

Notice of meeting and agenda

Finance and Resources Committee

10.00am, Thursday 26 November 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

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

2. Declaration of interests

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

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minutes of the Meeting of 29 October 2015 (circulated)

5. Business Bulletin

- 5.1 Finance and Resources Committee Business Bulletin - none

6. Forward Planning

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

7. Executive decisions

- 7.1 CEC Transformation Programme: Property and Asset Management - report by the Deputy Chief Executive (circulated)
- 7.2 2016/20 Revenue and Capital Budget framework - report by Deputy Chief Executive (circulated)
- 7.3 Treasury Management - Mid Term Report 2015/16 – report by the Deputy Chief Executive (circulated)
- 7.4 Police Scotland Costs for Edinburgh's Hogmanay and Edinburgh's Christmas and Hogmanay Contract Update – report by the Deputy Chief Executive (to follow)
- 7.5 Governance of Major Projects: Progress Report – report by the Deputy Chief Executive (circulated)

- 7.6 Legal Services Framework Agreement – Award of Contract – report by the Deputy Chief Executive (circulated)
- 7.7 Interim Budget Engagement Report – report by the Deputy Chief Executive (circulated)
- 7.8 Health and Social Care Integration - Update - report by the Chief Officer Health and Social Care Partnership (circulated)
- 7.9 Edinburgh Alcohol and Drug Partnership (EADP) Adult Community Treatment Services - Contract – report by the Chief Social Work Officer (circulated)
- 7.10 Edinburgh Alcohol and Drug Partnership (EADP) Counselling and Psychological Therapies Service Contract – report by the Chief Social Work Officer (circulated)
- 7.11 Extension of Mental Health and Wellbeing Preventative Services Contract – report by the Chief Officer – Health and Social Care Partnership (circulated)
- 7.12 ICT Services Procurement: Transition Progress Update – report by the Deputy Chief Executive (circulated)
- 7.13 Framework Agreement for Multi-Trade Contractor for Council Properties – Award of Contract – report by the Acting Director of Services for Communities (circulated)
- 7.14 Review of Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts – report by the Acting Director of Services for Communities (circulated)
- 7.15 Energy Advice and Support for Housing Services – referral report from the Health, Social Care and Housing Committee (circulated)
- 7.16 Award of Contract for Consultancy Services for Edinburgh Street Design Guidance – Phase 2 Works - report by the Acting Director of Services for Communities (circulated)
- 7.17 Adoption of Scottish Procurement Fixed Term Water and Waste Water Services Framework – report by the Acting Director of Services for Communities (circulated)
- 7.18 Taxicard Services – report by the Acting Director of Services for Communities (circulated)

- 7.19 Community Transport – Interim Funding Arrangements – report by the Acting Director of Services for Communities (circulated)
- 7.20 Update on Proposals for a New Meadowbank – Improved Funding Package – referral report from the Economy Committee (circulated)
- 7.21 Co-Location of Partner Agencies: Proposal for a Strategic Viability Study for a new Partnership Centre for Leith – report by the Acting Director of Services for Communities (circulated)
- 7.22 Award of Contract for Additional Support for Childcare Providers – report by the Executive Director of Communities and Families (circulated)
- 7.23 Property Conservation – Programme Momentum Progress Report - report by Deputy Chief Executive (circulated)

8. Routine decisions

- 8.1 Summary Report on Property Transactions concluded under Delegated Authority – report by the Acting Director of Services for Communities (circulated)

9. Motions

- 9.1 If any

Carol Campbell

Head of Legal and Risk

Committee Members

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

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

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

Further information

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

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

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Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Thursday, 29 October 2015

Present

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

1(a) Deputation: Unison and Unite - Transformation Programme: Progress Report and Managing Workforce Change

The Committee agreed to hear a deputation from Amanda Kerr, Tom Connolly and Gerry Stovin of Unison and Peter Lawson of Unite.

The main points raised by the deputation were:

- Clarity has still not been provided to staff on who would be affected by the proposed reductions in staff.
- UNISON and Unite were concerned at the pace of change proposed through the Transformation Programme. It was proposed that approximately 950 staff would be lost over the next 6 months. This was not enough time to carry out meaningful consultation about redundancies.
- Alternative proposals were submitted by UNISON and Unite to tackle the debts faced by the City of Edinburgh Council.
- The City of Edinburgh had pre-devolution debts of £380 million and £32 million was paid to the Treasury each year toward these debts.
- There should be an amnesty on pre-devolution debts.
- UNISON and Unite would like to work collaboratively with GMB, the Scottish Government and COSLA to find a long-term solution to the financial challenges facing the Council.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the reports by the Deputy Chief Executive and Chief Executive respectively.

1(b) Deputation: Edinburgh Trade Union Council - Managing Workforce Change

The Committee agreed to hear a deputation from Des Loughney and Les Huckfield of the Edinburgh Trade Union Council.

The main points raised by the deputation were:

- Concerns were raised about the assertion that Council services and outcomes would be improved and a sustainable budget position would be achieved by a reduction in staff through voluntary and compulsory redundancies.
- The acceleration of the transformation programme and the proposed redundancies was a cause for concern and did not provide enough time for any meaningful consultation to take place with unions and the communities that would be effected by changes to front line services.
- Additional income could be raised if the Scottish Government allowed local authorities to introduce a transient visitor levy, a supermarket levy, a parking levy and to lift the freeze on Council Tax.
- The locality model could result in privatisation of services in the longer term due to third sector organisations only being able to deliver services for a short period of time and the requirement to go out to tender to deliver these services.
- More detailed discussion was required with officials on the proposals described in the report.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the report by the Chief Executive.

1(c) Transformation programme: Progress Update

Committee considered the update report on the Transformation Programme which included the revised savings targets and an outline plan for delivery.

Decision

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

(References – Finance and Resources Committee 24 September 2015, (Item 2(b); report by the Deputy Chief Executive, submitted.)

1(d) Managing Workforce Change

An update report was provided on the recent targeted Voluntary Early Release Arrangement exercise alongside the dialogue between officers and Unions regarding the need for workforce reduction.

Decision

- 1) To note the current requirement for savings of £126million over the next 4 years, including £60 million of savings released by staff leaving the Council.
- 2) To note the dialogue with Trade Unions to date and the Trade Unions position on cuts in public services and compulsory redundancies.
- 3) To acknowledge the need to reduce the number of staff by encouraging employees to apply for voluntary severance. In order to encourage the maximum participation in the voluntary severance scheme, the following adjustments would be made:
 - a. Committee approves a revision of interim VERA terms to better incentivise early voluntary release; and now adjusts:
 - i. Appendix 1, paragraph 1.1, 2nd bullet-point, to read:
“The number of weeks’ pay would be multiplied by a factor of 2.7”
 - ii. Appendix 1, paragraph 1.2, 2nd bullet-point, to read:
“The number of weeks’ pay would be multiplied by a factor of 1.7”
 - b. The Committee further approves revised Voluntary Severance and Redundancy terms to minimise the need to use compulsory redundancy; and now adjusts:
 - i. Appendix 2, paragraph 2.1, 3rd bullet-point, to read:
“The number of weeks’ pay would be multiplied by a factor of 2.7”
 - ii. Appendix 2, paragraph 2.2, 3rd bullet-point, to read:
“The number of weeks’ pay would be multiplied by a factor of 1.7”
- 4) To instruct the Chief Executive to establish suitable monitoring and reporting including detailed figures for VERA, Voluntary Severance and the Career Transition Service. Reports would be formally presented to the Finance and Resources Committee on a 4 weekly cycle.
- 5) To note the recent formal issue of “Proposed Redundancies at City of Edinburgh Council (CEC)”, via an HR1 notification, sent to; Local Government Trade Union, Regional Representatives, on 9th October 2015.
- 6) To agree to formally determine the extent to which compulsory redundancies would be implemented – following the vigorous promotion of the recommendations at 1.3 (as adjusted) above when the formal service review was completed and the staff reduction target was not met or no other financial mechanism for balancing the budget was found.
- 7) To agree that the Convener and Vice-Convener would meet with officers to determine the content of the dashboard as an active management tool and to

include information on the redeployment figures in future reports and promote the career transition service as available to all staff.

- 8) To note the extension of the VERA offer to staff for a further two weeks on the revised terms and conditions as agreed by Committee.

(References – Finance and Resources Committee 24 September 2015, (Item 7); report by the Chief Executive, submitted.)

2. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 24 September 2015 as a correct record.

3. Business Bulletin

The Finance and Resources Committee Business Bulletin for 29 October 2015 was presented.

Decision

To note the Business Bulletin.

(Reference - Finance and Resources Committee Business Bulletin, 29 October 2015, submitted.)

4. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan from 29 October 2015 to 29 November 2015.

Decision

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

(Reference – Finance and Resources Committee Key Decisions Forward Plan, 29 October to 26 November 2015, submitted.)

5. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log for 29 August 2013 to 24 September 2015 was submitted.

Decision

To note that Items 2, 3, 5, 6, 7, 8 (actions 2 and 3), 10, 11, 12, 13, 14, 19, 20, 21 and 26 had been closed.

(Reference – Rolling Actions Log, 29 August 2013 to 24 September 2015, submitted.)

6. Revenue Monitoring 2015/16 – Half Year Position

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

Decision

- 1) To note the projected balanced position at month five, subject to delivery of additional savings within Health and Social Care as noted below.
- 2) To note the Health and Social Care forecast overspend of £0.8 million after mitigating actions and instruct the service to report further to the Committee's meeting on 26 November 2015, setting out progress in the delivery of mitigating measures with the action plan as necessary to deliver at least a further £0.8 million of net savings.
- 3) To note the on-going risks and challenges in achieving the necessary offsetting savings across other areas of the budget which would require further management actions and active scrutiny for the remainder of the year.
- 4) To note the balanced position projected on the Housing Revenue Account (HRA) after making a £17 million contribution towards the construction of new homes.

(References – Finance and Resources Committee 24 September 2015, (Item 19); report by the Deputy Chief Executive, submitted.)

7. Capital Monitoring 2015/16 – Half Year Position

Details were provided of the Capital Monitoring 2015/16 month five position which showed the Council was projecting to borrow £28.598 million and would be in receipt of grants and capital income that amounted to £119.439 million. Together this would fund projected capital investment of £148.037 million.

Decision

- 1) To note the projected capital outturn positions on the General Fund and Housing Revenue Account (HRA) at month five.
- 2) To note the additional requirement of £0.2 million as part of the Council contribution to the National Performance Centre for Sport and that this had been contained within existing resources within the Capital Programme.
- 3) To note the prudential indicators at month five.
- 4) To note the acting Director of Services for Communities was closely monitoring the capital receipts position.
- 5) To refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

(References – Finance and Resources Committee, 27 August 2015 (item 14); report by the Deputy Chief Executive, submitted.)

8. Corporate Governance Revenue Budget Monitoring 2015/16 and Capital Investment Programme – Month Five Position

An update was provided 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 projection for the remainder of the financial year.

Decision

- 1) To note the Corporate Governance service was currently projecting expenditure within the approved revenue budget for 2015/16.
- 2) To note the risks to the achievement of a balanced revenue budget projection.
- 3) To note the expenditure on the Corporate Governance Capital Investment Programme was projected to be in line with budget.

(References – Finance and Resources Committee, 24 September 2015 (item 6); report by the Deputy Chief Executive, submitted.)

9. Local Development Plan – Action Programme: Financial Assessment and Next Steps

Committee considered a report on the financial implications of the infrastructure requirements of the Local Development Plan (LDP) Action Programme on future capital and revenue budgets. Details of the potential funding sources available to the Council to support this infrastructure and the alternative supplementary income streams to be investigated were also presented.

Decision

- 1) To note the current second proposed Action Programme detailed in Appendix 1 of the report.
- 2) To approve the conclusions of the Local Development Plan (LDP) Action Programme Financial Assessment detailed in Appendix 2 of the report.
- 3) To agree that updates would be provided as these become available and that consideration would be given to any funding pressure that arose from the LDP infrastructure identified within the Action Programme.
- 4) To agree the possible funding solutions that might be considered to deliver the infrastructure identified within the Action Programme.
- 5) To agree that the Council would engage with the Scottish Government in moving forward with alternative funding sources.
- 6) To agree the next steps.

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

10. Discretions Policy Statement – Regulation 58 the Local Government Pension Scheme (Scotland) Regulations 2014

Details were provided of the Local Government Pension Scheme (Scotland) Regulations 2014 came into effect on 1 April 2015. The new regulations included some changes to the discretions that were available to some employers who were members of the Local Government Pension Scheme.

Decision

To approve the Discretions Policy Statement.

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

11. Council Tax Empty Properties – Procedure Review

Details were provided of the revised charging procedure designed to reduce the number of empty properties in the city. The procedure included a 50 per cent Council Tax reduction, for up to 24 months, for properties that were actively being marketed for sale and rent.

Decision

- 1) To note that the implementation of the revised empty property procedure in 2014 had successfully reduced the number of long standing empty properties in Edinburgh.
- 2) To approve the proposal to reduce the discount applied to empty properties that were actively being marketed for sale or let from 50 per cent to 10 per cent with the 200 per cent charge still being applied after 24 months. This would be introduced from April 2016.
- 3) To approve ring fencing £75,000 from the additional Council Tax collected to support the Council Tax administration process.

Declaration of Interest

Councillor Gavin Corbett declared a financial interest as an employee of Shelter Scotland.

(References - Corporate Policy and Strategy Committee, 3 September 2013 (item 5); report by the Deputy Chief Executive, submitted.)

12. Civic Hospitality Policy

Approval was sought for a revised Civic Hospitality Policy. Changes to the level of delegation were also proposed to ensure the value remained at an appropriate level to enable the efficient management of civic hospitality and to ensure clear accountability.

Decision

To approve the Civic Hospitality Policy set out in Appendix 1 of the report.

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

13. Health and Social Care Integration - Update

An update was provided on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working)(Scotland) Act 2014.

Decision

- 1) To note the additional information on the relationship between the Council and the Edinburgh Integration Joint Board (EIJB) detailed in Appendix 1 of the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.
- 3) To note progress with high level management actions to address the recommendations in the assurance reports.
- 4) To note the dependencies with Council transformation projects.

Declarations 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, 24 September 2015 (item 18); report by the Chief Social Work Officer, submitted.)

14. Retender of Care at Home Contracts

Approval was sought for a further extension of contracts for a period of 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.

Decision

- 1) To note that an extension to current Care at Home contracts with providers from 3 to 29 October 2015 was granted under urgency provisions by the Chief Social Work Officer, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee.
- 2) To approve a further extension of Care at Home contracts with the providers listed at Appendix 1 of the report 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.
- 3) To note the contract renewal governance arrangements and 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.

Declaration of Interest

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

(Reference – report by the Chief Social Work Officer, submitted.)

15. Redhall House and Lawn – Progress Report

An update was provided on the progress of the restoration of Redhall House.

- 1) To note the current position in the planning application process.

- 2) To note that legal action would remain on hold whilst a negotiated solution was pursued.
- 3) To request an update report was brought to the Finance and Resources Committee at the conclusion of the planning process.

(References – Finance and Resources Committee, 4 June 2015 (item 19); report by the Acting Director of Services for Communities, submitted.)

16. Extension of Contingency Framework Agreement for Snow and Ice Maintenance

Approval was sought to extend the Contingency Framework Agreement for Snow and Ice Maintenance to 30 April 2016 up to a value of £900,000.

Decision

To approve the 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 the value of £900,000.

(References – Finance and Resources Committee, 30 August 2011 (item 8); report by the Acting Director of Services for Communities, submitted.)

17. Youth Work Services Design

Committee considered a report on the redesign of youth work services using co-production contractual arrangements with the providers listed in Appendix 1 of the report. Approval was sought for the award of extensions of contracts for up to 8 providers based on the negotiated specifications that reflected a renewed focus on open youth work provision.

Decision

To approve the award of extensions of contracts for up to 8 providers based on the negotiated specifications that reflected a renewed focus on open youth work provision.

(Reference – report by the Executive Director of Communities and Families, submitted.)

18. Framework Agreement for Fostering Placements – Lot 1 – Core Placements, Lot 2 – Specialist Placements

Approval was sought for the award of the Framework Agreement for Fostering Placements, Lot 1 – Core Placements and Lot 2 – Specialist Placements. The term of the contract would be two years with an option to extend up to one or two years.

Decision

- 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.

Declarations of Interest

Councillors Denis Dixon and Adam McVey declared non-financial interests as a member of the BIG Board of Management and a member of the Citadel Board of Management, respectively.

(Reference – report by the Executive Director of Communities and Families, submitted.)

19. Property Conservation – Programme Momentum Progress Report

An update was provided on the progress of 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.

(References – Finance and Resources Committee, 24 September 2015 (item 8); report by the Deputy Chief Executive, submitted.)

20. Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh

Approval was sought to grant a 10 year lease extension at 96 Niddrie Main Road, Edinburgh to Macan Limited, on the terms and conditions outlined in the report.

Decision

To approve a 10 year lease extension to Macan Limited, of retail premises at 96 Niddrie Mains Road, Edinburgh, on the terms outlined in the report, and on other terms and conditions to be agreed by the Director of Services for Communities.

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

21. Resolution to consider in private

Decision

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

22. Property Conservation – Irrecoverable Sum: Debt Recovery and Settlements

An update was provided on the irrecoverable sums approved under delegated authority.

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 approve the recommended approach detailed in Appendix 3 to be adopted in the billing of projects carried out by the new Shared Repairs Service and in the case of any projects that involved a change in the number of properties where bills had not yet been issued.

(References – Finance and Resources Committee, 24 September 2015 (item 29); report by the Deputy Chief Executive, submitted.)

23. Annual Report – Debt Write off

Committee considered a report that provided a summary of debt income streams deemed uncollectable and written off during 2014/15.

Decision

- 1) To note the sums due to the Council that had been written off during 2014/15 and the low value (0.9%) this represented compared to the overall level of income collected.
- 2) To note that the write-off value was consistent with 2013/14.
- 3) To note that whilst a debt was declared written off for accounting purposes, cases could be re-opened at any stage to pursue payment should the debtor be traced or had become solvent.

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

24. Water of Leith Flood Protection Scheme Phase 2 Update and Award of Contract

Approval was sought to award the contract for the design and build of the Phase 2 scheme to McLaughlin & Harvey.

Decision

- 1) To note the current project status of the Water of Leith Flood Prevention Scheme Phase 2.
- 2) To approve the award of the contract for the design and build of the Phase 2 scheme to McLaughlin & Harvey for the contract sum of £14,031,023.

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

25. Extension of Service Arrangement with Johnston Press

Approval was sought to continue to purchase services from Johnston Press for advertising Council and housing association homes until 31 March 2016.

Decision

To agree to continue to purchase services from Johnson Press for the purpose of letting social rented homes until 31 March 2016.

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

26. Replacement of Oxfams Young People's Centre

Committee considered a report which sought approval to deliver a replacement Oxfams Young People's Centre on the current site.

Decision

Detailed in the Confidential Schedule, signed by the Convener, with reference to this minute.

(References –Governance, Risk and Best Value Committee, 23 September 2015 (item 10); report by the Executive Director of Communities and Families, submitted.)

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: Pamela Roccio , Corporate Policy & Strategy Officer	
2.	Governance of Major Projects: Progress report	26 November 2015		Alastair Maclean, Deputy Chief Executive Lead Officer: Scott Robertson Senior Project Manager	
3.	ICT services and transformation procurement: Governance arrangements	26 November 2015		Alastair Maclean, Deputy Chief Executive Lead Officer: Claudette Jones , 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: David Wardrop , Sports Development Manager	
5.	Update on External Funding	26 November 2015		Greg Ward, Executive Director of City Strategy and Economy Lead Officer: Lynne Halfpenny , Director of Culture	
6.	Police Costs for Edinburgh's Hogmanay	26 November 2015		Greg Ward, Executive Director of City Strategy and Economy Lead Officer: Lynne Halfpenny , Director of Culture	
7.	Health and Social Care Integration: update	26 November 2015		Director: Michelle Miller, Acting Director of Health & Social Care Lead Officer: Susanne Harrison , 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: David Williams , Eadp Joint Commissioning Officer	
9.	Taxicard Services	26 November 2015		Director: John Bury, Acting Director of Services for Communities Gavin Brown , 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 Peter Watton , 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 Peter Watton , 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 Nazan Kocak , Professional officer	

Item 6.2 - Rolling Actions Log

Finance and Resources Committee

29 August 2013 – 29 October 2015

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	29-08-13	People's Network Public Internet Access	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		Members briefing would be issued Dec 2015. Final Report to Finance and Resource ,Culture and Sport Committees March 2016.
2	30-07-14	Waiver Report - Clothing Voucher Scheme	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 Communities and Families	28-08-14	14-01-16	Officers would prepare a note that would be circulated as an Appendix to the Rolling Actions Log at the F+R Committee on 14 January 2016.
3	15-01-15	Governance of Major Projects	1) The Director of Corporate Governance would	Deputy Chief Executive	As soon as possible	19-11-15	Briefing note circulated to members – closed.

			pursue progress with senior officers at BT regarding the Learning and Teaching Refresh (bandwidth upgrades).				
4	15-01-15	Transport Marshalls – Request for Contract Extension	To request a report detailing management information for contracts and the process which they are controlled was brought to the Finance and Resources Committee in May 2015.	Acting Director of Services for Communities	May 2016		A report would be brought to the Culture and Sport Committee in March 2016 and would be referred to the F+R Cttee in May 2016 ongoing.
5	04-06-15	Edinburgh's Christmas and Hogmanay Extension to Consortiums Contract	To request a report on the Policy cost related to Edinburgh's Christmas and Edinburgh's Hogmanay was brought to the next F+R Committee.	Deputy Chief Executive	27-08-15		A report would be brought on Policing costs to the F+R Committee on 26 November 2015 – ongoing.
6	04-06-15	Home Energy Efficiency Programmes for Scotland	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	19-11-15		A briefing would be circulated to members by the end of December 2015 – ongoing.

7	04-06-15	Redhall House and Lawn Progress Report	<p>1) To instruct officers to seek further assurance from the building owner and/or agent, due to 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 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</p>	Acting Director of Services for Communities			<p>Report brought to the F+R Committee on 29 October 2015 – closed.</p>
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			be brought to the Finance and Resources Committee no later than October 2015 or upon determinations of the planning application if sooner.				
8	27-08-15	Property Conservation - Programme Momentum Progress Report	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		One case had been received to date. A briefing note was circulated to members of the F+R Committee on 19 Nov 2015 – closed.
9	27-08-15	Proposed 25 Year Lease of the Engine Shed, 19 St Leonard's Lane, Edinburgh	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	Heads of Terms have been issued to Carr Gomm / NHS for potential CEC owned property. Detailed negotiations now taking place.

10	24-09-15	Bridgend Farmhouse and Steadings: Update	To instruct that a report was brought back to the Finance and Resources Committee detailing progress on all aspects of the project including the cost/benefits contributed to the collaboration by July 2016.	Acting Director of Services for Communities	July 2016		Report to be brought back to F+R by 2016 – ongoing. Legal Services had been instructed to progress transfer to BIG, negotiations were ongoing.
11	24-09-15	Transformation Programme: Property and Asset Management Strategy	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		A report would be brought on Property and Asset Management Strategy to the F+R Committee on 26 November 2015 – ongoing.

12	24-09-15	Managing Workforce Change	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		Costs were detailed in the report considered by Committee on 29 October 2015 – Managing Workforce Change – closed.
13	24-09-15	Common Good Annual Performance 2014/15	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 Strategy Committees and to discuss the most appropriate Committee to report on Common Good to.	Deputy Chief Executive	14-01-16		Following on from the 19th October GRBV Agenda Item 7.2 which stated that “the Head of Finance would explore ways to use the common good fund to pro-actively maintain and refurbish common good property,” A report would be prepared for F&R Committee in January 2016 to explain the proposed Common Good Funded Maintenance Programme – ongoing.

14	24-09-15	Property Conservation – Irrecoverable Sum; Debt Recovery and Settlements	<ol style="list-style-type: none"> 1) To request the Deputy Chief Executive provided elected members with a briefing on the progress of the recovery and settlement process. 2) To include a table in future reports which demonstrates the progress made in terms of recovery of debt over the last three years. 	Deputy Chief Executive		19-11-15	Briefing note circulated to elected members of the Finance and Resources Committee on 19 Nov 2015 – closed.
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15	29-10-15	Managing Workforce Change	<p>1) To instruct the Chief Executive to establish suitable monitoring and reporting including detailed figures for VERA, Voluntary Severance and the Career Transition Service. Reports would formally be presented to the Finance and Resources Committee on a 4 weekly cycle.</p> <p>2) To meet with officers to determine the content of the dashboard as an active management tool and to include information on the redeployment figures in future reports and promote the Careers Transition Service as available to all staff.</p>	Chief Executive/ Deputy Chief Executive	June 2016		<p>Monitoring and Reporting was currently being developed – ongoing.</p> <p>The content of the dashboard was currently being progressed.</p>
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			3) To request a briefing note was circulated to members on the alternative options presented by the Unions.		As soon as possible	19-11-15	This would be covered in the briefing note which was circulated to F&R members as part of item 16 on the rolling actions log – closed.
16	29-10-15	Revenue Monitoring 2015/16 - half year position	To provide members with a briefing on the movement of the budget for 2015/16 and 2016/17.	Deputy Chief Executive	As soon as possible		Briefing note circulated on 19 November to F+R Committee members – closed.
17	29-10-15	Local Development Plan - Action programme: Financial Assessment and Next Steps	To agree that a meeting would be arranged with members to discuss the implications of the Local Development Plan for their area.	Acting Director of Services for Communities	31-12-15		
18	29-10-15	Redhall House and Lawn - Progress Report	1) To provide Councillor Corbett with an inventory of repairs that had been carried out by the owner to Redhall House.	Acting Director of Services for Communities	As soon as possible	3-11-15	The inventory of repairs was sent to Councillor Corbett by email on 3 November 2015 – closed.

			2) To request an update report was brought to the Finance and Resources Committee at the conclusion of the planning process.		January 2016		A report would be taken to F & R in the next year once the planning applications have been determined.
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Finance and Resources Committee

10.00am, Thursday, 26 November 2015

CEC Transformation Programme: Property and Asset Management

Item number 7.1
Report number
Executive/routine
Wards

Executive summary

As part of the Council wide transformation plan, the Finance and Resource Committee considered the Property and Asset Management Strategy on 24 September 2015. The committee rejected the preferred option and approved the adoption of a Plan B. In doing so Committee also requested that a paper be brought back, in November 2015, on how the delivery of Plan B may be managed utilising a Council subsidiary.

This paper provides an overview of the work done since the September Committee, sets out the options that have been considered in relation to the management of Plan B, and recommends a way forward.

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

CEC Transformation Programme: Property and Asset Management

Recommendations

- 1.1 To approve the following recommendations:
 - 1.1.1 To acknowledge the progress made to date within the AMS workstream around PMO mobilisation, Facilities Management, Investment Portfolio, Estate Rationalisation, Asset Condition and Transition;
 - 1.1.2 To note that the top corporate risk to the Council remains the health and safety risks associated with the operational estate and that the Asset Condition workstream will be bringing forward proposals for significant investment and a step change in the approach to planned preventative maintenance to address this risk;
 - 1.1.3 To agree that, though an ALEO has some structural advantages, it is not a feasible delivery vehicle due to the implementation timescales involved; the complexity in the set up process; extent of organisational change and the difficulty in aligning the Council's strategic objectives with the subsidiary;
 - 1.1.4 To agree that EDI is not an appropriate delivery vehicle for all responsibilities that currently exist within the Corporate Property function;
 - 1.1.5 To recognise that significant investment will be required to transform the existing workforce which includes processes, training, skills and culture change in order to effectively deliver Plan B;
 - 1.1.6 To recognise that AMS will be making proposals for how existing workforce barriers around recruitment, pay scales and working practices can be overcome and that these will be a prerequisite of delivering Plan B;
 - 1.1.7 Specifically, to recognise that in order to restructure the future workforce around the new Service Level Agreements within Plan B, external technical expertise is needed in the short term to optimise the cost and quality of FM services; and
 - 1.1.8 To agree that AMS will provide updates to the workstreams highlighted in this paper on a quarterly basis.

Background

- 2.1 The “Asset Management Strategy” (AMS) is an ongoing workstream that is part of the wider Council Transformation Programme, aimed at achieving cost savings and delivering an improved service through a new operating model.
- 2.2 AMS aims to create a credible, focused and sustainable delivery organisation for property; provide a fit-for-purpose, right-sized and safe estate; provide an appropriate level of service at an acceptable and efficient cost; and act in a commercial manner in pursuit of maximising value.
- 2.3 The Finance and Resource Committee considered the Property and Asset Management Strategy, on 24 September 2015, and although committee rejected the preferred strategy, it did approve an alternative plan which included, among other things, the commencement of the planned investment strategy; the prioritisation of dealing with the maintenance of Council assets; and the commencement of an estates rationalisation programme broadly as set out in the AMS business case.
- 2.4 The recommendation to proceed with detailed implementation planning for the procurement of an Enterprise Wide Strategic Partner was not approved. Committee did however agree the alternative proposal for delivery of facilities management (Plan B) and noted:

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 though a Council subsidiary.
- 2.5 This paper provides an overview of the work done since the September Committee, sets out the options that have been considered in relation to the management of Plan B, and recommends a way forward.

Main report

Work Carried out Since September

- 3.1 Considerable momentum has built up in Corporate Property over recent weeks. A Corporate Property Board has been formed to provide oversight on business as usual in addition to the property transformation activities.
- 3.2 To support the ongoing workstreams, AMS has mobilised a Project Management Office (PMO) to provide oversight and supervision of key activities and help to manage/mitigate any risks which may arise from the programme.
- 3.3 The purpose of the PMO is to ensure robust procedures are in place to successfully deliver the intended outcomes of the programme, whilst being careful not to impose unnecessary bureaucracy. The PMO is led by Deloitte and

is supported with resource from Corporate Property. Activities that the PMO have completed to date include the following:

- 3.3.1 *Transformation Programme Alignment*: Processes for the AMS PMO have been aligned with the Transformation Programme to prevent duplication of effort and to ensure the effective communication of information and project dependencies.
- 3.3.2 *Programme Initiation Document (PID)*: A programme initiation document has been prepared to capture the strategy, governance arrangements, processes and controls to be used to manage and deliver the programme.
- 3.3.3 *Risk Register*: AMS programme risks have been captured and reviewed and will be managed via the PMO.
- 3.3.4 *Cost Control*: A cost tracker has been prepared to track and monitor all costs, comprising consultant fees, IT costs and all other external costs against the AMS implementation budget.
- 3.3.5 *Management Information*: Management Information dashboard reports (based on the AMS workstream KPI's) are being developed to ensure a single source of the truth and will be reported up through the Transformation Programme.
- 3.4 The PMO is also continuing to support the individual AMS workstreams set out below to ensure they are sufficiently resourced and to provide a conduit for the escalation of risks and issues.
- 3.5 The following workstreams are now mobilised:
 - 3.5.1 **Facilities Management (FM)** – In parallel with the analysis being carried out in relation to the use of a Council subsidiary, work has commenced on structuring the in-house delivery of facilities management. The AMS business case highlighted a number of areas that needed to be addressed with the existing in-house model.

An evaluation has been carried out as to whether the existing geographical delivery model of FM is optimal (and only constrained by some barriers which prevent the current structure from functioning effectively) or whether asset based/functional based models are more appropriate. The preferred option of delivery remains a geographical based approach given that this encourages more effective synergies between the services.

In order for the future delivery model to operate effectively, work is currently underway to redesign the organisational structure of FM to Tier 4 with consideration to overcoming the existing barriers that prevent either effective service delivery or achieving a high level of customer satisfaction.

Work has also commenced on defining new roles within a re-designed FM function and a soft market test has been carried out with technical FM providers who may be required in the short term to assist in defining, rebuilding and costing the new FM organisation.

An exercise is also underway to refresh previous preliminary analysis of estimated savings under Plan B, with corresponding estimates of required headcount reduction in order to achieve these savings.

3.5.2 **Asset Condition** – The Council recognises that much of the operational estate (comprising over 600 properties) is in a poor condition with a significant backlog of maintenance work required in tandem with increasingly limited budgets for capital and revenue maintenance programmes. It is therefore essential that the work carried out under this workstream ascertains an understanding, in budget terms, of asset condition utilising available management information, so that essential work can be adequately prioritised and implemented. A detailed delivery plan has been prepared based on a number of key objectives including:

- identify and quantify the extent of backlog maintenance, health and safety risks and non-compliance across the estate;
- develop a risk based assessment methodology for the prioritisation and planning of maintenance work;
- benchmarking the required expenditure against existing budget allocation;
- develop a best practice delivery model, structure and processes which achieves value for money for the annual capital and revenue budget; and
- implement a technological solution to record asset condition information and provide robust management information to inform strategic planning.

The initial focus of the Asset Condition workstream will be addressing the immediate health and safety risks associated with the Council's operational estate. Specifically, falls from height of material has been identified as the number one health and safety risk. Much of the Council's operational estate is aged and has suffered from significant underinvestment due to limitations on the available budgets for inspection regimes and maintenance work. Additionally, the asset condition information is variable, fragmented and in some areas very poor, which severely restricts appropriate risk based identification, prioritisation and planning of essential work.

It is for these reasons that an early priority for the Asset Condition workstream is to assess the current arrangements for 'high risk' health and safety inspections and the procedures for prioritising and completing essential work. However linked to this exercise will be a wider review of the other key risks pertaining to the operational estate in terms of health and safety, statutory compliance and functional suitability.

As this work progresses, the early outputs from this workstream will begin to inform the budget planning from January for the financial year 16/17 and beyond as a full Planned Preventative Maintenance programme is developed.

3.5.3 ***Estates Rationalisation*** – The AMS business case identified a number of proposals within the Council’s operational portfolio spanning schools, theatres, museums, care homes, community centres and parks.

A team has now been assembled to support the preparation of detailed delivery plans for each of these proposals. Furthermore, proposals are being developed to determine future governance arrangements that will facilitate the required programme of building closures.

In addition, the ongoing development of the new operating model and corresponding changes in the size of the Council’s workforce, as part of the wider Transformation Programme, are a key dependency in determining a low cost, fit for purpose and safe estate. As the delivery model and corresponding organisational designs are finalised across the transformation CLS and BSS workstream, the Council’s core portfolio requirements can be defined and the process of rationalisation of surplus requirements can commence.

3.5.4 ***Investment Portfolio*** – The requirement to establish a clear investment strategy to transform a diverse range of assets into a focused portfolio that delivers more financial benefits to the Council was set out in the AMS business case. Specifically, this included refreshing the current concessionary lets policy whilst not compromising on the social objectives of the Council, improving vacancy rates and considering the opportunities for re-investment following a potential restructure of the portfolio.

The workstream is now mobilised and has identified the following preliminary activities:

- Reviewing existing data sets to identify gaps and develop programme plans to establish appropriate data sets required to drive a refreshed investment strategy;
- Preparing and documenting a refreshed high level investment strategy for the Council; and
- Performing further analysis to prioritise vacant properties and identify those concessionary lets that may have accretive value including a review of the lease terms to verify whether there are any barriers to implementing a market rent to the tenant.

3.5.5 ***Transition*** – The AMS business case identified significant challenges facing the Corporate Property function in delivering savings when most of the budgets for property, and property related services, were de-centralised to other departments across the Council. This also led to savings initiatives, that were implemented by Corporate Property, being realised elsewhere across the Council, thereby creating ‘a double count’ on saving targets. Following a recommendation to transfer staff and related property budgets back into

Corporate Property, this workstream is currently underway to establish a robust programme for transfer of budgets and staff. The workstream will also manage the transfer of the Corporate Property function from Services for Communities to Corporate Operations.

- 3.6 In addition to these core workstreams, an assessment of *how best to manage the delivery of Plan B utilising the potential benefits of such delivery through a Council subsidiary* has been carried out, and the findings are presented below.

Delivery Options

- 3.7 In response to the Committee request an evaluation of delivery options has been carried out against the following models:

Option 1 - In-House Model

Option 2 - Arms Length External Organisation (ALEO)

Option 3 - Arms Length External Organisation with a JV Partner

- 3.8 It has been assumed that the ALEO could be either a newly formed subsidiary of the Council or that an existing entity, such as EDI, could be used.
- 3.9 In carrying out the analysis, it has been assumed that redundancies, as set out in the September report, will be required irrespective of which option is selected.
- 3.10 A summary of the analysis carried out is set out below.

Option 1 – In House Model

Under this option the Council continues with its existing model retaining the ownership of all assets and directly managing all property services including facilities management. This will include the increased scope and resources from other departments transferring into the new Corporate Property Structure. The key advantages and disadvantages of this option are set out in the table below.

Advantages	Disadvantages
Council retains full control of the Corporate Property function	Requires Council investment in new technologies and training
Builds on momentum since September	Complex governance structures means decision making can be time consuming
Minimises complex external interfaces	Pay and bonus restrictions mean Council cannot recruit required skill levels into key management positions
Savings can be delivered faster than subsidiary model	

Advantages	Disadvantages
No complex TUPE and/or pension transfer issues	
All savings achieved directly benefit the Council	

Option 2 – Arms Length External Organisation

Under this model the Council would transfer all Corporate Property staff into an ALEO, although all property assets would remain as Council owned. This would be a Total Facilities Management (TFM) model delivered through a Council subsidiary.

An option to transfer assets into an ALEO was considered by Deloitte. There is however little or no precedent for such a large scale transfer into an ALEO and there would also be a high degree of legal complexity, due diligence and expense. Given these challenges and the timescales involved this was discounted.

Under this option, the Council could either transfer all Corporate Property staff into the subsidiary or just FM staff. The key advantages and disadvantages of this option are set out in the table below.

Advantages	Disadvantages
Potential for better enforcement of the Service Level Agreements	Loss of momentum built up since September decision
Some level of independence in decision making by ALEO	Difficulty in aligning Council objectives and strategy with that of a subsidiary
Increased workforce freedoms provide better access to necessary skills through reduced constraints on pay scales and more flexibility of work practices	Loss of control with decreased ability for elected members to influence key decisions
	Creates additional interfaces between the Council and ALEO
	The TFM option would need to be built from scratch which would take considerable amount of time
	Delay to Plan B annual savings for both TfM and FM only model

Advantages	Disadvantages
	TUPE and pension transfer issues
	In the FM only model there would be a break in the investment lifecycle approach which would make overall savings more difficult to realise

Option 3 – Arms Length External Organisation with JV partner

This option would involve the transfer of Corporate Property staff into an ALEO which in turn would enter into a contract with a private sector joint venture partner to provide services to the Council. This structure would allow the Council to utilise private sector expertise without directly outsourcing services.

The advantages and disadvantages of this option are set out in the table below.

Advantages	Disadvantages
Potential to secure external management expertise	Loss of momentum built up since September decision
Reduced investment in systems and processes as these will be provided by the joint venture partner	Difficulty in aligning Council objectives and strategy with that of a subsidiary
Potentially easier to enforce SLAs through payment mechanism and more robust financial accountability	Loss of control with decreased ability for elected members to influence key decisions
Some level of independence in decision making by ALEO	Creates additional interfaces between the Council and ALEO
Increased workforce freedoms provide better access to necessary skills through reduced constraints on pay scales and more flexibility of work practices	Would need to be built from scratch which would take considerable amount of time
	Delay to Plan B annual savings due to long lead in procurement of JV partner
	TUPE and pension transfer issues
	Limited or no market appetite for investment in a Council controlled company

Advantages	Disadvantages
	To resolve market appetite issues it is highly likely the Council would need to be minority shareholder
	Council would retain the political challenge associated with estates rationalisation with significantly reduced control
	Approximately 50% dilution of profit/savings from the business for the Council

- 3.11 While there are some advantages to adopting an ALEO or ALEO with JV partner these are outweighed by some key disadvantages. Firstly under both ALEO options there will be additional time to delivery (as workstreams would need to be paused whilst a review is undertaken to check whether the planned outputs are compatible with an ALEO structure) which would result in a loss in momentum built up since September and a delay in savings being realised. Secondly, there are likely to be TUPE and pension issues to be considered under both options and thirdly, the Council will be required to cede control to a subsidiary. Further to these, under the JV partner option savings will need to be shared with the partner and due to the lack of market appetite it may be required that the Council take a minority interest in the company.
- 3.12 The disadvantages of the in-house model relate to the requirement for the Council to invest in new technologies and training, navigating potentially unwieldy Council governance structures, and restrictions in relation to salary scales which mean the Council cannot recruit the required skill levels into key management positions. These issues however are considered solvable and the recommendations below reflect the required actions.

Way Forward

- 3.13 Based on the analysis above it is recommended that the Council, in adopting Plan B, continues with the in-house delivery model and builds on the momentum established since September. Following the transition to the new operating model the Corporate Property function will employ in excess of 2400 people due to additional staff transferring from other service areas into Corporate Property, and manage just under 10% of the Council's revenue budget. Given the past proposals for the Alternative Business Model, the Internal Business Comparator and iPFM proposals in recent years, there is an urgent need to create a stable environment within the operational service to allow the management team, supported by external advisors, to continue with the implementation of the recommendations set out in the AMS business case and the delivery of Plan B.

- 3.14 There are however a number of key steps and decisions required to support the delivery of the in-house model and these are set out below:

Workforce

- 3.14.1 Significant investment will be required to transform the existing workforce which includes processes, training, skills and culture change in order to effectively deliver Plan B. AMS will be making proposals for how existing workforce barriers around recruitment, pay scales and working practices can be overcome and that these will be a prerequisite of delivering Plan B.

In order to restructure the future workforce and optimise the cost and quality of FM services, technical FM support advisors will be required to assist in defining, rebuilding and costing the new Service Level Agreements.

Given labour costs are a significant proportion of FM costs, redundancies are necessary to help achieve sustainable savings. Any redundancies and corresponding negotiations with the trade unions will require implementation by the Council.

Governance

- 3.14.2 Delegated authority where appropriate and streamlined decision making is essential to effective delivery of the AMS Programme. Each workstream is currently developing a detailed list of dependencies and decisions required as part of this the AMS programme will be making recommendations to change existing governance arrangements.

Investment

- 3.14.3 The AMS will bring forward recommendations for investment in new technology to support the re-designed Corporate Property organisation. Significant investment in training of staff across all levels and service areas will be required.

In line with the recommendations in the AMS business case, it is assumed that capital receipts from asset disposals (where not already allocated) can be recycled to improve the condition of the estate and help drive further estate rationalisation, this is a crucial assumption going forward.

The delivery of Plan B is also heavily reliant on ongoing expert support from Deloitte and other specialist technical advisors where identified. This was reflected in the implementation costs set out in the September Committee report.

Management information and council Reporting

- 3.14.4 In the event that the council approve the approach set out in this paper then it is proposed that future AMS reporting forms part of the overall reporting on the council wide transformation plan. The AMS would remain a separate workstream within the transformation programme with its own MI and Data but this would be reported on a bi monthly basis to the F&R committee as with all other aspects of the transformation plan including BSS, CLS and Channel shift.

Measures of success

- 4.1 The AMS business case identified significant financial and non-financial benefits associated with the asset management and Corporate Property function that are in line with the wider objectives of the Council's Transformation Programme.

Financial impact

- 5.1 As outlined in the September report the delivery of the in-house property and asset management will require significant investment in relation to new technology, training of staff across all levels and service areas, redundancies, advisor support and backlog maintenance.
- 5.2 The estimates set out in the September report are currently being refined in the context of the wider property and asset management restructuring and will be reported to Committee on a bi-monthly basis.

Risk, policy, compliance and governance impact

- 6.1 Recommendations in this report are not approved leading to delay and/or significantly reduced annual savings.
- 6.2 Implementation of the Estates Rationalisation and/or the Investment Portfolio Optimisation cannot be delivered in the timescales envisaged due to stakeholder resistance.
- 6.3 Additional financial pressures are brought to bear, for example, implementing the revenue backlog maintenance and addressing the increased health and safety risks to the users of the Estate

Equalities impact

- 7.1 The contents and proposals of this report have been assessed with respect to the Equality Act 2010 public sector equality duty. In this regard, an equality and rights impact assessment has been initiated, and initial findings have indicated:
1. Reducing property costs, specifically the proposal to identify an enterprise wide strategic partner, will enable greater savings to be realised, which in turn will enable more effective protection of frontline services to vulnerable citizens, and meeting demographic pressures.
 2. Projects exploring the feasibility of asset transfer to community groups could empower communities, particularly those in deprived communities.
 3. Any impacts on employment conditions as a result of different service delivery models will be assessed further through the impact assessment process.

4. Any changes to concessionary lets to third sector and community groups, and consequent impacts, could be managed through the grants and contracts process.
5. Co-location opportunities, if delivered, could improve and simplify access to council and partner services, especially those individuals or families who require multiple services.
6. Proposals to improve the coordination of asset management, and to drive forward property rationalisation, should lead to improvements in physical accessibility at council premises.

Sustainability impact

- 8.1 The contents and proposals contained in this report have been assessed with respect to the Climate Change (Scotland) Act 2009. In this regard, a sustainability, adaptation and mitigation impact assessment has been initiated, and initial findings have indicated:
1. A need to further improve energy efficiency within council buildings in order to tackle green house gas emissions, and to save money on energy costs and carbon taxes.
 2. A need to further improve internal waste reduction measures within council buildings, linked to the council's wider waste minimisation strategy. Such improvements will lead to savings being released from landfill taxes and carbon taxes, and will militate against greenhouse gas emission which emanate from landfill.
 3. Opportunities to minimise staff travel through smarter working and co-location across the council's estate should save the council money on transport costs, carbon taxes and will militate against greenhouse gas emissions.
 4. Any future facility management service delivery models would need to take cognisance of the 'Food for Life' and 'Soil Association' accreditation projects to ensure the food provided in council premises was sustainable, sourced locally and seasonal.

Consultation and engagement

Corporate Leadership Group – 9 November 2015

Trade Unions – 19 November 2015

Background reading/external references

Alastair Maclean

Deputy Chief Executive

Contact: Rob Leech, E Mail: rob.leech@edinburgh.gov.uk Tel: 0131 469 3796

Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	None

Finance and Resources Committee

10am, Thursday 26 November 2015

2016/20 Revenue and Capital Budget Framework

Item number	7.2
Report number	
Executive/routine	
Wards	

Executive summary

On 24 September, members of the Committee considered a report on the budget framework setting out a total annual savings requirement of at least £126m over the period to 2019/20. Following Council's previous approval of savings to a value of £22m as part of setting a balanced budget for 2015/16, members at the meeting approved the release for public engagement of further proposals totalling £25.6m. In addition, a number of other proposals were referred to Council on 22 October, with £6.9m being approved.

Given the scale of the Council's financial challenge, the report to the Committee on 24 September indicated that further proposals would be brought forward during the engagement period. The additional proposals presented in this report have been developed through the Council's transformation programme and have the potential to deliver recurring net annual savings to a total value of £68.7m by 2019/20. Assuming approval by Council, this level of savings would retain some contingency for proposals not taken forward, risks and/or additional investment indicated in the September report, subject to the on-going applicability of other planning assumptions. Members are asked to note that these proposals have been added to the set that currently forms the basis of public engagement.

2016/20 Revenue and Capital Budget Framework

Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 note that further budget proposals developed through the transformation programme have been made available for public engagement;
 - 1.1.2 note that, in combination with the proposals previously approved by Council on 22 October and those currently the subject of public engagement, these have the potential to provide a balanced budget across the period of the framework based on current planning assumptions;
 - 1.1.3 authorise Executive Directors to take forward, as appropriate, any necessary additional planning and development related to the further savings proposals now contained within the framework;
 - 1.1.4 note a number of risks to the assumptions currently included within the framework; and
 - 1.1.5 consider these proposals in the context of setting the Council's budget for 2016/17 and future years on 21 January 2016.

Background

- 2.1 On 24 September, members of the Committee considered a report on the budget framework setting out a total Council-wide annual savings requirement of at least £126m over the period to 2019/20. This requirement reflects the combined net impact of increasing, demographic-driven demand for the Council's services and inflationary and other cost pressures driven by legislative reform. These increases contrast starkly with a level of available resources through Council Tax, Government Grant and Non-Domestic Rates that is anticipated to remain essentially static over the same period.
- 2.2 As indicated in the Council's Financial Strategy considered by the Committee on 4 June, the opportunity has also been taken as part of rolling forward the framework to take explicit account of underlying pressures in Health and Social Care and Corporate Property, with the intention of identifying compensating savings in other parts of the Council to re-establish financial stability in these areas.
- 2.3 Following Council's previous approval of savings to a value of £22m as part of setting a balanced budget for 2015/16, at the September meeting members approved the release for public engagement of proposals totalling £25.6m. In addition, a number of other proposals were referred to Council on 22 October, with £6.9m of proposals being approved.

- 2.4 Given the scale of the Council's financial challenge, however, the report to Committee on 24 September indicated that further proposals would be brought forward during the engagement period. These additional proposals, developed through the Council's transformation programme, are set out in the appendices to this report.

Main report

- 3.1 Members of the Committee have received regular progress updates in recent months concerning the Council's transformation programme. Following detailed analysis of current practices to identify opportunities to improve the focus of existing activity, attention has now turned to developing proposals to deliver the required level of savings whilst, at the same time, supporting a more customer-focused and localities-based model.
- 3.2 Members will recall that the overall level of savings targeted from the Business and Support Services (BSS) and Citizens and Localities (C&L) workstreams has recently been increased and the associated timescale for delivery accelerated. In the case of BSS, a target to deliver savings equal to 26% of in-scope expenditure by April 2017 now underpins the budget framework, with the equivalent target for C&L 27% in management costs and 15% across all other employee costs. Proposals have also been developed to deliver an overall 10% reduction in in-scope grant and contract expenditure as part of the Payments to Third Parties workstream. Development of specific proposals to deliver savings on this scale has required a fundamental reconsideration of the Council's priorities and operating model.
- 3.3 In order to inform this process, a set of core principles has been applied in assessing the impacts of each proposal and to ensure that the proposals are aligned to one or more elements of the Council's wider vision and purpose. These principles are:
- **Focused on Customers** – many of the proposals comprising the framework describe a redesign of Council services built around the priorities of our customers with budget decisions made to protect the needs of our most vulnerable customers. These proposals achieve savings by recognising areas where demand for a service is changing or where new approaches to delivery can provide improved efficiency alongside positive outcomes for customers. These proposals also reflect a commitment to preventative approaches and early intervention services.
 - **An Integrated Council** – a common theme across all service areas are proposals which achieve savings by bringing together separate service delivery teams and partners around a common geography or shared objectives. These proposals achieve savings by finding more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers.
 - **Empowered Communities** - all service areas have put forward proposals which involve an evolution of the Council operating model towards increased use of outreach services, community-based and community-led service provision. These proposals aim to achieve savings by focusing Council resources towards provision of core services and

supporting the development of new co-operative or social enterprise models of service provision led by our communities.

- **A sustainable Capital City** – we need to be a lean and resourceful council that creates and supports sustainable communities across our City. Our business plan includes actions to deliver this, including a number of innovative approaches to change the way we provide services in a more sustainable manner.
 - **Value for money** – this package contains a number of proposals which achieve savings by making better use of Council assets and facilities. These proposals identify assets and facilities which are operating below efficient capacity and aim to reconfigure service provision to improve efficiency while maintaining customer outcomes.
 - **High Performing Workforce** – this plan contains proposals to help us deliver a Council where services are delivered by an engaged and empowered, high performing workforce. These proposals aim to facilitate a cost effective and timely reduction of the Council’s workforce while ensuring that the Council has the skills and talent required to deliver its vision.
- 3.4 A contextual commentary for each service is provided in Appendix 1, setting out how the proposals contribute to the principles outlined above. The individual proposals comprising this element of the framework are then included within Appendix 2 to this report. As with those developed to support consideration of previous savings, the templates provide a brief description of the proposal and anticipated impacts on the delivery of Council outcomes with, where relevant, an outline of potential mitigating actions to ensure that the associated savings are not achieved to the detriment of service delivery. In view of the level of savings requiring to be delivered, however, a number of the proposals reflect an increasing need to prioritise investment in core services.
- 3.5 In the majority of cases, savings are being proposed through reductions in employee costs, although in some areas, increases in income are being suggested. The templates also provide, where applicable, indicative staffing number implications of the proposals on which members’ views are being sought. While, across the piece, these implications are consistent with earlier indications of overall reductions in staffing numbers, the precise impact will be informed by the series of organisational reviews and consultation with relevant stakeholders. It should also be noted that these reviews will take account as appropriate of savings approved for delivery during the period of the framework agreed as part of previous years’ budget motions. Overall staffing reductions in some areas may therefore be higher than those shown within the templates.
- 3.6 The budget framework forms an integral part of the Council’s business plan. The business plan, in turn, forms part of a single planning and performance framework that connects the strategic vision of the Council to the detailed operational plans which guide the delivery of our frontline services and the local area plans for the delivery of services in our communities. A revised Council business plan, fully updated to align to the budget framework, will be brought forward early in the new year.

- 3.7 The transformation programme-based proposals now form part of the wider set that will be the subject of public engagement until 17 December. In recognising the fundamental changes underpinning a number of these proposals and the need for wider consideration, however, further engagement will be undertaken with staff, trade unions, citizens and other affected stakeholders as appropriate as the relevant organisational reviews progress.

Review of Framework Assumptions

- 3.8 Following the full update undertaken as part of issuing the budget framework in September, there are no further changes to these assumptions at this time. Members should be aware, however, that there remains the potential for a number of these to change with, in particular, the level of the Local Government Finance Settlement a key risk.

Local Government Finance Settlement

- 3.9 The Scottish Government has now confirmed that it will publish its own budget on 16 December. While the Local Government Finance Settlement is usually issued some time after the quantum of available funding has been confirmed, the Scottish Government is anticipating releasing council-specific figures on the same day.
- 3.10 Previous reports have referred to the lack of available information upon which to base funding projections beyond 2015/16, with even the level of the 2016/17 Scottish Block unlikely to be confirmed until the Chancellor of the Exchequer's Spending Review announcement on 25 November. The total level of funding made available to local government will depend not only on the size of the Scottish Block but, more significantly, how the Scottish Government chooses to allocate this funding, alongside National Non-Domestic Rates income, across the main sectors of Health, Local and Central Government. Following the devolution of relevant powers, a further consideration for 2016/17 and future years is the extent to which the Scottish Government may choose to mitigate the impacts of elements of welfare reform emanating from the UK Government and, more fundamentally, whether it uses any of the additional tax-raising powers now available to it.
- 3.11 Projections of likely levels of public expenditure vary significantly, with differing views on the relative severity of real-terms funding reductions across each year of the budget framework. While the Council's assumptions, when adjusted for the expected increase in the share of available funding stemming from the city's projected rate of population growth, are consistent with the projections developed by the Strategic Funding Review Group (comprising representatives from SOLACE, Directors of Finance, the Improvement Service, COSLA and the Scottish Government), there is a risk that the actual level of Settlement is below that assumed within the framework. In the absence of confirmed allocations, there is a risk around all years' grant funding figures but this risk may be greatest in 2016/17. On this basis, once the level of Settlement is confirmed, there may be a need to re-examine the assumed phasing of savings delivery with a view to

accelerating savings currently assumed within the later years of the framework into 2016/17.

- 3.12 A members' briefing will be prepared once the details of the Settlement are confirmed, along with any proposed action should the levels of funding received be materially different from those assumed within the framework. While there is currently insufficient detail available for formal incorporation, this briefing will also provide details of other factors that may materially impact on the framework in the medium term, such as the proposed introduction of an apprenticeship levy as previously intimated by the UK Government. A full update of these assumptions, along with an overview of the other principal risks affecting the framework, will be provided to the Finance and Resources Committee meeting on 14 January 2016.

Overall Position

- 3.13 As noted in the report to the Committee on 24 September, assuming partial or full use of the contingency contained within the framework for options not taken forward, risks and/or investment in service priorities, the savings proposals presented in this report remain broadly sufficient to balance the first three years of the budget framework. It is anticipated, however, that the revised operating model will, by 2019/20, be embedded and, as such, an annual efficiency target in line with that currently assumed by the Scottish Government (i.e. 3%) may additionally be applied and form the basis of a sustainable position going forward.

Additional Service Investment

- 3.14 The Council's primary objective remains the establishment of a financially-sustainable operating model, providing investment in key areas through the identification of offsetting savings through improved efficiency, service transformation and, where necessary, service prioritisation. Members of the Corporate Leadership Team (CLT) have nonetheless considered where any additional service investment might be best directed and, at this stage, identified property repairs and maintenance as the key priority, with any remaining sums allocated to demographic-related demand over and above that currently assumed in the framework and additional revenue and capital requirements associated with the Local Development Plan (LDP). Further details of potential requirements in these areas will therefore be made available to elected members in advance of setting the budget for 2016/17 and future years.

Measures of success

- 4.1 Relevant measures in setting the Council's revenue budget include:
- Accurate capturing and quantification of the key determinants of the Council's overall expenditure requirement and available sources of income, allowing a balanced overall budget for 2016/17 and subsequent years to be set as part of a longer-term sustainable framework;

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

Financial impact

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

Risk, policy, compliance and governance impact

- 6.1 The savings assurance process is intended to ensure that, as far as is practicable, those proposals approved by Council deliver the anticipated level of financial savings in a way consistent with the anticipated service impacts outlined in the respective budget templates. This process will be further aided by the integration into a single cost reduction plan of savings derived from the respective transformation and service prioritisation programmes.
- 6.2 Recent improvements to the budget monitoring process should also enhance CLT and elected member scrutiny of the management of service pressures and delivery of approved savings.

Equalities impact

- 7.1 As in previous years, those proposals comprising the budget framework will be assessed for their corresponding potential equalities and human rights impacts.
- 7.2 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

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

Consultation and engagement

- 9.1 As in previous years, the draft budget proposals set out within this report are subject to a period of public engagement and consultation, with the feedback received shaping the final budget.

Background reading/external references

[2016/20 Revenue and Capital Budget Framework](#), Finance and Resources Committee, 24 September 2015

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

[Financial Strategy 2015/16 to 2019/20](#), Finance and Resources Committee, 4 June 2015

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

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

Alastair Maclean

Deputy Chief Executive

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Links

Coalition pledges

Council outcomes

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

Single Outcome Agreement

Appendices

Appendix 1 – Revenue and Capital Budget Framework 2016/20 – Transformation Programme proposals
Appendix 2 – Individual budget proposals

Appendix 1 - Briefing – Revenue and Capital Budget Framework 2016/20 – Transformation Programme proposals

Finance Service

Business Intelligence

November 2015

Introduction

This briefing provides a consolidated overview of the budget proposals issued for consultation and engagement in November 2015. The note provides an overview of the strategic context within which the proposals have been developed and a summary of the key principles that underpin them.

In addition to this overview, this briefing provides a short summary of budget proposals for each service area, to be read alongside the appendix with full details of each individual proposal.

Strategic context and overview

The Council Business Plan, approved in June 2015, sets out the strategic direction for the Council over the next four years. The plan describes a vision for the city and identifies four strategic themes to guide the work of all Council services. An extended version of this plan is now being prepared to ensure continuing close alignment with the Council budget strategy and wider performance landscape.

Council Strategic vision and purpose

Vision for our city

Edinburgh is a thriving, sustainable capital city in which all forms of deprivation and inequality are reduced

To deliver this vision, Council services focus their work around the following strategic themes

Improve quality of life

Ensure economic vitality

Build excellent places

Deliver lean and agile Council services

Budget context

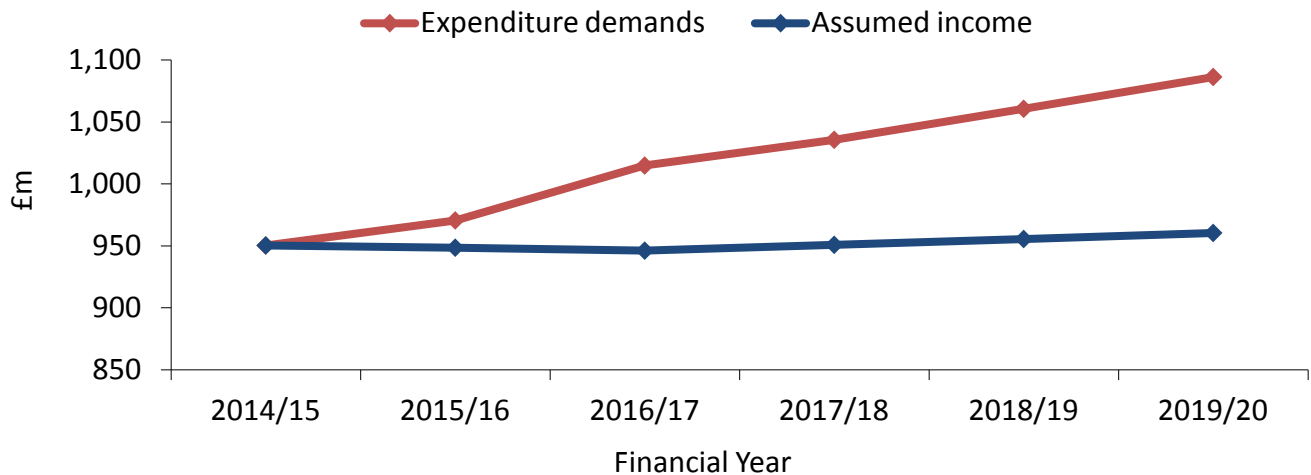
While delivering this vision, the plan recognises that the Council continues to operate in a challenging environment, with increasing demand for services at a time of on-going financial constraint. In September 2015, a budget framework update to the Finance and Resources Committee reported an overall requirement to identify and deliver at least £126 million of recurring annual savings by 2019/20. This savings requirement reflects increased expenditure pressures resulting from three main factors:

- **demographic and wider societal changes**, in particular growing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities. Over the period from 2015/16 to 2019/20, these factors are anticipated to increase the Council's annual expenditure requirement by over £50m;
- **the effects of inflation** on the Council's direct and indirect expenditure, amounting to over £12m in 2016/17 alone; and
- **additional direct or indirect costs arising from legislative change**, particularly as a result of welfare and pensions reform. Changes in National Insurance rates from April 2016 will add almost £10m to the Council's employee costs in 2016/17.

Underlying demand-led pressures are also apparent, in particular, within Health and Social Care. The budget framework therefore provides additional investment, funded through the identification of further savings in other services, in this area. This will provide greater stability as these services are integrated with complementary services provided by NHS Lothian in April 2016. At the same time, the proposals within the framework support the move from institutionalised to home-based settings, promoting independence whilst delivering financial savings, thereby enabling reinvestment within the service.

In contrast to steady increases in demand, levels of grant funding are anticipated to stay more or less unchanged over the next four years, with Council Tax levels currently also frozen under an agreement with the Scottish Government. This has resulted in an increasing gap between anticipated expenditure and income as summarised below:

Estimated expenditure requirement and available funding, 2014/15 to 2019/20, £m



In the absence of funding settlements beyond 2015/16, there is a risk that the actual level of grant income is lower than that assumed in the framework or that elements of funding received are earmarked for specific purposes.

Given this backdrop, the Council's financial strategy has the following elements at its core:

- maximising investment in those frontline services reflecting the priorities of the citizens of Edinburgh;
- investing, wherever practicable, in preventative activity and "right first time" principles;
- maximising income, whilst keeping charges affordable through taking appropriate account of service users' ability to pay;
- maintaining earmarked and unallocated reserves at a level consistent with the risks and liabilities to which the Council is exposed whilst providing for investment in technology and/or service transformation to release staffing efficiencies; and
- undertaking additional borrowing only insofar as this is prudent, affordable and sustainable.

These principles guide the specific proposals within the budget framework.

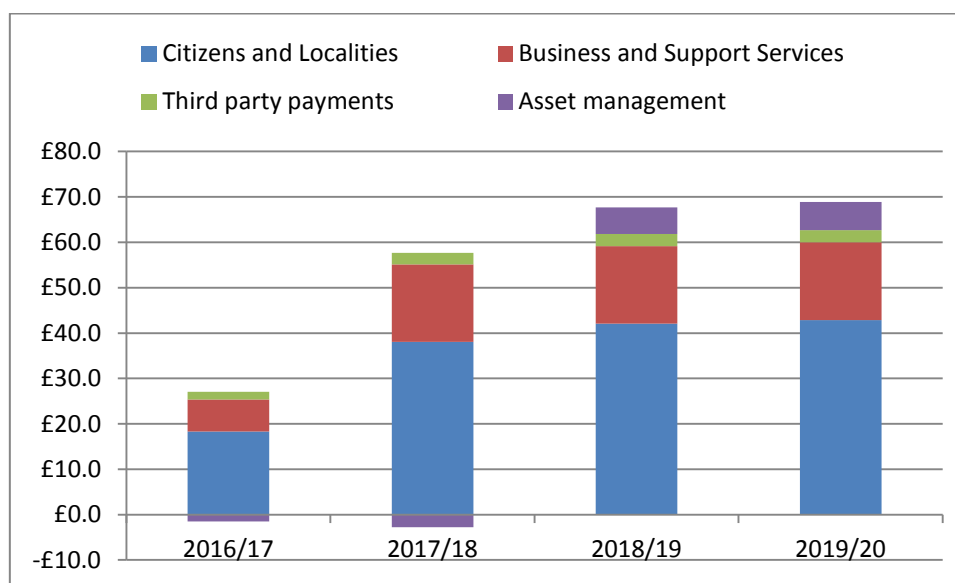
To meet the overall savings requirement, the budget framework sets out targets to be met through the Council's Transformation Programme:

- For the **Business and Support Services** workstream, the framework identifies a savings target of 26% of current expenditure by April 2017, thereby releasing gross annual savings of £18.9 million.

- For the **Communities and Localities** workstream, the framework identifies a target of 27% of management savings, alongside 15% savings from frontline services. Achieving these targets would release annual savings of £44 million by April 2017;
- In addition to these areas, the framework includes savings targets of £6.2 million related to **Property and Asset Management** by 2019/20 and £4.4 million arising from a 10% saving from **payments to third parties** by 2017/18.

This paper provides details of specific budget proposals from each Council service area to meet the targets above. Overall, the proposals set out within this document, along with those for property and asset management, have the potential to provide total net cumulative savings of £70.6 million (net £68.7million) over the period as set out below:

Total savings from budget proposals, all service areas, £m

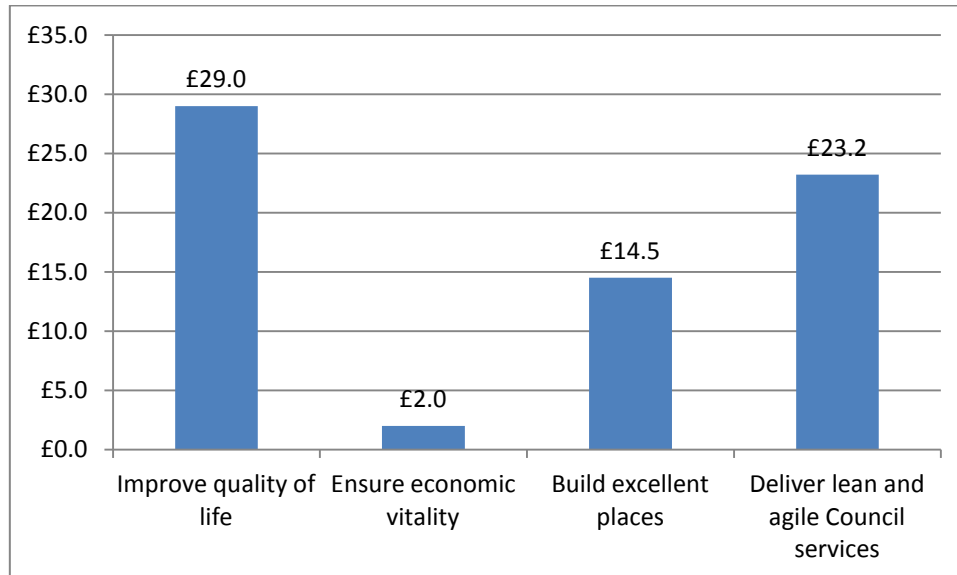


Savings plans cover all areas of the Council and all service types. Overall, of the net savings proposals included here:

- £29m relate to budget savings made in service focused towards the strategic theme **Improve Quality of Life**. These savings include budget changes for children’s services, schools and lifelong learning, health and social care and public protection services and account for 4% of total 2015/16 spending in these areas.
- £2m relate to budget savings made in services focused towards the strategic theme **Ensure Economic Vitality**. These savings include budget changes for culture, economic development and city strategy services and account for 6% of total 2015/16 spending in these areas.
- £14.5m relate to budget savings made in services focused towards the strategic theme **Build Excellent Places**. These savings include budget changes for transport, housing and environmental services and account for 5% of total 2015/16 spending in these areas

- £23.2m relate to budget savings made in services focused to **Delivering a lean and agile Council**. These savings include budget changes for business support services including finance, strategy, HR, customer services, committee and member services, and account for 23% of total 2015/16 spending on these functions.

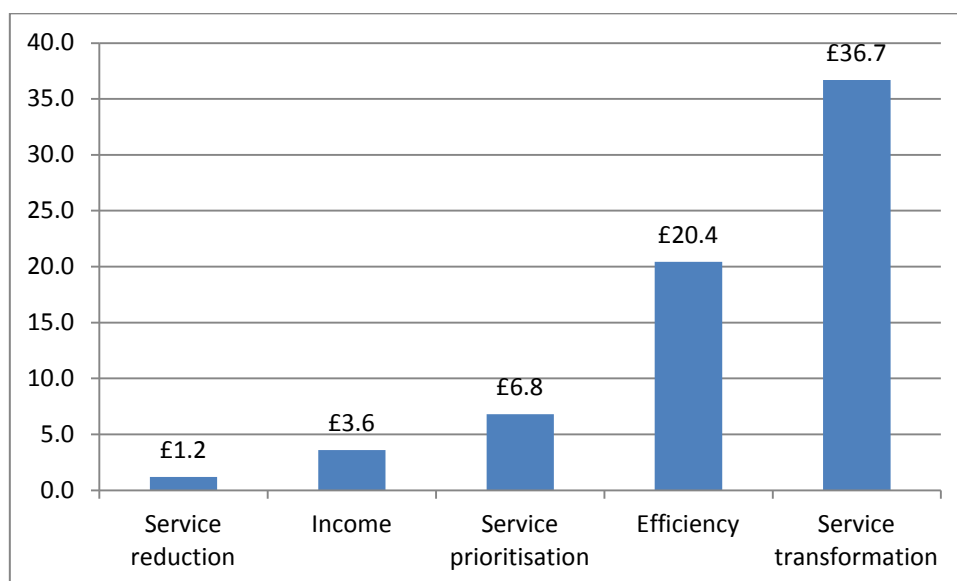
Total net savings from budget plans, by strategic theme, 2016/17 – 2019/20, £m



These savings are achieved by a combination of five approaches:

- **Efficiency** – savings made by making better use of resources within an existing service model. efficiency savings account for £20.4m of the savings included in these proposals.
- **Transformation** – savings made by redesigning or refocusing a service delivery model. Transformational savings account for £36.7m of the savings included in these proposals.
- **Service Prioritisation** – savings made by reducing some activities in order to protect investment in priority areas. Service prioritisation savings account for £6.8m of the savings included in these proposals
- **Service Reduction** – savings made by stopping some activities in order to protect investment in priority areas. Service Reduction savings account for £1.2m of the savings included in these proposals
- **Income** – net savings made by maximising income received from service customers. Income raising proposals account for £3.6m of the savings included in these proposals.

Total net savings from budget plans, by savings type, 2016/17 – 2019/20, £m



Alongside savings previously approved for delivery and other proposals that are currently the subject of public engagement, these measures have the potential to address this overall savings requirement and provide for some additional investment in Council priorities.

In spite of these required savings, coming on top of more than £250m delivered since 2006/07, the Council's revenue budget remains substantial. Within the total approved budget of £975m in 2015/16, £811m is spent on a diverse range of services for our citizens and customers, with the balance used to meet borrowing costs associated with the Council's vital capital investment programme, payments due under the Council Tax Reduction Scheme (formerly Council Tax Benefit) and other necessary corporate expenditure.

Over the next few years, the levels of income expected to be received by the Council from all sources therefore continue to represent an opportunity to invest in the priorities of our citizens and meet the vision for our city set out in the Council Business Plan. There remains, nonetheless, a need to identify corresponding savings through service transformation, prioritisation and more focused investment in preventative activity to maximise the level of resources available for these priorities. The following pages provide an overview of the proposals developed by service areas to address this challenge.

Key principles and themes

In order to make sure these proposed savings can be achieved without compromising the Council vision and purpose described above, it is important that services work together around a shared set of guiding principles which describe a common approach to redesigning and refocusing the way the Council delivers its services. The proposals described here have therefore been built around the following core themes:

- **Focused on Customers** – Many of the proposals set out here describe a redesign of Council services built around the priorities of our customers with budget decisions made to protecting the needs of our most vulnerable customers. These proposals achieve savings by recognising

areas where demand for a service is changing or where new approaches to delivery can provide improved efficiency alongside positive outcomes for customers. These proposals also reflect a commitment to preventative approaches and early intervention services.

- **An Integrated Council** – A common theme across all service areas are proposals which achieve savings by bringing together separate service delivery teams and partners around a common geography or shared objectives. These proposals achieve savings by finding more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers.
- **Empowered Communities** - All service areas put forward proposals which involve an evolution of the Council operating model towards increased use of outreach services, community-based and community-led service provision. These proposals aim to achieve savings by focusing Council resources towards provision of core services and supporting the development of new co-operative or social enterprise models of service provision led by our communities.
- **A Sustainable Capital City** – We need to be a lean and resourceful council that creates and supports sustainable communities across our City. Our business plan includes actions to deliver this, including a number of innovative approaches to change the way we provide services in a more sustainable manner.
- **Value for money** – This package contains a number of proposals which achieve savings by making better use of Council assets and facilities. These proposals identify assets and facilities which are operating below efficient capacity and aim to reconfigure service provision to improve efficiency while maintaining customer outcomes.
- **High Performing Workforce** – This plan contains proposals to help us deliver a Council where services are delivered by an engaged and empowered, high performing workforce. These proposals aim to facilitate a cost effective and timely reduction of the Council’s workforce while ensuring that the Council has the skills and talent required to deliver its vision.

Focused on Customers

We are a Council in which services are designed around the needs of our people, protecting the needs of our most vulnerable customers

An Integrated Council

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

Empowered Communities

We are a Council which engages and enables community led service delivery and design

A Sustainable Capital City

We are a lean and resourceful Council with high ambitions for our city and residents, that creates and supports sustainable communities across the city

Value for Money

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

High Performing Workforce

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

Shared principles

The remainder of this briefing provides an overview of how these common themes and principles are reflected in the budget proposals put forward in each service area and case studies of packages of proposals to illustrate these themes.

Communities and Families

Budget Proposals

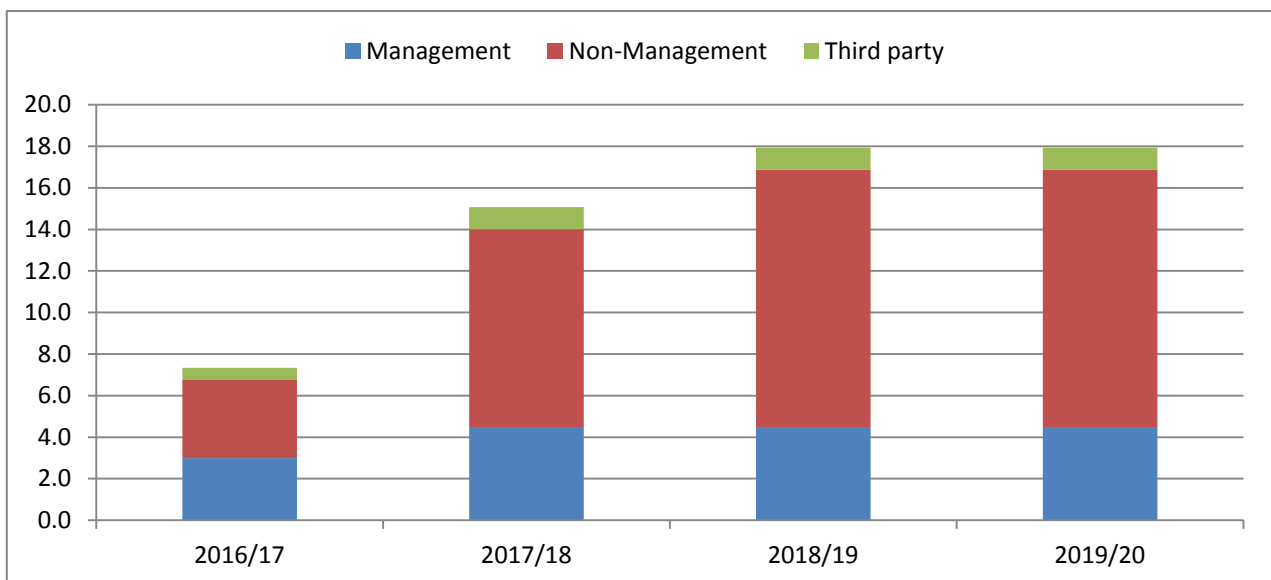
Strategic context and overview

Budget proposals put forward from Communities and Families mainly relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan:

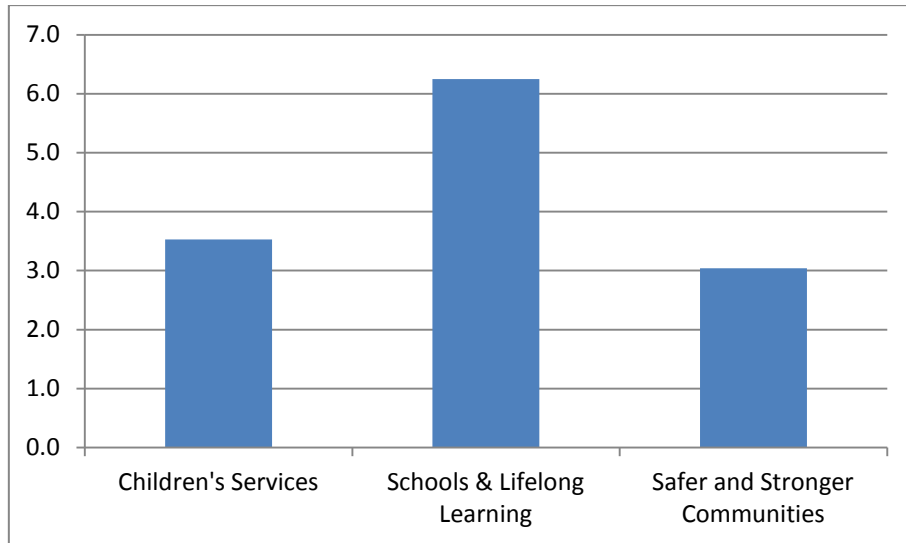
- **Improve quality of life** – in particular, Council priorities to ensure that our children and young people fulfil their potential and our people live in safe and empowered communities, and
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £18.0m. These include £4.5m in management savings, £12.4m in non-management savings and £1.1m in third party payments.

Communities and Families budget proposals, cumulative savings, £m



Communities and Families non-management proposals by division, cumulative savings, £m



Principles and themes

The budget options outlined in this paper set out proposals from each service area needed to meet these savings targets. While making these proposals it is important that services work together around a shared set of guiding principles which describe a common approach to redesigning and refocusing the way the Council delivers its services. Towards this, the [Communities and Families](#) proposals described here have been built around the six core themes outlined earlier in this document. In particular:

- **Focused on Customers** – Many of the proposals set out here describe a redesign of Council services built around the needs of our customers. Communities and Families proposals relating to safer and stronger communities, for instance, aim to achieve savings through a review and redesign of services to ensure a more holistic service for customers. The package also demonstrates a commitment to prioritise resources towards prevention and towards those customers in greatest need of support. Examples include the redesign of safer and stronger communities services to strengthen prevention, early intervention and reduce re-offending, and the targeting of family support towards those families most at risk of a child needing to become looked after. These proposals achieve efficiency savings while improving our focus on improving outcomes for vulnerable groups and communities.
- **An Integrated Council** – A number of proposals, including those around family and pupil support, as well as services for homeless people, aim to bring separate service delivery teams together around a shared set of objectives. These proposals aim to achieve savings by finding more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers.
- **Empowered Communities** – Communities and Families proposals include measures which involve increased use of outreach services, community-based and community-led service provision. Examples include exploring the potential for a new social enterprise model for music instruction. These proposals aim to achieve savings by supporting the development of new co-operative or social enterprise models of service provision led by our communities.
- **Value for Money** – The Communities and Families package contains a number of proposals which achieve savings by making best use of Council assets and facilities. These include

proposals to merge school facilities, rationalise community and library property provision and to reconfigure residential provision for looked after children. These proposals identify assets and facilities which are operating below efficient capacity and aim to reconfigure service provision to improve efficiency while maintaining customer outcomes.

Communities and Families case study examples

The themes and principles can be best illustrated by the following case studies:

Case study 1 – Family, parenting and pupil support

Proposals: CF/SP1, CF/ST3 and CF/ST6

Themes: **An Integrated Council; Focused on Customers**

Summary: This package of proposals includes a review of existing family, parenting and pupil support services delivered directly and commissioned by the Council. The proposals recognise that in some cases such services are delivered in more than one Communities and Families area. The aim is to achieve efficiencies through bringing services together and reducing the unit cost of provision.

Savings: Together, the three proposals described here provide a saving of **£0.803m**.

Case study 2 – Redesign of Music Instructor Service

Proposals: CF/SP4

Themes: **Empowered communities; Focused on Customers**

Summary: This package proposes exploring the potential to create a social enterprise model for the provision of music tuition and instruction. This would develop a sustainable music service through transfer of staff to the new model. In this proposal, 25% of the current budget would be retained to support children in families who do not have the resources to access the new model and consideration would be given for those following SQA courses. The proposal will create a service where the quality of provision will be maintained, with a contribution for music tuition based on the ability to pay.

Savings: This proposal provides a total cumulative saving of **£1.668m**.

Health and Social Care

Budget Proposals

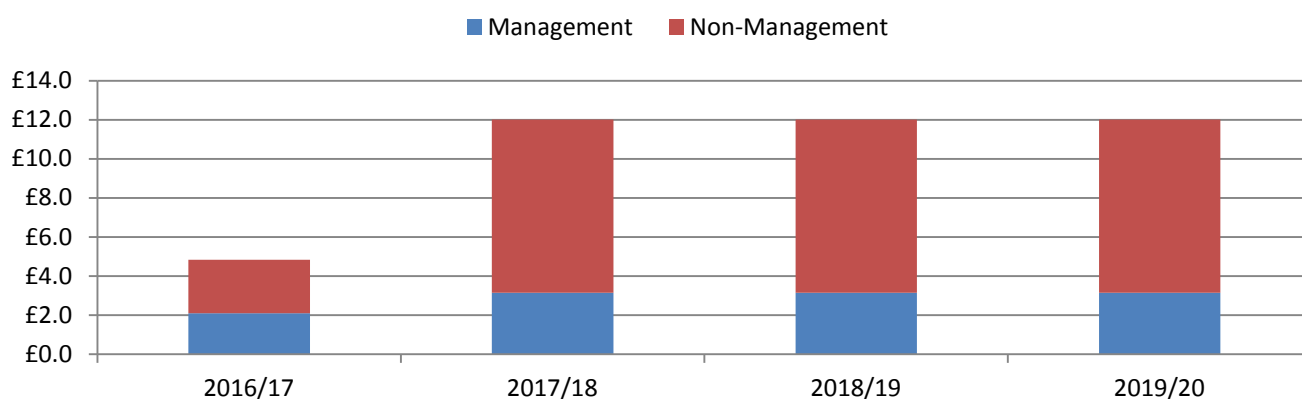
Strategic context and overview

Budget proposals put forward for Health and Social Care mainly relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan:

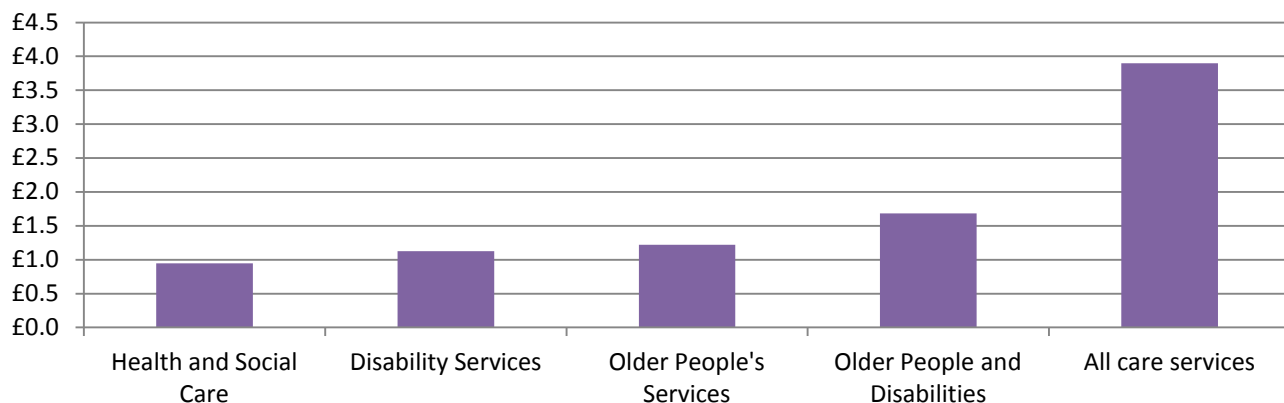
- **Improve quality of life** – in particular, Council priorities to ensure our people can access the right care at the right time and the right place, and enjoy improved health and well being, and
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £12.6m. These include £3.1m in management savings, £8.9m in non-management savings and £0.6m in third party payments.

Health and Social Care management and non-management budget proposals, cumulative savings, £m



Health and Social Care non-management budget proposals by division, cumulative savings by 2019/20, £m



Principles and themes

The Health and Social Care proposals described here have been built around the six core described above. In particular:

- **Focused on Customers** – Many of the proposals set out here describe a redesign of Council services built around the changing needs of our customers. The Health and Social Care package includes proposals which respond to changes in the way people manage their own care through Direct Payments, for instance, and the subsequent changes in demand for in-house care services. Throughout the package set out for Health and Social Care, proposals also demonstrate a commitment to protect investment and prioritise resources towards prevention and towards those customers in greatest need of support. Examples include the redesign of the community equipment service to ensure the service protects those with substantial and critical needs, while providing mitigating support for customers with lower-level needs. These proposals achieve efficiency savings while improving our focus on improving outcomes for vulnerable groups and communities.
- **An Integrated Council** – The package set out here includes proposals to reduce the size of the in-house care service and procure more services from partners and other care providers. Such proposals reflect a common objective to improve service delivery by finding more efficient ways to work with partners and service providers.
- **Empowered Communities** – Health and Social Care proposals include measures which involve increased use of outreach services, community-based and community-led service provision. Examples include the potential creation of Local Authority Trading Company or Co-operative for a range of care services. These proposals aim to achieve savings by supporting the development of new co-operative or social enterprise models of service provision led by our communities.
- **Value for Money** – The Health and Social Care package contains a number of proposals which achieve savings by making best use of Council assets and facilities. These proposals aim to manage assets and facilities to improve efficiency while maintaining service provision and outcomes for customers.

Health and Social Care case study examples

These themes and principles can be best illustrated by the following case studies

Case study 1 – Establish Local Authority Trading Company or Co-operative for a range of care services

Proposals: HSC/ST2 **Themes:** **Integrated Council, Empowered Communities**

Summary: This proposal involves the development of a trading company or co-operative for the provision of a range of care services. The proposal has potential to be a catalyst for increased use of community-led service provision, as well as showing ways in which Council service provision can be re-configured for closer partnership working.

Local authority trading companies have been developed in several councils across Scotland for in-house care services, such as home care or residential care. Similar developments have also taken place in England, including some co-operative models, and developing such alternative models in Edinburgh should now be taken forward. Potential services to be delivered through this new structure could include home care, care homes, day care, disability services, occupational therapy, equipment and telecare. Initial work has started with a visit to Scottish Borders Council and discussions held with the Council transformation team.

Savings: The proposals described here are associated with a total saving of **£1.5 million**.

Case study 2 – Realign internal provision with Direct Payment growth

Proposals: HSC/EFF3 **Themes:** **Focused on Customers**

Summary: This proposal provides an example of Health and Social Care provision changing in response to the changing needs of customers, while maintaining service levels for those in need of care.

More people are choosing to manage their own care through a Direct Payment (DP), rather than have their care services provided or arranged by the Council, with the result that DP numbers are increasing at a faster rate (15% per year) than the overall increase in demand. As more people opt for DPs, the demand for in-house care services will decline, requiring the Council to plan for fewer in-house services. An external review has suggested that the Council plan to reduce in-house services by 3% per year, reinvesting half of the money saved in additional purchased services at lower unit costs. Excluding older people's day care calculations suggest savings of around £0.7m per year, allowing for an uplift in the purchased unit costs from the 2015/16 levels assumed by the review.

Overall, reductions to in-house services will need to be carefully planned in order to reduce the risk of service disruption but there is no reduction in overall service levels associated with this proposal.

Savings: This proposal is associated with a total cumulative saving of **£1.4 million**.

Place

Budget Proposals

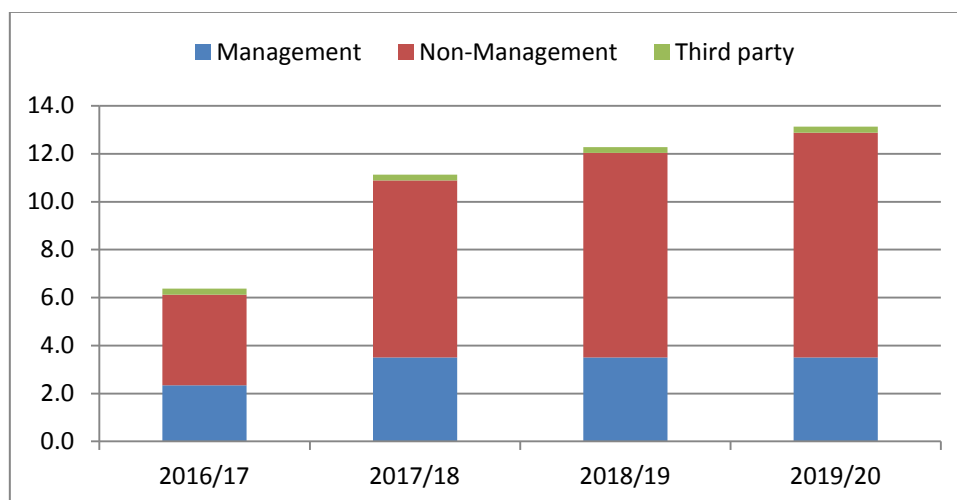
Strategic context and overview

Budget proposals put forward for Place relate to services mainly focused towards delivering two of the strategic themes outlined in the Council Business Plan:

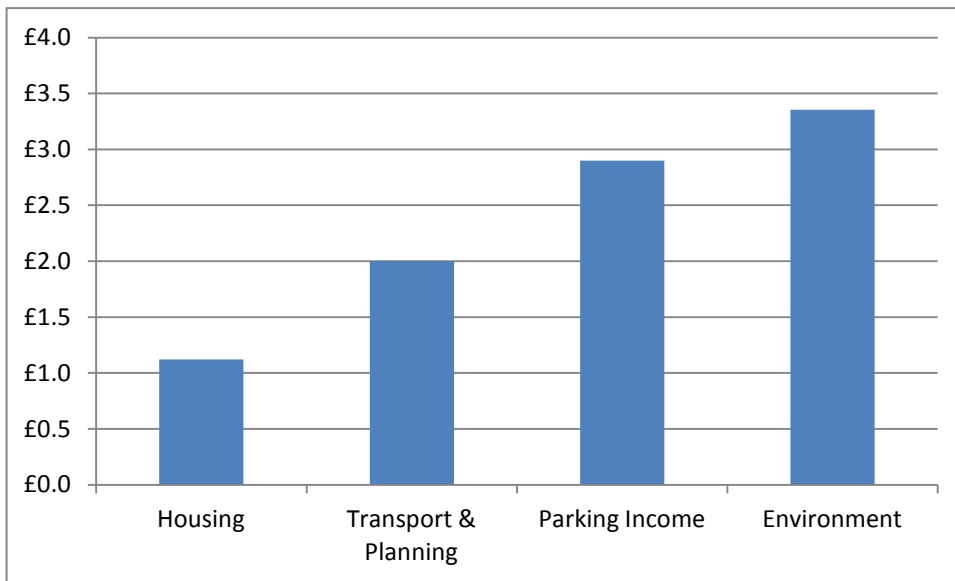
- **Build excellent places** – in particular, Council priorities to ensure that Edinburgh is an attractive, accessible and connected city and our people have access to good-quality housing options, and
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide net savings of £13.1m. These include £3.5m in management savings, £9.3m in non-management savings and £0.3m in third party payments.

Place budget proposals, cumulative savings, £m



Place non-management budget proposals by division, cumulative savings, £m



Principles and themes

The Place proposals described here have been built around the six core themes described above. In particular:

- **Focused on Customers** – Many of the proposals set out here describe a redesign of Council services built around the needs of our customers. The creation of a Housing Development service will also improve the co-ordination of house building, contributing positively to regeneration within the city. These proposals also demonstrate a commitment from the Council to protect investment and prioritise resources towards those customers in greatest need of support. The proposals for street crossing patrols and cleansing, for example, ensure resources continue to be maximised when and where they are most needed. At the same time, the package contains proposals which aim to ensure we are able to maximise our investment in those frontline services which reflect the real priorities Edinburgh citizens would most like us to improve. Proposed changes to collection arrangements for garden and glass, alongside the mitigating measures put in place, will allow the current range of services to continue.
- **An Integrated Council** – A common theme across all service areas are proposals which achieve savings by bringing separate service delivery teams and partners together around a common geography or around shared objectives. In addition to the housing examples above, the proposals for Public Health, Transport and Parks are all based on delivering savings through improved efficiency and effectiveness from merging or streamlining existing functions.
- **Empowered communities** – All service areas put forward proposals which involve an evolution of the Council operating model towards increased use of outreach services, community-based and community-led service provision. Opportunities for increased community participation are being actively explored for parks services.

- **Value for Money** – This package contains a number of proposals which achieve savings by making best use of Council assets and facilities. Adoption of the new localities model will promote the delivery of more integrated, customer-focused services which, in addition to staffing efficiencies, will ensure that better use is made of the Council’s current property assets.

Case study examples

These themes and principles can be best illustrated by the following case studies

Case study 1 – Reviewing and Merging Teams

Proposals: PLA/EFF1, PLA/ST1, PLA/EFF2 and PLA/INC1

Themes: **Integrated Council, Value for Money**

Summary: These proposals include measures to improve efficiency, whilst aiming to ensure we continue to meet statutory obligations, and, as far as possible, protect front line services and support income generating activity. Specific proposals include a saving of £0.462m from restructuring Environmental Health and Scientific Services; £0.04m from merging teams and creating a Housing Development Service; £0.081m from restructuring the Licensing and Trading Standards teams; and £0.696m from restructuring Planning and Building Standards teams and generating additional income.

Savings: Taken together, these proposals are associated with a total saving of **£1.28million**.

Case study 2 – Reducing duplication through service review and realignment

Proposals: PLA/EFF3 and PLA/EFF4

Themes: **Integrated Council, Prioritising Investment**

Summary: A number of Place proposals include measures to improve efficiency by drawing together services around shared objectives or common geographies. These include proposals to merge the current tram team into a new Public Transport Team as part of the Transport Review leading to a reduction in the costs of managing the Council's relationship with Transport for Edinburgh. Alongside this, the overall transport service review has identified £2.5m (77 FTE) of staff savings, achieved through management delayering, reduced duplication of service and review of processes. Savings will also be achieved by the change from six neighbourhood teams to four locality teams.

Savings: Taken together, these proposals are associated with a total cumulative saving of **£1.2 million**.

City Strategy and Economy

Budget Proposals

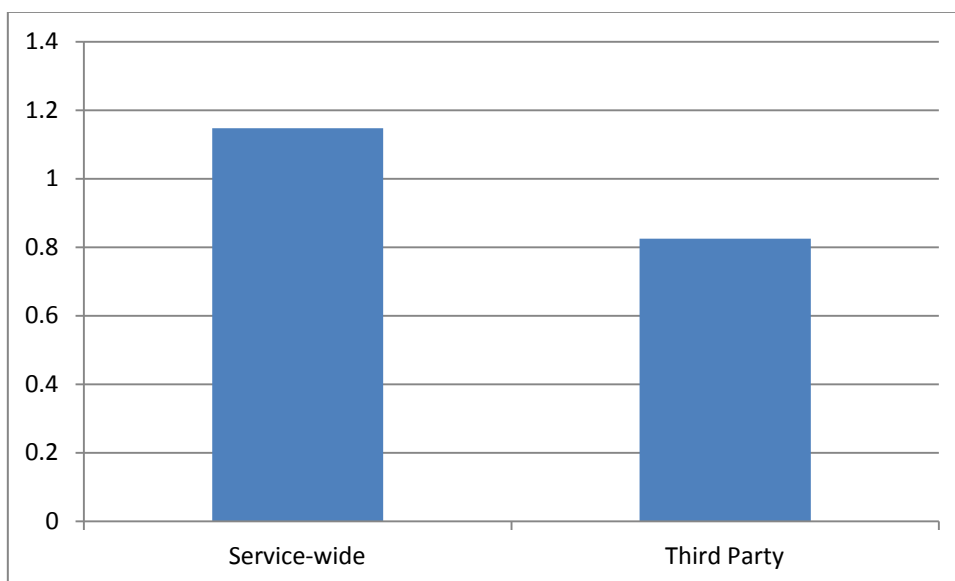
Strategic context and overview

Budget proposals put forward for City Strategy and Economy relate to services focused towards delivering two of the strategic themes outlined in the Council Business Plan

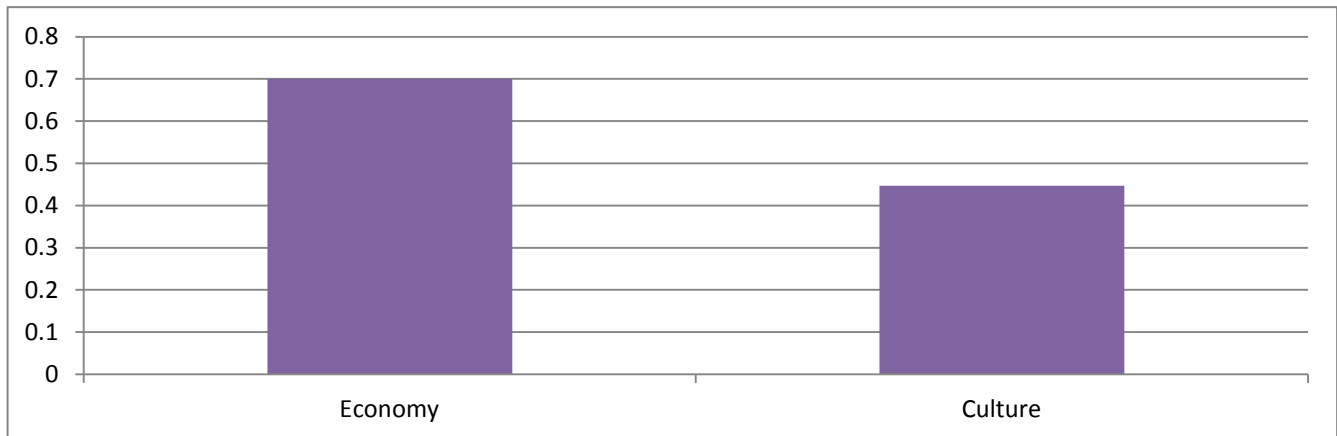
- **Ensure Economic Vitality** – in particular, council priorities to ensure that Our city attracts business growth and investment, our people have access to work and learning opportunities, our city is a creative, cultural capital, and
- **Deliver lean and agile council services** – in particular, the Council priority to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide savings of £1.9m, comprising £1.1m of management and non-management savings and £0.8m in third party payments.

City Strategy and Economy budget proposals, cumulative savings, £m



City Strategy and Economy non-management budget proposals by area, cumulative savings, £m



Case study examples

Case study 1 – Culture service restructure

Proposals: Culture service restructure (CSE/EFF1)

Themes: **Integrated Council, Value for Money, Focused on Customers**

Summary: A proposed new structure has been devised for the Council's Culture service which aims to ensure that we work better together, get the most from our property and resources and continue to deliver quality services across the city. This structure merges key functions to maximise income generation across the cultural estate. It will also ensure that quality programmes are delivered, both directly and through third party cultural organisations we help to fund. This new approach reflects the proposed Culture Plan and addresses many of the ambitions set out in the recent Desire Lines findings by the cultural community. In addition to merging functions across the entire Service (Usher Hall, Assembly Rooms, Church Hill Theatre and the Museums and Galleries service), the pattern of footfall across the Museums and Galleries has been assessed to determine when the public makes use of this free-at-the-point-of-access service (with the exception of temporary exhibitions at the City Art Centre). Using this information we propose to change operating hours to reflect current public demand while reducing from the current 6 and 7 day a week operation to 5 days per week for six venues all year round (namely the City Art Centre, Museum of Childhood, Museum of Edinburgh, People's Story, Queensferry and Writers' Museums). It is proposed to implement this change following consultation and negotiation with staff and Trades Unions to achieve the revisions to working patterns. We intend to implement the new hours of operation by October 2016 to enable delivery of the planned saving. Although the total number of open days would fall, the venues would be open at weekends all year round. As Sunday closures are currently the biggest barrier to attendance for the public, this would respond to public demand. It is further proposed to explore alternative governance arrangements for Lauriston Castle and to seek alternative solutions to museum storage in partnership with the National Museums of Scotland (which would facilitate a sale of our current collection centre to provide a capital receipt towards the new storage facility).

Savings: Together, the proposals described here are associated with a saving of **£0.447 million**.

Corporate Operations

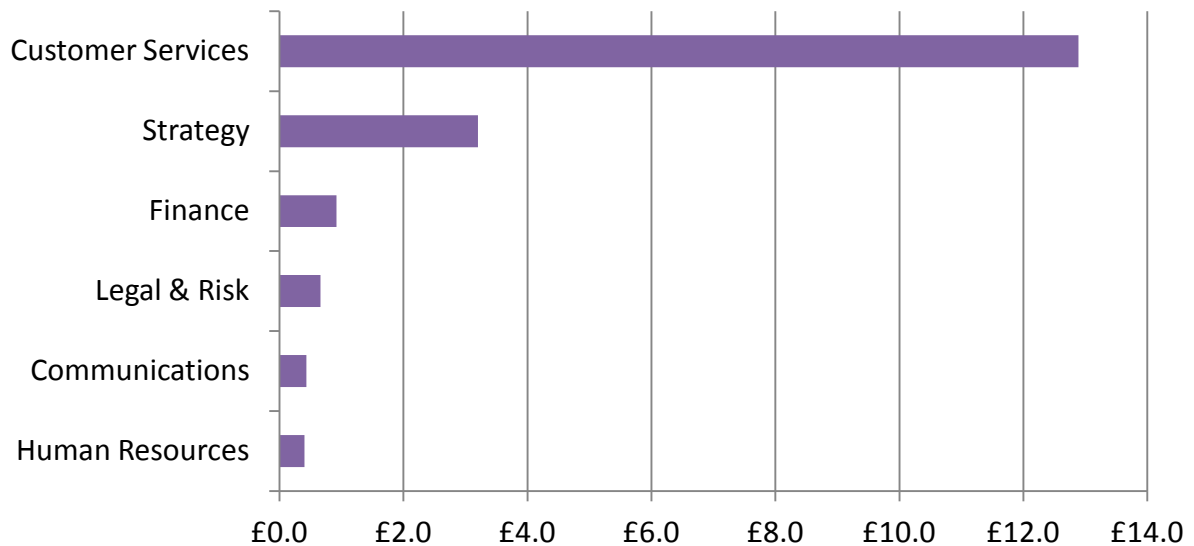
Budget Proposals

Strategic context and overview

Budget proposals put forward for Corporate Operations relate to services focused towards the Deliver lean and agile Council services strategic theme outlined in the Council Business Plan. In particular, the proposals relate to Council priorities to deliver transformational change, focus on our customers' needs and deliver the outcomes that matter most.

The proposals outlined here provide gross Business and Support Services savings of £18.5m.

Corporate Operations budget proposals by division, cumulative savings, £m



Principles and themes

The Business and Support Services workstream aims to:

- integrate all business and customer support services
- provide improved direct support for local services
- make services more efficient, consistent and effective with less duplication
- enable frontline services to improve services for customers
- increase use of technology to support self-service
- provide future opportunities to share our services outside the council and deliver through alternative models.

Corporate Operations case study examples

These themes and principles can be best illustrated by the following case studies

Case study 1 – Strategy, BI and Performance

Proposals: Corporate Operations – Strategy and Insight (CO/ST6)

Themes: **Integrated Council**

Summary: Many of the proposals included in the Corporate Operations package follow a theme of achieving efficiency savings by bringing service teams together towards the delivery of shared objectives. For instance, the package includes proposals to deliver savings by consolidating the strategy, performance and business insight functions which are currently delivered across multiple service areas. This will reduce duplication and make greater use of technology. There will also be a shift and improvement in focus to business analytics, customer insight and strategic support.

The new structure will allow for easier and greater access to better quality data and business insight. Alongside the savings achieved from restructuring services, the service quality will improve leading to greater consistency and quality of strategy and business insight and ensure all strategies are aligned to Council-wide strategic aims.

Savings: The proposals described here are associated with a saving of **£1.652 million**.

Case study 2 – Customer Services

Proposals: Corporate Operations – Customer Services (CO/ST13)

Themes: **Focused on Customers, Integrated Council**

Summary: This proposal seeks to consolidate all customer contact points across the Council. This will create an improved insight and modernised approach to customer interfaces, which will improve service and reduce contacts over a period of time.

Savings will be able to be achieved through greater use of self-service and technology-enabled services, and revising grading and staffing structures in line with other public sector models of delivery. The consolidation of customer services across the Council will enable a reduction in management costs, minimising duplication and improving service efficiency.

There will be greater availability of information through self-service solutions. There will also be a focus on moving transactional activities into one service area to gain efficiencies and economy of scale and minimise duplication.

Savings: This proposal is associated with a total cumulative saving of **£4.578 million**.

BUDGET FRAMEWORK, 2016/17 TO 2019/20 - INCREMENTAL BASIS

Appendix 2

Area	Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £ m
<u>Business and Support Services</u>	7.1	10.0	0.0	0.0	17.1
<u>Communities and Families</u>	7.0	7.0	2.9	0.0	16.9
<u>Health and Social Care</u>	4.8	7.2	0.0	0.0	12.0
<u>Place</u>	6.1	4.8	1.2	0.8	12.8
<u>City Strategy and Economy</u>	0.6	0.6	0.0	0.0	1.1
<u>Third Party</u>	1.7	0.8	0.2	0.1	2.7
<u>Property and Asset Management (per framework)</u>	(1.5)	(1.3)	8.6	0.4	6.2
<u>Programme costs and other minor changes</u>	(2.4)	1.0	1.1	0.1	(0.2)
Total Net Proposals	23.5	30.0	13.9	1.4	68.7

Assumed net savings per Budget Framework, 24
September 2015

28.2 29.7 10.1 0.4 68.4

Surplus / (deficit) Relative to Baseline Framework Assumptions	(4.7)	0.3	3.8	1.0	n/a
Cumulative	(4.7)	(4.4)	(0.6)	0.3	n/a

Option Number	Area	Division	Categorisation	Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
Business and Support Service proposals								
CO/ST1	Corporate Operations - Finance	Finance	Service transformation	0.224	0.126	0.000	0.000	0.350
CO/ST2	Corporate Operations - Commercial & Procurement	Finance	Service transformation	0.114	0.457	0.000	0.000	0.571
CO/ST3	Corporate Operations - Internal Audit & Risk	Legal & Risk	Service transformation	0.200	0.040	0.000	0.000	0.240
CO/ST4	Corporate Operations - Legal Services	Legal & Risk	Service transformation	0.161	0.259	0.000	0.000	0.420
CO/ST5	Corporate Operations - Human Resources	Human Resources	Service transformation	0.301	0.101	0.000	0.000	0.402
CO/ST6	Corporate Operations - Strategy & Insight	Strategy	Service transformation	1.322	0.330	0.000	0.000	1.652
CO/ST7	Corporate Operations - Transformation and Business Change	Strategy	Service transformation	0.000	0.317	0.000	0.000	0.317
CO/ST8	Corporate Operations - Digital & IT	Strategy	Service transformation	0.348	0.348	0.000	0.000	0.696
CO/ST9	Corporate Operations - Information Management	Strategy	Service transformation	0.000	0.140	0.000	0.000	0.140
CO/ST10	Corporate Operations - Committee & Election Services	Strategy	Service transformation	0.061	0.000	0.000	0.000	0.061
CO/ST11	Corporate Operations - Members' Services	Strategy	Service transformation	0.228	0.107	0.000	0.000	0.335
CO/ST12	Corporate Operations - Business Support	Customer	Service transformation	2.769	5.540	0.000	0.000	8.309
CO/ST13	Corporate Operations - Customer Services	Customer	Service transformation	1.802	2.776	0.000	0.000	4.578
CO/ST14	Corporate Operations - Communications	Reputation and Communications	Service transformation	0.432	0.000	0.000	0.000	0.432
	Assumed reduction in Non-General Fund central support income		Service transformation	(0.850)	(0.550)	0.000	0.000	(1.400)
BSS	Business and Support Services - All			7.111	9.991	0.000	0.000	17.103
Communities and Families proposals								
CF/EFF1	Advocacy services review	Children's Services	Efficiency	0.047	0.000	0.000	0.000	0.047
CF/EFF2	Closure of Panmure School	Children's Services	Efficiency	0.225	0.675	0.000	0.000	0.900
CF/EFF3	Reduce one class at Rowanfield School	Children's Services	Efficiency	0.080	0.000	0.000	0.000	0.080
CF/EFF4	Review of support staff within all Special Schools	Children's Services	Efficiency	0.000	0.292	0.148	0.000	0.440
CF/EFF5	Reductions to Family Based Care and Throughcare	Children's Services	Efficiency	0.124	0.064	0.000	0.000	0.188
CF/EFF6	Savings from funding available for prudential borrowing commitments	Children's Services	Efficiency	0.087	0.000	0.000	0.000	0.087
CF/EFF7	Total Craigroyston	Schools & Lifelong Learning	Efficiency	0.132	0.000	0.000	0.000	0.132
CF/EFF8	Early Years	Schools & Lifelong Learning	Efficiency	0.448	0.269	0.000	0.000	0.717
CF/EFF9	Young People's Service review	Safer and Stronger Communities	Efficiency	0.230	0.000	0.000	0.000	0.230
CF/EFF10	Management	All service	Efficiency	2.987	1.494	0.000	0.000	4.481
CF/ST1	Reduce residential provision by four beds	Children's Services	Service transformation	0.000	0.250	0.267	0.000	0.517
CF/ST2	Reconfiguration of residential provision	Children's Services	Service transformation	0.224	0.076	0.000	0.000	0.300
CF/ST3	Reconfigure primary and secondary social, emotional and behaviour difficulties support	Children's Services	Service transformation	0.150	0.073	0.000	0.000	0.223
CF/ST4	Disability respite services	Children's Services	Service transformation	0.100	0.000	0.000	0.000	0.100
CF/ST5	Parenting support review	Children's Services	Service transformation	0.167	0.050	0.000	0.000	0.217
CF/ST6	Family Solutions review	Children's Services	Service transformation	0.228	0.102	0.000	0.000	0.330
CF/ST7	Community Services	Schools & Lifelong Learning	Service transformation	0.239	0.241	0.000	0.000	0.480
CF/ST8	Redesign of Libraries Service	Schools & Lifelong Learning	Service transformation	0.000	1.400	1.400	0.000	2.800
CF/ST9	Re-design of Advice Services	Safer and Stronger Communities	Service transformation	0.060	0.060	0.000	0.000	0.120
CF/ST10	Re-design of Safer and Stronger Communities	Safer and Stronger Communities	Service transformation	0.135	0.610	0.497	0.000	1.242
CF/ST11	Re-design of Homelessness Services (General Fund share)	Safer and Stronger Communities	Service transformation	0.131	0.196	0.000	0.000	0.327
CF/SP1	Youth work delivery	Schools & Lifelong Learning	Service prioritisation	0.250	0.000	0.000	0.000	0.250
CF/SP2	Community centre staff reduction	Schools & Lifelong Learning	Service prioritisation	0.200	0.000	0.000	0.000	0.200
CF/SP3	Re-configuration of the Children and Young People's Review Team	Children's Services	Service prioritisation	0.100	0.000	0.000	0.000	0.100
CF/SP4	Redesign of Music Instructor Service	Schools & Lifelong Learning	Service prioritisation	0.000	1.112	0.556	0.000	1.668
CF/SP5	Re-design in-house housing support services	Safer and Stronger Communities	Service prioritisation	0.500	0.000	0.000	0.000	0.500
CF/SR1	Withdraw night noise team service	Safer and Stronger Communities	Service reduction	0.200	0.000	0.000	0.000	0.200
CF	Communities and Families - All			7.044	6.964	2.868	0.000	16.876
Health and Social Care proposals								
HSC/EFF1	Redesign staffing skills mix in in-house services	Health & Social Care	Efficiency	1.000	0.000	0.000	0.000	1.000
HSC/EFF2	Review of in-house older people's day services	Health & Social Care	Efficiency	0.100	0.175	0.000	0.000	0.275
HSC/EFF3	Realign internal provision with Direct Payment growth	Health & Social Care	Efficiency	0.700	0.700	0.000	0.000	1.400
HSC/EFF4	Reduce the size of in-house home care service by 25% and purchase more care at home	Health & Social Care	Efficiency	0.350	1.335	0.000	0.000	1.685
HSC/EFF5	Management	All service	Efficiency	2.099	1.049	0.000	0.000	3.148
HSC/ST1	Integrated Strategic Review of Continuing Care, Residential & Nursing Care for Older People	Health & Social Care	Service transformation	0.473	1.418	0.000	0.000	1.890
HSC/ST2	Establish Local Authority Trading Company or Co-operative for a range of care services	Health & Social Care	Service transformation	0.000	1.500	0.000	0.000	1.500
HSC/SP1	Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs	Health & Social Care	Service prioritisation	0.125	0.000	0.000	0.000	0.125
HSC/SP2	Redesign day services for adults with learning disabilities.	Health & Social Care	Service prioritisation	0.000	1.000	0.000	0.000	1.000
H&SC	Health and Social Care - All			4.846	7.177	0.000	0.000	12.023
Place proposals								
PLA/EFF1	Public Health	Environment	Efficiency	0.308	0.154	0.000	0.000	0.462
PLA/EFF2	Licensing and Trading Standards	Housing & Regulatory Services	Efficiency	0.041	0.040	0.000	0.000	0.081
PLA/EFF3	Reduction in staff and agency costs	Transport & Planning	Efficiency	0.100	0.000	0.000	0.000	0.100
PLA/EFF4	Transport	Transport & Planning	Efficiency	0.550	0.550	0.000	0.000	1.100
PLA/ST1	Create a Housing Development Service	Housing & Regulatory Services	Service transformation	0.040	0.000	0.000	0.000	0.040
PLA/ST2	Management	All service	Service transformation	2.339	1.170	0.000	0.000	3.509
PLA/INC1	Planning & Building Standards	Transport & Planning	Income	0.696	0.000	0.000	0.000	0.696
PLA/INC2	Increase parking charges by an average of 4.5% per year over four years	Transport & Planning	Income	0.250	1.050	0.800	0.800	2.900
PLA/SP1	Parks and Greenspace	Environment	Service prioritisation	0.221	0.122	0.100	0.000	0.443
PLA/SP2	Task Force	Environment	Service prioritisation	0.250	0.750	0.250	0.000	1.250
PLA/SP3	Waste Services	Environment	Service prioritisation	0.500	0.650	0.000	0.000	1.150
PLA/SP4	Withdrawal of School Crossing Patrol Guide service at lunchtime	Transport & Planning	Service prioritisation	0.078	0.026	0.000	0.000	0.104
PLA/SR1	Stop Repairs and Maintenance of Stair Lighting Service in Tenements	Housing & Regulatory Services	Service reduction	0.750	0.250	0.000	0.000	1.000
Place	Place - All			6.123	4.762	1.150	0.800	12.835
City Strategy and Economy proposals								
CSE/EFF1	Culture		Efficiency	0.304	0.143	0.000	0.000	0.447
CSE/EFF3	Economy		Efficiency	0.250	0.450	0.000	0.000	0.700
CSE	City Strategy and Economy - All			0.554	0.593	0.000	0.000	1.147
Third Party proposals								
CF/EFF11	C&F Third Party Payments	Communities and Families	Efficiency	0.209	0.119	0.000	0.000	0.328
CF/EFF12	Sport Third Party Payments	Communities and Families	Efficiency	0.334	0.407	0.000	0.000	0.741
CSE/EFF2	Culture Third Party Payments	City Strategy and Economy	Efficiency	0.155	0.155	0.155	0.052	0.517
CSE/EFF4	Economy Third Party Payments	City Strategy and Economy	Efficiency	0.154	0.154	0.000	0.000	0.308
HSC/EFF6	Health and Social Care Third Party Payments	Health & Social Care	Efficiency	0.582	TBC	TBC	TBC	0.582
PLA/EFF5	Place Third Party Payments	Place	Efficiency	0.250	0.000	0.000	0.000	0.250
TP	Third Party - all			1.684	0.835	0.155	0.052	2.726
	Asset Management Strategy			(1.500)	(1.300)	8.600	0.400	6.200
	Programme costs			(2.400)	0.900	1.000	0.000	(0.500)
	Other minor changes			0.000	0.099	0.101	0.102	0.302
TOTAL				23.463	30.021	13.874	1.354	68.712
Cumulative net savings proposals				23.463	53.484	67.358	68.712	
Cumulative assumed net savings per budget framework				28.200	57.900	68.000	68.400	

TRANSFORMATION PROGRAMME - BUSINESS AND SUPPORT SERVICES WORKSTREAM

Option Number	Theme	Area	Division	TOTAL SAVING				
				Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
CO/ST1	Service Transformation	Corporate Operations - Finance	Finance	0.224	0.126	0.000	0.000	0.350
CO/ST2	Service Transformation	Corporate Operations - Commercial & Procurement	Finance	0.114	0.457	0.000	0.000	0.571
CO/ST3	Service Transformation	Corporate Operations - Internal Audit & Risk	Legal & Risk	0.200	0.040	0.000	0.000	0.240
CO/ST4	Service Transformation	Corporate Operations - Legal Services	Legal & Risk	0.161	0.259	0.000	0.000	0.420
CO/ST5	Service Transformation	Corporate Operations - Human Resources	Human Resources	0.301	0.101	0.000	0.000	0.402
CO/ST6	Service Transformation	Corporate Operations - Strategy & Insight	Strategy	1.322	0.330	0.000	0.000	1.652
CO/ST7	Service Transformation	Corporate Operations - Transformation and Business Change	Strategy	0.000	0.317	0.000	0.000	0.317
CO/ST8	Service Transformation	Corporate Operations - Digital & IT	Strategy	0.348	0.348	0.000	0.000	0.696
CO/ST9	Service Transformation	Corporate Operations - Information Management	Strategy	0.000	0.140	0.000	0.000	0.140
CO/ST10	Service Transformation	Corporate Operations - Committee & Election Services	Strategy	0.061	0.000	0.000	0.000	0.061
CO/ST11	Service Transformation	Corporate Operations - Members' Services	Strategy	0.228	0.107	0.000	0.000	0.335
CO/ST12	Service Transformation	Corporate Operations - Business Support	Customer	2.769	5.540	0.000	0.000	8.309
CO/ST13	Service Transformation	Corporate Operations - Customer Services	Customer	1.802	2.776	0.000	0.000	4.578
CO/ST14	Service Transformation	Corporate Operations - Communications	Stand-alone service	0.432	0.000	0.000	0.000	0.432
Less loss of Non-General Fund CSC income				(0.850)	(0.550)	0.000	0.000	(1.400)
Corporate Operations Total				7.111	9.991	0.000	0.000	17.103

Option Number	CO/ST1
Option	Corporate Operations - Finance
Service Area	Deputy Chief Executive
Division	Finance

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.224	0.126	0.000	0.000
Cumulative Savings	0.224	0.350	0.350	0.350
Current Budget (£m)	4.102			
Current FTE	80.0	Proposed FTE reduction		7.0

Description of Savings Proposal
<p>This proposal will be progressed alongside previously-approved savings of £0.425m to deliver an overall saving of £0.775m over the period of the budget framework, building on savings of £0.575m already delivered through the Financial Services Review. In the first instance, further opportunities will be examined to reduce management costs and balance the staff mix to optimise the ratio of qualified to part-qualified staff. The introduction of new financial systems, scheduled for October 2016, will also improve the provision of management information to key decision-makers. Alongside greater promotion of self-service and parallel improvements in other functions as part of an integrated Council-wide support service model, this should allow further savings to be made.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Finance will be a key enabler for implementation of the Council's wider transformation programme which is founded upon establishing a balanced and sustainable budget. The service will also have a critical role in the effective implementation of new ICT systems, with Finance resource required to support this and the organisation during a period of substantial change. Implementation of financial savings will be assessed on an ongoing basis to ensure that, in light of wider financial and reputational risks, the service continues to be adequately resourced. Service functions and levels will also be reviewed in line with the Council's strategic priorities to ensure skills in critical areas are retained and developed where appropriate.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>There is a risk that the additional savings targets identified through the Business & Support Services project will double-count savings previously approved for delivery. An integrated implementation plan bringing together the respective requirements will therefore be developed to ensure the savings are delivered in a way complementing changes in other areas.</p>

Accountable Head of Service	Head of Finance
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Option Number	CO/ST2
Option	Corporate Operations - Commercial & Procurement
Service Area	Deputy Chief Executive
Division	Finance

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.114	0.457	0.000	0.000
Cumulative Savings	0.114	0.571	0.571	0.571
Current Budget (£m)	3.812			
Current FTE	85.0	Proposed FTE reduction		13.0

Description of Savings Proposal
<p>Within Commercial and Procurement, there is a significant opportunity to streamline, strengthen and improve the Council's governance and processes for both procurement and end-to-end contract management. The scope of the review is much wider than the current corporate Commercial and Procurement staffing group. There are also potential efficiencies to be gained by more closely aligning with grants process and management, strengthening these governance arrangements Council-wide.</p> <p>Commercial and Procurement continues to be a key enabler for future Council savings, and the cost reduction with FTE savings is likely to be delivered in the later stages of the programme. However, within the review of contract management there may be opportunities to do so earlier.</p> <p>The division of roles between procurement and other service areas will be reviewed to streamline and rationalise, generating savings and greater efficiencies within Commercial and Procurement services. This is likely to result in additional benefits from maximising the level of savings from existing contracts across the Council through improving engagement and processes, and increased procurement savings through improved management information.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>With the increased scope of activities being delivered by the Commercial and Procurement team and contributions to corporate savings, any reduction in staffing levels will need to be closely reviewed against risk to delivery and impact on services. Efficiencies resulting from the review will be generated Council-wide, not only within the Commercial and Procurement service.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
<p>Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project.</p>

Accountable Head of Service	Head of Finance
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Option Number	CO/ST3
Option	Corporate Operations - Internal Audit & Risk
Service Area	Deputy Chief Executive
Division	Legal & Risk

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.200	0.040	0.000	0.000
Cumulative Savings	0.200	0.240	0.240	0.240
Current Budget (£m)	1.997			
Current FTE	35.0	Proposed FTE reduction		4.0

Description of Savings Proposal
There is an opportunity for the realignment of management responsibilities in association with the review of the co-source arrangements. This realignment will lead to a more streamlined service delivery model which will support an intelligence-led and risk-based approach. The savings will not be solely due to FTE rationalisation, but also through the review and improved use of the current co-source arrangement.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There is potential for a mixing of the Council's lines of defence with Internal Audit and Risk being managed through the same division. This should be mitigated by introducing a second reporting line direct to the Chief Executive for the Audit function.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is a potential for double counting savings if there is additional saving assumed in other areas in relation to the current co-sourcing arrangement.

Accountable Head of Service	Head of Legal & Risk
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Option Number	CO/ST4
Option	Corporate Operations - Legal Services
Service Area	Deputy Chief Executive
Division	Legal & Risk

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.161	0.259	0.000	0.000
Cumulative Savings	0.161	0.420	0.420	0.420
Current Budget (£m)	3.237			
Current FTE	31.1	Proposed FTE reduction		4.0

Description of Savings Proposal
<p>This proposal aims to deliver the right legal expertise at optimum cost for the Council using a streamlined model for delivery. An external framework currently enhances in-house expertise, and there is scope to review delivery models so resources are balanced, affordable and effective. A key area of focus to deliver savings will be through reviewing the current co-sourcing external framework and associated structures for internal resourcing.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The key risk during transformation will be maintaining service levels to customers during the change period, ensuring the quality of service delivery does not fall.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>There is a potential for double counting savings if there is additional saving assumed in other areas in relation to the current co-sourcing arrangement.</p>

Accountable Head of Service	Head of Legal & Risk
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Option Number	CO/ST5			
Option	Corporate Operations - Human Resources			
Service Area	Deputy Chief Executive			
Division	Human Resources			
Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.301	0.101	0.000	0.000
Cumulative Savings	0.301	0.402	0.402	0.402
Current Budget (£m)	4.016			
Current FTE	79.0	Proposed FTE reduction		8.0
Description of Savings Proposal				
<p>This proposal will support the reshaping of HR services into a modernised effective model that will be responsive to meet the needs of all Council services. This will be supported by the development of a business partner model, promoting end-to-end case management. These changes will support HR to effectively support transformation and Council business at the appropriate levels. Management models will be reviewed to place an enhanced emphasis on operational support whilst also ensuring that there is a clear strategic direction for leading people cohesively across the organisation. Savings will also be delivered by streamlining the services through greater use of self-service and service desk for transactional services in conjunction with the review taking place in that area.</p> <p>Currently the service has a significant number of management at higher grading levels, within the restructuring there is an opportunity to realign the grading and enable savings. The changes within HR will need to be aligned to the additional support required for practical delivery of the Transformation Programme and organisational reviews.</p>				
Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes				
<p>The changes proposed will have a significant dependence on implementation of the new HR systems, and HR and ICT will be in close consultation to enable a smooth transition. There is also a significant dependence on the transformation of HR Services which sits in the Customer function and so close working on the systems and processes needed to transform HR across those boundaries will be required. HR will play a fundamental role in leading both the training and cultural shift in the organisation relating to self-service. This will have to be well planned to ensure savings are achieved in other services, and to maintain a high level of service delivery. There is also a significant dependence for HR regarding transformation proposals in the Customer Division, as the effectiveness of transaction processing and self-service support will be critical to realising savings.</p>				
Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation				
<p>Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project. The transformation programme set out here forms part of a wider service review which will take into account previously approved savings and be the subject of consultation. As such, the overall staffing impact may be different from that shown.</p>				
Accountable Head of Service	Head of Human Resources			

Option Number	CO/ST6
Option	Corporate Operations - Strategy & Insight
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	1.322	0.330	0.000	0.000
Cumulative Savings	1.322	1.652	1.652	1.652
Current Budget (£m)	6.190			
Current FTE	141.0	Proposed FTE reduction		35.0

Description of Savings Proposal
<p>Savings will be delivered through consolidating the strategy, performance and Business Intelligence (BI) functions which are currently delivered across multiple service areas. This will reduce duplication and make greater use of technology. There will also be a shift and improvement in focus to business analytics, customer insight and strategic support.</p> <p>The new structure will allow for easier and greater access to better quality data and BI. Alongside the savings achieved from restructuring services, the service quality will improve leading to greater consistency and quality of strategy and BI and ensure all strategies are aligned to Council-wide strategic aims.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Through the creation of a consolidated and centralised strategy service, there will continue to be a requirement to align with and support the delivery of all strategies specific to localities and services. In order to ensure the quality of strategies does not fall, change will be carried out on a phased approach, using a 'hub and spoke' model. This will ensure the information flow is driven in and out of the central function and allow strategic decisions to be made from an informed position and overview.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p> <p>Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project.</p>

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST7
Option	Corporate Operations - Transformation and Business Change
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	0.317	0.000	0.000
Cumulative Savings	0.000	0.317	0.317	0.317
Current Budget (£m)	1.620			
Current FTE	31.0	Proposed FTE reduction		6.0

Description of Savings Proposal
<p>This service will be integral to supporting the Council's transformation programme, and in the interim will have a structure that is designed around this. Following programme delivery, there will be an opportunity to rationalise the number of roles within the function and thus produce savings.</p> <p>Within the future structure, the transformation team will be centrally managed. It is crucial that the service establishes and sustains a culture of change. This will assist in maintaining a high standard of service delivery and ensuring that the transformational programme is successful in the long term. The service will focus on Business Change, Programme Management and Process Improvement through a centrally coordinated specialist transformation team. This will enable the creation of a consistent programme delivery framework across the Council.</p>

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>
<p>There will be a focus in the short and medium term on support for the transformation programme. In the longer term, a further shift to improved portfolio, programme and project management will be required. This will be achieved by combining all of these functions within one area, providing guidance and support when designing the structure to fulfil this function. Current project assurance activities will also be reviewed to identify the optimum model for delivery, with support from Internal Audit as required.</p>

<p>Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project.</p>

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST8
Option	Corporate Operations - Digital & IT
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.348	0.348	0.000	0.000
Cumulative Savings	0.348	0.696	0.696	0.696
Current Budget (£m)	4.090			
Current FTE	99.5	Proposed FTE reduction		22.5

Description of Savings Proposal
Savings are intended to be delivered by consolidating all staff with responsibilities for ICT development, support and administration across the Council and removing any duplication with the new partner's service offering.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There will be close consultation with CGI as new IT systems are implemented. The systems will help improve quality of information and efficiency across the Council. However, as systems are not due to be implemented until 2016, there may be a delay achieving the desired savings. There will be close working with both IT services and CGI to mitigate this risk and maintain a good quality of service to the Council.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project. The transformation programme set out here forms part of a wider service review which will take into account previously approved savings and be the subject of consultation. As such, the overall staffing impact may be different from that shown.

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST9
Option	Corporate Operations - Information Management
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	0.140	0.000	0.000
Cumulative Savings	0.000	0.140	0.140	0.140
Current Budget (£m)	0.934			
Current FTE	23.0	Proposed FTE reduction		3.0

Description of Savings Proposal
This proposal seeks to consolidate Information Management across the Council and minimise duplication of effort. Improving data and information standards in line with new IT systems will also lead to an increase in self-service. As a consequence there will be an opportunity to review staffing arrangements, whilst targeting an improved level of service. Alongside the possible savings available, the enhanced information management will improve both the customer experience and the Council's ability to make informed decisions. There is also an opportunity to identify savings through further consolidation of management of complaints, Freedom of Information and similar activities.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
When making changes to services it will be crucial to maintain Council-wide compliance with statutory provisions through consultation and service continuity planning.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project.

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST10
Option	Corporate Operations - Committee & Election Services
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.061	0.000	0.000	0.000
Cumulative Savings	0.061	0.061	0.061	0.061
Current Budget (£m)	0.605			
Current FTE	16.0	Proposed FTE reduction		2.0

Description of Savings Proposal
There is potential to streamline and improve management, service delivery and processes between Members' Services and Committee Services in the support that is provided to Elected Members. Permanent resourcing requirements for the Council's Election Services will also be reviewed. There is the potential to make management savings by bringing together Committee Services, Members' Services and Elections under one 'Democratic Service'.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
When conducting service change it will be crucial to maintain levels of support for the Council's committee system, and that compliance with the Council's standing orders and statutory obligations in respect of Elections continue.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project. The savings for Members', Committee and Election Services are dependent on improved delivery and joint working between the services.

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST11
Option	Corporate Operations - Members' Services
Service Area	Deputy Chief Executive
Division	Strategy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.228	0.107	0.000	0.000
Cumulative Savings	0.228	0.335	0.335	0.335
Current Budget (£m)	1.343			
Current FTE	35.0	Proposed FTE reduction		9.0

Description of Savings Proposal
There is potential to streamline and improve management, service delivery and processes between Members' Services and Committee Services in the support that is provided to Elected Members, in order to streamline management costs and generate savings.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
When conducting service change, it is crucial to maintain the levels of support for elected members, and that members are consulted appropriately throughout the transformation period.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
The savings for Members', Committee and Election Services are dependent on improved delivery and joint working between the services.

Accountable Head of Service	Head of Strategy
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Option Number	CO/ST12
Option	Corporate Operations - Business Support
Service Area	Deputy Chief Executive
Division	Customer

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	2.769	5.540	0.000	0.000
Cumulative Savings	2.769	8.309	8.309	8.309
Current Budget (£m)	27.696			
Current FTE	992.0	Proposed FTE reduction		298.0

Description of Savings Proposal
<p>The savings within Business Support will be realised through consolidating Council-wide business support, administrative services and transactional processing, streamlining management costs and processes, and removing duplication. This service area will be reviewed through a phased approach. The first phase will be to consolidate all business support staff into a single management structure, in line with functional service areas. This will assist in identifying and removing duplication of activities. Following this, a shared support service will be developed that will deliver further rationalisation of the business support service. With planned improvements in technology and self-service, there will be an opportunity to provide savings when focusing on the administrative functions. Alongside the savings available following the consolidation of the support functions, frontline services will be able to focus on value-added activities.</p> <p>In the consolidation phase, a more standardised and streamlined approach to business support delivery will be developed. This will enable consistent processes, greater clarity of grade structures, improved career paths and service resilience, and increased mobility of support.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Through consolidating the Council's business support functions, it will be crucial to work closely with service areas to ensure that required levels of support are maintained, so quality of frontline services does not reduce. This will be mitigated by working closely with the Directorates and Localities, to ensure the levels of support needed are clearly communicated. It will be particularly important to note that c.50% of the headcount in this area is based in schools and is subject to "standard of provision" agreements through the devolved budget system where support numbers are tied to ratios against pupil numbers. These ratios will need to be reviewed. Additionally, technology will be required to eliminate cash from schools. Whilst the structure can be implemented by June 2016, it will be important to scale and phase headcount within the two year savings timescales to prevent serious disruption to services.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p> <p>Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project.</p>

Accountable Head of Service	Head of Customer
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Option Number	CO/ST13
Option	Corporate Operations - Customer Services
Service Area	Deputy Chief Executive
Division	Customer

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	1.802	2.776	0.000	0.000
Cumulative Savings	1.802	4.578	4.578	4.578
Current Budget (£m)	18.027			
Current FTE	657.0	Proposed FTE reduction		167.0

Description of Savings Proposal

This proposal seeks to consolidate all customer contact points across the Council. This will create an improved insight and modernised approach to customer interfaces, which will improve service and reduce contacts over a period of time. Savings will be able to be achieved through greater use of self-service and technology-enabled services, and revising grading and staffing structures in line with other public sector models of delivery. The consolidation of customer services across the Council will enable a reduction in management costs, minimising duplication and improving service efficiency.

There will be greater availability of information through self-service solutions. There will also be a focus on moving transactional activities into one service area to gain efficiencies and economy of scale and minimise duplication. Targets for Channel Shift transformation have been incorporated within these savings targets.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Channel shift will cause a significant change in how services interact with customers. The Head of Customer will be responsible for how people contact the Council through a range of channels. These channels will be aligned with the needs of both external and internal customers. The service will also take on responsibility for delivering a number of activities currently managed by other services, requiring continuity and maintenance of service levels. This area includes vital statutory services such as Council Tax and Non Domestic Rates collection and also Welfare Reform related services such as Housing Benefits, DHP and the Scottish Welfare Fund. In addition, the implementation of digital channels will not be completed until the end of 2016/17. Given that context, it will be critically important to phase in these savings according to the two year timescale.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation

The risk of double count with Channel Shift has been reduced by integrating the respective plans, however these savings are significant which increases the level of delivery risk. The transformation of Customer Services will be heavily dependent on the introduction of technology improvements.

Accountable Head of Service	Head of Customer
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Option Number	CO/ST14
Option	Corporate Operations - Communications
Service Area	Deputy Chief Executive
Division	Stand-alone service

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.432	0.000	0.000	0.000
Cumulative Savings	0.432	0.432	0.432	0.432
Current Budget (£m)	1.966			
Current FTE	43.0	Proposed FTE reduction		9.0

Description of Savings Proposal
The proposal involves a restructure of the Communications service, reducing the number of management posts and aligning resource with new channels such as digital and social media. In addition to the required savings set out here, further transformation initiatives are under consideration including redeploying resource to the new Integration Joint Board for Health and Social Care, and to delivering some marketing activity more effectively via greater collaboration and service delivery from Council-run arm's-length company Marketing Edinburgh.

Potential impact on service outcomes and any mitigating actions proposed. This should take into
The Communications Service plays a key role in supporting the work of the Council and its Committees as well as the delivery of front line services. It is also important to the delivery of the wider transformation programme. In light of this, it is important that any changes to service delivery do not adversely affect quality and continuity of service levels. The new structure for the department will be developed with the aim of ensuring that the current levels of service can be maintained, while delivered in a more efficient way.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Double counts have been reviewed with other savings initiatives being brought into the scope of the Business and Support Services project. When considered alongside savings previously approved for delivery, the service review is anticipated to result in an overall reduction of 11 FTEs.

Accountable Head of Service	Chief Communications Officer
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CITIZENS AND LOCALITIES SAVINGS PROPOSALS - COMMUNITIES & FAMILIES

Option Number	Theme	Option	Division	TOTAL SAVING				
				Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
CF/EFF1	Efficiency	Advocacy services review	Children's Services	0.047	0.000	0.000	0.000	0.047
CF/EFF2	Efficiency	Closure of Panmure School	Children's Services	0.225	0.675	0.000	0.000	0.900
CF/EFF3	Efficiency	Reduce one class at Rowanfield School	Children's Services	0.080	0.000	0.000	0.000	0.080
CF/EFF4	Efficiency	Review of support staff within all Special Schools	Children's Services	0.000	0.292	0.148	0.000	0.440
CF/EFF5	Efficiency	Reductions to Family Based Care and Throughcare	Children's Services	0.124	0.064	0.000	0.000	0.188
CF/EFF6	Efficiency	Savings from funding available for prudential borrowing commitments	Children's Services	0.087	0.000	0.000	0.000	0.087
CF/EFF7	Efficiency	Total Craigroyston	Schools & Lifelong Learning	0.132	0.000	0.000	0.000	0.132
CF/EFF8	Efficiency	Early Years	Schools & Lifelong Learning	0.448	0.269	0.000	0.000	0.717
CF/EFF9	Efficiency	Young People's Service review	Safer and Stronger Communities	0.230	0.000	0.000	0.000	0.230
CF/EFF10	Efficiency	Management		2.987	1.494	0.000	0.000	4.481
CF/EFF11	Efficiency	C&F Third Party Payments Savings	All	0.209	0.119	0.000	0.000	0.328
CF/EFF12	Efficiency	Sport Third Party Spend	Sport	0.334	0.407	0.000	0.000	0.741
Total Efficiency				4.903	3.320	0.148	0.000	8.371
CF/ST1	Service Transformation	Reduce residential provision by four beds	Children's Services	0.000	0.250	0.267	0.000	0.517
CF/ST2	Service Transformation	Reconfiguration of residential provision	Children's Services	0.224	0.076	0.000	0.000	0.300
CF/ST3	Service Transformation	Reconfigure primary and secondary social, emotion and behavioural difficulties support	Children's Services	0.150	0.073	0.000	0.000	0.223
CF/ST4	Service Transformation	Disability respite services	Children's Services	0.100	0.000	0.000	0.000	0.100
CF/ST5	Service Transformation	Parenting support review	Children's Services	0.167	0.050	0.000	0.000	0.217
CF/ST6	Service Transformation	Family Solutions review	Children's Services	0.228	0.102	0.000	0.000	0.330
CF/ST7	Service Transformation	Community Services	Schools & Lifelong Learning	0.239	0.241	0.000	0.000	0.480
CF/ST8	Service Transformation	Redesign of Libraries Service	Schools & Lifelong Learning	0.000	1.400	1.400	0.000	2.800
CF/ST9	Service Transformation	Re-design of Advice Services	Safer and Stronger Communities	0.060	0.060	0.000	0.000	0.120
CF/ST10	Service Transformation	Re-design of Safer and Stronger Communities	Safer and Stronger Communities	0.135	0.610	0.497	0.000	1.242
CF/ST11	Service Transformation	Re-design of Homelessness Services	Safer and Stronger Communities	0.300	0.450	0.000	0.000	0.750
Total Service Transformation				1.603	3.312	2.164	0.000	7.079
CF/SP1	Service Prioritisation	Youth work delivery	Schools & Lifelong Learning	0.250	0.000	0.000	0.000	0.250
CF/SP2	Service Prioritisation	Community centre staff reduction	Schools & Lifelong Learning	0.200	0.000	0.000	0.000	0.200
CF/SP3	Service Prioritisation	Re-configuration of the Children and Young People's Review Team	Children's Services	0.100	0.000	0.000	0.000	0.100
CF/SP4	Service Prioritisation	Redesign of Music Instructor Service	Schools & Lifelong Learning	0.000	1.112	0.556	0.000	1.668
CF/SP5	Service Prioritisation	Re-design in-house housing support services	Safer and Stronger Communities	0.500	0.000	0.000	0.000	0.500
Total Service Prioritisation				1.050	1.112	0.556	0.000	2.718
CF/SR1	Service Reduction	Withdraw night noise team service	Safer and Stronger Communities	0.200	0.000	0.000	0.000	0.200
Total Service Reduction				0.200	0.000	0.000	0.000	0.200
Communities and Families Total				7.756	7.744	2.868	0.000	18.368

Less savings attributable to HRA (CF/ST11) -0.423

Net savings 17.945

Option Number	CF/EFF1
Option	Advocacy services review
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.047	0.000	0.000	0.000
Cumulative Savings	0.047	0.047	0.047	0.047
Current Budget £m	0.170			
Current FTE	2.0	Proposed FTE Reduction		0.0

Description of Savings Proposal
<p>The service employs 2 FTE staff and commissions services from the voluntary sector. The Advocacy Service supports looked after children to ensure they are appropriately involved in their care plans.</p> <p>All services are currently subject to a tender process with a view to determining the best model of future service delivery and generating efficiencies.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The new model should lead to improvements in service delivery from being delivered by one provider.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation</p> <p>There is no risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF2
Option	Closure of Panmure School
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.225	0.675	0.000	0.000
Cumulative Savings	0.225	0.900	0.900	0.900
Current Budget £m	1.050			
Current FTE	27.5	Proposed FTE Reduction		27.5

Description of Savings Proposal
<p>Panmure School is operating significantly below capacity. The proposal is to close Panmure School and review social, emotional and behavioural needs (SEBN) secondary provision. There is some capacity for additional pupils at Gorgie Mills with some supported in mainstream school where appropriate or in alternative SEBN provision.</p> <p>The current budget for Panmure is £1.05m and £0.150m would be available for re-investment. The new services would be operational in 2017.</p> <p>Budgeted FTE is 27.5 (11 of which are teachers) and the savings proposal would remove all posts. A report with a detailed proposal to consult will be prepared for the Education, Children and Families Committee in March 2016. If the proposal is approved it will be followed by a full public statutory consultation process.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>All pupils will be supported in Gorgie Mills, their mainstream school or alternative SEBN provision. There should be no detrimental impact to their education.</p> <p>For the proposal to be approved educational benefits must be demonstrated. The proposal will also include plans for enhanced services for girls, senior phase and family support.</p> <p>The site of Panmure School would be marketed for sale and an estimated capital receipt of £0.85m would be delivered.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation</p> <p>There is a risk of double count with the Business Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF3
Option	Reduce one class at Rowanfield School
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.080	0.000	0.000	0.000
Cumulative Savings	0.080	0.080	0.080	0.080
Current Budget £m	0.909			
Current FTE	25.6	Proposed FTE Reduction		2.2

Description of Savings Proposal
<p>The current roll is 31, compared to a budgeted capacity of 54. Current estimates suggest that one class can be removed.</p> <p>Total budget is £0.909m. Budgeted FTE is 25.6 and this proposal would remove 2.2 FTE (1 FTE would be teaching).</p> <p>The savings figure assumes the reduction can be made from April 2016.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>There should be no impact on children as the savings are a result of successful strategies to maintain children in mainstream school.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
<p>There is no risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF4
Option	Review of support staff within all Special Schools
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	0.292	0.148	0.000
Cumulative Savings	0.000	0.292	0.440	0.440
Current Budget £m	4.600			
Current FTE	192.0	Proposed FTE Reduction		10.0

Description of Savings Proposal
Review of support staff in special schools to provide more flexibility to meeting learning needs in individual schools.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Phased implementation to ensure no reduction in quality of support.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF5
Option	Reductions to Family Based Care and Throughcare
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.124	0.064	0.000	0.000
Cumulative Savings	0.124	0.188	0.188	0.188
Current Budget £m	25.108			
Current FTE	72.1	Proposed FTE Reduction		4.5

Description of Savings Proposal
Reduce Family Based Care from 47 FTE to 44 FTE social workers (£0.127m)
Reduce Throughcare from 13.3 FTE to 11.8 FTE (£0.061m)

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The reductions to Family Based Care would result in some reduction in support to foster carers and potential adopters. However, every effort would be made to protect the recruitment function including shared working with other local authorities.</p> <p>The reduction in staffing in Throughcare would lead to a reduction in support available to young people and may increase waiting times for services. This is at a time when the Scottish Government has increased the duties placed on local authorities in relation to Throughcare and Aftercare. This may be mitigated by children and young people being supported by enhanced family support services.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF6
Option	Savings from funding available for prudential borrowing commitments
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.087	0.000	0.000	0.000
Cumulative Savings	0.087	0.087	0.087	0.087
Current Budget £m	0.087			
Current FTE	0.0	Proposed FTE Reduction	0.0	

Description of Savings Proposal
The service identified revenue savings to fund prudential borrowing commitments associated with office accommodation moves that have taken place over recent years. There is a balance of £0.087m on this budget that is not committed.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/EFF7
Option	Total Craigroyston
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.132	0.000	0.000	0.000
Cumulative Savings	0.132	0.132	0.132	0.132
Current Budget £m	0.132			
Current FTE	1.7	Proposed FTE Reduction	1.7	

Description of Savings Proposal
Following the successful pilot and embedding of the co-ordinated, multi-agency approach underpinning the Total Craigroyston project, as planned, the dedicated additional budget for the initiative is no longer required.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Impact: As the Total Craigroyston programme has been successful in achieving its outcomes and is now embedded in practice, the impact of this proposal is expected to be minimal.</p> <p>Mitigation: Key staff in the Craigroyston Learning Community would use the approach currently provided by the Programme Manager to provide leadership and roll out the learning from this project across the city. Lead officers from new multi agency teams would be appointed to resource and progress key areas of work.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is a low risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/EFF8
Option	Early Years Non Management Saving
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.448	0.269	0.000	0.000
Cumulative Savings	0.448	0.717	0.717	0.717
Current Budget	N/A			
Current FTE	138.0	Proposed FTE Reduction	20.0	

Description of Savings Proposal
Restructure staffing across early years settings and nursery schools with current and additional funding to ensure that staff are used more efficiently. Rationalise staff strategic development roles to meet national priorities.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There is increased funding from Government for early years.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
The risk is that we would have to employ some staff at a lower grade if we were not able to achieve ratios.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/EFF9
Option	Young People's Service review
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.230	0.000	0.000	0.000
Cumulative Savings	0.230	0.230	0.230	0.230
Current Budget £m	1.403			
Current FTE	22.0	Proposed FTE Reduction		2.0

Description of Savings Proposal
Savings in youth offending service from savings in retendered third party contracts and not filling two current vacancies.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The non filling of the two vacant posts may lead to reductions in support to children engaged in youth offending and those at risk of secure and residential care. This may lead to increased numbers of looked after children and associated costs.
This will be mitigated by the re-design of Safer and Stronger Communities, increased use of MRC's (electronic tags) and improved working within localities.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Option Number	CF/EFF10
Option	Management Savings - Communities & Families
Service Area	Communities and Families
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	2.987	1.494	0.000	0.000
Cumulative Savings	2.987	4.481	4.481	4.481
Current Budget (£m)	17.719			
Current FTE	325.0	Proposed FTE Reduction		89.0

Description of Savings Proposal
<p>For Citizens and Localities, a management savings target of 27% has been applied. The finalised structure to Tier 2 has been agreed and is now operational. The structure for Tier 3 (Senior Manager) is being implemented as a Council-wide organisational review and is expected to be operational by early January. Beneath Tier 3, the future model will be implemented through a series of functional organisational reviews, aligned to Head of Service area. The future organisational management structures will be designed to create a sustainable model that supports and enables the Council to maximise delivery of priority services within available resources. The future management structures will provide effective leadership of services with clear accountability for delivery of approved savings and budget control. The estimated management savings for Communities and Families total £4.481m.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The proposed management structures will provide a number of improvement opportunities. Locality leadership teams will include senior leads from community planning partners including Police Scotland, The Scottish Fire and Rescue Service, NHS and the third sector. Locality Leadership teams will ensure improved working with partners and citizens to deliver better outcomes. The new organisational arrangements will support opportunities to further develop multi disciplinary and integrated services, in partnership with community planning partners. Through improving approaches to prevention, outcomes for citizens, especially those with complex needs, and those who experience poverty and inequality, should be improved. All organisational review proposals will be subject to scrutiny and challenge by the Corporate Leadership Team. All proposals will be subject to formal trade union and staff consultation in accordance with the Council's organisational review procedure. There will be a need to ensure that changes are implemented carefully to minimise the impact on frontline service delivery.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
Not applicable.

Accountable Officer	Executive Director of Communities & Families
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Option Number	CF/EFF11
Option	C&F Third Party Payments Savings
Service Area	Communities & Families
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.209	0.119	0.000	0.000
Cumulative Savings	0.209	0.328	0.328	0.328
Current Budget (£m)	28.190			

Description of Savings Proposal
<p>In addition to third party proposals detailed in template TP1 further contract savings will be delivered through targeted reductions within the wider Communities & Families services.</p> <p>A reduction of £0.089m will be made from the grants budget which is the balance required following the 15/16 reductions to achieve the target of 10% reduction over the period 2015 - 2018.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Contract reductions will complement in-house service savings proposals to ensure the mix of in-house and purchased services meets the Council's future service needs.</p> <p>The new grants process will ensure awards are made to organisations that meet the criteria agreed for the process. This will ensure grant receiving organisations complement the in-house and contracted services across the city.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>

Accountable Head of Service	Executive Director of Communities & Families
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Option Number	CF/EFF12
Option	Transformation Programme - Third Party Spend
Service Area	Communities and Families
Division	Sport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.334	0.407	0.000	0.000
Cumulative Savings	0.334	0.741	0.741	0.741
Current Budget (£m)	8.418			

Description of Savings Proposal
<p>This proposal has been developed in line with the Council decision to reduce expenditure to third parties by 10% over 3 years from 2015/16 to 2017/18. Sport and Physical Activity expenditure to third parties will be reduced by £0.334m and £0.407m in 2016/17 and 2017/18.</p> <p>Savings of £0.334m and £0.407m have been advised to Edinburgh Leisure for 2016/17 and 2017/18. Edinburgh Leisure is developing a range of savings proposals, which seek to avoid service closures, wherever possible.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Reductions in payment to Edinburgh Leisure have been advised to the Board of Edinburgh Leisure. The Council will continue to work with Edinburgh Leisure to ensure service impacts are mitigated wherever possible.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p> <p>There is no risk of double counting on this proposal.</p>

Accountable Head of Service	Executive Director of Communities and Families
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Option Number	CF/ST1
Option	Reduce residential provision by four beds
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	0.250	0.267	0.000
Cumulative Savings	0.000	0.250	0.517	0.517
Current Budget £m	0.767			
Current FTE	12.7	Proposed FTE Reduction		8.7

Description of Savings Proposal
<p>The service would be re-designed with the reduction of four residential beds and an increase in outreach services to work with children within their home and in their community.</p> <p>There are 12.67 FTE residential care officers in a unit and the proposal would be to reduce these by 8.67 FTE. 4 FTE would be transferred to the outreach services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The proposal is consistent with the service aims to reduce the use of residential provision and enhance preventative services. While there is a risk that the loss of four residential beds could lead to increased demand for purchased placements this will be mitigated by increasing access to crisis short-term provision to prevent longer-term admissions.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation</p>
<p>There is no risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST2
Option	Reconfiguration of residential provision
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.224	0.076	0.000	0.000
Cumulative Savings	0.224	0.300	0.300	0.300
Current Budget £m	0.779			
Current FTE	26.0	Proposed FTE Reduction		26.0

Description of Savings Proposal
<p>Following the closure of Hillview, the proposal is to reinvest some of the savings in the Seaview respite unit. Hillview currently has a budget of £0.779m. There are currently 2 looked after children and 3 children on shared care placements. All cases are expected to have moved into alternative placements, including Seaview, by early 2016. The service will retain £0.270m to invest in enhancing support at Seaview and in family support and outreach services. The total net saving is £0.509m.</p> <p>Rates and security costs in the short-term for Hillview mean the full value of savings is not anticipated until 2017/18.</p> <p>In total there are approximately 26 FTE employed and the proposal would remove all posts (4.5 FTE relates to management posts and 21.5 relate to non-management posts).</p> <p>The figures above reflect the non manager element of the saving (£0.300m). The residual saving of £0.209m forms part of the 27% manager proposals.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Seaview respite unit will be re-configured to enable it to support more challenging children that otherwise would have used Hillview. Following the introduction of Self Directed Support the Council has seen a reduction in the demand for residential respite and is confident the demand can be met from the re-configured Seaview.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
<p>There is a risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST3
Option	Reconfigure primary and secondary social, emotional and behavioural difficulties support
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.150	0.073	0.000	0.000
Cumulative Savings	0.150	0.223	0.223	0.223
Current Budget £m	0.223			
Current FTE	6.0	Proposed FTE Reduction		6.0

Description of Savings Proposal
There are family support staff attached to some special schools. The proposal is to review all existing family and pupil support services delivered directly and commissioned by the Council, bringing together the different elements of support into one service.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There is a strong link between children who are excluded from school and the increased risk of them becoming looked after. This service is one of a wide range of family and pupil support services that are delivered directly or commissioned by the Council. A review is being undertaken of all family and pupil support services to ensure that help is provided to those families most in need of assistance and/or where the child is at risk of not being supported in school. Schools, family and pupil support services and practice teams will work in partnership to ensure effective targeting of resources.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST4
Option	Disability respite services
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.100	0.000	0.000	0.000
Cumulative Savings	0.100	0.100	0.100	0.100
Current Budget £m	2.350			
Current FTE	46.0	Proposed FTE Reduction	0.0	

Description of Savings Proposal
<p>All clients currently receiving respite services will be reviewed under Self Directed Support (SDS) during the next two years. It is expected, based on evidence to date, that some clients will take the option to use their individual budget to purchase alternative services which meet their outcomes at a lower cost.</p> <p>The total budget in-scope for SDS is £2.35m and this covers internally and externally provided services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>There should be minimal impact on service users as the savings will be delivered through clients identifying alternative support packages that meet their needs.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
<p>There is no risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST5
Option	Parenting support review
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.167	0.050	0.000	0.000
Cumulative Savings	0.167	0.217	0.217	0.217
Current Budget £m	0.463			
Current FTE	9.8	Proposed FTE Reduction		5.5

Description of Savings Proposal
Parenting support is provided in more than one Communities and Families area. The aim is to achieve efficiencies through bringing services together although there would be a reduction in capacity.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
This budget reduction will remove the capacity to deliver some parenting programmes which are currently provided for vulnerable families. This will be mitigated by the integration of family support services.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST6
Option	Family Solutions review
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.228	0.102	0.000	0.000
Cumulative Savings	0.228	0.330	0.330	0.330
Current Budget £m	1.058			
Current FTE	40.0	Proposed FTE Reduction		14.0

Description of Savings Proposal

The current budget for Family Solutions is £1.058m.

There is a strong link between children who are excluded from school and the increased risk of them becoming looked after. The proposal is to review all existing family and pupil support services delivered directly and commissioned by the Council. This would require a targeting of support at those families most at risk of the child needing to become looked after and /or where the child is at risk of not being supported within mainstream school. It would be important to ensure that there is good partnership working between the schools, family and pupil support services and Practice Teams to ensure effective targeting of resources.

There are approximately 34 FTE in Family Solutions and the savings proposal would reduce this by approximately 15 FTE (1 FTE management post reductions and 14 FTE non manager posts).

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The reduction in capacity across family support services would require a targeting of services at those most at risk of escalating into more expensive forms of care. The reduction to families with lower level needs will be mitigated partly by the new family support services.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation

There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/ST7
Option	Community Services
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.239	0.241	0.000	0.000
Cumulative Savings	0.239	0.480	0.480	0.480
Current Budget £m	3.240			
Current FTE	76.2	Proposed FTE Reduction		11.0

Description of Savings Proposal
Reduce the number of CLD workers across the city by 6 FTE. Reduce the number of Community Access to Schools (CATS) Development workers by 3 FTE and the number of CATS Co-ordinators by 2 FTE.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Impact: Potential that fewer opportunities will be available for people to participate in youth work, adult education, family learning, or community development activity delivered by the Council officers.</p> <p>Mitigation: Develop new partnership arrangements at locality level with a priority for essential provision e.g. Adult Literacy and Numeracy Support, English as a Second Language, Parenting Support, open youth work opportunities based in local settings and support for community groups in terms of developing strengths and capacity to become actively involved in local communities. Developing a new approach to supporting community access to schools with Edinburgh Leisure will create a more efficient service and allow greater use of school facilities out of hours. The proposal to redesign the library service and co-locate services with Community Centres will provide a pool of Lifelong Learning staff to provide a range of services including youth work provision and support.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/ST8
Option	Redesign of Libraries Service
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	1.400	1.400	0.000
Cumulative Savings	0.000	1.400	2.800	2.800
Current Budget £m	8.448			
Current FTE	84.0	Proposed FTE Reduction		TBC

Description of Savings Proposal
There will be a review of library services in line with 21st century requirements. Libraries will have a wider role in the provision of advice and support for local communities. There will be a rationalisation of libraries to meet the needs of local communities. Some libraries will continue to be stand alone, others combined with community centres and some run by local communities. There will be full engagement with local communities about any proposed changes.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Impact: Some buildings currently providing community/lending services may close so the service can be moved to a new location within the community.</p> <p>Mitigation: Potential for greater access to lending services, for example in communities where there is currently no library but there is a community centre where a lending service could be established, resulting in increased access to lending services across the city. Improved links with Adult Literacy and Numeracy Support, English as a Second Language and other community based support services to maximise an outcome-based delivery model.</p> <p>Capital receipts from reduced property costs and property disposals.</p> <p>Staff will work flexibly offering a range of local services including library, advice and community services.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/ST9
Option	Re-design of Advice Services
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.060	0.060	0.000	0.000
Cumulative Savings	0.060	0.120	0.120	0.120
Current Budget £m	18.264			
Current FTE	30.0	Proposed FTE Reduction		3.0

Description of Savings Proposal
<p>The Council provides a wide range of advice services to the citizens of Edinburgh. Examples include welfare rights, debt and housing support. These services are delivered either through direct in house Council services or through commissioned services from external providers. This saving proposal will be delivered through initial efficiencies in the internal Council service in advance of a more fundamental review of all advice services across the Council with a view to delivering a more joined up, cohesive service. There will be a focus on improving and simplifying advice access routes for members of the public - to make sure that those in need of advice can access it in the most efficient and effective way. Further efficiencies identified through the review will emerge through the wider Safer and Stronger Communities review referenced in template CF/ST10.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The wider review of advice services will improve and strengthen the delivery of service outcomes. It should create opportunities for both further rationalisation and a more effective service.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
<p>There is no risk of double count with the Business and Support Services workstream.</p>

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Option Number	CF/ST10
Option	Re-design of Safer and Stronger Communities
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.135	0.610	0.497	0.000
Cumulative Savings	0.135	0.745	1.242	1.242
Current Budget £m	18.264			
Current FTE	531.0	Proposed FTE Reduction		TBC

Description of Savings Proposal
The re-design of Safer and Stronger Communities will be targeted to provide an increased focus on service delivery within localities. It will bring a disparate range of service teams together and will aim to maximise all opportunities to improve the integration of service delivery.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The aim will be to make the best use of resources, prioritise services where they are most needed and create a model of service integration, which will better meet customer needs. The longer term ambition of this redesign is to include relevant services from across the Council and other partners, examples of which include Total Place, Total Craigroyston, Violent Offender Watch, etc.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Option Number	CF/ST11
Option	Re-design of homelessness services
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.300	0.450	0.000	0.000
Cumulative Savings	0.300	0.750	0.750	0.750
Current Budget £m	18.264			
Current FTE	223.0	Proposed FTE Reduction		27.0

Description of Savings Proposal
<p>The proposal is based on a revised structure for accommodation and support services for homeless people. It reduces the frequency of homeless assessment and merges housing support services for vulnerable adults and people living in sheltered housing.</p> <p>Savings come from a reduction in resource for assessment of housing need, by combining the existing teams for homelessness and disability, and bringing together housing support services for vulnerable adults with those for tenants in sheltered housing.</p> <p>The total reduction is 18 management posts and 27 non-management posts. Overall savings are £0.750m, of which £0.423m are Housing Revenue Account and £0.327m to the General Fund. The saving is split over two years to allow for mitigations to be developed to reduce the impact on customers. However, there are significant risks which need to be evaluated including the risk of homeless households staying in Bed and Breakfast accommodation longer while they wait for assessments or support. This could add a significant pressure to the Council General Fund for temporary accommodation.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The proposals may impact on the duration of homelessness for many households, extending the period they spend in temporary accommodation and the consequential need to augment the resource through the use of Bed and Breakfast and other contracted provision.</p> <p>It may be possible to mitigate some of this through better integration with other services in Safer and Stronger Communities to deliver a more coordinated preventative approach, alongside better coordination around critical services for domestic violence and problematic substance use. Services should also be integrated locally with housing services.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Further work is ongoing to assess the risk of double-count

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Option Number	CF/SP1
Option	Youth work delivery
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.250	0.000	0.000	0.000
Cumulative Savings	0.250	0.250	0.250	0.250
Current Budget £m	0.747			
Current FTE	13.7	Proposed FTE Reduction		3.5

Description of Savings Proposal
Reduction in Community Learning and Development (CLD) staff workforce of 3 FTE CLD workers and 0.5 FTE Senior CLD worker and reduction in CLD class tutor budget by £0.105m. There is a non staffing saving included in the above figures of £0.105m.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Impact: Service outcomes could be affected by the reduction in Council youth work service delivery.</p> <p>Mitigation: Council and third sector youth providers would develop a city-wide youth work strategy to provide a context for future youth service delivery. The ability to deliver against key priorities would be monitored to identify any shortfall in capacity.</p> <p>There is a strong link between children who are excluded from school and the increased risk of them becoming looked after. The proposal is to review all existing family and pupil support services delivered directly and commissioned by the Council. This would require a targeting of support at those families most at risk of the child needing to become looked after and /or where the child is at risk of not being supported within school. It would be important to ensure that there is good partnership working between the schools, family and pupil support services and Practice Teams to ensure effective targeting of resources.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation</p> <p>There is a risk that the capacity of the third sector cannot address the gaps created by this reduction.</p>

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/SP2
Option	Community centre staff reduction
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.200	0.000	0.000	0.000
Cumulative Savings	0.200	0.200	0.200	0.200
Current Budget £m	1.898			
Current FTE	60.5	Proposed FTE Reduction		6.4

Description of Savings Proposal
Reduction in Community Learning and Development (CLD) staff supporting community centres. This reduction will be achieved by reducing CLD workforce by 3 FTE CLD Workers and 3.4 FTE clerical. Centres will be identified by agreed criteria that will include levels of support, proximity of buildings to each other, programme type.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Impact: Potential reduced capacity to develop/deliver service outcomes as identified in Integrated Children's Plan and service plans. Mitigation: The proposal to redesign the library service and co-locate services with Community Centres will provide a pool of Lifelong Learning staff to provide a range of services including youth work provision and Community Centre support, providing a more co-ordinated approach.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation There is a risk of double count with the Business and Support Services workstream relating to clerical workers.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/SP3
Option	Re-configuration of the Children and Young People's Review Team
Service Area	Communities & Families
Division	Children's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.100	0.000	0.000	0.000
Cumulative Savings	0.100	0.100	0.100	0.100
Current Budget £m	0.753			
Current FTE	14.6	Proposed FTE Reduction		2.0

Description of Savings Proposal
The Children and Young People's Review Team currently employs 14.62 FTE. The proposal is to re-configure the team to deliver a net reduction of 2 FTE.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The Children and Young People's Review Team (CYPRT) provides independent chairs for Child Protection Case Conferences and Looked After Children's reviews. Independent chairing is a quality assurance mechanism ensuring that there is scrutiny of child's planning and that agencies are undertaking all appropriate actions.</p> <p>CYPRT plays an important role in putting in place reviews and conferences within timescale, allowing us to meet Key Performance Indicators in this area of work. Performance has been consistently high for a number of years.</p> <p>However CYPRT staff are not in a day to day operational role delivering assessment and intervention to children and families.</p> <p>The number and frequency of meetings to be chaired is not optional as these are set by legislation, regulation and/or agreed multi agency procedures. It would be likely that we could reduce activity by reducing the level of detailed recording of meetings currently undertaken by the chair. The main stakeholders affected by this are Children's Practice Teams. The management team has been consulted and has agreed that the proposal is practicable and appropriate.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Children's Services
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Option Number	CF/SP4
Option	Redesign of Music Instructor Service
Service Area	Communities & Families
Division	Schools & Lifelong Learning

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	1.112	0.556	0.000
Cumulative Savings	0.000	1.112	1.668	1.668
Current Budget £m	2.222			
Current FTE	54.8	Proposed FTE Reduction		4.0

Description of Savings Proposal
To review the school music service to explore the potential for it to be self funded, for example through the creation of a social enterprise model. 25% of the budget would be retained to support children in families who do not have the resources to access the new model and consideration would be given to those following SQA courses. A service will be created where the quality of provision will be maintained, however, there will be a contribution for music tuition based on the ability to pay.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There will be full consultation with parents and staff when it becomes appropriate to do so.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Schools & Lifelong Learning
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Option Number	CF/SP5
Option	Re-design in-house housing support services
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.500	0.000	0.000	0.000
Cumulative Savings	0.500	0.500	0.500	0.500
Current Budget £m	2.034			
Current FTE	0	Proposed FTE Reduction		0

Description of Savings Proposal
<p>The proposal is to reshape Neighbourhood Support Services (NSS) to focus on homeless prevention activity and enhanced housing management, and would prioritise the service for customers who are either Council tenants or who are assessed as homeless and require housing support.</p> <p>Housing support to deliver more generic homelessness prevention outcomes will be provided by commissioned services.</p> <p>The re-focus of the Neighbourhood Support Service will allow a General Fund saving of £0.500m per annum as the proportion of funding for the service from the Housing Revenue Account will be increased from 20% to 50% reflecting the focus of work for Council tenants.</p> <p>There is a non staffing saving included in the above figures of £0.500m.</p> <p>Further work is on-going with this proposal in consultation with the Head of Service.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Refocusing the NSS service on Council tenants and people who have been assessed as homeless may result in increased referrals being made to commissioned services for customers from other tenures who may seek a service from NSS through locality based offices; this will include the NSS drop in service as well as housing support case management.</p> <p>Some of the wider NSS activities may require to be reviewed to ensure that adequate hours of housing support are still available for those who need service. Improved integrated working in localities delivered through the Council's transformational change programme should help to mitigate against the impact of this.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Option Number	CF/SR1
Option	Withdraw night noise team service
Service Area	Communities & Families
Division	Safer and Stronger Communities

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.200	0.000	0.000	0.000
Cumulative Savings	0.200	0.200	0.200	0.200
Current Budget £m	0.350			
Current FTE	7.4	Proposed FTE Reduction		7.4

Description of Savings Proposal
The proposal is to withdraw the service currently provided by the night noise team. The service currently operates from 4pm to 4.30am (Thursday to Saturday) and 5.15pm to 4am (Sunday). The service was reduced from a 24/7 service in 2012.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Mitigation action regarding the impact of this proposal would include anti-social behaviour noise calls being directed to Police Scotland, this is the situation Monday to Wednesday under current arrangements. Where the situation is not assessed as requiring a Police response, residents may report to the community safety teams the next day. The current team comprises six permanent FTEs and three temporary part-time staff.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation.
There is no risk of double count with the Business and Support Services workstream.

Accountable Head of Service	Head of Safer and Stronger Communities and Chief Social Work Officer
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Transformation Programme Citizens and Localities workstream - Health and Social Care Proposals

Option Number	Theme	Option	Division	Savings 16/17 £m	Savings 17/18 £m	Total savings
<u>HSC/EFF1</u>	Efficiency	Redesign staffing skills mix in in-house services	All care services	1.000	0.000	1.000
<u>HSC/EFF2</u>	Efficiency	Review of in-house older people's day services	Older People's Services	0.100	0.175	0.275
<u>HSC/EFF3</u>	Efficiency	Realign internal provision with Direct Payment growth	All care services	0.700	0.700	1.400
<u>HSC/EFF4</u>	Efficiency	Reduce the size of in-house home care service by 25% and purchase more care at home	Older People and Disabilities	0.350	1.335	1.685
<u>HSC/EFF5</u>	Efficiency	Management	All services	2.099	1.049	3.148
<u>HSC/EFF6</u>	Efficiency	Third sector savings	Chief Social Work Officer Branch - Contracts Management Team	0.582	TBC	0.582
Total Efficiency				4.831	3.259	8.090
<u>HSC/ST1</u>	Service Transformation	Integrated Strategic Review of Continuing Care, Residential & Nursing Care for Older People	Older People's Services	0.473	1.418	1.890
<u>HSC/ST2</u>	Service Transformation	Establish Local Authority Trading Company or Co-operative for a range of care services	All care services	0.000	1.500	1.500
Total Service Transformation				0.473	2.918	3.390
<u>HSC/SP1</u>	Service Prioritisation	Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs	Disability Services	0.125	0.000	0.125
<u>HSC/SP2</u>	Service Prioritisation	Redesign day services for adults with learning disabilities	Disability Services	0.000	1.000	1.000
Total Service Prioritisation				0.125	1.000	1.125
Health and Social Care Total				5.428	7.177	12.605

Option Number	HSC/EFF1
Option	Redesign staffing skills mix in in-house services
Service Area	Health and Social Care
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	1.000	0.000	0.000	0.000
Cumulative Savings	1.000	1.000	1.000	1.000
Current Budget	15.919			
Current FTE	759.0	Proposed FTE Reduction	11.3	

Description of Savings Proposal
Redesign the staffing structure in the Council's in-house services to reduce costs through changes in skill mix and management structure while maintaining high quality services. These savings will be achieved within learning disability services, and in assessment and care management.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
No direct impact on service users and a reduction in grading for some posts.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Possible double-count with other staffing workstreams - to be clarified in early stage of implementation.

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/EFF2
Option	Review of in-house older people's day services
Service Area	Health and Social Care
Division	Older People's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.100	0.175	0.000	0.000
Cumulative Savings	0.100	0.275	0.275	0.275
Current Budget	1.581			
Current FTE	45.0	Proposed FTE Reduction	TBC	

Description of Savings Proposal
<p>Day services for older people have been undergoing transformational change over the past three years, with greater emphasis on preventative short-term services. The development of "Be Able" has reduced falls and improved independence. The next phase will deliver further savings of £0.100m in 2016/17 partly through a review of the Resource & Development Team which currently facilitates placing older people requiring day support in the homes of paid community carers. In addition, it is proposed to cease providing the Saturday day service at Drumbrae, as this is very underused, and make alternative arrangements for the very small number of people attending. In 2016/17 we will further review the long-term service day services provided by the council alongside the commissioned third sector services, in order to expand the Be Able preventative approach and develop a more specialist focus on complex needs for the in-house service. The savings target for this further review is £0.175m in 2017/18.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Outcomes for service users from the Be Able development are very positive: fewer falls, improved ability to continue living at home independently and in the longer-term preventing admission to hospital or to long term care. At the same time, a tighter focus on the longer-term needs of older people with more complex needs, such as dementia and related challenging behaviours, is also required. The review of the Resource & Development Team may result in the need to transfer around 70 service users to other service providers. Four council staff posts are likely to be affected in 2016/17, with larger numbers potentially affected in 2017/18 to be clarified as the review progresses.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
No double count

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/EFF3
Option	Realign internal provision with Direct Payment growth
Service Area	Health and Social Care
Division	All care services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.700	0.700	0.000	0.000
Cumulative Savings	0.700	1.400	1.400	1.400
Current Budget	TBC			
Current FTE	TBC	Proposed FTE Reduction		TBC

Description of Savings Proposal
<p>More people are choosing to manage their own care through a Direct Payment (DP), rather than have their care services provided or arranged by the Council, with the result that DP numbers are increasing at a faster rate (15% per year) than the overall increase in demand. As more people opt for DPs, the demand for in-house care services will decline, requiring the Council to plan for fewer in-house services. An external review has suggested that the Council should plan to reduce in-house services by 3% per year, reinvesting half of the money saved in additional purchased services at lower unit costs. Excluding older people's day care (see HSC/EFF2), calculations suggest savings of around £0.7m per year, allowing for an uplift in the purchased unit costs from the 2015/16 levels assumed by the review.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Reductions to in-house services will need to be carefully planned in order to reduce the risk of service disruption. There will be no reduction in overall service levels.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>No risk of double counting. [Overlap with HSC/EFF2 (review of in-house older people's day services) has already been taken into account in the savings estimates].</p>

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/EFF4
Option	Reduce the size of in-house home care service by 25% and purchase more care at home
Service Area	Older People and Disabilities
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.350	1.335	TBC	TBC
Cumulative Savings	0.350	1.685	TBC	TBC
Current Budget	17.000			
Current FTE	713.0	Proposed FTE Reduction		178.3

Description of Savings Proposal
<p>The new Care at Home contract from 1 April 2016 is intended to require care providers to meet all demand from neighbourhoods, potentially reducing the differences in case complexity or timing of service between purchased and in-house services, and hence much of the current rationale for the cost differential. The Council could then seek to transfer some in-house home care hours to the private sector and, where possible, redeploy staff to boost the Reablement service, or to vacancies in care homes or other services. The potential saving has been modelled here at 25% of the inhouse home care costs by 2017/18, less the cost of reprovisioning those hours with new care providers under the Care at Home contract.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The savings delivered by this proposal would, with the other savings proposed, help to enable the Council to meet high priority demand for social care arising from the increasing numbers of older people and adults with disabilities. There is a risk that the new Care at Home contract does not deliver the required increase in capacity, and/or results in an increase in the price of purchased care at home. Phasing and turnover will be modelled to maximise continuity of care.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
<p>There is some overlap with ST2 (establish LATC or cooperative).</p>

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/EFF5
Option	Management Savings - Integrated Health and Social Care
Service Area	Health and Social Care
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	2.099	1.049	0.000	0.000
Cumulative Savings	2.099	3.148	3.148	3.148
Current Budget (£m)	12.200			
Current FTE	275.0	Proposed FTE Reduction		66.0

Description of Savings Proposal
For Citizens and Localities, a management savings target of 27% has been applied. The finalised structure to Tier 2 has been agreed and is now operational. The structure for Tier 3 (Senior Manager) is being implemented as a Council-wide organisational review and is expected to be operational by early/mid January. Beneath Tier 3, the future model will be implemented through a series of functional organisational reviews, aligned to Head of Service area. The future organisational management structures will be designed to create a sustainable model that supports and enables the Council and its partners to maximise delivery of priority services within available resources. The future management structures will provide effective leadership of services with clear accountability for delivery of approved savings and budget control. The estimated management savings for Integrated Health and Social Care total £3.148m.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The organisational design will create a structure which integrates health and social care services at the point of delivery. This will serve as a framework to further develop an integrated locality model which will maintain synergies with council and partner organisations. The following principles will underpin the development of the revised management structure: focus on effective front line service delivery; focus on locality working; mitigating the impact on frontline management by maximising savings from senior and middle managers. All proposals will be subject to formal trade union and staff consultation in accordance with the approved organisational review procedure. There will be a need to ensure that changes are implemented carefully to minimise the impact on frontline service delivery.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Not applicable.

Accountable Officer	Chief Officer, Edinburgh Health and Social Care Partnership
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Option Number	HSC/EFF6
Option	Third sector savings
Service Area	Health and Social Care
Division	Chief Social Work Officer Branch - Contracts Management Team

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.582	TBC	TBC	TBC
Cumulative Savings	0.582	0.582	0.582	0.582

Description of Savings Proposal
<p>As part of the third party workstream of the Council's transformation programme, the service area has been assigned an indicative savings target of £0.582m in 2016/17, with a similar incremental level of saving likely to be required in 2017/18. Three potential areas have been identified for the delivery of savings: (i) building on work undertaken in 2015/16, widening uptake of Intensive Housing Management Benefit (IHMB) to focus on individuals with a tenancy agreement with a Registered Social Landlord, thereby reducing the net call on the Council in respect of care and support services provided, (ii) delivering efficiencies through integration of the currently-separate general and health inequality grants programmes and (iii) contract efficiencies through harmonisation of specifications and payment for services for people with disabilities and/or poor mental health and for those affected by a variety of long-term health conditions.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Once specific proposals are identified, the appropriateness of undertaking an Equalities and Rights Impact Assessment will be considered. It is anticipated, however, that the savings will be delivered through contract efficiencies and/or additional income and, as such, not affect service outcomes.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>Although the precise means and areas of delivery remain to be finalised, there is no known overlap with the service-specific prioritisation options.</p>

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/ST1
Option	Integrated Strategic Review of Continuing Care, Residential & Nursing Care for Older People
Service Area	Health and Social Care
Division	Older People's Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.473	1.418	0.000	0.000
Cumulative Savings	0.473	1.890	1.890	1.890
Current Budget	12.100			
Current FTE	588.0	Proposed FTE Reduction		TBC

Description of Savings Proposal
2016/17 savings will be delivered as a result of the full-year effect of changes already made to the Council's in-house care home services to bring down budget overspends. Savings for 2017/18 are targets for a joint strategic review of the future requirements and delivery models for continuing care, residential and nursing care, to be undertaken by the Health and Social Care Integration Board. The review will take into account new Scottish Government guidance on Hospital Based Complex Clinical Care, as well as opportunities for changing the role of residential care linked to other community based health and care services.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Improved outcomes for service users in future. Impacts on current residents and staff will need to be assessed and appropriate mitigations developed. Equally, the impact of any changes to management and delivery models for in-house care homes would need to be assessed, with mitigations for staff and residents.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
No risk of double counting with current Council savings workstreams. This proposal would need to be taken forward by the Integration Authority on a joint basis.

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/ST2
Option	Establish Local Authority Trading Company or Co-operative for a range of care services
Service Area	All care services
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	1.500	TBC	TBC
Cumulative Savings	0.000	1.500	TBC	TBC
Current Budget	TBC			
Current FTE	TBC	Proposed FTE Reduction		TBC

Description of Savings Proposal
Local authority trading companies have been developed in several councils across Scotland for in-house care services, such as home care or residential care. Similar developments have also taken place in England, including some co-operative models, and developing such alternative models in Edinburgh should now be taken forward. Potential services to be delivered through this new structure could include: home care, care homes, day care, disability services, occupational therapy, equipment and telecare. Initial work has started with a visit to Scottish Borders Council and discussions with the Council's transformation team.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
A main risk to savings delivery is the timescale. Experience elsewhere suggests two years of planning and implementation work is required before cost reductions can be fully achieved. Potential impacts on service outcomes would be assessed as part of the scoping work and in any subsequent business case development. Edinburgh is a city of almost full employment with a highly educated workforce: the business case will have to be developed within a realistic understanding of the wage rates within the city, the implications of TUPE and the experience of other councils in Scotland. The proposal will require a robust workforce plan.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
The risk of double-counting depends on which Council services are agreed to be in scope of this project. However, there is some overlap with HSC/ST1 (Integrated Strategic Review of Continuing Care, Residential & Nursing Care for Older People) and HSC/EFF4 (budget shift from internal home care to external care purchasing).

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/SP1
Option	Community Equipment Service to cease providing equipment available from retailers for people with low or moderate level needs
Service Area	Health and Social Care
Division	Disability Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.125	0.000	0.000	0.000
Cumulative Savings	0.125	0.125	0.125	0.125
Current Budget	1.732			
Current FTE	4.0	Proposed FTE Reduction		4.0

Description of Savings Proposal
<p>The proposal is to change the equipment service model to focus on people with substantial and critical needs only, in line with current eligibility criteria. Provision of small easily purchased equipment (e.g. shoe horns and reachers) ceased in February 2015. The next phase of this work is to review the Bathing Assessment Service and the potential role of Social Care Direct in these assessments, so that it is better focussed on people with substantial or critical level needs. (The Bathing Assessment Service received 630 referrals for the period 1 January to 30 April 2015. Of these only 19 were priority "A", equating to "critical/ substantial need" under the Council's eligibility criteria for adult social care). Further work is underway to establish the scale of further Community Equipment Services savings that would result from ceasing to provide equipment that can be purchased by people with lower level needs themselves direct from local retailers and online.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Potential reduction in preventative service for people with lower level needs. Can be offset by signposting people to companies that provide equipment or paid-for help (via adding to information on retailers to <i>Edinburgh Choices</i> website and providing information to people telephoning Social Care Direct), and also by referral to Care and Repair.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
<p>No double count. The level of savings has been adjusted to exclude £0.050m Community Equipment Store savings already agreed for 2016/17 as part of the 2014/18 savings plan.</p>

Accountable Head of Service	Head of Older People and Disability Services
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Option Number	HSC/SP2
Option	Redesign day services for adults with learning disabilities
Service Area	Health and Social Care
Division	Disability Services

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.000	1.000	0.000	0.000
Cumulative Savings	0.000	1.000	1.000	1.000
Current Budget	7.587			
Current FTE	233.0	Proposed FTE Reduction		40.0

Description of Savings Proposal
<p>The proposal is to re-design all learning disability day services funded or provided by the Council so that buildings- or community-based services are prioritised for those in greatest relative need. Adults with “low” or “moderate” needs will be referred to Local Area Co-ordination to help them access social, educational and leisure opportunities in their communities, with advice and support, independence training and skill development, when required. Additionally all service users of internal and commissioned day services would be reviewed individually to establish whether other ways of meeting their needs could be put into place such as would enable an average 20% target reduction in day centre attendance.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The savings delivered by this re-prioritisation proposal would, with the other savings proposed, help to enable the Council to meet high priority demand for social care arising from the increasing numbers of older people and adults with disabilities. While there may be some loss of service for service users currently receiving a five day service, there will also be improvements in independence for service users with lower-level needs. There is a risk that the reduction in service may result in pressures on other Council budgets, e.g. care at home.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
No double count

Accountable Head of Service	Head of Older People and Disability Services
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CITIZENS AND LOCALITIES PROPOSALS - PLACE

Option Number	Theme	Option	Division	TOTAL SAVING				
				Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
PLA/EFF1	Efficiency	Environment Health & Scientific Services	Environment	0.308	0.154	0.000	0.000	0.462
PLA/EFF2	Efficiency	Licensing & Trading Standards	Housing	0.041	0.040	0.000	0.000	0.081
PLA/EFF3	Efficiency	Merge Tram Team with Travel and Transport Team	Transport & Planning	0.100	0.000	0.000	0.000	0.100
PLA/EFF4	Efficiency	Transport Service Review	Transport & Planning	0.550	0.550	0.000	0.000	1.100
PLA/EFF5	Efficiency	Reduce funding to Police Scotland by £0.25m	Community Safety	0.250	0.000	0.000	0.000	0.250
Total Efficiency				1.249	0.744	0.000	0.000	1.993
PLA/ST1	Service Transformation	Create a housing development service	Housing	0.040	0.000	0.000	0.000	0.040
PLA/ST2	Service Transformation	Management savings		2.339	1.170	0.000	0.000	3.509
Total Service Transformation				2.379	1.170	0.000	0.000	3.549
PLA/INC1	Income	15% non management staff reductions - Planning and Building Standards	Transport & Planning	0.696	0.000	0.000	0.000	0.696
PLA/INC2	Income	Increase parking charges by an average of 4.5% per year over four years	Transport & Planning	0.250	1.050	0.800	0.800	2.900
Total Income				0.946	1.050	0.800	0.800	3.596
PLA/SP1	Service Prioritisation	Parks and Green space	Environment	0.221	0.122	0.100	0.000	0.443
PLA/SP2	Service Prioritisation	Task Force	Environment	0.250	0.750	0.250	0.000	1.250
PLA/SP3	Service Prioritisation	Waste Services	Environment	0.500	0.650	0.000	0.000	1.150
PLA/SP4	Service Prioritisation	Withdrawal of School Crossing Patrol Guide service at lunchtime	Transport & Planning	0.078	0.026	0.000	0.000	0.104
Total Service Prioritisation				1.049	1.548	0.350	0.000	2.947
PLA/SR1	Service Reduction	Stop repairs and maintenance of stair lighting service in tenements	Housing	0.750	0.250	0.000	0.000	1.000
Total Service Reduction				0.750	0.250	0.000	0.000	1.000
Place Total				6.373	4.762	1.150	0.800	13.085

Option Number	PLA/EFF1
Option	Environment Health & Scientific Services
Service Area	Place
Division	Environment

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.308	0.154	0.000	0.000
Cumulative Savings	0.308	0.462	0.462	0.462
Current Budget (£m)	4.097			
Current FTE	120	Proposed FTE Reduction		12.5

Description of Savings Proposal
15% of non-income generating, non-management savings from the group of services combined under the heading is £0.462m. This saving target will require the reduction of 12.5 posts.

Potential impact on service outcomes and any mitigating actions proposed. This should
The reduction in staffing has the potential to impact upon the Council's ability to meet statutory obligations. In order to mitigate this risk it is proposed to combine services to achieve further efficiencies and support risk-based prioritisation of work. Phasing of savings will be dependent on implementation of new structures.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget
N/A

Accountable Head of Service	Head of Environment
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Option Number	PLA/EFF2
Option	Licensing & Trading Standards
Service Area	Place
Division	Housing

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.041	0.040	0.000	0.000
Cumulative Savings	0.041	0.081	0.081	0.081
Current Budget (£m)	0.570			
Current FTE	14.83	Proposed FTE Reduction		3.5

Description of Savings Proposal
15% of general fund, non management costs, amounts to £0.081m. It is proposed that this is met through reduction of 3.5 FTE.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Reduction in Licensing & Trading Standard may impact on the ability to deliver full existing range of services and will require prioritisation and closer working with partner agencies. Any residual pressure would also be managed by risk assessment and prioritising objectives for the team.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
No double-count is anticipated.

Accountable Head of Service	Head of Housing and Regulatory Services
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Option Number	PLA/EFF3
Option	Reduction in staff and agency costs
Service Area	Place
Division	Planning and Transport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.100	0.000	0.000	0.000
Cumulative Savings	0.100	0.100	0.100	0.100
Current Budget	0.606			
Current FTE	8	Proposed FTE Reduction		1

Description of Savings Proposal
The proposal is to merge the current tram team into the proposed Public Transport team as part of the Transport Review leading to a reduction in the costs of managing the Council's relationship with Transport for Edinburgh. The proposed saving outlined above includes an element of agency costs that will also be saved.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
None.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams
Not applicable.

Accountable Head of Service	Head of Planning and Transport
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Option Number	PLA/EFF4
Option	Transport Service Review
Service Area	Place
Division	Planning and Transport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.550	0.550	0.000	0.000
Cumulative Savings	0.550	1.100	1.100	1.100
Current Budget	11.02			
Current FTE (All staff)	499	Proposed FTE Reduction		40

Description of Savings Proposal
<p>The transport service review has identified £2.5m (77 FTE) of staff savings, achieved through management delayering, reduced duplication of service and review of processes. Savings have also been achieved by the change from six neighbourhood teams to four locality teams.</p> <p>£1.4m of these savings are currently contributing to Place management savings targets, leaving £1.1m of wider staffing savings.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Without a review of existing arrangements, there is a risk that staff savings of this magnitude may have an impact on the Council's ability to deliver its transport priorities. In order to mitigate this risk, the proposals have been developed through detailed consultation with staff, management, trade unions as well as service users and key stakeholders.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation.

Accountable Head of Service	Head of Planning and Transport
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Option Number	PLA/EFF5
Option	Reduce funding to Police Scotland by £0.25m (NB a further £0.25m is proposed for delivery through the service prioritisation programme)
Service Area	Place
Division	Community Safety

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.250	0.000	0.000	0.000
Cumulative Savings	0.250	0.250	0.250	0.250
Current Budget (£m)	2.600			

Description of Savings Proposal
The Police Scotland Service Level Agreement (SLA) was approved at the Health, Social Care and Housing Committee on 21 April 2015. As part of the Capital Coalition budget it was agreed that the Council would work with Police Scotland to reduce the funding from 2016/17 onwards. This proposal is to reduce the funding to Police Scotland by 10%. There is a further 10% reduction to be delivered through the service prioritisation programme.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The 2015/16 Capital Coalition Budget Motion committed to "Support community policing through the Service Level Agreement with Police Scotland at current levels but in negotiation with the organisation, seek to reduce our financial commitment from 2016/17 onwards."
The reduction will be planned in conjunction with Police Scotland throughout 2015/16 to minimise any impact on continuity of service. This proposal relates solely to the funding for the provision of community police and the flexible response resource of the Divisional Violence Reduction Unit.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is an additional saving of £0.250m to be delivered via the prioritisation programme. The total reduction in grants to Police Scotland will therefore be £0.5m.

Accountable Head of Service	Executive Director of Place
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Option Number	PLA/ST1
Option	Create a housing development service
Service Area	Place
Division	Housing

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.040	0.000	0.000	0.000
Cumulative Savings	0.040	0.040	0.040	0.040
Current Budget (£m)	1.33			
Current FTE	18	Proposed FTE reduction		1

Description of Savings Proposal
<p>Review existing Investment, Affordable Housing, Regeneration and Investment teams to create a single team. Most funding for this function is currently Housing Revenue Account (HRA). However, a small element and National Housing Trust (NHT) - the administration of Affordable Housing Support Programme (AHSP) to housing associations - remains General Fund.</p> <p>This proposal will result in a better co-ordinated house building function.</p>
<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p> <p>This proposal will have a positive impact by reducing risk to the Housing Service development function. It will result in better co-ordinated regeneration projects.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
No double-count is anticipated.

Accountable Head of Service	Head of Housing and Regulatory Services
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Option Number	PLA/ST2
Option	Management Savings - Place
Service Area	Place
Division	All

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	2.339	1.170	0.000	0.000
Cumulative Savings	2.339	3.509	3.509	3.509
Current Budget (£m)	12.031			
Current FTE	246.0	Proposed FTE Reduction		74.5

Description of Savings Proposal
<p>For Citizens and Localities, a management savings target of 27% has been applied. The finalised structure to Tier 2 has been agreed and is now operational. The structure for Tier 3 (Senior Manager) is being implemented as a Council-wide organisational review and is expected to be operational by early/mid January. Beneath Tier 3, the future model will be implemented through a series of functional organisational reviews, aligned to Head of Service area. The future organisational management structures will be designed to create a sustainable model that supports and enables the Council to maximise delivery of priority services within available resources. The future management structures will provide effective leadership of services with clear accountability for delivery of approved savings and budget control.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The proposed management structures will provide a number of improvement opportunities. The proposals for Housing and Regulatory services are in line with the Housing Transformation Programme that was agreed by the Health, Social Care and Housing Committee in September and will bring together regeneration, investment and 21st Century Homes under a single programme manager. The proposals for Planning and Transport will build on the existing Planning and Transport reviews and will seek to maximise opportunities for efficiencies in citywide and strategic functions. The proposals for Environment will result in integrated management across waste and street cleansing service which is intended to deliver more streamlined and consistent services. All organisational review proposals will be subject to scrutiny and challenge by the Corporate Leadership Team. All proposals will be subject to formal trade union and staff consultation in accordance with the Council's organisational review procedure. It is recognised that there may be a need to implement some proposals more slowly to mitigate risk to service delivery.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
Not applicable.

Accountable Officer	Executive Director of Place
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Option Number	PLA/INC1
Option	15% non management staff reductions - Planning and Building Standards
Service Area	Place
Division	Planning and Transport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.696	0.000	0.000	0.000
Cumulative Savings	0.696	0.696	0.696	0.696
Current Budget (£m)	4.640			
Current FTE	125	Proposed FTE Reduction		7

Description of Savings Proposal
<p>15% saving of revised Citizens and Localities (non manager) target is £0.6964m. The proposal is to deliver this saving from a reduction in posts and increased planning income, as a result of increased development activity.</p> <p>This would result in FTE reductions of Planning and Building Standards staff from 125 FTE to 118 FTE (a loss of 7 FTE) and additional income of £0.450m from 2016/17 onwards. These posts would be removed from citywide services, rather than case officers.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The risk is that applying a cut in staffing will result in reduced service capacity. This risk is being partially mitigated by offsetting staff reductions by increased income. The risk of this approach is that income may drop if development activity drops requiring further staff reductions in future.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p> <p>The increased income projection excludes the £0.200m already identified in the 2016/17 budget preparation so it avoids any double counting.</p>

Accountable Head of Service	Head of Planning and Transport
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Option Number	PLA/INC2
Option	Increase parking charges by an average of 4.5% per year over four years
Service Area	Place
Division	Planning and Transport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.250	1.050	0.800	0.800
Cumulative Savings	0.250	1.300	2.100	2.900
Current Budget (£m)	0			
Current FTE	0	Proposed FTE Reduction	0	

Description of Savings Proposal
<p>Manage Pay and Display Parking Charges to reflect demand and usage. This would represent an average increase of circa 4.5% per year over four years. These increases would be in addition to proposal 'Inc9', which was agreed for engagement by Finance and Resources Committee on 25 September 2015. That proposal was to increase parking charges in some zones, generating £1.0 million in 2016/17.</p> <p>It is estimated that this proposal will deliver an additional £2.9m over four years.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
Pricing strategy reflects improved service, increased enforcement and better accessibility for all road users.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation.
None

Accountable Head of Service	Head of Planning and Transport
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Option Number	PLA/SP1
Option	Parks and Green space
Service Area	Place
Division	Environment

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.221	0.122	0.100	0.000
Cumulative Savings	0.221	0.343	0.443	0.443
Current Budget (£m)	2.9			
Current FTE	111	Proposed FTE Reduction		11

Description of Savings Proposal
<p>Reduce non-management employee costs and other costs in the Parks and Green Space Service by £0.443m. This proposal should be viewed in relation to other initiatives within Environment and it may be the case that additional savings may/could be generated within Parks which could be used to offset some of the challenges elsewhere in the Service (e.g. Task Force). This initiative includes:</p> <ol style="list-style-type: none"> 1. A reduction in permanent staff and replacement of these posts with seasonal staff. This will be in conjunction with the Task Force proposed strategy where staff turnover will generate savings in both grading levels and length of contract (8 months). Currently within Parks this could equate to 8 FTE. 2. A reduction in the maintenance specification of parks. If a more relaxed upkeep approach is adopted, then a reduction of 3 FTE and associated equipment savings will be realised. This will be delivered with the aim of maintaining current Green Flag accreditations. 3. Reviewing the operating model for parks workshops and the maintenance of grounds maintenance equipment, with a view to reducing costs. The workshops have a current budget of £0.470m (staffing element £0.370m) and the intention is to review the operating model for all Environment workshops to generate savings within the division. 4. Reviewing the business plan and operating model for Inch Nursery. The nursery has a budget of £0.340m (staffing element £0.300m). This proposal is medium term and could result in sourcing plants and shrubs externally, similarly to most other authorities. Both this suggestion and proposal 3 will require detailed evaluations and as such the net benefits at this stage are not known at this time however it is anticipated these suggestions will offer considerable savings within Environment.
Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The proposal will result in reduced maintenance of parks and green space. It is proposed that significant community engagement is carried out to reduce negative community responses and to identify opportunities for greater community involvement/ management of parks and green spaces.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation.
No double-count is anticipated.

Accountable Head of Service	Head of Environment
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Option Number	PLA/SP2
Option	Task Force
Service Area	Place
Division	Environment

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.250	0.750	0.250	0.000
Cumulative Savings	0.250	1.000	1.250	1.250
Current Budget (£m)	9.7			
Current FTE	416	Proposed FTE Reduction		49

Description of Savings Proposal
<p>The proposal is to merge the Street Cleansing element of Task Force with Waste, and the grounds maintenance element of Task Force with Parks and Greenspace, creating a more efficient and streamlined service. This will reduce non-management costs in Task Force by £1.5m including 49 FTE (of this total, £0.25m will accrue to the Housing Revenue Account, thereby reducing the General Fund saving to £1.25m). Contributions towards this saving could be made through a number of changes but it should also be viewed in conjunction with an overall system redesign including Waste Services and Parks and Green Space with associated staffing consolidations:</p> <ol style="list-style-type: none"> 1. A reduction of full-time grounds maintenance staff accompanied by the recruitment of staff on a seasonal basis. 2. The introduction of a revised shift pattern in street cleansing which will allow for vehicles (predominantly mechanical sweepers) to be double-shifted and better alignment of off-street cleansing staff with waste collection staff that already operates within this shift pattern. 3. Replacing some full-time street cleansing resource with part-time posts where there is no operational requirement for full-time provision. 4. Revisions to grounds maintenance specifications will be made to deliver efficiency savings, particularly relating to the number of grass cuts undertaken each season. This will have the added benefit of increasing the amount of relaxed grassland across the city to support biodiversity, whilst ensuring that recreational areas are maintained to a good standard.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Reduction in grounds maintenance specification/standards and a re-aligning of the level of street cleanliness performance consistent with national targets. There is a risk that resident satisfaction will be adversely affected, however this negative impact will be reduced by the creation of a more responsive service. Also when fully implemented, grounds maintenance staff will most probably not be involved with winter snow clearing tasks due to their revised contracts.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation.
<p>There is a risk of double count with savings proposed for agency and overtime reduction which may inhibit response levels at critical times in the calendar.</p>

Accountable Head of Service	Head of Environment
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Option Number	PLA/SP3
Option	Waste Services
Service Area	Place
Division	Environment

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.500	0.650	0.000	0.000
Cumulative Savings	0.500	1.150	1.150	1.150
Current Budget (£m)	7.5			
Current FTE	319	Proposed FTE Reduction		57

Description of Savings Proposal
<p>As part of the Environment Service redesign, a number of service changes have been identified that would together deliver savings of £1.15m over two years.</p> <ol style="list-style-type: none"> 1. Reviewing the frequency of garden waste (moving to three weekly collections to provide a consistent service during the garden waste collection period) and glass recycling collections (moving to 4 weekly collections to better reflect demand) could deliver savings of £0.375m. 2. Reviewing trade waste services could deliver savings of £0.150m over two years through ending trade waste collection services for non-Council buildings and re-aligning waste collection routes - this would allow the reduction of 24 FTE, but would only achieve the smaller saving element after income targets were rationalised. However, this could be met by the ending of temporary/agency contracts. 3. Provide an alternative out of hours tipping contract for the disposal of waste arisings for night shift street cleansing and waste collection, and remove the back shift staffing element at Powderhall with a saving of £0.070m 4. The cessation of accepting commercial waste at community recycling centres will allow a saving of £0.396m in staffing costs. 5. Procuring a contract for the maintenance and replacement of on-street communal bins - saving of 3FTE at a total of £0.070m. 6. Revise the resource requirement at Powderhall for the maintenance lifting and handling equipment. This will involve the procurement of a maintenance and repair contract and a re-alignment of existing mechanical staff. Saving £0.090m.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The proposed savings have been identified as those that would have the least adverse impact on service outcomes and residents. Currently, fewer than 50% of qualifying properties participate in glass collections on a fortnightly basis. A change in frequency of these collections would not compromise the tonnage collected on this service.

Providing a 3 weekly garden waste collection across the whole year, as opposed to our current 2 weekly (for 8 months) and then 4 weekly (for 4 months) service would result in an improved winter collection schedule. With good efficiencies in the spring/summer months and would still leave a more comprehensive service in place than many other Scottish local authorities.

The cessation of an external trade waste service would allow the Council to focus on the key priority of optimising domestic collections, whilst also continuing to benefit from economies of scale in collecting waste from our own internal buildings. It is felt that the external market is better equipped to provide the level of service that businesses require in the modern market, at equally competitive or even cheaper rates than are currently charged by the Council.

All other savings proposed relate to support functions as opposed to direct service delivery to residents and it is felt that these would not have an adverse impact on service delivery or require a change to service standards.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation.

The Waste Services budget currently has a pressure in excess of £2m however various initiatives are underway to mitigate this for 16/17.

Accountable Head of Service

Head of Environment

Option Number	PLA/SP4
Option	Withdrawal of School Crossing Patrol Guide service at lunchtime
Service Area	Place
Division	Planning and Transport

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.078	0.026	0.000	0.000
Cumulative Savings	0.078	0.104	0.104	0.104
Current Budget	1.052			
Current FTE	60.63	Proposed FTE Reduction		8.33

Description of Savings Proposal
The proposal is to withdraw the School Crossing Patrol Guide (SCPG) service at lunchtime. The service currently provides SCPGs at 75 sites at lunchtime when traffic is less busy and few, if any, pupils go home for lunch (unless under adult supervision). The proposal is to limit the working hours of the guides to the start and end of the school day.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
The provision of the SCPG service is not a statutory requirement but it is proposed that services are not removed immediately. Advanced notification will be given to schools and parents/guardians to ensure that pupils are aware of the new arrangements.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Work streams - consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation
No duplication with transformation programme projects.

Accountable Head of Service	Head of Planning and Transport
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Option Number	PLA/SR1
Option	Stop repairs and maintenance of stair lighting service in tenements
Service Area	Place
Division	Housing

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.750	0.250	0.000	0.000
Cumulative Savings	0.750	1.000	1.000	1.000
Current Budget (£m)	2.100			
Current FTE	8	Proposed FTE reduction		4

<p>Description of Savings Proposal</p> <p>Currently the Council pays for the maintenance and energy supply for tenement stair lighting in approximately 70,000 properties built prior to the 1980s. This costs the Council approximately £2.1m annually. Edinburgh is currently the only local authority in Scotland to provide this service. It is proposed that the Council stops maintaining stairlighting in tenements (except for those where the Council owns property) from 1 July 2016. This will result in a saving of four FTEs, with the remaining staffing costs being met by the Housing Revenue Account, to reflect the fact that the service will only be available to blocks where the HRA has an interest.</p> <p>The savings proposal covers the full costs of the repairs and maintenance service and will generate a full year saving of £1m. It is anticipated that this could be achieved from quarter 2 in 2016/17.</p> <p>The Council will continue to pay energy costs associated with stairlighting.</p>
<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>
<p>Owner occupiers and private landlords may not be aware they are receiving a free service for which others (in new build properties) pay. A communications strategy would be needed to highlight to these owners that the Council is currently managing and investing in this service. It is intended that communications with owners will ensure they have the opportunity to put alternative arrangements in place.</p>
<p>Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including business and support services; third sector; citizens and neighbourhoods; income maximisation</p>
<p>On 30 April 2015, Council approved a proposal to invest in the stair lighting service. The proposal is a one-year pilot to upgrade the current lighting to more energy efficient systems. The capital costs of £2.13m are to be funded from savings in energy and maintenance budgets.</p>

Accountable Head of Service	Head of Housing and Regulatory Services
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CITY STRATEGY AND ECONOMY

Option Number	Theme	Option	Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
<u>CSE/EFF1</u>	Efficiency	Culture service restructure	0.304	0.143	0.000	0.000	0.447
<u>CSE/EFF2</u>	Efficiency	Culture Third Party Spend	0.155	0.155	0.155	0.052	0.517
<u>CSE/EFF3</u>	Efficiency	Economy Service	0.250	0.450	0.000	0.000	0.700
<u>CSE/EFF4</u>	Efficiency	Economy Third Party Spend	0.154	0.154	0.000	0.000	0.308
City Strategy and Economy			0.863	0.902	0.155	0.052	1.972

Option Number	CSE/EFF1
Option	Culture service restructure
Service Area	City Strategy and Economy
Division	Culture

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.304	0.143	0.000	0.000
Cumulative Savings	0.304	0.447	0.447	0.447

Description of Savings Proposal
<p>A proposed new structure has been devised for the Council's Culture service which aims to ensure that we work better together, get the most from our property and resources and continue to deliver quality services across the city. This structure merges key functions to maximise income generation across the cultural estate. It will also ensure that quality programmes are delivered, both directly and through third party cultural organisations we help to fund. This new approach reflects the proposed Culture Plan and addresses many of the ambitions set out in the recent Desire Lines findings by the cultural community. In addition to merging functions across the entire Service (Usher Hall, Assembly Rooms, Church Hill Theatre and the Museums and Galleries service), the pattern of footfall across the Museums and Galleries has been assessed to determine when the public makes use of this free-at-the-point-of-access service (with the exception of temporary exhibitions at the City Art Centre). Using this information we propose to change operating hours to reflect current public demand while reducing from the current 6 and 7 day a week operation to 5 days per week for six venues all year round (namely the City Art Centre, Museum of Childhood, Museum of Edinburgh, People's Story, Queensferry and Writers' Museums.) It is proposed to implement this change following consultation with staff and Trades Unions to achieve the revisions to working patterns. We intend to implement the new hours of operation by October 2016 to enable delivery of the planned saving. Although the total number of open days would fall, the venues would be open at weekends all year round. As Sunday closures are currently the biggest barrier to attendance for the public, this would respond to public demand. It is further proposed to explore alternative governance arrangements for Lauriston Castle and to seek alternative solutions to museum storage in partnership with the National Museums of Scotland (which would facilitate a sale of our current collection centre to provide a capital receipt towards the new storage facility).</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Expenditure on legal fees and relocation of collections and alternative storage provision will be required to implement these proposals. These costs have not yet been quantified, and the market for the proposed alternative use of Lauriston Castle has not been tested. Entry fee to Lauriston Castle and some donations would potentially be lost. Other impact on income targets will be minimised by close monitoring by the Culture Management Team. The alternative governance arrangements for Lauriston Castle and its collection and grounds would be subject to conditions attached to its status as an A-listed Common Good property, and the terms of the Lauriston Castle Trust and the original bequest. This would reduce potential Non Domestic Rate savings for any future Culture Trust model. The full set of changes proposed here would also have a significant impact on the terms and conditions and working patterns of front of house staff across the whole Culture service. Should the financial prospects of the Service improve in future years, the Service would aim to expand the opening hours once more. Footfall may be affected by the adjusted opening hours, however this should be mitigated by the weekend opening hours when residents and visitors may have more free time.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams - consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation	
No risk of double counting.	
Accountable Head of Service	Director of Culture

Option Number	CSE/EFF2
Option	Culture Third Party Spend
Service Area	City Strategy and Economy
Division	Culture

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.155	0.155	0.155	0.052
Cumulative Savings	0.155	0.310	0.465	0.517
Current Budget (£m)	5.210			

Description of Savings Proposal

This proposal has been developed in line with the Council decision to reduce expenditure to third parties by 10% over 3 years from 2015/16 to 2017/18.

Incremental Cultural Grant savings of 3% per annum (£0.155m per annum) have already been advised to the Culture and Sport Committee. A report to Committee Update on the Review of Council Grants to Third Parties 2015/16: Cultural Funded Organisations on 20 October 2015 provided an update on a review of the Council's cultural grants, detailed ongoing health and governance check of funded organisations and provided background on estimated latent demand for cultural funding. The report also reviewed the Council's cultural strategic direction and outlined recommended improvements for cultural funding. These improvements included co-production partnerships between existing funded organisations and Council services with a cultural focus, such as Museums and Galleries and the Usher Hall; developing a new open fund with partners and funded organisations to support emerging performing arts individuals and organisations in the new financial year; and a new recommended approach to future application and assessment processes.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

All new Cultural grant programmes are to be developed, launched and approved in line with the development of the new Cultural Policy and Council Pledges. All current cultural grant organisations were informed in March 2015 of the review of the Cultural Policy and invited to participate in the consultation. These organisations were given one year's notice that a new funding approach will be introduced from April 2016.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation

There is no risk of double counting on this proposal. A separate savings proposals to reduce funding to Festival City Theatres Trust by £0.1m in 2016/17 will be accounted for, in final proposals being developed.

Accountable Head of Service	Director of Culture
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Option Number	CSE/EFF3
Option	Economy Service
Service Area	City Strategy and Economy
Division	Economy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.250	0.450	0.000	0.000
Cumulative Savings	0.250	0.700	0.700	0.700

Description of Savings Proposal
<p>This proposal has been developed to achieve the savings target of £0.700m for the Economy service as set out in transformation programme savings plan. The proposal would align the service activities into four activity areas: Employability and Talent Development; Enterprise and Innovation; Investment; and City Leverage. The reductions in numbers are based on the information supplied by the transformation team as a baseline. Reductions in FTE at each Grade are anticipated.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>There is a risk this proposal will impact on the service area's ability to achieve the three Key Performance Indicators set out in the Economic Strategy 2012-2017. In addition, a number of the positions in scope for this reduction currently attract or have the potential to attract match funding in the future. It is possible that the headcount reduction proposed will impact on programmes which are currently funded from external sources (however the spend to save funded positions have been removed from the scope of this proposal). As any reduction in headcount may impact on the service's ability to maintain service, to attract income and to deliver Economic Development projects, mitigating measures are being developed in order to minimise the risk of headcount reduction impacting on service levels, income generation and delivery of projects. These include a focus on fewer areas of delivery, a search for a wider spectrum of external funding and the pooling of partnership resources. It is also hoped that the City Deal may provide additional investment for economic infrastructure, skills and productivity.</p>

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
<p>consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation</p>
<p>There was a previous saving proposal to reduce the service headcount by three positions. This has been integrated into this proposal therefore there is no risk of double counting.</p>

Accountable Head of Service	Executive Director of City Strategy and Economy
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Option Number	CSE/EFF4
Option	Economy Third Party Spend
Service Area	Economy
Division	City Strategy and Economy

Forecast Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Incremental Savings	0.154	0.154	0.000	0.000
Cumulative Savings	0.154	0.308	0.308	0.308

Description of Savings Proposal
This proposal has been developed in line with the Council decision to reduce expenditure to third parties by 10% over 3 years from 2015/16 to 2017/18. The Economy service will reduce expenditure to third parties by £0.154m per annum in 2016/17 and 2017/18.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
There is a risk this proposal will impact on the service area's ability to achieve the three Key Performance Indicators set out in the Economic Strategy 2012-2017. This proposal will impact on the Council's funding to third parties currently receiving funding from the Economic Development Service however we have been working with partners since the Council decision to minimise the impact on these organisations. In some cases the reductions can be applied at the outset of funding and therefore there is limited impact on the contracted service delivery.

Assessment of Risk of Double-Count with Existing Approved Savings / Other Budget Workstreams
consider risk of double-count with previously approved savings and transformation projects including Business & Support Services; Third Sector; Citizens & Neighbourhoods; Income Maximisation
There is no risk of double counting on this proposal.

Accountable Head of Service	Executive Director of City Strategy and Economy
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Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Treasury Management – Mid Term Report 2015/16

Item number	7.3
Report number	
Executive/routine	
Wards	

Executive summary

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

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

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

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

Treasury Management: Mid Term Report 2015/16

Recommendations

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

Background

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

Main report

3.1 Interest Rate Background

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

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

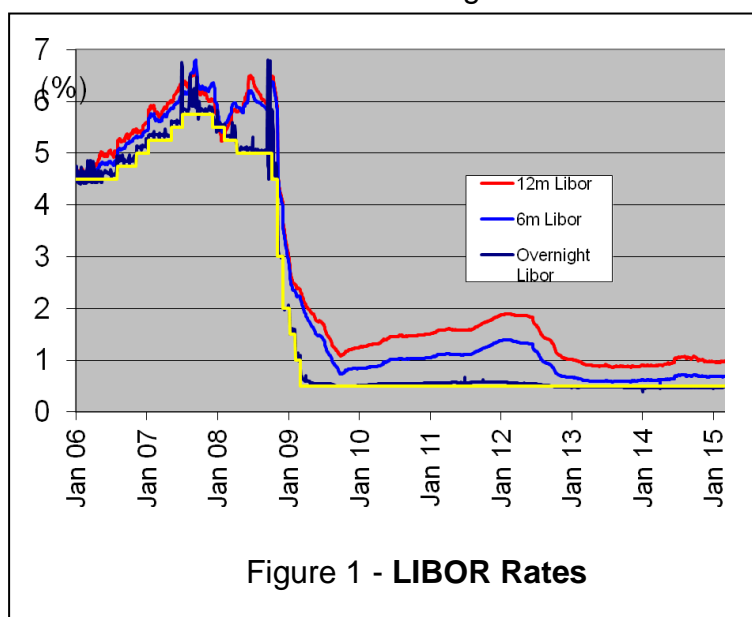


Figure 1 - LIBOR Rates

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

3.2 Interest Rate Forecast

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

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

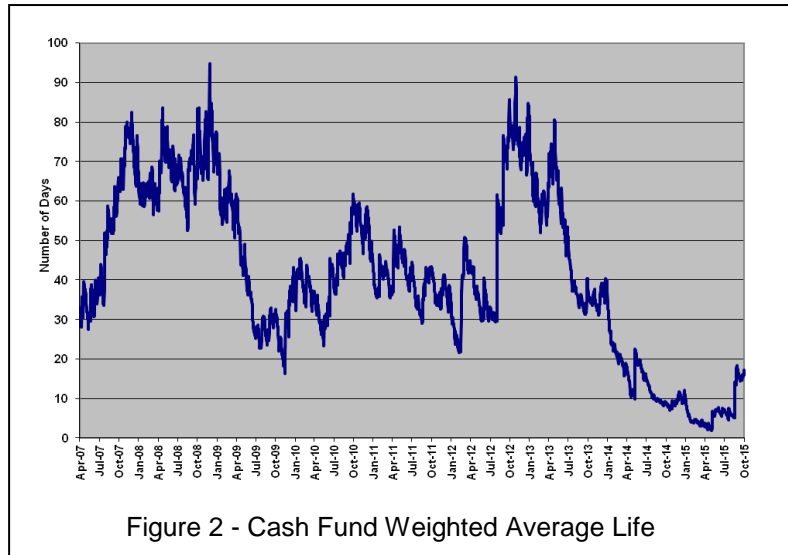
Table 1 – Economists’ Forecasts for UK Bank Rate

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

3.3 Investment Out turn

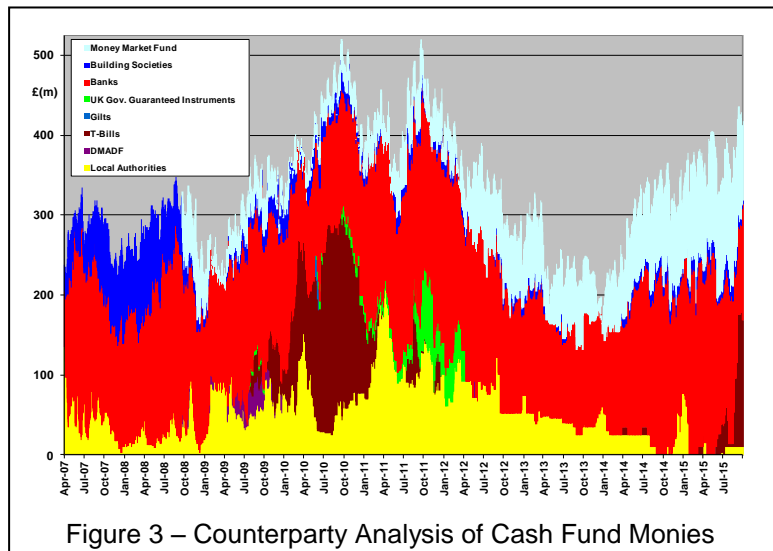
3.3.1 The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks. The Cash Fund’s Investment Strategy continues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

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

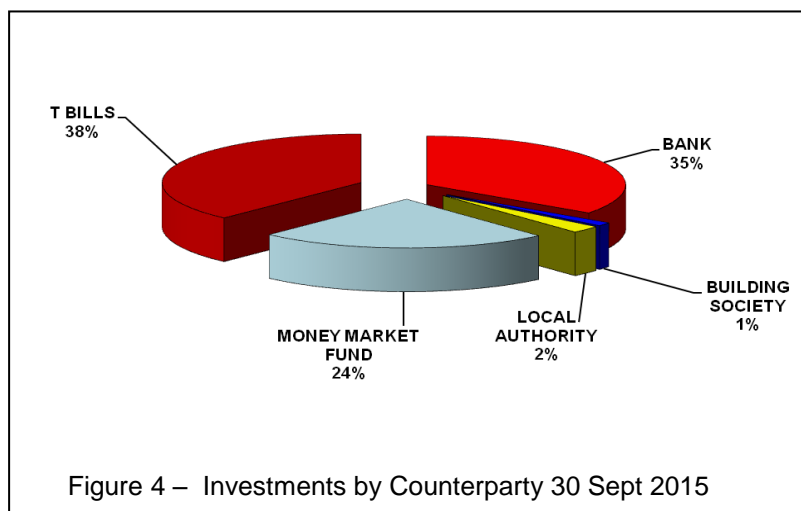


3.3.3 Since the enactment in January of the new ‘Bail-In’ legislation for the resolution of financial institutions, other than the most secure of institutions, deposits with banks have been kept in accounts where the money is immediately available as a way of managing the Council’s counterparty risk.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

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



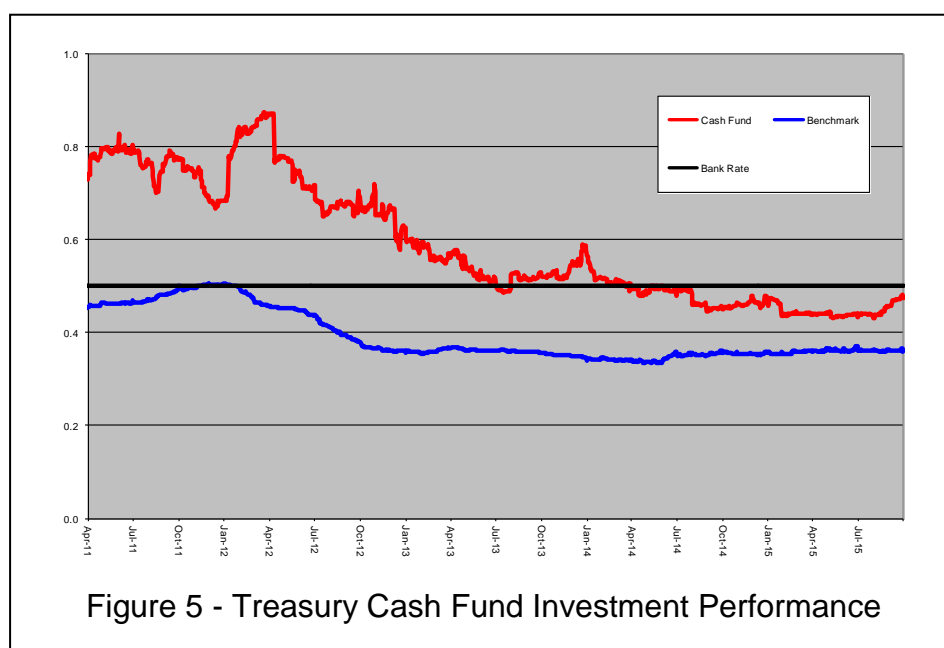
3.3.5 With Local Authorities continuing to lend to each other at low rates of interest the Treasury team continue to find difficulty in striking the balance between high levels of security and achieving an adequate return. The recent increase in yields on offer through Treasury Bill Auction has allowed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



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

3.4 Cash Fund Performance

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



3.5 Debt Management Activity

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

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

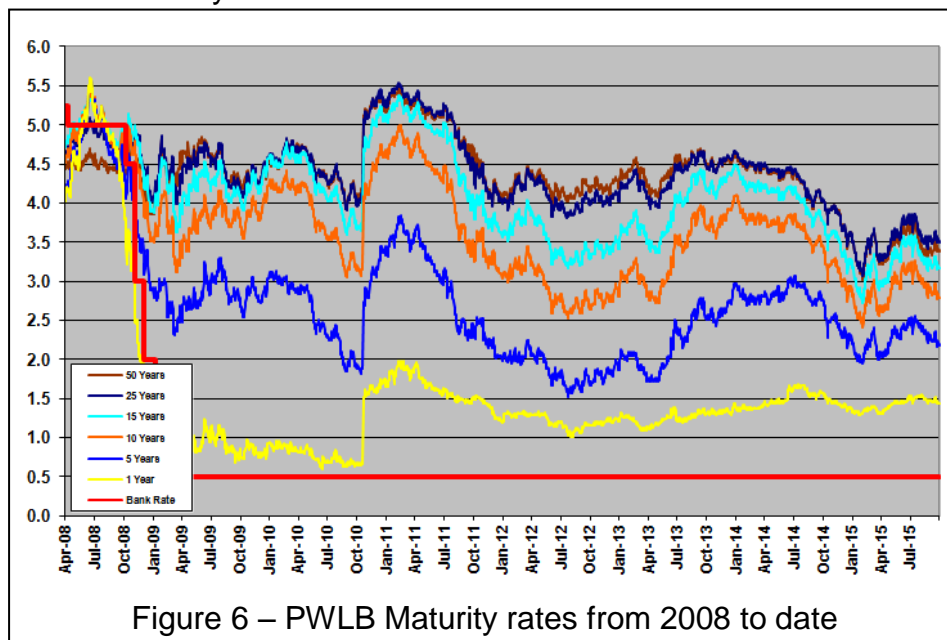


Figure 6 – PWLB Maturity rates from 2008 to date

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

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

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

Measures of success

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

Financial impact

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

Risk, policy, compliance and governance impact

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

Equalities impact

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

Sustainability impact

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

Consultation and engagement

- 9.1 None.

Background reading / external references

None.

Alastair Maclean

Deputy Chief Executive

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Links

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

Appendix 1

Outstanding Debt at 30 September 2015

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

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

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

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

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

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

Appendix 2

Outstanding Deposits at 30 September 2015

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

Call: Call Account (money available same day)

MMF: Money Market Fund (money available same day)

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

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

The £418m on deposit is represented by:

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

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Finance and Resources Committee

10.00am, Thursday 26 November 2015

Governance of Major Projects: progress report

Item number	7.5
Report number	
Executive/routine	
Wards	All

Executive summary

The former Policy and Strategy Committee on 7 August 2012 agreed the role and remit of the Corporate Programme Office, (“CPO”), which was to include the supervision of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council's reputation. This report contains an update of the major projects portfolio and the forthcoming assurance review schedule.

Links

Coalition pledges	P03, P20, P23, P27, P28, P36, P41, P44, P47, P49, P51, P53
Council outcomes	C01, C02, CO25, CO26
Single Outcome Agreement	All

Governance of Major Projects: progress report

Recommendations

- 1.1. It is recommended that Finance and Resources Committee note:
 - 1.1.1 the current synopsis of the dashboard reports for the major projects portfolio set out in appendix 1; and
 - 1.1.2 note the findings from the latest completed assurance reviews contained in section 3.4-3.14.

Background

- 2.1 The former Policy and Strategy Committee agreed the role and remit of the Corporate Programmes Office (“CPO”), which was to include oversight of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council’s reputation.

Main report

CPO Reporting Arrangements

- 3.1. Project Managers of each of the major projects are required to complete dashboard reports for each project. These returns seek to establish how key dimensions of the project are progressing and aim to ensure there is clear visibility of the status of each major project within the Council.
- 3.2. It should be noted that the content and sign off of each dashboard report remains the responsibility of the SRO/Sponsor.
- 3.3. A synopsis of the latest set of dashboard summaries is contained in appendix 1. Full dashboard reports are shared in the [major projects folder](#).

Assurance Reviews

- 3.4. The status of Major Project Assurance Reviews, undertaken since the previous Major Projects progress report, is shown below:

Project/Programme	RAG status	Status
-------------------	------------	--------

Water of Leith Phase 2	Green	Complete
Programme Momentum	Amber-Green	Complete

- 3.5. Key recommendations from health checks and assurance reviews completed during this reporting period are detailed below.
- 3.6. The health check of Water of Leith Flood Prevention Phase 2 produced an overall assessment of Green. The Project demonstrates strong governance and strategic alignment, a clear strategy for, and proactive, stakeholder engagement, and a robust plan for delivery including the completed negotiations with the Scottish Rugby Union (SRU) for temporary and permanent land purchases to enable wider works. The approach to risk management is also strong with the lessons learned from phase one of the flood defence scheme reviewed and actions taken to minimise similar issues arising, for example, the preferred bidder has accepted risk in relation to ground conditions and utilities that caused significant issues and compensation events in the Phase 1 project.
- 3.7. The review found a strong Governance framework. However, there is an outstanding requirement to appoint an NEC Project Manager to manage the Council's interest and to have responsibility for making key decisions.
- 3.8. The project has been resourced mainly by experienced external contractors to work in the Council's interest. It is acknowledged that internal resourcing needs to be secured to undertake a site supervisor role and gain knowledge transfer and experience in managing this type of contract and scheme.
- 3.9. The CPO Assurance Review makes the following recommendations:
- Governance – delegate the majority of decision making responsibility to the NEC Project Manager level. This is a requirement of such a NEC contract which demands quick turnaround of decisions and efficient contract management. Decision making at working group and oversight group should be by exception. The Project Director should seek agreement from the Oversight Group on the degree of delegation to the Project Manager, being mindful that the Project Manager must act in the manner stipulated in the NEC contract.
 - Resource – it will be critical to the success of the project that the NEC Project Manager appointed should be sufficiently experienced in managing this type of contract to ensure the interests of the Council are protected at all times.
- 3.10. Resource – project assurance is important in all projects but as most of the decision making will be made by the NEC Project Manager it will be particularly important in this case. The review recommends a project assurance role is considered. This role would oversee progress and report directly to the Programme Director and Oversight group.

- 3.11. The Shared Repairs Service Project forms part of Programme Momentum, which was set up in June 2014 to take forward the restructuring of the Council's statutory repairs service. The Project will establish a new service by April 2016, with a pilot beginning in September 2015.
- 3.12. The Project demonstrated strong strategic alignment through high levels of senior management and political commitment and engagement, governance and reporting arrangements are well developed, and the project has a clear work-stream structure. Risks are well documented and widely understood among the project team, and the project has access to skilled staff from a variety of backgrounds.
- 3.13. The main areas of concern highlighted include the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team, issues with the recruitment of technical staff, and the need to ensure that Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.
- 3.14. The CPO Assurance Review makes the following recommendations:
- Early clarification of the position of the Shared Repairs Service within the new organisational structure.
 - A review of Board membership to ensure that it remains effective and appropriate for the remainder of the implementation.
 - Update and review of the Business Case to ensure that the newly created service remains viable given recent budget reductions.
 - Ensuring that Elected Members have a full appreciation of the predicted costs of the service and the risks involved, as well as a better understanding of their own role in the assessment process.
 - Re-baseline resource requirements and address gaps in the implementation team.

Current highlights in the major projects portfolio

ICT & Transformation Procurement

- 3.15. The ICT & Transformation Procurement project is closed and CGI were awarded the contract to deliver ICT services to the Council from 1 April 2016. Transition works to the new ICT provider have commenced and a new ICT Transition and Transformation Programme has been mobilised to manage this. This Programme will report into the Major Projects portfolio.
- 3.16. In addition to transition there are a number of transformation activities that need to be delivered as part of this project such as the replacement of the current Oracle Financial and iTrent HR and Payroll systems. It is anticipated replacement of these systems by a fully integrated solution will be complete by late 2016.

Early Years Projects

- 3.17. The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.
- 3.18. As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.

Leith Programme

- 3.19. The project is being progressed in a series of phases to minimise disruption to road users of Leith Walk and the local community. Construction of each phase is delivered via a stand-alone contract, which is awarded shortly before the works for that phase are due to commence. Phases 1 to 3 of the project have been successfully delivered.
- 3.20. A new tram-proofed design for Phase 4 (Pilrig St to McDonald Road) was approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016.
- 3.21. A tram-proofed design concept is currently in development for Phase 5 (McDonald Road to Elm Row), and also for Phase 6 (Elm Row to Picardy Place), including a review of the London Road junction design. Timescales for construction conflict with anticipated timescales for construction of a new transport interchange at Picardy Place as part of the St James Quarter development, and for a possible future tram extension along Leith Walk. Alternative delivery methods for Phase 6 will therefore have to be considered.
- 3.22. The original project timeline had to be revised, due to the requirement to hold a mandatory Public Hearing in September 2014 to consider certain objections that arose from the statutory processes for the section of Leith Walk to the north of Pilrig Street (Phase 2). The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due to project interdependencies with the potential tram extension, and the St James Quarter Development. Due to nature of these interdependencies, charges for professional fees, services and other non-construction costs have increased significantly. Agreement is therefore being reached as how best to manage these charges.
- 3.23. Discussions are ongoing with providers of third party funding, relating to current funding conditions and associated timescales for delivery, and also in achieving tram-proofed designs for Phases 4-6 by incorporating walking and cycling design standards to ensure external funding is retained.

Health and Social Care Integration

- 3.24. All integration authorities and associated delegation must be in place by 1 April 2016. The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August 2015. The Chief Officer post was advertised on 14 August 2015 and an appointment was made in October. An Interim Chief Finance Officer (CFO) for the IJB was appointed on 24 August 2015.
- 3.25. The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September.
- 3.26. Due diligence is currently ongoing to establish the current budget position for both parties ahead of delegation of functions. Any new proposals which emerge from this work will need to be included within the Strategic Plan/Financial Plan and associated implementation/ delivery plan

Kerbside Recycling

- 3.27. Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete (100,000 of 140,000 households). Phase five, to the final 40,000 householders, is scheduled for September. A new sixth phase has been planned to facilitate the removal of red and blue recycling boxes from service, and instead upgrade the on-street recycling provision, though this is made more challenging by the retention of a box service within the 'modernising waste' area (predominantly the New Town). The project is now under extreme pressure to deliver the various workstreams by 1 December.
- 3.28. Palm Recycling are managing the service transition period (September 2014 – November 2015) from the existing to the new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees have been undertaken.

Fleet Review

- 3.29. Delivery of £1.3m in savings attributed to the programme is at risk of falling £400,000 short due to late procurement of vehicles. The delays have been due to officers ensuring that procurement decisions are being informed by more recent developments in the Transformation Programme, and a wish to avoid committing to expenditure where structural re-design may mean that vehicles are no longer required. Work is ongoing to mitigate the deficit. The mitigation is proving to be successful, as the Fleet Services budget is forecast to break even for the 2015/16 financial year. An Assurance Review health-check is currently scheduled for late October.

Additional Consultancy Support

- 3.30. The CPO also provides consultancy and project development support as required. Terms of reference for the work including scope, timescales and any charges are agreed with sponsors in advance.
- 3.31. The CPO is providing project and consultancy support in the following areas:
- development and management of the Transformation programme;
 - resource to deliver the Connected Capital programme;
 - project management support for the establishment of a new Enforcement Service and, legacy closure aspects of Programme Momentum (previously Property Conservation / Shared Repairs);
 - project management support for the Health and Social Care projects of Community Justice, and Care at Home;
 - specific resource to Organisational Development, Commercial Excellence programmes and Business Intelligence; and
 - support for the ICT Transition project
- 3.32 The staffing compliment in the CPO has reduced significantly in recent months, meaning it is difficult to provide direct support to new projects although advice and guidance is readily available. It is anticipated that once the new arrangements for Business Support are in place this will improve capacity for project support and assurance.

Measures of success

- 4.1 A successful project delivers its output(s) on time, on or under budget and to quality standards agreed with its stakeholders. The new reporting arrangements introduced by the CPO seek to ensure transparent and consistent reporting across all major projects by analysing key milestones, benefits, financials, risk and governance processes.

Financial impact

- 5.1 There are no financial implications directly arising from this report. The financial impacts of major projects will also be reported through the revenue and capital monitoring process.

Risk, policy, compliance and governance impact

- 6.1 The process of reporting and senior management oversight of risk within the project portfolio serves to strengthen the control environment and where appropriate prompt mitigating action.

Equalities impact

- 7.1 Equalities impact assessments are carried out within individual major projects and addressed in separate reports to Council or committee. In addition CPO has launched an engagement programme, and established a Programme, Project and Change Management Community within the Council to promote best practice.

Sustainability impact

- 8.1 Each project within the major projects portfolio is responsible for undertaking its own sustainability impact assessment.

Consultation and engagement

- 9.1 Consultation and engagement is carried out within individual projects and is addressed in separate reports to Council or committee.

Background reading / external references

[Governance of Major Projects](#) – Finance and Resource Committee, 27 August 2015

[Governance of Major Projects](#) – Governance, Risk and Best Value Committee, 21 May 2015

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Coalition pledges

- P03** - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools
- P20** - Work with the Scottish Government to deliver a larger return of business rate receipts as part of the Business Rates Incentivisation Scheme (BRIS)
- P23** - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties
- P27** - Seek to work in full partnership with Council staff and their representatives
- 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
- P36** - Develop improved partnership working across the Capital and with the voluntary sector to build on the "Total Craigroyston" model
- P41** - Take firm action to resolve issues surrounding the Council's property services
- P44** - Prioritise keeping our streets clean and attractive
- P47** - Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs
- P49** - Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill
- P51** - Investigate the possible introduction of low emission zones
- P53** - Encourage the development of Community Energy Co-operatives

Council outcomes

- C01** - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.
- C02** - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.
- CO25** – The Council has efficient and effective services that deliver on its objectives.
- CO26** – The Council engages with its stakeholders and works in partnership to improve services and deliver on agreed objectives

Single Outcome Agreement

All

Appendices

Appendix 1 - Overview of CPO major projects portfolio – October 2014

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP2	Connected Capital	<p>BDUK funding has been allocated to a number of projects within this programme including;</p> <ul style="list-style-type: none"> - Voucher scheme – to assist with broadband connectivity charges for SMEs. It has been agreed that the Council will administer the extension of the voucher scheme on behalf of the Lothians, Fife, Scottish Borders, Glasgow, Stirling, Dundee, and Inverness through to 31 March 2016. £1.25m has been awarded to 1,140 businesses across Scotland (£435,000 has gone to 515 businesses in Edinburgh, Lothians, Fife and Borders). - Public Building WiFi – 56 of 70 buildings are now live (with 5 operating under throttled capacity). Delays on the remaining buildings are being experienced due to BT Open Reach. The final go live dates of some sites are being estimated as December 2015. - Wireless Concession – Contract discussions with the preferred bidder are now progressing towards finalisation and options for a way forward are being addressed. Detailed design now completed. - Transport WiFi – WiFi deployment across the Edinburgh Tram and Lothian Buses fleet was completed in Dec 2014. These services now also benefit from the delivery of a content management solution (CMS) to enhance the user experience further. The CMS provides infotainment channels to passengers using the on board WiFi. 	<p>Overall Programme delivery deadline of March 2015 has now been revised. Some flexibility has been agreed with BDUK that will allow funding availability for wireless concession to be available up to September 2015.</p> <p>There is a dependency on BT Openreach to deliver components of the Public Buildings WiFi and a risk that slippage may occur as a result.</p>	Spend within budget.	<p>Assurance Review completed with focus being on the Wireless Concession project and found that good project management techniques had been employed in delivery of the project to date.</p> <p>Transport Wi-Fi – Let's Join Content Management System has now been implemented (Sept). There has been impressive usage with a four fold increase in user sessions.</p>	<p>Faster and better broadband connections to SMEs via a voucher scheme contributing towards costs of connection.</p> <p>Wireless coverage in some public places, public buildings and across the Lothian Bus and Edinburgh Trams fleet.</p>	<p>Risk: Amber</p> <p>BT Openreach delivering to the schedule agreed for enabling outstanding Public Building WiFi,</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP8	James Gillespie's Campus	The teaching block is complete and occupied by the school. Construction of the performance and sports blocks is progressing well with the steel erection, concrete to floor slabs, drainage and retaining walls all being undertaken in this reporting period. Bruntsfield House summer 2015 works were completed within programme.	Phase 1 (teaching block) and Secondary School decant complete. Phase 2 (performance and Sports blocks) completion scheduled for August 2016 - on programme.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	Teaching block visits from interested parties have been accommodated with positive comments received.		Risk : Green
MP10	National Housing Trust	NHT Phase 1 - 422 new affordable homes complete and tenanted – This project is now closed and housing management taking forward as 'business as usual'. Phase 2: The Council has entered into contracts with FP Newhaven Two Ltd. Construction started in Nov 2014. 96 homes will be completed over 6 phases with completion scheduled for Dec 2016. Phase 3. The Council will now enter into a contract to establish four new limited liability partnerships with developers and Scottish Futures Trust to deliver up to 413 affordable homes. The first contract signing for 80 homes at Fruitmarket, Chesser was due to start on site late August 2015. Contract signing is now scheduled for September and October 2015 respectively for FP Newhaven Two, and Shrubhill (planning application approved 17 June 2015). Contract review, involving legal advisors, is being undertaken in the interim.	On time.	The City of Edinburgh Council on 12 Feb 2015 approved borrowing for phase 3 of up to £54. 998m. Forecast to complete within budget.	November 2014 Assurance Review completed with status of Green.	Provision of affordable housing. Neighbourhood regeneration and creation of jobs and training opportunities.	Risk: Green
MP11	21st Century Homes	Gracemount: development complete and all properties let.	Programme progress within target timescale.	Within budget	Greendykes was a runner up at the Homes for Scotland	Community Benefits	Risk: Green

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>Greendykes C: development complete and all properties let. West Pilton Crescent: development complete and all properties let.</p> <p>Final homes handed over on 20 October 2014. All properties have been let.</p> <p>Pennywell: works started on phase 1 (108 Council and 85 Private homes) on 23 June 2014. Handover of the first Council homes anticipated end August 2015. Delivery progressing well. As of 20 August 19 owners moved into homes for sale.</p> <p>North Sighthill: Design work instructed to enable an Approval of Matters specified by conditions (AMC) application to be submitted to planning in summer 2015. OJEU notice placed on 30 March 2015 and PQQs were invited and evaluated. Tenders will be invited based on AMC approval at the October 2015 F&R Committee.</p> <p>Leith Fort: Tenders approved at F & R in June and contract has been awarded following a standstill period. Site start anticipated to commence by late 2015.</p> <p>Small Sites Project: 7 additional sites, tenure mix and energy strategy are to be reported to the Political Sounding Board in September. A delivery plan is being developed with the Council's procurement team.</p>	<p>Only minor change in the period is the awaited approval of matters specified in conditions for North Sighthill, as the consultation period was extended on behalf of the community.</p>		<p>awards in the Best Partnership in Affordable Housing Delivery category.</p> <p>West Pilton Crescent won Saltire Awards for Multiple Housing Development, and Landscape in Housing.</p>	<p>including employment and training opportunities.</p> <p>Increasing affordable housing supply across the city.</p> <p>Providing support to the economy and construction industry.</p>	

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP12	New Boroughmuir High School	<p>The contractor has reported that they are currently on schedule to deliver in accordance with the revised programme which was amended due to delays with piling foundation operations (as previously reported). Progress is monitored weekly through a review of the programme and at monthly Principal's meetings.</p> <p>The concrete stair cores to the north (Dundee Street end) of the building are now complete. The contractor continues to progress with the ground floor slab in a southward direction (towpath end).</p>	Due to the significant slippage experienced, the revised completion date is 23 September 2016, with the move to the new school anticipated during the October 2016 break.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	The park is nearing completion for handover which will be several months earlier than contract completion date.		<p>Risk: Green</p> <p>Building stage warrants received since the previous reporting period.</p>
MP13	New Portobello High School	<p>Balfour Beatty (BB) have continued with steady progress on the fabric and structure of the building however the M&E services installation has not progressed as positively. Whilst no concerns were raised by BB when change orders were previously instructed, it appears that BB is experiencing some difficulty with the M&E installation programme and the extent of this is currently being assessed with BB and the project team working to resolve any issues.</p> <p>The critical objectives for the project are that the new school is complete and opened for the start of the 2016/17 school year and that the existing school is vacated before the summer 2016 holiday to allow the demolition to be progressed in advance of the construction of the new St John's RC Primary School starting.</p>	The current contract completion date, taking into account the approved extension of time, is 10 June 2016; a change of one day from the previously intimated date due to there being a public holiday during the period of extension.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	<p>BB have a communications structure in place to deal with client, and public, matters. They are proactively engaging with neighbours in response to queries. BB also issue progress newsletters to update/inform local residents and continue to work with, the school in terms of engagement and opportunities, Edinburgh Leisure regarding the Golf Course and, Services For Communities regarding park maintenance.</p> <p>Currently the likely BREEAM score is above that required to secure Very Good. The</p>		<p>Risk: Green</p> <p>Status remains green in the interim period pending the outcome of the contract slippage review, linked to the M&E installation programme.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		A 'Decant' working group has been established to plan and manage the overlap and interfaces between the delivery of the new school and existing school closure.			BREEAM advisor (AECOM) and cost consultants (G&T) are compiling a schedule of options/costs to determine if it would be possible for the project to achieve Excellent.		
MP29	Water of Leith, Flood Prevention Scheme Phase 2	Procurement of the Water of Leith FPS Phase 2 is nearing completion and a preferred bidder has been identified following the quality and price evaluation. It is expected that the contract will be awarded in November 2015, subject to F&R Committee approval on 29 October 2015. The expected start date of the contract is 7 December 2015. Arrangements are in hand for the advance utility works contracts and the SGN gas main diversion works commenced on 14 September 2015.	Programme progress is within target timescales. The target date for award of the main works contract of November 2015 remains unchanged. Programmes from the three tenderers have been received/reviewed.	The lowest tender with an acceptable quality submission is within the budget cost.	Assurance Reviews have been included in the programme plan at scheme definition (Sept 2014) and prior to award of contract (Nov 2015), with the recent pre-contact award review finding that the overall project status is Green - delivery highly likely. Ongoing stakeholder engagement activities have raised no significant issues.	Protect 492 residential & commercial properties. Reduce dependency on temporary flood defences. Provide enhanced access to the riverside. Improve quality of life for residents affected by flooding.	Risk: Green Progress in the period in the risk areas of tendering, contract, and utility diversions. An interim PM is in place and a construction PM is being progressed.
MP22	Zero Waste: Edinburgh and Midlothian	Food waste project - discussions are ongoing with the contractor (Alauna Renewable Energy - ARE) with a view to the Partner Councils providing food waste for the commissioning period expected to commence Oct 2015. Provision of access road, bridge and utilities	The food waste transition project remains confident that service commencement date of 31 Dec 2015 will be met and that the other dependencies, e.g. access	Current forecast indicates project will come in or below budget. However the capital budget is still under some pressure as construction	An assurance review undertaken in December 2014 assessed the programme as Amber- Green (delivery probable). Further Assurance Review currently being scheduled.	Benefits Realisation Plan remains under construction	Risk: Green Planning risks are of a low likelihood but carry very severe impacts should they

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>directly by the Councils remains within programme tolerances (despite Borders Railway construction issues).</p> <p>Provision of electricity and communications services although delayed beyond the contractual delivery date of 31 May 2015 are now complete, with it understood that ARE absorbed the delay without loss.</p> <p>The contractual deadline for delivery of potable water was met. Water pipe laying work completion expected in August.</p> <p>Residual waste project - FCC Medio Ambiente SA (FCC), the preferred bidder, lodged a planning application with Midlothian Council (March 2015), which was not to be determined until August 2015. The final tender price is held until October 2015, but the project team is now reviewing the target date for financial close to take account of Judicial Review Risk.</p>	<p>road, utilities and bridge work remain within the programme tolerances.</p> <p>The residual waste project remains within target timescales.</p>	<p>progresses particularly due to a £300K compensation claim by Scottish Water Horizons which is being vigorously challenged.</p> <p>As previously highlighted, by entering into the residual waste treatment contract the Council will be liable for legacy payments of ~£10.3M under the existing landfill contract until 2020.</p> <p>Work is ongoing to mitigate the financial impact.</p>			<p>materialise.</p> <p>Substantial mitigation strategies agreed by the Project Board are in place.</p>
MP24	Leith Programme	<p>Phase 1 -3 Construction Work completed.</p> <p>Phase 4 (Leith Walk – Pilrig Street to McDonald Road). New “tram proofed” design, approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016.</p> <p>Phase 5 (McDonald Road to Elm Row) Tram proofed design concept likely to also be applied to Phase 5. Design in development.</p>	<p>The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due</p>	<p>Budget provision for professional fees, services and other non-construction costs has been reviewed due to the high interdependency between the Leith Programme, a possible future tram extension, and the St</p>	<p>“Tram proofed” designs for Phases 4-6 work ongoing to achieve standards required to retain third party funding by involving representatives of external funding providers.</p>	<p>Increase in cyclists using Leith Walk.</p> <p>Improved cycle pedestrian & businesses env.</p> <p>Increased levels of satisfaction within the local</p>	<p>Risk: Amber</p> <p>Due to possible unfunded component and slippage to plan outwith tolerances.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Phase 6 (Elm Row to Picardy Place) Concept design under development, including review of London Road junction design. Timescale for construction conflicts with anticipated timescale for construction of a new transport interchange at Picardy Place as part of Edinburgh St James development proposal and for a possible future tram extension along Leith Walk. Alternative delivery methods for this Phase will therefore have to be considered.	to interdependencies with a possible future tram extension on Leith Walk, and the St James Quarter redevelopment. Discussions ongoing with providers of third party funding on current funding conditions relating to timescales for delivery.	James development proposal. Options for addressing for containing these costs are reviewed by the Project Board on an on-going basis and the situation continues to be managed.		Community. Fewer claims/complaints-trips & potholes. Enforcement of parking/loading restrictions.	
MP25	Forth Replacement Crossing	Construction of the U221 road now complete. Widening of Society Road complete. Non destructive testing to be carried out, with an anticipated completion of August 2015. Realignment of the A904 now complete and open to traffic. Installation of new traffic signals for new roundabout is complete. Soft landscaping works continue. B800 bridge construction works complete. The demolition programme for the existing bridge deck is currently being discussed through the Traffic Management Working Group (Transport Scotland & CEC). Proposed demolition over a weekend at end September/early October, requiring a full closure of the A90 (Saturday lunch until Monday am). Detailed programme still to be agreed.	As Transport Scotland (TS) is the lead agency, CEC has no influence on delivery timescales. However the project continues to be on time and under budget with a forecasted completion of Autumn 2016.	As TS is the lead agency no budget information reported.	TS and CEC have not agreed the official inspection and handover process. Work in progress with Transport Scotland to define adoption extents, clarify handover, and quality assurance processes. Establishment of a Memorandum of Understanding underway with TS.	Enhance transportation links locally and nationally.	Risk: Amber
MP28	H&SC Integration	The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August	All integration authorities and associated delegation must be in	In May 2014, the Scottish Government	The IJB has requested information on establishing an Audit and Risk Committee.	High level benefits	Risk: Amber Pending new

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>2015. The Chief Officer post was advertised on 14 August 2015 and Interviews are to be held on 5 and 6 October 2015. An Interim Chief Finance Officer (CFO) for the EIJB was appointed on 24 August 2015.</p> <p>The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September.</p> <p>The draft Performance Framework, and the draft Risk Framework were two from a series of reports approved by the EIJB on 17 July 15. Discussion is ongoing to consider interim and long term performance management arrangements.</p>	<p>place by 1 April 2016.</p> <p>This is the date that the Scottish Ministers intend to prescribe as the date by which all functions must be delegated to NHS Lothian and the Council. All the integration arrangements as set out in the Act, Orders and Regulations, must be in place and responsibility for the functions delegated.</p>	<p>allocated £615,000 transition funding to the Edinburgh City Partnership. This funding was for 2014/15.</p> <p>Due diligence has commenced involving Internal Audit, with financial assurance undertaken for CEC, NHS Lothian and the new Integrated Joint Board. Reporting due in September.</p>	<p>The June 2015 CPO Health Check provided H&SC with an Amber Green status, with recommendations highlighting, for example, the need to update the Business Case at all key stages i.e. prior to the formation of the IJB, when revising the Strategic Plan, and again prior to the delegation of functions.</p>	<p>identified through options analysis work and business case.</p> <p>Detailed benefits to be developed in line with the statutory strategic plan, baseline performance framework, national outcomes and SQAs, and service workstreams.</p>	<p>appointments interim cover arrangements leave a risk of discontinuity of approach.</p> <p>The status of some of the top risks have improved since the last reporting period, notably the appointment of an Interim CFO, and set-aside fund progress.</p>
MP30	Recycling Service Project	<p>Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete, i.e. 100K out of 140K households. Phase four routes have bedded in with no major issues.</p> <p>A sixth phase is presently being planned to facilitate the removal of red and blue recycling boxes from service, though this service must be retained within the 'modernising waste' area (predominantly the New Town -outside scope of original project). Palm Recycling will manage the transition period (September 2014 – November 2015) from the existing to the</p>	<p>Phases 1-4 complete. Phase 5 in September 2015 to 40K households.</p> <p>The aim of phase 6 is to upgrade the street recycling provision to replicate the kerbside collection service, so as enabling the removal of the red/blue box service.</p> <p>Extreme pressure to</p>	<p>The Recycling Redesign cost centre is currently in line with the budget at the end of July, though there are emerging risks that may put pressure on the waste collection budget; such as the provision of the new recycling service to 25,000 Edinburgh tenements that</p>	<p>Prior to the introduction of the new service landfill kg per household per week was 6.5kg, whilst it is now averaging close to 5kg.</p>	<p>Review of project benefits, via a Benefits realisation workshop on 18 August 2015.</p>	<p>Risk: Amber</p> <p>Due to risks arising as a result of the project trying to address by 1 December 2015 the out-of-scope areas of box removal to 25, 000 households,</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees were held during the reporting period.	deliver these two workstreams by 30 November, whilst simultaneously rolling out Phase 5 to 40,000 householders.	currently have access to the current recycling service. Remodelling of budget required to reflect additional resources required for additional servicing of Route 17, and 'modernising waste' area, as additional vehicles /staff may be required to provide these services resulting in additional costs.			and the modernising waste area. Changes affect circa 39, 000 householders across the city in some of especially challenging areas.
MP31	Fleet Review	<p>The project team has been working with Ernst & Young (EY) to ensure alignment with the Council Transformation Programme. EY will be working with the service to determine all initiatives that have been carried out to date and quantify the savings achieved.</p> <p>Car and van procurement is complete with the first tranche, around 60% of the vehicles, delivered. Order placed for 17 replacement refuse collection vehicles, with 15 of the vehicles to be delivered prior to October/November 2015.</p> <p>Food Waste vehicles approved by Procurement board, with specification and procurement plan being developed.</p> <p>Fleet Management restructuring completed in</p>	<p>Car and Van delivery completion moved back from June to November, in-part due to slow uptake by user departments, and selection of wrong options by user departments.</p> <p>Introduction of a new procurement panel will potentially cause further delays in the renewal process which could impact upon the ability to achieve targeted yearly savings.</p>	Capital Budget on target.	<p>An Assurance Review health-check is currently scheduled for late October.</p> <p>In order to mitigate the risk to service provision associated with delays to the procurement of welfare vehicles, a process is proposed to prioritise vehicles for servicing/maintenance, with consideration also given to hiring vehicles in the interim.</p>	<p>Delivery of £1.3M benefits likely to be £400k short due to late procurement of cars and vans. Work ongoing to mitigate the deficit.</p> <p>Reduction in number of vehicles and carbon footprint.</p> <p>Improved</p>	<p>Risk: Red</p> <p>Procurement delays risk ability to achieve savings target</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		the reporting period, though a key issue is the loss of the Programme Manager at a critical point.				service delivery from more reliable fleet with manufacturer's warranty of four and five years.	
MP32	Programme Momentum (previously Property Conservation / Shared Repairs)	<p>Programme Momentum has completed 14 months and is currently on schedule and key risks and issues are being managed via the Programme Board. The settlement process is progressing well and is on target to finish in the autumn. Good progress is being made with debt recovery under the extended Morton Fraser contract. The legal workstream continues to escalate as more debt recovery cases are pursued by the Council. Preparations are underway for the new service pilot which commences on 1 September 2015. Customer enquiries and FOI requests are also increasing.</p> <p>Focus continues on preparation for the Pilot phase: procedure manuals in final draft, training for customer contact, intervention, enforcement and financial services.</p> <p>The draft Governance, Policy and Performance framework was noted by the Programme Board on 10 August.</p>	Programme is currently progressing to schedule.	<p>Budget provision is a key risk following the saving of £0.5m requested for 2016/17.</p> <p>Recruitment and ICT profiles changed to suit the new reduced budget. Updated costed business plan to be prepared for presentation to the Programme Board in October.</p>	A recent Assurance Review gave Programme Momentum an Amber-Green status: delivery probable. Main areas of concern centred on the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team and resulting gaps in resource, issues with recruitment of technical staff, and the need to ensure Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.	<p>Reduce outstanding debt and billing of completed work.</p> <p>Resolve all complex and deferred complaints.</p>	<p>Risk: Amber</p> <p>Reputational and ability to realise full debt.</p>
MP33	Edinburgh St James	The Compulsory Purchase Order (CPO) inquiry is to run from 24 September to 1 October, which is later than the Developer (TIAA	The over-run of the CPO inquiry has had a knock on effect to the	Contractual arrangements have been structured to	Key dependencies are now partly owned by a representative from the	Redevelopment of an area at east end of	<p>Risk: Amber/Red</p> <p>Although the</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>Henderson) had programmed. Work is underway by the Developer to assess the overall impact to the programme.</p> <p>The Growth Accelerator Model (GAM) Agreement is between the Scottish Government and the Council, and separately between the Council and TIAA Henderson.</p> <p>The SG Agreement, based on the December 2014 draft/revised Heads of Terms, is progressing well. This Agreement's final and full terms are targeted to be complete by 16 October 2015 and will be reported to full Council on 19 November, seeking authorisation to commit to the Agreement.</p> <p>The report will also incorporate the outcomes from a close-out meeting involving Scottish Futures Trust and the Scottish Government on 29 September 2015 to conclude governance, reporting, programme and control procedures over the life of the GAM. This same report will also provide an update on the satisfactory progress with the TIAA Henderson agreement.</p>	commencement of works on site, with reports delaying the start to February 2016.	<p>minimise financial risk to CEC.</p> <p>Council costs are being invoiced and paid for by the Developer.</p>	dependent projects i.e. the Leith Programme, and the potential Tram Extension	Princes Street creating 42,500m2 of high-quality retail space, deliver 2,300m2 of grade A office space, a 210-bedroom five-star hotel, a 152-bedroom four-star hotel, a 55-bedroom apart-hotel, a theatre, restaurants and 138 residential units.	Council has fulfilled its responsibilities on this project, the requirement for the developer to delay construction to allow for the CPO could have an adverse reputational impact for the city.
MP34	ICT Transition & Transformation Programme	Following contract signature with CGI at the end of August 2015 transition and transformation activities are now underway. A Programme team have recently been mobilised to manage the transition from BT to CGI and a project has commenced to migrate to UNIT4 Business Works, replacing the current Oracle and iTrent, Finance and HR systems.	Transition to a new ICT provider by 1st April 2016.		An Assurance review will be undertaken of the transition and transformation programme in early 2016.	<p>£6m saving on target against £26.2m core spend</p> <p>The project will further develop their approach</p>	Risk: Amber Strong commercial management needs to be in place to ensure the

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
						to delivering these savings.	best results are delivered for the Council in line with the agreed contract.
MP35	Early Years Projects	<p>These are three distinct and separate projects.</p> <p>The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August and have been very positively received. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.</p>	All new buildings were delivered on programme.	As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.	<p>The registration by the Care Inspectorate is in place for all three nurseries.</p> <p>The project team is overseeing Hub South East Scotland Limited and Morrison Construction Limited (contractor) in resolving outstanding snagging.</p>		Risk: Green

Finance and Resources Committee

10.00 am, Thursday, 26 November 2015

Legal Services Framework Agreement – Award of Contract

Item number	7.6
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks Committee approval to award a multi-lot framework agreement to the most economically advantageous legal firms identified following a competitive tendering process. The framework consists of 5 lots, spanning the full range of the Council's legal requirements.

Links

Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

Legal Services Framework Agreement – Award of Contract

Recommendations

It is recommended that Committee:

- 1.1 Approves the award of Lot 1 (Commercial) to Brodies LLP, Harper Macleod LLP, MacRoberts LLP, Morton Fraser LLP and Shepherd & Wedderburn LLP;
- 1.2 Approves the award of Lot 2 (Property & Planning) to Anderson Strathern LLP, Brodies LLP, Burness Paul LLP and Morton Fraser LLP;
- 1.3 Approves the award of Lot 3 (Litigation) to Morton Fraser LLP, Anderson Strathern LLP and TC Young Solicitors;
- 1.4 Approves the award of Lot 4 (Employment) to Simpson & Marwick trading as Clyde & Co, Harper Macleod LLP, Morton Fraser LLP, Anderson Strathern LLP, MacRoberts LLP and BTO Solicitors;
- 1.5 Approves the award of Lot 5 (Major Projects) to CMS Cameron McKenna LLP, Shepherd & Wedderburn LLP and Pinsent Masons LLP;
- 1.6 Notes that the Framework Agreement is available for use by Stirling Council and West Lothian Council.

Background

- 2.1 The Council's in-house legal team provides advice and support on all legal matters relating to the Council, encompassing commercial, employment, property, planning, litigation (including childcare) and licensing legal advice.
- 2.2 The Council's in-house legal team instructs external firms where the team has insufficient capacity or where particular specialist advice is required. The Council has an estimated spend of £3.1m per annum on the provision of external legal services.
- 2.3 The Council currently contracts with a number of legal firms through a four lot framework agreement (Commercial, Transport & Environmental, Childcare and Employment). The current framework was entered into in late 2012 following a competitive tendering process. The framework expires in mid December 2015.
- 2.4 Commercial and Procurement Services has undertaken a procurement strategy to re-tender this framework. The contract aims are to implement a new pricing model which allows for enhanced cost certainty and more cost control and to

support small and medium sized enterprises by allocating specific places on the framework to firms with smaller turnovers.

Main report

- 3.1 The Council wishes to appoint a number of suitably qualified and experienced firms to carry out legal services for the Council.
- 3.2 Legal services are a Part B service under the Public Contracts (Scotland) Regulations 2012, meaning they are subject to less stringent procurement requirements.
- 3.3 On 19 August 2015 the Council undertook a full tender exercise by placing a contract notice on the Public Contracts Scotland Portal. An advert was also placed in the Scottish Legal News, to ensure that the Scottish legal market was aware of the contract opportunity.
- 3.4 The lots advertised comprise the following:
 - Lot 1 Commercial;
 - Lot 2 Property & Planning;
 - Lot 3 Litigation;
 - Lot 4 Employment; and
 - Lot 5 Major Projects, encompassing the provision of strategic, multi-disciplinary advice including high value and/or complex matters falling under Lots 1 to 4 above.
- 3.5 The advert explained that the Council was seeking to support small and medium sized enterprises by allocating a set number of spaces on lots 1 to 4 to firms with an annual turnover below a certain threshold. This approach has been commended by the Scottish Government and welcomed by smaller firms, who responded positively to the tender opportunity.
- 3.6 The aim of the Pre-Qualification Questionnaire (PQQ) evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender.
- 3.7 Following tender returns in October 2015, tender submissions were evaluated by suitably qualified evaluation panels for each lot. This placed an emphasis on quality, as well as price, with the aim of selecting the most economically advantageous tenders for each of the 5 lots. The cost/quality ratio was set to reflect the need for firms to provide quality services at the most economical price.
- 3.8 The quality analysis was based on weighted award criteria questions, which were scored using a 0 to 10 matrix. Following completion of the quality analysis, tenders that passed the minimum threshold of 60% of the total weighted score were subject to cost analysis.
- 3.9 Tenderers were asked to provide a price for a range of hourly rates.

3.10 A summary of the tender process is set out at Appendix 1. The tender results for each lot are as follows:

Lot 1 Commercial

Firms
Brodies LLP
Harper Macleod LLP
MacRoberts LLP
Morton Fraser LLP
Shepherd & Wedderburn LLP

The total scores achieved by the preferred tenderers were based on the published award criteria and ranged from 72.93 to 87.20.

Lot 2 Property & Planning

Firms
Anderson Strathern LLP
Brodies LLP
Burness LLP
Morton Fraser LLP

The total scores achieved by the preferred tenderers were based on the published award criteria and ranged from 76.97 to 84.00.

Lot 3 Litigation

Firm
Anderson Strathern LLP
Morton Fraser LLP
TC Young Solicitors

The total scores achieved by the preferred tenderers were based on the published award criteria and ranged from 73.76 to 89.05.

Lot 4 Employment

Firms
Anderson Strathern LLP
BTO Solicitors
Harper Macleod LLP
MacRoberts LLP
Morton Fraser LLP
Simpson & Marwick trading as Clyde & Co

The total scores achieved by the preferred tenderers were based on the published award criteria and ranged from 73.35 to 86.60.

Lot 5 Major Projects

Firms
CMS Cameron McKenna LLP
Shepherd & Wedderburn LLP
Pinsent Masons LLP

The total scores achieved by the preferred tenderers were based on the published award criteria and ranged from 75.37 to 82.39.

Measures of success

- 4.1 The measure of success will be to lower the legal risk profile of the Council in a cost effective manner.
- 4.2 Performance will be assessed against set objectives measured by Key Performance Indicators (KPIs). Performance monitoring KPIs assures the firms meet and exceed required service standards in managing:
 - Cost Compliance
 - Time Performance
 - Customer Complaints
 - Availability of Staff

Financial impact

- 5.1 The estimated contract value of each of the 5 lots is indicative of historical spend for these services over the previous financial year. Contract spend will be monitored on an ongoing basis.
- 5.2 The Council can seek fixed price quotes and use mini competitions to further drive additional value where it is deemed appropriate.
- 5.3 The costs associated with procuring this contract are estimated to be between £10,000 and £20,000.

Risk, policy, compliance and governance impact

- 6.1 It is essential that the Council continues to be supported in the long term by a range of external legal firms. Without the additional resource and expertise the Council is at risk of not being able to meet its statutory duties and agreed coalition pledges.

Equalities impact

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

Sustainability impact

- 8.1 As part of the admission to the framework, each of the successful contractors will commit to undertaking Community Benefits.

Consultation and engagement

- 9.1 Engagement was carried out with Legal and Commercial & Procurement Services through a number of workshops.
- 9.2 The contract opportunity was advertised in the Scottish Legal News to generate increased volume of interest in the Framework.

Background reading/external references

Not applicable

Alastair Maclean

Deputy Chief Executive

Contact: Carol Campbell, Head of Legal and Risk

E-mail: carol.campbell@edinburgh.gov.uk | Tel: 0131 529 4822

Kevin McKee, Interim Legal Manager

Links

Coalition pledges

Council outcomes

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

Single Outcome Agreement

Appendices

Appendix 1 – Tendering Summary

Appendix1 – Summary of Tendering and Tender Evaluation Processes.

Contract	Lot 1 Commercial
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£920,000 to £1,060,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	A process equivalent to Restricted
Invitations to tender issued	8
Tenders returned	8
Tenders fully compliant	8
Recommended suppliers	Brodies LLP Harper Macleod LLP MacRoberts LLP Morton Fraser LLP Shepherd & Wedderburn LLP
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 35% Service Delivery Methodology – 35% Added Value – 15% Quality Assurance, Complaints & Review Procedures – 10% Community Benefits– 5%
Evaluation Team	Principal Solicitor, Legal Solicitor, Legal

	Solicitor, Legal
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Contract	Lot 2 Property & Planning
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£530,000 to £610,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	A process equivalent to Restricted
Invitations to tender issued	6
Tenders returned	6
Tenders fully compliant	6
Recommended suppliers	Anderson Strathern LLP Brodies LLP Burness Paul LLP Morton Fraser LLP
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 35% Service Delivery Methodology – 35% Added Value – 15% Quality Assurance, Complaints & Review Procedures – 10% Community Benefits– 5%
Evaluation Team	Principal Solicitor, Legal Senior Solicitor, Legal Senior Manager, Planning

Contract	Lot 3 Litigation
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£270,000 to £300,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	A process equivalent to Restricted
Invitations to tender issued	7
Tenders returned	7
Tenders fully compliant	7
Recommended suppliers	Anderson Strathern LLP Morton Fraser LLP TC Young Solicitors
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 35% Service Delivery Methodology – 35% Added Value – 15% Quality Assurance, Complaints & Review Procedures – 10% Community Benefits– 5%
Evaluation Team	Senior Manager, Legal Principal Solicitor, Legal Senior Solicitor, Legal

Contract	Lot 4 Employment
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£170,000 to £190,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	A process equivalent to Restricted
Invitations to tender issued	8
Tenders returned	8
Tenders fully compliant	8
Recommended suppliers	Anderson Strathern LLP BTO Solicitors Harper Macleod LLP MacRoberts LLP Morton Fraser LLP Simpson & Marwick trading as Clyde & Co
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 35% Service Delivery Methodology – 35% Added Value – 15% Quality Assurance, Complaints & Review Procedures – 10% Community Benefits– 5%
Evaluation Team	Senior Manager, Organisational Development Senior Manager, Legal

	Principal Solicitor, Legal
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Contract	Lot 5 Major Projects
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£640,000 to £740,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	A process equivalent to Restricted
Invitations to tender issued	5
Tenders returned	5
Tenders fully compliant	5
Recommended suppliers	CMS Cameron McKenna LLP Shepherd & Wedderburn LLP Pinsent Masons LLP
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	70% Quality, 30% Price Framework Delivery Team – 35% Service Delivery Methodology – 35% Added Value – 15% Quality Assurance, Complaints & Review Procedures – 10% Community Benefits– 5%
Evaluation Team	Senior Manager, Legal Principal Solicitor, Legal Principal Solicitor, Legal

Finance and Resources Committee

10am, Thursday, 26 November 2015

Interim Budget Engagement Report

Item number	7.7
Report number	
Executive/routine	
Wards	All

Executive summary

This report outlines the structure of the budget engagement campaign and highlights the key actions being taken to ensure a large and diverse group of staff, citizens and other stakeholders are meaningfully engaged. The report summarises the overall level of response, demographic profile of respondents, and emerging themes from feedback to the Council's budget engagement process so far.

Total responses are around 57% of those received at the week five mark during the 2014 budget engagement process. Over the next six weeks activities will be increased to raise awareness and enhance participation, including targeted effort to reach groups who are underrepresented in the sample obtained to date. These activities are included in this report.

Respondents to the online planner have been at least supportive of the Council's current budget positions, but have also pushed for more radical options in areas such as Council Tax, charging, co-production, co-location and electronic billing. There are no significant themes emerging through other feedback methods.

The engagement process is live and will continue until Thursday 17 December 2015.

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Interim Budget Engagement Report

Recommendations

- 1.1 To note the Council's budget engagement progress to date.
- 1.2 Note an extension to the budget engagement period of one week (to Thursday 17 December 2015) to allow more time for feedback following the publication of additional budget proposals on Friday 20 November 2015.

Background

- 2.1 Local government resources face unprecedented pressures due to demographic and expectation driven increases in demand, set against a background of public sector budget cuts. In this context the City of Edinburgh Council continues to engage citizens, staff, partner organisations and all other stakeholders in a dialogue about what shared priorities are and how the Council should allocate its budget.
- 2.2 While engagement on spending and saving issues is continuous, the most intensive and obvious period of this process is between the publication of the Council's draft budget proposals and the agreement of the following year's budget.
- 2.3 The Council seeks to reach the largest number of people and meaningfully engage with them on the budget. As the Council's budget is almost £1bn and covers a diverse range of services, ensuring respondents are engaged and reasonably well-informed about the consequences of budget changes is a challenge. Each year the engagement programme has been adapted and improved based on learning from previous years.
- 2.4 In addition to the online planner and standard methods of communication, for 2015 the Council has introduced an online survey to ensure demographic information is being gathered alongside information that would otherwise be received by email, and the idea-generation tool Dialogue.
- 2.5 Following feedback and building on the success of the 2014 online planner, the renewed planner focuses on a reduced set of strategic decisions for the organisation.
- 2.6 A further set of budget proposals will become public and will be added into consultation materials on **Friday 20 November 2015**. Due to these additional proposals, the committee is asked to note the extended budget consultation period of a further week. Full results will be reported to Council in January 2016.

- 2.7 This report provides interim findings to the Finance and Resources Committee based on all responses received five weeks into the campaign.

Main report

Methods of engagement

- 3.1 As this year's budget engagement takes place over 11 weeks, the communications have been planned to draw people into the three digital engagement tools as well as highlighting a mix of the services and engagement topics.
- 3.2 This year's 'your city, your say' campaign makes use of a variety of communication channels to encourage people to have their say:
- the Council's website
 - the Council's social media
 - lamppost wraps
 - community press and online adverts
 - articles in traditional media and STV Edinburgh interviews
 - efliners
 - Council plasma screens in libraries and neighbourhood offices
 - leaflets and posters in both Council-operated and non-Council locations
 - employee communications including intranet stories
 - an extensive series of stakeholder meetings being led by service area budget champions.
- 3.3 Feedback has been received into the budget engagement process by letter, email, telephone, social media and face-to-face. The Council is promoting use of the online [budget planner](#), [dialogue page](#) and survey as ways for all individuals and groups to submit their feedback and suggestions for how the Council should spend and save money.

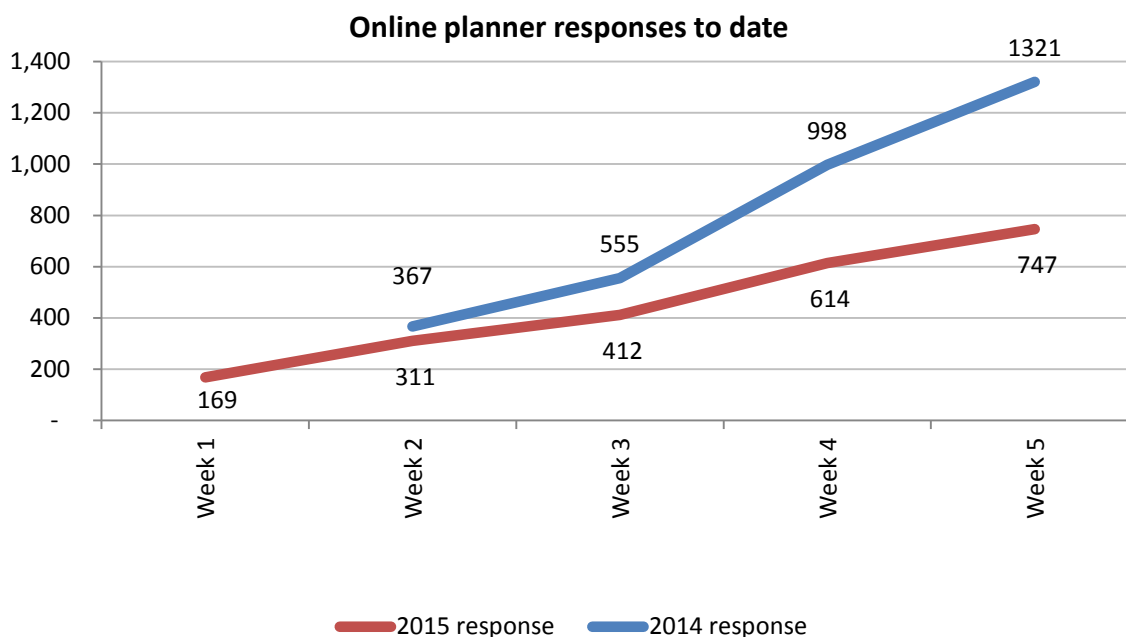
Reach of engagement activities

- 3.4 **14,000 leaflets have been printed and distributed** widely to a range of Council and non-Council locations and will be used during stakeholder meetings. This printed format provides an alternative for those who cannot and do not use digital channels. Distribution numbers have been based on the demand for leaflets during the 2014 budget engagement process.
- 3.5 Stakeholder engagement activities are taking place. Estimates of the number of people engaged in face-to-face will be available in the final report.
- 3.6 The web page www.edinburgh.gov.uk/budget has received 3,884 unique views.

- 3.7 An extensive social media campaign is taking place, encouraging people to take part in the online engagement tools. This includes Facebook and Twitter adverts in addition to frequent posts.
- 3.8 64 Tweets have been published so far from the main Council twitter account resulting in a potential reach of 202,051. The Council's messages have engaged Twitter users, resulting in 283 retweets, 131 Likes and 24 replies. The ratio of views to clicks is around 0.3%, with 688 Twitter users clicking through.
- 3.9 Eight facebook posts have also generated interest reaching 19,518 Facebook users. There have been 33 shares, 61 likes and 52 comments on these messages. The ratio of views to clicks is 1.2% with 241 Facebook users clicking through.
- 3.10 Those who complete the online planner can share their experience through their own Twitter and Facebook networks.
- 3.11 Working again this year with the Edinburgh Evening News, Edinburgh Reporter and STV Edinburgh a number of opinion pieces, articles and interviews have been planned, published and broadcast. These are taking place with Conveners and are based on the committees and campaign themes.
- 3.12 A webcast Question Time event will take place on **Monday 23 November**. Members of the public are invited to submit questions via Twitter, using #edinbudget, in advance and on the night. These will be discussed on the night by a panel of councillors in front of a live audience.

Response numbers

- 3.13 A total of 747 responses to the budget engagement have been received by all methods during the first five weeks of the engagement. This compares to 1,321 responses by all methods over the first five weeks of the 2014 engagement process – the 2015 response equates to around 57% of the 2014 response.
- 3.14 **359 individuals have completed the online budget planner** by the end of week five of the budget engagement. This figure is around half the number of completed responses that had been received by the same point in the 2014 engagement, but is higher than the total responses received to the online survey in 2013. If current response levels are maintained, the expected total response to the online planner would be around 800.

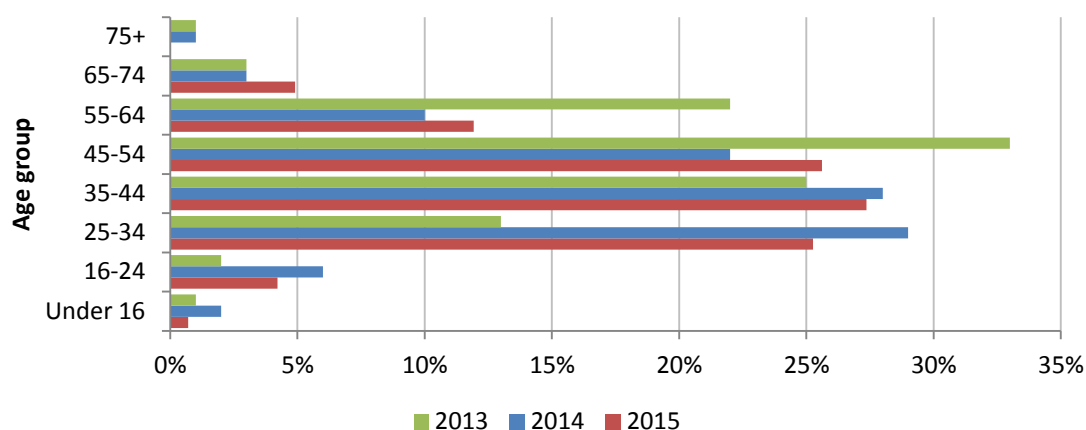


- 3.15 **37 ideas have been discussed on the Council’s Dialogue site**, resulting in 87 individual comments and 113 ratings.
- 3.16 **75 additional responses have been received by online form, email, telephone and letter.** The largest of these is online form, with some 57 responses submitted this way. This is down on the 130 responses that had been received by all methods by week five of the engagement process in 2014.
- 3.17 **A further 55 comments have been received by respondents using the budget planner.** This compares to 134 by week five of the process in 2014.

Demographics

- 3.18 Of the 359 respondents to the online planner, 85% have answered supplementary demographic questions. This is up 10% on 2014 levels. This information is useful for ensuring that all groups are appropriately included in the engagement and that particular budget choices are better understood.
- 3.19 Women are currently under-represented in responses to the online budget planner. Around 37% of responses are from women, whereas women make up slightly more than half of the population of the city. A similar lower level of response was received from women using the 2014 planner and it was necessary to weight final results to appropriately represent the views of women in the final results.
- 3.20 The age profile of respondents has remained similar to that recorded in 2014 – both the 2014 and 2015 engagement exercises have attracted an overall younger demographic than in 2013.

Percentage of budget respondents by age group (excluding those who did not state their age)



- 3.21 In the final report, elected members will be presented with a weighted budget alongside the overall result of the engagement. This will reflect the choices of a perfectly representative group of respondents. However the accuracy of this model is improved by having a large number of respondents of all ages.
- 3.22 Around 27% of respondents are Council employees – this is in line with all previous years where around a quarter of respondents were employed by the Council.
- 3.23 Further communication and engagement activities will be targeted at under-represented groups to ensure they are aware of the consultation and able to take part.

Online planner choices

- 3.24 Eight key strategic areas were presented to the public in the online planner, with realistic choices available in each case. The overall reaction is summarised below.
- 3.25 **Council Tax** – a majority (62%) were in favour of increasing Council Tax to pay for services, while 9% wanted to see a reduction. Almost a quarter of respondents (23%) were in favour of increasing Band D Council Tax by around £100, while 39% opted for the more modest £50 increase.
- 3.26 **Charging Policy** – 20% of respondents did not want to see average cost increases for services be higher than the rate of inflation. 42% supported the Council’s current budget proposal to increase charges by an average of inflation plus 2%, while 38% of respondents were in favour of average increases of inflation plus 4% for the next four years.
- 3.27 **Support service redesign and redundancy policy** – 21% of respondents favoured a longer implementation period with reduced use of voluntary redundancy packages, and higher value redundancy packages, at increased cost to the Council. 40% were in favour of the Council’s current approach for redesign of support services, while 39% of respondents wanted services to

change faster and redundancy packages reduced to statutory minimums for staff who did not take these options up quickly. These results will be analysed further to compare how these responses differ between staff and the public.

- 3.28 **Working with partners and the third sector** – 54% of respondents were in favour of the Council moving further towards becoming a commissioning body, working with partners to co-design most services and have many delivered by bodies other than the Council. 35% were in favour of the Council's current plans to increase co-production. Only 10% favoured bringing all services in-house to improve operational control and ensure service standards.
- 3.29 **Co-locations of services** – 64% of respondents supported a more radical programme of co-location of services, with the Council committing to the creation of community hubs that would house libraries, leisure facilities, and Council and partner offices. 19% were supportive of a more cautious approach to merging Council facilities as options arose this made clear financial sense. However 18% of respondents were opposed to 'local centralisation' of facilities and preferred more disaggregated facilities, even though these would be more expensive to run in the long term.
- 3.30 **Parking charges (residents and visitors)** – 29% of respondents supported the Council's current parking charge increases in the draft budget, but 43% were in favour of larger increases for residents and visitors. 21% of respondents were in favour of holding all parking charges at the current level (at a reduction of £1.1m in budgeted revenue). Only 6% of respondents favoured a decrease in parking charges.
- 3.31 **Renewable energy generation** – 28% of respondents were in favour of a more ambitious strategy on renewable energy generation, with the Council actively seeking opportunities to invest in renewables to gain more income in future. However the majority 72% preferred a more cautious approach.
- 3.32 **Electronic billing** – 81% of respondents supported moving to digital billing by default, with customers having to opt-in to paper billing.

Dialogue ideas and other comments

- 3.33 The highest rated ideas suggested on the Council's Dialogue page were:
- 3.34 **A tourist tax** – rated 5 out of 5, with a total of 22 votes and comments – a general consensus being that a £2 per room, per night charge on hotel occupancy would be reasonable and desirable;
- 3.35 Additional fees for **installation permits** for private contractors (a Council seed idea) – rated 5 out of 5, with a total of 13 votes and comments – strong support for the Council's plan to charge private developers for the total cost of inspection, ensuring pavements and roads are reinstated appropriately;
- 3.36 **Closing Castlebrae High School** – rated 5 out of 5, with a total of 7 votes and comments – a general consensus being that outcomes for pupils would be better and costs would be reduced if the school were closed.

Actions to promote further engagement

- 3.37 Extensive social media will continue to be used throughout the campaign, including Twitter Q+As, to support the weekly themes, as will articles in the media, eflers and plasma screens.
- 3.38 Service areas will be conducting engagement activities with their own customers throughout the remaining weeks of the process.
- 3.39 Employee communications will also continue to highlight the weekly themes.

Comments received from other sources

- 3.40 Despite from 75 comments received from a range of other sources, no prominent themes have emerged. However respondents have variously supported the proposals in general, opposed the proposals in general, requested protection for education and social housing services, and suggested increasing Council Tax.
- 3.41 A complete account of all feedback received will be provided to elected members.

Measures of success

- 4.1 The success of a budget engagement process is determined by several criteria, including:
 - a. The number of individuals who are reached by messages about the consultation, raising awareness that the Council is engaging on its budget;
 - b. The number of individuals who attend events;
 - c. The number of individuals who complete and submit the online planner;
 - d. The number of comments made on the budget by any means;
 - e. The demographic representativeness of those responding;
 - f. The extent to which individuals and organisations have been able to understand and meaningfully input into the budget process. Unlike other measures of success, this is subjective and takes into account wider feedback on the budget process.
- 4.2 The final report to the Council will include performance against all of these measures compared against performance for the 2015 budget engagement process.

Financial impact

- 5.1 The budget engagement process is met from within existing budgets and resources.

Risk, policy, compliance and governance impact

- 6.1 There is a general acceptance that a local authority has a responsibility to meaningfully engage with stakeholders on its budget. An open, transparent budget engagement process is a key part of several corporate strategies and local community plans. This process reduces the overall risk of legal action and reputational damage for the Council.

Equalities impact

- 7.1 The budget engagement process will report on the representativeness of the respondents.
- 7.2 The engagement process has been designed to be inclusive through all communication channels, reaching both individuals and special interest groups, using a range of promotional material.
- 7.3 All proposals from the budget are in the process of being equalities rights impact assessed both individually and cumulatively. The results of these ERIAs will be reported to Full Council as part of the budget process.

Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.
- 8.2 This budget engagement process has no appreciable impact on carbon emissions. Through any engagement process it is hoped that services and their customers will develop more sustainable ways of operating.
- 8.3 The need to build resilience to climate change impacts is not relevant to this report, however specific proposals may have climate change impacts and these will be reported on as part of their individual impact assessments.
- 8.4 The budget engagement process will help achieve a sustainable Edinburgh through ensuring a diverse range of people have a meaningful say on issues that affect the economic wellbeing and environmental stewardship of the city.

Consultation and engagement

- 9.1 The budget engagement process is one of the Council's key projects for ensuring citizens, staff and other stakeholders have a voice in priorities for the city and how its budget is spent.

Background reading/external references

None.

Alastair Maclean

Deputy Chief Executive

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Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	None

Finance and Resources Committee

10am, Thursday, 26 November 2015

Health and Social Care Integration – Update

Item number	7.8
Report number	9 in 2015
Executive/routine	
Wards	All

Executive summary

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

In particular it outlines progress with Internal Audit actions.

Links

Coalition pledges	P12 and P43
Council outcomes	CO10, CO11, CO12, CO13,CO14, CO15
Single Outcome Agreement	SO2

Health and Social Care Integration – Update

Recommendations

- 1.1 Members are recommended to:
 - 1.1.1 note the progress with the legislative matters related to integration;
 - 1.1.2 note the approach to preparing the Council's response to the formal consultation on the second draft Strategic Plan.
 - 1.1.3 note Appendix 1 which outlines progress with Council Internal Audit and Corporate Programme 'Health Check' recommendations;
 - 1.1.4 refer this report to Governance, Risk and Best Value (GRBV) Committee;

Background

- 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 ninth report in 2015.
- 3.1 At its meeting on 23 September, Governance, Risk and Best Value Committee requested an update on the risks identified in the Council Internal Audit report and asked Finance and Resources Committee to refer to it relevant reports on health and social care integration.

Main report

Legislative Compliance

- 3.1 With formal delegation around four months away, this report provides a 'round-up' of all legislative, regulatory and audit matters which must be addressed by the Council or by both Council and NHS Lothian prior to the date of delegation.

Integration Scheme

- 3.2 The Integration Scheme was the formal agreement between NHS Lothian and the Council which, when approved by Scottish Ministers, allowed for the establishment of the Edinburgh Integration Joint Board (EIJB). The Scheme included a range of agreed actions that needed to be put in place, many prior to the full delegation of functions to the EIJB.
- 3.3 Of the 23 high level areas of work, 18 have a 'RAG' status of green. Five are amber. These are:

- Review of Council committee remits to accommodate delegation to EIJB.
 - Professional/Technical and Administrative function. This is now influenced by the timeline for the Council's Business Support Services Programme. Interim arrangements may be required from the Council's perspective;
 - Financial Arrangements: Work is ongoing and is constrained by the budget setting processes and timelines in each of the constituent authorities.
 - Information Sharing: A joint meeting is planned with Information Commissioners Officer; and
 - Insurance arrangements for delegated services: Awaiting guidance from NHS Central Legal Office and Scottish Government
- 3.4 Work is in hand to progress each of these matters to meet the target date of 1 April 2016 and is overseen by the Joint Integration Leadership Group, chaired jointly by the Leader of the Council and Chair of NHS Lothian Board.

Strategic Plan

- 3.5 Formal delegation of functions and resources to the EIJB will take place on 1 April 2016, following approval of the Strategic Plan by the EIJB.
- 3.6 The three month public consultation on the first draft Strategic Plan ended on 31 October. Work is in hand to collate responses and allow consideration and responses by the Strategic Planning group of the EIJB.
- 3.7 The proposed schedule of approval of the Strategic Plan is as follows:

Stage	Date
Draft 1 Consultation	Ended on 31 October 2015
Revise Draft Plan	November 2015
EIJB Development Session on Revised Draft	Mid December 2015
Consult NHS Lothian and Council on Revised Draft Plan	January – February 2016
Final Approval of Strategic Plan by EIJB	Mid March 2016

- 3.8 In statute, the Council and NHS Lothian are formal consultees and must be consulted on the second draft of the Strategic Plan prior to formal approval by the EIJB.
- 3.9 GRBV Committee requested an update on how this response would be provided by the Council given the potential conflict of interest, i.e. experts within H&SC

who are preparing the Plan are also best placed to prepare the Council's consultation response.

3.10 Corporate Governance provided advice and have signed off the following approach:

- Officers in H&SC Directorate will prepare the first draft Council response;
- This will be reviewed and (if required amended) by senior officers within Services for Communities, Children and Families and Corporate Governance;
- The response will be submitted to Corporate Policy and Strategy Committee for formal approval at its January 2016 meeting; and
- The response will be submitted to the EIJB for its due consideration prior to final approval of the Strategic Plan in March 2016.

Assurance

3.11 Appendix 1 provides two tables of Council assurance matters to be addressed. These are:

- Table 1: Council Internal Audit recommendations; and
- Table 2: Council Corporate Programmes Office 'Health Check' recommendations.

3.12 A summary of progress and a RAG status is provided for each. It should be noted that:

- All work is in progress for the 1 April 2016 date.
- two key matters, such as approval of the Strategic Plan and the jointly agreed budget are at the heart of achieving many of the recommendations.

3.13 Both of the above matters can only be progressed in line with the budget setting processes of both constituent authorities and as a result cannot be completed until March 2016.

3.14 A summary of the Internal Audit matters is provided below.

Progress with Internal Audit

3.15 The Council's Internal Audit function audited the arrangements for integration in spring 2015. The Audit was signed off in July.

3.16 Most of deadlines for the completion of the management actions are still several months away. It should therefore be noted that no actions have slipped beyond agreed deadlines.

3.17 The following actions are complete or progressing well:

- The Chief Officer started in post on 26 October 2015;

- Appointment of Interim Finance Officer from August 2015;
 - Relevant remits of EIJB members;
 - Strategic Plan development and associated implementation preparations; and
 - Due diligence process for financial matters has started. EIJB signed off the Assurance Plan at its September meeting.
 - Agreement reached on share of Transition Fund 14/15.
- 3.18 Areas where proposals are developing and further progress is required:
- EIJB agree deadlines for key decisions and receive regular updates on progress.
 - Service Level Agreements for Professional/technical and Administrative functions - linked to Council Transformation BSS programme and timescale; and
 - Adult Social Care Transformation and Efficiency programme. First outputs estimated for January 16.

Measures of success

- 4.1 The Scottish Government has issued National Outcomes for the delivery of integrated Health and Social Care as part of the final regulations. These are as expected [National Health and Wellbeing Outcomes Framework](#).
- 4.2 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is 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

- 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 and to ensure that they are fair and reasonable.
- 5.3 The delegation of the resources means that spending decisions within the overall agreed budget will become the responsibility of the EIJB from 1 April 2016.
- 5.4 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

- 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. A further report is due at its meeting on 20 November

Equalities impact

- 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 The EIJB has been advised by the Equalities and Human Right Commission (EHRC) that the Equality Act 2010 applies to Integration Joint Boards. As a result the EIJB is required to publish a 'mainstreaming report and a set of equality outcomes by 30 April 2016.

Sustainability impact

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh because:
- joint health and social care resources will be used more effectively to meet and manage the demand for health and care services
 - 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

- 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 on the second draft as noted above.

Background reading/external references

[Finance and Resources Committee - 29 October 2015, Health and Social care Integration Update](#)

[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.

Robert McCulloch-Graham

Chief Officer

Edinburgh Health and Social Care Partnership

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Links

Coalition pledges	Ensuring Edinburgh and its residents are well cared for.
Council outcomes	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	Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
Appendices	Appendix 1: High level Project Plan/Actions: Integration Compliance Matters

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

Table 1: Audit Actions - Council Internal Audit

Table 2: Audit Actions - CPO 'Health Check'

Notes :

Italics denote any of: schedule slippage, risk, issue or complexity which influence RAG status.

CO – Chief Officer of Integration Joint Board

CFO – Chief Finance Officer of Integration Joint Board

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

Table 1: Action required following Council Internal Audit

Ref	Item	When	Comments	RAG Status
1.1	Clear remit for Stakeholder Group following delegation of functions to EIJB (Once Leadership group stands down) (High Risk)	31 Dec 2015	Draft remit to go to Integration Leadership Group in December	GREEN
1.2	Appoint Chief Officer and CFO	31 Dec 2015	A Chief Officer (CO) and an Interim CFO are currently in position	GREEN
1.2	Implement Integration Scheme	1 April 2016	<p>Matters in relation to Integration Scheme are progressing well. Of 23 high level areas of work all are RAG status green with the exception of:</p> <ul style="list-style-type: none"> • Review of Council committee remits to accommodate delegation to EIJB • Professional/Technical and Administrative function. This is now influenced by the timeline for the Council's Business Support Services Programme. Interim arrangements may be required from the Council's perspective • Financial Arrangements: Work is ongoing and is constrained by the budget setting processes and timelines in each of the constituent authorities. • Information Sharing: A joint meeting is planned with Information Commissioners Officer • Insurance arrangements for delegated services: Awaiting guidance from NHS Central legal Officer and Scottish Government 	GREEN

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

1.2	The relevant remits and documents demonstrating the aims of the EIJB in the coming period should be written and used	1 April 2016	<ul style="list-style-type: none"> National guidance on EIJB Role and Remit circulated. IJB members Induction programme. Presentation on assumptions and dependencies prepared Updated Integration briefing for new Chief Officer and new Interim Localities Managers. Briefing scheduled for 5 Nov. Strategic Plan consultation reaching large number of consultees - over 150 groups etc. Briefing jointly with BSS programme regarding EIJB and integrated structure requirements 	GREEN
1.2	Complete First Strategic Plan	1 April 2016	<p>All statutory matters in relation to the Strategic Plan are progressing well and are on track. Of the six high level areas of work all are RAG status GREEN</p> <p>Schedule for completion is on track :-</p> <p>Consultation on first draft completed to schedule.</p> <p>EIJB development session planned for December.</p> <p>Approval by EIJB scheduled for March 2016 in align with budget setting process. (N.B. Plan must include financial statement)</p>	GREEN
1.2	Develop Business Cases and implementation plans for relevant areas of the Strategic Plan including any changes to financial spend	During 15/16	<p>Template for Business cases in preparation. First Draft with officers for comment.</p> <ul style="list-style-type: none"> Interim CFO working on EIJB 	GREEN

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

			'directions' for financial spend.(to be incorporated above)	
1.2	Appoint Interim CFO	August 2015	Complete	GREEN
1.3	EIJB should agree fixed deadlines for key decisions to be made and both partners should confirm that outcomes must be agreed by this point to allow delegation to occur on 1 April 2016	1 April 2016	<i>CO to determine approach for updating EIJB</i> <i>Linked to Performance Framework development</i>	AMBER
1.3	A detailed implementation plan should be prepared	31 Dec 15	High level implementation plan drafted. Strategic Plan will capture more detailed actions Business cases and implementation plan will capture the detail of each major programme of change –see reference to draft BC template above Managing dependencies between multiple programmes required	GREEN
1.3	Monitor Project Plan	Ongoing	F&R summary updated monthly. Detailed programme tracker updated every two months and reported through Council CFO. Lothian –wide Project plan updated monthly	GREEN
2.1	EIJB should continue to develop its risk function as the shape of the Strategic Plan becomes clearer	1 April 16	Report presented to EIJB at its first meeting on 17 July. Second report proposing the approach for the IJB to establish its risk appetite, tolerance and management arrangements is due for 20 November, subject to agreement by the Chair	GREEN
3.1	Skill Mix and resources to deliver:	31 Oct 15	Workshops undertaken jointly with BSS in Sept/Oct. Outputs to feed into operational	GREEN

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

	Undertake BSS workshops/Focus Groups		models for BSS and professional functions. Timelines for Council delivery and for EIJB requirements to be aligned	
3.1	Implement integrated management structure	30 April 16	CO in post Interim arrangements for CFO and Localities Managers CO to determine final arrangements	
3.1	Establish SLAs for professional/ technical and support services	1 April 16	<i>To be raised with new CO to decide how the negotiations with NHS Lothian will take place and who will prepare SLAs as required.</i>	AMBER
3.2	EIJB receives regular update on progress against project plan milestones	Ongoing	Chair and Vice Chair are members of Integration Leadership Group so receive updates and LG minutes are circulated to EIJB. <i>Propose EIJB receive 'status reports' - to be discussed with CO.</i>	AMBER
4.1	EIJB completes Strategic Plan and assure budget Alignment of Services to be clearly documented	31 Mar 15	Strategic Plan on track for delivery. Council service budgets have been aligned to Plan. NHS service budget ongoing. Dependencies to be clarified with other transformation programmes which are running in parallel.	GREEN
4.1	KPMG and Adult social Care transformation/efficiency programme to address current budget pressures	31 Mar 15	Programme started. <i>Dependencies with Strategic Plan require clarification</i>	AMBER
4.1	Due Diligence process for EIJB 2016/17 budget	1 April 16	EIJB signed off Assurance Plan at September 2015. Work ongoing. <i>Budget pressures noted.</i>	AMBER

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

4.2.1	Monthly Financial Monitoring and analysis of cost data	30 Sept 15	Ongoing	GREEN
4.2.1	CLG to determine approach for managing overspend	30 Sept 15	<p>Programme started – see 4.1 above, KPMG adult social care programme</p> <p>Established Oct 15 to consider all cost savings, cost data and the nature of 'the problem'.</p> <p><i>Estimate of initial outputs due January 16.</i></p>	AMBER
4.2.2	<p>Establish cost of Integration programme so far.</p> <p>Establish protocol for drawn down of transition funding</p>	31 Dec 15	<p>Detailed costs established for 14/15. Agreed for part of costs borne and draw down complete. EIJB to determine carry over spend in 2015/16.</p> <p><i>Current resource allocation is 1.7 FTE and staff from 'business as usual'. Due to end on 31 December 2015.</i></p> <p>Interim posts drawn from within existing resources.</p> <p>Transition Fund budget prioritised for Leadership and team development programme</p>	AMBER
4.3	Clarification of how overspend will be managed		<p>Focus on robust budgets for 16/17.</p> <p>Integration Scheme addresses process at high level. Due diligence to address detail.</p>	AMBER

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

Table 2: Action required following Council CPO 'Health Check'

	Item	By When*	Status/ Comments	RAG Status
1	It is recommended that the remit is agreed for the Stakeholder Group prior to the delegation of functions to the EIJB.	SD	Draft for Integration Leadership Group in December	GREEN
2	The Business case should be updated at all key stages of the programme and ideally in conjunction with NHS Lothian	SD	<p>The Strategic Plan, Financial Statement and content of Performance Framework will form the next stages of the Business Case.</p> <p>A draft high level implementation plan has been prepared</p> <p>More detailed Business cases will then be worked out for the major programmes of change</p>	GREEN
3	The Programme Plan is reviewed regularly and when a detailed plan is presented the most up to date version is always presented.	Ongoing	<p>The programme tracker is an internal working document for the programme team and work stream leads.</p> <p>The Status report is provided every two months and gives an update for the period. This document can provide a progress statement of the major compliance actions</p> <p>An update report is provided to CLG to raise issues and emerging risks</p> <p>A monthly report is provided to Finance and Resources Committee on major progress. This is now referred to GBV&R as required.</p>	GREEN
4	The Programme should consider the provision of	Now	Use of 14/15 Transition monies agreed	AMBER

Appendix 1: High Level Project Plan/Actions: Integration Compliance Matters

	additional resource to manage 'touch points' with other key projects and programmes where dependencies have been identified to ensure there is clarity		Transition monies did not cover all programme costs. A portion was drawn down <i>Current dedicated programme resource cease on 31 December 2015</i>	
5	The IJB, once formed, should review the activities required through to the 1 st April 2016 and put processes in place to ensure the right mix of skills and number of resources are in place particularly in relation to change where there will be a significant requirement to ensure there is a smooth transition to commence work required to deliver integrated services.	Now	EIJB should review this high level plan <i>CO to consider approach.</i>	AMBER
6	The following documentation should be reviewed and if required updated for IJB approval, (i) Stakeholder maps and engagement plans, (ii) Communication plan, (iii) Involvement campaigns,(iv) Training and coaching plans.	SD	EIJB has been updated on Strategic Plan approach and stakeholder engagement / communications and involvement. <i>HR/OD /Workforce elements covering Training and Coaching will form part of Strategic Plan (enabler)</i>	AMBER
7	Undertake a workshop with key stakeholders within NHS Lothian and the Council to ensure there is a common understanding of activities, timelines, roles and accountabilities to ensure all activities for the Implementation of the Strategic Plan and service re-design are delivered by 1 st April 2016.	SD	<i>Consider once new CO in place</i>	AMBER

Version date: 4 November 2015

Finance and Resources Committee

10am, Thursday, 26 November 2015

Edinburgh Alcohol and Drug Partnership (EADP) Adult Community Treatment Services – Contract

Item number 7.9

Report number

Wards: All

Executive summary

This report seeks the approval of the Finance and Resource Committee to award contracts for Adult Community Treatment Services to be delivered on behalf of the Edinburgh Alcohol and Drug Partnership (EADP). The term of the contract will be three years, with an option to extend for up to a further 24 months.

These contracts replace similar contracts.

Links

Coalition Pledges	P12 and P43
Council Outcomes	CO10 and CO11
Single Outcome Agreement	SO2

Edinburgh Alcohol and Drug Partnership (EADP) Adult Community Treatment Services – Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the award of three year contracts to The Lifeline Project and Turning Point Scotland for provision of Adult Community Treatment Services, with the option to extend the contracts for up to a further 24 months.

2. Background

- 2.1 The Edinburgh Alcohol and Drug Partnership (EADP) is a collaborative partnership of the City of Edinburgh Council, NHS Lothian, Police Scotland, the Scottish Prison Service and the Third Sector.
- 2.2 EADP invests in a range of services that are intended to stop or reduce substance misuse, including adult community treatment services.

3. Main Report

- 3.1 In terms of EU procurement regulations, care services are Part B services. Although Part B services are not subject to the full rigours of EU procurement regulations, there is a requirement for openness, transparency and fair and equal treatment, as well as a requirement to comply with the Public Contracts (Scotland) Regulations 2012 and the Council's Contract Standing Orders.
- 3.2 A Contract Notice was published on the Public Contracts Scotland (PCS) website on 21 August 2015 and an open Invitation to Tender (ITT) was published on the Public Contracts Scotland-Tender (PCS-T) website the same day. A total of eleven organisations registered interest.
- 3.3 A supplier briefing meeting was held on 3 September 2015 to provide guidance on tendering and to respond to questions about the specification of requirements and the tender process.
- 3.4 In order to facilitate contract management on a locality basis and enable smaller providers to tender, the requirement was divided into four lots, corresponding to the four Localities of the City of Edinburgh Council area. Tenderers were asked to offer to provide the service in one or more localities and to state their order of preference if offering for more than one locality.

- 3.5 Six organisations submitted tenders by the deadline of 2 October 2015.
- 3.6 Tenders were evaluated on the basis of the most economically advantageous tender, with weighting of 70% for quality and 30% for price. A summary of the tender process and information about the award criteria and the scoring methodology are provided at appendices 1, 2 and 3 of this report.
- 3.7 Evaluation of the technical (quality) content of the bids was undertaken by an evaluation panel including Council officers and a representative of NHS Lothian.
- 3.8 Evaluation of the commercial (price) content of the bids was undertaken by the Council's Procurement and Commercial Services, based on the offer price for annual provision of the service.
- 3.9 The Lifeline Project was the first placed bidder for all four localities and the financial probity assessment concluded that "The Lifeline Project is capable of undertaking all four lots".
- 3.10 The tender documents stipulate that "Award of Contracts to a Tenderer for more than one locality will be subject to the Council satisfying itself that the Tenderer is able to provide sufficient and appropriate resources and that any risks to delivery of the Service are acceptable to the Council."
- 3.11 The Lifeline Project is able to provide sufficient and appropriate resources to deliver the service in all four localities. However, having no alternative provider of these services is considered to be a risk that the Council should avoid. Accordingly, it is recommended that one of the four contracts should be awarded to the second placed tenderer, Turning Point Scotland.
- 3.12 The Edinburgh Alcohol and Drug Partnership (EADP) will be responsible for contract management and will monitor management and performance information.

4. Measures of success

- 4.1 The contracts will address directly the need to provide adult community treatment services for substance misuse throughout the City of Edinburgh Council area.
- 4.2 The contracts meet the specification of requirements within the allocated budget.

5. Financial impact

- 5.1 The maximum potential value of the contracts, including extensions, is £7,251,395.
- 5.2 The contract values represent a saving of £89,721 per annum, compared to the allocated budget.
- 5.3 The costs associated with procuring these contracts are estimated to be from £10,001 to £20,000.

6. Risk, policy, compliance and governance impact

- 6.1 The risks associated with implementing the contracts will be monitored and managed through the Edinburgh Alcohol and Drug Partnership (EADP).

7. Equalities impact

- 7.1 A full equalities and rights impact assessment (ERIA) has been undertaken.
7.2 There are no direct equality and rights impacts arising from this report.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 Meetings were held with incumbent providers prior to commencement of the procurement procedure. This created an opportunity for informal discussion of the requirements, taking account of lessons learned from current provision of the services.

10. Background reading/external references

Equalities and rights impact assessment:

http://www.edinburgh.gov.uk/directory_record/580686/procurement_of_eadp_services_2015

Michelle Miller

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11. Links

Coalition Pledges P12 - Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment

Council Outcomes	programmes. P43 - Invest in healthy living and fitness advice for those most in need.
Single Outcome Agreement	CO10 - Improved health and reduced inequalities. CO11 - Preventative and personalised support in place. SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.

Appendices	<ol style="list-style-type: none">1. Summary of Tender Process2. Award Criteria3. Scoring Methodology
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Appendix 1 - Summary of Tender Process

EADP Adult Community Treatment Services – Contract Ref. CT 0476

<i>Tender</i>	EADP Adult Community Treatment Services – Contract Ref. CT 0476
<i>Contract Period</i>	1 April 2016 to 31 March 2019 with option to extend for up to twenty four months
<i>Estimated value of contract</i>	£7,251,395 (total including extension)
<i>Standing Orders observed</i>	Open Procedure
<i>EC Directives</i>	2004/18/EC
<i>Tenders Returned</i>	6
<i>Tenders fully compliant</i>	6
<i>Recommended Providers</i>	The Lifeline Project for the South West, South East with south Central and North West Localities. Turning Point Scotland for the North East Locality.
<i>Primary Criterion</i>	Most economically advantageous tender to have met the qualitative and technical specification
<i>Evaluation criteria and weightings and reasons for this approach</i>	Quality (70%) Price (30%) Quality was of greater importance due to the nature of the services to be provided.
<i>Evaluation Team</i>	Officers from Health and Social Care and a representative from NHS Lothian.

Appendix 2 - Award Criteria

EADP Adult Community Treatment Services – Contract Ref. CT 0476

Technical (Quality) Evaluation - Award Criteria	Weighting (%)
Approach	10%
Accessibility and Harm Reduction	10%
Methodology and Organisation	15%
Service Programme and Interventions Offered	20%
Staff Quality	10%
Supportive Activities	10%
Organisational Quality and Strategic Contribution	10%
Implementation Plan	10%
Community Benefits	5%
Total	100%

Bids were assessed for quality using the above evaluation criteria and scored as a percentage of the weighting of 70 for quality.

Bids were assessed for price and the lowest priced bid was awarded the maximum total weighting of 30 for price; higher priced bids were awarded pro rata scores out of 30, measured against the lowest priced bid. Resultant overall scores were as follows:

South West Locality	Quality	Price	TOTAL	Position
The Lifeline Project	61.25	29.51	90.76	1
Provider B	42.00	27.85	69.85	2
Provider C	29.75	30.00	59.75	3

South East with South Central Locality	Quality	Price	TOTAL	Position
The Lifeline Project	61.25	29.29	90.54	1
Provider B	42.00	27.43	69.43	2
Provider D	29.75	30.00	59.75	3

North West Locality	Quality	Price	TOTAL	Position
The Lifeline Project	61.25	30.00	91.25	1
Provider B	42.00	28.61	70.61	2
Provider E	32.38	29.50	61.88	3

North East Locality	Quality	Price	TOTAL	Position
The Lifeline Project	61.25	30.00	91.25	1
Turning Point Scotland	61.25	28.32	89.57	2
Provider B	42.00	28.42	70.42	3

Appendix 3 - Scoring Methodology

EADP Adult Community Treatment Services – Contract Ref. CT 0476

Scoring Methodology for Technical (Quality) Evaluation

Score	Description
0 Unacceptable	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1 Poor	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.
2 Acceptable	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.
3 Good	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.
4 Excellent	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

Finance and Resources Committee

10am, Thursday, 26 November 2015

Edinburgh Alcohol and Drug Partnership (EADP) Counselling and Psychological Therapies Service Contract

Item number 7.10
Report number
Wards: All

Executive summary

This report seeks the approval of the Finance and Resources Committee to award a contract for a Counselling and Psychological Therapies Service to be delivered on behalf of the Edinburgh Alcohol and Drug Partnership (EADP). The term of the contract will be three years, with an option to extend for up to a further 24 months.

This contract replaces similar contracts.

Links

Coalition pledges	P12 and P43
Council outcomes	CO10 and CO11
Single Outcome Agreement	SO2

Edinburgh Alcohol and Drug Partnership (EADP) Counselling and Psychological Therapies Service – Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approve the award of a three year contract to a consortium led by the Edinburgh and Lothian Council on Alcohol (ELCA) for provision of a Counselling and Psychological Therapies Service, with the option to extend the contract for up to a further twenty four months.

2. Background

- 2.1 The Edinburgh Alcohol and Drug Partnership (EADP) is a collaborative partnership of the City of Edinburgh Council, NHS Lothian, Police Scotland, the Scottish Prison Service and the Third Sector.
- 2.2 EADP invests in a range of services that are intended to stop or reduce substance misuse, including an adult counselling and psychological therapies service.

3. Main Report

- 3.1 In terms of EU procurement regulations, care services are Part B services. Although Part B services are not subject to the full rigours of EU procurement regulations, there is a requirement for openness, transparency and fair and equal treatment, as well as a requirement to comply with the Public Contracts (Scotland) Regulations 2012 and the Council's Contract Standing Orders.
- 3.2 A Future Contract Opportunity (FCO) notice was published on the Public Contracts Scotland (PCS) website on 4 May 2015 in order to ensure that interested parties would be made aware of the Council's intention to tender for provision of this service. A total of seventeen organisations registered interest in response to the FCO notice.
- 3.3 A Contract Notice was subsequently published on the Public Contracts Scotland (PCS) website on 21 August 2015 and an open Invitation to Tender (ITT) was published on the Public Contracts Scotland-Tender (PCS-T) website the same day. A total of eighteen organisations registered interest.

- 3.4 A supplier briefing meeting was held on 3 September 2015 to provide guidance on tendering and to respond to questions about the specification of requirements and the tender process.
- 3.5 Three organisations submitted tenders by the deadline of 2 October 2015.
- 3.6 Tenders were evaluated on the basis of the most economically advantageous tender, with weighting of 70% for quality and 30% for price. A summary of the tender process and information about the award criteria and the scoring methodology are provided at appendices 1, 2 and 3 of this report.
- 3.7 Evaluation of the technical (quality) content of the bids was undertaken by an evaluation panel including representatives of the City of Edinburgh Council, the Scottish Prison Service, NHS Lothian and an independent technical expert.
- 3.8 Evaluation of the commercial (price) content of the bids was undertaken by the Council's Procurement and Commercial Services, based on the offer price for annual provision of the service.
- 3.9 The Edinburgh Alcohol and Drug Partnership (EADP) will be responsible for contract management and will monitor management and performance information.

4. Measures of success

- 4.1 The contract will address directly the need to provide a counselling and psychological therapies service for substance misuse throughout the City of Edinburgh Council area, including HMP Edinburgh.
- 4.2 The contract meets the specification of requirements within the allocated budget.

5. Financial impact

- 5.1 The maximum potential value of the contract, including extension, is £3,149,250.
- 5.2 The contract value represents a saving of £14,414 per annum, compared to the allocated budget.
- 5.3 The costs associated with procuring this contract are estimated to be from £10,001 to £20,000.

6. Risk, policy, compliance and governance impact

- 6.1 The risks associated with implementing the contract will be monitored and managed through the Edinburgh Alcohol and Drug Partnership (EADP).

7. Equalities impact

- 7.1 A full equalities and rights impact assessment (ERIA) has been undertaken.

7.2 There are no direct equality and rights impacts arising from this report.

8. Sustainability impact

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

9. Consultation and engagement

9.1 Meetings were held with incumbent providers prior to commencement of the procurement procedure. This created an opportunity for informal discussion of the requirements, taking account of lessons learned from current provision of the service.

10. Background reading/external references

Equalities and rights impact assessment:

http://www.edinburgh.gov.uk/directory_record/580686/procurement_of_eadp_services_2015

Michelle Miller

Chief Social Work Officer

Contact: David Williams, EADP Joint Commissioning Officer

E-mail: david.williams@edinburgh.gov.uk | Tel: 0131 553 8217

11. Links

Coalition Pledges	P12 - Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes. P43 - Invest in healthy living and fitness advice for those most in need.
Council Outcomes	CO10 - Improved health and reduced inequalities. CO11 - Preventative and personalised support in place.
Single Outcome Agreement	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.

Appendices	1. Summary of Tender Process 2. Award Criteria 3. Scoring Methodology
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Appendix 1 - Summary of Tender Process

EADP Counselling and Psychological Therapies Service – Contract Ref: CT 0465

<i>Tender</i>	EADP Counselling and Psychological Therapies Service – Contract Ref: CT 0465
<i>Contract Period</i>	1 April 2016 to 31 March 2019 with option to extend for up to twenty four months
<i>Estimated value of contract</i>	£3,149,250 (total including extension)
<i>Standing Orders observed</i>	Open Procedure
<i>EC Directives</i>	2004/18/EC
<i>Tenders Returned</i>	3
<i>Tenders fully compliant</i>	3
<i>Recommended Provider</i>	Consortium led by Edinburgh and Lothian Council on Alcohol (ELCA), with Crew2000 and Simpson House (Church of Scotland trading as CrossReach).
<i>Primary Criterion</i>	Most economically advantageous tender to have met the qualitative and technical specification
<i>Evaluation criteria and weightings and reasons for this approach</i>	Quality (70%) Price (30%) Quality was of greater importance due to the nature of the services to be provided.
<i>Evaluation Team</i>	An officer from Health and Social Care, a representative from each of the Scottish Prison Service and NHS Lothian and an independent technical expert.

Appendix 2 - Award Criteria

EADP Counselling and Psychological Therapies Service – Contract Ref: CT 0465

Technical (Quality) Evaluation - Award Criteria	Weighting (%)
Approach to Delivering the Service	10%
Methodology and Organisation	15%
Therapeutic Quality	25%
Case Study 1	7.5%
Case Study 2	7.5%
Organisational Quality and Strategic Contribution	20%
Implementation Plan	10%
Community Benefits	5%
Total	100%

Bids were assessed for quality using the above evaluation criteria and scored as a percentage of the weighting of 70 for quality.

Bids were assessed for price and the lowest priced bid was awarded the maximum total weighting of 30 for price; higher priced bids were awarded pro rata scores out of 30, measured against the lowest priced bid.

Resultant overall scores were as follows:

Provider	Quality	Price	TOTAL	Position
ELCA Consortium	48.13	27.63	75.76	1
Provider B	40.25	30.00	70.25	2
Provider C	35.88	29.01	64.89	3

Appendix 3 - Scoring Methodology

EADP Counselling and Psychological Therapies Service – Contract Ref: CT 0465

Scoring Methodology for Technical (Quality) Evaluation

Score	Description
0 Unacceptable	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1 Poor	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.
2 Acceptable	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.
3 Good	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.
4 Excellent	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

Finance and Resources Committee

10am, Thursday, 26 November 2015

Extension of Mental Health and Wellbeing Preventative Services Contract

Item number	7.11
Report number	
Executive/routine	
Wards	All

Executive Summary

The purpose of this report is to request agreement from Committee to extend the mental health and wellbeing service contracts listed at Appendix 1 from 1 April 2016 for a period of up to one year. This will enable further collaborative work to be carried out between the Council and NHS Lothian, service users, carers, localities and other interested partners.

Links

Coalition pledges	P30 , P43
Council outcomes	CO10 , CO11 , CO12 , CO13 , CO14
Single Outcome Agreement	SO1 , SO2

Name of report

1. Recommendations

- 1.1 To agree the extension of the contracts listed at Appendix 1 for a period of up to one year from 1 April 2016
- 1.2 To note the extension is conditional upon the achievement of a 5% saving (£87,964) on the contract values shown at Appendix 1 for 2016/17.

2. Background

- 2.1 The Council and NHS Lothian commission a number of different types of mental health and wellbeing services, which respond to differing levels of need. The services break down into two main types: preventative services and care and support.
- 2.2 The continued implementation of the joint strategy 'A Sense of Belonging' requires that these services be accessible to people to promote wellbeing and enable greater social inclusion. A recent public consultation exercise confirmed the needs and wishes of stakeholders in terms of priorities for service development and improvement.
- 2.3 The consultation confirmed people want: good information about access to services and the supports available - preferably through one door; local and person centred services; agencies that plan services with people who use them and deliver them in an integrated way; and services that assist people in their recovery, promote wellbeing and challenge stigma.
- 2.4 Committee is asked to note that savings of £132,144 on mental health and wellbeing services have already been achieved for 2015/16.

3. Main report

- 3.1 In 2011, the Council endorsed 'A Sense of Belonging', the joint strategy for improving the mental health and wellbeing of Lothian's population for the period 2011-2016. In 2012, the Council approved contracts to providers of mental health and wellbeing services in support of this strategy, initially for a period of three years.
- 3.2 Legislation mandating the integration of health and social care requires that the future provision of mental health and wellbeing services is addressed by the new Integration Joint Board in its strategic plan for 2016-2019. Consultation on the

draft of this plan concluded on 31 October. Pending publication of the final version later this year, the Council agreed the extension of the contracts for currently commissioned mental health and wellbeing preventative services to 31 March 2016 at Committee on 13 May 2015. It is recommended that a further 12 months' extension of contracts be granted to support the redesign and procurement exercise, which will lead to improved service delivery and outcomes for people.

- 3.3 This request is made on the basis that the varying health and wellbeing of key participants, and the challenge many face in participating in co-production activity, has meant it has proved impractical to complete the co-production process within the timescale previously indicated to Committee.
- 3.4 The draft strategic plan for the Integration Joint Board states: "At the heart of our plan is the development of a new relationship between citizens and communities, our services and staff, and the main other organisations who contribute to encouraging, supporting and maintaining the health and wellbeing of people who live in our city. We want to ensure that people are supported to live as independently as possible and enabled to look after themselves, but also access the right care and support when needed".
- 3.5 The move to locality working will provide the opportunity to bring commissioning of most mental health services closer to the people and the area of the city in which they live.
- 3.6 There is a need for effective, efficient, outcome focused services to be commissioned in line with the requirements of procurement legislation.
- 3.7 In light of current and projected financial pressures, there is a need to achieve savings on all commissioned services.
- 3.8 An extension to current contracts is required to develop the collaborative partnership; to deliver a service specification that will build on conversations had to date; and take into consideration the outcome of the Edinburgh Health and Social Care Partnership - Draft Strategic Plan Consultation.
- 3.9 The table below outlines the activity and timescale around co-producing mental health and wellbeing services in accordance with the Council's Cooperative Capital approach and procurement legislation.

Partnership Plan	Date
Development of Specification	November 2015 - January 2016
Set out what we plan to purchase	February 2016 - March 2016
Report to update Health and Social Care committee (if required)	March 2016

Procurement	April - October 2017
Transition - Implementation	November 2016 - February 2017
Contract Award Recommendations	March - April 2017

4. Measures of success

- 4.1 The extension of contracts will deliver continuity and support for the people who use these services.
- 4.2 The development of a collaborative partnership will redesign and deliver services to improve local access to services in areas of high deprivation and inequality.
- 4.3 Services will be improved through implemented changes required as identified through the service specification and procurement process.
- 4.4 People having improved access to services they need, when and where they need them.

5. Financial impact

- 5.1 The current value of the individual contracts to be extended is shown at Appendix 1. The total value of these is £1,759,284.
- 5.2 Subject to Committee's decision, commissioners will agree savings with contracted organisations, equivalent to 5% (£87,964) of the total contract cost for the 2016/17 year.

6. Risk, policy, compliance and governance impact

- 6.1 The implementation of the plan and resulting savings will be overseen by the Edinburgh Mental Health Joint Planning Forum. This is a collaborative partnership group, including senior managers from the Council and NHS Lothian, with representation from service users and carers who are supported by independent advocacy and third sector organisations.
- 6.2 Not extending contracts risks leaving a significant population of vulnerable people unable to access services, which will have a significant impact on their overall health and wellbeing.
- 6.3 There is a risk of challenge from providers who may feel unfairly excluded from consideration. However, these contracts are considered 'Part B services', which means the full application of the EU procurement rules does not apply. This limited application is in recognition that such services are considered by EU law to be of less interest to economic operators from other member states, and as

such, the risk of any successful legal challenge is lower. The changes in legislation from early 2016 will require these services to be advertised in Europe.

- 6.4 There is a risk, should the waiver be agreed, and that best value is not demonstrated in line with Council Contract Standing Orders. This issue is partly mitigated by seeking further reductions in the costs associated with the delivery of these services as referred to in the Finance section of the report.

7. Equalities impact

- 7.1 Delivery of the plan will contribute to the Council's and partners' legal responsibilities as defined in the Equality Act (2010) public sector equality duty. This contributes to advancing equality of opportunity for people with mental health issues by ensuring they can receive person-centred services that support them to overcome stigma.

8. Sustainability impact

- 8.1 The duties of the Climate Change (Scotland) Act 2009 have been considered in respect of this report. Implementation of the plan does not contradict our duties as a public body under this legislation.

9. Consultation and engagement

- 9.1 The report's recommendations have been discussed with, and where appropriate, notified to the provider organisations listed in Appendix 1.

10. Background reading/external references

- 10.1 Finance and Resources Committee, 13.05.15, Award and Extension of Health and Social Care Contracts.

Robert McCulloch-Graham

Chief Officer

Graeme Mollon, Reablement and Recovery Manager

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11. Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long - term financial planning P43 - Invest in healthy living and fitness advice for those in need
Council outcomes	CO10 - Improved health and reduced inequalities CO11 - Preventative and personalised support in place CO12 - Edinburgh's carers are supported CO13 - People are supported to live at home CO14 - Communities have the capacity to help support people
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

Appendix 1

Service name	H&SC 2015/16
Barony Contact Point	£158,203
Health in Mind	£389,961
Legal Services Agency	£53,318
Link In Craigmillar	£130,407
Link Up	£60,691
Living Well North Edinburgh	£73,963
North East Edinburgh Counselling Service	£62,249
Penumbra Crisis Centre	£199,500
Pilton Community Health Project	£51,804
Saheliya	£143,364
SAMH Redhall Walled Garden	£180,736
Support In Mind The Stafford Centre	£170,539
Penumbra Self Harm Project	£84,500
	£1,759,235
5% of 2015/16 commitment	£87,961
2016/17 value	£1,671,274

Finance and Resources Committee

10.00am, Thursday 26 November 2015

ICT Services Procurement: Transition Progress Update

Item number	7.12
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides the Finance and Resources Committee with a comprehensive update on the progress of the transition of ICT services to CGI by 1 April 2016 including:

- details of the transition governance arrangements;
- progress on the transition plan deliverables;
- key project activities and early stage benefits;
- supplier facilitation activities; and
- change management activities underway to engage with business teams and promote the opportunity to streamline business processes and improve operational efficiency through the transformation and integration of key ICT systems.

Links

Coalition pledges	P7, P15, P16, P28
Council outcomes	CO08, CO25
Single Outcome Agreement	S01, S03

ICT Services Procurement: Transition Progress Update

Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 notes the partnership governance arrangements which have been put in place to ensure the scope of the transition and transformation, and their accompanying risk factors, are managed through a formal process with weekly monitoring and reporting ;
 - 1.1.2 notes progress on the programme to transition ICT services from the incumbent ICT provider to CGI by 1 April 2016; delivering a range of contracted improvements and wider benefits to staff and citizens;
 - 1.1.3 notes facilitation activities underway to ensure effective cooperation between the incumbent ICT provider and CGI in relation to the BT exit planning and activities;
 - 1.1.4 notes change management activities underway to engage with business teams and promote the opportunity to streamline business processes and improve operational efficiency through the transformation and integration of key ICT systems; and
 - 1.1.5 Refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

Background

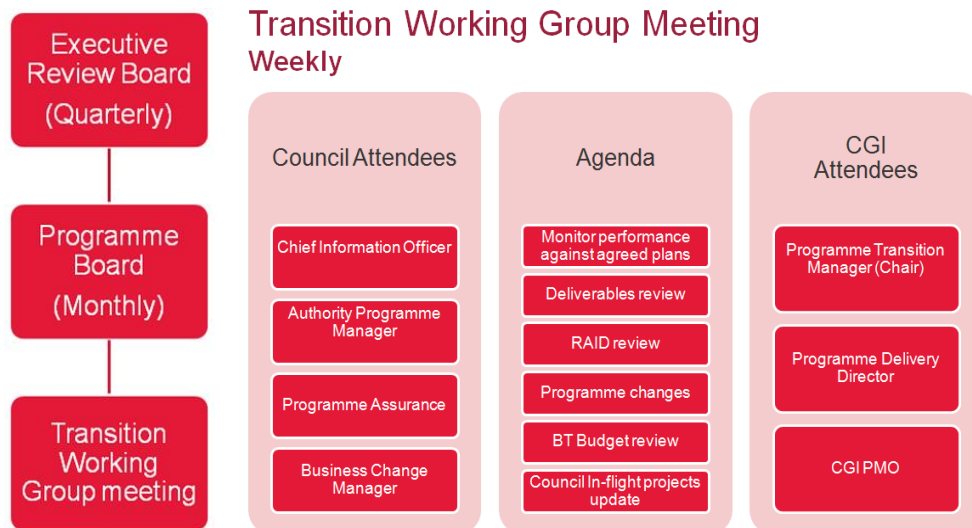
- 2.1 The current contract for ICT services is due to expire in March 2016 and consequently the Council approved, in 2013, the procurement of a new contract through a competitive dialogue process.
- 2.2 Following an evaluation process on receipt of final tenders from bidders, in August 2015 the procurement project board made a recommendation to Finance and Resources Committee to notify CGI IT UK Ltd (CGI) as the preferred bidder and move to contract signature. The Committee agreed this recommendation.

- 2.3 The new contract will deliver an ICT solution that best meets both the current and future needs of the Council in the digital age within an overall finite resource level. The sum involved is £185.7m over seven years, resulting in a minimum saving of £45m against the current budget. Additionally, CGI had committed to a range of Community Benefits including the provision of 221 new jobs and 60 modern apprenticeships in Edinburgh.
- 2.4 Following contract signature on 21 August 2015 the project entered into the service Transition phase whereby CGI undertook activities to plan the move from the incumbent ICT supplier BT. There will be minimal service transfer to CGI until the agreed service cutover date (1 April 2016). Transition milestone payments are payable on achievement of key milestones during this time, and are outlined within the agreed Transition Plan.
- 2.5 Progress against the Transition Plan, will be reported at three month intervals to the Finance and Resources Committee.

Main report

Partnership Governance

- 3.1 Partnership governance arrangements which have been put in place to ensure the scope of the transition and transformation and accompanying risk factors are managed through a formal process with weekly monitoring and reporting. The aim is to ensure a smooth transition with minimal operational business disruption, delivering service improvements and transformation in a staged and controlled manner.
- 3.2 Over the transition phase an Executive Review Board, attended by the Chief Executive of the Council and Senior Executive representation from CGI, will meet at 3 month intervals to oversee progress on transition planning and delivery including reviewing progress on exit activity relating to the cut over from BT to CGI.
- 3.3 Management of the transition is governed through a monthly programme board which has overall responsibility for execution of the Programme Plan. Programme board responsibilities include reporting on performance against the plans, agreeing actions, resolving issues and disputed items and change management relating to approval of formal change controls.
- 3.4 As outlined in the governance diagram below the programme board is supported by a Transition Working Group that meets on a weekly basis and coordinates activities and manages risks and issues across the programme workstreams.



- 3.5 To ensure the Council realises the full potential of the new contract - investment has been made to set up an Intelligent Client function supported by suitably qualified and experienced subject experts over the transition and transformation period.

Transition Progress Update

- 3.6 To assist management and coordination of interconnected projects the programme has been partitioned into 17 workstreams which capture delivery activities relating to the 93 segment-specific Output Based Specifications. A high level summary of the master programme plan illustrating the structure, and key activities and timelines for each workstream is set out in Appendix 1.
- 3.7 The programme currently remains on schedule with the master transition milestone plan set out in the supplier's tender submission. In particular - over the period (August to October 2015) seventeen key project milestones were achieved, and a wide range of project activities undertaken including:
- 3.7.1 Delivery of contract milestone on 30 September 2015 for CGI to take over technical support for the Council's online transactions and integration to back office feeder systems.
 - 3.7.2 Set-up of project boards for early stage transformation projects including ERP (Enterprise Resource Planning) covering Finance, Procurement and HR; WAN (Wide Area Network); Enterprise Integration / Web supporting channel shift through new ranges of customer self service functions.
 - 3.7.3 Technical collaborations and developments between BT and CGI including the installation of CGI data backup equipment within the BT

datacentre.

- 3.7.4 Completion of a system baselining pilot to capture “current state” performance and test scenarios in preparation for transition cutover during April and May 2016.
- 3.7.5 ERP design workshops to capture “future state” business requirements and process improvement opportunities - directly addressing the challenge of the Transformation programme to improve efficiency and performance.
- 3.7.6 WAN implementation work began including Council building surveys and street cabling installations to deliver a new 150 kilometre gigabit fibre network across the city.
- 3.7.7 CGI activities relating to its SME “Accelerate” programme to promote the use of SMEs in the supply chain.
- 3.7.8 Delivery of community benefits through the funding of two new Council roads posts to support the WAN project.
- 3.7.9 Delivery of Test and Security Strategies for Council review.

Supplier Facilitation

- 3.8 Tripartite arrangements have been set up to assist cooperation between the incumbent ICT supplier, the Council and CGI in relation to service transition activities including; contract transfers, infrastructure and application migrations, knowledge hand over and staff transfers. The arrangements include daily communications between BT and CGI, weekly progress reviews attended by the project assurance manager, and the creation of a shared Change Advisory Board (CAB).

Business Engagement and Change Management

- 3.9 Extensive change management activities are underway to engage with business teams and promote the opportunity to streamline business processes and improve operational efficiency through the transformation and integration of key ICT systems.
- 3.10 The programme will be supported by a comprehensive communications campaign designed to address stakeholder needs through targeted communications activities including presentations to management teams and

ICT workgroups, user forums, roadshows, monthly ICT newsletters, and the creation of new intranet content.

- 3.11 Business change champions have been appointed within each Directorate to drive employee engagement, assist communication, and take on the role of advocate in relation to ICT enabled business change and transformation opportunities.

Measures of success

- 4.1 The success of the new service will be measured against the objectives developed to support the ICT strategy and the future delivery of services. The outcomes with respect to each of the objectives set out above, and others, are set out in the A agenda report relating to this procurement presented to the Committee on 3 August 2015.
- 4.2 The success of this programme will be measured on delivery against the transition and transformation plans.

Financial impact

- 5.1 There will be an average of £6.4m saving per annum, post March 2016. This supports an important assumption of a £6m pa saving included within the Council's Long Term Financial Plan.
- 5.2 The essential improvements and enhancements included within the ICT contract are critical to the Council future operation and would have cost the Council an estimated £46m over seven years delivering significant value in addition to the substantial cashable savings noted above.

Risk, policy, compliance and governance impact

- 6.1 Below is a summary of the potential impacts of the proposed project and the anticipated mechanisms to mitigate them. These impacts are potential unintended consequences which will require managing.

Theme	Potential impact	Comments / mitigating action
Citizens & service users	Positive	The new service will provide an enhanced experience for citizens and service users.
Small & Medium-Sized Business	Positive	SMEs will be used as part of the overall supply chain.

Theme	Potential impact	Comments / mitigating action
Council staff	Positive	It is fully expected that there will be an improvement in the service quality and functionality of the ICT service.
The environment	Positive	CGI is committed to reducing and preventing pollution through energy, waste and resource management best practices and seeks to minimise travel by promoting tele-working, or alternative commuting options, where possible to reduce energy consumption. From a technology perspective, CGI is recognised as an industry leader in power usage effectiveness.

Equalities impact

- 7.1 CGI has a strong and well-established policy for Equality and Diversity. The presence and application of these policies was an important aspect of the Pre-Qualification Questionnaire stage of the process. The Corporate Policy and Strategy Manager has conducted dialogue with CGI.
- 7.2 CGI supports the principle of equality in all its employment practices, policies and procedures and fully comply with The Equality Act 2010. CGI regards diversity as a priceless resource and is committed to achieving and maintaining a workforce which broadly reflects the relevant local or national catchment area within where it operates.

Sustainability impact

- 8.1 CGI has strong and well-established corporate social responsibility policies in key sustainability areas such as travel, waste and procurement. The CGI policy of sustainable procurement extends to its partners and suppliers and takes into account the environmental impact of the products and services procured. It selects only partners/suppliers that comply with internationally recognised human rights standards and applicable legislation; it selects local suppliers where possible, leveraging its SME Accelerate programme which assesses and promotes the use of SMEs in its supply chain.

Consultation and engagement

- 9.1 To ensure the success of the transition programme a business change manager has been appointed to lead service area engagement and communication activities. Additionally local change champions have been nominated from each

directorates and service area representatives appointed to key workstream project boards,

Background reading/external references

Relevant internal references include:

ICT Services and Transformation Procurement – Final Stage Report – Confidential Commercial Information, 3 August 2015

[ICT Strategy Development, Corporate Policy and Strategy Committee, 4 December 2012](#)

[ICT Update, The City of Edinburgh Council, 13 December 2012](#)

[ICT & Digital Transformation Programme Update, Finance and Budget Committee, 19 September 2013](#)

[Review of Contract Procedures relating to the Council ICT Procurement process, report to Finance and Resources, 30 October 2014](#) This report was referred to [GRBV](#) on 13 November 2014

[Review of contract procedures relating to the Council ICT procurement process, report to Finance and Resources Committee, 15 January 2015](#)

[Review of Contract Procedures relating to the Council ICT Procurement process, report to Finance and Resources 13 May 2015](#)

ICT Procurement Project – Capital Funding (B agenda item), [Finance and Resources Committee](#), 4 June 2015

Alastair D Maclean

Deputy Chief Executive

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Links

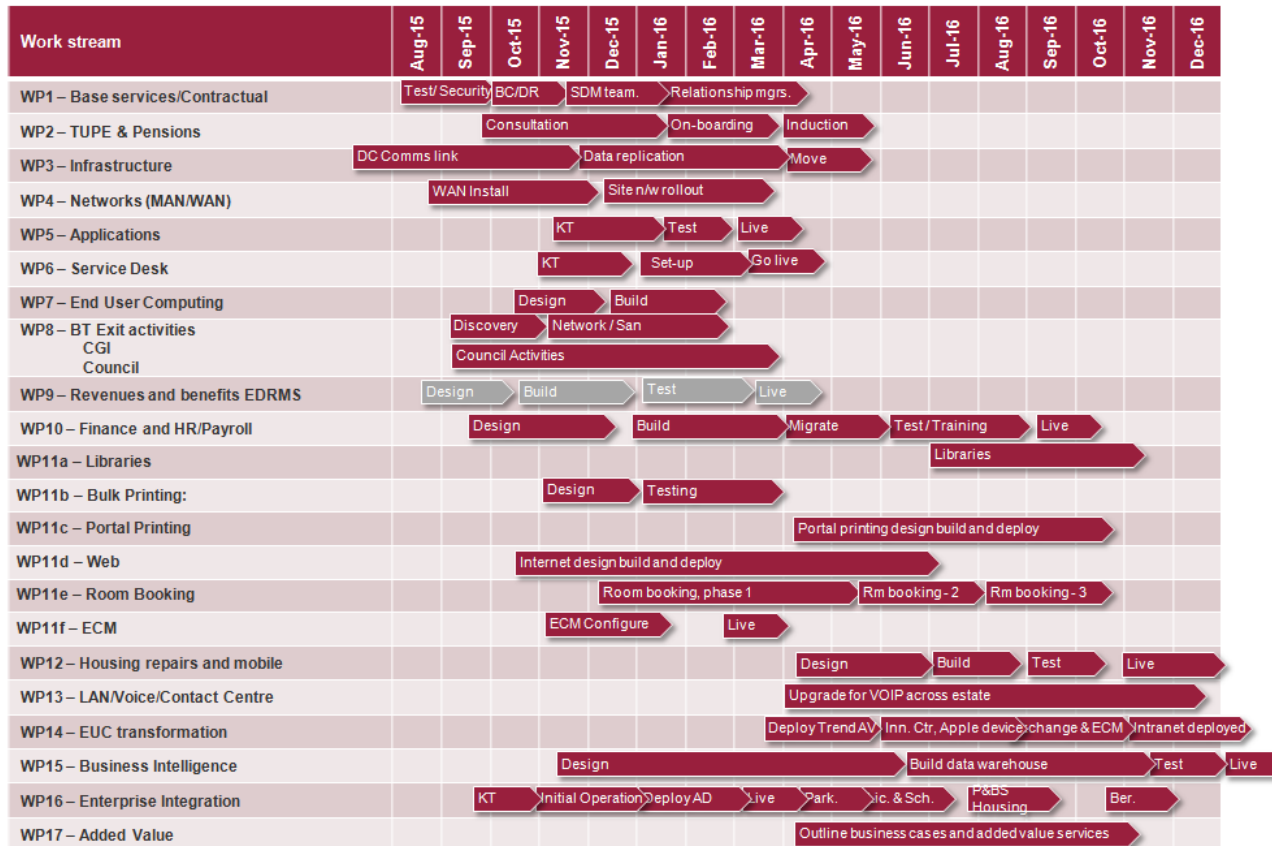
Coalition pledges	<p>P7 - Further develop the Edinburgh Guarantee to improve work prospects for school leavers</p> <p>P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors</p> <p>P16 - Examine ways to source new funding to support small businesses</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>
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Council outcomes	CO8 - Edinburgh's economy creates and sustains job opportunities CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	Appendix 1 – High Level Programme Plan

Appendix 1: Procurement Governance and Project Board

A high level summary of the master programme plans illustrating the key activities and timelines for each of the workstreams is set out below:

Programme Schedule



Finance & Resources Committee

10.00 am, Thursday, 26 November 2015

Framework Agreement for Multi-Trade Contractor for Council Properties - Award of Contract

Item number	7.13
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report seeks the approval of the Finance & Resources Committee to award the Framework Agreement for Multi-Trade Contractors for Council Properties for the contract sum of £2.5million for the period 11 January 2016 to 10 January 2020 (including an optional 1 year extension), following a competitive tender process to identify the most economically advantageous tenderers.

Links

Coalition pledges	CP08
Council outcomes	CO16
Single Outcome Agreement	SO4

Framework Agreement for Multi-Trade Contractor for Council Properties - Award of Contract

Recommendations

The Finance and Resources Committee is requested to:

- 1.1 Approve the award of the Framework Agreement for Multi-Trade Contractors for Council Properties to Saltire Roofing & Building Ltd, Clark Contracts Ltd and Firstcall Trade Services Ltd for the period 11 January 2016 to 10 January 2020 (including an optional 1 year extension), for the contract sum of £2.5million.

Background

- 2.1 Within Services for Communities, Edinburgh Building Services (EBS) is responsible for all aspects of domestic maintenance repairs required to ensure an empty home is returned to the agreed standard for re-occupation. The target turnaround time is 12 calendar days. This contributes to meeting the overall re-letting time of 21 days. In 2014/15 the average re letting time was 25 days. This placed the Council in the top quartile for empty home performance for Scottish Local Authorities.
- 2.2 Performance data indicates that approximately 1,800 properties were empty for a period of time during 2013/14, with a variety of trade work required within the properties.
- 2.3 The costs associated with returning empty homes to the required standards is approximately £3million per annum, based upon spend levels for 2013/14. EBS internal resource has the capacity to deliver approximately 80% of this spend, and it is intended that 20% of the annual spend will be through this multi-trade framework, £600,000 per annum.
- 2.4 EBS currently provides the required services via in-house staff and the use of the Domestic Repairs & Maintenance contract. This contract has proved difficult to manage due to the structure of the single trade subcontractors which has caused delays and meant that the required target turnaround times are sometimes not met.

Main report

- 3.1 This report seeks approval to appoint three suitably qualified and experienced contractors to carry out multiple trades within Council homes.

- 3.2 The tender and evaluation process was undertaken in accordance with Council Standing Orders, Public Procurement (Scotland) 2012 Regulations and EU Procurement Directives.
- 3.3 A contract notice was placed on the Public Contracts Scotland Portal on 3 March 2015 confirming it would be a two stage procurement procedure.
- 3.4 Fifty nine organisations noted interest in the contract and downloaded the Pre Qualification Questionnaire (PQQ) documentation which was attached to the notice. Of the 59 organisations, 23 submitted PQQs by the closing date of 9 April 2015.
- 3.5 The aim of the PQQ evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender by considering their financial stability, technical capability, capacity, experience and organisational processes and procedures evidenced by previous project examples. As a result of the PQQ process six bidders were selected to be invited to tender.
- 3.6 In the invitation to tender it was stated that the Framework would be awarded to the top three scoring suppliers on the basis of the most economically advantageous tender with 30% of the overall score being given to quality and 70% given to price. This ratio was determined as the repair and maintenance market is well established and stable. This ratio also ensured that the focus was on the value of the repairs being undertaken to ensure maximisation of the savings to support the Council's budget but also takes into account the quality of the processes and procedures of the organisations.
- 3.7 Of the six bidders selected at the PQQ stage to be invited to tender, one bidder did not submit a tender return.
- 3.8 The five tender submissions received were evaluated to determine a score for quality. The maximum score for quality was 30%. Six evaluation criteria areas were identified. Further details of the procurement process, including the members of the evaluation team and the six quality evaluation criteria and their respective weightings, are provided in Appendix 1.
- 3.9 On completion of the individual evaluation process a consensus meeting was held attended by the members of the evaluation team and the contract administrator from Commercial and Procurement Services. Individual evaluation criteria scores were reviewed and debated and a consensus score reached for each bidder. The appropriate weighting was then applied to each of the individual evaluation criteria to arrive at a final quality score.
- 3.10 A threshold of 50% of the total available marks for quality was set to ensure that any bidder failing to provide a satisfactory response to the published evaluation criteria requested within the tender documentation would not be considered further and would not have their pricing bid opened.

- 3.11 Following completion of the quality analysis, as all bidders had achieved the minimum threshold score of 50% for quality, their pricing bids were opened and subject to a cost analysis.
- 3.12 The lowest priced tender received was awarded the maximum score of 70% for price. All other bids were then scored on a pro-rata basis against this lowest bid.
- 3.13 The pricing element involved suppliers applying a Contractors Percentage Adjustment against the base rate for each specific trade. The bidders were provided with examples of work and notional occurrences from historical data.
- 3.14 The quality scores were then combined with the scores from the cost analysis to derive an overall score for each bidder out of a maximum of 100. The results are detailed in the table below.

Bidder	Quality Score	Price Score	Total Score
Rank 1 - Saltire Roofing & Building Ltd	23.55	69.92	93.47
Rank 2 - Clark Contracts Ltd	19.80	70.00	89.80
Rank 3 - Firstcall Trade Services Ltd	20.10	66.23	86.33
Bidder 4	17.85	63.98	81.83
Bidder 5	17.40	63.21	80.61

- 3.15 The bidder with the highest overall score which represents the Most Economically Advantageous Tender is Saltire Roofing & Building Ltd which provided satisfactory responses to all elements of the award criteria and met all mandatory criteria for insurance levels, trade qualifications, financial stability and business probity.
- 3.16 As per the Tender documentation, all work up to a value of £3,000 will be directly awarded to the first ranked contractor and any work in excess of £3,000 will be subject to mini-competition.
- 3.17 It is therefore recommended that Committee approve the award of the Framework Agreement for Multi-Trade Contractors for Council Properties to Saltire Roofing & Building Ltd, Clark Contracts Ltd, Firstcall Trade Services Ltd for the period - 1 November 2015 to 31 October 2019 (including an optional 1 year extension) for the contract sum of £2.5million.

Measures of success

- 4.1 The success of the framework will be measured by Key Performance Indicators (KPIs).

4.2 KPIs will ensure that strict contract management and performance monitoring is maintained for all maintenance and improvement works carried out on behalf of the Council. KPIs will measure:

- Mini Competition Tenders
- Cost Compliance
- Community Benefits
- Meeting reporting requirements
- Variations
- Schedule performance
- HSE standards/certification compliance
- HSE record
- Quality/Technical Performance
- Customer Complaints
- Contractor Personnel Conduct.

Financial impact

- 5.1 The estimated cost of the Contract is £2.5million from 11 January 2016 to 10 January 2020 and is accommodated within EBS budget.
- 5.2 The trades spend on the homes has been demonstrated as approximately £3m per annum based upon spend 2013/14. However, it is noted that much of this spend will not be procured through the proposed Multi-trade framework. It is estimated that approximately 20% of the annual spend will be procured through the multi-trade framework, £600,000 per annum.
- 5.3 It is anticipated that savings of up to 10.8%, which equates to £270,000, will be delivered from this Framework based upon comparison between a Schedule of Rates and notional occurrences with the suppliers' submitted Contractors Percentage Adjustment applied. The delivery of savings against budget spend will be monitored.
- 5.4 The Salary costs to procure this contract are estimated to be between £20,001-£35,000.

Risk, policy, compliance and governance impact

- 6.1 There are no negative risk, policy, compliance and governance impacts arising from this report.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

Sustainability impact

- 8.1 The Council will operate a Community Benefits Points system (CBP) for all direct awards and mini competitions for this framework.

8.2 The points system will apply throughout the duration of the framework and points will be accrued based upon overall spend rather than on a per job basis. Contractors will be required to deliver Community Benefits such as carrying out a workshop in a School or Community Centre in Edinburgh, linked to curriculum for excellence or sponsorship of a local organisation on the basis of points accrued annually or by mutual consent. Delivery may be expected up to two years after the expiry of the framework.

Consultation and engagement

9.1 Prior to commencing the procurement process for a multi-trade contractor, consultation was carried out with the Local Neighbourhood teams and Edinburgh Building Services to establish the standard of let required. This standard has been approved and all works carried out by the successful contractors within an empty home are expected to meet this specification.

Background reading/external references

N/A

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	CP08 – Make sure the City’s people are well housed, including encouraging developers to build residential communities, starting with Brownfield sites.
Council outcomes	CO16 – Well housed. People live in a good quality home that is affordable and meets their needs in a well managed neighbourhood.
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Framework Agreement for Multi-Trade Contractor for Council Properties
Contract period	1 st November 2015 – 31 st October 2019 (including a 1 year optional extension)
Contract value	£2,500,000
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Restricted
Invitations to tender issued	Six
Tenders returned	Five
Tenders fully compliant	Five
Recommended supplier/s	Saltire Roofing & Building Ltd Clark Contracts Ltd Firstcall Trade Services Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Evaluation criteria and weightings	Written responses were provided for the following award criteria areas: 1. Delivery Of The Contract – 30% 2. Project Management – 30% 3. Quality Assurance - 25% 4. Risk Management – 5% 5. Sustainability – 5% 6. Community Benefits – 5%
Evaluation Team	Carol Reid, Services for Communities Willie Crawford, Services for Communities Willie Gilhooly, Services for Communities

Finance and Resources Committee

10am, Thursday 26 November 2015

Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts

Item number	7.14
Report number	
Executive/routine	Executive
Wards	All

Executive summary

The purpose of this report is to provide an update on progress towards implementing the Homelessness Prevention Commissioning Plan (the Plan) through collaborative working. The Plan is being implemented through the piloting of reshaped services in a number of workstreams but some service areas are not yet subject to this approach. This report requests authority to extend the contractual arrangements for these service areas.

The report highlights:

- The progress in developing services in collaboration with the voluntary sector and other stakeholders.
- Significant progress on four workstream pilots including the achievement of budget savings, through reshaping and renegotiating service delivery.
- The need to further extend contracts, on current terms and conditions, for a further year for 22 Contracts (41 services) to allow sufficient time to complete the implementation of the Plan.

Links

Coalition pledges	P11 P13. P14. P32. P36.
Council outcomes	C09. C10. C11. C13. C14. C16. C23. C25. C26
Single Outcome Agreement	S02. S04

- The previous extension by waiver to one contract.

Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 Notes significant progress with delivery of the Plan.
- 1.2 Notes that the review of the Advice and Support Pilot will be reported to Finance and Resources Committee in January 2016.
- 1.3 Approves the extension of 22 contracts, with a maximum value of £5,134,767, until 31 March 2017.
- 1.4 Notes that savings of £806,627 have been achieved through the negotiation of these contracts. This forms part of a wider package of £2.3 million savings from the Commissioning Budget and is also subject to proposals for additional savings of £500,000.
- 1.5 Notes that the contract extension for 2014/15 to Gateway to Homes and Communities to provide basic furniture and furnishings was previously agreed as a waiver.
- 1.6 Notes that contract extensions will include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements.

Background

- 2.1 The Homelessness Prevention Commissioning Plan (the Plan) was agreed by the Policy and Strategy Committee on 6 September 2011. The Plan sets out the need to prevent homelessness wherever possible, to ensure people spend as little time as possible without a home if they do become homeless and that resettlement is effective and supports people to live sustainable, independent lives.
- 2.2 On 27 November 2014, the Finance and Resources Committee approved the extension of Homelessness and other services' contracts until 31 March 2016. The Council is in the process of reshaping services in line with the Plan to ensure that services are delivered in the best and most efficient way.
- 2.3 In addition, there has been one tendering exercise over the past year for a service to facilitate access to the private rented sector.

- 2.4 Work is progressing to secure the significant savings required to meet the reduction of £2.3 million to the Commissioning budget, as agreed by the Council in February 2014.
- 2.5 There are four workstream pilots at different stages of development: Advice and Support, Young People, Crisis and Complex and Domestic Abuse. These are summarised below. All pilots have been co-produced in partnership with existing providers and other stakeholders. Through a collaborative process with the providers, the new contracts substantially contribute towards the required level of savings and are programmed into the pilots to be achieved by the end of 2016/17. These contracts are outwith the scope of this report.
- 2.6 In addition to these previously agreed savings, the Council is consulting on a proposal as part of its 2016-20 Budget Framework. If agreed, this proposal would result in an additional reduction to Commissioned Services – Housing Support (sheltered housing/temporary accommodation), of £500,000.
- 2.7 Fruitful discussions have been held collectively with providers and a series of meetings are underway with individual providers for detailed agreement on implementation. The Commissioning team is experienced in effective contract management and if the proposal is agreed by Council, these savings will be managed through break clauses.

Main report

- 3.1 Significant progress on the implementation of the Homelessness Prevention Commissioning Plan has been achieved through collaborative working between the Council and service providers.

Progress to date

- 3.2 The pilot of reshaped Advice and Support services commenced on 13 October 2014, with a total of six contracts in place for three neighbourhood visiting support consortia, a citywide advice service and two small citywide contracts for mediation and home management/food preparation. The outcome of a review of the pilot will be reported to Finance and Resources Committee in January 2016. The report will make recommendations for service design and future procurement. A saving of around £400,000 (13.5%) has been achieved from this workstream.
- 3.3 Reshaped Young Peoples' Services incorporating a foyer approach are also being piloted with new contracts in place from 17 August 2015. The Finance and Resources Committee on 13 May 2015 agreed the award of contracts with seven providers for 12 services, including supported accommodation, visiting support and group work. Annual savings of over £318,000 (20.9%) have been achieved.
- 3.4 The pilot of Homeless Crisis and Complex Needs services is underway following Finance and Resources Committee approval to award contracts on 4 June 2015. There are two providers involved in this work: the contract for one service with

the first provider commenced 17 August 2015, while the contract with the second provider (for two services) is expected to go live in November 2015. Annual savings of more than £245,000 (13.5%) are to be achieved.

- 3.5 The award of contracts for the Domestic Abuse workstream was agreed by Finance and Resources Committee on 27 August 2015 and these are expected to be in place by the end of November 2015. These are with three providers for a total of seven visiting support and accommodation services. Annual savings of over £196,000 (16.8%) are to be achieved.
- 3.6 A tender was completed for access to the Private Rented Sector. The contract for one service was approved for four year with a possible 24 month extension and is expected to be in place from late 2015. Annual savings of £15,500 (9%) to be achieved.
- 3.7 The two remaining workstreams, Temporary Accommodation and Older People, along with the miscellaneous resettlement service, are still to be developed though some progress has already been made in reshaping services.

Areas for Development

Temporary Accommodation

- 3.8 20 temporary accommodation services are commissioned from eight providers for an annual value of £3,381,818 in 2015/16.
- 3.9 In collaboration with providers, an enhanced housing management model has been implemented in many accommodation services resulting in savings of more than £643,000 to date. A further £232,000 of savings has been negotiated with two providers to begin in 2016/17.
- 3.10 Additional savings may also be required from these services in 2016/17 following the budget proposal detailed at paragraph 5.3. Detailed work is underway with providers for implementation.
- 3.11 A wider review of temporary accommodation is underway and is led by Assessment, Homelessness and Support (AHS).
- 3.12 Re-procurement of these services, as detailed in Appendix 1, is expected to happen by 31 March 2017 following the Assessment, Homelessness and Support review and co-production of service specifications with stakeholders.

Older Peoples Services

- 3.13 The majority of the commissioning spend on older peoples services is housing support within sheltered, very sheltered and amenity housing units. In total, 12 providers are commissioned to provide 55 amenity, sheltered and very sheltered schemes, one Care and Repair Service, one advice service, one supported accommodation and one visiting support service for an annual value of £1,405,311 in 2015/16.
- 3.14 The overarching strategy for older people's services, Live Well in Later Life, is led by Health and Social Care.

- 3.15 A number of providers have converted their sheltered provision to a retirement model of housing and this has resulted in savings to the Council. These models have retained staff present on site to assist tenants but they no longer provide housing support. A further two providers have discussed this with the Council's Commissioning Team and are currently consulting with tenants regarding similar developments. The planned changes are likely to come into effect in April 2016 and are expected to result in a saving, though this will be offset to a degree by the loss of income from charging for housing support.
- 3.16 Further savings may also be required from these services in 2016/17 following the budget proposal detailed at paragraph 5.3. Useful discussions have taken place with providers and individual meetings are being progressed to discuss efficiency proposals by providers.
- 3.17 Health and Social Care is currently considering the potential of specific contracts to provide care at home services to residents within sheltered housing complexes. Although these services are distinct from housing support there may be benefits in aligning them in some circumstances and such opportunities can be explored in a future review.
- 3.18 Proposals for the further reshaping of services will be reported as appropriate to the Finance and Resources Committee in due course. Reshaping, however, requires the extension of contracts for a further year on current terms and conditions and the providers and services concerned are detailed at Appendix 1.

Resettlement

- 3.19 The Gateway to Homes and Communities service provides people, who have been homeless, with basic furniture and furnishings when they first get a home. The Contract was awarded following a tender in 2009. The extension of this contract was agreed as a waiver of standing orders by the Finance and Resources Committee, in November 2014. A further extension is requested for 2016/17 to carry out an assessment of demand and develop revised service specifications and agree a procurement approach. The contract is currently worth £347,637, although around 60% is recovered from the Housing Revenue Account (HRA). This reflects the value of service provided to Council tenants

NHS Contribution

- 3.20 A contract is in place to pay the NHS to provide support to Council and commissioned services so the services can provide psychologically informed support. The contract is currently worth £30,674.84.
- 3.21 The extension will allow support to be provided during the review of The Access Point (TAP) and Edinburgh Access Practice (EAP).

Measures of success

- 4.1 The Plan will be measured by its success in reducing the number of people who become homeless, the length of time people stay in temporary accommodation and the number of people who become homeless for a second time.
- 4.2 The success of the extensions requested in this report will be measured by the resulting reshaping of services, within work streams. These are expected to achieve a focus of resources, with better outcomes for clients. Each work stream will have its own specific outcomes as measures for success, which will be defined through consultation and collaboration and reported separately to this Committee.

Financial impact

- 5.1 The award of 24 contracts for 2016/17 has a maximum value of £5,331,876.
- 5.2 Savings of £2.3 million over a three year period are required from the Commissioning Budget, as part of the Council's budget setting process, agreed in February 2014. The second tranche of savings, approximating to £751,000, has been achieved in 2015/16 and the balance of the savings will be built into contracts over the next year. The savings required in the third tranche, £1.15m, are on track to be achieved in the course of 2016/17.
- 5.3 On 24 September 2015, Finance and Resources Committee made further proposals as part of revenue and capital budget framework. The specific proposal is to reduce the housing support budget for sheltered and temporary accommodation by £500,000 from 1 April 2016. The proposal is part of the wider budget consultation. If approved, the proposal will impact on the contracts in this report. Break clauses will be included in contract extensions to allow for the implementation of savings, as required.

Risk, policy, compliance and governance impact

- 6.1 There is a risk of challenge from potential providers who may feel unfairly excluded from consideration. However, these contracts are considered 'Part B services' which means that the full application of the EU procurement rules does not apply. This limited application is in recognition that such services are considered by EU law to be of less interest to economic operators from other member states and as such, the risk of any successful legal challenge is lower. It should be noted however the changes in legislation from early 2016 will require these services to be advertised in Europe.
- 6.2 The Council's 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 this circumstance, a waiver is justified as being in the best interest of the Council to maintain support to existing vulnerable clients while services are reshaped. There is a risk, should the waiver be agreed, that best value is not demonstrated in line with CSO's that

require all services valued above £25,000 to be competitively tendered. The service area has supported best value through achieving savings through negotiation as detailed in the main report.

- 6.3 The need to identify savings from accommodation services may lead to some providers declining to renew contracts. This is however considered a low risk which could be mitigated by increasing the contracts of other providers to cover any service withdrawal, if necessary.
- 6.4 A Checkpoint Group, which involves providers, service users, trade unions and other stakeholders, is in place to oversee the consultation and communication of the Plan.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment (ERIA) was completed for the Plan. An ERIA has also been completed for all four active workstreams and will be undertaken for the outstanding work.
- 7.2 The extension of existing contracts will ensure that current levels of service remain in place, albeit with savings which may impact on the service provided. This will help to ensure good relations between the Council and providers of services to clients, many of whom have protected characteristics.
- 7.3 The Plan will advance equality of opportunity by providing services which help people to avoid the crisis of homelessness or to resettle after a crisis. This will have a positive impact on the Single Outcome Agreement objective of improving health and wellbeing.
- 7.4 All services will continue to be monitored to ensure there is no negative impact on, or discrimination against, clients within the equalities groups. The ERIA in respect of the savings proposals will be kept under review.

Sustainability impact

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh by benefiting the third sector.

Consultation and engagement

- 9.1 The agreement of the Plan followed extensive consultation with providers and users on the principles within the Plan. A Checkpoint Group oversees communication and consultation.
- 9.2 The proposals for reshaping services were developed following extensive collaborative consultation with stakeholders, including service users. The Checkpoint Group has also reviewed the consultation and proposals. A similar process will be followed for the reshaping of other services.

Background reading/external references

[Homelessness Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	<p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>P11. Encourage the development of co-operative housing arrangements.</p> <p>P13. Enforce tenancy agreements (council and private landlord) with a view to ensuring tenants and landlords fulfil their good conduct responsibilities.</p> <p>P14. Strengthen Council housing allocation policy to give recognition to good tenants and to encourage responsible tenant behaviour and responsibilities.</p> <p>P30 – Continue to maintain a sound financial position including long-term financial planning.</p> <p>P32. Develop and strengthen local community links with the police.</p> <p>P36. Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model.</p>
Council outcomes	<p>C09. Edinburgh residents are able to access job opportunities</p> <p>C10. Improved health and reduced inequalities</p> <p>C11. Preventative and personalised support in place</p> <p>C13. People are supported to live at home</p> <p>C14. Communities have the capacity to help support people</p> <p>C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed</p> <p>C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>C25. The Council has efficient and effective services</p>

that deliver on objectives

C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

Single Outcome Agreement

S02. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

S04. Edinburgh's communities are safer and have improved physical and social fabric

Appendices

Appendix 1: Work Streams and Commissioned Services

Appendix 1: Work streams and Commissioned Services

The proposed extensions (listed below) will have break clauses and figures quoted are the maximum amounts within the 12 month period. These amounts may be reduced depending on the application of savings for 2016/17 as discussed in the report. Services will be reshaped with reduced value and/or retendered prior to the completion of the 12 month period.

PROVIDER	SERVICE	Contract value 2015/16
TEMPORARY ACCOMMODATION		
Bethany Christian Trust	Bethany House	£349,440
Bethany Christian Trust	Bethany Christian Centre	£266,240
Crossreach	Cunningham House	£287,040
Crossreach	Anchor	£21,840
Dunedin Canmore	Harbour Hostel	£386,880
Dunedin Canmore	Harbour Flats	£24,960
Gowrie Care	Bruntsfield	£266,999
Gowrie Care	Oxgangs	£180,999
Gowrie Care	Dryden Street	£112,320
Gowrie Care	Gilmours Close	£112,320
Gowrie Care	Lauriston Place	£157,248
Gowrie Care	Mayfield	£134,784
Gowrie Care	South Fort Street	£123,552
Gowrie Care	St John's Hill	£235,872
Rowan Alba	West Pilton Park	£125,206
Salvation Army	Pleasance	£217,360
Salvation Army	East Adam Street	£24,960
SVHA	Whitefoord House	£106,600
Y People	Broomhouse Medway	£123,022
Y People	Crewe Road Gardens	£124,176
	Total	£3,381,818

PROVIDER	SERVICE	Contract value 2015/16
OLDER PEOPLES SERVICES		
Bield HA	Very Sheltered	£146,474
Cairn Housing	Sheltered	£16,174
Cairn Housing	Very Sheltered	£43,498
Care and Repair	Care and Repair	£268,709
Castlerock Edinvar	Sheltered	£48,286
Dunedin Canmore	Sheltered	£135,618
Dunedin Canmore	Sheltered	£47,975
Mansfield Care	Very Sheltered	£154,571
Methodist Homes	Sheltered	£10,218
Places for People	St Leonards	£119,247
Places for People	St Leonard's Outreach	£17,122
Port of Leith HA	Amenity	£6,213
Port of Leith HA	Sheltered	£51,100
Prestonfield NP	Advice Service	£40,910
Trust HA	Sheltered	£68,098
Viewpoint HA	Amenity	£29,352
Viewpoint HA	Sheltered	£80,674
Viewpoint HA	Very Sheltered	£121,073
	Total	£1,405,311

PROVIDER	SERVICE	Contract value 2015/16
RESETTLEMENT		
Bethany Christian Trust	Gateway Home & Com	£347,637
	Total	£347,637

PROVIDER	SERVICE	Contract value 2015/16
NHS		
NHS	Personality Project	£30,675
	Total	£30,675

Finance and Resources Committee

10.00 am, Thursday 26 November 2015

Energy Advice and Support for Housing Services – referral from the Health, Social Care and Housing Committee

Item number	7.15
Report number	
Wards	All

Executive summary

The Health, Social Care and Housing Committee on 10 November 2015 considered a report from the Acting Director of Services for Communities seeking approval to continue the Service Level Agreement (SLA) between the Housing Service and Changeworks Resources for Life (Changeworks) for the provision of energy related services, noting that savings of up to 10% will be sought in 2016/17, in line with Council's approach to securing savings from third sector organisations through collaborative working.

The report set out a number of energy services required to support the development of the housing strategy over the next three years.

Links

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

Terms of Referral

Energy Advice and Support for Housing Services

Terms of referral

- 1.1 At its meeting on 3 February 2015, the Finance and Resources Committee agreed to extend the SLA for Changeworks until 31 March 2016. Changeworks is an environmental charity and social enterprise that works in collaboration with public and third sector organisations, schools, communities and businesses.
- 1.2 The services provided by Changeworks include energy advice to Council tenants, project development support to energy related investment projects funded through the Housing Revenue Account (HRA) and managing contractors delivering the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) in Edinburgh under the SLA.
- 1.3 The Housing Service has reviewed the options and requirements for energy related services. The review examined the services required and the most appropriate and cost effective way of delivering them. The review addresses only the energy services required by the Council's Housing Service and not any other services the Council may commission from the organisations.
- 1.4 Over the last two years the services provided by Changeworks have fallen into the following categories:
 - a. Advice and support to tenants and training for Council staff.
 - b. Fuel poverty consultancy.
 - c. Technical consultancy.
- 1.5 As the Transformation Programme is currently ongoing, there may be a need to change the services required for energy projects linked to housing. It is unlikely that demand for energy advice and support will decrease, so the SLA could be further developed to reflect this, or advice services could be offered in-house, in addition to those currently offered via the SLA. Some services could be brought in-house through recruitment, depending on the structure arrived at through the Transformation project. Energy advice services could be brought in-house with complex cases continuing to be referred to Changeworks projects. An extension of up to three years allows critical projects, such as delivery of HEEPS:ABS and planning for meeting the Energy Efficiency Standard for Social Housing EESSH target which are currently underway, to be completed. HEEPS:ABS funding is expected to continue in its current format until March 2017, and Changeworks manages the delivery of these projects on behalf of the Council under the SLA. The investment programme required to ensure Council homes meet the EESSH is under development with support from Changeworks Consultancy team.

- 1.6 The Health, Social Care and Housing Committee agreed:
- 1.6.1 To continue to procure energy related services from Changeworks up to a value of £140,000.
 - 1.6.2 To note that savings of up to 10% will be sought through negotiation with Changeworks.
 - 1.6.3 To refer the report to the Finance and Resources Committee to seek approval to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

For Decision/Action

- 2.1 The Finance and Resources Committee is asked to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

Background reading / external references

Health, Social Care and Housing Committee 8 September 2015.

Carol Campbell

Head of Legal and Risk

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Links

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

Health, Social Care and Housing Committee

10.00am, Tuesday, 10 November 2015

Energy Advice and Support for Housing Services

Item number

Report number

Executive/routine

Executive

Wards

All

Executive summary

This report seeks approval to continue the Service Level Agreement (SLA) between the Housing Service and Changeworks Resources for Life (Changeworks) for the provision of energy related services, noting that savings of up to 10% will be sought in 2016/17, in line with Council's approach to securing savings from third sector organisations through collaborative working.

The services include energy advice to Council tenants, project development support to energy related investment projects funded through the Housing Revenue Account (HRA) and managing contractors delivering the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) in Edinburgh.

The report sets out a number of energy services required to support the development of the housing strategy over the next three years.

Links

Coalition pledges

[P8 P44 P49 P50 P53](#)

Council outcomes

[CO4 CO8 CO10 CO16 CO17 CO18 CO19 CO25](#)

Single Outcome Agreement

[SOA 2 SOA3 SOA4](#)

Energy Advice and Support for Housing Services

Recommendations

It is recommended that the Health, Social Care and Housing Committee agrees:

- 1.1 To continue to procure energy related services from Changeworks up to a value of £140,000.
- 1.2 To note that savings of up to 10% will be sought through negotiation with Changeworks.
- 1.3 To refer this report to the Finance and Resources Committee to seek approval to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

Background

- 2.1 At its meeting on 3 February 2015, the Finance and Resources Committee agreed to extend the SLA for Changeworks until 31 March 2016. Changeworks is an environmental charity and social enterprise that works in collaboration with public and third sector organisations, schools, communities and businesses.
- 2.2 Changeworks provides a number of services including energy advice for tenants and analysis and project development support for HRA investment in heating and energy efficiency programmes. Changeworks also manages the delivery in Edinburgh of HEEPS:ABS under the SLA.
- 2.3 Changeworks has provided these services under a SLA since 2010 and prior to that in the form of grant aid.

Main report

- 3.1 The purpose of this report discharges the commitment to review services and report to Finance and Resources Committee. The Housing Service has reviewed the options and requirements for energy related services. The review examined the services required and the most appropriate and cost effective way of delivering them.
- 3.2 This report addresses only the energy services required by the Council's Housing Service and not any other services the Council may commission from the organisations.
- 3.3 Over the last two years the services provided by Changeworks have fallen into the following categories:
 - Advice and support to tenants and training for Council staff.

- Fuel poverty consultancy.
 - Technical consultancy.
- 3.4 This area of work covers a range of activities including new build homes, retrofit and improvements and advice and support to the Council's welfare reform and income maximisation staff. This support helps identify projects, develop policy and deliver improvements across different house types, technologies, advice and behaviour interventions. These include:
- Staff training on basic advice and referrals.
 - Face to face in-depth advice and support to tenants through the Affordable Warmth project.
 - Fuel poverty consultancy to support the Council's increased focus on advice and communications.
 - Developing investment programmes and supporting the achievement of Energy Efficiency Standard for Social Housing (ESSH) by 2020 for existing homes and meeting more stringent building regulations for new build.
- 3.5 Demand for support under the Affordable Warmth project currently far exceeds the resources within the team to deliver advice to the number of tenants in need. A waiting list for the service was in operation during summer 2015.
- 3.6 The current arrangement allows the Housing Service access to a network of expertise, including technical support, statistical analysis, advice, communications, behaviour change and policy development. There are other benefits, such as Changeworks being an impartial organisation to carry out research and gather tenant feedback on Council energy efficiency projects, such as external wall insulation and heating replacement programmes. The major advantage of services being delivered by one organisation is that all projects align closely with Council objectives and focus on the benefits that can be achieved for Edinburgh's Council tenants.
- 3.7 As the Transformation Programme is currently ongoing, there may be a need to change the services required for energy projects linked to housing. It is unlikely that demand for energy advice and support will decrease, so the SLA could be further developed to reflect this, or advice services could be offered in-house, in addition to those currently offered via the SLA. Some services could be brought in-house through recruitment, depending on the structure arrived at through the Transformation project. Energy advice services could be brought in-house with complex cases continuing to be referred to Changeworks projects. An extension of up to three years allows critical projects, such as delivery of HEEPS:ABS and planning for meeting the ESSH target which are currently underway, to be completed. HEEPS:ABS funding is expected to continue in its current format until March 2017, and Changeworks manages the delivery of these projects on behalf of the Council under the SLA. The development of the investment

programme required to ensure Council homes meet the EESSH is under development with support from Changeworks Consultancy team.

Measures of success

- 4.1 Success will be measured by the number of tenants supported through in-depth advice and support, and the carbon emissions reduction and financial savings delivered by technical and fuel poverty projects. External funding secured by Changeworks, which adds additional value to the SLA for the Council, is included in the monitoring process.

Financial impact

- 5.1 The Housing Revenue Account can accommodate the existing funding level of £140,000 per year. Negotiations will take place with Changeworks to secure a saving of up to 10% on the delivery of the SLA in 2016/17. All efforts will be made not to reduce the level of front line service delivery to tenants.
- 5.2 It is projected that some savings will be made in 2015/16 and these will be reported to Committee in 2016.

Risk, policy, compliance and governance impact

- 6.1 The Changeworks SLA is monitored with quarterly progress meetings on targets and outcomes. This includes a breakdown of referrals to existing schemes such as benefits checks, subsidies for heating or insulation, tariff and debt advice and other services. Priorities are set in line with City Housing Strategy objectives.
- 6.2 The SLA also provides for Changeworks to manage programmes funded by the Scottish Government's HEEPS:ABS funding. This support is vital to deliver mixed tenure insulation projects across the city for the future years that HEEPS:ABS funding is expected to be available. Scottish Government guidance for HEEPS:ABS specifically requests that local authorities work with their Home Energy Scotland advice centre, which is run by Changeworks for south-east Scotland.
- 6.3 Following review it is proposed to waive the Council's Contract Standing Orders on the basis that:
- The current arrangement offers value for money.
 - Consultation with Edinburgh Tenants Federation and feedback from tenants has shown energy efficiency and fuel poverty to be an investment priority.
 - The range of expertise offered is uniquely placed to provide objective support towards the development of energy specific elements of housing strategy, investment and advice.
- 6.4 If a waiver is not approved, it is recommended that the SLA is extended for a year to allow a procurement exercise to take place. This reflects the time period

required for co-production of the scope. It is anticipated that a new contract could not commence until April 2017 at the earliest.

- 6.5 There is some risk of challenge from organisations providing energy related services should a decision be taken to maintain the current arrangements. However the current assessment of that risk is low. No other energy service provider has to date challenged the current SLA arrangements and the overall financial value is relatively low.

Equalities impact

- 7.1 Continuation of these services will contribute to the Scottish Government Fuel Poverty 2016 target, and could help improve health and reduce excess winter deaths.
- 7.2 The current arrangement means that cost-effective services are in place to target the lowest income areas of the city, to address fuel poverty, save money and improve residents' health and wellbeing. To meet current demand, increasing services to tackle fuel poverty through advice will be considered a priority.

Sustainability impact

- 8.1 Continuing energy efficiency and fuel poverty support to the Council has a positive impact on sustainability, as projects taken forward through the SLA for Housing contribute to reducing carbon emissions.

Consultation and engagement

- 9.1 Consultation on energy advice services and energy efficiency projects has been carried out with Edinburgh Tenants' Federation, and the issues highlighted through the Tenants' Survey, Tenants' Panel discussions and the annual rent consultation. The Housing Service will continue to identify opportunities for partnership working to benefit tenants in the areas of energy efficiency, fuel poverty, waste and recycling.

Background reading/external references

[Extension of Service Level Agreement for Changeworks Resources for Life](#) report Finance and Resources Committee, 3 February 2015

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	<p>P8 Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P44 Prioritise keeping our streets clean and attractive</p> <p>P49 Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill</p> <p>P50 Meet greenhouse gas targets, including the national target of 42% by 2020</p> <p>P53 Encourage the development of Community Energy Co-operatives</p>
Council outcomes	<p>CO4 Our children and young people are physically and emotionally healthy</p> <p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p> <p>CO10 Improved health and reduced inequalities</p> <p>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood</p> <p>CO17 Clean - Edinburgh's streets and open spaces are clean and free of litter and graffiti</p> <p>CO18 Green - We reduce the local environmental impact of our consumption and production</p> <p>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</p> <p>CO25 The Council has efficient and effective services that deliver on objectives</p>
Single Outcome Agreement	<p>SOA2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SOA3 Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SOA4 Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<p>1. Breakdown of energy services provided</p>

Appendix 1: Breakdown of Energy Services Provided

Changeworks SLA	Pledge/ SOA/ Outcome
Housing	
Affordable warmth advice and in-depth support to 220 tenants, includes appointments and events	<p>SOA 2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SOA 3 Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p>
Staff training - includes Energy Policy Briefing for staff	<p>CO27 The Council supports, invests in and develops our people</p> <p>CO25 The Council has efficient and effective services that deliver on objectives</p>
Fuel poverty consultancy - Mapping and analysis - Healthy homes - Research, communications and behaviour change support	<p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p> <p>CO10 Improved health and reduced inequalities</p> <p>SOA 2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p>
Technical consultancy - Building stock analysis - Technology analysis - Project evaluation - Energy Efficiency Standards for Social Housing - Home Energy Efficiency Programmes for Scotland: Area Based Schemes	<p>P50 - Meet greenhouse gas targets, including the national target of 42% by 2020</p> <p>P53 Encourage the development of Community Energy Co-operatives</p> <p>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</p> <p>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood</p> <p>SOA4 Edinburgh's communities are safer and have improved physical and social fabric</p> <p>CO18 Green - We reduce the local environmental impact of our consumption and production</p>

**Support
development of
housing strategy**

P50 - Meet greenhouse gas targets, including the national target of 42% by 2020

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

SOA4 Edinburgh's communities are safer and have improved physical and social fabric

Finance and Resources Committee

10am, Thursday, 26 November 2015

Award of contract for consultancy services for Edinburgh Street Design Guidance – Phase 2 works

Item number	7.16
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks the approval of the Finance and Resources Committee for the appointment of a contractor(s) for the consultancy services required for the Edinburgh Street Design Guidance Phase 2 works.

Links

Coalition pledges	P31 , P40
Council outcomes	CO7 , CO8 , CO9 , CO19 , CO26
Single Outcome Agreement	SO1 , SO2 , SO4

Award of contract for consultancy services for Edinburgh Street Design Guidance – Phase 2 works

Recommendations

- 1.1 To approve the appointment of Atkins Ltd for consultancy services required for the Edinburgh Street Design Guidance Phase 2 works.

Background

- 2.1 The new Street Design Guidance for Edinburgh provides consolidated guidance to those changing or adding to any part of the street network in Edinburgh. It was approved for by Transport and Environment Committee on 25 August 2015 and Planning Committee on 1 October 2015.
- 2.2 The new guidance has been prepared in the context of Designing Streets, the Scottish Government's policy on street design. This moves away from an approach to design that has centred on catering for cars, towards one that focuses on place making and sustainable forms of transport. Edinburgh's new Street Design Guidance complements the Edinburgh Design Guidance, and helps to achieve the Council's wider policy objectives relating to a safer, more accessible, sustainable, healthier and prosperous Edinburgh.
- 2.3 There is an urgent requirement to undertake Phase 2 works to meet the secured external (from Sustrans and Paths for All) funding. This funding is secure until the end of this current financial year (2015/16).
- 2.4 Due to lack of internal resources to undertake Phase 2 works within this timescale, the Procurement Requirement Form for appointing consultants to undertake the works has been authorised by the Chief Executive.
- 2.5 The works that needs to be undertaken by the consultants include:
 - finalising detailed technical Factsheets;
 - undertaking training sessions for the Council's staff;
 - developing a Street Design Guidance Website;
 - creating an interactive Edinburgh Street Types GIS map; and
 - investigating how to align the Council procedures, programmes and budgets with the Guidance's requirements.

- 2.6 Given the wide-ranging coverage of the Guidance, the complexity, the scale of expertise required and the collaborative nature of the works, the aim was to appoint a team which can collectively produce the relevant collection of detailed Factsheets (technical guidance documents), Guidance Website, Street Types Map, working closely with the Council experts and the Council's project manager.
- 2.7 The complexity of the works meant that a time-based contract would be most appropriate. The works were tendered using the national framework contract, Scotland Excel 01-11.

Main report

- 3.1 On 9 October 2015, an ITT was published on the Public Contracts Scotland Portal inviting expressions of interest from suitable applicants to deliver the project from a pre defined list of approved suppliers from the Scotland Excel Framework. Two suppliers submitted a response on 26 October 2015.
- 3.2 To ensure that the contract was awarded to the provider offering best value, the bids were assessed based on the most economically advantageous tenders. The weightings used for the selection of the contractors were based on Quality 80%, Price 20%.
- 3.3 Because the works were to be undertaken by a time-based contract, to ensure fair price comparison, tenderers were given an indicative workload hours (see table below) and were asked to price their proposals accordingly.

Tasks	Name	Hourly rate (£)	Hrs (nominal)	Total
Task 1 - Lead Author			400	
Task 2 - Back-up lead author				
Task 1 - Subject author for Ped. Env				
Task 1 - Subject author for Cycling			100*	
Task 1 - Subject author for PT				
Task 1 - Subject author for roads design				
Task 1 - Subject author for landscaping/public realm				
Task 1 - Technical drawing support			75	
Task 1 - Graphic design support			75	
Task 2 – Trainer			100	
Task 3 - Web developer			100	
Task 3 - Graphics design support			50	
Task 4 - GIS expert			50	
Task 5 – Expert			50	
Notional total for finalising Edinburgh Street Design Guidance (carried to form of tender)			1000	

* applies to average hourly price of the back-up author and five subject authors

- 3.4 Tenders were independently scored in relation to quality and price. The tender returns were checked for compliance and all were deemed compliant by the evaluation panel.
- 3.5 A consensus meeting took place following quality scoring on 5 November 2015 to agree final quality score.
- 3.6 Following detailed analysis of the tender returns it was deemed that the tenders were competitive and no abnormally low prices had been submitted.
- 3.7 The two applicants scores were as follows:

Company	Quality Score	Price Score	Combined Score
Atkins Ltd	59.28	17.17	76.45
Bidder 2	48.48	20.00	68.48

- 3.8 The range of prices received from the two applicants was between £56,650 and £65,972.
- 3.9 The outcome of the tender evaluation is that Atkins Ltd submitted the most economically advantageous tender for the sum of £65,972.
- 3.10 Appendix 1 summarises the tendering and tender evaluation processes.

Measures of success

- 4.1 The measures of success for this consultancy work (once the work listed in section 2 is completed) will be that the complete suite of Edinburgh's Street Design Guidance will be available. This will allow the creation of new streets, or alteration of existing streets, that:
- are welcoming, inclusive and accessible to all;
 - are easy to navigate;
 - are attractive and distinctive;
 - give priority to sustainable travel (walking, cycling and public transport);
 - are safe and secure;
 - are designed to deal with and respond to environmental factors such as sun, shade, wind, noise and air quality.
 - respect key views, buildings and spaces reflect the needs of local communities; and

- are resilient, cost-effective and have a positive impact on the environment over their life-cycle.

Financial impact

- 5.1 If approved by the Committee, Atkins Ltd will be awarded a time-based contract under the Scotland Excel Framework to help deliver the works listed in paragraph 2.5 of this report.
- 5.2 The total costs associated with this project are estimated at up to £95,000.

External funding:

- 5.3 There is £60,000 secured from the Sustran's Community Links funding in 2015/16 financial year. The Council has been advised by Sustrans that, additional funding is likely to be made available, if required.
- 5.4 An additional £10,000 to £20,000 is being sought from the Smarter Choices Smarter Places 2015/16 funding.
- 5.5 Further external funding of £15,000 to £25,000 is likely to be sought for the Guidance (principally for training events) for 2016/17 budget year.

Internal funding:

- 5.6 If additional external funding is not secured, either in part or full, for staff training and promotion of the Guidance internally, up to £25K could be allocated to from the Transport Revenue budget, including the Cycle Revenue budget.
- 5.7 This project should realise longer term financial benefits for the Council.
- 5.8 The costs associated with procuring this contract are estimated at up to £10,000.

Risk, policy, compliance and governance impact

- 6.1 Atkins Ltd have been awarded the contract in line with the Council's procurement policies and Standing Orders.
- 6.2 Some of the risks and challenges that are relevant to the delivery of the works include:
- Delays due to detail, complexity and the scale of expertise required to produce a complete suite of factsheets. Careful management of the lead author and of the inputs/contributions of internal and external experts is necessary in drafting Factsheets in order to achieve output of suitable quality.

- Substandard quality in order to achieve affordability or alternatively cost escalation. This is likely to require some targeting of resources to areas which are of most importance within the guidance and/or where the Council requires the most assistance.
- Consultant experts may have limited availability – again some flexibility will be required, for example adjusting the work program to work around the limited availability of key specialists.
- The Council's experts may not be able to engage fully with the process, for example due to other work commitments.
- It is likely to be difficult for the Council to provide working space for the consultants due to limited number of desks allocated for the use of Transport Planning and Policy staff.

Equalities impact

- 7.1 A full equalities impact assessment has already been prepared for Edinburgh Street Design Guidance and reported to the Transport and Environment Committee on 25 August 2015. It will be kept up to date during Phase 2 works and a final version of the ERIA will be submitted to Transport and Environment Committee by the end of 2016.

Sustainability impact

- 8.2 This work should result in a more sustainable model for creating, transforming and managing streets across the city.

Consultation and engagement

- 9.1 Approval was gained from the Chief Executive Officer via a Procurement Requirement Form (dated 06.10.15) for this work package and for selection of this procurement route to market.
- 9.1 Due to the strategic nature of the Guidance further meetings and workshops with internal the Council staff and external stakeholders are expected during Phase 2 works. External stakeholders should include but not limited to Edinburgh Design Panel and Edinburgh Access Panel.

Background reading/external references

[Edinburgh Street Design Guidance](#)

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	P31 - Providing for Edinburgh's economic growth and prosperity. P40 - Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city's built heritage.
Council outcomes	CO7 - Edinburgh draws new investment in development and regeneration. CO8 - Edinburgh's economy creates and sustains job opportunities. CO9 - Edinburgh residents are able to access job opportunities. CO19 - Attractive Places and Well Maintained- Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm. CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs, and opportunities for all. SO2 - Edinburgh's citizens' experience improved health and wellbeing, with reduced inequalities in health. SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Edinburgh Street Design Guidance – Phase 2 works
Contract period	27 November 2015 – 31 March 2017
Contract value	Time based contract with estimated value up to £95,000
Standing Orders observed	Consultancy support, value over £25,000 Procurement Request Form approved by the Chief Executive Officer
Portal used to advertise	Public Contracts Scotland
EU Procedure chosen	Mini Competition on EU Compliant Framework
Invitations to tender issued	9/10/2015
Tenders returned	2
Tenders fully compliant	2
Recommended supplier/s	Atkins Ltd
Primary criterion	Quality 80% Cost 20%
Evaluation criteria and weightings	The Contract was awarded on the basis of the Most Economically Advantageous tender with 20% of the overall evaluation score given to price and 80% of the overall evaluation score given to quality. The quality analysis was based on the answers provided in response to the following weighted Award Criteria Questions: Q1 – Lead Author, 30% Q2- Project Team , 40% Q3 Presentation, 30%
Evaluation Team	Development Control Manager, Transport Senior Professional Officer, Strategic Planning, Transport Professional Officer, Projects Development, Transport

Finance and Resources Committee

10am, Thursday, 26 November 2015

Adoption of Scottish Procurement Fixed Term Water and Waste Water Services Framework

Item number	7.17
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks delegated authority for the Director of Services for Communities to adopt and implement the national framework agreement for Water and Waste Water Services, procured by the Scottish Government, on behalf of the Scottish Public Sector.

The Framework Agreement is due to commence in early 2016, for a period of three years, with the option to extend for a further year. Anglian Water Business (National) Ltd will be the new contracted supplier for the framework.

Links

Coalition pledges

Council outcomes

[CO26](#)

Single Outcome Agreement

Adoption of Procurement Scotland Fixed Term Water and Waste Water Services Framework

Recommendations

That Committee:-

- 1.1 Delegates authority to the Director of Services for Communities to adopt and implement the Water and Waste Services Contract, procured on behalf of the Scottish public sector, by the Scottish Government for an initial period of 3 years with the option to extend for an additional year; and
- 1.2 Notes that transitional arrangements between the incumbent provider and new provider still need to be finalised and communicated by Scottish Procurement. It is anticipated that the new contract will start in early 2016.

Background

- 2.1 The Contract for the Supply of Water and Waste Water Services for the Public Sector comprises a National Framework, procured by Scottish Government, and approved by Scottish Ministers, who are the appointed Agent for Scottish Public Bodies for the supply of these services.
- 2.2 The Council procures its main electricity, gas and water contracts through existing agreements with the Scottish Government.
- 2.3 The existing contract with Business Stream commenced on 1 April 2011, and was originally due to expire on 31 March 2015. The end date of this contract has been extended by the Scottish Government. The award of the new framework has been subject to a 'Standstill Period' which was concluded on 16 October 2015. The incumbent provider, Business Stream, will continue to provide Water and Waste Water Services up to transfer to the new framework.

Main report

- 3.1 This Contract covers the supply of potable water to the Council's operational estate, and associated waste water charges, including sewerage, property and roads drainage.
- 3.2 At the date of writing this report, the Scottish Government is in the process of finalising arrangements for the transfer and mobilisation of the contract to the new supplier, Anglian Water Business (National) Ltd.

- 3.3 The [Water Services etc. \(Scotland\) Act 2005](#) introduced competition into the Scottish water market. EU rules require that public contracts must be competed, even when a publicly-owned company, such as a Business Stream, can deliver the service. Scottish Procurement completed a robust procurement process in line with EU procurement regulations.
- 3.4 Scottish Government Framework Agreements has enabled the Council to benefit from cost savings, cost stability, improved customer service, automatic meter readers and water efficiency tools and services.
- 3.5 At the time of writing this report, the Scottish Government had not yet provided full details of the new contract. It is therefore not possible at this stage to report to Committee with full detail of the new contract.
- 3.6 The new contract is due to commence in early 2016. To allow the Council to participate in the new framework, this report seeks delegated authority to the Director of Services for Communities to adopt and implement the national framework agreement for Water and Waste Water once detail of the new contract has been received from the Scottish Government.

Measures of success

- 4.1 The Council continues to receive accurate and reliable water invoices for the Council's operational estate.
- 4.2 The contract delivers additional and complimentary benefit to the Council, including measures that facilitate improved water management and efficiency across the Council's operational estate.

Financial impact

- 5.1 The Council spends £2.3m annually on Water and Waste Water Services across its operational properties. Based on current rates, the estimated value of the contract is £9.2m.
- 5.2 At the time of writing, full details of the new framework with Anglian Water Business (National) Ltd had not yet been published. However, it is anticipated that the contract will deliver a discount in the region of 7% on existing contract rates.
- 5.3 Under the existing contract, the Council receives free automatic meter readers (AMRs) across its larger water supplies. It is anticipated that this will be a 'paid for' service under the new contract requiring investment on the part of the Council if this service is to be maintained. The Council currently has 188 free AMRs in place. The annual value for this service is estimated at £50k. In order to maintain water efficiency savings it would be prudent to retain the AMR service under the new contract.

- 5.4 Corporate Property is focussed on good water management and water efficiency. Through water efficiency measures and improved water management, water consumption across the operational estate has been reduced by 24% over the past four years. Corporate Property continues to improve the monitoring of water consumption and targeting of water efficiency measures through improved benchmarking, analysis of automatic meter reader data and water audits.
- 5.5 The costs associated with procuring this contract are estimated at up to £10,000.

Risk, policy, compliance and governance impact

- 6.1 The following risks have been identified as potential issues to the Council as to the successful delivery of the Contract:

Risk	Mitigating Action
Poor provision of invoice and water data leading to increased spend	Service levels clearly defined and monitored in contract. Defined escalation process through Scottish Procurement.
Increased spend due to loss of automatic meter readers (AMR)	There will be an AMR offering through the new contract which the Council should adopt to help mitigate against cost increases through burst pipes and inefficient use of water.

- 6.2 A Corporate Property representative will be responsible for Contract Management and will monitor the performance of the Service throughout the duration of the Contract.

Equalities impact

- 7.1 There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

Sustainability impact

- 8.1 Ensuring that the Council has a well managed contract in place for Water and Waste Water Services, including provision of added value water efficiency services, helps deliver the Council's [Water Policy](#).

Consultation and engagement

- 9.1 Corporate Property and Procurement Services have engaged in consultation with Scottish Procurement on the provision of the Waste and Waste Water Contract.

Background reading/external references

None

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	Not applicable.
Council outcomes	CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
Single Outcome Agreement	Not applicable.
Appendices	None.

Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Taxicard Services

Item number	7.18
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks the approval of the Committee to appoint Central Radio Taxis (Tollcross) Ltd to supply Taxicard Services for the City of Edinburgh Council commencing on 6 January 2016 for a period of two years with an optional extension of up to a further 24 months in 12 month intervals. The contract for the provision of these services had an estimated annual value of £600,000 based on 2014/2015 usage data.

Links

Coalition pledges	P1
Council outcomes	CO1 , CO3 , CO5 , CO6 , CO10
Single Outcome Agreement	SO2 , SO3

Taxicard Services

Recommendations

- 1.1 It is recommended that the Committee approves the appointment of Central Radio Taxis (Tollcross) Ltd to supply Taxicard Services for the City of Edinburgh Council commencing on 6 January 2016 for a period of two years with an optional extension of up to a further 24 months in 12 month intervals, undertaken at the sole discretion of the Council.

Background

- 2.1 The City of Edinburgh Council's Taxicard scheme has been successfully operating for many years. Taxicard is offered as a valued part of a holistic Concessionary and Accessible Transport (C&AT) provision in the city. Taxicard is the most well used form of C&AT and meets the widest range of travel needs.
- 2.2 Taxicard allows the holder to make taxi journeys at a reduced rate. The Taxicard scheme is designed to help people with disabilities get about by making taxi journeys more affordable with participating taxi operators.
- 2.3 Taxicard currently provides users with a fixed discount on taxi journeys; £2.00 per journey for fares under £5.00 and £3.00 for fares over £5.00. Taxicard scheme members are allowed up to 104 journeys per year. There is no subsidy or discount available on journeys in excess of the annual allowance.
- 2.4 The Council currently funds this service through the Transport revenue budget. Expenditure in the financial year 2014/15 was £551,524.
- 2.5 Taxicard is available to Edinburgh residents with a severe, permanent disability who cannot use commercial bus services or can only use buses with assistance. Children under two years old and people with temporary mobility difficulties are not eligible for a Taxicard.
- 2.6 There are currently 8,534 registered users of Taxicard in Edinburgh making approximately 205,000 trips annually.
- 2.7 The scheme is administered by the Parking Operations Team within Services for Communities.

Main report

- 3.1 A principal feature of Taxicard is service provision to often highly vulnerable clients with complex and sometimes challenging needs. The care and safety of vulnerable clients is therefore appropriately reflected in the specification and mandatory criteria.
- 3.2 Commercial and Procurement Services conducted the tender and evaluation process in accordance with Council Standing Orders, Public Procurement (Scotland) 2012 Regulations and EU Procurement Directives. A full OJEU tender exercise was undertaken by placing an OJEU Contract Notice on the Public Contracts Scotland Portal as a single stage procedure on 8 June 2015.
- 3.3 Seventeen organisations noted their interest in the contract and were able to download the Invitation to Tender (ITT) documentation which was attached to the notice. Four organisations submitted ITTs by the tender closing date of 22 July 2015.
- 3.4 The first stage of the ITT evaluation process was used to assess if the bidders were suitably qualified and experienced by considering their financial stability, technical capability, capacity, experience and organisational processes and procedures.
- 3.5 After completion of this stage, two bidders were disqualified due to not meeting the mandatory criteria (provided in Appendix 1) as set out within the ITT documentation.
- 3.6 In the invitation to tender it was stated that the contract would be awarded to the top scoring supplier on the basis of the Most Economically Advantageous Tender with 30% of the overall score being given to quality and 70% given to price. The 70% price was split into two sections 65% for the discount offered against Council subsidised journeys and 5% for discount offered against journeys above the Council subsidised journey threshold of 104 journeys per annum. This ratio helped ensure maximisation of the savings to support the Council's budget but also took into account the quality of service to scheme members.
- 3.7 The two tender submissions received were evaluated individually by the three members of the evaluation team to determine a score for quality. Fourteen evaluation criteria areas were identified, each having different weightings and being scored between 0 and 4 in accordance with the Evaluation Criteria Scoring Definitions included in the tender instructions issued to the bidders. Further details of the procurement process, including the members of the evaluation team, and the fourteen quality evaluation criteria and their respective weightings, is provided in Appendix 1.

- 3.8 On completion of the individual evaluation process a consensus meeting was held attended by the members of the evaluation team and the contract administrator from Commercial and Procurement Services. Individual evaluation criteria scores were reviewed and debated and a consensus score reached for each bidder. The appropriate weighting was then applied to each of the individual evaluation criteria to arrive at a final quality score.
- 3.9 Following completion of the quality analysis the pricing bids were opened and subjected to a cost analysis. The supplier offering the highest discount on Council subsidised journeys was awarded the maximum 65% score. All other bids were then scored on a pro-rated basis against the highest discount, ie all other bids were divided by the highest discount and then multiplied by 65, the maximum score awarded for this part of the cost analysis.
- 3.10 The highest discount for journeys above the 104 Council subsidised journeys was awarded 5%. All other bids were then scored on a pro-rated basis against the highest discount.
- 3.11 The quality scores were then combined with the scores from the cost analysis to give an overall score for each bidder out of a maximum of 100. The results are detailed in the table below.

Tenderer	Price Score	Quality Score	Overall Score
Central Radio Taxis (Tollcross) Ltd	62.86%	24.38%	87.24%
Bidder B	70%	16.3%	86.13%

- 3.12 The bidder with the highest overall score which represents the Most Economically Advantageous Tender is Central Radio Taxis (Tollcross) Ltd.
- 3.13 Central Radio Taxis (Tollcross) Ltd has demonstrated that it has the capacity and capability to provide the Taxicard Service in terms of both fleet and personnel as follows:
- Fleet – estimated 465 wheelchair accessible, carbon neutral accredited, taxi vehicles with an average fleet age of less than four years.
 - Some users of the taxicard service prefer to use saloon car vehicles rather than traditional taxi vehicles. Central Radio Taxis has launched a subsidiary company, Central Cars, to provide this service and meet the needs of all taxi card users. All saloon cars will be black and liveried with the Central logo to ensure they are recognisable to taxicard users. Saloon vehicles will be licensed as Private Hire Cars and share the same job dispatch system as the traditional taxi fleet. This solution provides the Council and taxicard users with one account management contact, seamless management information and a guarantee of service and stability which would not be possible with a sub-contract or consortium approach.

- Central Cars will provide new, zero emission, electric saloon car vehicles providing a choice to taxicard customers and greatly benefitting the city in terms of reduced noise and carbon emissions.
- Personnel – estimated 1,200 full and part-time fully licensed drivers. Every driver has PVG with Protected Adults and Children certification.

Measures of success

- 4.1 The contracted service will provide a high quality, responsive and cost effective passenger transport offering the fleet size/diversity and the flexibility required to meet the Council's sizeable and changing requirements.
- 4.2 Service users will be transported by adequately insured drivers with PVG Scheme Record clearance.
- 4.3 Financial savings (as detailed in 5.1 below).

Financial impact

- 5.1 The contract for the provision of these services had an estimated annual value of £600,000 based on 2014/2015 usage data.
- 5.2 Following the analysis of tenders an estimated annual saving of £105,985 or 18% should be realised based on the current Council expenditure of c. £600K.
- 5.3 The costs associated with procuring this contract are estimated at between £10,001 and £20,000.

Risk, policy, compliance and governance impact

- 6.1 The following risks have been identified as potential issues to the Council as to the successful delivery of the contract:

Risk	Mitigating Action
Legal challenge from unsuccessful companies who participated in the tender.	The contract was designed to encourage as many potential bidders as possible. Commercial and Procurement Services have overseen the tender process to ensure compliance.

<p>Committee decides not to award contract.</p>	<p>The current providers would continue to provide the service to ensure Council service requirements to be met. Estimated savings of c. £106K p a would not be realised. A new tender process would need to be undertaken causing delay to service improvements, additional costs and loss of potential savings.</p>
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- 6.2 Parking Operations will be responsible for contract management, and will monitor the performance of the service throughout the duration of the contract.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment was undertaken with due regard to the protected characteristics outlined in the Equalities Act 2010. Given the service provided and especially the vulnerable nature of the service users, equalities considerations were given to the specification of the contract.
- 7.2 The contract for Taxicard Services in Edinburgh will provide high quality, responsive and cost effective passenger transport offering the fleet size/diversity and the flexibility required to meet users' and the Council's sizeable and changing requirements. Maintaining the current discount for users of the scheme and the same number of discounted journeys will ensure that all users of the scheme will continue to benefit from the ability to travel in Edinburgh at a discounted rate, enhancing users rights to health, education and learning, standard of living, productive and valued activities, individual, family and social life and participation, influence and voice.
- 7.3 Service users will be transported by adequately insured drivers with Protecting Vulnerable Groups Scheme Record clearance enhancing users rights to physical security. The service being offered will also maintain the positive impact on people's social lives and help reduce social exclusion.
- 7.4 The Parking Operations team will be able to track the whereabouts of a vehicle and passenger at any time by means of real time access to the Supplier's booking systems and management information. This benefit will provide an additional level of security and reassurance for vulnerable passengers, their carers and the Council.

- 7.5 One of the main barriers to Individual, Family and Social Life for older people or those with mobility problems is suitable transport options. Continuing to offer the Taxicard service, using an operator with capacity and capability to provide the service with a fleet of 465 wheelchair accessible, carbon neutral accredited, taxi vehicles with an average fleet age of less than four years and Central Cars providing new, zero emission, electric saloon car vehicles offers a choice of vehicles to users as well as reducing noise and carbon emissions.
- 7.6 The views and feedback from the C&AT engagement and consultation have been used to inform the development of the contract specification.
- 7.7 The quality of service specified in the tender documents removes disadvantages for all users and encourages participation in public life.

Sustainability impact

- 8.1 The impacts of this report have been considered in relation to Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and would be met in the following ways: The Supplier:
- is required to make every effort to minimise the impact of the delivery of these services on the environment;
 - shall use their best endeavours to achieve the efficient use of energy and, where possible, to maximise the use of biodegradable or recycled products;
 - shall have their own environmental policy to demonstrate compliance; and
 - shall apply (i) the minimum mandatory standards for CO₂ emissions for the relevant vehicle category from the Government Buying Standards and (ii) the Cleaner Road Transport Vehicles (Scotland) Regulations 2010 for any new vehicles acquired for use in the delivery of this service.

Consultation and engagement

- 9.1 The specification for this service was written in consultation with the C&AT review team after engagement sessions with approximately 15 organisations and 350 people including service users, representatives of service users, charities and the Equalities Transport Advisory Group.

Background reading/external references

None required.

John Bury

Acting Director for Services for Communities

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Links

Coalition pledges	P1 - Increase support for vulnerable children, including help for families so that fewer go into care
Council outcomes	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO3 - Our children and young people at risk, or with a disability, have improved life chances. 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. CO10 - Improved health and reduced inequalities CO13 - People are supported to live at home CO22 - Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible
Single Outcome Agreement	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
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Taxi Card Services
Contract period	6 January 2016 – 5 January 2018 –(including a 2x1 year optional extension)
Contract value	£2,400,000
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Open
Invitations to tender issued	17
Tenders returned	4
Tenders fully compliant	2
Recommended supplier/s	Central Radio Taxis (Tollcross) Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Mandatory Criteria	<ol style="list-style-type: none"> 1. Appropriate Insurances 2. Enhanced Disclosure 3. Management of Health & Safety at Work Regulations 4. Experience & Expertise 5. Standards and legislative requirements 6. Fully licensed fleet 7. Driver training 8. Environmental Policy 9. Relevant driver, vehicle and office licenses

<p>Evaluation criteria and weightings</p>	<p>Written responses were provided for the following award criteria areas:</p> <ol style="list-style-type: none"> 1. Delivery Of The Contract – 10% 2. Complaints Procedure – 5% 3. Collaboration, Monitoring & Dispute Resolution - 5% 4. Meeting KPI's & Targets – 10% 5. Banned & Expired Taxicards – 10% 6. Management Information – 10% 7. Quality Assurance – 5% 8. Business Continuity – 5% 9. The Environment – 5% 10. Continuous Improvement – 5% 11. Equalities – 5% 12. Community Benefits - 5% 13. Booking System – 10% 14. Capacity – 10%
<p>Evaluation Team</p>	<p>Parking Operations Manager, Services for Communities Parking Services Manager, Services for Communities Parking Services Team Leader, Concessionary and Accessible Transport, Services for Communities</p>

Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Community Transport – Interim Funding Arrangements

Item number 7.19
Report number
Executive/routine
Wards

Executive summary

This report seeks Committee approval to extend funding arrangements for a number of Third Sector Community Transport organisations. This is to ensure that the provision of transport to service users will be maintained while the Community Transport Public Social Partnership Business Case is developed.

Links

Coalition pledges [P1](#), [P30](#), [P37](#) and [P47](#)
Council outcomes [CO3](#), [CO13](#), [CO14](#), [CO22](#), [CO26](#) and [CO27](#)
Single Outcome Agreement [SO1](#)

Community Transport – Interim Funding Arrangements

Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 approves the continuation of funding for a further 12 months from 1 April 2016, as an interim arrangement, with Lothian Community Transport Service, South Edinburgh Amenities Group, HcL, Pilton Equalities Partnership, Dove Transport and Lothian Shopmobility; and
 - 1.1.2 notes the intention to bring back a final report to Committee in February 2016 to seek approval on the business case in for a Community Transport Public Social Partnership.

Background

- 2.1 At its meeting on 24 September 2015, Finance and Resources Committee considered a report on developing a Public Social Partnership (PSP) with Third Sector organisations for the provision of community and accessible transport and agreed:
- to approve the development of a PSP with Community Transport providers for the provision of accessible transport on behalf of the Council.
 - to note the intention to bring back a further report seeking approval to formally enter into a PSP.
- 2.2 Currently Third Sector Community Transport organisations provide over 125,000 trips per annum for groups and individuals comprising older people, those with mental health problems, learning difficulties and physical disabilities, as well as young people. The organisations and the amount of funding they receive from the Council are listed in the table below:

	Funding
Lothian Community Transport Service (LCTS)	£150,591
South Edinburgh Amenities Group (SEAG)	£ 98,847
HcL (formerly Handicabs) Dial a Ride	£341,435
HcL (formerly Handicabs) Dial a Bus	£106,555
Pilton Equalities Group (PEP)	£ 29,800
Dove Transport	£ 29,800
Lothian Shopmobility	£ 78,207
TOTAL	<u>£835,235</u>

Main report

- 3.1 Community Transport providers have reaffirmed their commitment to work with the Council to develop a PSP and redesign services to help meet the increasing demand for accessible transport. However all six organisations have indicated that they need a level of certainty about funding while the PSP is being developed and, if approved, implemented. Current funding arrangements are due to expire on 31 March 2016. Community Transport providers have advised that they will be obliged to issue a three month redundancy notice to staff in January if funding beyond 31 March 2016 remains uncertain.
- 3.2 In order to avoid the need to issue redundancy notices and the potential disruption to service provision that this may cause and to enable community transport providers to fully engage in the development of the PSP, it is proposed to extend the current funding arrangements, at the same levels, for a further 12 months.
- 3.3 This approach will support the Community Transport Providers to continue to provide services to vulnerable groups and individuals while they make the transition to a PSP. The PSP has an initial three year lifespan and funding arrangements may change during this time to reflect redesigned and new services developed by partners.
- 3.4 The development and implementation of the PSP will give close consideration to issues of transition and service continuity as well as setting out a range of options to meet growing demand, reducing Council spend on individual taxi travel and improving quality and efficiency.
- 3.5 It should be noted that the Third Sector Community Transport organisations have already made a considerable investment of time in developing the PSP model and its strategic fit with the Cooperative Capital Framework and Community Empowerment (Scotland) Act 2015.

Measures of success

- 4.1 Key measures of success for extending interim arrangements for a further 12 months will be:
 - Business continuity to 450–470 vulnerable third sector groups and individuals.
 - Joint development of the PSP funding model to be presented at the Finance and Resources committee in February 2016 with a range of options and examples to deliver high quality accessible transport while achieving savings in other areas.

Financial impact

- 5.1 The interim funding model and Service Level Agreements will be superseded by a long term strategic partnership formed on the basis of the three year PSP. Although the cost of interim arrangements will be £835,235 for a 12 month period, this will be superseded by the three year plan set out in the Finance and Resource Committee Report in February 2016.
- 5.2 A more detailed assessment of the financial impact will be considered in the Business Case that will be reported to this Committee at its meeting in February 2016.

Risk, policy, compliance and governance impact

- 6.1 If the recommendations are not accepted the impacts would be that:
- Third Sector Community Transport organisations would be required to make alternative arrangements for the transportation of vulnerable people and groups.
 - Transport services to vulnerable people would cease or be significantly reduced.
 - The Council's aims of promoting independent living, social inclusion and partnership working would be compromised.
 - The risk of challenge to funding on an interim basis is low.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment is being undertaken as a core part of Stage 2 of the review of community and accessible transport and is ongoing.
- 7.2 A further assessment will be scheduled at the end of 2016/17 to identify whether the needs of third sector groups are fully addressed during the ongoing period of service re-design.
- 7.3 The contents of this report do not detract from the delivery of the general public sector duties. The work carried out by the Third Sector Community Transport organisations on the Council's behalf, as described in this report, does not infringe upon the ten elements of Human Rights and makes a positive contribution to advance equality of opportunity by having due regard to:
- removing and minimising disadvantage; and
 - meeting the needs of particular groups that are different from the needs of others.

Sustainability impact

- 8.1 Sustainability in service delivery remains a key focus of all services and has particular relevance here in the efficient allocation of assisted travel and transport solutions. Making best use of capacity also reduces miles travelled and hence contributes to improved air quality and reduced carbon emissions.
- 8.2 With reference to the Environmental Assessment (Scotland) Act 2005, the City of Edinburgh Council requires all reports and procedural matters to comply with all aspects of Strategic Environmental Assessment. The SEA toolkit is used to define and scope this report.

Consultation and engagement

- 9.1 There has been extensive consultation with Edinburgh Community Transport Operators Group members concerning the development of the PSP.
- 9.2 Consultation and engagement with stakeholders is ongoing and Public Consultation is scheduled for November 2015.

Background reading/external references

None.

John Bury

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Links

Coalition pledges	<p>P1 – Increase support for vulnerable children, including help for families so that fewer go into care.</p> <p>P30 – ~Continue to maintain a sound financial position including long-term financial planning.</p> <p>P37 – Examine ways to bring the Council, care home staff and users together into co-operatives to provide means to make life better for care home users.</p> <p>P47 – Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs.</p>
Council outcomes	<p>CO3 – Our children and young people at risk, or with a disability, have improved life chances.</p> <p>CO13 – People are supported to live at home.</p> <p>CO14 – Communities have the capacity to help support others.</p> <p>CO22 – Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible.</p> <p>CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.</p> <p>CO27 – The Council supports, invests in and develops our people.</p>
Single Outcome Agreement	<p>SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all.</p>
Appendices	<p>None</p>

Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Update on Proposal for a New Meadowbank: Improved Funding Package – referral from the Economy Committee

Item number	7.20
Report number	
Wards	All

Executive summary

The Economy Committee on 17 November 2015 considered a referral report from the Corporate Policy and Strategy Committee on the proposed financial packages for the development of a new Meadowbank. The report was referred to the Economy Committee for approval of the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello.

The Economy Committee approved the disposal of the property and referred the decision to the Finance and Resources Committee for ratification and ring-fencing of the associated capital receipt.

Terms of Referral

Update on Proposal for a New Meadowbank: Improved Funding Package

Terms of referral

- 1.1 On 17 November 2015, The Economy Committee considered a referral report from the Corporate Policy and Strategy Committee on the proposed financial packages for the development of a new Meadowbank Sports Centre. The report was referred to the Economy Committee for approval of the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello.
- 1.2 The Economy Committee agreed to approve the disposal of surplus land held on the Culture and Sport Account at Westbank Street, Portobello and to refer the matter to the Finance and Resources Committee for ratification and ring-fencing of the associated capital receipt for the Meadowbank project.

For Decision/Action

- 2.1 The Finance and Resources Committee is asked to ratify the decision of the Economy Committee to dispose of the surplus land at Westbank Street, Portobello (held on the Culture and Sport account) and to agree to ring-fence the associated capital receipt for the Meadowbank project.

Background reading / external references

[Minute of the Corporate Policy and Strategy Committee - 29 September 2015](#)

Carol Campbell

Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Update of Proposal for a New Meadowbank: Improved Funding Package – referral report from the Corporate Policy and Strategy Committee

Economy Committee

10.00am, Tuesday 17 November 2015

Update on Proposal for a New Meadowbank: Improved Funding Package - referral report from the Corporate Policy and Strategy Committee

Item number

Report number

Wards

All

Executive summary

The Corporate Policy and Strategy Committee on 29 September 2015 considered a report on proposed financial packages for the development of a new Meadowbank. The report was referred to the Economy Committee for approval of the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello.

Links

Coalition pledges See attached report

Council outcomes See attached report

Single Outcome Agreement See attached report

Appendices See attached report

Terms of Referral

Update on Proposal for a New Meadowbank: Improved Funding Package

Terms of referral

- 1.1 The Corporate Policy and Strategy Committee on 29 September 2015 considered a report on the proposed financial packages for the development of a new Meadowbank
- 1.2 Details were provided on development guidance for the surplus land which had been produced in consultation with the Planning Service and had found no significant issues on the site. A modified and re-costed design was outlined with an estimated funding gap of £6.8m, with scope to decrease this further.
- 1.3 The Corporate Policy and Strategy Committee agreed:
 - 1) To note that since February 2015, the project's costs had reduced by more than £1.5m (following a favourable ground survey and subsequent redesign, re-costing and adjustment of fees) while construction inflation on the project cost had risen by £923,000;
 - 2) To note that the net effect of the above was a reduction in the total project cost from £43m to £42m;
 - 3) To note that the potential for private sector borrowing had been analysed in detail and would not provide best value;
 - 4) To note that significant progress had been made by Corporate Property on a disposal strategy for Meadowbank's surplus land, which had increased its potential value;
 - 5) To agree to refer the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello to the Economy Committee and the subsequent ringfencing of the receipt from this disposal to the Finance and Resources Committee for the Meadowbank project;
 - 6) To note that the combination of the Meadowbank disposal strategy and sale of surplus land at Portobello was anticipated to lower the funding shortfall to £6.8m;
 - 7) To note that a report would be presented to Finance and Resources Committee as soon as possible, providing an update on the disposal process of the surplus land, detailing the outcome of ongoing discussions

with potential partners and recommending how to address any remaining funding gap;

- 8) To agree to begin procurement now of the full Project Team for the new Meadowbank, noting that this process and appointment could be stopped without financial loss if the project did not proceed;
- 9) To note that if a Project Team was appointed by February 2016, and demolition began in autumn 2016, the updated timeline anticipated that a new Meadowbank would open in spring 2018;
- 10) To note that the deteriorating Meadowbank could not be refurbished to a satisfactory standard, and the negative impact on participation in physical activity and sport in the city would be significant if a solution for a new Meadowbank was not found.
- 11) To note from the report by the Deputy Chief Executive the potential to sell Council land at Meadowbank to the Housing Revenue Account in order to build new Council housing, which as well as generating a capital receipt would provide an ongoing revenue stream from Council rents.

To therefore agree that this option should be fully explored as a priority and the conclusions reported back as part of the forthcoming report to the Finance & Resources Committee.

For Decision/Action

- 2.1 The Corporate Policy and Strategy Committee has referred the attached report to the Economy Committee for approval of the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello and referral to the Finance and Resources Committee for ratification and ring-fencing of the associated capital receipt.

Background reading / external references

Minute of the Corporate Policy and Strategy Committee 29 September 2015

Carol Campbell

Head of Legal and Risk

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Links

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

Corporate Policy and Strategy Committee

10.00am, Tuesday, 29 September 2015

Update on proposal for a new Meadowbank: improved funding package

Item number

Report number

Executive

Wards

All, and particularly Craightinny/Duddingston

Executive summary

In February 2015, Council agreed to continue to support the redevelopment of Meadowbank at an estimated project cost of £43m, noting that the funding package left a funding shortfall of between £11.3m and £19.8m. Council also noted that further work was required to secure a funding package making best use of public and private options. Since February, private funding options have been explored and rejected, as they would cost more than prudential borrowing. Some public funding options remain under consideration.

Development guidance for the surplus land has been produced in consultation with the Planning Service and an intrusive ground survey has found no significant issues on the site, thus de-risking the project. A modified and re-costed design lowers the estimated total project cost to £42m. With increasing land values, the funding gap is now estimated to be £6.8m, with scope to decrease this further.

In the meantime Meadowbank continues to deteriorate. A recent risk assessment suggests significant remedial expenditure is required to keep the building compliant with Health and Safety regulations and in operation.

Links

Coalition pledges	P42, P43, P45
Council outcomes	CO20
Single Outcome Agreement	SO2

Update on proposal for a new Meadowbank: improved funding package

Recommendations

- 1.1 It is recommended that the Council:
 - 1.1.1 notes that since February 2015, the project's costs have reduced by more than £1.5m (following a favourable ground survey and subsequent redesign, re-costing and adjustment of fees) while construction inflation on the project cost has risen by £923,000;
 - 1.1.2 notes that the net effect of the above is a reduction in the total project cost from £43m to £42m;
 - 1.1.3 notes that the potential for private sector borrowing has been analysed in detail and would not provide best value;
 - 1.1.4 notes that significant progress has been made by Corporate Property on a disposal strategy for Meadowbank's surplus land, which has increased its potential value;
 - 1.1.5 agrees to refer the disposal of surplus land held on the Culture and Sport account at Westbank Street, Portobello to the Economy Committee and the subsequent ringfencing of the receipt from this disposal to the Finance and Resources Committee for the Meadowbank project;
 - 1.1.6 notes that the combination of the Meadowbank disposal strategy and sale of surplus land at Portobello is anticipated to lower the funding shortfall to £6.8m;
 - 1.1.7 notes that a report will be presented to Finance and Resources Committee as soon as possible, providing an update on the disposal process of the surplus land, detailing the outcome of ongoing discussions with potential partners and recommending how to address any remaining funding gap;
 - 1.1.8 agrees to begin procurement now of the full Project Team for the new Meadowbank, noting that this process and appointment could be stopped without financial loss if the project does not proceed;
 - 1.1.9 notes that if a Project Team is appointed by February 2016, and demolition begins in autumn 2016, the updated timeline anticipates that a new Meadowbank would open in spring 2018; and
 - 1.1.10 notes that the deteriorating Meadowbank cannot be refurbished to a satisfactory standard, and the negative impact on participation in

physical activity and sport in the city would be significant if a solution for a new Meadowbank is not found.

Background

- 2.1 On 13 March 2008, the Council approved “a new build at Meadowbank as the best option” for the future of this Sports Centre and Stadium and agreed “to commission an appraisal for this new facility”. As an interim investment measure, and in recognition that the facility was more than 40 years old, was beyond its designed lifespan and required significant upgrades, £1.45m was invested in 2009 to improve the reception areas, showers and changing facilities. Edinburgh Leisure continues to carry out routine repairs and maintenance, and an annual condition survey to identify any immediate risks to the ongoing operation of the facility, including failure of mechanical and electrical services and plant. The latest risk assessment suggests significant remedial expenditure is required to keep the building compliant with Health and Safety regulations and in operation.
- 2.2 Various systems within the building are becoming more difficult to keep in service through repair work, and it is anticipated that a point will be reached in the short term when it is no longer practical or economic to keep the current facility open. Before that point is reached, unless other plans are developed for the future of this facility, a planned withdrawal of service within the next five years will be required.
- 2.3 Since February 2015, when Council agreed to continue to support the redevelopment of Meadowbank, the following work has been completed:

March 2015 to the present	Discussions with NHS Lothian, Edinburgh City and Edinburgh University regarding future use/development
March to May 2015	Explored potential public and private funding sources in more detail
April 2015	Appointed Grontmij to conduct an intrusive ground survey (ie a site investigation) on the Meadowbank site
May – June 2015	Site investigation completed
May 2015 to the present	Consultation with Planning service to define Planning guidelines for the site
June-September 2015	Appointed Walker Sime as cost consultant for four months to review all the construction costs.
August 2015	Appointed GVA to revalue the surplus land at Meadowbank.

- 2.4 Initial consultation on the sporting mix was positive, as previously reported. Community consultation on all aspects of the project will begin immediately if the

Committee approves the recommendations of this report. A Meadowbank Member Officer Group was established during 2013, and met four times in 2014 and once so far in 2015. The group includes all political groups, local ward members, **sportscotland**, Edinburgh Leisure and Council officers and is chaired by the Convener of Culture and Sport.

Main report

- 3.1 As reported to Corporate Policy and Strategy Committee in January 2015, the feasibility study carried out in 2014 is based on a core sporting facility mix for a new Meadowbank and design to RIBA Stage C (concept and outline proposals for buildings and structures).
- 3.2 A key element of the feasibility study is that residual land not needed for the new facility, approximately 12.5 acres across two separate sites, is marketed for disposal. Developing the disposal strategy now would provide the Council with certainty over the capital receipt and thus reduce the funding gap.
- 3.3 The design team has continued to engage with the Planning Service to determine an acceptable development strategy for the surplus land which may include residential units, student accommodation and some commercial space. Final guidance will be available as part of the disposal strategy.
- 3.4 Officers are in dialogue with Edinburgh University on a potential partnership that would include giving students at the University access to the new Meadowbank facilities. This would have a positive impact on the Centre's business case. It is envisaged that student accommodation, for use by the University, could also be developed on part of the surplus land.
- 3.5 Discussions are also ongoing with Edinburgh City Football Club which has expressed interest in developing clubroom, social and changing facilities at Meadowbank. NHS Lothian is exploring the feasibility of creating a new Brunton Place surgery within the development. Both opportunities could result in a positive cash contribution to the development costs.
- 3.6 Internal discussions are under way to assess the viability of housing development on the surplus land through the Council's 21st Century Homes Programme.
- 3.7 The above discussions are dependent on whether best value for the land can be achieved in each case. The outcome of the above discussions will be reported to the Finance and Resources Committee.

Estimated cost of a new Meadowbank

- 3.8 The entire project costs were estimated to be £43m in February 2015. This figure included a high risk allowance for underpinning the new building, based on worst case assumptions about the underlying ground conditions; an allowance for pre-construction and construction inflation totalling £1.75m, up to the third quarter of 2016; and allowances for removal of contamination and the inclusion of client direct fit out costs.

3.9 A detailed site investigation has now provided certainty about the underlying conditions, which are better than the worst case scenario. This has allowed the team to reduce the risk allowance required for underpinning the building, reduce the allowance for removal of contamination across the site, and remove some risk from this key construction element of the project. However, pre-construction and construction inflation are increasing as the economy recovers and now are estimated to total £2.9m (an increase of £923,000). Further delays to this project will result in the total project cost increasing from the current estimate of £42m.

Review of funding options

3.10 In February 2015, the then cost consultant, Deloitte Real Estate, concluded that the majority of community sport and leisure developments in the UK rely on a blend of funding to make them viable. The typical package used by local authorities includes prudential borrowing (based on the forecast improvement in the revenue position); capital receipts from the sale of assets; grant funding from external bodies, capital funding from local authorities and Planning gain (in Scotland, under Section 75 of the Town and Country Planning (Scotland) Act 1997).

3.11 The Council has now revisited the detailed feasibility study which was presented to Committee in February 2015. In accordance with the Council’s 12 February 2015 decision, public and private funding options have been explored in more depth.

3.12 Soft market testing has been completed with the private sector and developers and has informed the findings summarised in the table below.

Funding option reviewed	Conclusion
Private sector borrowing	Discounted (for the reasons discussed below).
Head lease commitment	Discounted (because of insufficient anticipated income from a new Meadowbank to service head lease payments and because this potentially removes control and flexibility over the site from the Council).
Competitive tendering of the management contract	Discounted, following engagement with stakeholders.

Funding option reviewed	Conclusion
Reduce the scope of the building and capital costs	Changes to the building would reduce revenue generation, the sportscotland grant and the physical activity and sporting needs of the city.
Other grant funding	May be possible but not identified so far.
Naming rights and sponsorship	Small sums may be possible after construction, towards ongoing revenue costs.
Philanthropic contributions	Limited evidence of this in this sector but crowdfunding via third parties may be possible.
Include additional revenue generating facilities in Meadowbank	Some progress has been made on this, but its impact is limited in reducing the funding gap.
Contribute additional surplus land to the project	Recommended. Include receipt from Powerleague 5 a side complex at Westbank Street Portobello. This site on the Culture & Sport account is subject to a ground lease which expires in 2088. This facility no longer fits the tenant's strategy for the future of its operational portfolio. The tenant has therefore asked the Council to market the site for development and has agreed an appropriate split of the capital receipt with the Council.
Additional prudential borrowing	Recommended.
Contribution from the Council's capital programme	Recommended.

3.13 The Council has talked to a cross-section of funders from the private sector to determine the relevant costs of seeking finance on this basis. These costs were then compared, by the Council's Treasury and Banking Service, to the cost of borrowing the same sums through prudential borrowing (via the Public Works Loans Board). The Treasury and Banking Service has advised that borrowing through pension funds is more expensive than making use of prudential

borrowing over the duration of the project: PWLB loans are at fixed rates whereas pension fund borrowing entails repayment increases linked to the Retail Price Index. In addition, it should be noted that the Council would lose control of the land on which the Sports Centre is situated, becoming a tenant of the funder for the term of the agreement (which would normally be for circa 45 years). The Council would have reduced flexibility to undertake future developments to the site.

Recommended funding package

- 3.14 A fund of £20m set aside by the Scottish Government for [National and Regional Facilities Investment](#) is managed by **sportscotland**. It has been assumed that between £5m to £7m would be available from this fund for the project. An application will be submitted following the Council's consideration of this report.
- 3.15 It is possible to provide estimates for the total sum which could be achieved by combining the disposal of surplus land at Meadowbank and Portobello; prudential borrowing, revenue savings during demolition and construction, and a grant from **sportscotland**.

Estimated cost and financial package for a new Meadowbank	February 2015 (worst case)	September 2015
Total project cost estimate	£43.00m	£42.00m
Principal Funding Sources		
Anticipated capital receipts	£11.50m	£21.50m
Prudential borrowing	£5.97m	£5.97m
sportscotland	£5.00m	£7.00m
Revenue savings from closure of Meadowbank	£0.75m	£0.75m
<i>Total funding</i>	<i>£23.22m</i>	<i>£35.22m</i>
Funding Gap	£19.78m	£6.78m

- 3.16 The Project Team and Member Officer Working Group have also discussed a procurement strategy. Alternative procurement routes explored so far include SCAPE (a provider of national construction frameworks), delivery company hubco (for the South East Territory), using the Council's arms length development company EDI, and the standard procurement route via calls for tender in the Official Journal of the European Union. The final procurement strategy would be confirmed once the full Project Team is in place and approval

for the preferred procurement route will then be sought from the Finance and Resources Committee.

- 3.17 The new Meadowbank could open by spring 2018 at the earliest, with work commencing on site in autumn 2016. To achieve this timeline, procurement of the design team would have to commence now, so that the team is in place ready to proceed with RIBA stage D (updated design, specification and cost plan), if the complete funding package is confirmed by Council in February 2016.

Measures of success

- 4.1 A successful disposal strategy to reduce the funding gap and approval to procure the full Project Team.

Financial impact

- 5.1 A total of £0.368m in revenue has been spent to date on developing the new Meadowbank proposal.
- 5.2 The total cost of the project is now estimated to be £42m. The total estimated funding, which could be achieved by combining the disposal strategy with sale of surplus land at Portobello and prudential borrowing, revenue savings during demolition and construction and a grant from **sportscotland**, is £35.22m.
- 5.3 The total cost of the project has been reduced as the ground conditions are better than worst case. A sum of £0.028m from the Corporate Governance revenue budget 2015/16 was used to carry out an intrusive ground conditions survey (ie a site investigation). The Director of Corporate Governance was satisfied with the ground conditions and the project team has therefore begun the next phase of the project, namely to develop Planning guidelines with Planning. These will remove further risk from the project at a cost of £0.009m. A sum of £0.008m has been spent on valuation of the surplus land.
- 5.4 To progress the prudential borrowing element of funding, full approval will need to be sought from the Finance and Resources Committee and Council, based on a business case that demonstrates the associated revenue income / saving streams that would be generated to pay for annual loan charges. The proposed level of prudential borrowing has been calculated by assuming that the improved operating position of the new facility would remove the requirement for a service payment. The forecast service payment level for the existing facility (around £0.330m per annum) will be made available by the Council to fund the prudential borrowing.
- 5.5 Pending realisation of the full funding package, the Council could incur additional borrowing costs. These costs will be known once the procurement solution is identified and the cost profile is known.

- 5.6 The report outlines proposed total capital expenditure plans of a maximum of £42m. If this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 20 year period would be a principal amount of £42m and interest of £27.3m, resulting in a total cost of £69.3m based on a loans fund interest rate of 5.1%. The annual loan charges would be £3.467m.
- 5.7 It should be noted that the Council's Capital Investment Programme is funded through a combination of General Capital Grant from the Scottish Government, developers and third party contributions, capital receipts and borrowing. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy and is provided for on an overall programme basis rather than for individual capital projects. Following a request from Members, notional loan charge estimates have been provided above; these estimates are based on the assumption of borrowing in full for this capital project.
- 5.8 If the decision is taken not to proceed with the proposed new Meadowbank, a further report on the financial and other implications of this will be required. As noted in previous reports, the facility cannot be refurbished to a satisfactory standard and there is a limit to the length of time it can remain operational.

Risk, policy, compliance and governance impact

- 6.1 The total project cost and funding projections are estimates and are subject to fluctuating market conditions and inflation which may affect the scope and delivery of the project. As noted above, construction inflation has increased since February and is still rising. The capital receipt estimates are based on current day prices.
- 6.2 The revenue costs and income projections for the business case are subject to regular review and updating which could change the prudential borrowing level.
- 6.3 The Planning risk will be mitigated by preparing Planning guidelines for the site with Planning.
- 6.4 If the project does not proceed beyond RIBA Stages D or E, or is reduced in scope, design fees related to the abortive elements of the project will require to be written off to the revenue budget.
- 6.5 Since Meadowbank is Edinburgh's biggest driver of indoor and outdoor sport participation, the closure of this facility would have a negative impact on levels of physical activity and participation in sport by Edinburgh residents of all ages. In a separate report on this agenda, which details the findings of a citywide review of Council-owned sport facilities and services, it is noted that an independent consultancy advises that there would be a serious under-supply of facilities and services if Meadowbank is closed and not replaced.
- 6.6 This would have a negative impact on the delivery of key policies including the Physical Activity and Sport Strategy agreed by the Council and city partners; two of the Council's Pledges; and the Scottish Government's Active Scotland Outcomes Framework.

- 6.7 If this project does not proceed, and services are withdrawn from Meadowbank, the capital city would no longer have a flagship multi-sport facility and regional training needs and Edinburgh's general health and wellbeing would be adversely affected. The city's other facilities could absorb some but not all of the demand for a short period (of say 18 months) only. The city would have fewer regional-level sporting facilities than its peer city group and lose the ability to train Edinburgh's future sportsmen and sportswomen.

Equalities impact

- 7.1 The new Meadowbank proposal would help to meet the city's housing needs, including affordable housing, and would provide a modern, fully accessible, high quality facility open to all Edinburgh residents and visitors. The new facility would make a positive impact on the health, well-being and quality of life of those who use it. The facility is currently projected to attract over 600,000 visits per year by the second year of its operation. The current Meadowbank has just over 500,000 visits per year. If the project does not proceed, the impact on current users losing this facility would require to be assessed.

Sustainability impact

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties, and the outcomes are described below. The new building would be built to meet or exceed modern energy efficiency standards. On a like for like basis, the energy consumption would be significantly lower than the existing building. The new building's energy demands would be reduced by the proposed enhanced building fabric performance; high efficiency equipment for heating, ventilation, and lighting; and renewable energy technologies such as photovoltaics.
- 8.2 A visual inspection of the trees surrounding the Meadowbank site was undertaken in September 2014. The inspection report identified the 11 Wheatley Elms on Wishaw Terrace and 10 on London Road as having the most significant impact on the street scene. Unlike many cities in the UK, Edinburgh has managed its stock to retain approximately 15,000 elms in the city. From assessing historic photos of the area and the height of the trees it is reasonable to assume the elms pre-date the existing stadium. The new building proposal has been designed to maintain an adequate distance from the existing elm trees to allow their retention in principle. A detailed survey of their condition and any impacts on the trees of construction works or resurfacing around the trees will be undertaken during RIBA Stage D.
- 8.3 The decision to retain the new sports centre on the existing Meadowbank site will enable the new facility to benefit from the existing transportation network already serving Meadowbank. A strategic plan for maintaining and improving these transportation links will be developed if the project progresses. The landscaping proposal will help to create a civic presence along the London Road frontage, and

will provide a generous public arrival area at the entrance to building. Shelter will be provided along the length of the building from the roof canopy, and features within the landscape will provide seating and gathering areas. Consideration has been given to providing increased facilities for cyclists in line with National Planning Policy. The existing bus stops would be retained and incorporated into the landscaping proposals along London Road.

Consultation and engagement

- 9.1 Detailed community consultation will be undertaken if the recommendations of this report are approved.
- 9.2 For reasons of efficiency, safety and cost, demolition will be completed before construction begins. Alternative provision will need to be made for Meadowbank's customers, using Edinburgh Leisure facilities, the school's sporting estate and facilities in neighbouring council areas. This is the approach that was taken by the successful £37.1m refurbishment of the Royal Commonwealth Pool.

Background reading/external references

Report to Corporate Policy and Strategy Committee on [20 January 2015](#)

Report to Culture and Sport Committee on [17 December 2013](#)

Nine previous reports on National and Regional Sports Facilities (incorporating Meadowbank) to Council, Culture and Leisure Committee, and the Culture and Sport Committee, from 2004 to present, including the [March 2008](#) report to Council cited above

Scottish Government [Active Scotland Outcomes Framework](#)

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Links

Coalition pledges	P42 – Continue to support and invest in our sporting infrastructure. P43 – Invest in healthy living and fitness advice for the most in
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<p>Council outcomes</p> <p>Single Outcome Agreement</p> <p>Appendices</p>	<p>need.</p> <p>P45 – Spend 5% of the transport budget on provision for cyclists</p> <p>C020 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens.</p> <p>S02 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p>
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Finance and Resources Committee

10am, Thursday, 26 November 2015

Co-location of partner agencies: Proposal for a strategic viability study for a new Partnership Centre for Leith

Item number	7.21
Report number	
Executive/routine	Executive
Wards	11, Leith Walk

Executive summary

The Council is working in collaboration with partner agencies to develop a shared, strategic approach to its asset base. Opportunities for redesign and co-location are being explored across the city, with examples of service improvement through co-location beginning to emerge. One of the key elements of this work is a focus on localities, with the Council's Strategic Asset Management team developing locality studies in association with partner agencies. This work aligns with the Council's Transformational Change Programme, and the way the change programme could manifest at local level, under the Citizens and Neighbourhoods workstream.

The locality study for Leith has identified a potential opportunity for a new partnership centre in Leith Walk, and demonstrates the potential future shape of neighbourhood offices under the Transformation Programme. It is proposed to develop this opportunity further by preparing a strategic viability study that identifies options for coordinating and co-locating public and community services more effectively. It is proposed to appoint Hub South East Scotland Ltd to coordinate and help deliver this study.

Links

Coalition pledges	P12 , P16 , P17 , P28 , P32 , P33 , P35 , P36
Council outcomes	CO7 , CO10 , CO11 , CO14 , CO23 , CO25 , CO26
Single Outcome Agreement	SO1 , SO2

Recommendations

- 1.1 That Committee:
- (i) Notes and supports the principle of co-location for the Council's asset base to facilitate service improvements and generate property savings;
 - (ii) Notes and supports the development of locality studies focussing on key strategic locations in the city;
 - (iii) Approves the appointment of Hub South East Scotland Ltd, under Strategic Support Partnering Services, to develop a strategic viability study for the potential to redevelop the Council owned former Leith depot site, at 165 Leith Walk, as a new partnership centre; and
 - (iv) Requests a further report on the outcome of the Leith Partnership Centre study in the second quarter 2016.

Background

- 2.1 The findings of the Christie Commission, in 2011, identified the benefits of collaborative working between partner agencies to improve service delivery. This has manifested itself, for public sector asset management, in the desire to create opportunities for co-location of services. This direction of travel has been reinforced with the enactment of the Communities Empowerment (Scotland) Act in July 2015, which makes collaborative working between public agencies a requirement. The benefit of collaborative working has been recognised by public agencies and sits at the heart of transformational change agendas.

Main report

Public Sector Collaboration

- 3.1 In September 2013, the Collaborative Asset Management Group (CAMG), comprising representatives from the Council, NHS Lothian and the Scottish Futures Trust (SFT), presented a paper to the Edinburgh Partnership Executive on the benefits of collaborative working and co-location. The paper, entitled 'the Edinburgh Blueprint' set out a series of strategic opportunities for the public sector to work together in considering its asset base across the city, and the benefits that could flow from this joint approach. The paper referenced two case studies that had informed the approach to date, at Muirhouse and Fountainbridge.
- 3.2 Over the past two years, the Strategic Asset Management Team in Corporate Property, reporting to CAMG and the Edinburgh Partnership, has built upon this collaborative approach through facilitating joint working with partner agencies such as NHS Lothian and Police Scotland. A key element of this work has been the development of locality studies. In tandem with this, the principles of collaborative working have emerged as a strong driver in the Council's

Transformational Change Programme, and the asset localities studies are closely aligned with the objectives of that Programme.

- 3.3 The objective of the localities studies is to redesign the point of service delivery to improve the experience for the customer. Co-location of differing services, often targeting the same client groups, will improve access and allow for better co-ordination of service delivery. The prevention agenda is at the heart of the principle of co-location and one of the objectives is to facilitate service savings associated with early intervention, as well as property savings. Examples of service improvements, and significant savings associated with this more joined-up delivery approach, are beginning to emerge, for example, through the co-location currently offered at Wester Hailes Healthy Living Centre. It is anticipated that the Transformation Programme will embed these benefits in a more systematic way through the localities.
- 3.4 To date, asset focussed workshops have been held with partner agencies in Leith, Wester Hailes and Craigmillar. These workshops not only plot the current asset base for all partners but also discuss service aspirations, and how the delivery of services can be redesigned for the area. Opportunities for how this future state of service delivery can be aligned with the asset base are then analysed. Significant opportunities have been identified for co-location of services, through using the asset base more efficiently. This should ultimately lead to service improvement while also allowing for the release of surplus assets.
- 3.5 Complementing this focus on localities has been a programme of investment to upgrade the Council's neighbourhood offices, undertaken in financial years 2012/13 and 2013/14. Along with upgrading the buildings' condition, considerable investment has been made in the suitability of the space to deliver modern, flexible open plan workspaces, supported by flexible breakout and meeting spaces. The increased capacity, along with the roll out of 'Workstyle', adopting 7 desks to 10 staff, in these offices will also provide the asset base to support the Council's Transformational Change Programme. The Strategic Asset Management team is working closely with the Transformational Change team to scope and deliver the locational and head count changes that will impact on the asset base as the programme is implemented.
- 3.6 The Council's neighbourhood offices are reasonably well located to serve the four new localities, with offices in the following locations:
- North West served by Muirhouse (upgrade recently completed);
 - South Central served by Captains Road, Gilmerton (first phase upgrade complete);
 - West served by Westside Plaza in Wester Hailes, complemented by the new Wester Hailes Healthy Living Centre; and
 - East served by the new East Neighbourhood Office in Craigmillar.

However it is recognised that the East locality serves both Craigmillar and Leith, both very distinct communities with significant local service delivery needs, and it is anticipated that the Leith area will require some form of dedicated resource.

Leith Partnership Centre

- 3.7 Emerging from the localities work are a number of specific proposals, the most ambitious being the opportunity to develop a partnership centre to serve Leith, located on a Council owned former depot site at Leith Walk, as shown in Appendix 1. This site is currently vacant and its disposal has been placed on hold pending the outcome of this study.
- 3.8 The team developing the localities studies has been supported by the secondment of a member of staff from Hub South East Scotland Limited (HSESL) under their Strategic Support Partnering Services. In line with the generic approach for all localities models in the city, to date, the Leith locality study has:
- Mapped the properties within Council, NHS Lothian, Police Scotland and other public sector ownership in the area;
 - Identified new housing development currently in the planning system which will further pressure demands on public service infrastructure;
 - Commenced the process to identify existing services, within the Council's estate, that could potentially be redesigned and located efficiently into a new partnership centre development;
 - Initiated discussions with public sector stakeholders (Police Scotland and NHSL) and set up a working group to consider potential rationalisation of joint assets and to work collaboratively; and
 - Developed outline design feasibility work for a partnership centre via HSESL to establish service need, the building development potential of the former Leith depot site and start to test overall viability.
- 3.9 The development of a partnership centre to serve Leith would seek to achieve the following principles:
- Integrated and co-located public services with a focus on prevention;
 - The provision of facilities of a quality and accessibility currently not available to the growing and diverse community of Leith;
 - Service efficiency, and property revenue savings, to address the financial and service delivery challenges the Council and other public agencies face;
 - Locally delivered services, with empowered front line staff;
 - Significant investment in a major Council owned site, creating a public services asset with associated long term sustainable economic activity for the area;

- The development of a partnership centre with aspirations to include a shared service and community 'hub' putting service professionals and communities together to assist in the co-production of service design;
 - Increased joint agency approaches to the delivery of packages of care reflecting the implementation around joint initiatives, such as the integration of Adult Health & Social Care and Children's Services;
 - An inclusive approach with educational, employment and business organisations working together to help people into training, education, employment or better paid work; and
 - Increased community cohesion by providing a local 'hub' point for services and community activities. Activities within the hub could include elements that focus on helping to build 'social capital', improve well being and sense of belonging.
- 3.10 While initial opportunities for a partnership centre have been identified, in order to move forward, a further level of development and due diligence, in order to assess scope, sustainability and legal, physical and financial deliverability is required. It is proposed that the development of the strategic viability study would include:
- Further definition of the space and outline specification requirements of all relevant stakeholder groups within an integrated service model;
 - High level appraisals on the various options developed following discussion with stakeholders;
 - Confirmation of associated revenue costs for any existing Council facilities identified as potentially suitable to move to the proposed partnership centre;
 - Development of optimised funding structures and options for the proposed new facilities;
 - Confirmation of all ownership issues (private and public) around the Leith depot site;
 - Confirmation of valuations for the proposed development site partners' surplus assets;
 - Developing draft options around design development/procurement and construction programmes; and
 - Commissioning a desk top Site Investigation Report.
- 3.11 It is proposed that the development of the strategic viability study is delivered by HSESL, supported by Council and partner agency staff. It is envisaged that this work will be monitored by a project board (representatives will be agreed by the Council) which will consist of individuals from the Council (Chair), HSESL, NHSL Police Scotland and the third sector. A project team would report to the board on a monthly basis. The outcome of the study will be reviewed and stress tested against alternative funding and procurement options by the relevant services in the Council to identify the best value option for public service delivery.

- 3.12 Day to day management will be provided within the context of the existing structure of the Council led ongoing locality studies work within Strategic Asset Management in Corporate Property.
- 3.13 It is expected that the production of a strategic viability study will take up to four months to deliver. A further report on the outcome would be made in the second quarter of 2016.

Measures of success

- 4.1 The delivery of service improvements through the joined up delivery of services through co-location, across the city.
- 4.2 The redesign of the Council's asset base to fit new requirements under the Transformation Programme.
- 4.3 Identification of a viable and sustainable project to deliver a shared services partnership centre to serve Leith, facilitating the benefits of collaborative working and early intervention.

Financial impact

- 5.1 There are anticipated to be long term financial benefits associated with the principle of co-location, through either asset disposal, or generating income against the Council's asset base, through a licensed approach with partner agencies. Given the complexity of moves required, it is likely that savings will be made only after a number of moves have been implemented. The potential savings identified to date form part of the savings reflected in Estates Remodelling workstream of the Asset Management Strategy.
- 5.2 With regard to the Leith Partnership Centre, it is estimated the development of a strategic viability study will cost around £50,000, and will be funded by Hub South East Scotland Limited. One of the aims of the strategic viability study is to determine whether a viable, self financing, model for the Council can be developed given the Council's asset ownership in the area.
- 5.3 HSESL will work with the Council to investigate and present a variety of funding options. This will include traditional capital procurement, a Design Build Finance Maintain (DBFM) and a lease option. The potential to utilise a mix of these mechanisms across the development will also be considered. HSESL's investment and funding proposals associated with any revenue funded options will be separately and transparently market tested to ensure best value is achieved.
- 5.4 The investment contribution via HSESL for this work does not give any commitment to future involvement in the project and will not be allowed to compromise the Council's procurement processes and alternative delivery options.

- 5.5 The value of the site (approximately £1m) is currently in the Capital Investment Programme and will need to be taken into account in the financial appraisal of the study. Should a viable option not prove feasible, then the site would be sold on the open market.

Risk, policy, compliance and governance impact

- 6.1 The collaborative approach outlined in this report will support the vision of The Edinburgh Community Plan 2015 -18 and, in particular, help achieve the four outcomes of the Citywide Single Outcome Agreement, and the 12 new strategic priorities, related actions and measures. The inclusive and joint working approach underpinning the partnership centre proposal would support the City's prevention strategy through locality based service planning and delivery.
- 6.2 With regard to the proposal to develop a strategic viability case for a future project to develop a partnership centre, there will be a review gateway prior to proceeding with further project development, which will be subject to a further report. The work undertaken by HSESL during the four month Strategic Support Partnering Services phase will be monitored by a project board which will include individuals from the Council, HSESL, NHSL and Police Scotland.

Equalities impact

- 7.1 The concept of collaborative working is expected to improve service delivery for vulnerable groups served by the Council. This is exemplified by the possibility of a partnership centre for Leith which supports:
- New locality management and community engagement arrangements around local capacity building which will help build equality of opportunity for individuals, families and groups; and
 - Significantly expanding opportunities for contact in the Leith locality for individuals, families and groups that have difficulties with travel or when accessing IT based service channels.

Sustainability impact

- 8.1 A more efficient asset base is expected to reduce the Council's carbon footprint, while co-location of services should reduce the need for travel for the services affected and the public in accessing these services.
- 8.2 A new partnership centre on Leith Walk is proposed for the most densely populated area in Scotland where the majority of users could either walk or use good public transport links. For users with mobility or travel issues the creation of single point of contact will improve access to services. This approach will strengthen the Council's work to adapt to climate change and act in a more sustainable manner.

- 8.3 Should it proceed, the proposed centre would be designed with a BREAM ‘very good’ rating (as a minimum) and offer optimum ratios of staff to building areas which would enable older, less efficient, building stock to be redeveloped or released.

Consultation and engagement

- 9.1 Workshops have been held with Council service teams and partner agencies in each of the localities. Presentations on the locality studies, including the concept of the new partnership centre proposal for Leith, have recently been made to the Edinburgh Partnership and the HubCo Territory Partnering Board.
- 9.2 The concept of a multi-agency partnership centre for Leith has attracted a broad level of support from Council services teams, external partner organisations, third sector, educational and local community organisations.
- 9.3 A working group has been established for the Leith locality work, with membership from Council services teams, Police Scotland and NHSL. The group has met regularly since May 2015. If approval is given to develop the strategic viability case, membership of this group will be extended to include other public, third sector, education and community organisations. This inclusive approach, and the concept of a shared service and community ‘hub’, will ensure local organisations and local people are at the core of shaping this new facility and subsequently they will be able to influence the ongoing service provision.

Background reading/external references

John Bury

Acting Director of Services for Communities

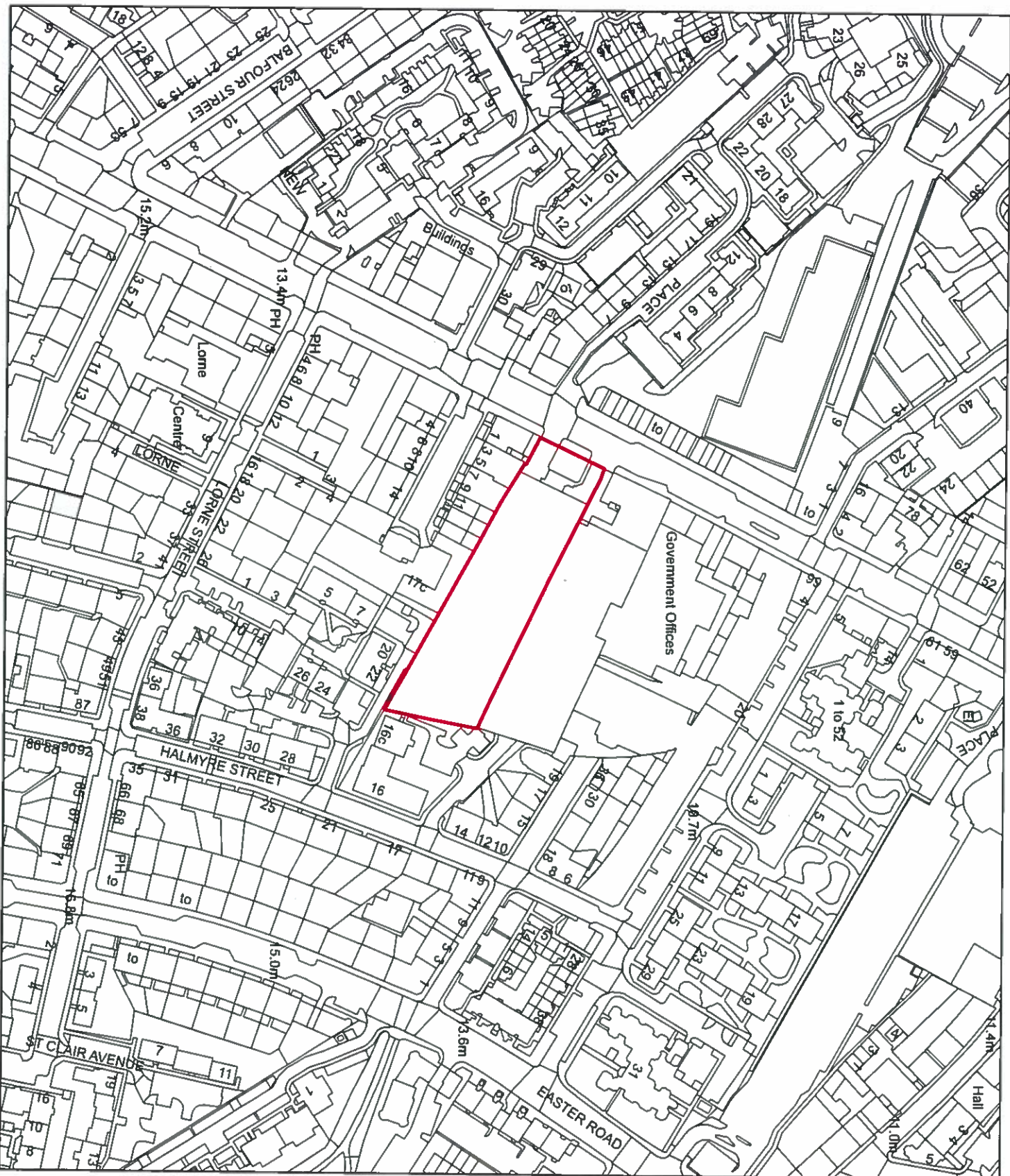
Contact: Lindsay Glasgow, Asset Strategy Manager

E-mail: Lindsay.Glasgow@edinburgh.gov.uk | Tel: 0131 469 3312

Links

Coalition pledges	P12	Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes
	P16	Examine ways to source new funding to support small businesses

	P17	Continue efforts to develop the city's gap sites and encourage regeneration
	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
	P32	Develop and strengthen local community links with the police
	P33	Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used
	P35	Continue to develop the diversity of services provided by our libraries
	P36	Develop improved partnership working across the Capital and with the voluntary sector to build on the Total Craigroyston model
Council outcomes	CO7	Edinburgh draws new investment in development and regeneration.
	CO10	Edinburgh's streets and open spaces are clean and free of litter and graffiti.
	CO11	Residents, visitors and businesses feel that Edinburgh is a safe city.
	CO14	Edinburgh remains an attractive city through the development of high quality
	CO23	We have developed our reputation and ensured customers have a positive perception
	CO25	We have improved risk management across the Council.
	CO26	The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
Single Outcome Agreement	SO1	Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.
	SO2	Edinburgh's citizens experience improved health and wellbeing, with reduced



• **EDINBURGH** •
 THE CITY OF EDINBURGH COUNCIL

Estates Services
 Business Centre G4
 Waverley Court
 4 East Market Street

Appendix 1
 Location Plan

Former depot
 157&165 Leith Walk,
 Edinburgh

Date	02/11/2015	Drawn by	ET	Scale	1:2,500
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Reproduced from the "Transfer Survey" map (03) with permission of the Controller of Her Majesty's Stationery Office © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. Licence Number: 100023420
 City of Edinburgh, October 2009

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Finance and Resources Committee

10am, Thursday, 26 November 2015

Award of Contract for Additional Support for Childcare Providers

Item number	7.22
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks approval to award a contract for one year.

Links

Coalition pledges	P1
Council outcomes	CO1 – CO4 and CO6
Single Outcome Agreement	SO3

Award of Contract for Additional Support for Childcare Providers

Recommendations

To agree:

- 1.1 The award of the contract to Capability Scotland to continue delivery of Edinburgh Childcare 4 All (EC4All) for a one year period to 31 March 2017.

Background

- 2.1 The waiver of Council Contract Standing Orders is permitted where the circumstances of the proposed contract are covered by legislative exemptions, including where the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles, for example when for technical reasons the contract may only be awarded to a particular provider or it is in the Council's best interests to do so. It is on this basis approval is sought to award this contract.
- 2.2 In general terms Council Standing Orders indicate Committee approval should be sought in circumstances where it is proposed to change the status of a current contract, in this case a change from grant to contracted arrangements.
- 2.3 Children and Families currently holds a Service Level Agreement with Capability Scotland to deliver a service known as Edinburgh Childcare 4 All (E4ALL). The SLA ends 31 March 2016.
- 2.4 EC4ALL allocate Inclusion grants to childcare providers who are assessed as requiring additional staff to support a child or young person's inclusion in their setting. Funding is also used for staff training and to purchase resources to enable the child or young person to participate more fully.
- 2.5 The service also uses an increasing capacity reducing dependency model which supports childcare providers to sustain a child's or young person's place in the setting without the need for long term adult intervention. This means that funding can be used to support more children and young people with disabilities in a greater number of mainstream childcare settings.

Main report

Waiver of Standing Orders

- 3.1 To allow time for a co-production approach for redesign of the current service model Children and Families are seeking to provide stability in delivery by directly awarding a contract for a year, maintaining the current model with Capability Scotland.
- 3.2 Future model will seek to continue to support the inclusion of children and young people with disabilities in mainstream childcare settings and be able to respond to ongoing demands for this service whilst delivering best value for the City of Edinburgh Council
- 3.3 The views of stakeholders will be important in shaping a future service which will support parent/carer's accessibility to mainstream childcare for children and young people with disabilities

Measures of success

- 4.1 That continuity of service delivery is maintained while co-production approach is implemented.
- 4.2 A new Service Specification is agreed and new contracted arrangements in place by 1 April 2017

Financial impact

- 5.1 The budget for 16/17 is £200,169.

Risk, policy, compliance and governance impact

- 6.1 Should the waiver not be agreed there is a risk that a number of vulnerable children and young people could lose their service in an unplanned manner and lead to reputational damage to the Council
- 6.2 There is a risk that best value is not being demonstrated in line with CSO's that require all services valued above £25,000 to be competitively tendered.
- 6.3 There is a risk in approving the waiver as the value of the contract is in the scope of European Regulations (by virtue of being worth in excess of the threshold) and therefore would be a breach of the conditions. However, this is a Part B service for provision of social services which do not require to meet the full rigours of the Regulations. If approved, the award will be published on the European Journal.
- 6.4 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

Equalities impact

- 7.1 Ongoing monitoring of this service shows that children and young people with disabilities are being supported in mainstream childcare settings in a meaningful and long term way.
- 7.2 Successful inclusion of children and young people in mainstream childcare settings has resulted in parents being able to continue in work, training and education.

Sustainability impact

- 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

- 9.1 Report recommendations have been discussed with and agreed Education, Children and Families Committee.

Gillian Tee

Executive Director of Communities and Families

Contact: Aileen McLean, Senior Education Manager, Early Years

E-mail: Aileen.McLean@edinburgh.gov.uk | Tel: 469 3300

Links

Coalition pledges	P1 - Increase support for vulnerable children, including help for families so that fewer go into care
Council outcomes	C01 - 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 C04 Our children and young people are physically and emotionally healthy CO6 Our children's and young people's outcomes are not undermined by poverty and inequality
Single Outcome Agreement	SO3 Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	

Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Property Conservation – Programme Momentum Progress Report

Item number	7.23
Report number	
Executive/routine	
Wards	

Executive summary

This report provides Committee with a progress update for Programme Momentum.

Links

Coalition pledges	P40 , P41
Council outcomes	CO7 , CO19
Single Outcome Agreement	SO4

Property Conservation – Programme Momentum Progress Report

Recommendations

- 1.1 Committee is requested:
 - 1.1.1 To note the management information dashboard reports in Appendix 1.
 - 1.1.2 To note the progress of debt recovery work.

Background

- 2.1 Programme Momentum has been established as a robust end-to-end process across all workstreams relating to the legacy Statutory Notice issues, including the development of the blueprint for the new enforcement service.
- 2.2 This report gives details of progress to the end of October 2015.

Main report

Progress

- 3.1 Since the beginning of Programme Momentum in June 2014 there has been significant progress by the legacy team across all workstreams. The settlements process introduced in April has run successfully with 1 case remaining for review.

Management information

- 3.2 Management Information as at 25 October 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 Following review there has been a re-alignment within the provision that transfers £0.3m from irrecoverable WIP to meet the increase of £0.3m in the provisions for settlements to meet expected need of £4.2m upon review closure.
- 3.5 As at 25 October 2015 a total of £10.9m has been approved for write-off against the provision comprising irrecoverable sums of £6.7m, aged debt of £0.3m and a total value of £3.9m for settlements to date.
- 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 and Recovery Update

- 3.8 Billing on Deloitte reviewed projects is now complete at a total of £18m. As at 25 October 2015 a sum of £9.8m has been received in payments.
- 3.9 In addition, a further £1.3m in payment plans has been secured and a further £0.1m secured through inhibitions.
- 3.10 The sum settled (£9.8m) and secured to date (£1.4m) totals £11.2m which represents a current collection rate of 62% in terms of debt collected and secured debt.

Debt Recovery – Morton Fraser

- 3.11 Under the extended contracted arrangements, instructions continue to be sent to Morton Fraser for statutory notice debt recovery. Since 1 April 2015, 402 instructions have been issued to Morton Fraser with a total value of £4.9m for debt collection.
- 3.12 Based on the Morton Fraser status report of 25 October 2015 there has been debt settlement by 53 (13%) customers at a value of £0.5m (10%) and instalment arrangements agreed by 44 (11%) customers at a value of £0.5m (10%). This represents an overall total to date of 97 customers (24%) with a total payment commitment of £1m (20%).
- 3.13 As at 25 October 2015 the percentage solicitor's fees against sums recovered is 1%. The solicitor's fee to debt recovery ratio is £102 recovered for every £1 spent.
- 3.14 Monthly review meetings are now established between the Council and Morton Fraser with performance measures, standards and reporting in place.

Complaint Resolution & Settlements

- 3.15 The settlement process for complainants remains on target to be completed by Autumn 2015, subject to one additional case anticipated from Deloitte in November 2015. Closure in respect of half of all settlement cases has now been reached, with more than 93% of all complainants issued with settlement. Acceptance rates from complainants are at 51%. Settlements to other affected owners are progressing with settlements communicated to 1,462 owners.

New Service update

- 3.16 The pilot for the new service commenced on 1 September 2015 and will run until the end of March 2016.
- 3.17 The purpose of the pilot is to test various 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

Customer Contact: 6 Cases

- 3.18 This area of the service is where a Customer will contact the service to request assistance with a problem on their property. The Customer Contact team will gather information on the reported defect to determine at a high level whether the defect is within the scope of the service. If the defect reported does appear to be within scope, the team will then ask the customer to evidence what efforts have been made by the property owner to engage with their fellow neighbours. This evidence is requested to be sent to the service for further review before the case is passed to the Intervention part of the service.
- 3.19 At present the service is not officially launched and therefore in this pilot period the Customer Contact team are assessing service requests after the Customer has been in touch to determine if any service requests should be retrospectively followed up.
- 3.20 The Customer contact team are following up six potential cases at present.

Facilitation: 2 cases

- 3.21 This area of the service has been utilised already where a Customer has approached the service for assistance with defects on a property but for reasons of financial or reputational risk the service cannot assist at an enforcement level. The service can however assist the property owner in others ways, for example corresponding with other owners at the property or contacting Private Rented Services for assistance with information on landlord registrations. In a recent case, where the Council were responsible for providing emergency scaffolding, the service arranged meetings with contractors, permit/roads officer and owners to facilitate scaffold hand-over.
- 3.22 There are two cases in facilitation at present.

The Intervention Service: 3 Cases

- 3.23 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. 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.
- 3.24 Case officers currently have three cases with correspondence on-going with the lead owner and all other owners at each of these properties. Early progress has indicated that two cases are likely to be submitted to the Project Panel for a decision to take these into the Enforcement part of the service.

The Enforcement Service: 1 Project

- 3.25 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.
- 3.26 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.
- 3.27 This is a major repair project. The defects are numerous and include structural works, stonework repairs, flat roof replacement and slate roofing repairs. The Cost Estimate No. 2 has been prepared and amounts to £376,000. Cost estimate No. 2 has been issued to the owners together with the building survey report and a letter outlining the programme and details of the project.

New Edinburgh Shared Repair Service launch

- 3.28 Throughout the pilot period, work will continue on additional implementation activities prior to the full service launch – notably Procurement, Recruitment and ICT.
- 3.29 The procurement strategy has been agreed by the Programme Board. The PQQ for the new contractors framework will be issued in November 2015. This follows PQQ training offered to contractors and being carried out by Corporate Procurement on behalf of the service. The framework contract is programmed to be in place by July 2016.
- 3.30 Recruitment of the required technical resource is underway, with two Building Surveyors identified following interviews during September. Both surveyors are now in post.
- 3.31 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

- 4.1 Conclusion of reviewing statutory notice projects.
- 4.2 Billing and collection of outstanding debt.

- 4.3 Resolution of complaints.
- 4.4 Launch of new replacement enforcement service.

Financial impact

- 5.1 Significant financial issues with a collective value of 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

- 6.1 This area of work represents a significant financial and reputational risk for the Council.

Equalities impact

- 7.1 There is no equalities impact arising from this report.

Sustainability impact

- 8.1 There is no adverse environmental impact arising from this report.

Consultation and engagement

- 9.1 Not applicable.

Background reading/external references

[Report to Finance and Resources Committee, 19 March 2015 -Property Conservation - Programme Momentum Progress Report](#)

[Report to City of Edinburgh Council, 12 February 2015, Shared Repairs Services - Development of a New Service.](#)

[Report to City of Edinburgh Council 11 December 2014, Shared Repairs Services - Development of a New Service -](#)

Alastair Maclean

Deputy Chief Executive

Contact: Andrew Field, Head of Shared Repairs Service

E-mail: andrew.field@edinburgh.gov.uk | Tel: 0131 529 7354

Links

Coalition pledges	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
Council outcomes	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
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
Appendices	Appendix 1: Management Information Dashboards

Edinburgh Shared Repairs Service Dashboard

October 2015

Monthly progress update (for reporting purposes month end is 25 October)

LEGACY PROGRAMME

A number of legacy workstreams continue to draw to a close with billing now complete, settlements at the final stages and projects on site nearing completion. Significant volumes of work remain in customer service and debt recovery.

TOP RISKS	MITIGATION	RAG
1. Debt Recovery	Additional provisions have been made through the appointment of Morton Fraser.	Red
2. Bad Debt Provision	The provision will continue to be monitored and reported monthly.	Yellow
3. Settlement Process	Settlement process nearing completion	Yellow

OVERALL STATUS	RAG	COMMENTS
Case Reviews and Settlements	Yellow	The settlement process is nearing completion . At this time 93% of complainants have been issued with settlement with an acceptance rate of 51%.
Debt Recovery	Red	Debt outstanding is currently £14.6m. Of this debt £9.3m is being pursued through active billing, Morton Fraser recovery or other legal action. The remaining debt is either being pursued for legal action or is suspended debt. There is £2.4m of this debt secured through payment plans and inhibitions
Projects	Yellow	Thomson Bethune are currently working on 11 projects which will be completed by Winter 2015. 1 project is programmed to be completed during October. 5 projects are programmed to be completed during November. 5 projects are programmed to be completed during December
Customer services	Yellow	There remains a high volume of customer contact across the legacy service.

KEY PLANNED ACTIVITIES

Completion of Settlement Process.
Continuation of debt recovery programme.
Continuation of legacy projects.
Continuation of ESRS pilot activity.
Recruitment of Records manager.

NEW SERVICE

The Project is on track to deliver on time and within budget, and the Pilot phase continues to test the draft procedure manuals on 11 Pilot Projects. A Bidders Day was held in October which attracted 22 Organisations and the procurement process will commence through the issuing of a PQQ. The position of the new service in the CEC structure is still to be decided and a full service review is to be undertaken before the full service launch in April 2016. Two Building Surveyors have been appointed and both will be in post in November 2015.

TOP RISKS	MITIGATION	RAG
1. Lack of Market interest in Contractor Framework	Bidders Day held in October. PPQs will be issued on 16/11/15. The returns will indicate the level of market interest.	Red
2. Unable to recruit suitable technical resource	Two surveyors appointed. Recruitment of suitable technical resource will continue to be monitored	Yellow
3. Senior Management Team not in post during Pilot	Robust evaluation, handover and training plan to be in place for SMT of new service - decision required on outstanding management posts.	Yellow
4. Position of Service within CEC Corporate structure	Meetings ongoing to determine position of service in new CEC structure.	Yellow
5. Customers have unrealistic expectations for the New Service	Ensure that communication to the current stakeholders is clear and that information available on web pages is up to date for launch. Communication Strategy is required.	Green

OVERALL STATUS	RAG	COMMENTS
Governance	Yellow	Costed Business Plan approved by the Board in October. Requirement to identify position of service in new structure.
People	Yellow	Two Building Surveyors have been appointed. The pilot will facilitate a review of remaining recruitment requirements in line with demand and within the remaining budget. ESRS Service Review to start in January 2016.
IT	Yellow	Database for Pilot Service up and running and being tested with Pilot Projects. Data cleansing report to be submitted to November board. Quotation received from IDOX for upgrade to Uniform System.
Processes	Green	Draft procedure are being testing during Pilot phase. Proposed changes are being tracked, interim procedures will be updated in November.
Procurement	Green	Bidders day held on 14 October 2015, attended by 22 organisations. Plan to issue PQQ to contractors in November 2015 with projected award in Summer 2016.

INFORMATION / DECISIONS

Closure programme staffing to be agreed.
Service placement to be agreed.



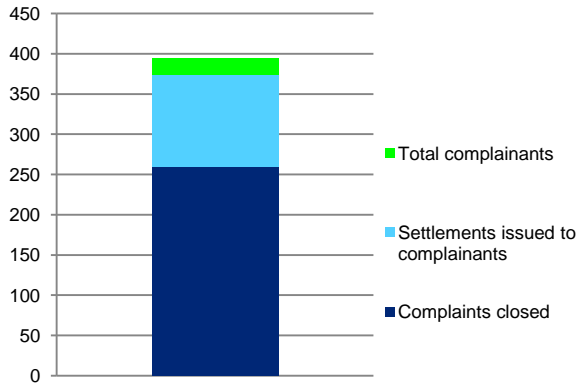
Settlements & Customer Service

Programme dashboard as at 25 October 2015

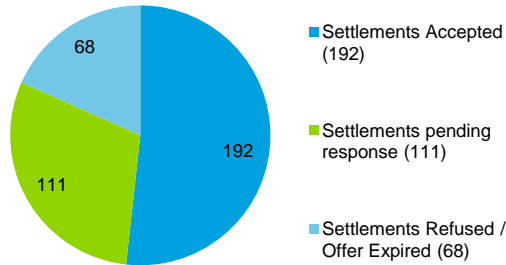
Progress

The settlement process for complainants remains on target to be completed by Autumn 2015, subject to one additional case anticipated from Deloitte in November 2015. Closure in respect of half of all settlement cases has now been reached, with more than 93% of all complainants issued with settlement. Acceptance rates from complainants are at 51%. Settlements to other affected owners are progressing with settlements communicated to 1,462 owners. Settlements to all other affected owners is anticipated to be complete by Autumn 2015.

Settlements Issued to Complainants



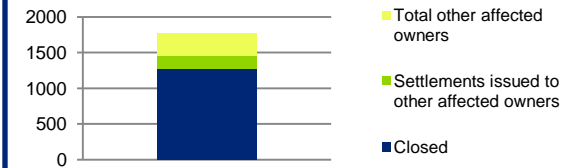
Individual Complainant Closure Status



Settlement Value

Total Value of projects reviewed	£12.2m
Total settlements approved under delegated authority	£3.9m
Settlements paid/credited to date	£2.2m

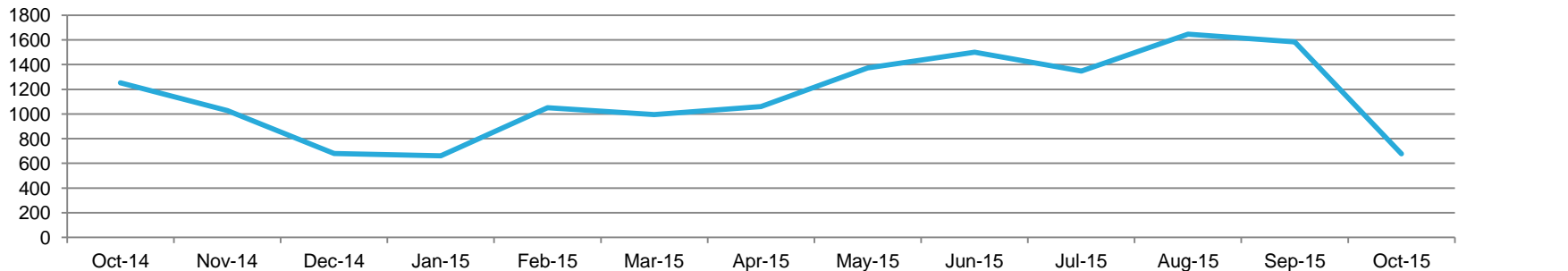
Other Affected Owners



Progress

Property Conservation Legacy service has been dealing with a steady flow of customer enquiries averaging around 250 per week during 2015. 93% of these were dealt within the Council's service standards against a target of 90%.

Enquiries/Complaints Closed





Finance (Debt Provision and Budget)

Programme dashboard as at 25 October 2015



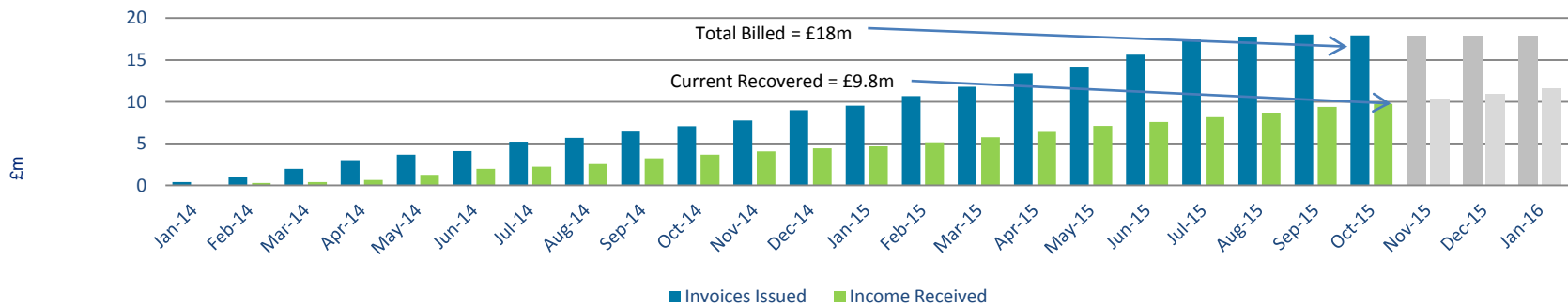
Progress

Billing on Deloitte reviewed (Project Joule) cases is complete and totals £18m. £9.8m has been received with further secured debt of £1.4m in payment plans (£1.3m) and inhibitions (£0.1m) giving a total of settled and secured debt of £11.2m.

Total Project Joule debt outstanding is £8.2m. After taking the secured debt of £1.4m into account the debt outstanding is £6.8m.

Impairments approved to date is £10.9m against the provision of £17.9m.

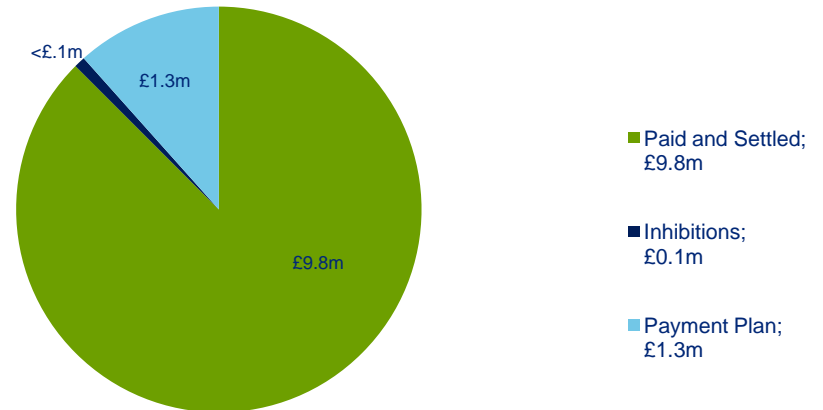
Projection of Deloitte approved Statutory Notice repair debt



15/16 Budget Requirements

	Budget 2015/2016	Budget to 30/09/15	Spend to 30/09/15	Variance to 30/09/15
	£'000	£'000	£'000	£'000
Closure Programme & Defect Remedy Costs	2,103	1,164	708	(456)
New Enforcement Service (implementation and pilot launch from 01/09/2015)	1,400	469	516	47
Shared Repairs Service(part year to 31 August 2015)	138	127	216	89
TOTAL BUDGET 2015/2016	3,641	1,760	1,440	(320)

Deloitte Project Joule Debt Recovery





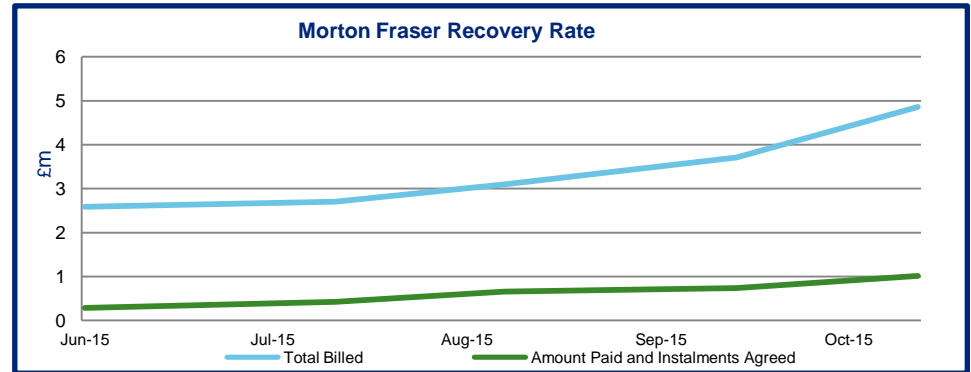
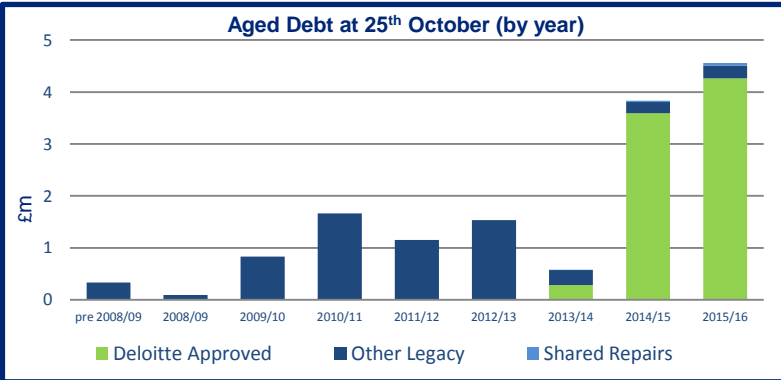
Debt Recovery

Programme dashboard as at 25 October 2015



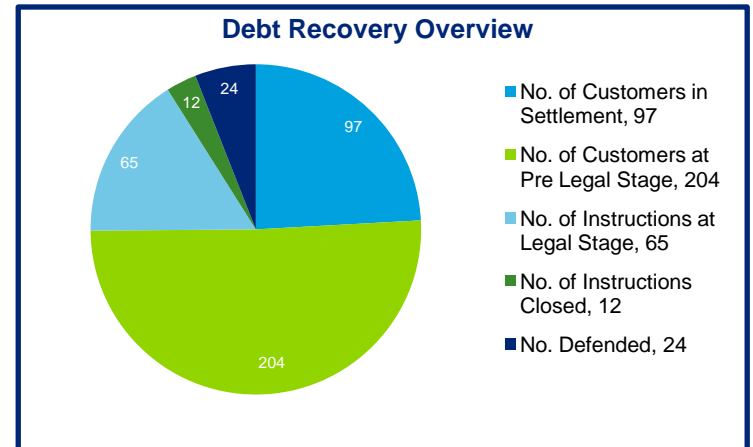
PROGRESS

The current level of debt outstanding is £14.6m of which £8.2m is Deloitte (Project Joule) reviewed debt and £6.4m of Legacy and Shared Repairs debt. Of the debt outstanding a total of £9.3m is being pursued through active billing, Morton Fraser recovery or other legal collection. The remaining debt of £5.3m is either being prepared for legal action or is suspended debt and includes a sum of £3.9m for outstanding legacy debt of which £3.2m is suspended debt. There is £2.4m debt secured through payment plans and inhibitions.



Debt Status	Deloitte Reviewed	Legacy and Shared Repairs	Total
Total debt being pursued	£6,779,959	£2,529,841	£9,309,800
Total debt scheduled for action	£1,364,553	£3,896,831	£5,261,384
Total Debt	£8,144,512	£6,426,672	£14,571,184
Payment plans and inhibitions agreed within debt total	£1,358,007	£982,285	£2,340,292

Morton Fraser Debt Recovery Cases pursued by the Council	July	August	September	October
Total debt recovery cases pursued by Morton Fraser	233	294	349	402
Total value of instructions issued	£2.7m	£3.1m	£3.7m	£4.9m
Total debtors settled or in payment plan	62	67	74	97
Total sum recovered or in payment plan	£0.5m	£0.7m	£0.7m	£1.0m
Total sum recovered in payment plan as % of debt recovery	17%	21%	19%	20%





ESRS Pilot Phase Dashboard

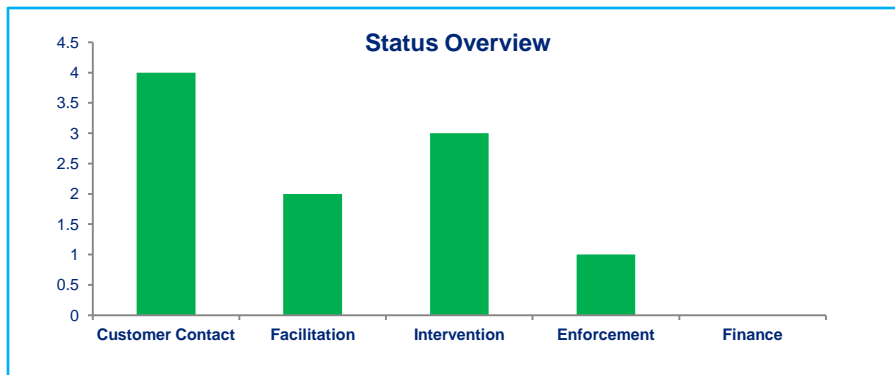
Programme dashboard as at 25 October 2015



OVERVIEW OF PROGRESS

The Pilot Phase started in September 2015. The Pilot Phase currently consists of twelve open cases with successful intervention achieved on a thirteenth project. Work is progressing on the Major Works project, the estimated value of the project has risen from the £250k estimate given to residents by a consultant in 2012. This project has now been estimated by the service at a value of £376k.

CASE WORKLOAD PROGRESS		NO.
Customer Contact:	• Customer Services Enquiry	2
	• Collating Information from Lead Owner	4
Facilitation:	• Advice and Information	
	• Council Correspondence	2
Intervention:	• Case Officer liaising with Lead Owner	
	• Communication 1 issued	2
	• Communication 2 issued	
	• Panel Report pending	1
	Closed with successful intervention	1
Enforcement:	• Site Survey / S24 Notice / S26 Notice	
	• Procurement	1
Finance:	• Projects on site	
	• Final Account issued	
	• Invoices issued to owners	



EMERGENCY SERVICE

Emergency Repairs Team: 87% of all emergencies this month related to drainage issues. The remaining 13% were mainly related to roof defects. The team received 3 requests from Police Scotland for assistance in dealing with a lorry which had jack knifed into the Omni Centre, dangerous railings following a car accident and a serious incident in Princes Street where a slate had fallen and hit a pedestrian.

PROJECTS WORKLOAD	MAJOR	MINOR	ESTIMATED VALUE
1. Major Stonework / Roof (Procurement)	1		£376k
TOTAL	1	-	£376K

FACILITATION WORKLOAD (TYPE OF PROJECT)	MAJOR	MINOR	ESTIMATED VALUE
1. Major Stonework / Roof	1		£1m
2. Railway Wall	1		£1m
TOTAL	2	-	£2.0m

EMERGENCY SERVICE	Aug 15	Sep 15	Oct 15	Trend
No of requests for advice/ info only.	186	265	170	↓
No. of service requests	100	74	66	↓
No of emergency repair inspections resulting in statutory notices issued	65	49	46	↓
No. of Emergency service requests where information/ advice was provided	35	25	20	↓
No of visits to SRS webpage (Google Analytics)	3001	3304	3153	↓
Solicitors Enquiries Received			626	
Solicitors Enquiries Completed			705	
Value of invoices issued to owners for emergency repairs (cumulative)	£693,010	£721,588	£743,918	↑
Value of income received from owners for emergency repairs (cumulative)	£587,618	£608,924	£642,469	↑

Finance and Resources Committee

10.00 a.m., Thursday 26 November 2015

Summary Report on Property Transactions concluded under Delegated Authority

Item number	8.1
Report number	
Executive/routine	Routine
Wards	City-wide

Executive summary

To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'. This report lists transactions concluded in the period July 2015 to September 2015.

This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.

Links

Coalition pledges	P30
Council outcomes	CO7
Single Outcome Agreement	SO1

Summary Report on Property Transactions concluded under Delegated Authority

Recommendations

That Committee:-

- 1.1 Notes the 29 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

Background

- 2.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

Main report

- 3.1 Appendix 1 provides details of 29 transactions completed under delegated authority since the last quarterly report.
- 3.2 These transactions include 9 new leases, 5 lease renewals/extension, 6 rent reviews. These transactions will result in additional rental income of £31,665 per annum.
- 3.3 In addition, 9 disposals and acquisitions have also been completed, totalling £380,000 and £548,500 respectively.

Measures of success

- 4.1 n/a

Financial impact

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

Risk, policy, compliance and governance impact

- 6.1 There are no risk, policy, compliance or governance impacts as a result of this report.

Equalities impact

7.1 Equalities and Rights Impact Assessments have been carried out on all of the enclosed transactions.

Sustainability impact

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

Consultation and engagement

9.1 n/a

Background reading/external references

N/a

John Bury

Acting Director of Services for Communities

Contact: Graham Tully, Acting Estates Services Manager

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Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning.
Council outcomes	CO7 - Edinburgh draws new investment in development and regeneration.
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs, and opportunities for all.
Appendices	Appendix 1.

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. 17314/4/2 ASM	7 – Sighthill/ Gorgie	Services for Communities – General Property	Suite 4/2 Broomhouse Workspace	Success Business Support Ltd	Office	Old Rent: £6,500 per annum New Rent: £6,500 per annum Lease Period: 1 Aug 2015 – 1 Apr 2017 Payable: Quarterly in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>New lease granted to run concurrently with this occupiers existing lease within the estate (Unit 11). Marketed early (May 2015) to minimise void period. Rental in line with rents being achieved within the estate. Previous rent set in April 2014.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. 17768/15 ASM	17 – Portobello/ Craigmillar	Services for Communities – General Property	Unit 15 Peffer Business Centre	Mr Vasileios Avialiotis	Joinery Workshop	Old Rent: £5,200 per annum New Rent: £5,500 per annum Lease Period: 17 Aug 2015 – 16 Aug 2017 Payable: Monthly in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>New 3 year lease granted with 2 month rent free period. Previous rent set November 2008.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. 20203/2/4 ASM	2 – Pentland Hills	Services for Communities – General Property	Suite 4, 46A Bavelaw Road, Balerno	Uniklasers Ltd	Office	Old Rent: £5,000 per annum New Rent: £6,500 per annum Lease Period: 17 Aug 2015 – 31 Mar 2017 Payable: Quarterly in advance

ERIA received?

REMARKS: *New lease granted to run concurrently with this occupiers existing lease within the building (Suite 5). Previous rent set in April 2013. All inclusive rental is now in line with the rates being achieved on other suites. Two month rent free period granted.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 17896/1 ASM	16 – Liberton/ Gilmerton	Services for Communities – General Property	Block A Unit 1 Gracemount Business Pavillions	VERT Rotors UK Ltd	Office / Workshop	Old Rent: £10,975 per annum (pro rata) New Rent: £14,001 per annum Lease Period: 10 Sept 2015 – 9 Sept 2020 Payable: Quarterly in advance

ERIA received?

REMARKS: *Property re-let in original configuration of 3 individual units. Previously occupied as a single unit (hence pro rata rental rate). Previous rent set in August 2010. A four month ren- free period was granted on entry.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. 17314/9 ASM	7 – Sighthill/ Gorgie	Services for Communities – General Property	Unit 9 Broomhouse Workspace	Mr Mark Reynolds T/A B.S.Systems	Office / Workshop	Old Rent: £7,500 per annum (pro rata) New Rent: £8,000 per annum Lease Period: 16 Sept 2015 – 15 Sept 2020 Payable: Quarterly in advance

ERIA received?

REMARKS: *Unit 9 /10 now re-let in original configuration of 2 individual units. Previously occupied as a double unit (hence pro rata rental rate). Previous rent set in August 2012. Rent in line with rate for estate and one month rent-free period granted.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 17314/10 ASM	7 – Sighthill/ Gorgie	Services for Communities – General Property	Unit 10 Broomhouse Workspace	Glencairn Property Management Ltd	Storage / Workshop	Old Rent: £7,500 per annum (pro rata) New Rent: £8,350 per annum Lease Period: 18 Sept 2015 – 17 Sept 2018 Payable: Quarterly in advance

ERIA received?

REMARKS: *Unit 9 /10 now re-let in original configuration of 2 individual units. Previously occupied as a double unit (hence pro rata rental rate). Previous rent set in August 2012. Rent in line with rate for estate.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. 17314/4/1 ASM	7 – Sighthill/ Gorgie	Services for Communities – General Property	Suite 4/1 Broomhouse Workspace	Mr Siddhart Sonkar	Office	Old Rent: £6,500 per annum New Rent: £6,500 per annum Lease Period: 23 Sept 2015 – 22 Sept 18 Payable: Monthly in advance

ERIA received?

REMARKS: *New lease granted to former occupier of a unit within this estate. Rental in line with the rate being achieved within the estate.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. 17896/3 ASM	16 – Liberton/ Gilmerton	Services for Communities – General Property	Block A Unit 3 Gracemount Business Pavillions	Oyol Consulting Ltd	Office	Old Rent: £5,488 per annum (pro rata) New Rent: £7,500 per annum Lease Period: 1 Oct 2015 – 30 Sept 2020 Payable: Quarterly in advance

ERIA received?

REMARKS: *Property now re-let in original configuration of 3 individual units. Previously occupied as a single unit (hence pro rata rental rate). Previous rent set in August 2010. A 3 month rent-free period was granted.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. 17896/2 (ASM)	16 – Liberton / Gilmerton	Services for Communities – General Property	Block A Unit 2 Gracemount Business Pavillions	The Church of Pentecost	Community Centre / Church	Old Rent: £5,488 per annum (pro rata) New Rent: £7,500 per annum Lease Period: 12 Oct 2015 – 11 Oct 2020 Payable: Quarterly in advance

ERIA received?

REMARKS: *Property now re-let in original configuration of 3 individual units. Previously occupied as a single unit (hence pro rata rental rate). Previous rent set in August 2010. A 3 month rent-free period was granted.*

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. 16104/EX2 AF	11 – City Centre	Culture and Sport	13 to 17 Nicolson Street, Edinburgh	McKenzie Sports Ltd	Former shops that form part of the foyer at Festival Theatre	Old Rent: £65,500 per annum New Rent: £69,000 per annum Lease Period: 1 Mar 1992 to 28 Feb 2017
<input checked="" type="checkbox"/> ERIA received?						
REMARKS: <i>The Council lease shops 13-17 Nicolson Street from McKenzie Sports. Although the shops no longer exist and form part of the solum of the theatre, the Council still has a lease agreement until 2017 when there is an option to purchase from the landlords.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. CLO-U06 IL	3 – Drum Brae/ Gyle	Services for Communities – General Property	Clocktower, Unit 7 – 10 Flassches Yard, Edinburgh, EH12 9LB	Verizon UK Limited	Data Centre (Class 4,5)	Old Rent: £161,500 per annum New Rent: £164,000 per annum From: 27 Aug 2014 – 26 Aug 2019
<input type="checkbox"/> ERIA received?						
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. 35/W380N/14 IL	9 – Fountainbridge / Craiglockhart	Services for Communities – General Property	Unit 14 West Gorgie Park, Edinburgh, EH14 1UT	R E Drawmer	Joiner & Shopfitter manufacturing & storage (Class 4/6)	Old Rent: £6,200 per annum New Rent: £6,400 per annum From: 1 Oct 2015 – 30 Sept 2020
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. 35/W380N/16 IL	9 – Fountainbridge / Craiglockhart	Services for Communities – General Property	Unit 16 West Gorgie Park, Edinburgh, EH14 1UT	Roderick Edward Drawmer	Joiner & Shopfitter manufacturing & storage (Class 4/6)	Old Rent: £6,200 per annum New Rent: £6,400 per annum From: 1 Oct 2015 – 30 Sept 2020
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 13849/67A IL	11 – City Centre	Housing Revenue Account	36/38 High Street Edinburgh, EH1 1TB	Mustafa Azgan	Café / Hot Food (Class 3)	Old Rent: £22,500 per annum New Rent: £23,250 per annum From: 11 Nov 2013 to 11 Nov 2018
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. 35/W380N/20 IL	9 – Fountainbridge / Craiglockhart	Services for Communities – General Property	Unit 20 West Gorgie Park, Edinburgh, EH14 1UT	One Stop Office Supplies Limited	Office Supplies storage & distribution (Class 4/6)	Old Rent: £6,200 per annum New Rent: £6,400 per annum From: 1 Oct 2015 – 30 Sept 2020
<input type="checkbox"/> ERIA received? REMARKS:						

LEASE RENEWALS/EXTENSIONS

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. 16496/8 IL	7 – Sighthill / Gorgie	Services for Communities – General Property	8 Sauchiebank, Russell Road Ind Estate, Edinburgh, EH11 2NN	RD Fruit Services Ltd	Fruit & Veg Wholesaler storage and distribution (Class 4/6)	Old Rent: £6,600 per annum New Rent: £6,800 per annum From: 24 Sept 2015 to 23 Sept 2020 Payable: Monthly in Advance
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. Temp/PI-U8 IL	17 – Portobello / Craigmillar	Services for Communities – General Property	8 Peffermill Parc, 25 King's Haugh, Edinburgh, EH16 5UY	Hamilton & Colvin Ltd	Joiner & Shopfitter manufacturing & storage (Class 4/6)	Old Rent: £7,975 per annum New Rent: £8,200 per annum From: 28 Sept 2015 to 27 Sept 2018 Payable: Monthly in Advance
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. 723/12 IL	13 – Leith	Services for Communities – General Property	Unit 18a, Tennant Street, Edinburgh, EH6 5ND	Build Hollywood Ltd	Advertising Display storage & distribution (Class 4/6)	Old Rent: £10,200 per annum New Rent: £11,350 per annum From: 29 Sept 2015 to 28 Sept 2018 Payable: Monthly in Advance
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. 6320 IL	11 – City Centre	Housing Revenue Account	23/25 Canongate, Edinburgh, EH8 8BX	Charles Michael Hunter	Shop with storage (Class 1)	Old Rent: £15,000 per annum New Rent: £23,300 per annum From: 1 Sept 2015 to 31 Aug 2020 Payable: Quarterly in Advance
<input type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20. 4182A IL	11 – City Centre	Housing Revenue Account	29 Canongate, Edinburgh, EH8 8BX	Charles Michael Hunter	Shop with storage (Class 1)	Old Rent: £4,650 per annum New Rent: £7,900 per annum From: 1 Sept 2015 to 31 Aug 2020 Payable: Quarterly in Advance
<input type="checkbox"/> ERIA received? REMARKS:						

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
21. DS	12 – Leith Walk	Housing Revenue Account	16/1 Montague Street	James Douglas	Residential	Purchase price: £190,000 Date of entry: 11 Sept 2015 Sale concluded: 11 Sept 2015
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
DS	11 – City Centre	Housing Revenue Account	6-3F St Mary's Street	Osman Celik	Residential	Purchase price: £190,000 Date of entry: 14 Sept 2015 Sale concluded: 14 Sept 2015
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ACQUISITIONS

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
23. 21354 MS	5 – Inverleith	Services for Communities	0.043 ha of land adjacent to walk/cycleway. Craigleith to Silverknowes section.	The Stafford Trust	Amenity land	Purchase Price: £Nil Professional Fees: £Nil (seller meeting Council's costs)
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>A minimal maintenance liability will be incurred.</i>						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
24. DS	14 – Craigentiny/ Duddingston	Housing Revenue Account	23 Lochend Gardens	Mr John Kennedy, Mrs Bridget Kennedy	Residential	Purchase Price: £91,000 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
25. DS	4 – Forth	Housing Revenue Account	9/1 West Pilton Gardens	Mr Ian Duffy, Mrs Debbie Duffy	Residential	Purchase Price: £90,000 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
26. DS	17 – Portobello/ Craigmillar	Housing Revenue Account	72/3 Duddingston Row	Russell Lister	Residential	Purchase Price: £76,500 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
27. DS	7 – Sighthill Gorgie	Housing Revenue Account	10/4 Broomhouse Gardens	Catherine Buchan	Residential	Purchase Price: £95,000 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
28. DS	12 – Leith Walk	Housing Revenue Account	11/3 Hawkhill Avenue	Miss White, Mr Verrecchia	Residential	Purchase Price: £91,000 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	PURCHASING (BUDGET) DEPT/ACCOUNT	SUBJECTS	SELLER	USE	TERMS
29. DS	14 – Craigentinny/ Duddingston	Housing Revenue Account	15/3 Sleigh Drive	Ms L Young	Residential	Purchase Price: £105,000 Professional Fees: £990.00
<input checked="" type="checkbox"/> ERIA received? REMARKS:						