documents**

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- 7.1 Scheme of Delegation to Officers.

## **Equalities impact**

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- 8.1 There are no equalities issues arising from this policy.

## **Sustainability impact**

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- 9.1 There are no sustainability issues arising from this policy.

## **Risk assessment**

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- 10.1 This policy aims to simplify the existing complex policy and ensure there is clear accountability on expenditure.
- 10.2 The existing civic hospitality policy was approved in 2008 and is out of date. If this policy is not implemented there is a risk of less effective internal controls and a potential lack of transparency.

## **Review**

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- 11.1 In line with the Council's policy framework, this policy will be reviewed annually or more frequently if appropriate and submitted to the relevant Council committee.

# Finance and Resources Committee

10am, Thursday, 29 October 2015

## Health and Social Care Integration – Update

<b>Item number</b>	7.10
<b>Report number</b>	8 in 2015
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

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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

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<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

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- 1.1 Members are recommended to:
  - 1.1.1 note Appendix 1, which provides additional information on the relationship between the Council and the EIJB
  - 1.1.2 refer this report to Governance, Risk and Best Value (GRBV) Committee, as requested at its meeting on 23 September 2015
  - 1.1.3 note progress with high level management actions to address the recommendations in the assurance reports
  - 1.1.4 note the dependencies with Council transformation projects.

## Background

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

## Main report

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### Edinburgh Integration Joint Board (EIJB)

- 3.1 Formal delegation of functions and resources to the EIJB is scheduled for 1 April 2016, following approval of the Strategic Plan by the EIJB.
- 3.2 GRBV Committee considered the Internal Audit report at its meeting on 23 September. A number of additional questions were raised regarding the inter-relationship between the Council and the EIJB from April 2016.
- 3.3 Appendix 1 provides a summary of the key points with respect to the inter-relationship between the two bodies and is intended to provide reassurance for both the Council and the EIJB. The main principles are summarised below.
  - This is a delegation of functions and budgets, rather than a transfer, which means the Council retains all the duties for the functions. It therefore has a legitimate interest in ensuring the EIJB is operating well.
  - The Integration Scheme is clear that Council voting members, whilst on the EIJB, must prioritise the interest of the EIJB but be mindful of the interests of the Council, and that when acting as councillor, must prioritise the interests of the Council, but be mindful of the interest of the EIJB. This is a

challenging role, but is critical for the strength and proper functions of the new arrangements.

- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation.
- The Council will set its part of the EIJB budget and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.
- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer.
- The Council will be allocated resources by the EIJB for specific functions and will need to monitor spend in accordance with those directions. Additional demands and pressures arising will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB and, when necessary back to NHS Lothian and the Council.

## **Assurance**

- 3.4 The Scottish Government requires all parties to undertake appropriate assurance prior to the delegation of functions to the EIJB.
- 3.5 The Council's Corporate Programme Office undertook a 'health check' of the integration programme. The Council's Internal Audit function audited the arrangements for integration.
- 3.6 The major management actions required to address recommendations from both reviews are summarised below.
- Prompt appointment of EIJB Chief Officer and Chief Finance Officer by the Council and NHS Lothian.
  - Clarity on any ongoing stakeholder arrangements between the NHS Lothian and Council once functions are delegated.
  - Clarity on how business support services will be provided by NHS Lothian and the Council to the EIJB for operational oversight of the delivery of service change. This includes strategic planning and programme management/implementation of the delivery of service re-design/integration.
  - Further detail on the arrangements for establishing EIJB budget and managing overspend by the Council and NHS Lothian.
- 3.7 Progress on these matters is outlined in the rest of this report.

## **Chief Officer and Chief Finance Officer**

- 3.8 The recruitment process for the Chief Officer is complete. An appointment has been made and the post holder will be in place by November.
- 3.9 An interim Chief Finance Officer was appointed in August to ensure adequate financial assurance for the EIJB. The permanent post is within a proposed integrated management structure, which is still under discussion.

## **Joint Leadership Group**

- 3.10 Current programme arrangements include a Joint Leadership Group with the remit for preparing the draft Integration Scheme, assisting in establishing the EIJB and directing functions and budgets. Once these matters are complete, the Leadership Group will stand down in its current form.
- 3.11 Given that both the Council and NHS Lothian retain the statutory duties and risks associated with the delegated functions, it would be appropriate, at least in the first year of the EIJB, to establish a senior stakeholder group made up of the Council, NHS Lothian and EIJB leadership. This would not be a decision making body, but it would have a legitimate interest in assisting the EIJB to operate as intended in its first year. It would also assist all parties in setting the detailed budget for 2017/18, in line with the usual financial planning arrangements and demands.
- 3.12 It is proposed that the new Chief Officer be tasked with developing the remit for a senior stakeholder group.

## **Strategic Plan**

- 3.13 The consultation on the EIJB's Strategic Plan started at the beginning of August and will run to the end of October. The Council is a formal consultee and the document is available at <https://consultationhub.edinburgh.gov.uk/>
- 3.14 Council and NHS Lothian staff are supporting a range of workshops and consultation events with stakeholders and partners across the city to ensure wider consultation and debate. This builds on the collaborative approach adopted in the planning process to draft the Plan.
- 3.15 The EIJB will consider the detail of the Strategic Plan in a development session in December and must approve the final Plan in advance of the 'go live' date of 1



April 2016.

## **EIJB Budget**

- 3.16 The Council has set out how it will develop the 2016/17 budget for the EIJB and this will be subject to EIJB due diligence.
- 3.17 NHS Lothian has set out how it will delegate budgets in relation to two of the three elements of the budget, i.e. former Community Health Partnership budgets and 'hosted services' (those services provided for more than one EIJB). Work continues on the third and final element of NHS Lothian budgets, i.e. the set-aside' elements relating to functions in acute hospitals.
- 3.18 The final budget cannot be set or the Strategic Plan Financial Statement completed until both parties have followed their usual budget setting process and timelines. The Council normally sets its budget in mid-February and NHS Lothian by mid March.

## **Impact on the Council**

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

- 3.19 The principle agreed in the Integration Scheme is that existing governance structures will be reviewed. This must be done in a way which minimises bureaucracy and duplication, yet provides assurance to the Council on finance and service quality. Work is ongoing on this matter.
- 3.20 The Council will need to retain a role in relation to ensuring that EIJB directions are being met and that resources in relation to those directions are adequate and well managed. A report will be submitted to the Corporate Policy and Strategy Committee on a proposed approach.
- 3.21 The Council will retain its role in setting the overall budget for the adult social care functions within the EIJB and for approving specific contracts in line with EIJB directions.

### **Council Transformational Change: Dependencies**

#### **Citizens and Localities**

- 3.22 A statutory requirement of the Public Bodies legislation is to integrate health and social care functions from the point of view of recipients and to do so at a local level. This is to be achieved via the role of the Chief Officer who is required to manage the delegated services in an integrated structure, to oversee service-redesign and local planning and to undertake operational management.

- 3.23 Interim Locality Mangers for the integrated structure have been appointed from senior Council and NHS Lothian staff. These managers will take forward the development of the locality model for 'in-scope' health services and adult social care functions and will work closely with other Council services to ensure consistency and read-across where necessary.

### **Business Support Services (BSS)**

- 3.24 Within the Council, a number of workshops have taken place with staff who provide business support/professional/technical and administrative services. The outputs from these sessions will feed into the design of the new models of provision. This work will take account of planned savings for 2016/17.
- 3.25 Following on from these deliberations, the BSS Project will need to articulate a joint approach with NHS Lothian for each of the professional/technical and administrative services.

### **Measures of success**

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- 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 underway 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 Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.
- 4.5 The EIJB has agreed to set up a Performance Sub-Group to ensure an integrated overview of the performance of functions and service re-design.

### **Financial impact**

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- 5.1 It is estimated that the Edinburgh Integration Joint Board will include a combined budget the first year of around £560 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£60 million.

- 5.2 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. The figures may also vary subject to any impact of the Business Support Services proposals.
- 5.3 The Strategic Plan will identify how the resources are to be spent (at a high level) in order 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**

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- 6.1 A detailed risk log is maintained for the Integration Programme and is reported through the status reporting process to the Health and Social Care Partnership and through the Corporate Programme Office 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 Joint Board and respective parties is set out in the Edinburgh Integration Scheme and the EIJB received a report on 17 July on proposals to develop its Risk Management Strategy.

## **Equalities impact**

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- 7.1 The integration of health and social care services aims to overcome some of the current 'disconnects' within and between health and social care services for adults, to improve pathways of care and to improve outcomes.
- 7.2 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 the Council 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 2015 by representatives from NHS Lothian and the four Lothian councils.

## Sustainability impact

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- 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
  - integrated services will promote personal wellbeing of older people and other adults in need of support; and
  - they will promote social inclusion of and care for a range of vulnerable individuals.

## Consultation and engagement

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- 9.1 Consultation and engagement form a key work stream in the programme. A number of events have taken place with managers and staff during the shadow arrangements.
- 9.2 The Integration Scheme to establish the EIJB was consulted upon widely. A full report on the consultation on the Integration Scheme was provided to Council on 30 April 2015.
- 9.3 A number of members of the EIJB, in line with statute, bring broader perspectives such as service users, carers and the third sector.
- 9.4 A comprehensive engagement programme is also underway to engage with a wide range of staff and stakeholders across the community in relation to the production of the Strategic Plan. The formal consultation on the draft plan will run from August to October. The Council will be a formal consultee.

## Background reading/external references

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[Finance and Resources Committee – 24 September 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 27 August 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 4 June 2015, Health and Social Care Integration Update](#)

[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.

See reports above for earlier reporting.

## **Michelle Miller**

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## **Links**

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<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.

**Single Outcome  
Agreement  
Appendices**

Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health  
Appendix 1: Edinburgh Integration Joint Board and the Council: Key Relationships

## Appendix 1: Edinburgh Integration Joint Board and the Council: Key Relationships

At its meeting on 23 September, the Council's Governance, Risk and Best Value Committee raised a number of questions regarding the operation of the Edinburgh Integration Joint Board and its relationship to the Council, following the delegation of functions and resources.

The bullet points below are intended to clarify the position and provide assurance to GRBV Committee.

- The Public Bodies Act requires a delegation of functions and budgets rather than a transfer, which means the Council retains all the duties and risks associated with the functions, but delegates the power and responsibility to the EIJB to take forward jointly with NHS Lothian as a common decision-making body. The Council therefore has a legitimate interest in ensuring the EIJB is operating well and is adequately resourced to do so.
- The Council will set the budget for the EIJB and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.
- The EIJB will have five serving councillors as voting members who are likely also to be engaged in the governance of the Council in some form. The Integration Scheme makes clear that these voting members:
  - in their role on the EIJB, will have a crucial role in communicating and having due regard to the interests of.... City of Edinburgh Council, but on the understanding that, in carrying out their role as a member of the EIJB, their primary duties and responsibilities are those which attach to them in that capacity; and
  - while discharging their role as a councillor, will have a crucial role in communicating and having due regard to the interests of the EIJB, but on the understanding that, in carrying out their role as a councillor, their primary duties and responsibilities are those which attach to them in that capacity.
- The Integration Scheme allows for the principle that each party's governance arrangements must allow that party to manage risk in relation to service delivery.
- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation. The Chief Officer role is an important means by which closer integration of services will be achieved.

- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer. The Chief Social Work Officer is a non-voting member of the EIJB and will advise it with regard to standards and quality of services.
- The EIJB will allocate to the Council resources for specific functions and will need to monitor spend in accordance with those directions. The Chief Finance Officer will have oversight of this spend in order to keep the EIJB informed on a regular basis (minimum quarterly).
- Additional demands and pressures arising during the year will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB, and when necessary back to NHS Lothian and the Council.
- While there are risks associated with the EIJB, there are also risks associated with the status quo, not least the rapid increase in demand for social care services due to the ageing population and the fact that people are living for longer and need health and social care support to do so. The intent behind the legislation is to ensure that a whole system approach is taken to managing this demand and providing good outcomes for people. This brings an inherent challenge to the existing structures and operation of NHS Lothian and the Council to which both organisations must adapt together.



# Finance and Resources Committee

10am, Thursday, 29 October 2015

## Re-tender of Care at Home Contracts

Item number	7.11
Report number	
Executive/routine	
Wards	

### Executive summary

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This report requests Committee to note that a short extension to current Care at Home contracts has been granted and seeks Committee approval for a further extension of contracts for a period of up to one year pending the completion of a procurement process designed to lead to the award of new Care at Home contracts during the course of 2016.

The report sets out the contract renewal governance arrangements and draws the attention of members to the likely financial impact on contract costs of the announcement by the UK Government in July 2015 of the introduction of a new National Living Wage from April 1 2016.

### Links

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

## Re-tender of Care at Home Contracts

### Recommendations

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- 1.1 To note that an extension to current Care at Home contracts with providers from 3 – 29 October 2015 was granted under urgency provisions by the Chief Social Work Officer, in consultation with the Convenor and Vice Convenor of the Finance and Resources Committee.
- 1.2 To agree a further extension of Care at Home contracts with the providers listed at Appendix 1 from 30 October 2015 for a period of up to one year, pending the completion of a procurement process designed to lead to the award of new Care at Home contracts during 2016; and to note:
  - the contract renewal governance arrangements
  - the likely financial impact of the announcement by the UK Government of a new National Living Wage (NLW) from 1 April 2016 on future Care at Home contract costs.

### Background

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- 2.1 The current Care at Home contract was let in 2011 to 18 third party providers who were expected to deliver 32,000 hours per week. This represents 75% of total Council care at home capacity. Contracted providers have, however, struggled to deliver their target capacity and eight providers have withdrawn from the contract since 2011. As at the end of September 2015, remaining providers were delivering 20,500 hours each week. This has been supplemented by placing 7,250 hours of work each week with 'off framework' agreement providers.
- 2.2 The current cost of delivering these 27,750 hours each week is £21.6m per annum.
- 2.3 Despite intensive work with contracted providers to improve productivity, and placing work off contract, demand for care at home continues to outstrip supply. We currently have 5,000 hours of unmet need each week.
- 2.4 A key issue has been the inability of contracted providers to recruit and retain paid carers in sufficient numbers in the context of Edinburgh's highly competitive labour market. Finance and Resources Committee agreed to increase the rate

paid to contracted providers from the average 2011 tendered price of £14.09 per hour to £15.00 in August 2014. While this measure has helped stabilise delivery at around 28,000 hours each week, it has not resulted in any growth in capacity.

### **Reasons for Delayed Contract Extension Requests**

- 2.5 The announcement by the UK Government in July 2015 of a new National Living Wage (NLW) has meant the assumptions about the lifetime costs of the new Care at Home contract, which it had been intended to report to Committee during Summer 2015, were no longer accurate. In light of the unexpected NLW announcement, COSLA Leaders also had to re-visit their previously agreed approach to improving wages in the care at home sector and did so in September 2015. As a result of the need for clarity on these matters, the submission of this report has been necessarily delayed.

## **Main report**

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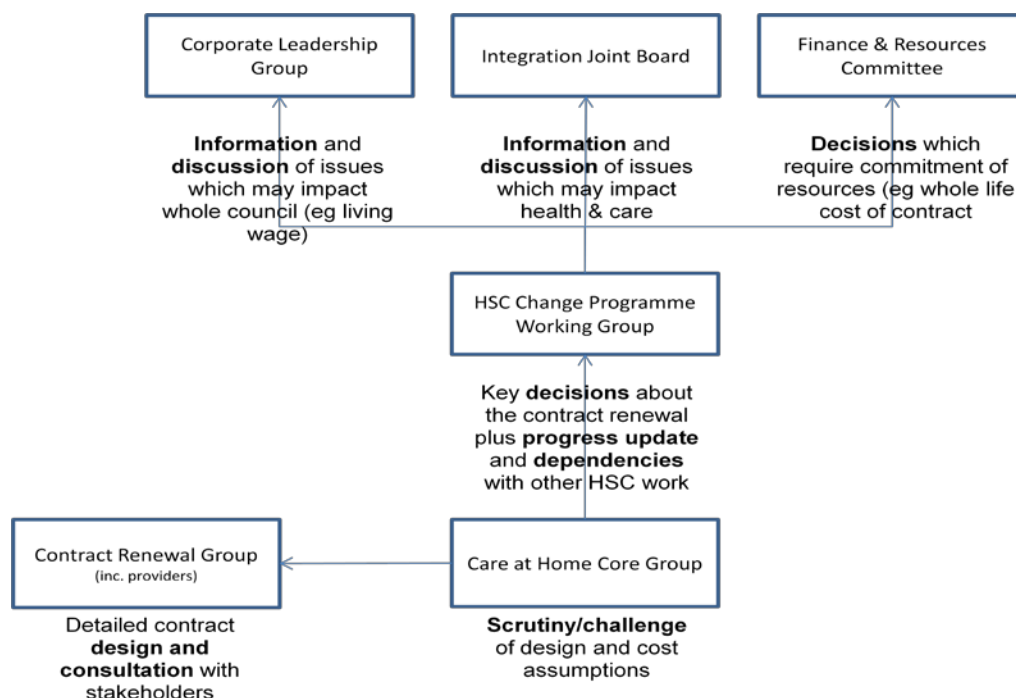
### **The New Contract**

- 3.1 Following detailed consultation with current and potential providers, private and third sector representative bodies, NHS Lothian and other stakeholders, the current Care at Home contract has been re-designed.
- 3.2 The new Care at Home contract will focus on people over 65 years of age. It will be subdivided into neighbourhood patches, which fall within the boundaries of the four locality areas of Edinburgh. The new contract aims to encourage strong local partnerships; explicitly link the Council's reablement service to each neighbourhood care at home provider as a means of improving the care pathway for older people; reduce travel time; and encourage providers to recruit a local workforce. The Council is also working with the third sector and Registered Social Landlords involved in the delivery of sheltered housing to consider ways in which they can be engaged in delivering care at home alongside other preventative support within localities.
- 3.3 Locality working is key to creating a sustainable contracted care at home service, allowing providers to forge better links with Council, health and third sector services, and ensuring that preventative services are an integral part of the total provision.
- 3.4 It is anticipated that the Contract Notice and Invitation to Tender will be published in early December 2015 and Committee will be invited to consider the award of new contracts in May 2016.
- 3.5 Pending the outcome of the tender process being known, it is not possible to predict accurately the time required for contract mobilisation. In the event there is little change in the provider profile, we would expect this to be short. If, however, a large number of new providers are successful, it may take some months to complete the process of agreeing new care at home arrangements

with service users. For this reason Committee is asked to approve the extension of current contracts for a period of up to one year. Following the award of contracts, Committee will be kept informed of the actual date on which these will commence.

### Due Diligence and Governance

- 3.6 A Care at Home Contract Renewal Group (CRG), comprising Council, NHS Lothian, private and third sector representatives was formed in Autumn 2014. Its remit was to consult on and re-design the current contract with a view to making the new contract fit for purpose and to model and test lifetime contract cost assumptions.
- 3.7 Given the strategic importance of the Care at Home contract to the Council and its partners, the work of the CRG was the subject to separate independent reviews by KPMG and Ernst & Young (EY) in August 2015. The former focused on the proposed service specification and operational arrangements underpinning this. KPMG recommended only minor changes to these. EY reviewed contract governance arrangements, and in light of the announcement of the NLW, are working with the Council to re-model cost assumptions.
- 3.8 Committee is invited to note the contract renewal governance arrangements shown below:



### Contract Costs

- 3.9 The rate set for the NLW as at 1 April 2016 will be £7.20 per hour and rise to a rate equivalent of 60% of median earnings by April 2021 (currently estimated to be £9.00 per hour). Increases in the NLW rates paid to staff will also require

higher National Insurance, pension and holiday cost contributions by employers. At this early stage it is anticipated the additional costs of sustaining provider engagement with the contract, related to the NLW, will on the basis of current levels of service delivery and unmet need, add significantly to the lifetime costs of the Care at Home contract.

- 3.10 Both the UK and Scottish Governments have agreed to consider the cost pressures arising from the announcement of the NLW for the public sector in their respective Spending Reviews. The outcome of these reviews and resulting implications for councils will not, however, be known until January/February 2016.
- 3.11 In exercising its governance function in respect of the contract renewal process and as more detailed information becomes available, the Council's Corporate Leadership Group will consider the impact of the NLW on both the Care at Home contract and other contracted service costs, and any mitigating measures available to it. These matters will be the subject of further reports to Committee in due course.

## Measures of success

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- 4.1 The new Care at Home contract is able to respond to levels of demand for the service, as mitigated by the impact of demand management initiatives, and be delivered within a well defined annual budget envelope.

## Financial impact

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- 5.1 Contract costs for the period of extension are expected to remain broadly stable, relative to the current annual Care at Home contract expenditure of £21.6m, as a result of both the effect of demand management initiatives and the limitations of the current contract as outlined in Section 2 of this report. For the period October 2015 to March 2016, contract costs in respect of existing services will be £10.8m. Any additional costs during this period arising from potential winter pressures will be met from Scottish Government funding provided for this purpose. For the period April to October 2016 contract costs will be £10.8m.
- 5.2 The financial impact of the new contract will be the subject of further detailed report to Committee as outlined at paragraph 3.10 above.

## Risk, policy, compliance and governance impact

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- 6.1 Procurement risk – Framework terms are limited by EU Regulation to a maximum of 4 years to ensure the market is not restricted." *The contracting authority must not conclude a framework agreement for a period which exceeds 4 years except in exceptional circumstances, in particular, circumstances relating to the subject of the framework agreement.*"

- 6.2 The risk of legal challenge to the extension is reduced as the current Framework Agreement does not meet the capacity for the service, demonstrated by the ‘off-framework’ awards. The Council has engaged with the market and providers are alert to the future tender opportunity. This provides some mitigation to the risk of procurement challenge.
- 6.3 Services procured at above EU threshold must be subject to competition. The Council can waive this requirement if it is in its best interests to do so. Until the due diligence activity is complete, it would be a risk to the Council to tender these services and therefore an extension of existing service delivery is required for this further short period.

## Equalities impact

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- 7.1 The provision of a fit for purpose Care at Home contract will have a positive impact on equalities. A full impact assessment will accompany the planned report to Committee in respect of the award of new contracts.

## Sustainability impact

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- 8.1 The re-designed Care at Home contract has been specifically designed in a way that will lead to reductions in staff travel time and the carbon footprint associated with delivery of the service.

## Consultation and engagement

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- 9.1 Private and third sector providers, NHS Lothian and the Integration Joint Board have all been engaged in the contract re-design process. Subject to Committee’s approval of this report and the launch of the re-tender exercise, plans for consulting with service users and carers will be implemented.

## Background reading / external references

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## Links

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**Coalition pledges**

**Council outcomes**

**Single Outcome  
Agreement  
Appendices**

**Appendix 1**

**Care at Home Framework Agreement Providers**

Call In Homecare

The Human Support Group

Shaw Health Care

Margarot Forrest Care Management

Independent Living Services

Prestige Nursing (Edinburgh)

Care UK Homecare

Social Care Recruitment & Training

Carr Gomm Scotland

1<sup>st</sup> Homecare

**'Off Framework' Agreement Providers**

Prime Care Health

Social Care Alba

Family Circle Care

Everycare (Edinburgh)

Blue Bird Care

Carewatch

Aquaflo Care at Home Service

Blackwood Care

Carrick Home Services

Sutton Care

# Finance and Resources Committee

10.00 a.m, Thursday, 29 October 2015

## Redhall House and Lawn – Progress Report

<b>Item number</b>	7.12
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	9 – Fountainbridge / Craiglockhart

### Executive summary

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Following submission of a petition entitled “Save Redhall House and Lawn”, the Petitions Committee referred the matter to Finance and Resources Committee, which considered reports on 5 June 2014, 27 November 2014 and 4 June 2015. A further progress report was requested no later than October 2015, which is the purpose of this report.

At the request of Finance and Resources Committee on 4 June 2015, the owner has reaffirmed his commitment to protecting the fabric of Redhall House. He is also engaged with and is progressing with the planning application.

Planning officers will continue to work with the applicant with the aim of securing the restoration of Redhall House.

The legal action remains on hold awaiting the outcome of the planning process.

### Links

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<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

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That Committee:

- 1.1 Notes the current position in the planning application process; and
- 1.2 Notes that legal action will remain on hold whilst a negotiated solution is pursued.

### Background

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- 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, 27 November 2014 and 4 June 2015, and a further progress report was requested no later than October 2015. This report provides that update on progress.

### Main report

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- 3.1 At the request of Finance and Resources Committee on 4 June 2015, assurance was sought from the owner that he understands the need for demonstrable progress to protect a deteriorating building. The owner has confirmed that he understands the importance of continuing to keep the building wind and watertight. He has also confirmed that the majority of work, identified at the inspection with planning officers on 5 May 2015, has been completed along with internal drying. The owner is awaiting feedback from planning officers on progress with the planning and listed building applications. The owner has provided all the information requested by the planning service.
- 3.2 The court action, which was commenced in March 2015, is still on hold pending the outcome of the planning process.

### Update on Planning Applications

- 3.3 In relation to the planning applications, planning officers are seeking clarification on design and setting issues from the applicant. The applicant is to submit further information to allow the application to progress to Development Management Sub-Committee. It is anticipated that this will be early 2016.
- 3.4 The intention is that the listed building application for the restoration of Redhall House will be determined alongside the full planning application at the Development Management Sub Committee.

## Measures of success

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- 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

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- 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.

## Risk, policy, compliance and governance impact

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- 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

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- 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

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- 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

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- 9.1 The local community have engaged with this issue through their petition and the previous committee meetings.
- 9.2 There has been further consultation as part of the planning process.

## Background reading/external references

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N/A

### John Bury

Acting Director of Services for Communities

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## Links

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<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

10.00am, Thursday, 29 October, 2015

## Extension of Contingency Framework Agreement for Snow and Ice Maintenance

Item number	7.13
Report number	
Executive/routine	
Wards	All

### Executive summary

---

This report seeks approval from the Finance and Resources Committee to extend the Contingency Framework Agreement for Snow and Ice Maintenance to 30 April 2016, up to a value of £900,000.

On 30 August 2011 the Finance and Resources Committee approved the award of a four year Framework Agreement to clear snow and ice from Edinburgh's pavements and public open spaces, supplementing winter maintenance services on a contingency basis. Winter Maintenance is primarily delivered by internal Council services, and this Framework Agreement expired on 21 September 2015 with no spend having been made over the four year period. A new contingency contract will be procured through a competitive tender process to be in operation for Winter 2016/17.

The Contract Standing Orders (CSOs) state that, for services in excess of £25,000, a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption, or in the Council's best interests. It is considered that a waiver is justified in the Council's best interests, to ensure contingency measures are in place should additional winter maintenance services be required.

### Links

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Coalition pledges	<a href="#">P30</a> , <a href="#">P44</a>
Council outcomes	<a href="#">CO19</a> , <a href="#">CO22</a> , <a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO1</a> , <a href="#">SO4</a>

## Extension of Contingency Framework Agreement for Snow and Ice Maintenance

### Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee approves an extension to the contingency Framework Agreement with Assist Managed Services Limited, Premier One (Land Services) Limited, Lightways (Contractors) Limited and M&M Road Surfacing Limited for the clearance of snow and ice from Edinburgh's pavements and public open spaces to 30 April 2016, up to a value of £900,000.

### Background

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- 2.1 Winter Maintenance is currently carried out by internal Council services including Road Services, Task Force and Grounds Maintenance teams. Following the harsh weather conditions experienced over the winters of 2009/10 and 2010/11 it was recognised that a contingency framework was required to manage additional snow and ice maintenance when internal Council services are operating at capacity.
- 2.2 On 30 August 2011, the Committee approved the award of a Framework Agreement to clear snow and ice from Edinburgh's pavements and public open spaces for a period of four years.
- 2.3 The Framework Agreement was originally valued as up to £3.6M or £900,000 per annum, based on the estimated cost of all the contractors being required for the normal duration of the winter period (October to March).
- 2.4 During the life of the Framework Agreement, the requirement for the clearance of snow and ice did not arise and, therefore, no costs were incurred, however, the value of the extension over a winter period should be estimated at a maximum of £900,000.

## Main report

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- 3.1 This Framework Agreement expired on 21 September 2015. Due to staff turnover within the relevant services and the contract being awarded prior to consolidation of the Council-wide Contract Register, the contract expiration was not anticipated leaving insufficient period for competitive tender prior to the winter period. Recent improvements to compliance and oversight of contracts, through a more comprehensive Register and regular service review, now support a more proactive approach to procurement planning. This extension will allow time to procure and award a new Framework Agreement to be in operation for winter 2016/17 and subsequent years.
- 3.2 Procurement legislation allows for direct award of a contract in emergency situations, however it is considered to be best practice to ensure that overarching contingency arrangements are in place to minimise risk. The contingency contract is a significant part of the Council's Corporate Severe Weather Plan due to the additional support being potentially utilised to assist Council-wide services.
- 3.3 The Framework Agreement makes provision for an emergency 12-hour response and for contractors to carry out severe weather operations seven days a week and through holiday periods over the course of the entire winter period.
- 3.4 The extension to the Framework Agreement will be managed through Services for Communities' Road Services and will supplement the Council's severe weather operations, including support for Children & Families and Health and Social Care.
- 3.5 The Framework Agreement has a call-off list of four contractors. The contractor with the lowest price will be offered the snow and ice clearing duties in the first instance. Thereafter, if there is a requirement to increase resources, the second lowest contractor will be approached to carry out services, and so on. Contractors are aware that inclusion on the Framework Agreement does not guarantee any work and that the Framework Agreement will be used at the sole discretion of the Council.
- 3.6 The evaluation of the Framework Agreement resulted in the following rankings:

Ranking	Contractor
(1)	Assist Managed Services Ltd
(2)	Premier One (Land Services) Ltd
(3)	Lightways (Contractors) Ltd
(4)	M&M Road Surfacing Ltd

## Measures of success

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- 4.1 An extension to the Framework Agreement will make provision for an emergency 12-hour response and for contractors to carry out severe weather operations seven days a week and through holiday periods. This will supplement the winter maintenance service provided by internal Council services.

## Financial impact

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- 5.1 It is being confirmed that the contractors on the Framework will maintain their rates for the duration of the extension.
- 5.2 Whilst no costs were incurred during the four-year life of the Framework Agreement, the value of the extension should be estimated at £900,000 to cover the cost of any potential need for clearance of snow and ice over the 2015/16 winter period.

## Risk, policy, compliance and governance impact

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- 6.1 The Contract Standing orders (CSOs) state that, for services in excess of £25,000, a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption, or in the Council's best interests. It is considered that in these circumstances a waiver is justified in the Council's best interests, to ensure contingency measures are in place should additional winter maintenance services be required this winter whilst a new contract is procured.

- 6.2 The original contract was let on a contingency basis and to date no spend against the contract has been required. The procurement risk is deemed to be low, as suppliers will have the opportunity to bid when competitive procurement of a replacement framework is underway. These arrangements will be kept under review, particularly in the event of a prolonged period of severe weather and/or any significant contract usage. In the unlikely event of severe or emergency weather occurring post-April and prior to any implementation of the new contract for winter 2016/17, appropriate interim arrangements will be made through the appropriate delegated authority.

## Equalities impact

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- 7.1 This contract, in the scenario where it is activated, would have a significant positive impact on the Health, Physical Security and Standard of Living of Edinburgh's citizens and visitors.

## Sustainability impact

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- 8.1 There are no sustainability issues arising from this report.

## Consultation and engagement

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- 9.1 The Council's Commercial and Procurement Services have been consulted on this waiver and in order to commence the procurement process.
- 9.2 Further consultation with other partners and users will be undertaken as appropriate.

## Background reading/external references

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[http://www.edinburgh.gov.uk/download/meetings/id/33208/item\\_9 -  
framework agreement for edinburgh snow and ice maintenance 2011 %E2%80  
%93\\_2015](http://www.edinburgh.gov.uk/download/meetings/id/33208/item_9_-_framework_agreement_for_edinburgh_snow_and_ice_maintenance_2011_%E2%80%93_2015)

## John Bury

Acting Director of Services for Communities

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## Links

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<b>Coalition pledges</b>	<b>P30</b> – Maintain a sound financial position. <b>P44</b> – Prioritise keeping our streets clean and attractive.
<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 the public realm. <b>CO22</b> – Moving Efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible. <b>CO25</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>SO4</b> – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	None

# Finance and Resources Committee

10am, Thursday 29 October 2015

## Youth Work Services Redesign

Item number 7.14  
Report number  
Executive/routine  
Wards All

### Executive summary

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Children and Families (Schools and Community Services) have contracts with 11 organisations that come to an end on 31<sup>st</sup> March 2016. The department is keen to provide some continuity of service whilst undertaking a consultation process to design a new service specification that prioritises open access youth work. The voice of young people will be particularly important in shaping the new specification. The waiver will enable extensions of elements of some existing contracts to be offered from April 2016 to September 2016.

### Links

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Coalition pledges [P1, P5](#)  
Council outcomes [CO1, CO2, CO3, CO4, CO5, CO6](#)  
Single Outcome Agreement [SO3](#)

## Youth Work Services Redesign

### Recommendations

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- 1.1 To agree the award of extensions of contracts for up to 8 providers based on the negotiated specifications that reflect a renewed focus on open youth work provision.

### Background

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- 2.1 The youth work contracts have been reviewed and extended with little amendment of the service specifications which were primarily based on the original grant applications back in 2010.
- 2.2 In July 2015 the Edinburgh Youth Work Consortium (EYWC) brought together representatives from the Council's Community Learning and Development Service (CLD), the voluntary youth work sector and other interested parties to identify priorities for youth work that give prominence to universal provision. The result of these discussions was a Youth Work Statement of Intent.

### Main report

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- 3.1 Children and Families wishes to redesign the youth work services using co-production contractual arrangements with the providers listed in the appendix. The specifications covering the extension period will be revised to fit with the priorities articulated in the Youth Work Statement of Intent in the initial phase of the new project. These will be further developed for new contracts to be awarded in October 2016. A key feature will be how the new specifications incorporate the views of young people and stakeholders to meet strategic outcomes.
- 3.2 The current specifications of service have been analysed by officers and meetings held with the relevant providers to work together to identify the elements of these specifications that would be consistent with the priorities identified within the Youth Work Statement of Intent. These include:
  - 3.2.1 Universal/open access;
  - 3.2.2 For 11 – 25 year olds, with a particular emphasis on 11 – 18 year olds;
  - 3.2.3 Undertaken voluntarily;
  - 3.2.4 Builds from where young people are;

- 3.2.5 Recognises the young person and the youth worker as partners in a learning process.
- 3.3 Work has begun on a wide scale consultation process with young people and other stakeholders to draw together their views about youth work. The service area has sent out a survey for young people to complete and it is anticipated that over 500 young people will respond. To complement this approach, a series of focus groups will be set up to gain further views from young people. These will pick up on themes from the returned surveys and explore them in more detail. Other external and internal stakeholders will also be consulted to ensure a wider representation of views.
- 3.4 In addition, officers will review a range of existing information gathered from young people. This will include the results of the Youth Talks activities in South Edinburgh and Total Craigroyston.
- 3.5 It is anticipated that this information gathering process will be completed by March 2016 at the latest to inform the new service from October 2016.
- 3.6 The Contract Standing Orders (CSOs) state that for services in excess of £25,000 a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption or in the Council's best interests. It is considered that in these circumstances a waiver is justified in the Council's best interests and that these contracts are currently exempt from the full EU tendering requirements as being "Social Services".

## Measures of success

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- 4.1 Children and Families agrees up to 8 extensions of contract with the providers listed in the appendix for a period of 6 months (1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016) with a focus on universal open youth work services.
- 4.2 Children and Families develops a service specification to tender in spring 2016.
- 4.3 A revised youth work service based on the new specification is in place by October 2016.

## Financial impact

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- 5.1 The total value of the contracts covered by this waiver report was £934,462 in 2015-16.
- 5.2 The maximum potential value of the 6 month waiver is £350,098.
- 5.3 Anticipated savings to be achieved from the initial re-design are £234,265.

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

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- 6.1 Should the waiver not be agreed there is a high risk that young people could lose their service in an unplanned manner.
- 6.2 There is a risk, should the waiver not be agreed, that best value is not being demonstrated in line with CSO's that require all services valued above £25,000 to be competitively tendered. However quality and price are part of continuous improvement discussions and reporting with the incumbent providers.
- 6.3 The contract values for the proposed contracts are above the minimum threshold set for public contracts that are regulated by the European Procurement Regulations, as such there is a risk of challenge to the direct award of these contracts should there be any potential cross-border interest. However, "Social Services" are currently exempt from the strict application of full EU tendering requirements, but will be incorporated into these requirements through new legislation during 2016.
- 6.4 The Regulations require as a minimum a notification when a contract is awarded for social welfare contracts. There is an opportunity to confirm contract award to meet the Council's obligations, thus reducing potential risk of future challenge.
- 6.5 The risk of challenge by an alternative provider is very low given the nature of the service provided and the short length of the contract.
- 6.6 Organisations will apply to the new Children and Families grants programme for support and will drop out of the redesign process.
- 6.7 The required level of savings is not achieved in the extension period of April to September 2016.

## **Equalities impact**

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- 7.1 An Equalities and Rights Impact Assessment is being developed as part of the redesign work.

## **Sustainability impact**

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- 8.1 The duties of the Climate Change (Scotland) Act 2009 have been considered in respect of this report. Implementation of the redesign does not contradict our duties as a public body under this legislation.

## **Consultation and engagement**

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- 9.1 A co-production approach is being used to deliver the redesigned specifications of service.

## Background reading/external references

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Youth Work Statement of Intent (Appendix 2)

[Youthlink Scotland's Statement on the Nature and Purpose of Youth Work](#)

### Gillian Tee

Director of Children and Families

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## Links

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<b>Coalition pledges</b>	P1 – Increase support for vulnerable children, including help for families so that fewer go into care P5 – Seek to ensure the smooth introduction of the Curriculum for Excellence and that management structures within our schools support the new curriculum
<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 CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3 – Our children and young people at risk, or with a disability, have improved life chances CO4 – Our children and young people are physically and emotionally healthy CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6 – Our children's and young people's outcomes are not undermined by poverty and inequality
<b>Single Outcome Agreement</b>	SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential
<b>Appendices</b>	Appendix 1 – List of current providers

## Appendix 1

### Current providers

Name of Organisation	Value of contract 2015/16 (£)
Canongate Youth	157,000
Citadel Youth Centre	154,237
Edinburgh City Youth Café (6VT)	58,242
Pilton Retreat	55,768
Pilton Youth & Children's Project	160,170
SCOREscotland	62,326
The BIG Project	33,845
WHALE Arts Agency	64,306
West Granton Community Trust	89,505
Wester Hailes Youth Agency	99,108
TOTAL	934,462



## **Statement of Intent for Youth Work in Edinburgh August 2015**

### **Context**

The critical role played by universal youth work in improving outcomes for young people has recently been re-affirmed by the Edinburgh Youth Work Consortium and Edinburgh University literature review 'Universal Youth Work – a critical review' 1. This is also echoed in the current National Youth Work Strategy (2014-19) and 'Believing in Young People', the existing youth work strategy for Edinburgh published in 2008.

Youth work is embedded in the recently approved Community Learning and Development (CLD) Strategy for Edinburgh (2015-18) which reinforces the need for universal youth work, stressing its role as an anchoring and foundation service that enables relationships to be established and other community based services for young people to develop.

The current funding climate provides a challenging environment for youth work and offers both threats and opportunities for the development of youth work provision in the city. Reducing budgets continue to place enormous pressures on youth work services both locally and city wide. It is important to ensure that both funders and providers have a shared view of the key priorities for the youth work sector that can shape and inform respective decisions and actions.

In July 2015 the Edinburgh Youth Work Consortium brought together representatives from the CLD Service, the voluntary youth work sector and other interested parties to identify what these priorities are. This 'Statement of Intent' is the result of these joint discussions and seeks to set out priorities for youth work that give prominence to universal provision.

### **The scale and nature of youth Work in Edinburgh**

Youth Work in Scotland is defined by 'The Statement on the Nature and Purpose of Youth Work' 2 produced by Youthlink Scotland which affirms its voluntary nature; a learning partnership and builds from where young people are. This has secured universal acceptance, and provides clear and unambiguous principles of practice that differentiate youth work from other forms of work with young people.

1 <http://www.morayhouse.me/public/Universal-Youth-Work-Summary-2015.pdf>

2 <http://www.youthlinkscotland.org/webs/245/documents/StatementnatureYW.pdf>



Youth work is also defined by those who use its services. In broad terms these are recognised as being children and young people of school age, although work often continues into young adulthood. The strength of universal youth work provision is that it is shaped and informed by the local community it serves. Universal youth work fosters an important sense of belonging, within which it offers a threefold response to young people's needs:

1. Universal provision - accessible to all young people
2. Thematic approaches - with a focus on particular topics, issues, or areas of development and
3. Supported places - where young people within universal provision have been sign posted to or identified as in need of extra support which may involve feedback to other agencies

There is an emphasis on community based approaches which reflects Edinburgh City Council's desire to deliver and manage services at a locality level and fits with Edinburgh Youth Work Consortium's view that all young people are entitled to youth work provision in their local area.

### **Priorities for youth work in Edinburgh**

In the course of these initial discussions facilitated by the Edinburgh Youth Work Consortium and informed by current policy documents, the following critical areas of youth work have been identified to strengthen the place of universal youth work in the city:

1. Young people have an entitlement to local youth work provision. Gaps in service therefore need to be identified, and opportunities for new initiatives explored.
2. A more systematic approach is required to recruit, train and support youth workers, particularly volunteers drawn from local communities and young people who have come through local youth work.
3. A pool of experienced youth work trainers should be developed, drawing from the statutory and voluntary sectors in order to develop and deliver core youth work training.
4. An action plan for youth work in the city should be developed, informed by the CLD Strategic Plan, and based on current voluntary and statutory partnerships. We need to secure young people's engagement in shaping and delivering the action plan.
5. The youth work sector's capacity to evaluate and assess the difference and impact it makes needs to be enhanced - through the use of shared (but not imposed) evaluation frameworks.
6. We should promote and support those who wish to use accredited youth work schemes.

## **Consulting the sector**

Further to the joint discussions to date it is imperative that the youth work sector is consulted to ensure that this 'statement' is shaped by and reflective of the aspirations of the sector. This will create the greatest likelihood of a framework that can helpfully inform future funding and practice.

**Edinburgh Youth Work Consortium**

**August 2015**

# Finance and Resource Committee

10am, Thursday, 29 October 2015

## Framework Agreement for Fostering Placements –

Ref: CT 967

Lot 1 – Core Placements

Lot 2 – Specialist Placements

Item number

Report number

Executive/routine

Wards

All

### Executive summary

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This report seeks the approval of the Finance and Resource Committee to approve the award of the Framework Agreement for Fostering Placements, Lot 1 – Core Placements and Lot 2 – Specialist Placements. The term of the contract will be two years with an option to extend for either one or two years.

The Council has utilised its own contract for the supply and delivery of foster care placements from independent and voluntary fostering providers for the past 4 years which came to an end November 2014. A waiver has been put in place to continue until November 2015.

### Links

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Coalition pledges

[P1](#)

Council outcomes

[C01 – C06](#)

Single Outcome Agreement

[S03](#)

## Framework Agreement for Fostering Placements

Ref: CT 967

### Lot 1 – Core Placements

### Lot 2 – Specialist Placements

#### Recommendations

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- 1.1 To approve the appointment of the following providers for two years, with the option to extend up to one or two years:
  - 1.1.1 Lot 1 – Core Placements:- Core Assets Fostering and Fostering Relations
  - 1.1.2 Lot 2 – Specialist Placements:- Aberlour Child Care, Action for Children, Barnardos, Core Assets Fostering, Fostering Relations, Fosterplus Limited, SWIIS Foster Care Scotland Ltd, The National Fostering Agency (Scotland) Ltd.

#### Background

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- 2.1 This report outlines the result of the procurement of Framework Agreement for Fostering Placements, Lot 1 – Core Placements, Lot 2 Specialist Placements.
- 2.2 A National Contract is in place via Scotland Excel, however this does not meet all of the City of Edinburgh Council's demand and on occasions the Council must go out to other independent providers to purchase relevant services.
- 2.2 The Council will continue to use the National Contract as well as its own contract, for core placements, but would like to widen opportunities to include specialist placements which are not part of the National Contract and avoid spot purchases/off contract spend.
- 2.3 The Council commissioned a Framework Agreement to include Lot 1 – Core placements (companies not on the National Framework) and Lot 2 – Specialist Placements.

## Main report

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- 3.1 This service falls within The Public Contracts (Scotland) Regulations 2012 Part B services. Although a Part B Services Contract is not subject to the full rigours of the regulations, the requirement for openness, transparency and fair and equal treatment remains, as does the need to comply with the Council's Standing Orders.
- 3.2 An open tender was placed on the Public Contract Scotland and Public Contracts Scotland Tender website on 4 June 2015 resulting in 14 organisations noting interest in the opportunity. From those noting interest 9 organisations submitted a tender on 14 July 2015, 3 for Lot 1 and 9 for Lot 2. Of these, one organisation did not pass the qualification stage.
- 3.3 To ensure only the highest quality proposals were considered a quality threshold rating of 50% was applied to the qualitative evaluation. All organisations who met this standard were then evaluated on the basis of the most economically advantageous tender with 70% overall for quality and 30% for price.
- 3.4 The scoring methodology is set out in Appendix 2. The resultant score for the tender is as follows:-

### Lot 1 – Core Placements

Provider	Quality (Max 70)	Price (Max 30)	Overall Rank
Core Assets Fostering	50.75	30.00	1
Fostering Relations	42.88	25.82	2

- 3.5 The bids submitted ranged from £40,871 to £61,737 per annum, prices vary depending on circumstances for each child, including age, respite, and added support.

## Lot 2 – Specialist Placements

Provider	Quality (Max 70)	Price (Max 30)	Overall Rank
Action for Children	56.00	23.63	1
Core Assets Fostering	53.38	22.93	2
Barnardos	49.00	26.59	3
SWIIS Foster Care Scotland Ltd	48.13	26.93	4
The National Fostering Agency (Scotland) Ltd	49.00	22.71	5
Fosterplus Ltd	38.50	30.00	6
Fostering Relations	44.63	22.20	7
Aberlour	45.50	20.69	8

- 3.6 The bids submitted ranged from £50,839 to £75,592 per annum, prices will vary depending on circumstances for each child, including age, respite, and added support.
- 3.7 Price evaluation - The successful providers to the Framework will be ranked in descending order of price. Ranking will be on price only but if at any point in time a discount is triggered we would review the ranking.

### Measures of success

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- 4.1 A successful tender process has been completed, and is compliant with European Union (EU) part B Regulations and Contract Standing Orders.
- 4.2 The Framework Agreement offers Best Value for Money, including Lot 1 – Core Placements and Lot 2 – Specialist Placements.

### Financial impact

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- 5.1 Based on previous years average expenditure levels the estimated expenditure during the life of this contract ( two year contract plus up to two annual extensions) is £8.1m which equates to £2.025m per year. The Council is actively seeking to increase its own foster care capacity and has a target to reduce expenditure with independent providers by approximately 50% over the

- period 2013 to 2018. Should this be successful future expenditure levels will reduce accordingly.
- 5.2 To ensure best value is demonstrated annual review meetings will take place with providers regarding Individual Placement Agreement (IPA) and price. If at any point in time a discount is triggered ranking will be reviewed.
- 5.3 The costs associated with procuring this contract are estimated at from £20,001 and £35,000.

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

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- 6.1 This contract is required to comply with EU procurement regulations (Part B). Procurement of Fostering Framework Lot 1 and Lot 2 will ensure that off contract buying will cease and placements will be sourced through the Framework Agreement.

## **Equalities impact**

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- 7.1 An equalities impact assessment was conducted as part of the procurement process and there were no equalities issues identified.

## **Sustainability impact**

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- 8.1 Community benefits proposal incorporating 'Looked After and Active Programme', training, sponsorship, work experience and job opportunities have been included as part of providers submissions.

## **Background reading/external references**

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[Regulation of Care \(Scotland\) Act 2001](#)

[Looked After Children \(Scotland\) Regulations 2009](#)

[Looked After Children \(Scotland\) Amendment Regulations 2014](#)

### **Gillian Tee**

Executive Director of Communities and Families

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## Links

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<b>Coalition pledges</b>	P1
<b>Council outcomes</b>	CO1 – CO6
<b>Single Outcome Agreement</b>	SO3
<b>Appendices</b>	<ol style="list-style-type: none"><li>1 Summary Tender Process</li><li>2 Award Criteria</li><li>3 Scoring Methodology</li></ol>



# Appendix 1 – Summary Tender Process

## Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	<b>Employee Assistance Programme</b>
<i>Contract Period</i>	1 November 2015 to 31 October 2014 with the option to extend for up to two annual periods
<i>Estimated contract value</i>	£2.025m (Annual) £8.1m (Total including extensions)
<i>Standing Orders observed</i>	Open Procedure
<i>EC Directives</i>	2004/18/EC – Part B
<i>Tenders Returned</i>	9
<i>Tenders fully compliant</i>	8
<i>Recommended Provider/s</i>	8
<i>Primary Criterion</i>	Most economically advantageous tender to have met the qualitative and technical specification of the client department'
<i>Evaluation criteria and weightings and reasons for this approach</i>	Quality (70%) – minimum threshold 50. Price (30%); Quality was of higher importance due to the nature of the provision; minimum threshold ensured low quality bid could not win.
<i>Evaluation Team</i>	Officers from Children and Families

# Appendix 2 – Award Criteria

## Qualitative Criteria

### Lot 1 – Core Placements

<b>Award Criteria</b>	<b>Weighting (%)</b>
Capacity to Deliver the Service	25%
Implementation Plan	10%
Community Benefits	10%
Key Outcome 1 – Safe	5%
Key Outcome 2 - Healthy and Active	5%
Key Outcome 3 - Nurtured and Achieving	5%
Key Outcome 4 - Responsible	5%
Key Outcome 5 – Respected and Included	5%
Service User Participation	5%
Quality Standards	5%
Complaints Procedure	5%
Equalities - Children and Young People	5%
Strategic Awareness	5%
Partnership Working	5%

## Qualitative Criteria

### Lot 2 – Specialist Placements

<b>Award Criteria</b>	<b>Weighting (%)</b>
Service Delivery Capacity	15%
Implementation Plan	10%
Scenarios	10%
Community Benefits	10%
Key Outcome 1 – Safe	5%
Key Outcome 2 - Healthy and Active	5%
Key Outcome 3 - Nurtured and Achieving	5%
Key Outcome 4 - Responsible	5%
Key Outcome 5 – Respected and Included	5%
Service User Participation	5%
Quality Accreditation	5%
Complaints Procedure	5%
Equalities - Children and Young People	5%
Strategic Awareness	5%
Partnership Working	5%

# Appendix 3 – Scoring Methodology

## Scoring Methodology

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<b>Score</b>	<b>Description</b>
<b>0</b> <b>Unacceptable</b>	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
<b>1</b> <b>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</b> <b>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</b> <b>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</b> <b>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

10.00am, Thursday, 29 October 2015

## Property Conservation – Programme Momentum Progress Report

Item number	7.16
Report number	
Executive/routine	
Wards	

### Executive summary

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This report provides Committee with a progress update for Programme Momentum.

### Links

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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

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- 1.1 Committee is requested:
  - 1.1.1 To note the management information dashboard reports in Appendix 1.
  - 1.1.2 To note the settlement sums authorised to complainants and other affected owners under delegated authority.
  - 1.1.3 To note the progress of debt recovery work.

### Background

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- 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 September 2015.

### Main report

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#### Progress

- 3.1 Since the beginning of Programme Momentum in June 2014 there has been significant progress by the legacy team across all workstreams. There was £22m of outstanding debt to be billed in July 2014 which is now zero. The settlements process introduced in April has run successfully with to date over 80% of the cases reviewed.

#### Management information

- 3.2 Management Information as at 25 September 2015 is attached in Appendix 1.

#### Financial Recovery

#### Delegated Authority – Irrecoverable Sums & Settlements

- 3.3 The provision for impairment and for settlement repayments is £17.9m.
- 3.4 As at 25 September 2015 a total of £10.5m has been approved for write-off against the provision comprising irrecoverable sums of £6.7m, aged debt of £0.3m and settlements of £3.5m.
- 3.5 The total value of settlements to date is £3.5m.

- 3.6 These sums are contained within the overall Bad Debt and Irrecoverable Sums provision.
- 3.7 The provision remains subject to regular review by the Head of Edinburgh Shared Repairs, the Head of Finance and the Deputy Chief Executive.

#### Billing Process

- 3.8 As at 25 September 2015, billing on Deloitte reviewed cases has now reached £18m with £9.4m received in payments. The billing is now complete. The current average monthly repayment rate is 59%.
- 3.9 The remaining Work In Progress (WIP) figure is £262K which is all Non Deloitte (Legacy).

#### Debt Recovery

- 3.10 Under the extended contracted arrangements, instructions continue to be sent to Morton Fraser for statutory notice debt recovery. Since 1 April 2015, 349 instructions have been issued to Morton Fraser with a total value of £3.7m for debt collection.
- 3.11 Based on the Morton Fraser status report of 30 September 2015 there has been debt settlement by 45 (13%) customers at a value of £0.3m (8%) and instalment arrangements agreed by 29 (8%) customers at a value of £0.3m (8%). This represents an overall total to date of 74 customers (21%) with a total payment commitment of £0.6m (16%).
- 3.12 As at 30 September 2015 the percentage solicitor's costs against sums recovered is 2.2%.
- 3.13 Monthly review meetings are now established between the Council and Morton Fraser with performance measures, standards and reporting in place.

#### Complaint Resolution & Settlements

- 3.14 The settlement process for complainants remains on target to be completed by Autumn 2015, subject to an additional 2 cases anticipated from Deloitte in October 2015. Closure in respect of half of all settlement cases has now been reached, with 86% of all complainants issued with settlements. Acceptance rates from complainants are at 52%. Settlements to other affected owners are progressing with settlements communicated to 1,419 owners. Settlements to all other affected owners is anticipated to be complete by late Autumn 2015.

#### New Service update

- 3.15 The pilot for the new service commenced on 1 September 2015 and will run until the end of March 2016.
- 3.16 The purpose of the pilot is to test parts of the practice and procedures designed by Deloitte and the Implementation Team prior to launching the new service in April 2016. The five service areas are:-
- Customer contact

- Facilitation
- Intervention
- Enforcement
- Finance

### Pilot Progress

#### 3.17 The Intervention Service:

The intervention service is made up of the activity undertaken following the identification of an essential repair and prior to taking a decision to enforce the repair, where the objective is to support owners to take responsibility for progressing the repair privately. Included in this area of work is diagnosis of the defect reported and tailored communication to owners.

3.18 Case officers have been assigned to the 10 cases selected to test the intervention procedures, and initial case assessments have been undertaken – including an initial site visit and meeting with an owner in one instance. Early progress has indicated that one case may be taken back by owners after successful Council intervention. One case is likely to progress to enforcement and one new case will be added to the workload. The degree to which case officers and property owners can arrange defect repairs with their neighbours to organise the works privately will determine how many of these cases reach the enforcement stage. Those cases brought to the service at present are in general related to defects in roofing.

#### 3.18 The Enforcement Service:

The Enforcement service is activated when all intervention services have failed to provide a platform for owners to procure the works privately. Upon Panel approval the project will be allocated to the surveying department for progression through the standard operating procedures. The procedures include carrying out a full survey, preparation of cost estimates, preparation of risk registers, issue of the Statutory Notice, tender preparation including design and specification, tender approvals and award and contract administration on site.

3.19 One outstanding repairs project has been considered and included in the pilot. This tenement property had reported falling masonry in July 2011. Under an emergency statutory notice, the Council erected safety scaffolding. Over the period from 2012 to date, the property owners have been in dialogue with the Council in respect of their efforts to arrange the works privately and their subsequent request for Council intervention.

3.20 This project is being progressed on behalf of owners and is currently in the procurement phase. This is a major repair project with an estimated value of £250,000. The defects are numerous and include structural works, stonework repairs, flat roof replacement and slate roofing repairs. The tenders have been issued to five contractors who have been through a Prequalification Questionnaire (PQQ) stage. The project surveyor will now prepare cost estimate



No. 2 as per the new procedures. An owners meeting has been arranged where the owners will be presented with an overview of the scope of work, estimated cost and key programme dates. A Statutory Notice will be issued to supersede the existing notice, in line with the new agreed format and wording. The project is estimated to commence prior to the end of the year with a contract programme of 36 weeks.

#### New Edinburgh Shared Repair Service launch

- 3.21 Throughout the pilot period, work will continue on additional implementation activities prior to the full service launch – notably Procurement, Recruitment and ICT.
- 3.22 The procurement strategy has been agreed by the programme board and planning is underway for a Bidders Day on 14 October. The framework contract is programmed to be in place by July 2016.
- 3.23 Recruitment of the required technical resource is underway, with two Building Surveyors identified following interviews during September. One surveyor is now in post with the second due to start at the beginning of November.
- 3.24 Work has continued on the ICT plan including a working session to investigate potential short-term system improvements, and initiation of data cleansing activity.

#### **Measures of success**

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- 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**

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- 5.1 Significant financial issues with a collective value of over £30m require to be concluded and resolved.
- 5.2 On 19 March 2015, following the decision to make available a budget for 2015/16 of £1.5m, 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 The overall 2015/16 available budget for the legacy and new Edinburgh Shared Repairs Service is £3.6m.

## Risk, policy, compliance and governance impact

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- 6.1 This area of work represents a significant financial and reputational risk for the Council.

## Equalities impact

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- 7.1 There is no equalities impact arising from this report.

## Sustainability impact

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- 8.1 There is no adverse environmental impact arising from this report.

## Consultation and engagement

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- 9.1 Not applicable.

## Background reading/external references

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[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

Deputy Chief Executive

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

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<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</b>	SO4 – Edinburgh’s communities are safer and have improved

**Agreement**

physical and social fabric

**Appendices**

Appendix 1: Management Information Dashboards



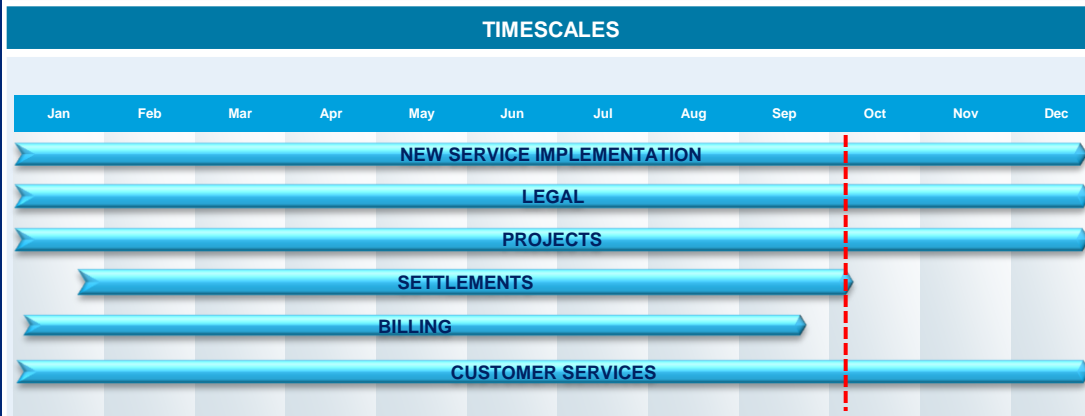
# Programme Momentum Dashboard September 2015



Monthly progress update (for reporting purposes month end is 25 September)

## OVERVIEW OF PROGRESS

The legacy service continues to draw to a close in respect of billing, projects and settlements. There remains a high level of customer service contact as the final cases are released for billing. In addition, there remains a high value of debt to recover, both independently assessed cases and historic legacy cases. The new service pilot began on 1 September 2015 with the full launch in April 2016. The main risks to the launch of the New Edinburgh Shared Repairs Service are in relation to budget pressures which impact upon recruitment, ICT development and demand management. Work is also ongoing to complete the policy, procedures and performance measures for the new service.



TOP RISKS	MITIGATION	RAG
1. Debt Recovery	Additional provisions have been made through the appointment of Morton Fraser	Yellow
2. Budget Provision	Ongoing discussion with Corporate Finance in relation to agreeing the budget provision for the new service and the closure of the legacy service	Red
3. Bad Debt Provision	The provision has been increased and will continue to be monitored and reported monthly.	Red
4. Settlement Process	Settlement process nearing completion but reputational and financial risk remains high.	Yellow
5. IT Systems	Interim IT activity underway to improve systems and reporting ahead of new service launch.	Red
6. Procurement	Bidders Day to be held mid October . Plan to issue PQQ to contractors in late October	Yellow

OVERALL STATUS	RAG	COMMENTS
Customer services	Yellow	Complaints decreasing but Councillor enquiries and FOI requests remain high
Billing	Green	Project Joule billing complete.
Legal	Red	Steady increase in the number of cases requiring legal action and in numbers being resolved.
Case Reviews and Settlements	Yellow	Settlement process implemented with more than 80% of all complainants issued with settlement.
New service	Yellow	Implementation activities have commenced. ICT functionality, Procurement and new service delivery on amended business plan remain the key risks.

INFORMATION / DECISIONS
1. Ongoing legacy closure and new service progress report
2. Impact of budgetary provision for 2015-17 a key risk
3. Revised Costed Business plan to be presented in October.

KEY PLANNED ACTIVITIES
1. Bidders day planned to test market interest on Contractor Framework
2. Continue to develop new service governance, policy and performance framework
3. Client and performance management of debt recovery partnership
4. Revised Costed Business Plan for the new service to be reviewed by the Programme Board in October.





# Settlements

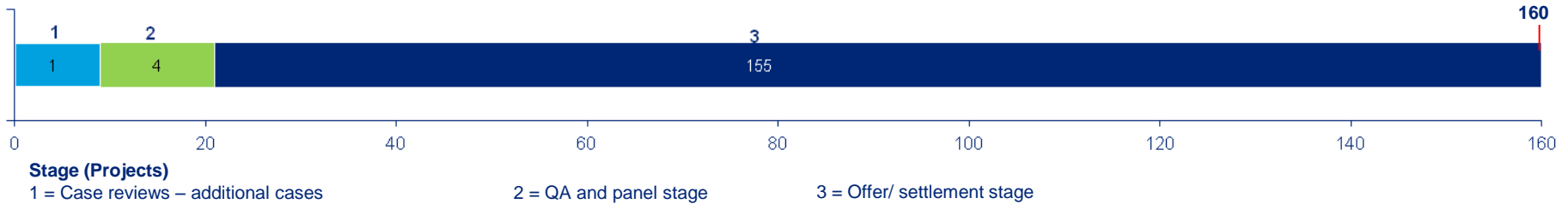
Programme dashboard as at 25 September 2015



## Progress

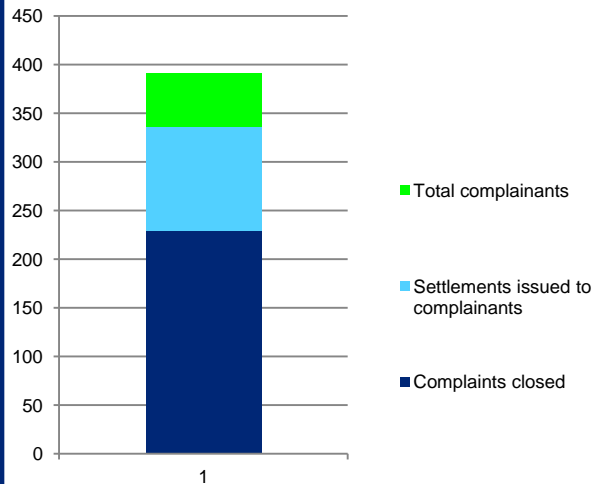
The settlement process for complainants is on target to be completed by Autumn 2015, subject to an additional 2 cases anticipated from Deloitte in October 2015. 86% of all complainants have been issued with settlement. Acceptance rates from complainants are at 52%. Settlements to other affected owners are progressing with settlements communicated to 1,419 owners. Settlements to all other affected owners is anticipated to be complete by Autumn 2015.

## Complex Complaints Case Reviews & Settlements

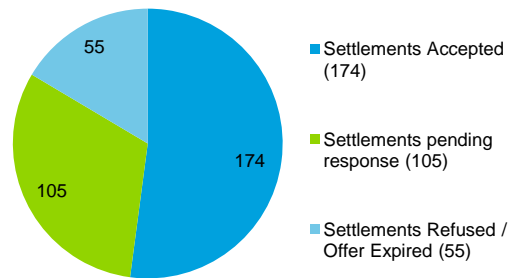


## Settlement Status

### Settlements Issued to Complainants



### Complainant Closure Status

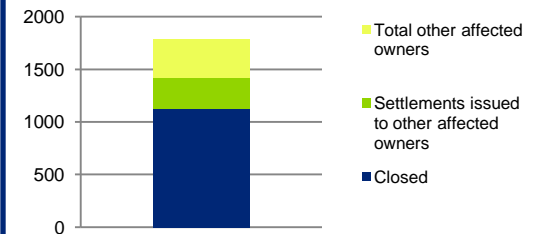


Settlement acceptance rate: 52%

### Settlement Value

Total Value of projects reviewed	£11.172m
Total settlements approved under delegated authority	£3.538m
Settlements paid/credited to date	£2,160m

### Other Affected Owners





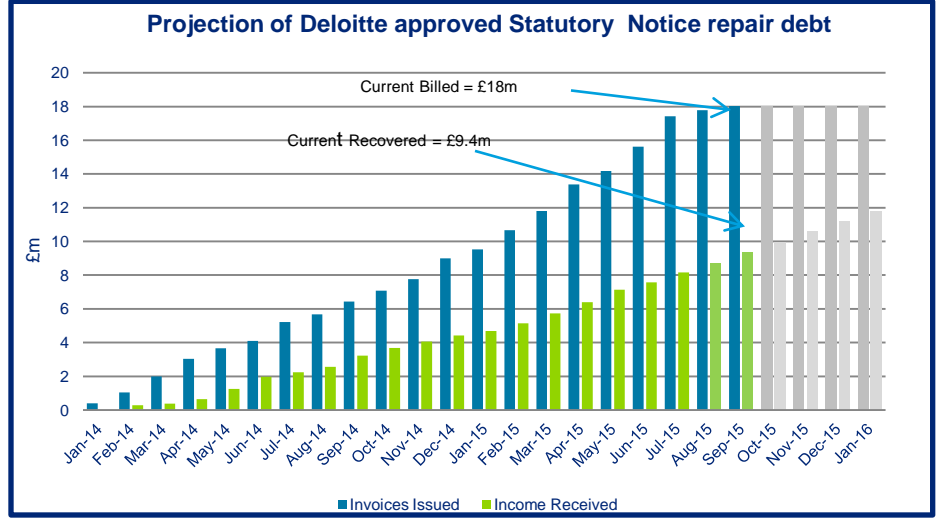
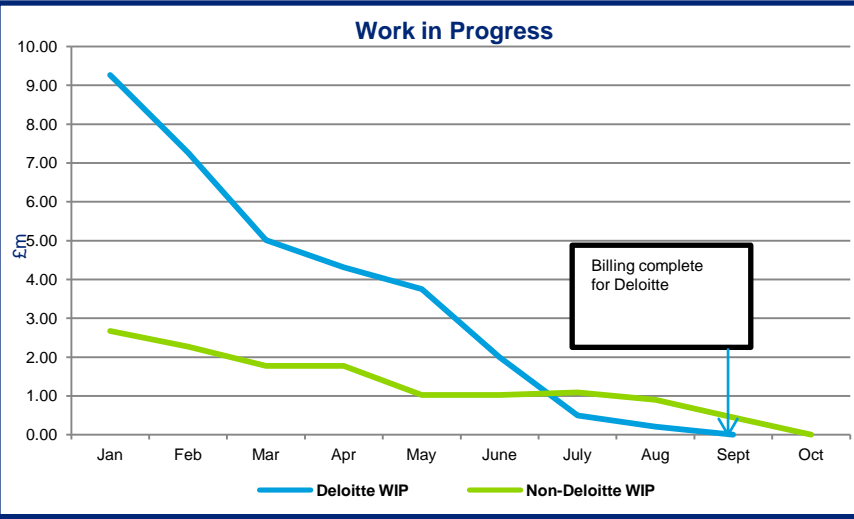
# Finance

Programme dashboard as at 25 September 2015



## Progress

Billing on Deloitte reviewed (Project Joule) cases closed at £18m with £9.4m received. As at 25<sup>th</sup> September 2015 all Joule projects have now been invoiced. The remaining Work In Progress (WIP) figure is £0.3m which is all Non Deloitte (Legacy). Impairments approved to date is £10.5m against the provision of £17.9m.



## 15/16 Budget Requirements

	Budget 2015/2016	Budget to 31/08/15	Spend to 31/08/15	Variance to 31/08/15
	£'000	£'000	£'000	£'000
Closure Programme & Defect Remedy Costs	2,103	961	571	(390)
New Enforcement Service (implementation and pilot launch from 01/09/2015)	1,400	378	458	80
Shared Repairs Service(part year to 31 August 2015)	138	125	179	54
<b>TOTAL BUDGET 2015/2016</b>	<b>3,641</b>	<b>1,464</b>	<b>1,208</b>	<b>(256)</b>



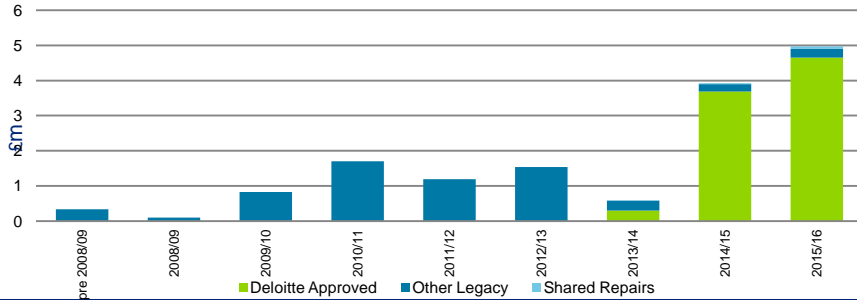
# Debt Recovery

Programme dashboard as at 25 September 2015

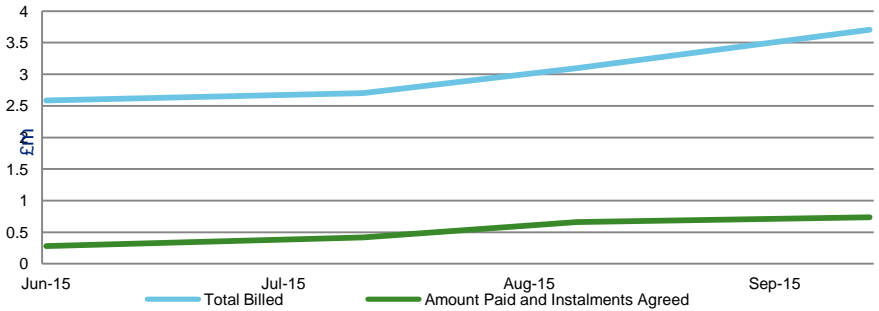
## Progress

The total debt outstanding of £15.2m for both Deloitte Reviewed, and Legacy and Shared Repairs, whilst reducing, remains an issue. Of this debt sum, a total of £10.1m is being pursued through active billing, Morton Fraser recovery or other legal collection. The remaining debt of £5.1m is either being prepared for legal action or suspended debt and includes a sum of £3.9m for outstanding legacy debt of which £3.3m is suspended debt. There is £1.8m debt arranged for payment through instalment plans.

### Aged Debt at 25 September by year



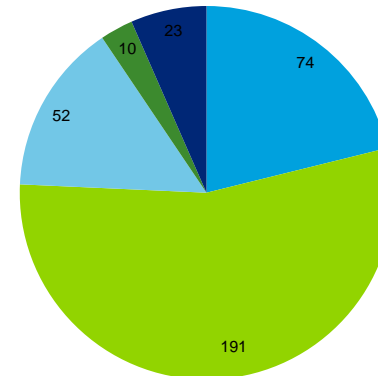
### Morton Fraser Recovery Rate



Debt Status	Deloitte Reviewed	Legacy and Shared Repairs	Total
Total debt being pursued	£7,418,021	£2,634,156	£10,052,177
Total debt scheduled for action	£1,214,568	£3,911,014	£5,125,582
<b>Total Debt</b>	<b>£8,632,589</b>	<b>£6,545,169</b>	<b>£15,177,759</b>
Instalment plans agreed within debt total	£1,362,447	£417,576	£1,780,023

Morton Fraser Debt Recovery Cases pursued by the Council	June	July	August	September
Total debt recovery cases pursued by Morton Fraser	212	233	294	349
Total value of instructions issued	£2.6m	£2.7m	£3.1m	£3.7m
Total debtors settled or in payment plan	42	62	67	74
Total sum recovered or in payment plan	£0.3m	£0.5m	£0.7m	£0.7m
Total sum recovered of in payment plan as % of debt recovery	11%	17%	21%	20%

### Debt Recovery Overview



- No. of Customers in Settlement, 74
- No. of Customers at Pre Legal Stage, 190
- No. of Instructions at Legal Stage, 52
- No. of Instructions Closed, 10
- No. Defended, 23



# Legal Claims

Programme dashboard as at 25 September 2015



## Progress

At the time of writing there are no live court cases raised against the Council by owners. The last case was resolved in the Council's favour in June 2015.

Legal claims raised against the Council	Apr 14 – Sep 15
Total claims raised against the Council	5
Total claims resolved to date	5
Settlement payment by Council to owner	4
Court judgement for the Council	1
Court judgement against the Council	0



# Customer Services

Programme dashboard as at 25 September 2015

## Progress

Customer enquiries continue to be significant in number. Solicitor enquiries remain at a high level.

Customer Services	Jul 15	Aug 15	Sep15
No. of customer enquiries received	543	849	686
No. of customer enquiries closed	627	901	817
No. of Solicitor enquiries	707	729	744
No. of customer complaints received	10	22	29
No of customer complaints closed	14	17	22
No. of FOI's received	16	30	19

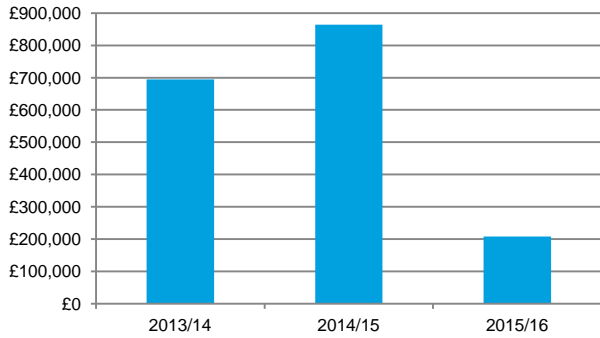




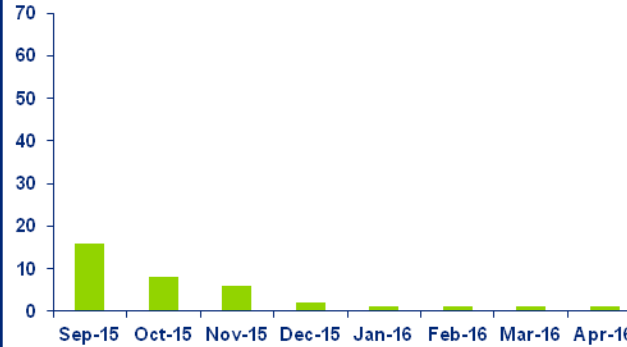
# Projects

Programme dashboard as at 25 September 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 October 2015



# Emergency Service

Programme dashboard as at 25 September 2015

SHARED REPAIRS KPI	Jul 15	Aug 15	Sep 15	Trend
No of requests for advice/ info only.	250	186	265	↑
No. of service requests	98	100	74	↑
No of emergency repair inspections resulting in statutory notices issued	69	65	49	↓
No. of Emergency service requests where information/ advice was provided	29	35	25	↓
Value of invoices issued to owners for emergency repairs (cumulative)	£665,050	£693,010	£721,588	↑
Value of income received from owners for emergency repairs (cumulative)	£564,906	£587,618	£608,924	↑

## Progress

- The number of requests for advice has increased by 42%
- The number of requests for service has decreased by 26%.
- For invoices issued prior to the end of March 2015, the collection rates are 89% for Shared Repairs.

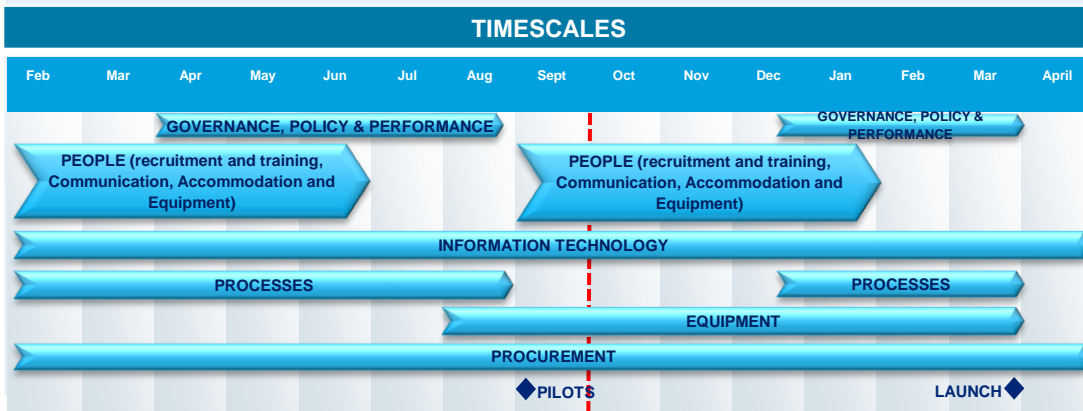


# New Service

Programme dashboard as at 25 September 2015

## OVERVIEW OF PROGRESS

The project remains on course to deliver within timetable and budget, with the Pilot phase launched on 1 September. Nine cases are currently in the Intervention process with one enforced case in procurement, and Case Officers and Technical staff are using the draft procedure manuals to progress these cases. The IT Project Manager has facilitated a working session to review short term improvements to the Uniform system, and has commenced data cleansing. Implementation of the Procurement Strategy has commenced with a focus on preparation for a Bidders Day. Following the formal recruitment process, two Building Surveyors have been identified, one is now in post and the other will start in early November – in addition the vacant Project Officer post has now been filled. The Policy decisions underpinning the Pilot cases were approved by the Programme Board in September.



TOP RISKS	MITIGATION	RAG
1. Unable to deliver against blueprint due to budget pressures	Recruitment profile and ICT spend have been changed to fit the new budget allocation. Updated costed business plan to be presented to October Programme Board.	Red
2. New IT functionality not in place for full service launch	Interim IT activity to be undertaken to improve legacy systems and reporting ahead of new service launch. Target architecture to be agreed following engagement with new IT supplier.	Red
3. Implementation Project team inadequately resourced to deliver project	Project Officer appointed following recruitment process in September. Decision taken to share Implementation Manager activities between existing resource – requires monitoring.	Yellow
4. Market interest in Contractor Framework is low	Soft market testing demonstrated market interest, however bidder's day on 14 October will test interest further. Recommended Procurement Strategy approved by Programme Board.	Yellow
5. Unable to secure technical resource due to recruitment and budget issues	Initial Technical Surveyor resource identified and job offers made. The ability to recruit required level of resource to be reviewed along with updated Costed Business Plan.	Yellow

OVERALL STATUS	RAG	COMMENTS
<b>Governance</b>	Yellow	The policy decisions underpinning the Pilot cases were approved by the Board in September. A revised Costed Business Plan with options analysis to be presented to the Programme Board in October 2015.
<b>People</b>	Yellow	Two Building Surveyors have been identified and job offers made. The pilot will facilitate a review of remaining recruitment requirements in line with demand and within the remaining budget. SRS Service Review to be signed off and communicated by December.
<b>IT</b>	Yellow	New IT approach approved at July Board. Activity has commenced on short term systems improvements and data cleansing – the final IT architecture is to be confirmed once the new supplier is in place.
<b>Processes</b>	Green	Draft procedure manuals prepared for testing during Pilot phase, with a process in place to identify and review any proposed amendments.
<b>Procurement</b>	Green	Recommended Procurement Strategy approved by Programme Board. Bidders day to be held on 14 October 2015. Plan to issue PQQ to contractors in November 2015 with projected award in Summer 2016.

### INFORMATION / DECISIONS

**Programme Board 23/10/2015** – A revised Costed Business Plan for the new service is to be reviewed.



# ESRS Pilot Phase Dashboard

Programme dashboard as at 25 September 2015



## OVERVIEW OF PROGRESS

The Pilot Phase commenced on 1 September, as planned, with ten test cases initially identified. The objective of the pilot is primarily to test the draft procedure documents, and a process has been put in place to track proposed changes to these documents. Eight of the cases are at the Customer Contact Stage, and Case Officers have been assigned – they have undertaken an initial assessment of the cases. One Major Works project has been included to ensure the contract administration element of the Enforcement procedures is tested during the pilot window (September 2015 – March 2016). We are also providing facilitation through advice and information on a tenth project.

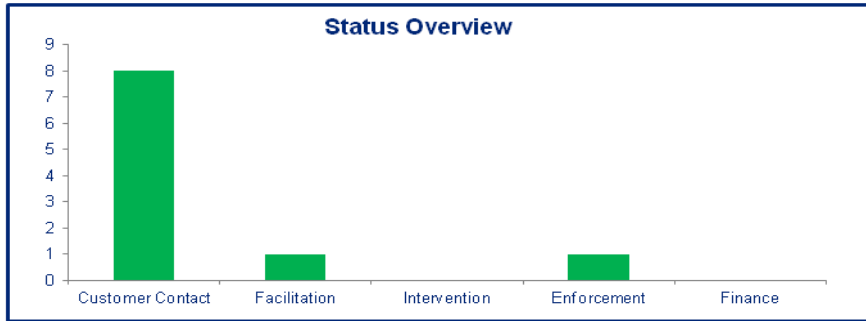
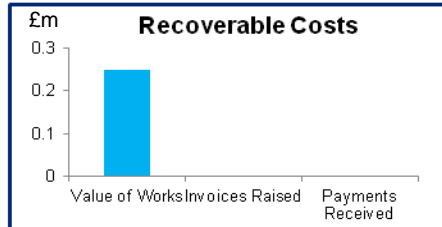
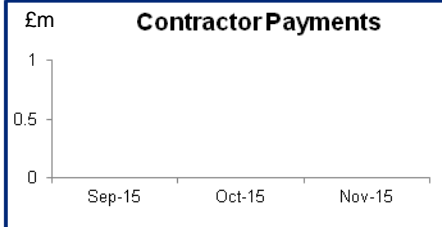
CASE WORKLOAD	Sept 15	Oct 15	Nov 15
Total number of Pilot cases & projects	10		
• Number of open cases	10		
• Number of new Cases / Projects	-		
• Number of cases on hold	-		
• Number of closed cases (Successful Intervention)	-		
• Number of closed cases (Site Survey / S24 Notice)	-		

Potential additional cases identified	1		
---------------------------------------	---	--	--

PROJECTS WORKLOAD	MAJOR	MINOR	ESTIMATED VALUE
1. Major Stonework / Roof (Procurement )	1		£250k
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>£250K</b>

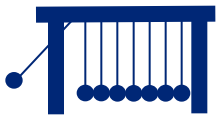
FACILITATION WORKLOAD (TYPE OF PROJECT)	MAJOR	MINOR	ESTIMATED VALUE
1. Major Stonework / Roof	1		£1m
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>£1.0m</b>

## FINANCE



## STATUS OF OPEN/ON HOLD CASES

		NO.
Customer Contact:	• Customer Services Enquiry	
	• Case Officer review	
	• Case Officer liaising with Lead Owner	8
Facilitation:	• Advice and Information	
	• Council Correspondence	1
Intervention:	• Communication 1 issued	
	• Communication 2 issued	
	• Panel Report submitted	
Enforcement:	• Site Survey / S24 Notice / S26 Notice	
	• Procurement	1
	• Projects on site	
Finance:	• Final Account issued	
	• Invoices issued to owners	



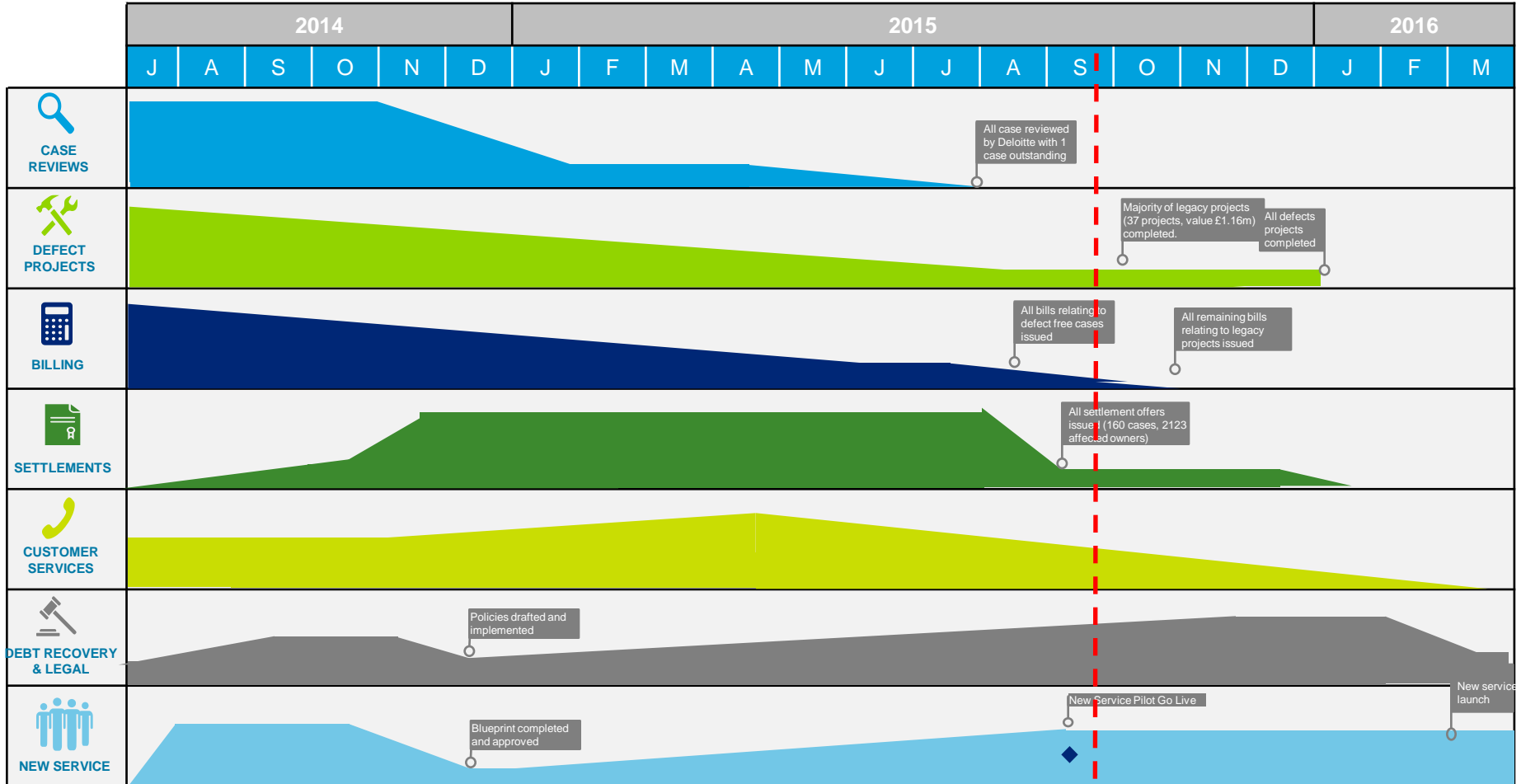
# Programme Momentum – Remaining Activity

Monthly progress update (for reporting purposes month end is 25 September)



## 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

10.00 a.m, Thursday, 29 October 2015

## Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	17 – Portobello / Craigmillar

### Executive summary

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96 Niddrie Mains Road is a retail unit, currently let to Macan Limited trading as John Smith chemists.

The current lease is due to expire on 24 February 2016, and the tenant has requested a 10 year extension to the lease.

This report seeks approval to grant a 10 year lease extension to Macan Limited, on the terms and conditions outlined in the report.

### Links

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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 Lease Extension at 96 Niddrie Mains Road, Edinburgh

### Recommendations

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That Committee:

- 1.1 Approves a 10 year lease extension to Macan Limited, of retail premises at 96 Niddrie Mains Road, Edinburgh, on the terms outlined in this report, and on other terms and conditions to be agreed by the Director of Services for Communities.

### Background

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- 2.1 Macan Limited is the tenant at 96 Niddrie Mains Road, and its current lease expires on the 24 February 2015. Macan Limited has requested that the Council grant a 10 year lease extension from 25 February 2016.
- 2.2 The property comprises a retail shop which is the end unit of a 1960/70's purpose built single storey retail parade on Niddrie Mains Road, directly opposite the new East Neighbourhood Centre building, as shown on the attached plan.
- 2.3 The current tenant, Macan Limited, is a pharmacy business and has leased the property since February 2001 paying a current rent of £6,000 per annum exclusive of VAT.

### Main report

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- 3.1 The existing lease expires on 24 February 2016, and Macan Limited has requested that the Council grant a 10 year lease extension from 25 February 2016.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
  - Subjects: Retail shop at 96 Niddrie Mains Road, Edinburgh;
  - Lease Extension: 10 years from 25 February 2016 until 24 February 2026;
  - Rent: £9,800 per annum (current market rental value);
  - Rent Reviews: Reviewed on each Fifth anniversary of the term to open market value;
  - Use: Pharmacy; and

- Repairs: Full repairing and maintaining obligation.

## Measures of success

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- 4.1 Granting a 10 year lease extension will allow the company to continue its long term financial planning of the business and, in turn, sustain employment for its workers and provide a continued pharmacy service to the local community.

## Financial impact

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- 5.1 An increase in rent of £3,800 per annum payable to the General Property Account.

## Risk, policy, compliance and governance impact

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- 6.1 This is an extension of a lease that commenced in February 2001 of which the same tenant has been in occupation at the property since that date. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

## Equalities impact

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- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure that Macan Limited can continue to plan both financially, and in terms of developing its business. This will allow it to continue to provide a high level of service and experience to its employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by extending the current lease rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if the lease is not extended, the impact is considered to be proportionate and justifiable.

## Sustainability impact

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- 8.1 There are no sustainability issues arising from this report as it is a lease renewal whereby the original lease commenced in February 2001, and the current tenant has been in occupation at the property since this date.

## Consultation and engagement

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- 9.1 The local ward Councillors have been made aware of the proposed lease extension.

## Background reading/external references

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N/A

**John Bury**

**Acting Director of Services for Communities**

Contact: Iain E Lamont, Estates Surveyor

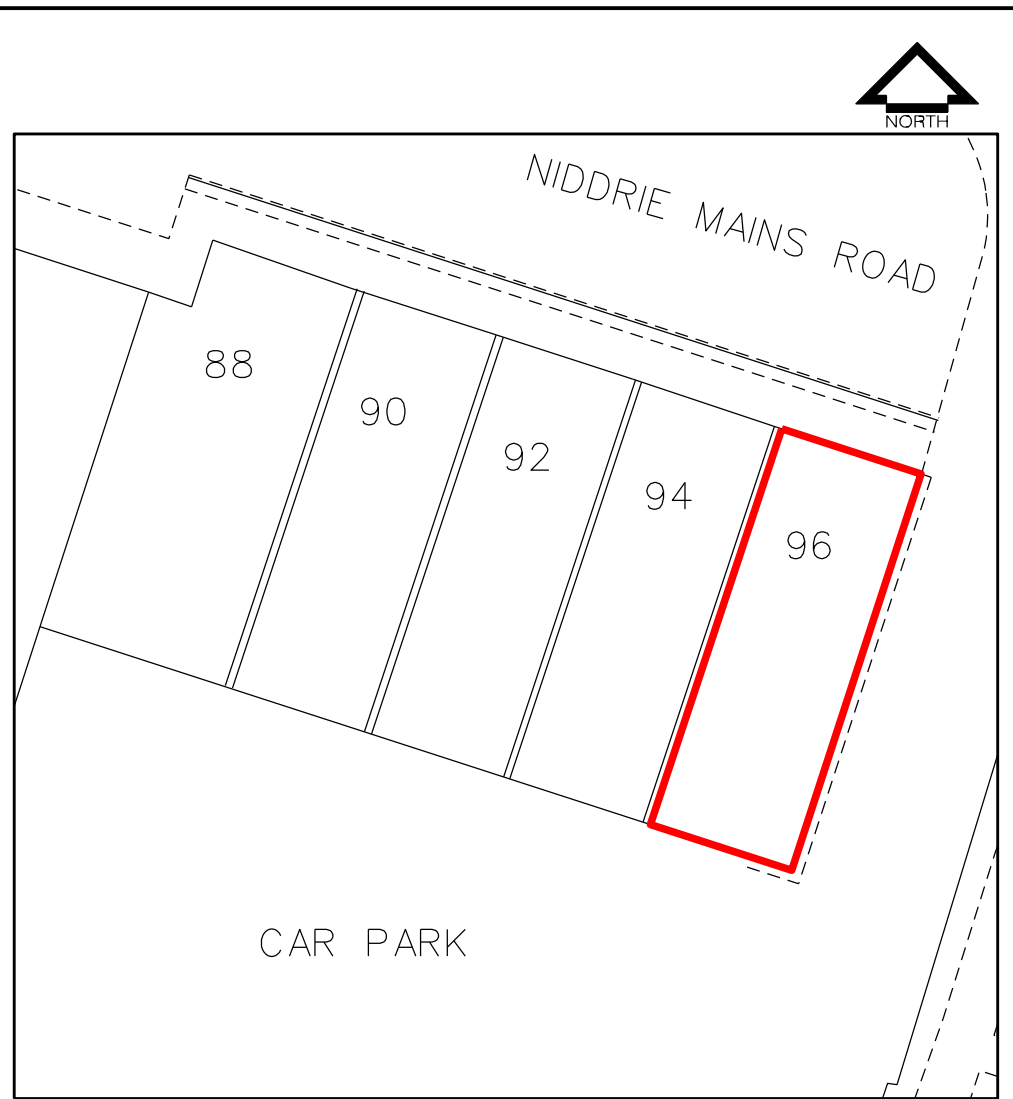
E-mail: [Iain.lamont@edinburgh.gov.uk](mailto:Iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## Links

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<b>Coalition pledges</b>	<p>P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.</p>
<b>Council outcomes</b>	<p>CO8 – Edinburgh’s economy creates and sustains job opportunities.</p> <p>CO9 – Edinburgh’s residents are able to access job opportunities.</p>
<b>Single Outcome Agreement</b>	<p>SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.</p>
<b>Appendices</b>	<p>Location Plan.</p>





<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
SHOP AT 96 NIDDRIE MAINS ROAD EDINBURGH	
DATE	3/9/15
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1174

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN