

Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Thursday, 26 November 2015

Present

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

1(a) Deputation: Unison and Unite - CEC Transformation Programme: Property and Asset Management and 2016/20 Revenue and Capital Budget Framework

The Committee agreed to hear a deputation from Gerry Stovin of UNISON and Peter Lawson of Unite.

The main points raised by the deputations in relation to the CEC Transformation Programme: Property and Asset Management report were:

- Support and endorsement was offered from both UNISON and Unite for the recommendations in the CEC Transformation Programme: Property and Asset Management report, at this time.

The main points raised by the deputations in relation to the 2016/20 Revenue and Capital Budget Framework report were:

- Other measures could be further examined to remove surplus staff from the organisation such as identifying vacant posts that could be deleted without affecting services.
- Concerns were raised at the risks to frontline services posed by the pace of change through the Transformation Programme.
- There was concern that the transfer of in-house homecare services to private companies under the guise of an “Integrated Council” was privatisation.
- Staff had reported to unions that some of the sections of the budget had been presented in way that suggested the options would be implemented without any consultation.
- It was suggested that the budget could be presented in such a way that staff better understood the context.

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) CEC Transformation Programme: Property and Asset Management

Committee considered a report on how the delivery of the Asset Management Strategy (AMS) Plan B, which was approved by the Finance and Resources Committee on 24 September 2015, would be managed utilising a Council subsidiary.

An overview of the work that had been done since the Finance and Resources Committee of 24 September 2015, including the options that had been considered in relation to the management of Plan B and a recommended way forward were set out in the report.

Decision

- 1) To acknowledge the progress made to date within the Asset Management Strategy (AMS) workstream around Project Management Office (PMO) mobilisation, Facilities Management, Investment Portfolio, Estate Rationalisation, Asset Condition and Transition.
- 2) To note that the top corporate risk to the Council remained the health and safety risks associated with the operational estate and that the Asset Condition workstream would be bringing forward proposals for significant investment and a step change in the approach to planned preventative maintenance to address this risk.
- 3) To agree that, though an Arms Length External Organisation (ALEO) had some structural advantages, it was 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.
- 4) To agree that EDI was not an appropriate delivery vehicle for all responsibilities that currently existed within the Corporate Property function.
- 5) To recognise that significant investment would be required to transform the existing workforce which included processes, training, skills and culture change in order to effectively deliver Plan B.
- 6) To recognise that AMS would be making proposals for how existing workforce barriers around recruitment, pay scales and working practices could be overcome and that these would be a prerequisite of delivering Plan B.
- 7) Specifically, to recognise that in order to restructure the future workforce around the new Service Level Agreements within Plan B, external technical expertise was needed in the short term to optimise the cost and quality of Facilities Management (FM) services.
- 8) To agree that AMS would provide updates to the workstreams highlighted in the report on a quarterly basis.
- 9) To agree a report would be brought to the Finance and Resources Committee in January 2016 that contained a detailed Implementation plan for Property and Asset

Management, which focused on the points highlighted in recommendations 1.1.5 and 1.1.6 in the report.

Declaration of Interest

Councillor Iain Whyte declared a non-financial interest as a Director of EDI.

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

1(c) 2016/20 Revenue and Capital Budget Framework

Committee considered a report which set out additional proposals to deliver savings as part of the Transformation Programme.

Motion

- 1) To note that further budget proposals developed through the transformation programme had been made available for public engagement.
- 2) To note that, in combination with the proposals previously approved by Council on 22 October 2015 and those currently the subject of public engagement, these had the potential to provide a balanced budget across the period of the framework based on current planning assumptions.
- 3) To 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.
- 4) To note a number of risks to the assumptions currently included within the Framework.
- 5) To consider these proposals in the context of setting the Council's budget for 2016/17 and future years on 21 January 2016.

- Moved by Councillor Rankin, seconded by Councillor Cook.

Amendment

- 1) To note that further budget proposals developed through the transformation programme had been made available for public engagement.
- 2) To note that, in combination with the proposals previously approved by Council on 22 October 2015 and those currently the subject of public engagement, these had the potential to provide a balanced budget across the period of the framework based on current planning assumptions.
- 3) To 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.
- 4) To note a number of risks to the assumptions currently included within the Framework.
- 5) To consider these proposals in the context of setting the Council's budget for 2016/17 and future years on 21 January 2016.

6) To note that in approving the proposals for consultation on 24 September 2015, Committee did not, at that point, have any details of proposals under the transformation workstream. Therefore in light of the proposals now being detailed in Appendix of the report and added to public engagement, agreed to withdraw from the proposals PLA/SP4 – School Crossing Patrol Guide service at lunchtime – on the grounds that there was no evidence provided: no data on service demand and no assessment of impact on recruitment and retention of staff.

- Moved by Councillor Corbett, seconded by Councillor Edie.

Voting

- For the motion - 9
- For the amendment - 4

Decision

To approve the motion by Councillor Rankin.

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

2(a) Deputation: EVOC on behalf of the Substance Use Network Edinburgh - Edinburgh Drug and Alcohol Partnership (EADP) Adult Community Treatment Services Contract

The Committee agreed to hear a deputation from Maria Arnold of EVOC on behalf of the Substance Abuse Network Edinburgh (SUNE).

The main points raised by the deputation were:

- If the contract was awarded to the preferred bidder there was a risk that local knowledge and existing relationships with users who were engaged with the service could be lost. The relationship between the Council and third sector as a whole could also be damaged.
- National Procurement guidelines had had an adverse effect on smaller local organisations but local authorities had the discretion to overrule these guidelines, as had been done in Glasgow City Council.
- The Council had stated it was a priority not to exclude smaller third sector organisations from procurement where they already had the skills and capacity to deliver services.
- Local bidders had not been interviewed as part of the tender process which suggested that decisions were made based on how well tenders were written alone. Larger organisations had an advantage over smaller, local organisations who were less experienced in writing tenders.
- The organisations involved in the “Hubs Alliance” with their existing local knowledge worked within the community to design specific service models for that area.

The Convener thanked the Deputation for her presentation and invited her to remain for the Committee's consideration of the report by the Chief Social Work Officer.

2(b) Edinburgh Alcohol and Drug Partnership (EADP) Adult Community Treatment Services - Contract

Approval was sought to award contracts for the Adult Community Treatment Services delivered on behalf of the Edinburgh Alcohol and Drugs Partnership (EADP).

Motion

To defer the report to an additional meeting of the Finance and Resources Committee in December 2015 and include a comparison of available tender processes and co-production models.

- Moved by Councillor Ricky Henderson, seconded by Councillor Rankin.

Amendment

- 1) To approve 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) To request a report to assess available tender processes and co-production models and compare to identify the most advantageous.

- Moved by Councillor Whyte, seconded by Councillor Jackson.

Voting

- For the motion - 11
- For the amendment - 2

Decision

To approve the motion by Councillor Rankin.

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.)

3. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 29 October 2015 as a correct record.

4. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan from 29 October 2015 to 26 November 2015.

Decision

To note the Key Decisions Forward Plan from 29 October 2015 to 26 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 29 October 2015 was submitted.

Decision

To note that Items 3, 7, 8, 10, 12, 14, 15 (action 3), 16 and 18 (action 1) had been closed.

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

6. Treasury Management – Mid Term Report 2015/16

Committee considered an update on Treasury Management activity in 2015/16. The investment return for 2015/16 continued to out-perform against the Funds benchmark as a result of the strategy to temporarily fund capital expenditure from cash deposits and not undertake loans where there would be costs to the Council.

Decision

- 1) To note the mid term report on Treasury Management for 2015/16.
- 2) To refer the report to Council for approval and subsequent referral by Council to the Governance Risk and Best Value Committee for scrutiny.

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

7. Governance of Major Projects: progress report

Details were provided on the major projects portfolio and forthcoming assurance review schedule.

Decision

- 1) To note the current synopsis of the dashboard reports for the major projects portfolio set out in Appendix 1 of the report.
- 2) To note the findings from the latest completed assurance reviews contained in section 3.4 - 3.14 of the report.

(References – Finance and Resources Committee, 27 August 2015 (item 21); report by the Deputy Chief Executive, submitted.)

8. Legal Services Framework Agreement - Award of Contract

Approval was sought for the award of a multi-lot framework following a competitive tendering process for the full range of the Council's legal requirements.

Decision

- 1) To approve the award of Lot 1 (Commercial) to Brodies LLP, Harper Macleod LLP, MacRoberts LLP, Morton Fraser LLP and Shepherd & Wedderburn LLP.

- 2) To approve the award of Lot 2 (Property & Planning) to Anderson Strathern LLP, Brodies LLP, Burness Paul LLP and Morton Fraser LLP.
- 3) To approve the award of Lot 3 (Litigation) to Morton Fraser LLP, Anderson Strathern LLP and TC Young Solicitors.
- 4) To approve 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.
- 5) To approve the award of Lot 5 (Major Projects) to CMS Cameron McKenna LLP, Shepherd & Wedderburn LLP and Pinsent Masons LLP.
- 6) To note that the Framework Agreement was available for use by Stirling Council and West Lothian Council.

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

9. Interim Budget Engagement Report

Details were provided of the structure of the budget engagement campaign and key actions undertaken to ensure there was a large and diverse response. A summary was also provided of the overall level of response, demographic profile of the respondents and emerging themes from feedback to the Council's budget engagement process so far.

Decision

- 1) To note the Council's budget engagement progress to date.
- 2) To 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.

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

10. Health and Social Care Integration Update

Committee considered an update report on the integration of Council Social Care functions with NHS Lothian health functions with particular reference to the progress with Internal Audit Actions.

Decision

- 1) To note the progress with the legislative matters related to integration.
- 2) To note the approach to preparing the Council's response to the formal consultation on the second draft Strategic Plan.
- 3) To note Appendix 1 of the report which outlined progress with Council Internal Audit and Corporate Programme 'Health Check' recommendations.
- 4) To refer the report to Governance, Risk and Best Value Committee for scrutiny.

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, 29 October 2015 (item 13); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

11. Edinburgh Alcohol and Drug Partnership (EADP) Counselling and Psychological Therapies Service Contract

Approval was sought to award a contract for Counselling and Psychological Therapy Services to be delivered on behalf of the Edinburgh Alcohol and Drugs Partnership (EADP).

Decision

To 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.

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.)

12. Extension of Mental Health and Wellbeing Preventative Services Contract

Committee considered a report which sought approval to extend mental health and wellbeing contracts to allow further collaborative work between NHS Lothian and the Council.

Decision

- 1) To agree the extension of the contracts listed at Appendix 1 of the report for a period of up to one year from 1 April 2016.
- 2) To note the extension was conditional upon the achievement of a 5% saving (£87,964) on the contract values shown at Appendix 1 of the report for 2016/17.

Declaration of Interest

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

(References – Finance and Resources Committee, 13 May 2015 (item 22); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

13. ICT Services Procurement: Transition Progress Update

An update was provided on the progress of the transition of ICT Services to CGI.

Decision

- 1) To note the partnership governance arrangements which had been put in place to ensure the scope of the transition and transformation, and their accompanying risk factors, were managed through a formal process with weekly monitoring and reporting.

- 2) To note 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.
- 3) To note facilitation activities underway to ensure effective cooperation between the incumbent ICT provider and CGI in relation to the BT exit planning and activities.
- 4) To note 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.
- 5) To refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

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

14. Framework Agreement for Multi-Trade Contractor for Council Properties – Award of Contract

Approval was sought to award the Framework for a Multi-Trade Contractors for Council Properties following a competitive tendering process.

Decision

To 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 £2.5 million.

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

15. Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts

An update on the progress of the implementation of the Homelessness Prevention Commissioning Plan was considered and approval sought to extend contractual arrangements for these service areas.

Decision

- 1) To note the significant progress with delivery of the Plan.
- 2) To note that the review of the Advice and Support Pilot would be reported to Finance and Resources Committee in January 2016.
- 3) To approve the extension of 22 contracts, with a maximum value of £5,134,767, until 31 March 2017.
- 4) To note that savings of £806,627 had been achieved through the negotiation of these contracts. This formed part of a wider package of £2.3 million savings from the Commissioning Budget and was also subject to proposals for additional savings of £500,000.

- 5) To note 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.
- 6) To note that contract extensions would include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements.

Declarations of Interest

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

(References – Policy and Strategy Committee, 6 September 2011 (item 2b); report by the Acting Director of Services for Communities, submitted.)

16. Energy Advice and Support for Housing Services – Referral from the Health, Social Care and Housing Committee

The Health, Social Care and Housing Committee on 10 November 2015 considered a report which sought 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.

The report was referred to the Finance and Resources Committee 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.

Decision

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.

Declaration of Interest

Councillor Adam McVey declared a non-financial interest as a Director of Changeworks.

(References – Finance and Resources Committee, 3 February 2015 (item 15); report by the Acting Director of Services for Communities, submitted.)

17. Award of Contract for the Consultancy Services for Edinburgh Street Design Guidance – Phase 2 Works

Approval was sought for the appointment of a contractor for the consultancy services required for the Edinburgh Street Design Guidance Phase 2 works.

Decision

To approve the appointment of Atkins Ltd for consultancy services required for the Edinburgh Street Design Guidance Phase 2 Works.

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

18. Adoption of Scottish Procurement Fixed Term Water and Waste Water Services Framework

Details were provided of a report that sought approval to provide delegated authority to the Acting Director of Services for Communities to adopt and implement the national framework agreement for water and waste water services.

Decision

- 1) To delegate authority to the Acting 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.
- 2) To note that transitional arrangements between the incumbent provider and new provider still needed to be finalised and communicated by Scottish Procurement. It was anticipated that the new contract would start in early 2016.

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

19. Taxicard Services

Decision

Consideration of the report was deferred to a future meeting of the Finance and Resources Committee.

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

20. Community Transport – Interim Funding Arrangements

Committee approval was sought to extend the funding arrangements for a number of third sector community transport organisations to ensure provision was maintained during development of the Community Transport Public Social Partnership Business Case.

Decision

- 1) To approve 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.
- 2) To note the intention to bring back a final report to the Finance and Resources Committee in February 2016 to seek approval on the business case in for a Community Transport Public Social Partnership.

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

21. Update on proposal for a New Meadowbank: Improved Funding Package – Referral from the Economy Committee

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 Economy Committee approved the disposal

of the property and the decision was referred to the Finance and Resources Committee for ratification and ring-fencing of the associated capital receipt.

Decision

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.

(References – Corporate Policy and Strategy Committee, 29 September 2015 (item 7); report by the Deputy Chief Executive, submitted.)

22. Co-location of Partner Agencies: Proposal for a Strategic Viability Study for a New Partnership Centre for Leith

Details were provided of the co-location of the Council's asset base to facilitate service improvements and focus on localities.

Decision

- 1) To note and support the principle of co-location for the Council's asset base to facilitate service improvements and generate property savings.
- 2) To note and support the development of locality studies focussing on key strategic locations in the city.
- 3) To approve 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.
- 4) To request a further report on the outcome of the Leith Partnership Centre study in the second quarter 2016.

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

23. Award of Contract for Additional Support for Childcare Providers

Approval was sought for the award of contract to continue delivery of Edinburgh Childcare 4 All (EC4All) for a one year period to 31 March 2017.

Decision

To approve the award of contract to Capability Scotland to continue delivery of Edinburgh Childcare 4 All (EC4All) for a one year period to 31 March 2017.

Declaration of Interest

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

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

24. 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 progress of debt recovery work.

(References – Finance and Resources Committee, 29 October 2015 (item 19); report by the Deputy Chief Executive, submitted.)

25. Summary Report on Property Transactions Concluded under Delegated Authority

Committee considered a report which detailed all the lease agreements concluded in terms of the Council's 'Scheme of Delegation to Chief Officials'.

Decision

To note the 29 transactions detailed in the attached Appendix to the report had been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

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

26. Resolution to consider in private

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 1, 6, 8, 9 and 11 and of Schedule 7(A) of the Act.

27. 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.

(References – Finance and Resources Committee, 29 October 2015 (item 22); report by the Deputy Chief Executive, submitted.)

28. Re-tender of Care at Home Contracts

Committee considered a report on the proposed commissioning, procurement, pricing and budget strategy for a new Care at Home Framework Agreement with third party providers.

Decision

- 1) To approve the commissioning, procurement, pricing and budget strategy outlined in the report for a new Care at Home Framework Agreement with third party providers.
- 2) To approve the publication of the contract rate cost model on the Council's website.
- 3) To refer the report to Health, Social Care and Housing Committee for information.
- 4) To note the risks detailed at Section 6 of the report.

(References – Finance and Resource Committee, 29 October 2015 (item 14); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

29. Voluntary Early Release Arrangement (VERA) Application – Corporate Operations

Approval was sought for a VERA application with effect from 31 December 2015.

Decision

To approve the recommendation in the report subject to confirmation that pensions may be accessed from 50 years of age.

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

30. Voluntary Redundancy Application

Committee considered a report on an application for voluntary redundancy with effect from 9 December 2015.

Decision

To approve the recommendation in the report.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)