

Notice of meeting and agenda

Finance and Resources Committee

10.00am, Thursday 17 March 2016

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

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

Contact

Email: veronica.macmillan@edinburgh.gov.uk / laura.millar2@edinburgh.gov.uk

Tel: 0131 529 4283 / 0131 529 4319



1. Order of business

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

2. Declaration of interests

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

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minutes of the Meeting of 2 February 2016 (circulated)

5. Business Bulletin

- 5.1 Finance and Resources Committee Business Bulletin (circulated)

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(a) Transformation Programme – Progress Report – report by the Chief Executive (circulated)
- 7.1(b) Transformation Programme – Asset Management Strategy Update – report by the Chief Executive (circulated)
- 7.2 Governance of Major Projects: Progress Report – report by the Chief Executive (circulated)
- 7.3 Proposed Corporate Health and Safety Plan 2016/17 – report by the Acting Executive Director of Resources (circulated)
- 7.4 Re-employment and Re-engagement of Staff – report by the Acting Executive Director of Resources (circulated)

- 7.5 Managing Workforce Change – Workforce Dashboard – report by the Acting Executive Director of Resources (circulated)
- 7.6 Future Governance of Council Payments to Third Parties – report by the Chief Executive (circulated)
- 7.7 ICT Services Procurement: Transition Progress Update – report by the Chief Executive (circulated)
- 7.8 Carbon Reduction Commitment Handbook – report by the Acting Executive Director of Resources (circulated)
- 7.9 Charitable Trusts Reserves Policy – report by the Acting Executive Director of Resources (circulated)
- 7.10 Health and Social Care Integration - Update – report by the Chief Officer – Edinburgh Health and Social Care Partnership (circulated)
- 7.11 Direct Award of Contract: Blackwood Homes and Care – report by the Chief Officer – Edinburgh Health and Social Care Partnership (circulated)
- 7.12 External Funding Initiative and Smart City Priorities – referral report from the Corporate Policy and Strategy Committee (circulated)
- 7.13 Contracts Awarded under Delegated Authority (Waiver Reports) and Procurement Activity – report by the Acting Executive Director of Resources (circulated)
- 7.14 Award of Contract for Consultancy Services to Undertake Retaining Wall Investigations - report by the Executive Director of Place (circulated)
- 7.15 Waiver Report for ISO Quality Standards Contract – report by the Executive Director of Place (circulated)
- 7.16 Community Transport – Public Social Partnership Arrangements – report by the Executive Director of Place (circulated)
- 7.17 Cafe Concessions – Museums and Galleries, Parks and Greenspace – report by the Executive Director of Place (circulated)
- 7.18 Award of Residual Waste Treatment Contract – Delegated Authority – report by the Executive Director of Place (circulated)

- 7.19 Waivers – Homelessness Information System (HIS) and Edinburgh Common Client Outcomes (ECCO) – report by the Head of Service, Safer and Stronger Communities (circulated)
- 7.20 Edinburgh Young Carers Contract – report by the Acting Executive Director of Communities and Families (circulated)
- 7.21 Interpretation and Translation Service – Waiver Request – report by the Acting Executive Director of Communities and Families (circulated)
- 7.22 Extension of Contract with Pilton Retreat – report by the Acting Executive Director of Communities and Families (circulated)
- 7.23 Extension of Contracts with Shakti and Edinburgh Women’s Aid – report by the Acting Executive Director of Communities and Families (circulated)
- 7.24 Direct Award of Independent Care Placement, Residential and Day School Contracts – report by the Acting Executive Director of Communities and Families (circulated)
- 7.25 Extension of Children 1st Contract – report by the Acting Executive Director of Communities and Families (circulated)
- 7.26 Direct Award of Pre and Post Adoption Support Services to Scottish Adoption – report by the Acting Executive Director of Communities and Families (circulated)
- 7.27 Renewal of NHS Service Level Agreements – report by the Acting Executive Director of Communities and Families (circulated)
- 7.28 Extension of Barnardo’s Locality Services for Additional Support for Learning Contract – report by the Acting Executive Director of Communities and Families (circulated)
- 7.29 Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service Update – report from the Acting Executive Director of Resources (circulated)

8. Routine decisions

- 8.1 Summary Report on Property Transactions Concluded under Delegated Authority – report by the Acting Executive Director of Resources (circulated)
- 8.2 Proposed Lease Extension at 19 Grassmarket, Edinburgh – report by the Acting Executive Director of Resources (circulated)

- 8.3 Land at Slateford Road – Proposed Disposal - report by the Acting Executive Director of Resources (circulated)

9. Motions

- 9.1 If any

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

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 Ross (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.

Webcasting of Council meetings

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

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

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

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

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

Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Tuesday, 2 February 2016

Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Corbett, Dixon, Godzik, Griffiths, Bill Henderson, Ricky Henderson, Jackson, McVey, Mowat (substituting for Councillor Whyte for the consideration of items 3 to 29), Walker and Whyte (present for the consideration of items 1(a) to 2(f)).

1(a) Deputation: City Cabs – Taxicard Services

The Committee agreed to hear a deputation from Les McVay on behalf of City Cabs in relation to item 7.14 – Taxicard Services.

The main points raised by the deputation were:

- City Cabs had served Taxicard users for many years and offered a choice of three types of vehicle to suit the client. Many users with mobility users opted specifically for a saloon car.
- The report considered today was the third version submitted and concerns were raised about the amendments that had been made to the report, specifically in the equalities impact section. A legal challenge would be pursued if the contract was awarded to the recommended bidder.
- City Cabs were working closely with various organisations to obtain funding for electric vehicles. This would be in addition to their existing fleet and would not affect services.
- Concerns were raised about why the results of the service user consultation were not attached to the report and whether these reflected the needs of the client given the lack of vehicle choice from the preferred bidder.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Executive Director of Place.

1(b) Deputation: Seven Sevens Cars Ltd – Taxicard Services

The Committee agreed to hear a deputation from Steven Hill from Seven Sevens Cars Ltd in relation to item 7.14 – Taxicard Services.

The main points raised by the deputation were:

- Seven Sevens Cars had the infrastructure in place to provide an appropriate service for taxicard users.
- Four charging stations for electric vehicles had been installed and key-rings developed to allow clients to easily summon a taxi. These had GPS to allow the

driver to pinpoint the user location and could also be used in an emergency to call for help or track a customer's whereabouts.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Executive Director of Place.

1(c) Deputation: Edinburgh Private Hire Cab Association – Taxicard Services

The Committee agreed to hear a deputation from Kevin Woodburn from the Edinburgh Private Hire Cab Association in regards to item 7.14 – Taxicard Services.

The deputation provided the following main points:

- On average, around 600 to 700 of the 2000 taxicard user journeys a week requested a saloon vehicle. It would be unfeasible and disruptive to the service to award the contract to a company who could not provide this.
- It was stated that clients had injured themselves trying to get in/out of Black Cabs and could only use saloon vehicles. After making the Council aware of this, the Council's legal department provided a written response which stated that saloon cars were not necessary and all accessibility needs could be met with Black Cabs.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Executive Director of Place.

1(d) Taxicard Services

The Committee considered a report which sought approval to appoint Central Radio Taxis Ltd to provide the Taxicard Services for a period of two years.

Decision

To approve the appointment of Central Radio Taxis (Tollcross) Ltd ("Central") to supply Taxicard Services for the City of Edinburgh Council commencing on 1 April 2016 for a period of two years with an optional extension of up to a further two periods of 12 months each, undertaken at the sole discretion of the Council.

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

2(a) Deputation - East Edinburgh Muslim Forum - Lease, 63 Niddrie Mains Terrace - Amended Area of Let

The Committee agreed to hear a deputation from Mohammed Sarfraz of the East Edinburgh Muslim Forum in regards to item 8.1.

The main points raised by the deputation were:

- The East Edinburgh Muslim Forum (EEMF) comprised of volunteers who organise various educational and social groups serving a community of 2000 members.
- It was stated that the timescales provided to EEMF by the Council to vacate the premises where erratic and Council officers had acted in a disrespectful manner.

- Alternative accommodation offered by the Council had been unsuitable and EEMF would like to negotiate the option to relocate to the first floor of the existing premises if the space was made suitable for their needs.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Acting Executive Director of Resources.

2(b) Deputation - Niddrie Independent Parents Support/Craigmillar Labour - Lease, 63 Niddrie Mains Terrace - Amended Area of Let

The Committee agreed to hear a deputation from Paul Nolan who was speaking on behalf of Craigmillar Labour and the Niddrie Independent Parents Support (NIPS) in regards to item 8.1 – Lease, 63 Niddrie Mains Terrace – Amended Area of Let.

Mr Nolan spoke on the following points:

- A history of the use of the building was provided which included social functions, political group meetings and education classes.
- It was suggested that it was unfair of the Council to pitch community groups against each other for the lease.
- Craigmillar was a multi-cultural hub which EEMF were pivotal to. Niddrie Independent Parents Support (NIPS) and Craigmillar Labour support the shared use of the community centre between groups.
- The Craigmillar area had lost much of its green-space and one of the attractive features of the community centre was its garden. NIPS would welcome the opportunity to use the garden again.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Acting Executive Director of Resources.

2(c) Deputation – Edinburgh and Lothian's Regional Equality Council - Lease, 63 Niddrie Mains Terrace - Amended Area of Let

The Committee agreed to hear a deputation from Foysol Choudhury and Shami Khan of the Edinburgh and Lothian's Regional Equality Council (ELREC) in regards to item 8.1 – Lease, 63 Niddrie Mains Terrace – Amended Area of Let.

The main points raised by the deputation were:

- It was felt that Council Officers approaching other Mosques in the area regarding premises for EEMF was inappropriate and that they were not aware of the practical and cultural needs involved.
- The equalities impact assessment was conducted five years ago and was therefore out of date and would need re-examined. A full consultation with the community should be conducted before any decision on the lease could be made.

- The Council needed to find a long term solution to premises for community groups. ELREC would be happy to work with the Council to ensure the individual needs of these groups were catered for.

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

2(d) Deputation – Caring in Craigmillar - Lease, 63 Niddrie Mains Terrace - Amended Area of Let

The Committee agreed to hear a deputation from Midge Lamb on behalf of Caring in Craigmillar in regards to item 8.1 – Lease, 63 Niddrie Mains Terrace – Amended Area of Let.

The main points raised by the deputation were:

- Caring in Craigmillar (CiC) wished to move back to their original premises on 63 Niddrie Mains Terrace to allow increased day-care provision, improve specialist activities and provide access to a garden.
- A development plan and feasibility study was undertaken in 2012 to ensure the premises could cater for the complex needs of CiC's clients. Since then, they had met with the Council and EEMF on various occasions in an attempt to resolve the accommodation issue.
- It was stated that without suitable premises, CiC would be forced to close with 11 staff made redundant. The Council have a duty of care for service users and would have to intervene at great cost.

The Convener thanked the Deputation for her presentation and invited her to remain for the Committee's consideration of the report by the Acting Executive Director of Resources.

2(e) Deputation – Kenny MacAskill MSP - Lease, 63 Niddrie Mains Terrace - Amended Area of Let

The Committee agreed to hear a deputation from Kenny MacAskill MSP in regards to item 8.1 - Lease, 63 Niddrie Mains Terrace – Amended Area of Let.

The main points raised by the deputation were:

- Mr MacAskill emphasised that his desire was to achieve the best outcome for the community in relation to 63 Niddrie Mains Terrace.
- It was suggested that EEMF were aware that their lease of the premises was temporary and would be returned to CiC at a future date.
- Council officers had attempted to conclude the Lease at 63 Niddrie Mains Terrace under challenging circumstances.
- CiC specifically required the premises at 63 Niddrie Mains Terrace and had designed the space to meet their needs.

The Convener thanked the Deputation for his presentation and invited him to remain for the Committee's consideration of the report by the Acting Executive Director of Resources.

2(f) Lease, 63 Niddrie Mains Terrace - Amended Area of Let

Committee considered the report on the proposal to extend the area of let of 63 Niddrie Mains Terrace and to amend the lease on the revised provisionally agreed terms.

Decision

- 1) To approve the proposed amendment to the area of let, on the terms outlined in the report, and on the other terms and conditions to be agreed by the Acting Executive Director of Resources.
- 2) To instruct officers to assist to expedite the refurbishment of the building by Caring in Craigmillar at 63 Niddrie Mains Terrace and secure temporary accommodation for the East Edinburgh Muslim Forum and to work with the group to secure a lease on the property at 63 Niddrie Mains Terrace as quickly as possible.

(References – Finance and Resources Committee, 30 September 2014 (item 24); report by the Acting Executive Director of Resources, submitted.)

3. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 14 January 2016 as a correct record.

4. Business Bulletin

The Finance and Resources Committee Business Bulletin for 2 February 2016 was presented.

Decision

To note the Business Bulletin.

(Reference - Finance and Resources Committee Business Bulletin, 2 February 2016, submitted.)

5. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan from 2 February 2016 to 17 March 2016 was submitted.

Decision

To note the Key Decisions Forward Plan from 2 February 2016 to 17 March 2016.

(Reference – Finance and Resources Committee Key Decisions Forward Plan, 2 February 2016 to 17 March 2016, submitted.)

6. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log for 4 June 2015 to 14 January 2016 was submitted.

Decision

- 1) To note that Items 1, 2, 6, 7 (action 2), 9 and 12 had been closed.
- 2) To investigate the delay in the planning application process for Redhall House and Lawn and report back to the Finance and Resources Committee in May 2016.

(Reference – Rolling Actions Log, 4 June 2015 to 14 January 2016, submitted.)

7. Building Capacity for Transformational Leadership

Committee considered a report which sought approval to waive standing orders to allow the appointment of a new leader for the Transformation Programme.

Decision

To approve the waiver of Contract Standing Orders to appoint Steve Radcliffe Associates for the next phase of the work to build the organisation's capacity for transformation leadership, ensuring a successful City of Edinburgh Council transformation.

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

8. Managing Workforce Change – Workforce Dashboard

An update was provided on the figures related to Workforce Change which included the numbers of VERA applications submitted and associated annual savings.

Decision

- 1) To note progress made to date.
- 2) To note that the dashboard in Appendix 1 of the report was being redesigned to include further information on Voluntary Redundancy (VR) and Career Transition.
- 3) To note that the dashboard in Appendix 1 of the report would be reported to the Finance and Resources Committee on a four weekly cycle and that, in addition, it would be circulated to the Chief Executive, Group Leaders and the Trade Unions fortnightly from 8 February 2016 onwards.

(References – Finance and Resources Committee, 29 October 2015 (item 1(d)); report by the Acting Executive Director of Resources, submitted.)

9. Annual Treasury Strategy 2016/17

Details were provided of the Council Treasury Management Strategy for 2016/17.

Decision

- 1) To note the Treasury Management Strategy for 2016/17.
- 2) To refer the report to Council for approval and remit to the Governance, Risk and Best Value Committee for scrutiny.

(References – Finance and Resources Committee, 14 January 2016 (item 11); report by the Acting Executive Director of Resources, submitted.)

10. Award Extension and Transfer of Health and Social Care Contracts

Approval was sought for the award of a number of health and social care contracts and details were provided of the work involved to facilitate their good management.

Decision

- 1) To approve the direct award of contracts to the providers for total contract values and period listed in Appendix 1 of the report.
- 2) To approve the extension of contracts with the providers for the annual values and periods listed in Appendix 2 of the report.
- 3) To approve that the budgets for contracts with the providers listed in Appendix 3 of the report should be allocated to the Health, Social Care and Housing Committee's grants portfolio from 1 April 2016 and the future funding of related services should be the subject of a grant application to that Committee.

(References – Health, Social Care and Housing Committee, 8 September 2015 (item 7); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

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

An update was provided on the review of the pilot Advice and Support Services and approval was sought to extend the pilot and approve contracts for a range of services.

Decision

- 1) To note the progress made with the review of the first year of the pilot of Advice and Support services.
- 2) To approve the extension of the Advice and Support pilot for a further nine months to 31 December 2016.
- 3) To approve the extension of six contracts for a maximum of a further nine months to 31 December 2016, with a break clause, to allow further testing of the approach, co-production of specifications and time for the procurement of new services.
- 4) To approve the extension of the contracts (spot purchase arrangements) with four providers for services to named individuals for a further nine months to 31 December 2016.
- 5) To approve the extension of the contract for Rowan Alba's Thorntree Street service for a further year to 31 March 2017.
- 6) To approve the waiver of Contract Standing Orders, deemed to be in the Council's best interests to ensure continuity of support services.

- 7) To note that a further report would be made to a subsequent meeting of the Finance and Resources Committee which would report on the review of the pilot and future procurement options.

Declaration of Interest

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

(References – Finance and Resources Committee, 27 August 2015 (item 27); report by the Head of Service, Safer and Stronger Communities, submitted.)

12. Award of Contract – Furnishing and Furniture

Approval was sought to appoint CF Services for the supply and installation of furniture, white goods and soft furnishings to Council managed accommodation.

Decision

To approve the appointment of CF Services to supply the installation of furniture, white goods and soft furnishings to a range of accommodation managed by the Council including temporary accommodation. The contract would also supply core furnished tenancy packages to Council tenants.

(Reference – report by the Head of Service, Safer and Stronger Communities, submitted.)

13. Support for Families where Children and Young People are Affected by Parental Substance Use - Award of Contract

Committee considered a report which sought approval to award the contract for support to children and young people affected by parental substance use for a period of three years.

Decision

To approve the appointment of Circle (lead organisation) in partnership with CrossReach/Sunflower Garden for three years, with the option to extend for up to a maximum of two years.

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

14. Extension of Short Residential Breaks at Barnado's Caern Contract

Approval was sought for a two year extension of the "Short Residential Breaks at Barnado's Caern" contact.

Decision

To approve the extension of the "Short Residential Breaks at Caern" Contract for a total value not exceeding £650,000 to Barnardo's for ongoing provision of short breaks for the two year period from 1 April 2016 to 31 March 2018.

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

15. 21st Century Homes Small Sites Programme Delivery

Approval was sought to place a project order with Willmott Dixon Construction for the development of seven brownfield sites for affordable housing with a budget of £29.7 million.

Decision

- 1) To agree to place a Project Order with Willmott Dixon Construction Ltd for the development of seven sites for affordable housing using the Scape framework.
- 2) To agree a project budget of up to £29.7m for the small sites programme.
- 3) To designate the Executive Director of Place to enter into Delivery Agreements for sites through Scape on condition that total costs for the programme did not exceed the project budget.
- 4) To agree to apply for Scottish Government grant funding to support the delivery of around 165 homes for social rent across the sites.
- 5) To note that progress with development of the sites would be reported to Health, Social Care and Housing Committee.

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

16. Redevelopment at Coatfield Lane – referral from the Health, Social Care and Housing Committee

The Health, Social Care and Housing Committee on 26 January 2016 considered a report which sought approval to proceed with the proposals for the redevelopment of homes, garages and car park at Coatfield Lane. The report was referred to the Finance and Resources Committee to approve the purchase of five properties and to end leases for 25 Council owned garages at 17 Coatfield Lane.

Decision

To approve the purchase of five properties and to end leases for 25 Council owned garages at 17 Coatfield Lane.

(References – Health, Social Care and Housing Committee, 26 January 2016 (item 19); report by the Executive Director of Place, submitted.)

17. Review of Council Depots Estate – Investment Strategy

Committee considered a report on the maintenance backlog in the Council's current depot estate. Approval was sought to commence the first phase of the rationalisation strategy with the development of a waste services facility at Seafield and to begin design work for an upgrade of facilities at Bankhead and Russell Road. The rationalisation of the estate would release income to reinvest in the creation of a consolidated service.

Motion

- 1) To note the significant backlog of maintenance and out dated facilities in the depots estate.
- 2) To note the potential opportunities for service improvement and savings that the review of the estate could deliver.
- 3) To note the requirement for new waste transfer stations to serve the city once the new Millerhill waste facility was operational.
- 4) To note the estimated capital cost associated with the upgrade of the depots estate and approve the principle that this was funded through the application of prudential borrowing and the capital receipts released as a result of the depots review.
- 5) To approve the first phase of the construction of a new depot facility at Seafield to accommodate Waste Collection and Task Force services in the east of the City at a capital cost of £5.8m.
- 6) To agree to the commencement of design work for the remaining new facilities.
- 7) To request further reports on progress at gateway intervals once the strategy was implemented.
- 8) To refer the report to Council, on 4 February 2016, for approval of the prudential borrowing of £20.85m as outlined in the report.

- Moved by Councillor Rankin, seconded by Councillor Cook.

Amendment

- 1) To note the report.
- 2) To note that previous partner proposals put forward under the ABM programme in 2011/12 would have provided upgrades and a rationalisation of the Council's depots as part of a wider programme that would have given guaranteed service improvements at a reduced financial cost to the taxpayer.
- 3) To agree to ensure Best Value by market testing the services involved including delivery, operation and upgrades of depots to ensure the Council was complying with its statutory requirements and giving value for money to the taxpayer

- Moved by Councillor Jackson, seconded by Councillor Mowat.

Voting

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

Decision

To approve the motion by Councillor Rankin.

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

18. Temporary Lease at 31 Bath Road – Waste Management Services

Approval was sought for a seven month lease of premises at 31 Bath Road, Leith from Forth Ports. This was required as workspace for the waste and task force services teams until the completion of the new depot at Fillyside.

Decision

To approve a seven month lease of premises at 31 Bath Road, Leith, Edinburgh from 1 April 2016 as outlined in the report, and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

(References – Economy Committee, 24 June 2014 (item 17); report by the Acting Executive Director of Resources, submitted.)

19. Approval for the Appointment of Consultants to Design Cycling and Walking Schemes

Committee considered a report on the appointment of consultants to design package one of a sixteen tranche cycling and walking scheme at a fixed price of £317,357.

Decision

To approve the award of Cycle Design Schemes Work Package 1 to AECOM for a value of £317,357.

(References – Transport and Environment Committee, 17 March 2015 (item 10); report by the Executive Director of Place, submitted.)

20. Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service Update

An update was provided on the progress of Programme Momentum and the Edinburgh Shared Repairs Services (ESRS).

Decision

- 1) To note the management information dashboard reports in Appendix 1 of the report.
- 2) To note the progress of debt recovery work.
- 3) To note the progress of the settlement process.
- 4) To note the status of the remaining legacy projects.
- 5) To note the update on the pilot progress.

(References – Finance and Resources Committee, 14 January 2016 (item 29); report by the Acting Executive Director of Resources, submitted.)

21. Property Conservation – Irrecoverable Sum, Debt Recovery and Settlements Process

An update was provided on the current provision for impairment and settlements.

Decision

To note the provision for Impairments and Settlements in Appendix 1 of the report.

(References – Finance and Resources Committee, 14 January 2016 (item 34); report by the Acting Executive Director of Resources, submitted.)

22. Extension of Scottish Procurement Postal Services Framework

Details were provided and approval was sought for the extension of the contract for Postal Services as requested by Scottish Procurement to allow the completion of a tender exercise for the new contract.

Decision

To approve the contract extension of Whistl under the Scottish Procurement Framework for postal services until September 2016 for an estimated amount of £430,000. Scottish Procurement had extended the current framework to allow the procurement process to be completed.

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

23. Sale of Cammo Home Farm, 37 Cammo Road, Edinburgh

The Committee considered a report which required approval to sell Cammo Home Farm, 37 Cammo Road, Edinburgh to Michael and Emily Shimwell.

Decision

To approve the sale of Cammo Home Farm, 37 Cammo Road, Edinburgh to Michael and Emily Shimwell on the main terms outlined in the report, and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

(References – Finance and Resources Committee, 3 February 2015 (item 24); report by the Acting Executive Director of Resources, submitted.)

24. Proposed New Lease at 297 Canongate, Edinburgh

Approval was sought to grant a fifteen year lease at 297 Canongate, Edinburgh.

Decision

To approve a new fifteen year lease, to Mrs Mari Cagritekin, of retail premises at 297 Canongate, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

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

25. Proposed New Lease at 299 Canongate, Edinburgh

Approval was sought to grant a ten year lease at 299 Canongate, Edinburgh.

Decision

To approve a new ten year lease, to Michael Thomas Cassidy, of retail premises at 299 Canongate, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

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

26. Riddles Court and 4-6 Victoria Terrace

Committee considered a report that required approval to create a conservation burden on the title for Riddles Court and 4-6 Victoria Terrace.

Decision

To approve that a conservation burden be placed on the Council's Title at Riddles Court and 4-6 Victoria Terrace in favour of Scottish Ministers, on the terms outlined in the report, and on the other terms and conditions to be agreed by the Acting Executive Director of Resources.

(References – Act of Council (No 6), 1 May 2014; report by the Acting Executive Director of Resources, submitted.)

27. 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 8 and 9 of Part 1 of Schedule 7(A) of the Act.

28. Further and Higher Education Training Framework – Contract

Approval was sought to establish a framework for Further and Higher Education Training and to award nine providers onto the framework.

Decision

To approve the establishment of the framework and the award of the following nine providers onto that framework:

- City of Glasgow College
- Edinburgh College
- Edinburgh Napier University
- Fife College
- Harmeny Education Trust
- SRUC
- Stirling University
- Training for Care
- West Lothian College

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

29. Pennywell/Muirhouse Civic Centre Feasibility Study Award of Contract

Details were provided and approval was sought to award a contract on the proposal to conduct a feasibility study to enable the redevelopment of the civic centre of Pennywell and Muirhouse.

Decision

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

(References – Health, Social Care and Housing Committee, 21 April 2015 (item 7); report by the Executive Director of Place, submitted.)



Item 5.1 - Business bulletin

Finance and Resources Committee

10.00am, Thursday 17 March 2016

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

Finance and Resources Committee

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

Recent news	Background
<p>63 Niddrie Mains Terrace</p> <p>On 26 January 2016 the Finance and Resources Committee approved recommendations to extend the area leased to Caring in Craigmillar at 63 Niddrie Mains Terrace.</p> <p>Approval included a Capital Coalition Motion:- <i>To instruct officers to expedite the refurbishment of the building at 63 Niddrie Mains Terrace and secure temporary accommodation for the East Edinburgh Muslim Forum and to work with the group to secure a lease on the property at 63 Niddrie Mains Terrace as quickly as possible.</i></p> <p>Council officials have worked closely with Caring in Craigmillar (CiC) and East Edinburgh Muslim Forum (EEMF). CiC was able to access 63 Niddrie Mains Terrace from Monday 15th February to start refurbishment works. At that time, EEMF moved to temporary accommodation at 86-88 Niddrie Mains Road then to the first floor at 63 Niddrie Mains Terrace on a 3 year lease from 1st March when the</p>	<p>Finance and Resources Committee, 6 June 2013 - authorised lease of community space at 63 Niddrie Mains Terrace to Caring in Craigmillar (CiC) for five years.</p> <p>Finance and Resources Committee, 30</p>

<p>Children and Families service moved out.</p>	<p>September 2014 – extended period of lease to 10 years.</p> <p>For further information, please contact Peter Watton</p>
---	---

<p>Local Government Finance Settlement, 2016/17</p> <p>The Local Government Finance Order was approved by the Scottish Parliament on 24 February, confirming the revenue and grant funding allocations for Scotland’s thirty-two councils for 2016/17. As in previous years, in order to secure full funding, on behalf of their respective councils Leaders required to agree to seek to deliver a number of specific Scottish Government priorities, namely:</p> <ul style="list-style-type: none"> • maintaining pupil:teacher ratios at December 2015 levels; • freezing Council Tax for a further year; and • working, through integration authorities, to expand social care provision whilst supporting wider measures to raise service standards (particularly extending the application of the Living Wage to care workers in the private and independent sectors). <p>Following clarification on a number of issues, particularly those relating to the newly-created £250m fund to support Health and Social Care integration, Leaders were requested to confirm acceptance of the overall package to the Deputy First Minister by 9 February. All councils did so within these timescales, allowing the full amount of funding contained within the Settlement to be released.</p> <p>The final stage of the Budget Bill’s Parliamentary consideration introduced an additional £80m over the next three years to support improved educational attainment across Scotland, doubling the previously-announced level of funding in this area. The distribution of these funds will be confirmed in due course.</p>	<p>For further information, please contact Alison Henry</p>
--	---

<p>Proposed changes to Council Tax</p> <p>Following publication of the recommendations of the Commission on Local Tax Reform in December, on 2 March the Scottish Government outlined changes to current Council Tax arrangements, subject to its re-election in May. The main elements of these proposed changes,</p>	<p>For further information, please contact Fraser</p>
---	---

effective from April 2017, are as follows:

- Upwards revision of the current multipliers on Bands E to H relative to Band D, intended to start to address the view of the Commission that the Council Tax in its current form is unduly regressive. Before application of any relief, this change is anticipated to affect 84,000 households in Edinburgh (around 38% of the total in the city) and around a quarter of households nationally. Based on current rates, Band E levels in Edinburgh would increase from £1,429 to around £1,536 (a rise of 7.5%) and Band H from £2,338 to around £2,864 (22.5%);
- Some changes to the existing scheme of reliefs, including offering additional help both to those whose property value is considered disproportionately high relative to their disposable income and some low-income households with children; and
- Ending of the current Council Tax freeze policy in April 2017, with councils able to increase rates by up to 3% per year from that time.

Across Scotland as a whole, the proposed changes to the multipliers for higher-banded properties are expected to increase total income by around £100m per annum, with this income supporting additional investment in schools. Given the number and profile of properties in the city, it is anticipated that the changes will increase Council Tax income raised in Edinburgh by about £15m. Under the needs basis of the grant distribution system, however, it is likely that Edinburgh's share of the schools-related funding will be around £7m, with the remaining £8m offset by a corresponding adjustment to its revenue grant.

The Council's budget framework assumes annual increases in Council Tax levels of 3% with effect from 2017/18. Subject to subsequent Council approval, the Scottish Government's proposals are therefore consistent with these assumptions. Monies received in respect of maintaining previous years' freezes will be retained within the Local Government Settlement as these underpin current approved levels of expenditure.

In the medium- to longer-term, the Scottish Government's proposals also include, subject to further discussion with COSLA, devolving an element of Income Tax receipts to councils, incentivising them to contribute to their areas' economic development.

Cammo Advisory Estate Committee

A presentation on the Vision for Cammo was given at the Cammo Advisory Committee on 16 December 2015. The presentation highlighted some of the issues, opportunities and next steps in relation to the restoration of Cammo.

A link to the Full Meeting Papers and the minutes has been attached

[Rowson](#)

For further information, please contact [Lesley Price](#), Estates Manager on

below.

[Cammo Advisory Committee Minutes 16.12.15](#)

[Full Meeting Papers - Cammo Estate Advisory Committee 16.12.15](#)

0131 529

5984

Forthcoming activities

Item 6.1 - Key decisions forward plan

Finance and Resources Committee

[17 March - 12 May 2016]

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
1.	Transformation programme: progress report	12 May 2016		Andrew Kerr, Chief Executive Lead Officer: Andrew Kerr , Chief Executive	
2.	Integration Board Financial Plan	12 May 2016		Director: Rob McCulloch-Graham Lead Officer: Moira Pringle, Chief Finance Officer	
3.	Award of Contracts for Care at Home Services	12 May 2016		Director: Rob McCulloch-Graham Lead Officer: Chris Whelan , Contracts Manager	

Item	Key decisions	Expected date of decision	Wards affected	Director and lead officer	Coalition pledges and Council outcomes
4.	Managing Workforce Change – Workforce Dashboard	12 May 2016		Hugh Dunn, Acting Executive Director of Resources Lead Officer: Katy Miller , Head of Organisational Development	
5.	People Strategy	12 May 2016		Hugh Dunn, Acting Executive Director of Resources Lead Officer: Katy Miller , Head of Organisational Development	
6.	Redhall House and Grounds, Redhall Drive - Update Report	12 May 2016		Hugh Dunn, Acting Executive Director of Resources Lead Officer: Peter Watton , Acting Head of Corporate Property	
7.	Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service Update	12 May 2016		Hugh Dunn, Acting Executive Director of Resources Lead Officer: Andrew Field , Head of Shared Repairs	
8.	Award of Contract for Consultancy Services to Provide Water of Leith Basin Siltation Study	12 May 2016		Director: Paul Lawrence, Executive Director of Place Lead Officer: Tom Dougall , Maintenance Manager	

9.	Approval for the Appointment of Consultants to Design Cycling and Walking Schemes	12 May 2016		Director: Paul Lawrence, Executive Director of Place Lead Officer: Martin Lings , Project Officer	
----	---	-------------	--	--	--

Item 6.2 - Rolling Actions Log

Finance and Resources Committee

4 June 2015 – 2 February 2016

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	RAG Status	Comments
1	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.	Executive Director of Place	19-11-15		R	A briefing would be circulated to members by the end of December 2015 – ongoing.
2	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 Executive Director of Resources	Not specified	Quarter 1 2016	A	Detailed negotiations now taking place with a view to them taking occupation of Council owned property in Q1 of 2016.

3	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 Executive Director of Resources	July 2016		A	Report to be brought back to F+R by July 2016 – ongoing.
4	29-10-15	Managing Workforce Change	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.	Chief Executive/ Acting Executive Director of Resources	June 2016		G	A report was brought to the F+R Committee on 2 February 2016 with a dashboard containing the requested information, and reports to the Committee would occur on a 4-weekly basis – closed.

5	29-10-15	Redhall House and Lawn - Progress Report	To request an update report was brought to the Finance and Resources Committee at the conclusion of the planning process.	Acting Executive Director of Resources	May 2016		A	To investigate the delay in the planning application process for Redhall House and Lawn and to bring a report in 2 cycles.
6	14-01-16	Annual Workforce Controls Report	To circulate a briefing note to members detailing the FTE reduction over the last two years.	Acting Executive Director of Resources	As soon as possible		A	A briefing note was being worked on and would be sent to the Convener for approval before being circulated – ongoing.

7	14-01-16	Capital Investment Programme-Plan 2016-17 to 2023-24	The Acting Executive Director of Resources to investigate extending the sustainability impact in relation to the Capital Investment Programme and to report back to Councillor Corbett.	Acting Executive Director of Resources	As soon as possible	08-03-16	G	All outstanding SAM and ERIA assessments had been or would be completed shortly. Officers, as a matter of course, would now ensure that these assessments were completed at the capital project initiation – closed.
8	02-02-16	Approval for Walking and Cycling	To provide Councillor Jackson with details of the proposed cycling and walking routes.	Executive Director of Place	As soon as possible		A	

9	02-02-16	Taxicard Services	Officers to ensure that details of consultations were incorporated into future reports.	Executive Director of Place	As soon as possible	04-02-16	G	The Commercial and Procurement Manager circulated an e-mail to all relevant officers on this matter – closed.
---	----------	-----------------------------------	---	-----------------------------	---------------------	----------	----------	--

10	02-02-16	Lease 63 Niddrie Mains Terrace - Amended Area of Let	To instruct officers to expedite the refurbishment of the building by Caring in Craigmillar at 63 Niddrie Mains Terrace and secure temporary accommodation for the East Edinburgh Muslim Forum and to work with the group to secure a lease on the property at 63 Niddrie Mains Terrace as quickly as possible.	Acting Executive Director of Resources	As soon as possible	February 2016	G	EEMF has moved to temporary accommodation at 86-88 Niddrie Mains Road. CiC was able to access 63 Niddrie Mains Terrace from Monday 15th February to start refurbishment works. EEMF have signed a 3 year lease for the first floor at 63 Niddrie Mains Terrace from 1st March 2016 – closed.
----	----------	--	---	--	---------------------	---------------	----------	---

Red – Action has not been completed within timescales indicated.

Amber – Action is in Progress.

Green – Action has been completed and recommended for closure.

Finance and Resources Committee

10.00am, Thursday, 17 March 2016

Transformation Programme: Progress Update

Item number	7.1(a)
Report number	
Executive/routine	
Wards	

Executive summary

This report provides the Finance and Resources Committee with a single, consolidated status update on the Council Transformation Programme, aimed at delivering a lean and agile Council, centred on customers, services and communities. This report provides details of the revised leadership and governance structure for the programme. It also provides progress updates across the major workstreams and notes the most up to date position with VERA/VR and the delivery of organisational reviews. The report includes the most recent management information dashboards.

Links

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

Transformation Programme: Progress Update

Recommendations

- 1.1 Note the revised leadership and governance structure for the Transformation Programme, as detailed in Appendix 1;
- 1.2 Agree the procurement of a contractor for a 6 month interim period to act as Programme Lead, pending recruitment to the Tier 3 Transformation Senior Manager post;
- 1.3 Note the programme vision and objectives, as set out in paragraphs 3.6 – 3.14;
- 1.4 Note the progress made to date with key workstreams, including localities development, Health & Social Care and Customer;
- 1.5 Note there is a separate, detailed Asset Management Strategy update attached as Part B of this agenda item;
- 1.6 Note the progress achieved to date with the implementation of organisational reviews;
- 1.7 Note the position with staff leaving the Council under Voluntary Early Release Arrangements (VERA) and Voluntary Redundancy (VR); and
- 1.8 Note the management information dashboards attached at Appendix 2.

Background

- 2.1 The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints. In response, the Council has developed a Transformation Programme aimed at building a lean and agile organisation, centred on customers, services and communities.
- 2.2 On 25 June 2015, Council approved a report on the Transformation Programme which set out the future operating model for the Council.
- 2.3 This report highlights the following:
 - Revised management and governance arrangements for the programme;
 - Progress to date with key workstreams;
 - Update on the implementation of organisational reviews;
 - Update on the numbers of staff leaving the organisation under VERA or VR;

- Management information dashboards for the month to 15 February, revised to reflect the new programme management structure.

Main report

Transformation Programme Leadership and Governance Structure

- 3.1 Appendix 1 sets out the revised arrangements for the management and governance of the programme going forward, as agreed by the Chief Executive.
- 3.2 Following the departure of Jim McIntyre, Programme Director and Jim Hunter, SRO for the Citizens and Localities Services workstream, and the confirmation of Kirsty-Louise Campbell (SRO for the Business & Support Services workstream) into her new role as Interim Head of Strategy and Insight, the opportunity has been taken to review these arrangements to ensure close alignment between the programme and “business as usual” as we move through the implementation phase.
- 3.3 The revised structure removes the distinction between the Citizens and Localities (CLS) workstream and the Business and Support Services (BSS) workstream, instead focusing on the projects which need to be delivered and aligning these more closely to the responsible directorate. The structure recognises the distinction between the more straightforward, “business as usual” transformation and the more complex transformation required in, for example, asset management, localities development and customer.
- 3.4 The senior leadership role for the programme is provided by the Head of Strategy and Insight, while the Chief Executive will act as overall SRO. The day to day management of the programme will be provided by the Programme Lead/Transformation Senior Manager, who will provide oversight of the programme and ensure consistency between projects. The roles of Organisational Development and Finance business partners are strengthened, while project management support continues to be provided by the programme team. The programme also retains a Programme Management Office (PMO) with ongoing responsibility for planning, monitoring and reporting.
- 3.5 The Transformation Senior Manager post remains vacant following the recent Tier 3 organisational review. This post plays a vital role in driving forward the programme and ensuring the realisation of benefits and as such, it will be subject to recruitment as soon as possible. This process, however, is likely to take some months to conclude and in the meantime Committee approval is sought to procure a contractor for a 6 month period, at an estimated cost of up to £100,000. This cost can be met from within the approved budget allocation for the Transformation Programme.

Programme Vision

- 3.6 As the programme continues to work through an intense implementation period, with a large number of organisational reviews and an unprecedented level of transformation and change underway, it is important that we continue to ensure that the vision and aims of the programme are widely understood and adopted.
- 3.7 The Transformation Programme brings together a range of projects and initiatives which are aimed at building a lean and agile Council, centred on customers, services and communities.
- 3.8 The programme has developed a future operating model for the Council, which is based on the following principles:
- being **outcomes focussed** so that decisions about what the Council does are based on an assessment of what makes the best contribution to the Council's priority outcomes;
 - delivering services **locally** so that services are planned in, delivered in and accountable to the localities they serve and are better able to join up within the Council and with other public sector partners;
 - making **better use of digital services** so that customers have greater access, services are available at times that suit them and on devices that suit them; and
 - **consolidating** our services in the customer functions and the back office support functions so they are more efficient.
- 3.9 The model is fundamentally changing how we work. We are moving from having many geographic boundaries to four areas in which we will bring together our own and partner services (such as the Police) to make it easier to adapt these services to local demand.
- 3.10 We will refocus our effort towards achieving our priority outcomes by reducing internal business support costs, applying channel shift to reduce the costs of simple transactions and enabling our customers – and staff – to do more through self-service.
- 3.11 The shape of the future Council will change, with fewer management layers and more efficient processes, and a greater degree of service integration among both Council services but also with our partners, the third sector and our commercial suppliers.
- 3.12 We will continue to support the third sector but increasingly, tie the investment and support towards achieving our priority outcomes.
- 3.13 Finally, we will take a more commercial approach in considering how to best use our assets and generate income in the context of our overall strategic objectives and management of risk.

- 3.14 This is a difficult period of change and uncertainty, but it also offers significant opportunities to modernise and improve the services offered by the Council. It is therefore important that we continue to communicate the need for change and ensure there is widespread understanding of the vision, aims and objectives of the transformation programme.

Implementation of the Localities Model

- 3.15 Work is ongoing to implement the new localities model. Locality Managers have now been appointed and will play a key role in driving this work forward.
- 3.16 A Localities Transformation Plan was approved by the Corporate Leadership Team (CLT) in October 2015, and sets out the following strategic objectives:
- empowering citizens and communities and improving partnership working;
 - implementing a lean and agile locality operating model;
 - delivering better outcomes and improving citizen experiences; and
 - embedding values and developing culture.
- 3.17 Additionally, as work progresses a clear line of sight has been maintained with the Council Business Plan 2016-20. This identifies ten key outcomes and objectives related to the locality model and the associated measures of outcomes. These will be a key reference in developing and undertaking the required workstreams.
- 3.18 The next stage in the development of the localities model will involve refining the existing high level blueprint into a more cohesive and detailed implementation plan. This will be done over the coming weeks and will involve extensive consultation with key stakeholders, including the newly appointed locality managers and the locality management board.

Health and Social Care

- 3.19 Good progress is being made with proposals for the future state Health and Social Care. The Edinburgh Health and Social Care Partnership is developing an integrated structure in which the majority of services will be delivered and managed in localities.
- 3.20 It is proposed that services within the localities will be provided through two different operating models. Locality hubs will provide crisis or short term interventions, including prevention of admissions and facilitating early discharges from hospital. Locality clusters (two geographic areas), meanwhile, will work with people whose needs are more complex and require longer term interventions.
- 3.21 In addition to the hub and clusters, each locality will have an integrated mental health and substance misuse team, recognising that adults who may benefit from these services require different kinds of responses.

- 3.22 It is also anticipated that there will be a central core team of Strategy, Planning and Quality Lead Officers, for the following functions:
- Older People,
 - Disability,
 - Mental Health and Substance Misuse, and
 - Primary Care and Public Health.
- 3.23 These specialist managers will provide strength to the structure by developing policy, managing strategy and service design, and overseeing quality, performance and safeguarding issues within the service area. It is proposed that they be assisted by a small central team of Planning and Commissioning Officers. This central team will be led by a Head of Planning, Strategy and Quality, who will also deputise for the Chief Officer (IJB).
- 3.24 Whilst there are a number of specifically designated health posts, for example the Chief Nurse, almost all of the new senior management posts will be open for either Council or NHS colleagues, subject to their current responsibilities and job status.
- 3.25 CLT considered the draft structure proposals on 10 February and initial high level presentation to CEC and NHS union officials followed on 11 February. Further work is now required to finalise an agreed integrated structure and shared protocols for matching and assignment of staff, ahead of the commencement of formal consultation.

Customer

- 3.26 Good progress is being made with the re-design of the Council's customer and business support services.
- 3.27 These proposals will bring together a range of services from across the Council into a single, integrated, customer focused customer division. The service will provide a single view of the customer with tangible outcomes and will be committed to delivering the customer promise of "right first time" using a forward thinking approach.
- 3.28 There are substantial savings targets attached to the Customer division, with an overall reduction of 33% (£14.8 million).
- 3.29 The organisational reviews for the Customer division are being delivered on a phased basis as follows:
- Executive Management Business Support (underway)
 - Business Support Shared and Locality Services
 - Customer Contact

- Transactions
 - School Support
- 3.30 Proposed structures for Customer Contact and Business Support Shared and Locality were considered by the CLT on 29 February and further work is required to finalise these before the commencement of the organisational review and formal consultation period. This is scheduled to begin week commencing 14 March 2016. The remaining Customer division proposals will be considered by CLT in March and April with formal consultation following in April/May.

Asset Management Strategy

- 3.31 CLT recently approved the proposals for Tiers 3 and 4 of the new Property and Facilities Management structure and formal consultation for this review commenced on 25 February.
- 3.32 Work is also underway to design structures for the remaining tiers of Property and Facilities Management. A significant re-engineering of the service is required and as such, this is being designed in conjunction with technical experts. It is expected that the organisational review of Tiers 5 and below will be completed in summer 2016.
- 3.33 A separate, detailed progress report on the Asset Management Strategy is attached as Part B of this agenda item.

Transformation Programme Organisational Reviews

- 3.34 Good progress continues to be made with the preparation and implementation of the organisational reviews which will deliver a significant proportion of the transformation savings.
- 3.35 Organisational reviews for Tier 3, HR, Communications and ICT are now complete and the new structures are operational.
- 3.36 Organisational reviews are underway for the following services:
- Culture
 - Economy
 - Planning and Transport
 - Schools and Lifelong Learning (Early Years and Schools Management)
 - Children's Services (Management Structure)
 - Environment
 - Strategy and Insight
 - Transformation and Business Change

- Executive Business Support
 - Communities and Families Operations
 - Housing and Regulatory Services
 - Safer and Stronger Communities
- 3.37 Proposals for the organisational review of the remaining Council services are under development and the target timescales for delivery are shown within the programme dashboard at Appendix 2. It should be noted that the timescale for the review of Governance and Democratic Services has been revised to take place after the forthcoming elections.
- 3.38 The programme are considering lessons learned from the organisational reviews on an ongoing basis and revised guidance is being issued to ensure that managers and lead officers are equipped to support their staff through this difficult period.
- 3.39 It should be noted that work is underway to review the budget process to ensure a more collaborative end result. The midterm review in September 2016 will offer an opportunity for members to analyse, in detail, progress against savings targets agreed in the 2016/17 budget and the assumptions detailed in the 2016/17 budget frameworks agreed by Council on 21 January 2016. It is recognised that a significant proportion of required savings will be delivered through the transformation programme and the organisational reviews and as such, the programme will be involved in supporting members in implementing this revised budget process.

Voluntary Early Release Arrangement/ Voluntary Redundancy

- 3.40 Staff in 438 FTE posts have now left/are confirmed to leave the Council on VERA and VR, the increase reflecting that business as usual VERA/VR releases are now included in the monitoring. This equates to annualised savings of £15.9 million. The one off VERA/VR and pension strain cost for those cases is £18.7 million and the overall payback period is 14.1 months, which is in line with planning assumptions.
- 3.41 Further VERA/VR offer letters have recently been issued to 85.5 FTE and assuming that 70% accept, this would equate to annualised savings of a further £2.2 million per annum.

Transformation Programme Management Information Dashboards

- 3.42 The most recent transformation programme dashboards, covering the period to 15 February 2016, are attached as Appendix 2.
- 3.43 The format of these dashboards has been revised to reflect the new management and governance arrangements for the programme. Reporting is

therefore now aligned to directorates and to the major workstreams, rather than to CLS and BSS.

3.44 Committee are asked to note the content of these dashboards.

Measures of success

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

Financial impact

- 5.1 As approved by Council the Transformation Programme is targeting the development and delivery of cumulative savings of £77.0m as a critical element of the Council's approved budget framework.
- 5.2 VERA and VR are being used to maximise delivery of workforce savings through voluntary measures. Annualised cost savings of £15.9m have been achieved to date with associated voluntary severance costs and pension strain costs totalling £18.7m. The overall payback period of 14.1 months is in line with planning assumptions.
- 5.3 Additional costs incurred through the procurement of a contractor to act as Programme Lead, pending recruitment to the Tier 3 Transformation Senior Manager post, can be met from within the approved budget allocation for the Transformation Programme.

Risk, policy, compliance and governance impact

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

Equalities impact

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

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

Sustainability impact

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

Consultation and engagement

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

Background reading/external references

Andrew Kerr

Chief Executive

Contact: Kirsty-Louise Campbell, Interim Head of Strategy & Insight

E-mail: kirstylouise.campbell@edinburgh.gov.uk | Tel: 0131 529 3654

Links

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

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

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

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

Coalition pledges

Council outcomes

Single Outcome Agreement

Appendices

Appendix 1 – Revised Transformation Programme Structure

Appendix 2 – Transformation Programme dashboards

Sponsor – Andrew Kerr

Head of Strategy and Insight
Kirsty-Louise Campbell

Programme Lead
TBC

PMO

Programme Manager Jessica Brown **Finance Lead** John Connarty **Programme Planning & MI** Simone Hislop/Emma Baker
Lead Business Change TBC **Lead Process Design** TBC **OD Lead** Martin Young **Communications Lead** Lesley McPherson

Localities

SRO Paul Lawrence **Programme Manager** Derek McGowan (SW) **Partnerships Lead** Nick Croft
Finance Lead TBC **OD Lead** TBC
Project Managers Sylvia Latona (NW), Barry Leathem (SE), Tasha MacKenzie (NE)
Communications Leads Jacqueline Allan (SW), Chris Wilson(NE), Joyce Nisbet (SE) Lesley McPherson (NW)

Place & Economy

Communities and Families

Chief Executive's Department

Health & Social Care

Resources

Asset Management
Programme Director
Rob Leech
Project Manager
Lee Hillyard
Finance Lead **OD Lead**
Rebecca Andrew Kathy McLauchlan
Communications Lead
Joyce Nisbet

Customer & Business Support
Programme Director
Danny Gallacher
Project Managers
Clare Mills, Isla Paterson, Emma McNab, Caroline McKellar, Gail Devaney, Ed Mitchell (EY), Susan Weerts(EY)
Finance Lead **OD Lead**
Iain Shaw Claire Ross
Communications Lead
Liz O'Rourke

Sponsor – Andrew Kerr

Head of Strategy and Insight
Kirsty-Louise Campbell

Programme Lead
TBC

PMO

Programme Manager, Finance, Programme Planning & MI, Business Change, Process Design, OD and Communications

Loc.

SRO, Programme Manager, Partnerships, Finance, OD, Project Managers and Communications

Place & Economy

SRO Paul Lawrence
PM Derek McGowan
HR Eleanor Kay
Fin Rebecca Andrew
Comms Chris Wilson

Community and Families

SRO Alistair Gaw
PM Cheryl Buchanan, Nick Croft, Barry Leathem
HR Mairi Grealis
Fin Jane Brown
Comms Joyce Nisbet

Chief Executive's Department

SRO Andrew Kerr
PM Tania Tumblety, Edel McManus, Ed Mitchell (EY), Tasha MacKenzie
HR Clair Ross
Fin Iain Shaw
Comms Liz O'Rourke

Health & Social Care

SRO Rob McCulloch-Graham
PM Sylvia Latona
OD Michelle Hughes
Fin Karen Dallas
Comms Ann Duff

Resources

SRO Hugh Dunn
OD Claire Ross
PM Tania Tumblety
Fin Iain Shaw
Comms Liz O'Rourke

Asset Management
Programme Director, Project Manager, Finance and Communications

Customer & Business Support
Programme Director, Project Managers, Finance and Communications



Transformation Programme Management Dashboard

Monthly progress update - February 2016

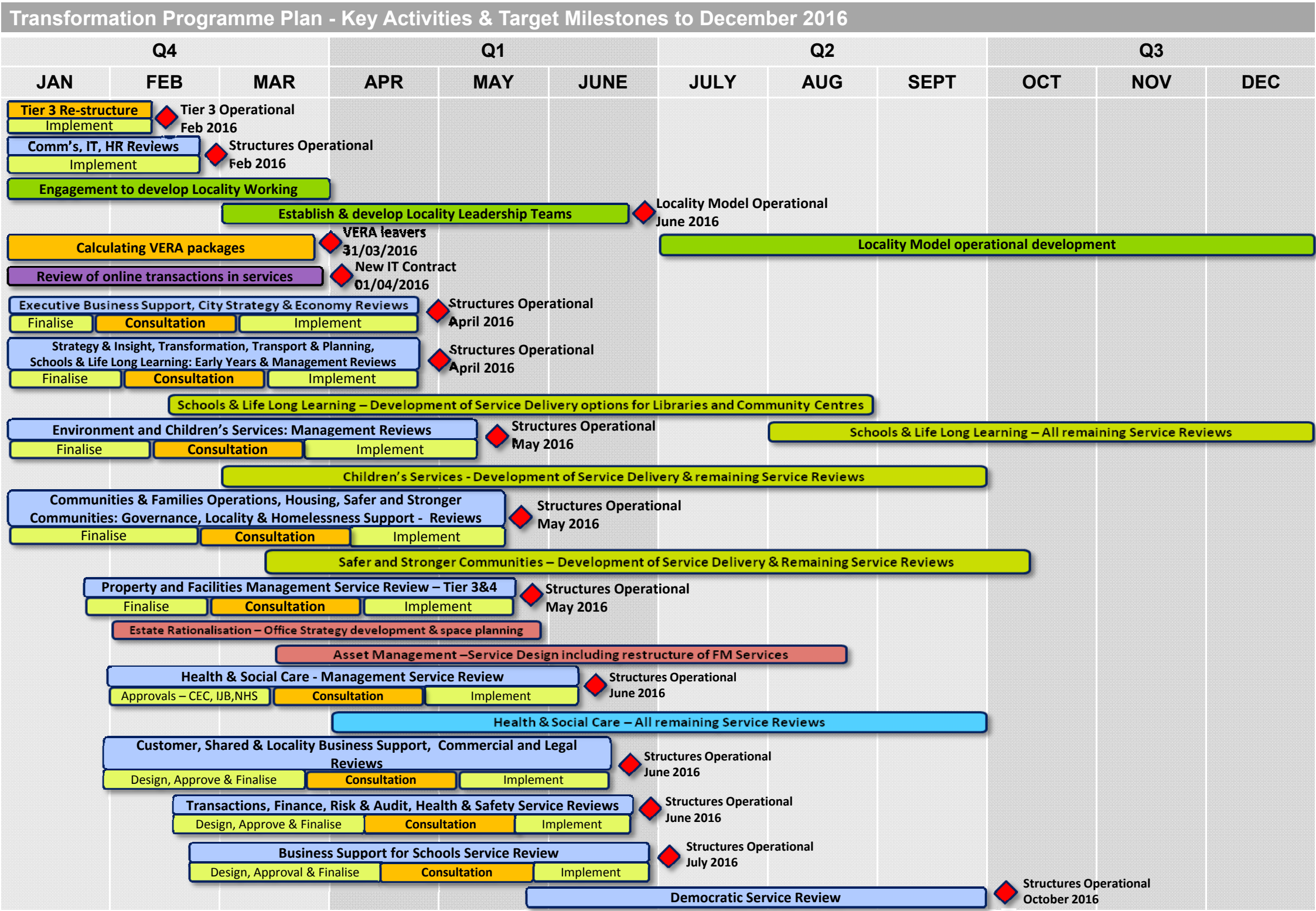
OVERVIEW OF PROGRESS

The Tier 3 Appointments have now been made. A number of Organisational Reviews are now in progress and full details can be found on Slide 4. VERA leavers exited the organisation in January and February, with a further tranche scheduled for March and beyond, achieving an annualised benefit of £15.9m per annum including pension and NI. Communication, IT and HR Reviews have now completed and the first VR exit data is now included in the reported figures. In addition this dashboard now contains data from the agreed Council budget.

PROJECT	RAG	COMMENTS
Customer & Business Support	→	Customer Blueprint reviewed by CLT, first proposals on customer contact and Locality Business Support on today's agenda.
Health & Social Care	→	Health and Social Care proposals reviewed by CLT now awaiting approval by NHS and IJB.
Asset Management	→	Commence Tier 3 and 4 formal consultation Commence preparation of Service Level Agreements(SLA's) Continue process design work across all work streams Continue preparation of investment strategy
Localities	→	Locality transformation plan approved by CLT. Locality managers in place. Detailed implementation plan under development.
Resources	→	HR Review now operational. Commercial and Procurement, Legal and Risk all scheduled for CLT approval on 29 th February
Chief Exec Dept	→	Communications and IT now operational. Strategy and Insight in review. Potential delay to Democratic Services review to accommodate Referendum in June. First tranche of Safer and Stronger reviews in consultation. In addition the 2 nd phase includes a comprehensive review of Advice Services; develop and redesign CCTV services; and an Out of Hours review.
Place & Economy	→	Consultation now commenced in all functions
Communities & Families	→	Consultation now commenced in all functions



RISK	DESCRIPTION	RAG	MITIGATION
Service Failure	Acceleration of the Programme to realise savings more quickly causes disruption	→	Forward planning of restructuring and realignment of staff with scoping of each service is underway. CLT reviewing robustness of Organisational Review proposals.
Managing Workforce policy	Implementing workforce policy does not meet the financial requirements	→	As per budget motion compulsory redundancy will not be progressed until the completion of the Service Reviews and a review of the financial situation. To date there has been an encouraging level of interest in VERA. In addition there is a further VR opportunity for staff during the Organisational Review process.





Organisational Reviews

25 February 2016

	VERA trawl	Cons starts	Cons ends	Match & Assign	Surplus Within Review	Vacancies to Redeployed	Vacancies Internal	Vacancies External	Savings	
									Target	Actual
Tier 3										
Reputation & Comms										
Digital & IT										
Human Resources										
Strategy & Insight										
Executive Support										
Transformation & Business Change										
City Strategy & Economy										
Communities & Families Operations										
Early Years & School Management										
Transport & Planning										
Children's Services										
Environment										
Housing & Regulatory Services										
Safer & Stronger Communities										
Health & Social Care Locality Working Review										
Customer Contact										
Corporate Property										
Business Support: Shared & Localities										
Legal Services										
Commercial & Procurement										
Transactions										
Finance										
Risk, Internal Audit & Resilience and Health & Safety										
Business Support: School Support										
Democratic Services										

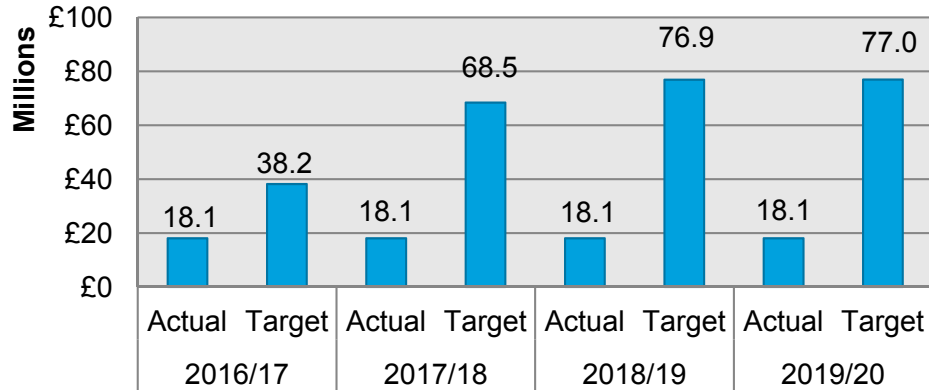


Finance & Benefits Update

AMS: Asset Management Strategy
PT3P: Payments to Third Parties

Acronym Key:

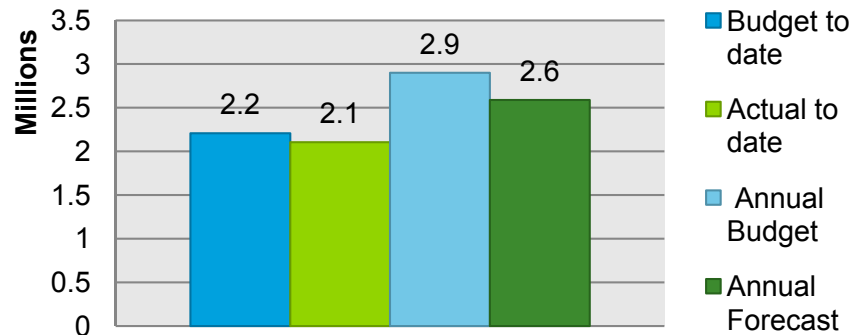
Annual Savings Targets vs Actual



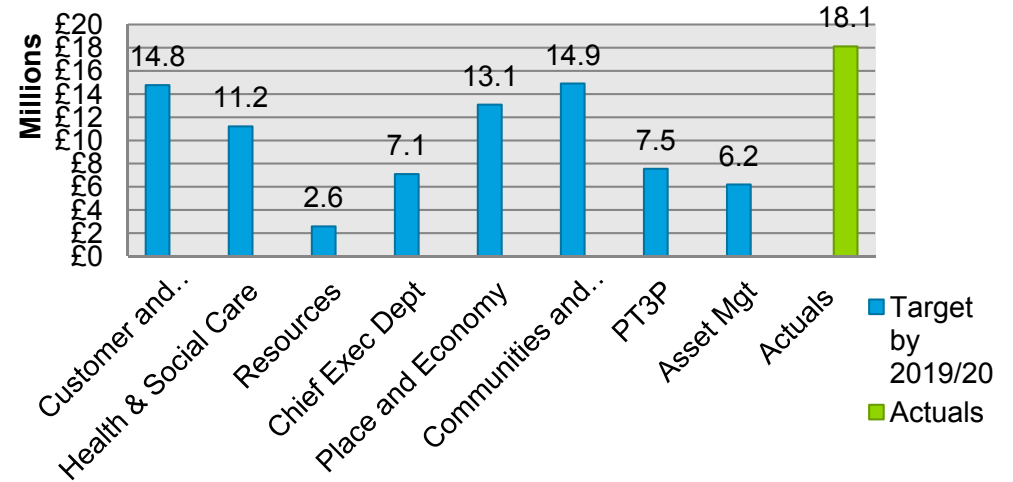
Summary:

Actual Savings refer to £2.2m in PT3P and a further £15.9m from VERA/ VR confirmed exits (some of these may be accrue a partial year saving in 2016/17). NB the AMS projects is not projected to deliver a net saving until 2018/19.

Programme Expenditure 2015 - 16

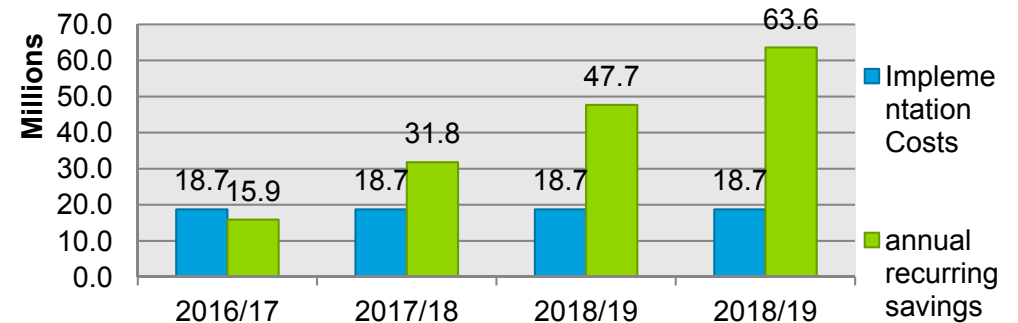


Total Programme Savings



Actual Savings refer to £2.2m in PT3P and a further £15.9m from VERA/ VR confirmed exits to date. NB the AMS projects is not projected to deliver a net saving until 2018/19.

VERA COST BENEFIT ANALYSIS FOR LEAVERS TO DATE

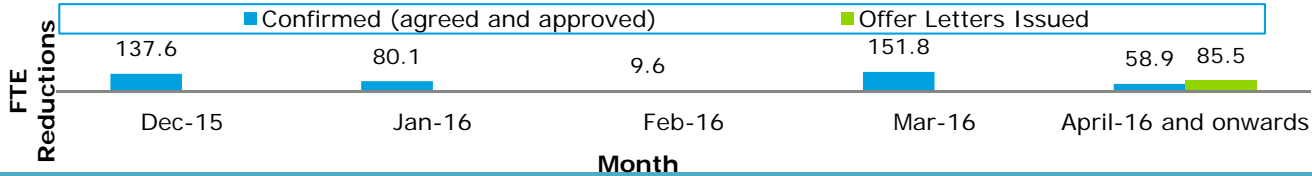


Organisational review summary

Three organisational reviews are now complete and have delivered targeted savings of £1.757m. Twelve reviews are currently underway involving 3,346 people.

The Communications, HR and ICT reviews are now complete. Each review has met the approved savings targets.

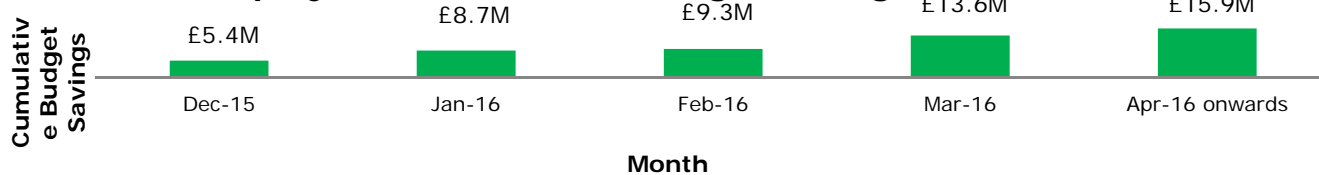
VERA/VR leaver reductions (FTE)



Staff accounting for a total of 438.0 FTE have left/are confirmed to leave the Council under VERA and VR arrangements.

VERA offer letters have been issued to a further 85.5 FTE and assuming that 70% accept, this would equate to further savings of £2.2m p.a.

Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 438.0 FTE reductions from VERA and VR will achieve recurring savings of £15.9M.

The one off VR/VERA and pension strain cost for those cases is £18.7m and the overall payback period is 14.1 months, which is in line with planning assumptions.

Reasons for declining VERA

Reason	Number
Person has skills critical to the organisation / the post cannot be deleted as it is essential for service delivery / the post is difficult to recruit to	985
The post is in a school.	38
Other, eg. reduction managed through deletion of vacancies.	62
Total	1085

90% of VERA declines are due to the post or applicant skills being critical to service delivery.

Employee support / Career Transition Service

	Nov 2015	Dec 2015	Jan 2016	Feb 2016
No. People in Review	194	194	456	3,346
No. of 1:1s in Month	38	30	12	41
No. who have accessed out placement provider	136	38	25	90

131 of the 3,346 people under review in February have accessed support from the Career Transition Service / out placement provider.

Customer feedback indicates high levels of satisfaction with the Career Transition Service.

366 managers have attended the Leading for Change training course and 39 staff have attended interview skills training.

Redeployed – number of people and cost

	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Jan 2016	Feb 2016
Number of positions	57	58	59	54	50	64
Salary cost	£2.0M	£2.1M	£2.1M	£1.9M	£1.6M	£2.8M
Surplus – not currently redeployed	25	17	16	10	8	21
Temporarily redeployed less than 6 months	1	2	4	4	2	1
Temporarily redeployed more than 6 months	31	39	39	40	40	42

64 people are now recorded as being surplus. This represents a total staff cost of £2.8 million.

This represents an increase of 1 person since the last dashboard.

Customer & Business Support

Progress update 15 February 2016

Previous Progress RAG

Current Progress RAG

Capability Maturity Rating

Completed

- Exec Bus Support are in organisational review. The reviews should be completed by 21 March 2016.
- Customer Contact, Business Support Shared & Locality Services being finalised and Meetings are continuing with functional leads for the documentation for the phase 2 challenge panels being finalised.
- The scope change request is being finalised to realign savings to changes in scope.
- The Customer scope has been reviewed by all area HoS/leads. The comments are being consolidated and the scope finalised.
- Development of new business process guide to inform the implementation of new structures going forward
- Face to face customer service design draft completed to highlight use of technology and operational changes

Planned

- Finalise the Customer Contact and Business Support Shared & Locality services documentation for consultation
- Finalise Phase Exec Business Support implementation plans in line with the consultation process
- Confirm customer scope list changes and communicate with staff where individual roles sit within the review plan

PROJECT RISKS

MITIGATION

RAG

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

The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.

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

Matching and Assignment protocol now agreed.

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

Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Wide engagement around the process

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

Detailed design of new operating model and transition states includes service requirements and implementation planning takes account of risk raised.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases

		February	March	April
1	Tier 3 implementation			
2	Exec Business Support			
3	Prepare Customer Proposals			

Project Dependencies

The Council's Business and Support Services will need to be responsive and flexible to the development of the Locality model, so will require close partnership working with other workstreams

Timescales and approvals for VERA applications from staff within the scope will have a significant impact on future savings targets and project delivery plans.

Health and Social Care

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

- Senior and middle management structure proposals for **Integrated Health and Social Care services** reviewed by CLT on 10 February 2016.
- Four **locality development sessions** held, one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

Planned

- Progress structure proposal and documentation, in conjunction with relevant NHS colleagues, with a view to initiating consultation on the management structures for **Integrated Health and Social Care services** in mid to late March 2016.
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - Phasing of review implementation.	
New operating model, including locality working and matrix management arrangements, does not deliver efficiencies and/or enhance customer experience	-Organisational design responsibility sits with HoS, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at staff and partners.	
Failure to embed desired cultural change to support the new target operating model leading to benefits not being fully realised	- Senior Manager Leadership Programme; - Localities Transformation Plan actions on co-location, area based induction, learning and development programme etc to support new operating model.	

Action	February	March	April
<i>Develop integrated staffing structure in conjunction with NHS</i>			
<i>Target for commencement of consultation</i>		◆	

Key: On track In progress Attention

Project Dependencies

New service structures must align to supporting functions to deliver new operating model, including locality working.

Asset Management Strategy (AMS) – relocation of some staff groups/teams to reflect new service structures, reduced staffing numbers and locality resourcing. Long term enabler to co-location of multi-disciplinary and multi-agency teams.

Asset Management Strategy (AMS)

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

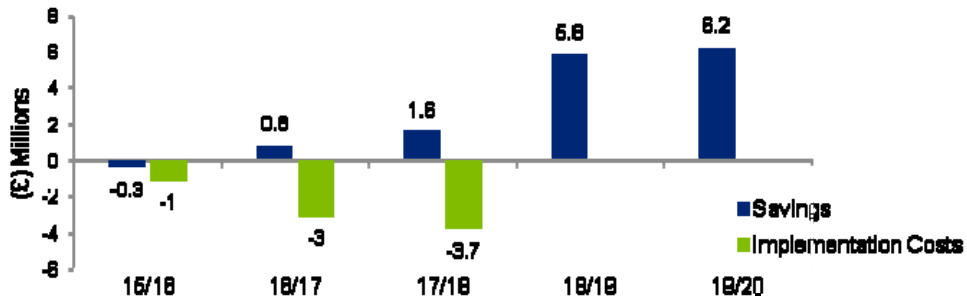
Completed

- AMS new organisation blueprint completed.
- Programme Management Office set up and completion of Programme Initiation Document (PID)
- Commencement of new organisational design
- Transition workstream established to oversee transfers of people, budgets and move from SfC to Corporate Resources – links established with customer
- Invitation to tender issued for FM technical consultant
- F&R Report January
- Challenge Panel and CLT presentation
- Completion of contract with Deloitte for next phase of programme support to July 2016.

Planned

- Commence Tier 3 and 4 formal consultation
- Technical consultant to commence work
- Confirm detailed timeline for transition milestones
- Commence preparation of Service Level Agreements (SLA's) and engagement with service areas
- Continue process design work across all work streams
- Continue preparation of investment strategy
- Commence design of new governance and decision arrangements for estates rationalisation workstream
- Commence review of in-flight survey programme for operational assets.

Asset Management Savings Per Year



Financial Year	15/16	16/17	17/18	18/19	19/20
Savings	-0.3	0.8	1.6	5.8	6.2
Implementation Costs	-1	-3	-3.7		
Net Saving	-1.3	-2.2	-2.1	5.8	6.2
Cumulative Saving	-1.3	-3.5	-5.6	0.2	6.4

		February	March	April
1	Tiers 2-6 org design & JD's	[Yellow bar]		
2	Procure technical consultant	[Yellow bar]		
3	Prepare summary SLA's		[Yellow bar]	
4	Confirm transition milestones		[Yellow bar]	
5	CLT presentation		[Green diamond]	
6	Further response to F&R	[Yellow bar]		[Green diamond]
7	Workstream activities	[Green bar]		

Key: On track In progress Attention

PROJECT RISKS	MITIGATION	RAG
AVAILABILITY OF MANAGEMENT INFORMATION Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.	Corporate Finance Senior Manager as part of the AMS PMO team resource. External support working with Finance to validate figures and implement new budget codes. Eventual implementation of new CAFM system will improve management of Management Information.	
STAKEHOLDER SUPPORT Risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.	Ensure the programme has support from Senior Sponsors, within the Council and utilise this support to achieve political buy in to the initiatives and recommendations.	
IMPACT FROM WIDER TRANSFORMATION PROGRAMME The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio, i.e. Commercial Excellence Initiative, Edinburgh Leisure, PPP	Strong communication between PMO's. Tracking of dependencies and benefits.	
IMPLEMENTATION TIMESCALE Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies	Robust implementation plan and programme. Competent and skilled Implementation Team. Skilled smart client function. Reviews of Programme with PMO. Strong tie in with localities	
BUDGET CONSTRAINTS Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of our building users.	Undertake benchmarking exercise to establish estimated backlog to and strategy to consider forward budget requirements to bring estate up to an acceptable level.	

Project Dependencies

Key dependencies on other work streams in terms of staff/budget transfers and impact on the operational estate.

Estates rationalisation dependent on localities model implementation to schedule

Localities

Progress update 15 February 2016

Completed

- Locality Managers now appointed
 - A Locality Management Workshop was held on 18 February 2016 with a cross section of stakeholder. A summary of the key agreed areas to be developed are outlined below:
- Create a 'Day One' Plan setting out available resources and transition arrangements.
- Create a 12 month timetable setting out milestones towards full locality management implementation. This will be subject to ongoing review by the Board.
- Identify where staff and community planning partners can better share assets, co-locate and integrate service delivery.
- Improve locality insight data through ongoing work led by Strategy and Insight, and to undertake focus groups in localities to strengthen this information.
- Develop a more detailed communication plan
- Undertake more detailed work with Customer division to identify resources to support delivery of the locality operating model.

Planned

Hold the first meeting a Council Locality Management Board (LMB) has been established. This comprises the Executive Director of Place as the Chair, all four Locality Managers and their respective Heads of Service line managers, and other senior officers involved in transformation and community planning work.

Previous Progress RAG

Current Progress RAG

Capability Maturity Rating

Plan

	Launch Apr - Jun 2016	Transition state Jul - Sep 2016	Steady state Oct - Dec 2016	Future State Jan 2017 - Mar 2018
Strategic Objectives				
Empower citizens and communities and improve partnership working	Establish partnership Locality Leadership Teams	Deliver intensive programme of locality engagement with community sector on locality operating model and locality transformation	Enhance and confirm the role of neighbourhood partnerships, community councils, parent & pupil councils + TRAs	Develop and implement improved approaches in relation to: - community asset transfer - participatory budgeting - community engagement standards - community participation requests - co-production - social enterprise
Implement a lean and agile locality operating model	Initiate consultation on new organisational design, including locality based services and integrated health structures Establish Locality Management Board	Implement new organisational structures, and agree resource allocation within new operational teams across localities	Progress priority service integration projects and implement priority locality operational practices	Develop and implement improved approaches in relation to: - information sharing - prevention - self directed support - daily grip meetings
Deliver better outcomes and improved citizen experiences	Complete Locality Insight Profiles and Citywide Needs Assessment	Initiate the review of Neighbourhood Partnership Local Community Plans implement	Agree Locality Improvement Plans linked to new Local Community Plans	Develop and implement programme to improve approaches to: - community and family resilience - public health - tackling poverty and inequality - place making
Embedded values and develop culture	Pilot locality orientation programme	Implement locality orientation programme Agree new Locality Learning and Development Plan, including locality leadership development	Roll-out of locality leadership programme	Embed system of monitoring and evaluating cultural change

Resources

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

- The review for HR is now complete and the new service is now operational. The actual savings are being reviewed and assessed against previous estimates and financial adjustments.
- Meetings are continuing with functional leads for Commercial and Procurement / Legal and Risk with the documentation for challenge panels being finalised. Presentation to CLT on 29th February.
- Finance to be reviewed by CLT in March.

Planned

- Finalise the 2 organisational review documentation for consultation for Commercial and Procurement / Legal and Risk
- Work with Finance to confirm scope and develop structures for review and challenge

PROJECT RISKS

PROJECT RISKS	MITIGATION	RAG
Without sufficient engagement and change management, there is a risk that there is increased resistance to change within the organisation leading to a reduction in the delivery of benefits both financial and non-financial	The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.	Yellow
The union consultation or other key project dependency if the process takes longer than planned it could result in the project being delayed and savings not being delivered in the required timescale.	The plan has been developed in line with the latest consultation/OD plan and opportunities to accelerate/increase the delivery of savings in specific areas are being identified	Yellow
Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved.	Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Wide engagement around the process	Yellow
Accelerated delivery timescale could limit the amount of process improvement delivered. In the short term this could lead to a dip in services before the formal performance improvement phase for the service has been delivered	Detailed design of new operating model and transition states includes service requirements and implementation planning takes account of risk raised.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases	Red

		January	February	March
1	Phase HR and Tier 3 implementation			
2	Phase 2 areas have Org Design drafted			

Project Dependencies

The Council's Support Services will need to be responsive and flexible to the development of the Locality model, so will require close partnership working with the Localities teams.

Timescales and approvals for VERA applications from staff within the scope will have a significant impact on future savings targets and project delivery plans.

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

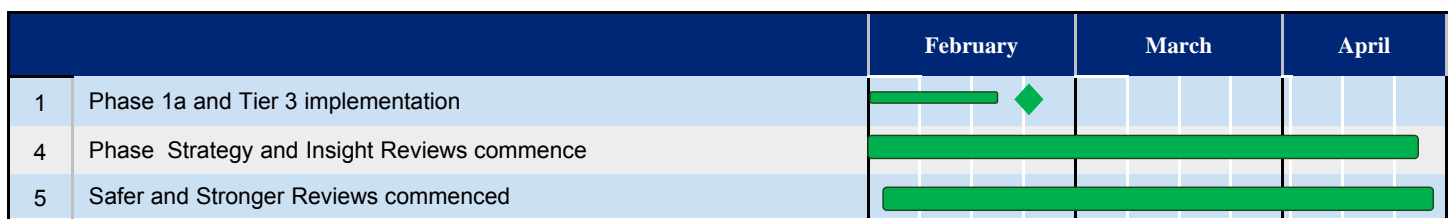
- The reviews of Communication ICT are complete and the new services are operational. The actual savings are being reviewed and assessed against previous estimates and financial adjustments.
- Strategy and Transformation have commenced organisational review. The reviews should be completed by 21 March 2016.
- The scope change request is being finalised to realign savings to changes in scope.
- First tranche of Safer and Stronger reviews in consultation

Planned

- Finalise Strategy and Transformation implementation plans are in line with the consultation process
- Safer and Stronger 2nd phase includes a comprehensive review of Advice Services; develop and redesign CCTV services; and an Out of Hours review.

PROJECT RISKS

PROJECT RISKS	MITIGATION	RAG
Without sufficient engagement and change management, there is a risk that there is increased resistance to change within the organisation leading to a reduction in the delivery of benefits both financial and non-financial	The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.	Yellow
The union consultation or other key project dependency if the process takes longer than planned it could result in the project being delayed and savings not being delivered in the required timescale.	The plan has been developed in line with the latest consultation/OD plan and opportunities to accelerate/increase the delivery of savings in specific areas are being identified	Yellow
Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved.	Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Wide engagement around the process	Yellow
Accelerated delivery timescale could limit the amount of process improvement delivered. In the short term this could lead to a dip in services before the formal performance improvement phase for the service has been delivered	Detailed design of new operating model and transition states includes service requirements and implementation planning takes account of risk raised.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases	Red



Project Dependencies

The Council's Support Services will need to be responsive and flexible to the development of the Locality model, so will require close partnership working with other workstream

Timescales and approvals for VERA applications from staff within the scope will have a significant impact on future savings targets and project delivery plans.

Place & Economy

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

- Developed consultation packs and commenced consultation on **organisational reviews** for City Strategy and Economy, Transport and Planning and Environment.
- Four **locality development sessions** held, one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

Planned

- Prepare consultation pack and commence consultation on remaining **organisational review** (Housing and Regulatory Services) scheduled w/c 22 February 2016.
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - Phasing of review implementation.	
New operating model, including locality working and matrix management arrangements, does not deliver efficiencies and/or enhance customer experience	-Organisational design responsibility sits with HoS, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at staff and partners.	
Failure to embed desired cultural change to support the new target operating model leading to benefits not being fully realised	- Senior Manager Leadership Programme; - Localities Transformation Plan actions on co-location, area based induction, learning and development programme etc to support new operating model.	

Action	February	March	April
1 Organisational review consultation:			
1 <i>City Strategy & Economy</i>	[Green bar spanning Feb, Mar, Apr]		
2 <i>Transport & Planning; Environment</i>	[Green bar spanning Mar, Apr]		
3 <i>Housing and Regulatory Services</i>	[Green bar spanning Apr]		

Project Dependencies

New service structures must align to the support model to deliver new operating model, including locality working.

Asset Management Strategy (AMS) – relocation of some staff groups/teams to reflect new service structures, reduced staffing numbers and locality resourcing. Long term enabler to co-location of multi-disciplinary and multi-agency teams.

Key: On track In progress Attention

Communities & Families

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

- Developed consultation packs and commenced consultation on **organisational reviews** for Early Years and Schools (management), Children's Services (management).
- Four **locality development sessions** held, one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

Planned

- Prepare consultation pack and commence consultation on remaining Communities and Families operations
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - Phasing of review implementation.	
New operating model, including locality working and matrix management arrangements, does not deliver efficiencies and/or enhance customer experience	-Organisational design responsibility sits with HoS, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at staff and partners.	
Failure to embed desired cultural change to support the new target operating model leading to benefits not being fully realised	- Senior Manager Leadership Programme; - Localities Transformation Plan actions on co-location, area based induction, learning and development programme etc to support new operating model.	

Action	February	March	April
1 Organisational review consultation:			
1b Schools & Lifelong Learning			
1c Children's Services;			
1d Communities Operation			

Project Dependencies

New service structures must align to support model to deliver new operating model, including locality working.

Asset Management Strategy (AMS) – relocation of some staff groups/teams to reflect new service structures, reduced staffing numbers and locality resourcing. Long term enabler to co-location of multi-disciplinary and multi-agency teams.

Key: On track In progress Attention

Payments to Third Parties (PT3P)

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

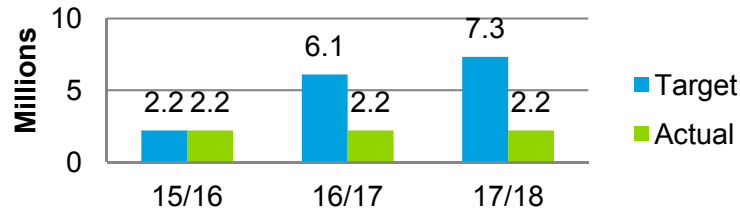
Proposed total savings to a value of the work-stream's 10% target have been identified within the Council Budget Framework 2016/20 and delivery will be monitored as part of the transition of combined grant and contract oversight to the Commercial and Procurement Service. Two grant programmes remain to be approved for 2016/17.

Planned

As instructed by the Council Budget Motion in March 2016 the Chief Executive will submit a report on the benefit, outcomes and future governance of payments to third parties – in line with committee approvals of January 2015 this will outline the transfer of grant oversight to the Commercial and Procurement Service. Further report on coproduction and procurement will come forward in spring 2016 and on a refreshed procurement strategy in the summer/autumn period.

The savings target reflect the agreed budget position . £2.2m was approved and delivered in 2015/16

PT3P Target Savings vs Actual



PROJECT RISKS	MITIGATION	RAG
Scale of year-on-year reductions in funding may impact on service provision to vulnerable citizens resulting in inefficiencies and greater demand on Council services.	Regular monitoring by project team. Equality Impact Assessment of major grant and contract reductions. Ongoing dialogue with third sector regarding unintended consequences.	Red
Varied approaches to coproduction of new grant and contract programmes across Executive Committees may result in variable quality of new grant and contract programmes and participant complaints about the process.	Briefings for Elected Members on coproduction best practice. Training and for Council officers on coproduction. Establishment of cross-service project team and coproduction working group with third sector. Lessons learned analysis and related feedback taken into account for future programmes. Continued application of Compact principles and values alongside council commitments on coproduction should continue to be applied in developing new investment programmes	

	January	February	March	April	May
1 Chief Executive Report to the F&R Cttee			▶		
2 Report to F&R Cttee on Coproduction and Procurement					▶
3 Executive Committee Grant Awards					
Education Children and Families					
Communities and Neighbourhoods		▶			
Culture and Sport			▶		
Economy				▶	
Health, Social Care and Housing				▶	
Planning			▶		
Transport and Environment	▶				

Project Dependencies

Dependencies with Citizens and Localities Services organisational reviews and Commercial Excellence programme.

Key: On track In progress Attention

Finance and Resources Committee

10.00am, Thursday, 17 March 2016

Transformation Programme – AMS Update

Item number 7.1(b)

Report number

Executive/routine

Wards

Executive summary

This report provides a general progress update to the Finance and Resources Committee on the implementation of the Asset Management Strategy (AMS) for Property and Facilities Management.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Finance and Resource Committee

Transformation Programme – AMS Update

Recommendations

- 1.1 That the Committee:-
 - 1.1.1 notes the continued progress in each of the key AMS Transformation Programme work streams; and
 - 1.1.2 notes the development and content of the Management Information dashboard reports provided in Appendix B.

Background

- 2.1 The “Asset Management Strategy” (AMS) is an ongoing transformation programme 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 The AMS Transformation Programme aims to create a credible, focused and sustainable delivery plan for property and facilities management; 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 diagram at Appendix A illustrates how the property lifecycle is integral to the new delivery, establishing a long term and connected approach to asset management.
- 2.4 This paper provides an overview of the status of the programme and the work completed over the last period.

Main report

- 3.1 Good progress has been made since January across the five AMS Transformation Programme work streams. A summary of progress is provided below and the Management Information dashboards containing further information and KPI's are provided in Appendix B.

Transition

- 3.2 The Transition work stream governance, planning and control and risk management arrangements have been reviewed and updated. The scope of staff transfers will be complete before the end of February.
- 3.3 One of the lessons learned from iPFM was that property budgets were not managed centrally by Corporate Property leading to double-counting of savings from building closures and energy efficiency measures.
- 3.4 In response to this budgets will be transferred from other Service Areas into Property and Facilities Management (formerly Corporate Property), this work is well underway and will be implemented on 1 April 2016. Some budgets have already been transferred, including some budgets for rates, cleaning and repairs and maintenance.
- 3.5 It was reported in January that a Technical Consultant with specialist service line expertise was required as this could not be sourced internally.
- 3.6 The Technical Consultant for facilities management design has now been appointed and will provide advice to accurately design and size the remaining FM workforce below Tiers 3 and 4 (Facility Managers, Supervisors and Operatives), the consultant will also contribute to the final scope of non-staffing budget transfers and Service Level Agreements (SLA's).
- 3.7 The formal review of tiers 3 and 4 commenced on 25 February 2016 with staff briefings for all those affected and a meeting with the Trade Unions. The formal 45 day consultation process commenced on the same day.
- 3.8 Following completion of the process it is anticipated tier 3 and 4 appointments will be made by May 2016.
- 3.9 Following the work being carried out in relation to the design of the facilities management a further formal consultation will commence for all staff affected in tier 5 and below. The current target date for this to commence is June 2016.

Estates Rationalisation

- 3.10 On 12 May 2015, the Corporate Policy and Strategy Committee approved the Corporate Asset Strategy, 2015-2019. As part of a wider strategy, Committee acknowledged that the Council's asset base is too large and approved the overarching principle of achieving significant budget savings in property costs by creating a smaller but better quality estate through rationalisation. The approved policy now underpins all the work under the Asset Management Strategy workstreams.
- 3.11 The aim of the estate rationalisation workstream is to therefore deliver a smaller and more efficient estate which will be driven by the Council's new operating model. Headcount reductions, sharing facilities with partner organisations, integration of services particularly in the localities and as a result of the creation of a new business support and customer services function. Significant elements of the estate are facing rising demand from demographic change (such as schools and care homes) which limits opportunities for rationalisation in these

sectors. The current focus on opportunities is being taken forward under four key workstreams, indicated below. In practice however, there is significant cross over between the workstreams.

- Offices and Head Count Reduction.
- Collaboration and Localities.
- Libraries and Community Centres.
- Depots Review.

3.12 To support the estate rationalisation programme a strategic framework document is currently being developed that will include:

- validation of the Council's current footprint by consolidating existing data held by Corporate Property;
- developing the emerging footprint by capturing current service demand requirements (where known) and existing analysis of footprint optimisation potential, building on the work done in the AMS business case;
- the development of objective criteria for assessing options in seeking to reduce the overall size of the estate;
- prioritising and reviewing short term tactical initiatives to identify those that should be moved forward for Tranche 1 submission; and
- a thorough review of existing data, recommending key actions to improve the quality of data to allow effective estate optimisation.

3.13 In parallel with this an estate rationalisation review team has been established since November 2015, underpinned by a project initiation document (PID) and programme. Progress on four identified initiatives are currently underway:

- first phases of site exit, proposed under the depots review (a self-funding package of rationalisation and investment) was approved by Council on 4 February 16;
- business cases for the exit of Lothian Chambers, 329 High Street, floor space in Waverley Court and properties in Wester Hailes are being developed for consideration;
- a task force has been established with Communities and Families to identify opportunities for co-location and rationalisation of the community centre and library estate. This will align with the service redesign due to commence shortly; and
- continued development of co-location opportunities with partner agencies are being explored, based on income generation. The pilot weekend briefing of police from Waverley Court successfully commenced in mid-January.

- 3.14 As work progresses separate business cases will be brought forward to Committee for discussion and approval using the Corporate Asset Strategy 2015-19 and the strategic framework document as the basis for evaluation.

Investment Portfolio

- 3.15 The investment estate strategy is currently in development and will be reported to the Finance and Resources Committee later this year. This will include seeking specific instructions around the following:-

- existing concessionary lets details with specific opportunities to implement reviews;
- exploring the transfer of investment properties from the HRA to the general fund; and
- opportunities for potential disposals and reinvestment.

In the interim, the portfolio continues to show increased rental income through the implementation of rent reviews, lease renewals and reduction in void periods.

Asset Condition

- 3.16 The Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate.
- 3.17 The group was established in November 2015 and since that time has been concerned with collating existing CEC data on asset condition, undertaking a review and benchmarking exercise to ascertain the likely extent of backlog maintenance and formulating a detailed plan of work around a number of core objectives.
- 3.18 Over the next period, the focus of the group will be to develop a revised asset maintenance strategy paper which will describe the need for a change and the required investment to implement a proactive and planned approach to asset condition and maintenance. This will include details of the estimated budget deficit to bring the estate into an acceptable and safe level of repair. Further details will be presented to the next cycle of Committee reporting.

Facilities Management (FM)

- 3.19 The FM Service Level Agreement (SLA) drafting is in progress focusing initially on documenting the scope of services, standardising building categories and core operating hours and identifying rechargeable services. The focus has been on documenting the minimum service standards and the framework for measuring and reporting performance. The SLA is currently being discussed with Service Customers.

- 3.20 Workshops have been held to agree standard building categories, the in/out of scope services list and service budgets identified for potential transfer in to Property and Facilities Management and to develop the SLA “Service Portfolio Matrix” including:
- a) Building List (under review);
 - b) Core Hours by building category;
 - c) Service scope by building category; and
 - d) Rechargeable services.
- 3.21 In parallel, engagement has commenced with Heads of Services on the SLA review process.
- 3.22 Finally, a working session has been held to review the “hard” service delivery model options, considering the supply chain model and maintenance approach.

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. The Management Information dashboards provided in Appendix B have been developed to track key performance indicators (KPIs) across the AMS Transformation Programme work streams.
- 4.2 As the AMS Transformation Programme moves forward and actual savings crystallise, these will be tracked using the dashboards. At present the dashboards set out the target savings previously agreed by Committee.

Financial impact

- 5.1 As outlined in the September and November reports to the Finance and Resources Committee, 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 and advisor support.
- 5.2 The estimates set out in the September report was £7.7m including an estimate of £3.4m allocated for external support. These numbers are currently being refined in the context of the wider property and asset management restructuring and will be reported to the Finance and Resources Committee on a bi-monthly basis although it is anticipated that this estimate will be adequate to execute the plan. It should be stressed however that the previous and current costs do not include any additional costs associated with improving the condition of the council estate.

Risk, policy, compliance and governance impact

- 6.1 Key delivery risks are provided in the Management Information dashboards provided in Appendix B.
- 6.2 The top five delivery risks are currently:
- Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.
 - Risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.
 - The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio.
 - Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies
 - Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of building users.

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, 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 greenhouse 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

Communications have been established with the Trade Unions and formal consultation commenced on 25 November 2015.

An officer has been recently appointed to the AMS Transformation Programme in order to develop short/medium and long-term communications plans.

Background reading/external references

Please refer to [September 2015](#), [November 2015](#) and [January 2016](#) Finance and Resource Committee papers.

[**Corporate Policy and Strategy Committee – 12 May 2015**](#)

Hugh Dunn

Acting Executive Director of Resources

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	Appendix A – Lifecycle Property Management Diagram Appendix B – Management Information Dashboard

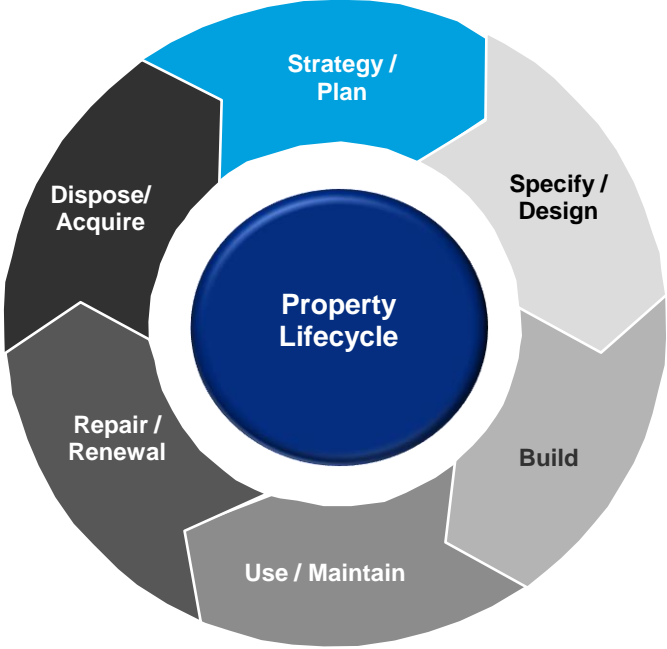
Property Lifecycle

The diagram below illustrates how the property lifecycle is integral to the new delivery, establishing a long term and connected approach to asset management.

- Development of Demand Strategies for each key asset type
- New property governance structure established to centralise key property decisions
- Property & Facilities Management to proactively lead on estate rationalisation initiatives
- New FM and Asset Management Strategies developed
- New criteria based strategy agreed for the Investment Portfolio.

- Clarified role for EDI in relation to asset disposals
- Clear guidance on the retention of capital receipts to fund backlog maintenance and investment in the core estate and reinvestment for the investment portfolio.

- Increased responsibility for AMS in this area:
- Transfer of resource previously responsible for preparing infrastructure specification and design into AMS
- Business cases prepared jointly with Service Departments but owned by AMS drawing input from FM and BPM to prepare fully costed business cases that recognise the service implications of design/spec.








- Building on the work to date new process for prioritising capital investment in the estate based on safety.
- A funded programme to address backlog maintenance on the core estate.
- Potential risk transfer to supply chain for comprehensive M&E and fabric services

- Property & Facilities Management will lead the project management on all real estate projects in the Council.
- The consolidation of resources into one place will reduce the 'man-marking' of customer and project manager and design/build team.

- Established Service Level Agreements with departments will increase transparency over service delivery.
- Closure of Non-Housing Edinburgh Building Services (EBS) and the use of the Council supply chain will reduce cost and improve service quality.

AMS Implementation – Current Status

Considerable momentum has built up across all AMS workstreams. Key activities completed across the five AMS workstreams are shown below:

	 Transition	 Facilities Management	 Estates Rationalisation	 Investment Portfolio	 Asset Condition
Progress	<ul style="list-style-type: none"> The governance, planning & control and risk management arrangements have been reviewed and updated A report has been prepared on budget transfer Preparation work for the formal review of tiers 3&4 has progressed with formal consultation due to commence on 25 February 2016 	<ul style="list-style-type: none"> Technical Consultant appointed FM SLA drafting is in progress Work has commenced on documenting the minimum service standards and the framework for measuring and reporting performance “Service Portfolio Matrix” under development A note has been drafted to brief Heads of Services on the SLA review process A working session has been set up to review the “hard” service delivery model options 	<ul style="list-style-type: none"> Team established to develop detailed delivery plans Links established with CLS and BSS and awaiting proposals to define the Council’s portfolio requirements and Estates Rationalisation paper developed High level processes developed Governance arrangements and stakeholder engagement plans commenced Presentation to Property Board in Feb 16 	<ul style="list-style-type: none"> Review of existing data sets to identify current gaps and future improvements Analysis of vacant properties and identification of concessionary lets that may have accretive value Review of top potential capital growth opportunities Review of technology/ systems options and links with finance 	<ul style="list-style-type: none"> An Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate The focus of the group will be to develop a revised asset maintenance strategy paper

To support these workstreams, a PMO has been mobilised to provide oversight and supervision of key activities and help to manage/mitigate any risks which may arise from the programme. Work undertaken to date:

- Transformation Programme Alignment* of all workstreams to prevent duplication
- Programme Initiation Document (PID)* to capture strategy, governance arrangements, processes and controls of the project
- Risk Register* to capture and manage AMS programme risks
- Cost Control tracker* to track and monitor all costs against implementation budget.
- Management Information* dashboard reports developed based on the AMS workstream KPI’s
- Detailed implementation plan* (Gantt chart) for all 5 AMS workstreams



PMO

Asset Management Strategy (AMS)

Workstream Dashboard as of 18 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

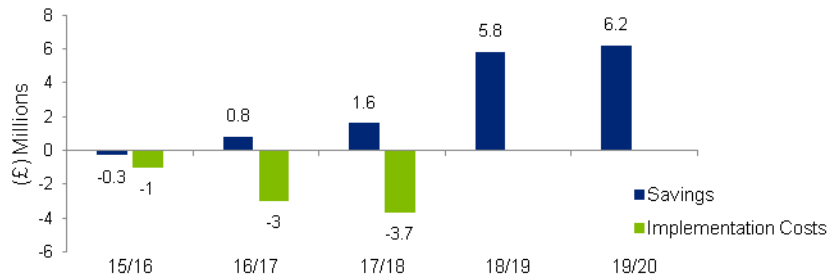
Completed

- AMS new organisation blueprint completed.
- Programme Management Office set up and completion of Programme Initiation Document (PID)
- Commencement of new organisational design
- Transition workstream established to oversee transfers of people, budgets and move from SfC to Corporate Resources – links established with BSS
- Invitation to tender issued for FM technical consultant
- F&R Report January
- Challenge Panel and CLT presentation
- Completion of contract with Deloitte for next phase of programme support to July 2016.

Planned

- Commence Tier 3 and 4 formal consultation
- Technical consultant to commence work
- Confirm detailed timeline for transition milestones
- Commence preparation of Service Level Agreements (SLA's) and engagement with service areas
- Continue process design work across all workstreams
- Continue preparation of investment strategy
- Commence design of new governance and decision arrangements for estates rationalisation workstream
- Commence review of in-flight survey programme for operational assets

Asset Management Savings Per Year



Financial Year	15/16	16/17	17/18	18/19	19/20
Savings	-0.3	0.8	1.6	5.8	6.2
Implementation Costs	-1	-3	-3.7		
Net Saving	-1.3	-2.2	-2.1	5.8	6.2
Cumulative Saving	-1.3	-3.5	-5.6	0.2	6.4

		December	January	February	March
1	Tiers 2-6 org design & JD's				
2	Procure technical consultant				
3	Prepare summary SLA's				
4	Confirm transition milestones				
5	CLT presentation				
6	Further response to F&R				
7	Workstream activities				

Key: On track In progress Attention

PROJECT RISKS	MITIGATION	RAG
AVAILABILITY OF MANAGEMENT INFORMATION Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.	Corporate Finance Senior Manager as part of the AMS PMO team resource. External support working with Finance to validate figures and implement new budget codes. Eventual implementation of new CAFM system will improve management of Management Information.	
STAKEHOLDER SUPPORT risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.	Ensure the programme has support from Senior Sponsors, within the Council and utilise this support to achieve political buy in to the initiatives and recommendations.	
IMPACT FROM WIDER TRANSFORMATION PROGRAMME The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio. i.e. Commercial Excellence Initiative, Edinburgh Leisure, PPP	Strong communication between PMO's. Tracking of dependencies and benefits.	
IMPLEMENTATION TIMESCALE Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies	Robust implementation plan and programme. Competent and skilled Implementation Team. Skilled smart client function. Reviews of Programme with PMO. Strong tie in with localities	
BUDGET CONSTRAINTS Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of our building users.	Undertake benchmarking exercise to establish estimated backlog to and strategy to consider forward budget requirements to bring estate up to an acceptable level.	

Project Dependencies

Key dependencies on BSS, CLS and OD workstreams in terms of staff/budget transfers and impact on the operational estate.

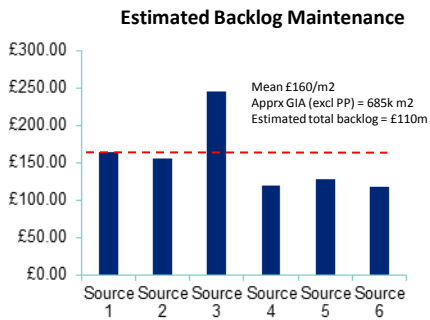
Estates rationalisation dependent on localities model implementation to schedule



Overview of Progress

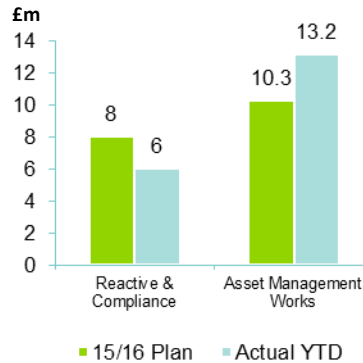
An Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate. The group was established in November 2015 and since that time has been concerned with collating existing CEC data on asset condition, undertaking a review and benchmarking exercise to ascertain the likely extent of backlog maintenance and formulating a detailed plan of work around a number of core objectives. Over the next period, the focus of the group will be to develop a revised asset maintenance strategy and policy.

KPI Tracking



Source 1 - City of Edinburgh Council - The Corporate Asset Strategy 2015.
 Source 2 - Aberdeen City Council Property Asset Management Plan 2012
 Source 3 - Nottinghamshire County Council Repairs and Maintenance Report - 2014
 Source 4 - Leicester City Council Corporate Asset Management Plan - 2010
 Source 5 - Scottish Futures Trust - September 2011
 Source 6 - CIPFA Benchmarking Information

**Asset Condition and Improvement
FY 15/16 Plan vs Actual Spend**



Progress Against Core Objectives

Identify Backlog	Survey programme for FY15/16 forecast to achieve 20% total assets (not incl PPP and monuments). High level surveys on plan to achieve 33% total assets. Existing risk based methodology to be reviewed and developed.
Technology	CAFM functionality to be reviewed to ascertain if the system will meet the future vision for hard FM and asset condition processes. A gap analysis prepared if required.
Delivery Model	Hard FM delivery options to be reviewed and scored on a preferred model identified. Level 2 asset condition processes to be developed.
Safer Estate	?? Total helpdesk calls in January. ?? significant H&S incidents including major collapse of a wall at Oxfangs primary School. Budget requirements for additional maintenance spend to be identified.

Key Planned Activities

1. Complete best practice review and benchmarking
2. Review CAFM functionality
3. Prepare draft asset maintenance strategy
4. Input into hard FM delivery model review
5. Input into org design work

Info Required / Dependencies

1. Define core operational asset list
2. Identify CAFM functionality and dependencies
3. Approval of emerging maintenance policy
4. Endorsement preferred hard FM delivery option

Key Risks

Risk ID	Description	RAG
01	Budget Constraints	Red
02	Risk of Service Disruption	Red
03	Resources to Deliver Revenue Programmes	Yellow
04	Risk to Health & Safety	Red



Overview of Progress

Weekly meeting of the review team established since November 15, underpinned by a PID and programme. Four workstreams have been identified, with progress underway, working with service directorates to identify detailed opportunities. Overview of current workstreams presented to the Property Board on 11 February 16. Business cases for each property exit will be developed and presented to the Property Board before being taken through any wider process.

KPI Tracking

KPI	RAG	COMMENTS
Number of projects at each key stage of the identified rationalisation process	■	Tracking graph below
Reduction in operational property costs	■	Baseline to be established –on course
Increase in income from operational assets	■	Scoping underway
Reduction in operational estate footprint	■	Baseline to be established –on course
Increase in desk to FTE ratio	■	Scoping underway
Number of teams supported in a co-located environment.	■	Scoping underway
No of properties closed/exited	■	On course

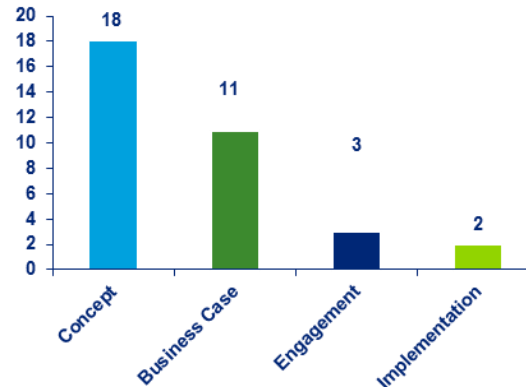
Information Required / Dependencies

1. Significant dependencies on the Transformation Change Programme
2. Post headcount reduction picture required, with detailed breakdowns of team size
3. Articulation of new localities model required, crucially, which teams, including partner agencies, should be located together
4. Detailed negotiations required with new Tier 3 managers regarding team location
5. Robust property costs data required from Finance

Key Planned Activities

1. Business case for office exits being developed, including negotiations with service team managers for relocation
2. Task Force meetings with C&F regarding library and community centre review underway
3. Business case for Wester Hailes locality being developed
4. Negotiations with 3rd party users for Waverley Court continuing

Project Status Tracking



Key Risks

Risk ID	RAG
01 Insufficient resource	■
02 Lack of political engagement and support	■
03 Lack of stakeholder support	■
04 Lack of financial support	■
05 Resistance to property strategies by services	■



Overview of Progress

- Completed SLA scoping workshops with CEC team members
- Technical consultant appointed
- Agreed standard building categories, the in/out of scope services list and service budgets identified for potential transfer in to P&FM
- Reconciled building portfolio lists provided and identified anomalies for validation by SAM
- Developed the SLA "Service Portfolio Matrix" including a) Building List (under review) b) Core Hours by building category c) Service scope by building category and d) rechargeable services
- Drafted briefing note for Heads of Services to launch SLA review

KPI Tracking

KPI	RAG	COMMENTS
New SLA's developed	■	Standardised SLAs and exceptions are being managed through the scoping workshops
Optimised organisation structure and service delivery models	■	Largely to be determined as TC models are designed for Tier 6+. Tier 7 under review and impacted by Hard Services Strategy
Budget vs chargeable costs determined	■	The SLA service scoping process has determined services that will be recharged in future - subject to final approval and acceptance

Information Required / Dependencies

1. Building portfolio list validated
2. Existing service data (headcount, no of supervisors, shift patterns)
3. Hard services strategy input
4. CAFM mobilisation strategy (timeline, deployment date)
5. Approval of budgets included in SLA scope from Finance

Key Planned Activities

1. Finalise service portfolio matrix
2. Commence technical review with technical consultant
3. Finalise service specification document (read in conjunction with the Service Portfolio Matrix) including minimum standards and performance measures
4. Commence detailed SLA engagement
5. Assess hard services delivery model options
6. Develop process blueprint for FM function

Key Risks

Risk ID		RAG
01	Limited Service Customer engagement in SLA and push back on standards	■
02	Timely mobilisation of Technical Consultant	■
04	Agreeing and affecting budget transfers	■
06	Implementing new hard services delivery model	■



Overview of Progress

The Transition work stream governance, planning & control and risk management arrangements have been reviewed and updated. The scope of staff transfers is on-going, with completion expected shortly. A report has been prepared on budget transfer. The technical consultant is due to be appointed and will contribute to the final scope of non-staffing budget transfers and SLA's. Following approval of the proposed structure by CLT on 21/01/16, preparation work for the formal Review of tiers 3&4 has progressed including preparation of JD's, Comms. plan, TOR and the presentation for the staff briefings . The formal consultation period is scheduled for w/c 22/02/16.

KPI Tracking

KPI	RAG	COMMENTS
No. FTE's delivering corporate property services	■	Current structure in place until Org Review is complete – FTE reqd. for new structure expected April 2016
Budget consolidation from service areas	■	Plan prepared for all budget transfers during April 2016. Due diligence underway
Progress of Departmental FTE's transferring into Corporate Property.	■	Phase 1 transfers complete 31/12/16. Further Posts to transfer in to CP by July 2016. Circa 50 possible posts to BSS TBC
SLA Development	■	Workshops complete, stakeholder engagement plan drafted. Technical Consultant appointed.

Information Required / Dependencies

1. Technical Consultant input to Organisational Design/Scope and SLA development
2. Agreement from Client Departments on new SLA's, Staff Transfers, new business processes and new partnership/relationship management model
3. Final agreement on scope of staff transfers with Transformation team and emerging proposals for Commercial Excellence
4. Agreed process to support the continued legacy shared repairs cases

Key Planned Activities

1. Finalise Staff lists across the Transformation programme.
2. Complete document pack prior to formal consultation to begin (JD's, Comms. plan, TOR, presentation, Risk, equalities, structure charts and pooling)
3. Initiate formal consultation period for tiers 3 & 4 w/c 22/02/16
4. Engage with service areas on SLA's/staff transfer to CP
5. Change and culture management process to be drafted
6. Input to the development of an AMS programme communications plan
7. Implement budget transfers as of 1st April 2016

Key Risks

Risk ID	RAG
01 Insufficient budget and staff transferring	■
02 Increased demand FM without an increase in budget	■
03 Double counting income / reduced ability to make savings and maintain facilities and deliver lets.	■
04 Increased absence and attrition	■
05 Budget pressure for ESRS at end of 1 year funding	■

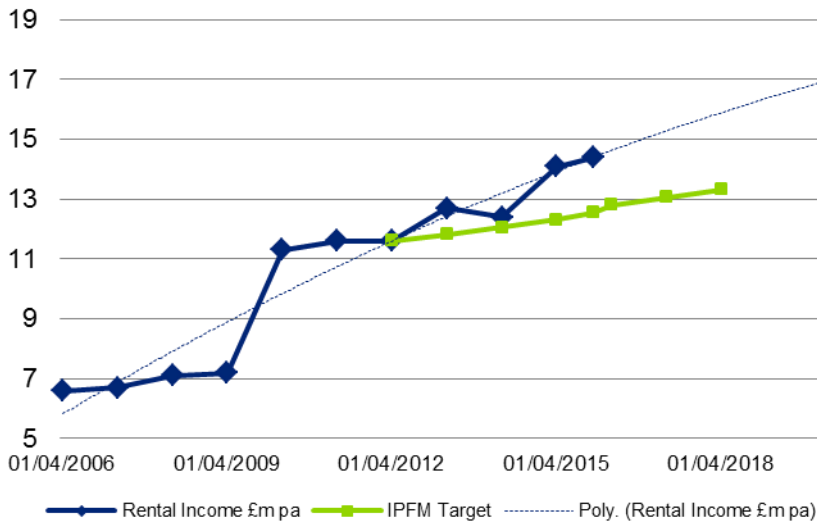


Overview of Progress

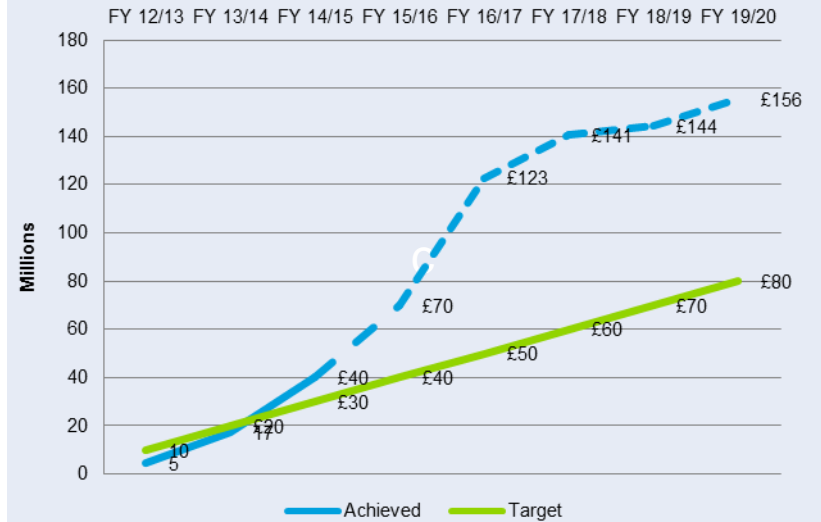
Key activities below have been completed:

- Review of existing data sets to identify current gaps and future improvements
- Analysis of vacant properties and identification of concessionary lets that may have accretive value
- Review of top potential capital growth opportunities
- Review of technology/ systems options and links with finance

Total Rental Income £m pa



Current Capital Receipts Profile 12/13 - 19/20



Key Planned Activities

1. Conduct portfolio analysis to identify high priority investment opportunities
2. Prepare detailed investment criteria and strategy
3. Establish data source solution to analyse Investment Portfolio

Key Risks

Risk ID	RAG
01 Resources to deliver business cases for investment	Yellow
02 Lack of political engagement and support	Yellow

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Governance of Major Projects: progress report

Item number	7.2
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 the updated assurance review schedule and findings of assurance review/health check's undertaken since previous reporting to Committee (see section 3.4 - 3.12).
 - 1.1.3 that CPO is now part of the Transformation Team under the new Strategy and Insight Division.

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.
- 2.2 In Feb 2016, the CPO function was transferred to the newly created Strategy & Insight Division.
- 2.3 This report forms a scheduled quarterly status update for the Finance and Resources Committee and six monthly to Governance Resource and Best value Committee.

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 following priority Assurance Reviews will be undertaken over Q4 2015/16 and Q1 2016/17;
- Edinburgh St James,
 - Health & Social Care Integration,
 - ICT Transition & Transformation Programme,
 - Zero Waste.
- 3.5. A health check on the Fleet Services Programme has been undertaken since previously reporting to Committee. This piece of work assessed the Programme as being 'Amber' status and the review team made the following recommendations:
- Strategic Alignment - ensure Programme scope is re-appraised to reflect Council Transformation Programme resulting in a comprehensive Business Case and Programme Definition Document. Present revised Programme to appropriate sponsoring group(s) for approval.
 - Governance - fill programme management role as a priority and communicate a clear understanding of roles and responsibilities.
 - Business Case - Development of a Programme level Business Case that includes scope, benefits, costs, timescales, options and risks.
 - Resource - Board to review current financial management arrangements to ensure comprehensive and current status updates are provided.
- 3.6. Delivery of an efficient and effective service to front line services and their users coupled with delivery of efficiency savings are key drivers for this programme. The health check identified that although the programme is strategically aligned a comprehensive Business Case remains outstanding and closer working with the Council's Transformation Programme is recommended prior to re-approval through appropriate sponsoring groups.
- 3.7. Governance arrangements also need to be strengthened. There had been some changes to resourcing over previous months resulting in a lack of programme management and team roles not being clearly articulated. The health check also recommended that current board arrangements should be reviewed and establishment of an appropriate governance structure, with sponsoring group and associated projects, and to ensure roles and responsibilities of each group is understood.
- 3.8. Since the previous Assurance Review aspects of a Business Case have been developed. However there remains a lack of a coherent cohesive case that draws together all of the key elements and associated interdependencies between the projects that go to make up this programme. In particular there is

still a requirement for a Business Case detailing scope, benefits, costs, timescales, options and risks. An approach to management of the delivery of the £1.2m savings targeted needs documented and owners to realise these benefits agreed.

- 3.9. The health check reported that a comprehensive risk register is still lacking. This has remained outstanding since the previous Assurance Review and it is now critical that such a register is developed that aligns to the Council's risk management standards and management of risk.
- 3.10. In terms of resourcing the health check recommended that the Programme Board ensure there is capacity and capability within the Programme to deliver as key personnel have changed since the previous review. There is also a recommendation that the Board review current financial management arrangements and appropriate financial reporting provided.
- 3.11. The initial Assurance Review recommended that Communication and Stakeholder Engagement plans were developed. The health check found these still to be outstanding and again specified the need to develop these.
- 3.12. Finally, the health check recommended that the Programme be re-appraised against the Transformation Programme.
- 3.13. Since the review in November the project have made some progress in mitigating the governance and resourcing concerns by appointing an interim travel and fleet manager who is fulfilling both the project and business as usual roles and securing support from the Commercial Excellence Programme. In addition the procurement evaluation panel will have representation from Transformation Programme to facilitate strategic alignment with the wider organisation. However full resolution of the actions remains outstanding. Finance representation have been working with the project to review evaluate a variety of funding options. The Programme definition document has been updated however the action to produce an overarching business case remains outstanding and will continue to be an area of focus.

Current highlights in the major projects portfolio

Water of Leith Flood Defence Scheme – Phase 2

- 3.14. Since the previous update to Committee, McLaughlin & Harvey (MCL&H) have been appointed as the Principal Contractor and Mott MacDonald (MMD), Principal Designer.
- 3.15. Ground Inspection works to inform the main works design commenced before Christmas and scheduled for completion by mid February 2016. Preparation of the main compound at Balgreen is complete and Project staff have now relocated there.
- 3.16. Other preparatory works including gas main diversion are underway. Scottish Gas Networks (SGN) commenced these works last September and they are on target to complete on schedule in March 2016.

- 3.17. The main works will commence late spring/early summer and are scheduled to continue through to completion by Feb 2018.

Leith Programme

- 3.18. 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, covering Constitution Street, Crown Place to Pilrig Street and the Foot of the Walk junction, have been successfully delivered.
- 3.19. A new “tram proofed” design for Phase 4 that covers the area from Pilrig Street to McDonald Road is under design. This will seek to ensure the footway works incorporate tram infrastructure to minimise or negate the need for any further tram works in the footpaths if the project proceeds in the future. Transport and Environment Committee on 12 Jan 2016 approved setting aside Traffic Regulation Order (TRO) objections and making the Order. The two outstanding Redetermination Order (RSO) objections have been referred to Scottish Government for determination. Subject to successful conclusion of the statutory processes described, construction is due to commence late summer 2016.
- 3.20. Phase 5 and 6, McDonald Road to Elm Row and Elm Row to Picardy Place are at concept design phase and construction expected to commence after completion of Phase 4. Work is underway to investigate the possibility of interfacing these latter phases with a possible future tram extension and the Edinburgh St James Development which may have an impact on timescales and third party funding.

Property Conservation (Programme Momentum)

- 3.21. At the time of writing, more than 95% of all owners had been issued with settlement. Acceptance rates for complainants in respect of settlement were at 57%.
- 3.22. Billing of reviewed cases was completed in Oct 2015 at a total invoice value of £17.7m. £10.8m has been received to date and a further £1.4m has been secured through payment plans and inhibitions to give a total settled and secured debt of £12.2m. Non secured debt of £5.5m is being pursued under active instruction to Morton Fraser; this outstanding debt is at various stages of recovery with the final instructions to Morton Fraser being targeted for end March 2016.
- 3.23. The phased implementation of the new service pilot commenced on 1 Sept 2015 and will run until Mar 2017. The new service will be managed within the Corporate Property Service in the new Council Structure.

Additional Consultancy Support

- 3.24. 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.

3.25. 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;
- specific resource to Human Resources and Business Intelligence
- support for the ICT Transition and Transformation Programme.

3.26. The staffing compliment in the CPO has reduced in recent months, and it has been difficult to provide direct support to new projects and undertake the full compliment of assurance reviews internally, although advice and guidance is readily available. This area is currently being reviewed in line with the creation of the new Strategy and Insight Division. The proposed new structures for transformation in the Division include a designated team with expertise across a range of key areas reflecting and building on the success of the CPO. This has been designed to improve future levels of 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, 26 November 2015

Andrew Kerr

Chief Executive

Kirsty-Louise Campbell, Interim Head of Strategy and Insight

E-mail: kirstylouise.campbell@edinburgh.gov.uk | Tel: 0131 529 3654

Simone Hislop, Major Projects Manager

E-mail: simone.hislop@edinburgh.gov.uk | Tel: 0131 529 2145

Links

Coalition pledges	<p>P03 - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P20 - Work with the Scottish Government to deliver a larger return of business rate receipts as part of the Business Rates Incentivisation Scheme (BRIS)</p> <p>P23 - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties</p> <p>P27 - Seek to work in full partnership with Council staff and their representatives</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> <p>P36 - Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model</p> <p>P41 - Take firm action to resolve issues surrounding the Council’s property services</p> <p>P44 - Prioritise keeping our streets clean and attractive</p>
--------------------------	--

	<p>P47 - Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs</p> <p>P49 - Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill</p> <p>P51 - Investigate the possible introduction of low emission zones</p> <p>P53 - Encourage the development of Community Energy Co-operatives</p>
Council outcomes	<p>C01 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.</p> <p>C02 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.</p> <p>CO25 – The Council has efficient and effective services that deliver on its objectives.</p> <p>CO26 – The Council engages with its stakeholders and works in partnership to improve services and deliver on agreed objectives</p>
Single Outcome Agreement	All
Appendices	Appendix 1 - Overview of CPO major projects portfolio – Jan 2016

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 was 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. £1.24m has been awarded to 1,124 businesses across Scotland (£435,000 has gone to 515 businesses in Edinburgh, Lothians, Fife and Borders). The Voucher Scheme is now closed to new applicants. - Public Building Wi-Fi – 62 of 70 buildings are now live. The remainder are scheduled to be completed, on an interim circuit, by the end of March 2016. - Wireless Concession – work has been progressing on lighting and wayleaves. BDUK had agreed an increase in the enhanced concession budget to £305K. However this funding will only be made available if the concession contract is signed by the end of March 2016. - 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. 	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 March 2016.	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). Since deployment there has been 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>BDUK funding for Wireless Concession project is withdrawn due to contract not being signed/lack of progress.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP8	James Gillespie's Campus	The teaching block was completed in April 2015 and is already occupied by the school. Construction of the performance and sports blocks and other site infrastructure including car parking, the all-weather pitch and landscaping is progressing well and on programme. Bruntsfield House summer 2015 works were completed within programme.	Phase 1 (teaching block) and Secondary School decant complete. Phase 2 (performance and Sports blocks and other site infrastructure) completion scheduled for August 2016 - on programme.	The forecast costs to completion are within the project budget.	Process to ensure defects recorded, actioned and monitored in place.		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 establish three new limited liability partnerships with developers and Scottish Futures Trust to deliver up to 385 affordable homes. Contracts are subject to statutory consents and delivery of completed homes by end Dec 2019. The first contract signing for 80 homes at Fruitmarket, Chesser took place in April 2015. The Fruitmarket development was scheduled to start on site in Nov 2015.	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.	Previous 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	Gracemount: development complete and all	Programme progress	Within budget	Greendykes was a runner up	Community	Risk: Green

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
	Homes	<p>properties let. Work progressing on Phase 2 with £735k secured in developer receipts.</p> <p>Greendykes C: development complete and all properties let.</p> <p>West Pilton Crescent: development complete and all properties let. 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 commenced end August 2015.</p> <p>North Sighthill: Design work instructed to enable an Approval of Matters specified by conditions (AMC) application submitted to planning in July 2015, in respect of the Council housing. Approval was granted by the Development Management Sub Committee on 21 Oct 2015. Tenders were invited for the project in Nov 2015.</p> <p>Leith Fort: Tenders approved at Finance & Resources Committee in June 2015 and contract has been awarded following a standstill period. Site start was anticipated 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</p>	<p>within target timescale.</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>at the Homes for Scotland 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>Benefits 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)
		Council's procurement team. A report was taken to Finance and Resources Committee in Feb 2016 seeking approval to award contracts.					
MP12	New Boroughmuir High School	<p>The contractor (OHMG) has advised that they are now behind programme due to the exceptional adverse weather which they have experienced over recent months.</p> <p>The concrete pours to levels -01, 00, 01 and 02 are complete; level 03 is due to be completed on 19 February 2016 with the roof in mid-March. Works to the external envelope have commenced with the framing and glazing; levels -01 and 00 are nearing completion. The M&E 1st fix has commenced with off-site modular units now being installed to the corridors. Internal partitions continue to progress to levels 00 and 01.</p> <p>Progress is monitored weekly through a review of the programme activities.</p> <p>The park was handed over on the 30 Sept 2015, five months earlier than the contract completion date.</p>	<p>OHMG have advised that the exceptional adverse weather conditions in recent months has had an adverse impact on progress complete the concrete structure meaning that the project completion date will now require to be revised.</p> <p>OHMG report that this adverse weather has resulted in a delay of 30 days from the previously revised completion date of 23 Sept 2016 and that the revised completion date is now 28 Oct 2016. An Extension of Time claim to that effect has been submitted by OHMG which is currently being assessed by our agents.</p> <p>Discussions are currently ongoing with the school regarding the move to the new building which is</p>	The forecast costs to completion are within the project budget.	<p>A Clerk of Works will be employed to ensure the works are undertaken to the expected quality standard.</p> <p>A Technical Advisor is employed to carry out further inspections and to ensure the main contractor undertakes all quality inspection and completes all the necessary quality documentation.</p>		Risk: Red (due to delay)

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
			<p>now anticipate to take place around the Christmas 2016 break with pupils moving to the new school at the start of the Jan 2017 term. The intervening period between contract completion and occupation will allow time for pupils and staff to become familiar with the new school in advance of moving to it.</p> <p>This change has been communicated to the school community.</p>				
MP13	New Portobello High School	<p>Balfour Beatty (BB) has continued with steady progress on the fabric and structure of the building however they have advised that they are still behind programme. This is after taking into consideration the additional five week extension of time award they were granted in response to their 21 week claim which extended the contract completion date to 15 July 2015.</p> <p>BB have indicated that they cannot meet the revised contract completion date however we are working closely with them to establish</p>	<p>The current contract completion date, taking into account the approved extension of time, is 15 July 2016.</p> <p>BB has indicated that they cannot meet the revised contract completion date. Whilst work is ongoing to resolve the issue, in the meantime we are now</p>	The forecast costs to completion are within the project budget	Regular inspections are undertaken to ensure that the appropriate standard is being maintained.		Risk: Red Status has been set at red due to delay.

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>what the earliest realistic completion date would be. Generally they are now in control of the works with the exception of a number of issues with utilities and Highway consents. In particular BB has not yet been able to secure a drainage connection regarding which discussions are currently ongoing. The CEC project team are also working closely with BB to assist where possible with any other programme issues.</p>	<p>planning on the basis that we will move into the new school in January 2017.</p> <p>However there remains a possibility that this issue can be resolved more quickly and, if that is the case, the school would move at the earliest school holiday period which would be the October 2016 break. We are keen to achieve this if at all possible and will do everything we can to make that happen.</p> <p>However, a later date than August 2016 will allow for orientation visits for both staff and pupils before the new school opens. It will also allow the new S1s (currently P7) to settle into the routine of secondary school before they have to get used to the new building and the school will be developing specific plans to support</p>				

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
			<p>the transition for them.</p> <p>The plans which the school has to commemorate the current building are not affected by this development with events planned for 3 and 4 June 2016.</p> <p>This position has been communicated to the school community.</p>				
MP29	<p>Water of Leith, Flood Prevention Scheme Phase 2</p>	<p>McLaughlin & Harvey (McL&H) and Mott MacDonald (MMD) have been appointed as the Principal contractor and Principal Designer respectively. The construction plan is currently being finalised.</p> <p>Ground Inspection works started before Christmas 2015 and completed mid Feb 2016. Preparation of the main compound at Balgreen is complete and CEC staff will relocate there.</p> <p>Scottish Gas Networks (SGN) diversion of the gas main remains on programme for completion by mid March 2016.</p>	<p>Programme progress is within target timescales.</p>	<p>Programme cost is within budget.</p>	<p>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.</p> <p>Ongoing stakeholder engagement activities have raised no significant issues.</p>	<p>Protect 492 residential & commercial properties.</p> <p>Reduce dependency on temporary flood defences.</p> <p>Provide enhanced access to the riverside.</p> <p>Improve quality of life for residents affected by flooding.</p>	<p>Risk: Green</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP22	Zero Waste: Edinburgh and Midlothian	<p>Food waste project – late delivery of electricity on site (through circumstances beyond the control of ZWT) has resulted in delays for ARE's subcontractors. See next column for the knock on effect of this delay.</p> <p>Provision of access road, bridge, power, potable water, and communication lines are now complete.</p> <p>Residual waste project - FCC Medio Ambiente SA (FCC), the preferred bidder, lodged a planning application with Midlothian Council (March 2015), and obtained consent for the energy from waste facility in Sept 2015. Only one formal objection was received with no public objections.</p> <p>The final tender price was held until October 2015, but the project team is now reviewing the target date for financial close to take account of Judicial Review Risk. Financial close is targeted for early 2016.</p>	<p>Food Waste Transition has experienced minor slippage. Service commencement delayed from late Dec 2015 to early 2016.</p> <p>The residual waste project remains within target timescales.</p>	<p>Current forecast indicates project will come in or below budget. However the capital budget is still under some pressure as construction 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. (See paper from F&R Committee - 27 Nov 2014).</p> <p>Work is ongoing to mitigate the financial impact of this, with a number of options</p>	<p>An assurance review undertaken in December 2014 assessed the programme as Amber- Green (delivery probable). A follow up Assurance Review is scheduled for Q4 2015/16.</p>	<p>Benefits Realisation Plan remains under construction</p>	<p>Risk: Green Planning risks are of a low likelihood but carry very severe impacts should they materialise.</p> <p>Substantial mitigation strategies agreed by the Project Board are in place.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
				under consideration.			
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 (subject to successful conclusion of statutory processes and there being no delay as a result of incorporating tram enabling works). PQQ process to commence on 22 Feb 2016 for this phase of tenders</p> <p>Phase 5 (McDonald Road to Elm Row) Tram proofed design concept likely to also be applied to Phase 5. Design in development. Construction expected to commence after completion of Phase 4 (subject to statutory processes). Discussions ongoing with providers of third party funding on current funding conditions relating to timescales for delivery.</p> <p>Decision taken at full Council on 10 Dec 2015 to undertake tram enabling works as part of Phases 4 and 5 and to merge the Leith Programme and Tram Extension projects going forward</p> <p>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. Following decisions taken at full Council on 10</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 to interdependencies with a possible future tram extension on Leith Walk, and the St James Quarter redevelopment.</p> <p>Discussions ongoing with providers of third party funding on current funding conditions relating to timescales for delivery.</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 James development proposal. Options for containing these costs are reviewed by on an ongoing basis with representation from Finance.</p> <p>Agreement of a new memorandum of understanding with Sustrans regarding external funding contribution in future years are ongoing and target conclusion date set for March 2016.</p>	<p>New “tram proofed” design for phase 4 modified to reflect feedback arising from public engagement – design approved by the Oversight Group on 9 July.</p>	<p>Increase in cyclists using Leith Walk.</p> <p>Improved cycle pedestrian & businesses env.</p> <p>Increased levels of satisfaction within the local Community.</p> <p>Fewer claims/complaints-trips & potholes.</p> <p>Enforcement of parking/loading restrictions.</p>	<p>Risk Red/ Amber</p> <p>Due to interdependencies and the potential impact on costs.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Dec 2015, this phase will now most likely be delivered as an integral part of a tram extension, as allowed for in the current Tram Extension Outline Business Case.					
MP25	Forth Replacement Crossing	<p>Transport Scotland (TS) is the lead agency for construction of the bridge. The Forth Crossing Act sets out the process of some enabling road and property assets to the Council as the Local Authority and Roads Authority.</p> <p>Construction of the U221 road now complete. This road will not come under CEC management until all side roads are complete. The 5 year defect liability period will then commence.</p> <p>Widening of Society Road complete. Amber status will remain until defects have been repaired and CEC agrees handover.</p> <p>Realignment of the A904 now complete and open to traffic. Installation of new traffic signals for new roundabout is complete. However significant defects have been identified on the roads and footpaths to be adopted by CEC. The Council are currently in discussion with TS to ensure non-conforming works are resolved.</p> <p>B800 bridge construction works complete. Status will remain amber until adoption extents are agreed and final inspections completed.</p>	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.	<p>TS and CEC have not agreed the official inspection and handover process.</p> <p>Work in progress with Transport Scotland to define adoption extents, clarify handover, and quality assurance processes.</p> <p>Establishment of a Memorandum of Understanding underway with TS.</p>	Enhance transportation links locally and nationally.	Risk: Amber
MP28	H&SC	The first meeting of the Edinburgh Integrated	All integration authorities	In May 2014, the	Audit and Risk Committee	High level	Risk: Amber

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
	Integration	<p>Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August 2015. The third IJB Development Session in Strategic Planning and Finance took place on 11 December 2015. The fourth formal business meeting took place on 15 January 2016.</p> <p>EIJB Audit and Risk Committee membership and remit agreed. EIJB Performance Sub group agreed in principle and Chair appointed.</p> <p>Joint Leadership Group received update on budget position mid Jan 2016 Council budget set for EIJB at high level.</p> <p>Responses from Draft Strategic Plan consultation analysed and reported to EIJB in Jan 2016.</p>	<p>and associated delegation must be in 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>Scottish Government 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.</p>	<p>remit and membership agreed. Part of the responsibility of this function will be to monitor quality elements.</p>	<p>benefits 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>Governance between the IJB and Council although drafted needs to be agreed.</p> <p>Council's liability policies may not operate. Integration scheme details claims handling process. Council awaiting further detail from CNORIS.</p>
MP30	Recycling Service Project	Nil return- to follow					
MP31	Fleet Review	<p>The fleet review programme is designed to deliver cost savings from 14/15 onwards through modernisation of the Council vehicle fleet, principally by rationalisation and reduction in overall fleet vehicle numbers.</p> <p>The cars and vans procurement has been completed with nearly all of the vehicles now having been delivered. All 17 Refuse Collection</p>	<p>The wider fleet review is behind schedule however resource has now been recruited to manage this project</p>	<p>Fleet and Corporate Finance continue to work together to identify optimal funding arrangements for the fleet, as well as identifying opportunities to re-organise the</p>	<p>Working with department and the transformation programme to define future requirements.</p>	<p>The programme is designed to deliver efficiencies and it is anticipated that in the longer term this can be exceeded</p>	<p>Risk Amber/Red</p> <p>Behind schedule, but remedial action now being taken to</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>Vehicles (RCVs) have now arrived, alongside the 9 RCVs procured as part of the in-house transfer of dry mixed recycling and glass collections. 4 new side-loading RCVs are due to arrive in March and June 2016.</p> <p>Work continues on the scoping of the wider Fleet Review. A project scope will be presented to both SMT and CLT in the coming weeks to seek approval to commence this work.</p>		accounting structure for fleet to allow greater financial certainty across the life of our vehicle assets. It is anticipated that this can be delivered within the capital budget			drive this project forward
MP32	Programme Momentum (previously Property Conservation / Shared Repairs)	<p>Programme Momentum has completed 18 months and is currently on schedule and key risks and issues are being managed via the Programme Board. The settlement process is on target to finish shortly and good progress is being made with the debt recovery under the existing Morton Fraser contract. The legal workstream continues to escalate as more debt recovery cases are pursued by the Council. The new service pilot commenced on 1 September 2015 and a number of pilot projects have been identified to test the new service procedures. Customer enquiries and FOI requests are decreasing but remain complex.</p> <p>Outstanding debt is at various stages of recovery with the final instructions to Morton Fraser being targeted for end March 2016.</p> <p>Phased implementation of the new service commenced on 1 Sep 2015 and will run to the end Mar 2017.</p>	Programme is currently progressing to schedule.	A provisional budget has been reviewed by the Project Board. Additional provision requires to be made in expectation of the costs of defence of legal cases, expert witness costs, additional case reviews, defect reparations, record maintenance, claims recovery and associated consultants costs. The Project remains a key financial and reputational risk to the Council.	The last 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>	Risk: Amber Reputational and ability to realise full debt.

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP33	Edinburgh St James	<p>The Compulsory Purchase Order (CPO) inquiry is to run from 24 September to 1 October, which is later than the Developer (TIAA 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>	The over-run of the CPO inquiry has had a knock on effect to the commencement of works on site, with reports delaying the start to early 2016.	<p>Contractual arrangements have been structured to minimise financial risk to CEC.</p> <p>Council costs are being invoiced and paid for by the Developer.</p>	Key dependencies are now partly owned by a representative from the dependent projects i.e. the Leith Programme, and the potential Tram Extension	Redevelopment of an area at east end of 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.	<p>Risk: Amber/Red</p> <p>Although the 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.</p>
MP34	ICT Transition & Transformation	Project is running on timescale with no major concerns for the Service Cutover Date from the incumbent to CGI on 01 April 2016. Technical challenges posed relating to the closure of the	On Time	Additional costs have been identified but their total is expected to be significantly less	Assurance Review pending	Benefits are due to accrue from 2016/17 onwards; the	Risk Amber CGI and Council Programme

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
	Programme	incumbent's Data Centres and Network by 30 June are being addressed		than the sums noted for contingency.		<p>planning for Benefits Realisation and delivery of Community Benefits and use of local SMEs is at and advanced stage. SME engagement has started early.</p> <p>New WAN circuits (for example Drummond Community High School are noticeable faster)</p>	Assurance are working hard to ensure the incumbent co-operates fully. However the complexities and scale of Programme and Project Management remains high and therefore by their nature will remain Amber until the key data centre migration have completed
MP35	Early Years Projects	This comprised three distinct and separate projects, Fox Covert, Duddingston and Wardie nurseries were all completed on 14 August, and all commenced operation on 17 August. Nursery snagging inspections have been	All projects were delivered on programme.	The forecast costs to completion are within the project budgets which have been revised as necessary.			Risk: Green

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>undertaken with rectifications being carried out.</p> <p>Regarding the only remaining elements within these projects, the proposed synthetic pitch and store shed at Fox Covert Primary School, it has now been confirmed that these are both permitted developments. The works will be undertaken during the summer 2016 break.</p>					

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Proposed Corporate Health and Safety Plan 2016/17

Item number 7.3
Report number
Executive/routine
Wards

Executive Summary

In 2015, the Council set out the foundations of an enhanced health and safety infrastructure, which is aligned with the Council's Risk Management Framework. It also reinforced its commitment to a culture of 'zero harm' where health and safety is everyone's responsibility.

The Council achieved a 15% decrease in the number of 'reportable' injuries to employees in 2015 compared with the previous year: these represent the more serious injuries that are required to be reported externally to the Health and Safety Executive (HSE).

The focus for 2016/17 is to ensure that health and safety risks are managed in a proportionate and efficient way. The Council will build on progress across the six key priority areas, and will also focus on three key principles: Clarity, Competence and Culture.

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

Proposed Corporate Health and Safety Strategy 2016/17

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee agree the proposed Corporate Health and Safety Plan for 2016/17, and notes progress and performance for health and safety in 2015.

2. Background

- 2.1 The Corporate Health and Safety Strategy for 2015/16 was agreed in March 2015. The strategy set out six key priority areas, designed to meet a commitment to a culture of 'zero harm' in an environment where health and safety is everyone's responsibility. The key priority areas were:
 - 2.1.1 Governance, assurance and oversight.
 - 2.1.2 Risk management.
 - 2.1.3 Measurement.
 - 2.1.4 Leadership and accountability.
 - 2.1.5 Training.
 - 2.1.6 Communications.
- 2.2 The purpose of this report is to update on progress and performance in 2015 for health and safety, and to set key priorities for 2016/17.

3. Main report

- 3.1 The health and safety of employees, and third parties who are impacted by the Council's operations, is a fundamental responsibility of any organisation.
- 3.2 During 2015, the Council reinforced its commitment to health and safety. A commitment to a culture of 'zero harm' in an environment where health and safety is everyone's responsibility was communicated by Sue Bruce, the former Chief Executive at the inaugural Health and Safety Conference in March 2015, which was attended by over 300 managers and representatives from the Trade Unions.

Health and safety infrastructure

- 3.3 In 2015/16, the Council set out the foundations of an enhanced health and safety infrastructure. Arrangements for health and safety governance and oversight were strengthened, and aligned with the Council's Risk Management Framework. In addition, Corporate Health and Safety also collaborated with Internal Audit on the Schools' Assurance Framework. This was a new initiative in 2015/16, designed to inform and support the Director of Communities and Families' annual assurance statement and enhance the Communities and Families control framework.

Health and safety performance in 2015 (Appendix 1)

- 3.4 The Council achieved a 15% decrease in the number of 'reportable' injuries to employees in 2015 compared with the previous year. These represent the more serious injuries that are required to be reported externally to the Health and Safety Executive (HSE).
- 3.5 In 2015, the employee injury rate was 7.3 per 100 employees and 3.3 minus assaults, a slight increase compared with 7.2 and 3.2, respectively, in 2014. Over half of all employee injuries in 2015 resulted from assaults (with and without intent to cause harm).

Employee support

- 3.6 There was a focus on the provision of support via the Employee Assistance Programme to employees during a period of significant organisational change in 2015/16.

Key priorities and themes for 2016/17

- 3.7 The key priorities for 2016/17 are outlined in Appendix 2. The focus is to ensure that health and safety risks are managed in a proportionate and efficient way. The Council will build on progress made in 2015/16 across the key priority areas, and will also focus on three key principles.



4. Measures of success

4.1 Measures of success include:

- 4.1.1 reduction in losses arising from work related injury and ill health, caused by failure to manage health and safety;
- 4.1.2 reduction in potential for criminal or civil prosecution caused by failure to manage health and safety or failure to meet legal & regulatory requirements; and
- 4.1.3 reduction in potential for reputational damage, associated with failure to manage health and safety.

5. Financial impact

- 5.1 The financial impact will be contained within existing budgets.

6. Risk, policy, compliance and governance impact

- 6.1 The Council Health and Safety Strategy sets out priorities to support the management of the following key risks for the Council: Legal Risk, Regulatory (Compliance) Risk, and People Risk. The potential impact of these risks includes death, injury and ill health, in addition to legal liabilities and reputational damage.

7. Equalities impact

- 7.1 There is no direct equalities impact as a result of this report.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 Consultation with the recognised Trade Unions has been undertaken. The proposed strategy has been reviewed by the Corporate Leadership Team (CLT).

10. Background reading/external references

[Report to Finance and Resources Committee, 19 March 2015: Health and Safety: Proposed Health and Safety Governance Framework](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Susan N Tannahill, Council Health and Safety Manager

E-mail: susan.tannahill@edinburgh.gov.uk | Tel: 0131 553 8336

Links

Coalition pledges

Council outcomes

**Single Outcome
Agreement**

Appendices

Appendix 1: Health and Safety Performance in 2015

Appendix 2: Proposed Corporate Health and Safety Plan
2016/17



Appendix 1

Corporate Health and Safety Performance in 2015



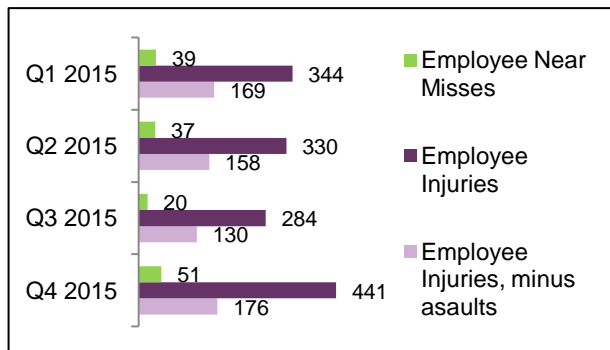
Health and Safety Performance in 2015

Employee Incidents

	Q1	Q2	Q3	Q4
Employee injuries	344	330	284	441
Employee injuries (minus assaults)	169	158	130	176

Near misses**

	Q1	Q2	Q3	Q4
Near misses (with potential impact on employees)	39	37	20	51
All near misses	330	269	270	373



It is recognised that there is under reporting of near misses (based on the Council's reported injury statistics compared with well established injury, near miss ratios), including potentially serious H&S incidents that could have, under different circumstances, resulted in serious injury or fatality.

RIDDOR* We are required to report the most serious incidents to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

Near miss** is a type of incident which **injury, ill health**, or fatality could have occurred, but didn't actually occur.

RIDDOR* Reportable Incidents

	Q1	Q2	Q3	Q4
Major/Specified Injury	6	3	2	7
Over-7 day injury	18	20	9	7
Dangerous Occurrence	2	0	0	0
Member of public to hospital (includes pupils)	1	2	1	2
Occupational Disease	0	1	2	1

Prosecutions

No prosecutions.

Enforcement Action

1. One HSE Notice of Contravention (EBS - asbestos release).
2. 5 HSE investigations were carried out:
 - Liberton High School (goal post incident).
 - Southhouse CSU (assault).
 - EBS (asbestos release).
 - Powerderhall (in response to allegations about unsafe work practices).
 - Parks and Greens (grass cutting incident).

Fire Authority - Letters requiring action

7 letters (predominately involving false alarm activations).

Employee Injuries

There were 1399 employee injuries, and 633 minus assaults. The employee injury rate for 2015 is 7.3 per 100, and 3.3 excluding assaults. This compares with 7.2, and 3.2 excluding assaults in 2014.

RIDDOR Reportable Incidents

There were 18 'major/specified' reportable injuries and 54 over-7 day reportable injuries involving employees.

The total number of 'major /specified' and over -7 day injuries for 2015 was 72. This compares with 85 in 2014 (15% decrease).

There were 2 Dangerous Occurrences (fire at crematorium and asbestos release) . This compares with 3 in 2014.

6 members of the public were taken to hospital (2 members of the public and 4 pupils). This compares with 3 in 2014.

There were 4 Reportable Occupational Diseases (3 hand arm vibration and 1 carpal tunnel). This compares with 1 in 2014.

Top 3 Injury Causes

The top three causes of injuries were:-

1. Assaults on staff (55%)
2. Slips, trips and falls (13%)
3. Injured whilst lifting, handling and carrying (7%)



Key achievements in 2015/16

Strategic priority area	Key Achievements
Governance Assurance and Oversight	<ul style="list-style-type: none"> • Corporate H&S Governance Framework approved • Membership confirmed for new H&S Groups (Council H&S Group and Council H&S Consultation Forum) • Inaugural meeting held for Council H&S Consultation Forum. Meeting scheduled for Council H&S Group in March 2016 • Specific questions on H&S controls added to Directors' Assurance Statement • Collaboration with Internal Audit on the development and delivery of the Schools Assurance Programme. This was a new initiative in 2015/16 designed to inform and support the Director of Communities and Families' annual assurance statement and enhance the Communities and Families control framework. Audits were carried out in 15 schools to assess the internal controls and processes • 63 H&S audits were carried out as part of the rolling audit programme, plus 2 topic audits (vibration and graveyard safety) • Enhanced oversight on H&S performance (H&S reporting at Corporate Leadership Team (CLT) meetings, Senior Management Team meetings and Risk Committees)
Risk Management	<ul style="list-style-type: none"> • H&S incident investigations extended to all 'reportable' incidents, plus the more serious incidents, to identify immediate and underlying / root causes • Review of existing controls for hand and arm vibration (HAV) • Review of existing health checks / controls for HGV drivers • Initial review of control of contractors • Smoke Free Policy approved. Smoking restrictions extended to areas surrounding Council buildings and play parks, and e-cigarettes
Measurement	<ul style="list-style-type: none"> • H&S incident reporting categories aligned on SHE (electronic H&S management system / database) • H&S performance dashboards developed. Improved insight on H&S performance for both leading and lagging indicators • Health and wellbeing dashboards developed. Improved insight into causes of absence (including stress and musculoskeletal ill health); health surveillance and utilisation of OH and employee assistance programme • Health and Wellbeing Index developed using Pulse Survey Scores to identify potential stressors



Key achievements in 2015/16 (cont'd)

Strategic priority area	Key Achievements
Communications	<ul style="list-style-type: none"> • Health and safety landing page on Orb re-designed • Link to Orb health and safety landing page added to front page of Orb • H&S Communications focus groups held for various employee groups. The feedback will be used to inform the Corporate H&S Communications Strategy
Training	<ul style="list-style-type: none"> • Corporate H&S Training Programme in place – 96 H&S training courses delivered • Oversight in place to support a high standard of training delivery • ‘H&S Training Course for Senior Executives’ delivered for CLT (by external provider) • All existing Corporate H&S training courses (15) reviewed and updated. In addition, sessions plan developed with course aims, objectives and learning outcomes • Corporate H&S Training Strategy for 2016/17 developed
Leadership and Accountability	<ul style="list-style-type: none"> • Inaugural Health and Safety Conference, which was attended by over 300 managers and representatives from Trade Unions. The key message was ‘Health and Safety is Everyone’s Responsibility’ • H&S is standing items at weekly CLT meetings • Generic H&S responsibilities for employees and line managers added to Job Descriptions • H&S roles, responsibilities and accountabilities set out in the Corporate H&S Policy have been reviewed. Further work is underway to clarify operational H&S roles and responsibilities for discharging H&S accountabilities
Corporate H&S Team	Building a new Corporate H&S Team. Recruitment is still ongoing to fill vacant roles

Risk

Safety

**Corporate Health and Safety Plan
2016/17**

Introduction

In 2015/16, the Council set out the foundations of an enhanced health and safety infrastructure, which is aligned with the Council's Risk Management Framework. The arrangements for governance, measurement and oversight for health and safety risks have been strengthened.

Corporate Health and Safety also collaborated with Internal Audit on the Schools Assurance Framework. This was a new initiative in 2015/16, designed to inform and support the Director of Communities and Families' annual assurance statement and enhance the Communities and Families control framework.

The commitment to a culture of 'zero harm' where health and safety is everyone's responsibility was reinforced by Sue Bruce, the former Chief Executive, at the Council's inaugural Health and Safety Conference in March 2015, which was attended by over 300 managers and representatives from Trade Unions.

Susan N Tannahill
Council Health and Safety Manager
Legal and Risk

February, 2016



There was also a focus on the provision of support, via the Employee Assistance Programme, to employees during a period of significant organisational change in 2015/16.

The Council achieved a 15% decrease in the number of 'reportable' injuries to employees in 2015, compared with the previous year: These represent the more serious types of injuries that are reported externally to the Health and Safety Executive (HSE).

The focus for 2016/17 is to ensure that health and safety risks are managed in a targeted, proportionate and efficient way. The Council will build on progress made in 2015/16 across the six key priority areas, and will also focus on three key principles:

- Clarity
- Competence
- Culture



Key priorities and principles in 2016/17

Vision for our city

Our vision is to ensure that **Edinburgh is a thriving, sustainable capital city** in which all forms of deprivation and inequality are reduced

Council Business Plan

To meet this vision, our Council business plan sets out four strategic priorities which guide all our work

Improve Quality of Life

Ensure Economic Vitality

Build Excellent Places

Deliver Lean and Agile Council Services

Across all these priorities, the starting point to delivering a thriving, sustainable capital city is ensuring people are safe. Towards this, our Corporate Health and Safety Strategy commits the Council to a **culture of 'zero harm'** and to **proportionate and efficient risk management**, where **health and safety is everyone's responsibility**

Corporate H&S priorities

The Council will build on progress in 2015/16 across the **six key priority areas**, and will also focus on delivering work through **three key cross-cutting principles**

Governance, Assurance and Oversight

Risk Management

Measurement

Leadership and Accountability

Training

Communications

Cross cutting principles

Our success in delivering these priorities will be enhanced by ensuring all our work is built around these three key cross cutting principles

Clarity

We have absolute clarity on H&S roles and responsibilities for discharging H&S accountabilities, across all Services

Competence

We have sufficient and relevant H&S training and experience or knowledge, at all levels

Culture

We have a culture of 'zero harm' and proportionate and efficient risk management, where H&S is everyone's responsibility



Key priorities in 2016/17

Clarity

Competence

Culture

Strategic priority area	Outcomes	Key Objectives
Governance, Assurance and oversight	Robust governance and oversight arrangements in place	<ul style="list-style-type: none"> Quarterly meetings held for the Council H&S Group and H&S Consultation Forum H&S performance reported at CLT and Department Risk Committees each quarter. Significant risks and issues escalated as they arise
	Communities and Families control framework further enhanced	<ul style="list-style-type: none"> Schools' Assurance Framework extended across Communities and Families (to include community centres, residential schools and early years centres in addition to primary and secondary schools) Continued collaboration with Internal Audit
	H&S assurance programme in place	<ul style="list-style-type: none"> 2016 H&S audit programme delivered H&S audit template refreshed (aligned with ISO18001 standards)
	Independent (external) H&S audits undertaken	<ul style="list-style-type: none"> Internal Audit for Health and Safety (by PwC) Independent external H&S audit in schools (by Insurers)
Risk Management	H&S plans in place to deliver the 2016/17 strategy	<ul style="list-style-type: none"> Corporate H&S plan in place and delivered Department H&S plans in place and delivered
	Corporate H&S Policy re-launched and sub Policies reviewed and updated	<ul style="list-style-type: none"> Corporate H&S Policy reviewed and updated, setting out key controls and roles, responsibilities and accountabilities for health and safety Sub-policies reviewed and updated
	Existing controls strengthened for significant H&S risks	<ul style="list-style-type: none"> Review hazardous activities/ significant risks at Service level across all Directorates, to identify opportunities to strengthen existing controls
	Absolute clarity on H&S roles and responsibilities for discharging H&S accountabilities	<ul style="list-style-type: none"> Blue print operational H&S roles and responsibilities set out for schools Operational H&S roles and responsibilities set out for other areas as appropriate (where there is ambiguity) including Health and Social Care Integration
Measurement	H&S performance measured against agreed KPIs and benchmarking information	<ul style="list-style-type: none"> H&S performance dashboards developed on a quarterly basis Benchmarking for H&S incident statistics

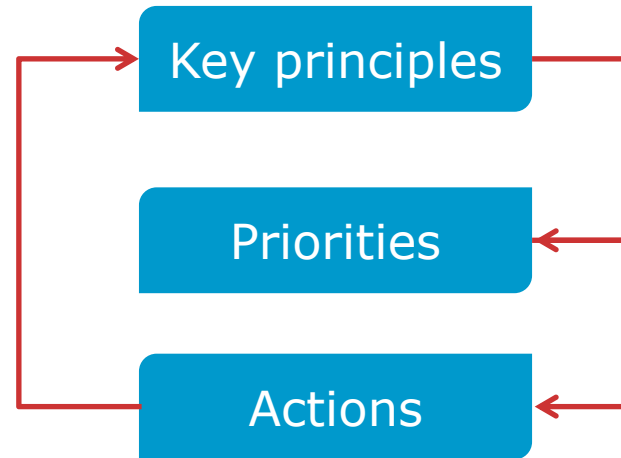


Key priorities in 2016/17 (cont'd)

Clarity		Competence	Culture
Strategic priority area	Outcomes	Key Objectives	
Leadership and Accountability	Health and safety culture strengthened	<ul style="list-style-type: none"> • Health and Safety Conference held – focus on Risk Assessment 	
	Clarity on H&S accountabilities	<ul style="list-style-type: none"> • H&S accountabilities clearly defined and communicated (as part of the Corporate H&S Policy re-launch) 	
Training	H&S awareness and competence strengthened, at all levels	<ul style="list-style-type: none"> • Develop a training needs analysis methodology and guidance to support managers to identify H&S training requirements 	
		<ul style="list-style-type: none"> • Review and refine existing Corporate H&S training programme to offer proportionate and relevant H&S training at all levels (including Elected members, Directors, Senior Managers, and role specific) 	
		<ul style="list-style-type: none"> • Deliver Corporate H&S training programme, ensuring consistent high standard of delivery 	
Communications	Health and safety awareness strengthened through targeted H&S communications	<ul style="list-style-type: none"> • Develop and roll out Corporate H&S communications strategy 	
	H&S information and guidance is easily accessible	<ul style="list-style-type: none"> • Review and refine H&S information and guidance on Orb 	
Corporate H&S Team	All vacant roles filled and team re-aligned		

Embedding our principles

This strategic plan is underpinned by three key principles which inform and drive all our work. These principles are essential to the success of our priorities. In turn, our priorities are built around ensuring these principles are strongly embedded in everything we do.



	Clarity	Competence	Culture
Cross Cutting principles	We have absolute clarity on H&S roles and responsibilities for discharging H&S accountabilities, across all Services	We have sufficient and relevant H&S training and experience or knowledge, at all levels	We have a culture of 'zero harm' and proportionate and efficient risk management, where H&S is everyone's responsibility
Supporting priorities	We will ensure clarity through our priorities of: Governance, Assurance and Oversight Risk Management, and Measurement	We will ensure Competence through our priorities of: Training, and Governance, Assurance and Oversight	We will embed our culture of zero harm through our priorities of: Leadership and Accountability Training, and Communications



Finance and Resources Committee

10.00am, Thursday 17 March 2016

Re-employment and Re-engagement of staff

Item number	7.4
Report number	
Executive/routine	
Wards	All

Executive summary

The purpose of this report is to seek approval in relation to the re-engagement or re-employment of former employees who have left employment with the Council through Voluntary Early Release Agreement (VERA) or Voluntary Redundancy (VR).

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All

Re-employment and Re-engagement of staff

Recommendations

- 1.1 It is recommended that the Committee agree the proposed time bar of one year (from date of leaving) before re-engagement or re-employment of former employees who have left employment with the City of Edinburgh Council via Voluntary Early Release Agreement (VERA) or Voluntary Redundancy (VR); and
- 1.2 To refer this report to the Governance, Risk and Best Value Committee to consider as part of its work-plan.

Background

- 2.1 As part of the Transformation Programme it is estimated that up to 2,000 staff will leave the Council through VERA and VR.
- 2.2 In relation to employees who leave via VERA our current position is that the Council will not normally re-engage in a similar role or as a consultant in the 6-month period after leaving.
- 2.3 In relation to VR, the Council's current position is that we will not automatically exclude or refuse to accept an application for a vacancy from a former employee who has received a redundancy payment.

Main report

- 3.1 The current position on re-engagement of employees who have left via VERA or VR are within current Voluntary Early Release Arrangements (VERA) (paragraph 7.3) and the current Redundancy Procedure (RP) (paragraph 12.4).
- 3.2 It is recognised that a number of employees will be leaving over the coming months therefore, it is necessary that a consistent position is taken and is communicated and understood by staff, recruiting managers and recruitment suppliers regarding the possible re-employment of staffing leaving through VERA/VR arrangements
- 3.3 It is recommended that the Council agree a time bar of one year (from date of leaving) before re-employment or re-engagement of employees who have left employment with the City of Edinburgh Council via VERA or Voluntary

Redundancy. This includes permanent positions, fixed term contracts and agency/temporary posts.

- 3.4 There may be exceptional circumstances to this and these will be approved by the relevant service area Executive Director to ensure this approach is not seen as a form of blanket exclusion. An example of this, might be in certain roles which are difficult to recruit too (although the Council will always seek to resource plan in advance to mitigate such situations), and this position will be kept under review.
- 3.5 The proposed length of exclusion has been considered against the backdrop of the City of Edinburgh Council's Pledges - Providing for Edinburgh's economic growth and prosperity; reducing poverty, inequality and deprivation. A period beyond one year may be seen to counter these very objectives given the Council is the second largest employer in the city.
- 3.6 Benchmarking of other local authorities. Of the 14 local authorities who provided benchmarking data:
- three have no time bar; and
 - the remaining 11 have time-bars in place ranging from 6 months to never employing again (with 5 having a position of the ex-employee not being employed by the Council again in any capacity).
- 3.7 Consultancy arrangements are covered by Procurement Guidance and it is not proposed that this recommendation includes the treatment of individuals who tender for public contracts because of the current and new procurement rules in force as from 18 April 2016. The Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 regulate the treatment of potential providers tendering for public contracts. These Procurement Regulations set out the grounds when a provider must be excluded and when they may be excluded. These grounds are strictly limited to instances such as fraud, non payment of taxes, bankruptcy, professional misconduct, conflicts of interest and serious misrepresentation etc. As the instances are limited it would not be possible to include additional grounds in order to exclude potential providers who have received VERA/VR.

Measures of success

- 4.1 The Council's ability to monitor and enforce this on a consistent basis and for employees leaving the Council's employment to be aware of this requirement prior to agreeing to VERA or VR terms.

Financial impact

- 5.1 None.

Risk, policy, compliance and governance impact

6.1 Risk, policy, compliance and governance impact is integrated within the proposal.

Equalities impact

7.1 The proposal incorporates outcomes related to the Council's commitment to reducing inequality and providing employment.

Sustainability impact

8.1 The proposal incorporates outcomes related to the Council's commitment to develop Edinburgh as a Sustainable Capital City, particularly as a key employer.

Consultation and engagement

9.1 The proposal has been developed consultation with stakeholders, including the Corporate Leadership Team (CLT), Trade Unions, and will be embedded through clear communication cascade.

Background reading / external references

External benchmarking across 14 local authorities as to their practice on time bar for re-engagement and re-employment of employees following voluntary redundancy or VERA.

[Redundancy policy](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Katy Miller, Head of Organisational Development

Email: Katy.miller@edinburgh.gov.uk

Links

Coalition pledges	All
Council outcomes	All
Single Outcome Agreement	All
Appendices	

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Managing Workforce Change – Workforce Dashboard

Item number	7.5
Report number	
Executive/routine	
Wards	

Executive summary

The attached Workforce Dashboard provides monitoring information on:

- Voluntary Early Release (VERA) and Voluntary Redundancy (VR) schemes; and
- staffing numbers, sickness absence, vacancies and agency expenditure.

Links

Coalition pledges	P25,26,27,29 & 30
Council outcomes	CO24,25,26 & 27
Single Outcome Agreement	

Managing Workforce Change – Workforce Dashboard

Recommendations

- 1.1 To note progress made to date on managing workforce change across the Council.

Background

- 2.1 The Council faces unprecedented financial challenges over the next twelve months. The total savings target from organisational reviews is £64m, to be achieved by March 2017.
- 2.2 In order to achieve this target the following reduction in staffing levels is proposed:
 - management posts 27%;
 - business support posts 26%; and
 - front line posts 15%
- 2.3 At its meeting on 29 October 2015 the Finance and Resources Committee acknowledged the need to reduce the number of staff by encouraging employees to apply for voluntary severance and agreed revised terms for VERA and VR.
- 2.4 It was also agreed that the following categories of staff would not be authorised for VERA at this time:
 - employees in posts which are seen as essential for the delivery of services;
 - employees who are identified as having key skills critical to the organisation;
 - school based employees; and
 - employees in posts which are difficult to recruit to.

Main report

- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme.
- 3.2 A summary of the findings is detailed overleaf:

- Twelve organisational reviews are currently underway across the Council involving over 3,000 staff;
- Staff accounting for a total of 438 have now left or are confirmed to leave under VERA or VR arrangements. This equates to £15.9m recurring savings;
- VERA offer letters have recently been issued to a further 85.5FTE and assuming that 70% accept, this would equate to savings of a further £2.2m;
- 64 people were recorded as being surplus as at 4 March (a staff cost of £2.8m). However, 43 of those have been redeployed into temporary posts, leaving 21 who are currently not redeployed;
- 336 managers have now participated in the Leading for Change development programme which is designed to help managers to think about and plan how they will lead their teams through the pending organisational reviews;
- 131 employees have accessed support from Career Transition Service during February; and
- 1085 VERA applications have been declined by service areas.

3.3 Appendix 2 provides the most up to date view on data relating to:

- FTE of staff
- Sickness absence trends for staff
- Agency staff expenditure
- Recruitment vacancy profile

Measures of success

4.1 That where possible the Council achieves the necessary staff reductions by voluntary means.

Financial impact

5.1 Annualised cost savings (including national insurance and pensions) of £15.9m have been achieved to date.

Risk, policy, compliance and governance impact

6.1 The VERA and VR releases are essential to ensure that the Council is able to manage and plan the people impact of achieving the planned business change and associated savings.

Equalities impact

7.1 There are no significant equalities impacts arising directly from this report.

Sustainability impact

8.1 There is no sustainability impact of this report.

Consultation and engagement

9.1 Consultation and engagement with key stakeholders, including senior management teams, Trade Unions and elected members is ongoing.

Background reading/external references

[Managing Workforce Change report to F&R Committee 29 October 2015.](#)

[Managing Workforce Change – Workforce Dashboard to F&R Committee 2 February 2016](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Christine McFadzen, Manager of HR Business Partnering

E-mail: christine.mcfadzen@edinburgh.gov.uk | Tel: 0131 469 3112

Links

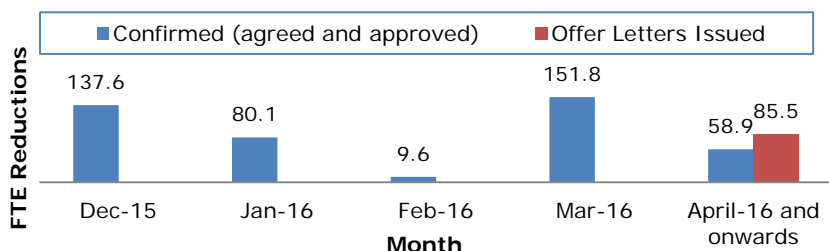
Coalition pledges	P25: Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development P26: Establish a policy of no compulsory redundancies, P27: Seek to work in full partnership with Council staff and their representatives P29: Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work P30: Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO24, CO25, CO26, CO27
Single Outcome Agreement	
Appendices	Appendix 1 – Workforce Dashboard - Transformation Programme Summary Appendix 2 – Workforce Dashboard – Workforce Metrics

Organisational review summary

Three organisational reviews are now complete and have delivered targeted savings of £1.757m. Twelve reviews are currently underway involving 3,346 people.

The Communications, HR and ICT reviews are now complete. Each review has met the approved savings targets.

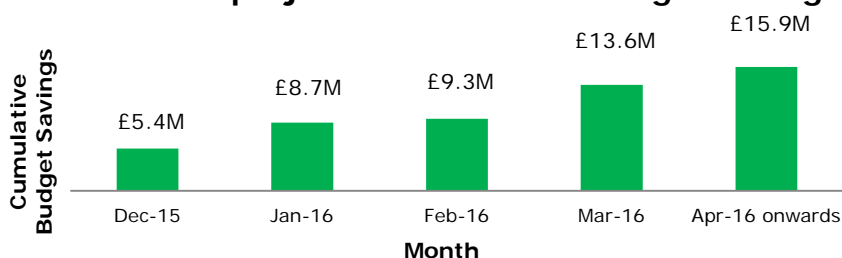
VERA/VR leaver reductions (FTE)



Staff accounting for a total of 438.0 FTE have left/are confirmed to leave the Council under VERA and VR arrangements.

VERA offer letters have been issued to a further 85.5 FTE and assuming that 70% accept, this would equate to further savings of £2.2m p.a.

Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 438.0 FTE reductions from VERA and VR will achieve recurring savings of £15.9M.

The one off VR/VERA and pension strain cost for those cases is £18.7m and the overall payback period is 14.1 months, which is in line with planning assumptions.

Reasons for declining VERA

	Number
Person has skills critical to the organisation / the post cannot be deleted as it is essential for service delivery / the post is difficult to recruit to	985
The post is in a school.	38
Other. eg. reduction managed through deletion of vacancies.	62
Total	1085

90% of VERA declines are due to the post or applicant skills being critical to service delivery.

Employee support / Career Transition Service

	Nov 2015	Dec 2015	Jan 2016	Feb 2016
No. People in Review	194	194	456	3,346
No. of 1:1s in Month	38	30	12	41
No. who have accessed out placement provider	136	38	25	90

131 of the 3,346 people under review in February have accessed support from the Career Transition Service / out placement provider.

Customer feedback indicates high levels of satisfaction with the Career Transition Service.

366 managers have attended the Leading for Change training course and 39 staff have attended interview skills training.

Redeployed – number of people and cost

	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Jan 2016	Feb 2016
Number of positions	57	58	59	54	50	64
Salary cost	£2.0M	£2.1M	£2.1M	£1.9M	£1.6M	£2.8M
Surplus – not currently redeployed	25	17	16	10	8	21
Temporarily redeployed less than 6 months	1	2	4	4	2	1
Temporarily redeployed more than 6 months	31	39	39	40	40	42

64 people are now recorded as being surplus. This represents a total staff cost of £2.8 million.

This represents an increase of 1 person since the last dashboard.

WORKFORCE DASHBOARD – WORKFORCE METRICS

Staff numbers

Staff numbers, Full time equivalents

Apr-13	15,270
Apr-14	15,347
Apr-15	15,564
Jan-16	15,095

As at end January 2016, a total of 15,095 full time equivalent staff were employed by the Council. This represents a drop of 469 FTEs in the period since April 2015 and is the lowest FTE count recorded since December 2012.

Sickness absence

Sickness absence rate
(12 month rolling average)

Apr-12	4.57%
Apr-13	4.50%
Apr-14	4.51%
Apr-15	4.99%
Jan-16	4.86%

Council wide rate during 2015 was 4.9% (compared with 4.8% in 2014) against a target of 4%. The number of days lost in 2015 was 162,967 in 2015 compared with 160,104 in 2014.

As at January 2015, there were 127 cases of absence 3-12 months & 12 cases greater than 12 months. The steps in place to support staff & manage attendance include: Return to work interviews; Employee Assistance Programme (receiving a total of 394 calls received in 2015); Occupational Health (with 2746 referrals in 2015); Managing Attendance policy; forms part of training for Managers.

Additionally, recognising that Organisational change leads to increases in absence, we undertake stress risk assessments as part of Organisation Reviews & deliver Leading through Change courses.

Agency expenditure

Staff - Full time equivalents

Jan-15	£1,207,867
Apr-15	£875,415
Jan-16	£928,407

The most up to date consistent trend data on Agency expenditure covers the period January 2015 to January 2016*. Data recorded here refer to agency expenditure recruited through Adecco, the Council's contracted provider of temporary agency workers.

A total of £928,407 of agency staff expenditure was recorded in January 2016. This was 23% lower than that recorded for the same month last year.

A full review of Agency Staff is underway as part of our Commercial Excellence Programme.

*Adecco spend which is our preferred/main supplier

Vacancies

Service Area	No	Role	Notes
Children & Families	14	Teacher posts (9) Early years (2) Pupil support (3)	All replacement roles split between temporary & permanent
Health & Social Care	6	Admin/Business Assistant (2) Projects/contracts (3) Occupational therapist (1)	All internal only adverts except Occupational Therapist.
Services for Communities	3	Facilities (1) Cleaners (2)	All external adverts

As at 6th March we have 23 live vacancies.

Any vacancies which could be suitable for redeployment opportunities will only be advertised internally.

10.00am, Thursday 17 March 2016

Future Governance of Council Payments to Third Parties

Item number	7.6
Report number	
Executive/routine	
Wards	

Executive summary

This report responds to the Capital Coalition's Budget Motion of 21 January 2016 that requested a report on the benefits, outcomes, management and improved transparency of third party payments to the third sector as part of the drive towards greater partnership working.

The report describes the current arrangements for managing third party payments across the Council, the benefits of such investment and outcomes of increased coproduction. It also sets out the proposed changes and improvements in the way that payments to third parties will be corporately managed in the future.

Links

Coalition pledges	P15, P28, P36
Council outcomes	CO7, CO8, CO10, CO14, CO23, CO26
Single Outcome Agreement	SO1, SO2, SO3, SO4

Future Governance of Council Payments to Third Parties

Recommendations

1.1 It is recommended that Committee note:

- 1.1.1 achievements to date of the corporate grants programme and opportunities to further improve the process as identified in the report;
- 1.1.2 the Transformation Programme Payments to Third Parties Workstream will in due course (i) be incorporated into the Commercial Excellence Programme and (ii) be managed by Commercial and Procurement Services (CPS) in 2016/17;
- 1.1.3 that the Council is continuing to listen to feedback on procurement (grant and contract) processes and that a further report on co-production and procurement will be provided in June 2016. This will include detail on new legislative requirements, lessons learned and options for improvements in council practice; and
- 1.1.4 further work will also be undertaken to refresh the Council's Procurement Strategy, Handbook and Standing Orders.

Background

Council Payments (Grants and Contracts) to Third Parties

- 2.1 The Council invests approximately £78m (8% of council revenue) annually in community services to be delivered by over 450 third sector and other providers – this does not take account of self-directed support commitments. These services deliver a range of public policy, Capital Coalition Pledges and strategic priorities across the city and in local communities. In relation to grants and contracts this represents a 36% (£28m) and 64% (£50m) split respectively.
- 2.2 In managing and distributing these sums, the Council is required to demonstrate due diligence in applying a combination of EU and UK legislation, for example; Section 10 (3) of the Social Work (Scotland) Act 1968, Local Government in Scotland Act 2003 and related Best Value requirements, Public Services Reform (Scotland) Act 2010, EU Procurement Directives, Procurement Reform (Scotland) Act 2014, , The Equality Act 2010 and (Specific Duties)(Scotland) Regulations 2012, The Community Empowerment (Scotland) Act 2015. Additionally the following have an important bearing in respect to practice and distribution; Council Contract Standing Orders, Council Procurement Strategy and Handbook, The Community Plan 2015-18, and the Council's Business Plan.

- 2.3 In February 2013 Council instructed that “a review of the grants to third parties process occur during 2013/14, conducted in partnership with third sector stakeholders, to ensure financial stability for organisations and value for money for the Council”. A year later, the Communities and Neighbourhoods Committee agreed a package of reforms on grant management which enabled executive committees to both commission and approve new grant programmes.
- 2.4 As part of corporate action to improve purchasing activity, in 2013/14 committee approved the installation of the Commercial Excellence programme with a number of aims; (i) to ensure best value across all contract spend (goods, works and services), (ii) improve consistency of practice and (iii) generate substantial savings. The programme has to date improved contract management and practice arrangements and has seen around £30m of savings identified.
- 2.5 In spending and distributing public monies the Council must comply with a number of legislative requirements including best value and public contract requirements. Guidance from the Scottish Government on social services, anticipated in April 2016, is expected to clarify exactly when direct awards are permissible and when tendering or open advertisement is expected.
- 2.6 The distinction between grants and contracts can be based upon a number of factors, in general terms the distinction as described in the [Joint Statement on the Relationship at Local Level between Government and the Third Sector \(November 2010\)](#) is:

“Grants are financial contributions to a third party which help to meet an authority's service objectives in the wider community”.

“Contracts are usually used to purchase a specified service for a prescribed price within a clearly defined Best Value framework, which may involve competitive tendering”.

Council Transformation Programme

- 2.7 In January 2015, committee agreed the suite of transformation Business Cases including the following:
- 2.7.1 in regards to the Business Support Services proposals that grant investment and other related types of funding programmes be transferred to the Council's Commercial and Procurement Service (CPS). This was in order to identify a single point of co-ordination, oversight, continuity and management across the range of third party investment programmes as part of the Commercial Excellence initiative; and
- 2.7.2 within the Business Case for Payments to Third Parties for the Provision of Community Services, overall investment to be reduced by 10% over the 2015-18 period.
- 2.8 Recent updates from the transformation programme have indicated that proposed total savings from third parties (grants and contracts) to the value of around £7.8m have been identified (highlighted in Appendix 1) within the Council Budget Framework 2016/20.

2.9 The framework to deliver services within localities is currently being developed and will inform which third party investment can be delivered at local level while retaining city-wide opportunities.

Council Budget Motion 2016/17

2.10 Council in January 2016 instructed the Chief Executive, as part of the drive towards greater partnership working, to bring forward a report on the benefits, outcomes, management and improved transparency of various funding streams including grants, coproduction, and contracts to the voluntary sector.

2.11 In addition to the above, Council:

2.11.1 agreed that work with partner agencies continue to coproduce, maximise outputs and deliver the highest quality of integrated services.

2.11.2 noted the continuing review of the role of the third sector including partnership working, grants and the mechanism for future delivery of services.

Edinburgh Compact Framework

2.12 The Compact Partnership continues to be a constructive environment for public/third sector funding relations, supporting positive, purposeful and productive dialogue throughout changes in council funding practice. Future developments as outlined within the report will continue as part of the Council's contributions to the refreshed Compact Framework in May 2015.

Main report

Benefits of investing in third parties

3.1 The Council provides investment for third party delivery of community services as:

- the Council may not have the capacity to provide direct services;
- third sector and private sector providers may be best placed to respond quickly given their proximity to communities and local structures;
- potential additional social and financial value can be generated, including wider community benefits and greater volumes of services;
- favourable cost comparisons with direct service provision; and
- substantial contributions are generated to further the City's equalities, rights and prevention agenda.

3.2 As third and private sector providers are not statutory bodies they are not subject to the same legislative and public-sector duty requirements – this can often enable efficient operational governance. These types of organisations can also access funding not available to public bodies, such as private foundations and trusts as well as accessing other financial benefits. Groups however still have to comply with regulatory oversight, for example; the Care Commission, Office of

the Scottish Charity Regulator, Companies House, the Financial Ombudsman, etc.

Current procurement (grant and contract) management arrangements

3.3 Following the review of grant management arrangements as requested by the [Capital Coalition in February 2013](#), the Communities and Neighbourhoods Committee and subsequently Council in February and March 2014 (respectively) agreed the following:

- decisions on the development and awarding of grant programmes should be undertaken by executive committees - moving away from the previous position where the Corporate Policy and Strategy Committee made decisions in order to align with Council policy and strategy;
- in order to achieve savings as part of the Transformation Programme, all executive committees should put in place new coproduced grant programmes by March 2016;
- all grant funding should in future support investment in community outcomes, to be determined by relevant council policy and strategy and in coproduction with service users and communities;
- grant programmes should aim to provide sustainability of investment for three years or more; and
- for organisations with a city-wide reach and influence, strategic partnership arrangements and five-year funding should be made available.

3.4 To date, most of these changes have been implemented, with all but three of the previous grant programmes being revised. The remaining grant programmes are currently the subject of policy/service reviews in culture, advice and mental health services. New investment will follow the setting of outcomes and priorities in these service areas.

3.5 Greater transparency in the new grant programmes has been achieved by advertising on the [Compact websites](#) with notification circulated through key third sector networks and assessment criteria contained within the documentation. Improvements in consistency of practice and governance are required in this area and will be reviewed in due course by CPS.

Legislative requirements

3.6 Public sector contracts are subject to a range of legislative and procedural requirements to ensure transparency, equality of treatment and fairness.

3.7 New Procurement Directives have been recently implemented by the Public Contracts (Scotland) Regulations 2015 and bring clarity to the application of the procurement rules to community service contracts. As of April 2016, contracts over the value of €0.75m (approximately £0.58m) will require to be openly advertised assuming a procedure which does not discriminate against potential providers from out-with Edinburgh or the UK. These rules will be incorporated in

the Council's revised Contract Standing Orders, the details of which will be contained in a report to Council in June 2016,

- 3.8 The two types of investment (grants and contracts) currently have two discrete council governance arrangements; (i) outcomes to be delivered by grant programmes commissioned and approved by executive committees, and (ii) outcomes to be provided via contracting arrangements commissioned by executive committee but approved by this committee. For both types of funding value for money, transparency, fairness and the delivery of outcomes for service users remain key.
- 3.9 When it is not clear whether the outcome of the coproduction process will result in a grant or a contract, then to ensure compliance with contract rules and also as a matter of good practice, the opportunity for providers to coproduce the result should be openly advertised at the outset, prior to the investment approach or route to market being finalised.

Mainstreaming coproduction

- 3.10 In considering the [Cooperative Capital Framework Progress Report](#) in December 2014, the Council agreed to "mainstream coproduction of Council policy and strategy in the design, delivery and review of services". The Council also required in December 2015 that all reports to council and executive committees should evidence coproduction approaches to substantiate proposals to elected members.
- 3.11 Coproduction is increasingly being applied in order to identify outcomes (and related outputs) for services; [coproduction guidance](#) is available to officers on the Orb. Consideration should be given as to which is the most advantageous route to investment in community services at the outset when identifying needs, at service design stage, and again at delivery stage. To assist with this, supplementary guidance on investing in community outcomes is being developed. This guidance will be explained in more detail in the June 2016 report on coproduction and procurement.

Issues arising in coproduction of community outcomes and investment

- 3.12 In line with paragraphs 3.10 and 3.11 above, service outcomes and related grant and contract programmes (as part of the design and delivery phase) are being coproduced with service user, provider and wider community interest inputs.
- 3.13 Following the coproduction and approval processes for some grants and contracts, a number of issues have been highlighted by deputations to the relevant executive committees and to service areas (see Appendix 2). Main issues highlighted have been:
- 3.13.1 perception of fairness and transparency of process;
 - 3.13.2 further training required for staff, service users and providers when they are involved in coproduction; and
 - 3.13.3 the social added value of community organisations be taken into account when devising investment programmes.

- 3.14 These matters will be further explored as progress is made on coproduction and also within the report to committee in June 2016 on coproduction and procurement. Committee is asked to note that detailed exploration of some of these matters will be carried out by an Education, Children and Families Member/Officer Working Group involving third party representation and CPS.
- 3.15 While coproduction can generate clear outcomes and related criteria, the potential for change is inherent within the process. In approving investment, elected members may be required to take challenging decisions potentially affecting provision at ward, locality and city levels which may markedly differ from previous provision. This area has been highlighted for further examination in the June 2016 report.

Changes in management arrangements and other matters

- 3.16 Reflecting paragraph 2.8 above, the following will occur:
- 3.16.1 as of 1 April 2016, the lead function for overseeing grant management arrangements will transfer from the Strategy and Insight Division to CPS to sit alongside contract procurement . Aligning the procurement of grants and contracts for the provision of community outcomes and related services will allow for enhanced co-ordination of best practice, improved planning and avoiding duplication of effort across directorates. A key aspect of this central function will be to; (i) ensure that anticipated savings are realised and (ii) provide balanced advice to executive committees on the most advantageous investment for service users, (iii) ensure robust performance from those receiving investment and (iv) engage with service users and directorate commissioning teams to design and deliver community outcomes.
- 3.16.2 strategic third sector policy, cooperative working, and mainstreaming coproduction (as per item 3.10-3.11 above) will remain within the Strategy and Insight Division, for example; (i) assisting third sector input into the city's community planning fabric, (ii) supporting the Compact Partnership Board's objectives, (iii) improving reach and application of coproduction in the formation of council and city partners' policy, strategy and practice, and (iv) empowering communities through strengthened community participation in public services design and potentially ownership.
- 3.17 Any further savings that are required to be realised within the current Budget Framework (beyond the 10% quantum) will be agreed on an individual grant or contract programme basis through the CPS Commercial Excellence pipeline process. Any savings realised will ultimately contribute to the transformation programme target in this regard.
- 3.18 Commensurate with the action identified in paragraph 3.16 above (and relating to the summary of issues in appendix 2) the following should occur:
- 3.18.1 the Committee is asked to reinforce the requirements of the Communities and Neighbourhoods Committee, i.e. that all grant and

contract funds help advance city, council, locality and neighbourhood outcomes;

- 3.18.2 service users should be at the heart of the service design process, alongside community representation and current and potential suppliers on the basis of representing their service users and sector wide interests;
- 3.18.3 all potential providers (not just those currently receiving investment) should be given the opportunity to provide input into coproducing outcomes and related service design;
- 3.18.4 from the outset of the coproduction process, those involved should focus upon setting outcomes, without presumption in favour of either grant or contract to deliver the service;
- 3.18.5 a checkpoint group should be established to evaluate the impact of grant programme changes in order to assist continuous improvement, assess the impact on the third sector and to identify improvements;
- 3.18.6 that the Council's Procurement Strategy and Procurement Handbook, be refreshed to take account of the changes above and that this include reference to the Compact's draft guidance on investing in community outcomes and related investment model;
- 3.18.7 in order to respect the public sector equalities and rights duties, an ERiA is undertaken from the outset of the coproduction process and fully included alongside recommendations for investment to executive committees; and
- 3.18.8 while in future CPS will have lead responsibility for conducting grant award programmes*, executive committees will retain their responsibility for commissioning and approving grant programmes. Finance and Resources Committee will continue to approve contract awards. Improved communications through respective committee business bulletins should increase knowledge of overall investment in third parties.

*Note: this is with the exception of support for the Health and Social Care Integrated Joint Board (IJB) as third party investment will be managed by a discrete strategy and commissioning unit.

Measures of success

- 4.1 Programmes funded under grant and contract programmes delivered within the timescales required by the responsible committee with performance and impacts reports provided to meet committee requirements.
- 4.2 Submission of annual performance information by grant recipients over £10,000.
- 4.3 The grant allocations maximise the use of public funding to achieve Council outcomes.

- 4.4 Executive Committees and the Finance and Resources Committee exchange investment programme decisions through inclusions in respective business bulletins as required.

Financial impact

- 5.1 Significant progress has been made in achieving reductions to payments to third parties for the provision of community services as set out in Appendix 1. The reduction required totalled £7.8m and taking account of savings already delivered in 2015/16, proposed total savings to this broad value have been identified within the Council Budget Framework 2016/20. Delivery will be monitored as part of the transition of combined grant and contract oversight to the Commercial and Procurement Service.

Risk, policy, compliance and governance impact

- 6.1 Reduction in service delivery (due to the 10% savings on payments to third parties) will be mitigated by exploring with organisations exactly what can be provided for the grant/contract allocated and working with them to ensure delivery.

Equalities impact

- 7.1 While proposals contained within this report do not require a full Equalities and Rights Impact Assessment, there is a requirement to undertake an ERiA from the out-set of new procurement (grant and contract) programmes and this to be included in proposals for grant and/or contract awards in order to mitigate against any impacts upon communities with protected characteristics.
- 7.2 Proposals will also help deliver Equality Act 2010 public sector equality duties to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations.
- 7.3 The commitment that new procurement programmes be undertaken on a coproduction basis will support and strengthen engagement and capacity building work with equality groups and communities, including groups involved in tackling poverty and inequality and promoting and protecting human rights.

Sustainability impact

- 8.1 Proposals in the report enable the Council to contribute to the delivery of Sustainable Edinburgh 2020 objectives, in particular flourishing communities, social and economic wellbeing and an efficient and effectively managed city. Proposals also complement the Council sustainable procurement policy of January 2013.

Consultation and engagement

- 9.1 Briefings on the intentions to transfer lead oversight of grant programmes to the CPS have been considered within the payments to third parties coproduction steering group and been welcomed.

- 9.2 The report proposes that discussions continue in regards to council arrangements on payments to third parties, in particular the proposals as outlined within this report to consider improvements in coproduction and development of new programmes of investment.
- 9.3 The report includes an early summary of coproduction discussions and lessons learned.

Background reading / external references

- [Implications for Coproduction and Procurement](#) – report to the Finance and Resources Committee of 14 December 2015
- [EADP Adult Community Treatment Contract](#) – report to the Finance and Resources Committee of 14 December 2015
- [EADP Adult Community Treatment Contract](#) – report to the Finance and Resources Committee of 26 November 2015
- [Cooperative Capital Framework Progress Report](#) - report to the City of Edinburgh Council, 10 December 2015
- [Revenue and Capital Budget Framework 2016/20](#) – Finance and resources Committee of 24 September 2015
- [Council Grants to Third Parties 2013-14 Final Report](#), City of Edinburgh Council, 13 March 2014
- [Review of Council Grants to Third Parties](#) – report to the Communities and Neighbourhoods Committee of 11 February 2014
- [Edinburgh Third Sector Interface](#)

Andrew Kerr

Chief Executive

Contact:

Tammy Gillies – Commercial and Procurement Manager

Email: tammy.gillies@edinburgh.gov.uk; Tel: 0131 529 4930

Nick Croft – Corporate Policy and Strategy Manager

Email: nick.croft@edinburgh.gov.uk; Tel: 0131 469 3726

Links

Coalition pledges	<p>P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors</p> <p>P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city</p> <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>CO7 - Edinburgh draws new investment in development and regeneration</p> <p>CO8 - Edinburgh’s economy creates and sustains job opportunities</p> <p>CO10 - Improved health and reduced inequalities</p> <p>CO14 - Communities have the capacity to help support people</p> <p>CO23 - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.</p>
Single Outcome Agreement	<p>SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all</p> <p>SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SO4 - Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<p>1 – Council Transformation Programme: Savings in Payments to Third Parties 2015-18</p> <p>2 - Issues arising in new payments to third parties (grant and contract) programmes</p>

Appendix 1 - Council Transformation Programme: Savings in Payments to Third Parties 2015-20

<u>Option Number</u>	<u>Area</u>	<u>Division</u>	Savings 2015/16 £m	Savings 2016/17 £m	Savings 2017/18 £m	Savings 2018/19 £m	Savings 2019/20 £m	Total Savings £m
	Approved 2015/16		2.245	0.000	0.000	0.000	0.000	2.245
<u>CF/EFF1</u>	Advocacy Services review	Children's Services		0.047	0.000	0.000	0.000	0.047
<u>CSE/EFF5</u>	Festival City Theatres Trust	City Strategy and Economy		0.100	0.000	0.000	0.000	0.100
<u>CF/EFF11</u>	Communities and Families Third Party Payments	Communities and Families		0.209	0.119	0.000	0.000	0.328
<u>CF/EFF12</u>	Sport Third Party Payments	Communities and Families		0.334	0.407	0.000	0.000	0.741
<u>CF/EFF13</u>	Communities and Families - reduce third party payments for Community Learning and Development (CLD) services	Schools & Lifelong Learning		0.250	0.000	0.000	0.000	0.250
<u>HSC/EFF6</u>	Health and Social Care Third Party Payments	Health & Social Care		0.582	0.000	0.000	0.000	0.582
<u>HSC/EFF7</u>	Consolidate care and support/care at home pricing levels	Health & Social Care		0.900	0.000	0.000	0.000	0.900

<u>HSC/EFF8</u>	Reduce spending on block-contracted services by 10%	Health & Social Care		0.720	0.000	0.000	0.000	0.720
<u>PLA/EFF7</u>	Reduce commissioned services - Housing Support (sheltered housing/temporary accommodation)	Housing and Regeneration		0.500	0.000	0.000	0.000	0.500
<u>CSE/EFF2</u>	Culture Third Party Payments	City Strategy and Economy		0.155	0.155	0.155	0.052	0.517
<u>CSE/EFF4</u>	Economy Third Party Payments	City Strategy and Economy		0.154	0.154	0.000	0.000	0.308
<u>CSE/EFF6</u>	Review funding arrangements for Winter Festivals	Culture		0.100	0.400	0.000	0.000	0.500
	Incremental savings		2.245	4.051	1.235	0.155	0.052	
	Cumulative savings		2.245	6.296	7.531	7.686	7.738	

Appendix 2 – Issues arising in new grant and contract programmes

The following summarises the coproduction approaches to a range of investments in community services as well as a number of lessons learned. This information has been compiled in discussion with staff, third sector provider leaders, feedback from key community-interest networks, Inspiring Scotland and analysis of deputation material to the relevant executive committee.

These matters will inform the pending report to committee in June 2016 on coproduction and procurement in particular the early lessons provided and recommendations to improve practice as described below.

1 Health and Social Care Grants and Contracts Process

1.1 Services for Older People

1.1.1 Three-year grant funding was approved for services to older people (mainly day services). The co-production approach in the development of these services included the intensive involvement of service users, carers, commissioners and providers in the design and development of the Commissioning Plan for Social Care Day Services for Older People 2012-2017.

1.1.2 Further coproduction work, supported by Edinburgh Voluntary Organisations Council (EVOC), service users, carers and Council staff led to the recommendation for non-registered day services to be supported by grant funding (more intense registered day services would be contracted). The process also developed a new service specification.

1.2 Services for Mental Health & Wellbeing

1.2.1 Wide ranging consultation with providers, service users and carers has taken place to date and further collaboration is planned to shape future contracted and grant-funded services. The report to Finance and Resources Committee on 26 November 2015 provides further information.

1.3 Services for People With Disabilities

1.3.1 Coproduction work took place involving the three providers of advice and brokerage services.

1.4 Services for Support to Carers

1.4.1 There was extensive consultation and engagement with carers and providers in the development of the Edinburgh's Joint Carers' Strategy and the Joint Strategic Plan for Carer Support (approved by Corporate Policy and Strategy Committee on 13 May 2014). This led to the successful award of contracts following a tender exercise. To

complement these services, grant recipients were involved in a further coproduction exercise to shape the grant programme which led to the recommendations made.

1.5 Services to Older People from BME Community

- 1.5.1 A consultation, the results of which were reported to Health, Social Care and Housing Committee on 17 June 2014, was followed by further coproduction work, chaired by EVOC with four providers to consider the shape and direction of future services. This coproduction work considered that a grant programme would best assist the outcomes.

2 Communities and Families Payments to Third Parties

- 2.1 An Elected Members Working Group was set up with representation from each political group to take forward the development of the future grant programme and make grant awards in Children and Families. It met seven times in total from 2 October 2014 to 9 June 2015 to take forward the development of the future grant programme. The need for coproduction and the involvement of EVOC was recognised by the Group.

- 2.1.1 Coproduction events (11 December 2014 and 23 February 2015) were held with voluntary organisations. 80 organisations attended the first; 40 attended the second. Additionally, an on-line survey was carried out, which closed on 17 April 2015 (the findings from which were appended to the May 2015 committee report). These activities focused on what works well, what needs to change and what organisations would like to see in the future. Taking account of this feedback it was agreed that some of the suggestions around publicising timelines, criteria, definitions, encouraging partnership applications and offering feedback to unsuccessful applicants would be taken forward in the development of the new approach.

3 Homelessness Prevention Contracts Process

- 3.1 The pilot for Advice and Support services was coproduced (in 2013/14) with a wide range of stakeholders, and is considered a success in achieving agreement to:

- move away from the purchase of hours of support to payment by person and outcome;
- have services that are more focused on homeless prevention and work on a shorter term basis;
- form consortia to more effectively and efficiently manage provision of advice and support.

- 3.1.1 Through this process, stakeholders were consulted with and views taken on board. Significant examples of this include:

- the agreement to establish the pilot with three neighbourhoods rather than the six originally proposed;
- a revision to the recording of the achievement of life skills in response to and collaboration with support staff in the contracted services.

3.1.2 The Review of the Pilot has upheld the broad principles of outcome focused, neighbourhood orientated, time-limited services and the need for longer term low level support. The intention is to again undertake this collaborative approach with stakeholders in the coming months, including service users, to further coproduce specifications, building on the experience of the pilot, Council transformation plans and a fresh look for the future procurement of services. This will include consideration of issues such as the balance of outcomes, integration of housing support and advice, payment by outcomes etc. Interest from stakeholders is being gathered following the publication of a Prior Information Notice (PIN).

4 Advice Services Grant Processes

4.1 The coproduction process for advice services has been delayed in order for an advice strategy to be developed that will give advice providers, and those with an interest in advice provision such as funders and strategic planners, a framework within which to plan and develop services. The coproduction process was commenced by bringing interested parties together, through this the need for a strategic framework was identified and there was consensus in regard delaying the process in order to firstly deliver a framework. This is an indication of the success of coproduction; even though it has been delayed it has seen interested parties identify common ground and enabled them to develop a shared vision.

4.2 There has been recognition that income maximisation and debt advice are intrinsically linked to other areas of service delivery, and moves are currently underway to bring these activities together in a broader commissioning framework, possibly to include housing advice.

5 Lessons Learned

5.1 While it is too early in the grants programme to assess the success and outcomes of new grant/contract arrangements, a number of early benefits and lessons learned can be identified in terms of the coproduction, management and transparency of the processes.

5.2 Feedback from Council staff, the Chair of the Compact Partnership and Edinburgh Voluntary Organisations Council (EVOC), and on behalf of its members and independent assessor, noted that:-

- the move to a three year grants programme and the introduction of a small grants programme is welcomed in terms of stability and support to smaller community-based organizations;
- effective coproduction is extremely beneficial in terms of outcomes but to be effective requires considerable time and investment which need to be resourced;
- coproduction in the current financial context of reducing budgets can lead to reluctance in some instances to engage. Forums to coproduce alternative innovative approaches to service provision are also required. Coproduction can work best when there is new funding available;

- demonstrable transparency throughout the life-time of the coproduction, investment and appointment of providers process leads to improved trust and better more productive relationships;
- there is a need for improved consistency across investment (grant and contract) programmes;
- there is a need to be very clear with all stakeholders at the start of the process that when the commissioning stage ends and the tendering or grant application starts that different rules to ensure fairness, transparency and equality of treatment apply and must be adhered to;
- involvement of EVOC/other infrastructural organisation can assist the smooth running of a number of coproduction processes;
- a number of lessons were learned from the recent Edinburgh Alcohol and Drugs coproduction contract (these will be more fully detailed in the June report) for example; (i) the need to manage the expectations of stakeholders from the outset and (ii) what is legally permissible in terms of contract rules;
- Fewer assessors be involved in future assessments with more time available for assessment, reflection, intelligent oversight and checking by an expert panel (ensuring avoidance of conflict of interest);
- scoring of applications be checked and recorded in a spreadsheet to highlight variances and enhance the consensus discussion - similar to the moderation process for contracts;
- CEC consider providing application process clinics, in particular for those organisations which are not used to formal application processes, to improve application quality;
- the assessment process should provide greater insight for the assessor on the financial background and forecast spend for the applicants/tendering organisations to allow for a more rounded assessment;
- that differentiation be considered between new and tried and tested projects during the assessment and scoring process; and
- elected member input should be clarified in particular how this relates to the product of the coproduction process.

6 Recommendations for the Future

6.1 It is key that:

- the perception of fairness and the transparency of the process and setting of criteria fosters effective coproduction and trust;
- all potential providers not just existing providers should be given the opportunity to co-produce the process and/or service design;
- further training and guidance for staff on undertaking coproduction exercises is required to ensure consistency – this is also the case for service users and

providers alike that become involved in such exercises as this helps manage expectations;

- co-production needs to be adequately resourced both internally and externally including budget for booking rooms, refreshments, facilitators, publicity etc.;
- respect for the work and commitment of officers and their need to maintain impartiality is crucial;
- the establishment of a checkpoint group to evaluate the impact of a future grants programme would greatly assist continuous improvement, the impact on the third sector and identify improvements;
- consideration should be given to grant and contract processes to take suitably into account the added value community organisations may bring in addition to core services; and
- the impacts of elected members' views of the product of coproduction are further examined.

Finance and Resources Committee

10.00am, Thursday 17 March 2016

ICT Services Procurement: Transition Progress Update

Item number	7.7
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides the Finance and Resources Committee with a comprehensive update on the contractual transition of ICT services to CGI by 01 April 2016, and the physical transition of services in May 2016 including:

- overall transition status
- progress on the transition plan deliverables
- workstream updates
- key activities and next steps
- business readiness and change management activities
- transformation project updates
- SME engagement and community benefits

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 further progress on the programme since the last report to Committee in November 2015, to transition ICT services from the incumbent ICT provider to CGI IT UK Ltd (CGI) by 01 April 2016 and data centre cutover on 30 May 2016; delivering a range of contracted improvements and wider benefits to staff and citizens;
 - 1.1.2 notes that the complexity of the transition poses significant technical and logistical challenges which are being jointly addressed by CGI and the Council;
 - 1.1.3 notes that major project milestones were delivered over the period, and a wide range of project activities undertaken including: - data centre migration preparations, networking and infrastructure developments, business readiness preparations, ERP (Enterprise Resource Planning) design completion and operations to commence the new CGI service desk;
 - 1.1.4 notes the application of industry best practice and proven approaches to readiness, transition and service take on, including a four stage service cutover and data centre migration plan;
 - 1.1.5 notes that engagement has commenced in all community benefits areas and the programme is currently on track to meet all commitments including the creation of jobs and the inclusion of SME's;
 - 1.1.6 notes that an Assurance Review from the Corporate Programme Office is planned to take place prior to Service Cutover on 01 April 2016.

Background

- 2.1 The current contract for ICT services is due to expire on 31 March 2016 and consequently the Council approved, at the Finance and Resources Committee meeting in November 2013, the procurement of a new contract through a competitive dialogue process.
- 2.2 Following a rigorous evaluation process on receipt of final tenders from bidders, the procurement project board made a recommendation to Finance and Resources Committee in August 2015 to notify CGI as the preferred bidder and move to contract signature. The Committee approved 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 has 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; where CGI began undertaking activities to plan the move from the incumbent ICT supplier BT. There will be minimal notable changes to the service until the agreed "Service Cutover" date (01 April 2016), although significant work is being undertaken in the background. After 01 April CGI will be responsible for all ICT Services currently undertaken by BT, although the systems will remain in the BT data centres and be moved over a series of weekends in May 2016 to the CGI data centre.
- 2.5 Progress against the Transition Plan, is reported to the Finance and Resources Committee - the first of which was presented on 26 November 2015.

Main report

Programme Update

- 3.1 In November 2015, a report to the Finance and Resources Committee outlined partnership governance arrangements which had been put in place to ensure delivery of the transition and transformation. The programme is managed through a formal process with weekly monitoring and reporting. The report also provided a progress update on start-up activities and early stage deliverables including technical collaborations between CGI and the incumbent ICT supplier and the establishment of business change networks.
- 3.2 The programme remains substantively on schedule with the transition milestone plan set out in the supplier's tender submission, and is summarised in Appendix 1 of the report which includes a high level overview of activities, status and timelines for key workstreams.

- 3.3 In particular over the reporting period December 2015 to February 2016 the transition programme, which has been partitioned into 17 workstreams relating to the 93 Output Based Specifications, successfully moved from start-up into full implementation and currently remains on track to transition ICT services to CGI during April and May 2016.
- 3.4 The complexity of the transition does however pose significant technical and logistical challenges that are being addressed by CGI and the Council through jointly managed interventions and mitigation actions. Details of the risks associated with these challenges are outlined in Section 6 of the report.
- 3.5 Over the reporting period major project milestones were delivered or are on schedule to be delivered, and a wide range of project activities undertaken including:
- 3.5.1 Completion of the Wide Area Network (WAN) detailed design and commencement of the implementation work. This includes street cabling installations to deliver a new 150 kilometre gigabit fibre network across the city, and the successful testing of the new WAN in Currie Library, Drummond Community High School and the City Art Centre, allowing roll out to further sites to begin.
 - 3.5.2 Completion of the configuration of new batch print services in preparation for transferring bulk print operations for areas such as Council Tax, Non Domestic Rates and Benefits to CGI on 01 April 2016.
 - 3.5.3 Completion of the network integration between the CGI and BT data centres, and implementation of technology to support the transfer of Council data.
 - 3.5.4 Completion of the design and development of new payment services including BACS and Secure Cheque Printing, in preparation for user acceptance testing during March and go live on 01 April 2016.
 - 3.5.5 Completion of planned Project and Board activities for early stage transformation projects including: - Local Area Network; Telephony; and the Enterprise Integration / Web projects which will deliver channel shift through new ranges of customer self service functions.
 - 3.5.6 Completion of the design for the new ERP system which will replace the legacy systems used by Finance, Procurement, Income and HR.
 - 3.5.7 Collaboration between BT and CGI technical teams including the development of test environments, provision of data extracts, interface designs, and knowledge transfer activities between both parties to assist a smooth transition.
- 3.6 It should be noted that work scheduled for the Channel Shift environment workstream has been delayed due to technical complexities related to build environments and third party interfaces. Re-planning is under way to ensure that there will be no impact on online services over transition.

Service Cutover and Data Centre Migration Update

3.7 Service Cutover to CGI from the incumbent supplier is planned for 01 April 2016. This will be followed by the data centre migration to CGI's facilities, which is planned over a series of weekends in May 2016. Both the Service Cutover and the data centre migrations will utilise proven industry standards and internal CGI models to support the migrations. CGI will undertake the moves through a series of clearly defined project phases. These are detailed below:

- **Readiness** – the process which CGI will follow to ensure all work packages, projects, teams have arrived at an acceptable level of readiness prior to service cutover. This phase will be supported by extensive user testing in model office environment referred to as “user proving” which will begin in April 2016.
- **Build and Preparation** – build the technical solution, plan the migration, prepare, test the infrastructure and applications, and ensure service readiness.
- **Rehearsals** – the process which CGI will undertake to rehearse each element of the data centre migration or Service Cutover to ensure teams know and understand what they have to do. This stage will also ensure the programme management teams know and understand the sequence of events.
- **Migration** – service cutover and data centre migration activities (transferring services from BT facilities) scheduled to take place in April and May 2016. Council staff will be involved throughout the Rehearsal and Migration phases.

Wide Area Network (WAN) Update

3.8 To support the WAN rollout an additional 100km to the existing 50km of gigabit fibre network is being installed across the city.

3.9 Following successful pilot installations in Currie Library, the City Arts Centre and Drummond Community High School, live rollouts commenced, and by end of February 2016, more than 60 Council sites have been transformation and are now live on the new WAN.

Service Desk Transition

3.11 Implementation is on track to deliver a new 24 x 7 ICT Service Desk by 01 April 2016 (current service hours are 8 a.m. to 6 p.m. Monday to Friday). The current helpdesk telephone number will be retained and augmented by a new online

portal later in April providing a single entry point for all customer ICT requests. These will include incidents, support requests, change requests, and supplier requests.

- 3.12 The single entry point will provide the Council with a much better view of service status and performance which forms the basis for service improvements. Council-nominated key stakeholders will be provided access to the CGI Prime Portal which provides statistics and metrics on performance against the contracted key performance indicators and SLAs.

Business Engagement and Change Management

- 3.13 The change management programme is now in full operation with a comprehensive communications campaign designed to address stakeholder needs through targeted communications activities including presentations to management teams and ICT workgroups, user forums, monthly ICT newsletters, and the creation of new intranet content.
- 3.14 In February 2016 a series of roadshows commenced to raise the awareness of local staff at neighbourhood offices and corporate offices of the up and coming ICT changes taking place. The road shows are designed to showcase the value which CGI and ICT Solutions are bringing to the Council and the Edinburgh community, to meet and update local managers and staff and obtain their feedback.

Community Benefits and SME Engagement

- 3.15 Work has commenced in all of the contracted Community Benefits areas and the programme is currently on track to have all commitments and investments in place ready for development from April 2016. Highlights over the reporting period include:
- Employment Target ahead of target, with 48 new hires to date, increasing to 97 in April 2016
 - 5 Modern Apprentices hired, with 4 more planned over the next 3 months
 - Engagement with local employability partners successfully started
 - Successful start to recycling of computers, with 13 laptops rebuilt and delivered to a new community group
 - Successful initial engagement with SMEs, with initial event held on 29 January and attended by 30 SMEs

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 Finance and Resources Committee on 03 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 The table below describes the impact and mitigations of the main risks arising from the current challenges being experienced in the Transition programme.

Risk	Impact	Mitigation
Incumbent supplier does not provide the required information to CGI.	Service quality may not be optimal on Service Commencement date. Further monies may be demanded by the incumbent supplier to provide the required information to CGI.	Maintain pressure on the incumbent supplier to co-operate and ensure that TUPE transfer executes as smoothly as possible. CGI has taken responsibility to manage within budget for the incumbent's transition services.

Risk	Impact	Mitigation
Incumbent supplier may not have kept accurate records (e.g. interface information), and does not pass on complete information about the current environment.	Increases the technical complexity of transition.	Maintain pressure on the incumbent supplier to co-operate. CGI to implement alternative strategies to complete the design in areas where records are deficient. Create robust test plans for areas of concern.
Council has not accurately described or captured all of its services during the procurement	Optimal solutions to Council requirements take longer to be delivered. There may be additional charges.	CGI to carry out further diligence, operate change management processes and Council to use the agreed contingency funding where appropriate.
Planned reduction of devices e.g. PC's and laptops, from Council Transformation does not meet targets.	There may be additional charges.	Processes in place to get devices back. Council to use the agreed contingency funding where appropriate.
Contract Changes which are essential for Service Cutover are not processed and completed quickly enough.	Newly-identified solutions to Council requirements take longer to be delivered.	CGI is working "at risk" to ensure that the solutions are delivered even if the Change Notes can not be signed prior to work commencing.
Complexities related to legacy 3 rd party supplier contracts are not finalised quickly enough.	Optimal solutions to Council requirements take longer to be delivered. There may be additional charges.	CGI and Council negotiates contracts to conclusion as soon as possible.
Resource Plans for Council staff associated with Transition and Transformation activities are not ready on time.	The Council is not able to allocate its staff to the Transition and Transformation with the required numbers of staff at the required time.	CGI to improve its efforts to provide optimal resource plans. Council to ensure that vital Transition work is prioritised.

Risk	Impact	Mitigation
Leavers from the Council as a result of the Council Transformation programme impact the optimum finite resources available for the Transition and Transformation activities	The Council is not able to allocate its staff to the Transition and Transformation with the required numbers of staff.	Council to investigate individual contracts of employment of pertinent staff members to ensure that key individuals do not exit sooner than required, and optimise the skills of staff in the redeployment pool.
Council staff are too busy with year-end, transformation or not able to work at the weekend to help with testing and cutover duties	The Council is not able to allocate service area staff to participate in key activities and decisions involved in the Transition programme.	Council Programme team to work with service areas to identify and finalise cutover duties, providing as much notice as possible.

6.2 Below is a summary of the potential impacts of the proposed project and the anticipated mechanisms to mitigate them. These impacts have potential 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 are being used as part of the overall supply chain, for example Commsworld in the WAN solution and Dacoll in the Local Area Network (LAN) and Service Desk solutions.
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.

6.3 An Assurance Review from the Corporate Programme Office is planned to take place prior to Service Cutover on 01 April 2016.

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 directorate and service area representatives appointed to key workstream project boards,

Background reading/external references

Relevant internal references include:

[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](#)

[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

ICT Services and Transformation Procurement – Final Stage Report – Confidential Commercial Information, 3 August 2015

[ICT Services Procurement: Transition Progress Update, Finance and Resources Committee, 16 November 2015](#)

Andrew Kerr

Chief Executive

Contact: Claudette Jones, Chief Information Officer

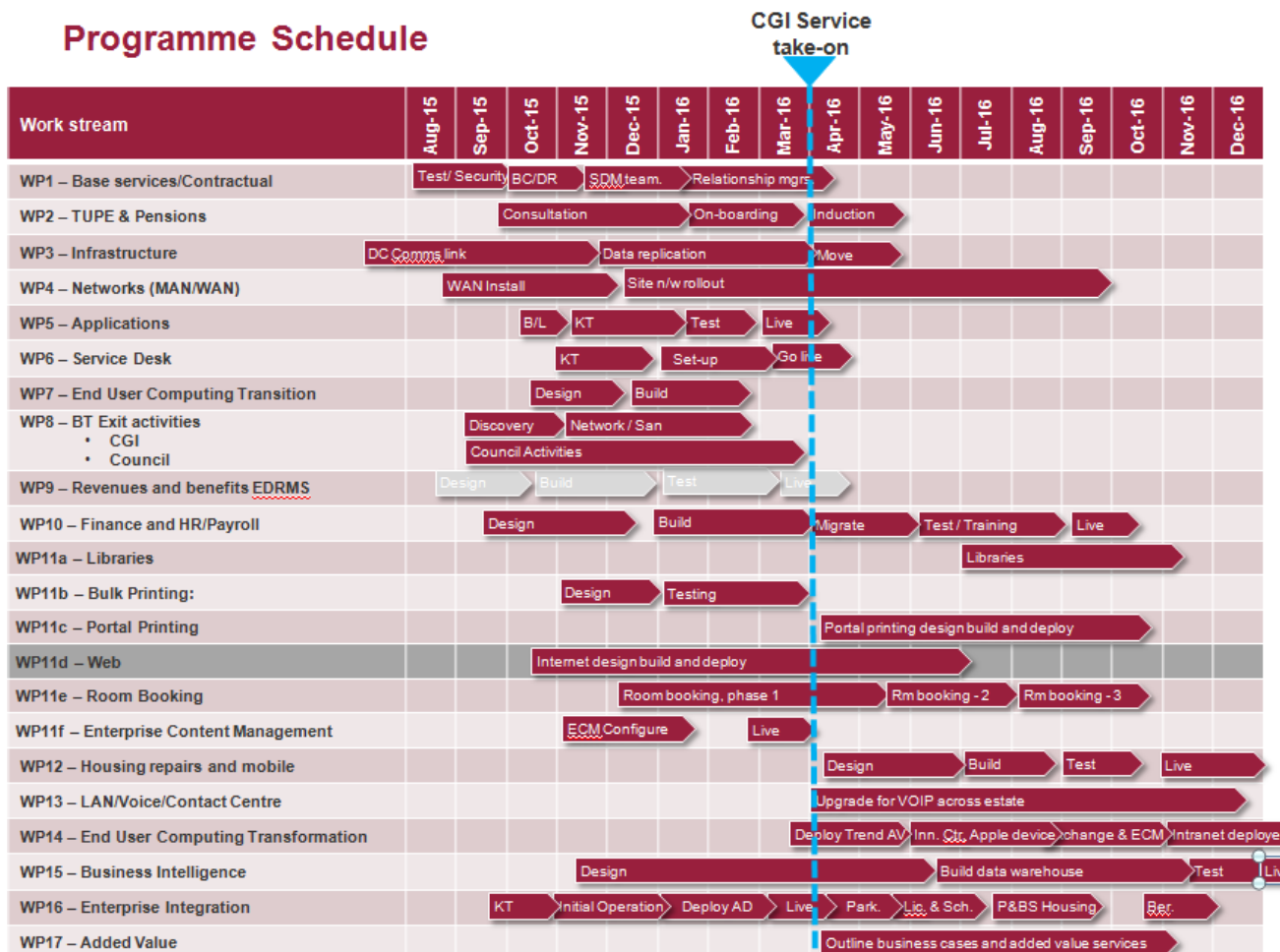
E-mail: claudette.jones@edinburgh.gov.uk | Tel: 0131 529 7847

Links

Coalition pledges	P7 - Further develop the Edinburgh Guarantee to improve work prospects for school leavers P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors P16 - Examine ways to source new funding to support small businesses 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
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: Master Programme Plan

A high level summary of the master programme plans illustrating the key activities and timelines for each of the workstreams is set out below:



Finance and Resources Committee

10.00am, Thursday, 17 March 2016

Carbon Reduction Commitment Handbook

Item number	7.8
Report number	
Executive/routine	
Wards	

Executive Summary

This report seeks Committee's approval for a Carbon Reduction Commitment Handbook for the Council in compliance with Internal Audit's review of the Council's compliance with the Carbon Reduction Commitment Scheme.

The Carbon Reduction Commitment (CRC) Handbook is appended.

Links

Coalition pledges	P50
Council outcomes	
Single Outcome Agreement	SO4

Carbon Reduction Commitment Handbook

1. Recommendations

- 1.1 The Committee approves the CRC handbook.
- 1.2 The Committee agrees that the Handbook is reviewed and updated on an annual basis to ensure it is in line with current legislation.
- 1.3 A CRC financial report is considered by this Committee annually following submission of the Council's annual CRC report to the Environment Agency.

2. Background

- 2.1 The scheme came into force in April 2010 under the CRC Energy Efficiency Scheme Order 2010. It is a mandatory reporting scheme to improve energy efficiency in large public and private organisations. Organisations that meet the qualification criteria must register with the CRC Registry which is administered by the Environment Agency. Qualifying organisations have to comply legally with the scheme or face financial and other penalties.
- 2.2 Organisations that participate are required to monitor their energy use and report their energy supplies annually. This annual report must be submitted by the end of July based on the energy consumed in the previous period from 1 April to the 31 March.
- 2.3 Participants must purchase and surrender allowances to cover their emissions. Allowances can either be bought at annual fixed price sales or traded on the secondary market. One allowance must be surrendered for each tonne of CO₂ emitted.

Internal Audit in 2015 reviewed the procedures the Council has in place with respect to compliance with the scheme. One of the key recommendations of the audit findings was the preparation of a CRC Handbook for the Council, setting out key responsibilities, actions and timescales to ensure Council compliance with the scheme.

3. Main report

- 3.1 Internal Audit's final report specifically requested a number of key elements be clearly defined in the handbook. These are:
 - 3.1.1 An individual officer with management ownership for the CRC Scheme;

- 3.1.2 Requirements of the scheme around the roles, responsibilities and internal pre-submission and post submission reporting requirements;
 - 3.1.3 The membership of a CRC group to have responsibility for oversight and monitoring of the data collation and annual report submission;
 - 3.1.4 Process map of CRC requirements supported by procedure notes for each role in the scheme;
 - 3.1.5 Segregation of duties between those collating the data and the submission of the final report;
 - 3.1.6 Independent audit of the data reported and allowances purchased; and;
 - 3.1.7 Monitoring of the effectiveness of the scheme in connection with carbon usage reduction projects
- 3.2 The handbook identifies the Corporate Finance Senior Manager (Resources Directorate) with overall management responsibility for the Council's compliance with the scheme, sets out the key Council officer roles and the membership and remit of a CRC working group.
- 3.3 The handbook will be reviewed annually to ensure that it reflects current legislation and will be updated as required to reflect any changes as a result of the Transformation Programme.
- 3.4 The Council's CRC compliance costs for 2014/15 were £1.146 m (based on £15.60 per tonne of carbon). A reduction in the Council's carbon footprint (across street lighting and the property portfolio) could reduce this cost, depending on the annual increases applied to CRC tonnage costs. In order to mitigate against potential future increases the Council needs to promote energy efficiency in buildings and street lighting.
- 3.5 Following submission of the annual report to the Environment Agency, a financial report providing an overview of the most recent CRC report submitted, allowances surrendered and the carbon allowance purchasing strategy for the forthcoming year will be considered by this Committee.

4. Measures of success

- 4.1 The establishment of a CRC working group to implement the tasks as set out in the handbook.

5. Financial impact

- 5.1 The implementation of the tasks in the handbook should lead to greater awareness of the Council's CRC tax burden amongst key officers and the need for ongoing action to mitigate any future rising costs.

6. Risk, policy, compliance and governance impact

- 6.1 Implementation of the handbook will assist the Council's with CRC Scheme compliance.
- 6.2 Governance in relation to compliance with the CRC scheme across the organisation will be consolidated.

7. Equalities impact

- 7.1 There are no equalities impacts associated with the content of this report.

8. 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. In summary, the proposals in this report will help achieve a sustainable Edinburgh because they improve governance of Council action to manage compliance with legislation.

9. Consultation and engagement

- 9.1 Consultation has taken place with Finance and Corporate Property officers.

10. Background reading/external references

Environment Protection Agency [CRC Phase 2 guidance \(2015\)](#).

Hugh Dunn

Acting Executive Director of Resources

Contact: Alison Henry, Corporate Finance Senior Manager

E-mail: alison.henry@edinburgh.gov.uk | Tel: 0131 469 3172

11. Links

Coalition pledges	P50 Meet greenhouse gas targets, including the national target of 42% by 2020
Council outcomes	
Single Outcome Agreement	SO4 Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1: Carbon Reduction Commitment Handbook

CARBON REDUCTION COMMITMENT HANDBOOK

Paper for: Finance & Resources
Committee

Subject: Carbon Reduction
Commitment

Document Version: 0.1

Author: Jenny Fausset
Corporate Policy Officer

Date Presented: 17 March 2016

Action Required: For Approval

Table of Contents

1.	PURPOSE.....	3
2.	BACKGROUND	3
3.	SCOPE.....	4
4.	GOVERNANCE STRUCTURE.....	4
5.	ROLES AND RESPONSIBILITIES	6
6.	SCHEME REQUIREMENTS & KEY MILESTONES	16
7.	EVIDENCE PACK.....	18
8.	RISKS AND ISSUES LOG.....	19
9.	CRC LINKAGES TO KEY COUNCIL POLICIES, PLANS AND OTHER LEGISLATION.....	19
	REFERENCES	20
	APPENDIX 1	21

PURPOSE

The aim of the Carbon Reduction Commitment (CRC) Management Handbook is to communicate the processes, governance arrangements and reporting requirements of the City of Edinburgh Council's compliance with the CRC scheme.

The intended audiences are:

- **For action:**
Identified managers (to supply compliance data, supporting information, audit overview, progress reports etc);
- **For information:**
Corporate Leadership Team, Heads of Service.

The handbook will define clear and simple arrangements that are consistently applied, thus improving the standard of information available for decision making while minimising the amount of time taken up with reporting and project administration.

1. BACKGROUND

The [CRC Energy Efficiency Scheme](#) is a UK government scheme. The scheme came into force in April 2010 under the CRC Energy Efficiency Scheme Order 2010, being replaced by the CRC Energy Efficiency Scheme Order 2013. It is designed to improve energy efficiency and cut carbon dioxide (CO₂) emissions in private and public sector organisations that are high energy users.

The Scottish Environment Protection Agency (SEPA) oversees the scheme in Scotland.

Qualification for the scheme is based on electricity usage. Organisations will qualify if they consumed over 6000 megawatt hours (MWh) of qualifying electricity through settled half hourly meters¹. For the purposes of reporting, electricity and gas (where the gas is used for heating purposes) are the only reportable energy supplies for CRC purposes. For more information on the qualification criteria for electricity and gas please see [CRC Phase 2 Guidance](#) (Page 10).

The CRC scheme is divided into phases. Phase 2 runs from April 2014 to March 2019. Each phase is divided into compliance years which run from 1 April to 31 March.

The scheme carries significant financial penalties if a qualifying organisation does not:

- Register
- Disclose information on registration
- Submit an Annual Report on time
- Provide accurate information or notifications (in relation to registration or designated change)
- Provide an accurate Annual Report;
- Surrender allowances; and

¹ Such meters are defined in the CRC as performing two functions; measuring electricity supplied to a customer on a half hourly basis for billing purposes and measuring electricity for the purposes of balancing the loads on the grid in respect of the wholesale electricity market.

- Maintain an evidence pack

More information on penalties can be found in Appendix 1.

2. SCOPE

This handbook will clearly define:

- Key roles and responsibilities as required by the CRC scheme;
- The individual officer with day to day management ownership for the CRC Scheme within the Council;
- Requirements of the scheme around the roles and responsibilities (including management, data provision, audit and report submission);
- Internal pre-submission and post submission reporting requirements;
- Membership of a CRC group and the group's responsibilities;
- Process maps of requirements supported by procedure notes for each role;
- Key stage requirements (milestone calendar) to ensure compliance with the scheme.
- Opportunities/ linkages with carbon reduction projects.

3. GOVERNANCE STRUCTURE

All participants that are eligible for the scheme must register on line with the Environment Agency. Authorised contacts for each organisation must be provided as part of the registration process.

For City of Edinburgh Council the named **authorised contacts** are as follows:

Senior Officer:	Andrew Kerr, Chief Executive Officer
Primary contact:	Peter Watton, Interim Head of Corporate Property
Secondary contact:	Alison Henry, Corporate Finance Senior Manager
Account representative:	Alison Henry, Corporate Finance Senior Manager
Paul Jones	Energy Manager
Jenny Fausset	Senior Corporate Policy Officer
Finance Administrative contact:	Carol-Ann Wallace

The Corporate Finance Senior Manager will oversee day to day management of the Council's compliance with the scheme.

The following key Council officers play a fundamental role in providing data and overview of the process to ensure that the Council is in a position to meet the scheme's reporting requirements. Key duties will be detailed in the **ROLES & RESPONSIBILITIES** section.

- Corporate Finance Senior Manager
- Energy Manager;
- Carbon and Utility Officer;
- Street Lighting and Traffic Signals Infrastructure Manager;
- Housing Management and Development Manager;
- Housing Property Manager;

- Finance Officers;
- Corporate Policy Officer;

These officers will form the core representation on a 'CRC Working Group' internal to the Council. This will be chaired by the Corporate Finance Senior Manager.

CRC WORKING GROUP REMIT

The CRC Working Group will:

- Meet two or three times per year (or more frequently if deemed necessary by the Chair) to ensure that the Council is fully prepared to submit an accurate Annual Report within the timescales of the scheme;
- Ensure that the required resources and levels of support are provided to meet the requirements;
- Escalate key risks and issues to the Corporate Leadership Team (CLT) as appropriate;
- Provide a representative forum to discuss the effectiveness of current Council policies (e.g. energy efficiency policy) to reduce energy consumption in buildings and where additional opportunities may exist.
- Ensure communication and awareness of CRC and its financial impact across all Service Areas.

The dedicated Carbon and Utility Officer will provide administrative support for this group.

The Corporate Finance Senior Manager will report annually to the CLT from which reports will be presented to the Finance and Resources Committee (and/or, when required Corporate Policy & Strategy Committee/Full Council) as appropriate.

CORPORATE LEADERSHIP TEAM RESPONSIBILITIES:

The CLT will provide a corporate overview of the scheme. This includes

- Approval of Annual Report prior to submission to the Environment Agency;
- Taking cognisance of the impact of CLT decisions on the Council's CRC footprint; and
- Receiving reports from the CRC working group.

LEGAL ADVICE

Legal advice will be requested from time to time to ensure that the Council is fully complying with its legal duties under the CRC Scheme and keeping abreast of any changes to the CRC Energy Efficiency Scheme Order. The Corporate Finance Senior Manager will liaise with the Council's legal team as and when advice is required.

4. ROLES AND RESPONSIBILITIES

Roles and responsibilities are divided into two categories for the purposes of this Handbook.

Firstly, the roles of the authorised Council contacts as registered on the CRC Registry. The authorised contacts are in place to ensure that there is accountability at the most senior level in the organisation for compliance with the scheme.

AUTHORISED CONTACTS

Senior Officer – Chief Executive Officer

The senior officer has overall responsibility for the organisation's compliance with CRC. This means that:

- enforcement and civil penalty notices will be sent to the senior officer;
- the senior officer authorises the primary and secondary contacts and the single or several account representatives to act on behalf of the organisation;
- the senior officer receives notifications of the submission of Annual Reports, and the order, allocation and surrender of allowances;
- the senior officer receives emails from the administrators with information about the scheme

The Senior Officer will sign off the internal audit report prior to the Council's submission of the Annual Report to the Environment Agency.

Primary Contact, Secondary Contact and Account Representative

The primary, secondary and account representative contacts are authorised contacts with delegated responsibility from the Senior Officer. All roles have equal access rights to the CRC Registry. More than one contact is in place to ensure availability of an authorised contact to take the necessary actions within the Scheme deadlines. They can access the CRC Registry to perform the following actions:

- register a CRC account;
- submit Annual Reports;
- notify a designated change;
- change participant equivalent details;
- change primary member/compliance account holder details;
- appoint an agent to act on their behalf; and
- order, transfer and surrender allowances as appropriate.

Currently the Corporate Finance Senior Manager is both the Secondary contact and the Account representative with day to day management of the Council's compliance with the scheme. Should the Corporate Finance Senior Manager not be available the Primary Contact will be the first point of contact.

Finance Administrative Contact

This role is primarily to ensure that the annual subsistence fee is paid. This is £1290 (2015 fee) and the Council will be invoiced in April annually. The fee will be met from the overall budget for compliance with the scheme.

KEY COUNCIL OFFICERS

Secondly, the following Council officers play a fundamental role in ensuring the City of Edinburgh Council complies with the requirements of the CRC Scheme. Their involvement and input to the scheme is mandatory.

CORPORATE FINANCE SENIOR MANAGER

The Corporate Finance Senior Manager has day to day responsibility for the management of the Council's compliance with the CRC Scheme.

Duties include:

- Chairing the CRC Working Group and escalating key risks and issues to the Corporate Leadership Team;
- Requesting the data required for the Annual Report in March each year;
- Overseeing the financial day to day running of the Council's compliance with the CRC scheme;
- Purchase, surrender and paying for carbon allowances within required timescales;
- Submitting the Council's Annual Report to the Corporate Leadership Team;
- Submitting the Council's Annual Report on-line to the Environment Agency,
- Preparing a financial annual report on CRC for CLT and Finance & Resources Committee annually;
- Overseeing the revision and updating of this handbook every six months; and
- Ensuring that the information relating to the Council's compliance with the scheme on the CRC registry is up to date.

ENERGY MANAGER

The Council's Energy Manager has seven key roles with respect to CRC compliance.

The Energy Manager will:

- Collate and validate gas and electricity consumption for Council buildings to be provided as part of the Council's CRC Annual Report;
- Provide a forecast estimate of the following year's consumption to assist finance officers with budget setting;
- Co-ordinate and collate energy data relating to consumption by Street Lighting, stair lighting, traffic signals and property pension portfolio (that qualifies for CRC) for inclusion in the Council's CRC Annual Report;
- Liaise with Finance officers with respect to an independent audit of the energy data relating to buildings prior to inclusion in the Annual Report;
- Provide the Council's CRC footprint data in a finalised version ready for uploading to the on-line Annual Report template;

- Ensure that the Council's CRC Evidence Pack is kept up to date including information on meter breakdowns, change of property ownership, liaison with suppliers, liaison with SEPA, etc. and that this is available for both internal and external auditing purposes;
- Advising Finance officers on the future purchase of carbon allowances based on the pattern of energy consumption in Council buildings in previous years.

The Energy Manager must be familiar with the detailed requirements of the scheme and to any changes to the legislation that may affect reporting requirements. The Energy Manager will also be familiar with CRC requirements as they apply to the classification of energy supplies, including self generation, the process employed for estimated reads, number of meter readings required annually etc. More detailed information is available on the CRC website "[CRC Phase 2 Guidance](#)".

CARBON AND UTILITY OFFICER

The Energy Manager manages the dedicated Carbon and Utility Officer. The Carbon and Utility Officer will support the Energy Manager with the key duties outlined above and in particular will:

- Ensure that the authorised contacts on the CRC Registry are up to date;
- Ensure that the Evidence pack content for the current CRC year is regularly updated;
- Ensure that the Evidence pack for previous years is placed in a secure folder and password protected;
- Be the key liaison with other Council officers identified in this handbook on CRC related tasks;
- Co-ordinate the collation of the data required for the Annual Report to meet legislative requirements;
- Input to the annual revision of the Handbook;
- Support the Corporate Finance Senior Manager with the running of the CRC Working Group.

STREET LIGHTING AND TRAFFIC SIGNALS INFRASTRUCTURE MANAGER

In April 2014, the UK Government included Street Lighting as part of the CRC footprint. The Council is now legally required to report on electricity consumption by Street Lighting.

Therefore the Council's Street Lighting and Traffic Signals Infrastructure Manager must provide:

- Supply Certificates for all unmetered supplies (excluding festive lighting);
- Annual or monthly supplier statements detailing consumption for audit trail/evidence pack;
- MPANs², for all relevant supplies;
- Any validation evidence; and
- Provide a forecast estimate of the following year's consumption to assist finance officers with budget setting.

² Meter Point Administration Number (21-digit reference used in Great Britain to uniquely identify electricity supply points)

This information will be requested by the Corporate Finance Senior Manager at the end of March annually. This information shall be provided to the Energy Manager in order that the Council's total CRC footprint can be collated.

It is the Street Lighting and Traffic Signals Infrastructure Manager's responsibility to ensure that:

- Street Lighting consumption data is provided timeously (there are significant fines if the Council does not submit its Annual Report within required timescales. See appendix 1).
- Street Lighting consumption data is validated and that there is an explanation of the validation process accompanying the data;
- The complete street lighting footprint is included (there are significant fines for incomplete data);
- Street Lighting personnel liaise with Finance Officers in order that an independent audit of street lighting data can be conducted prior to information being included in the Annual Report.

HOUSING MANAGEMENT & DEVELOPMENT MANAGER AND HOUSING PROPERTY MANAGER

There are a few unmetered electricity supplies that are related to Housing that are reportable under the current CRC scheme.

Therefore the Council's Housing Management and Development Manager and the Housing Property Manager must provide:

- Confirmation of Supply Certificates for all unmetered housing supplies (00 & 03-08 profile classes);
- Annual or monthly supplier statements detailing consumption for evidence pack;
- MPANs and profile classes for all relevant supplies;
- Evidence of validation undertaken; and
- Provide a forecast estimate of the following year's consumption to assist finance officers with budget setting

This information will be requested by the Corporate Finance Senior Manager at the end of March annually. This information must be provided to the Energy Manager in order that the Council's total CRC footprint can be collated. Any delay in receiving this information will result in either delays in finalising the Annual Report (there are significant fines if the Council does not submit its Annual Report within required timescales), or errors in the validation exercise.

It is the responsibility of both the Housing Management and Development Manager and the Housing Property Manager to ensure that:

- Housing Metered and Unmetered consumption data is provided timeously;
- Metered and Unmetered Housing consumption data is validated and that there is an explanation of the validation process accompanying the data;

- The complete metered and unmetered housing footprint (00 & 03-08 profile classes) is included (there are significant fines for incomplete data);
- Housing personnel liaise with Finance Officers in order that an independent audit of housing data can be conducted prior to information being included in the Annual Report.

STREET LIGHTING AND TRAFFIC SIGNALS INFRASTRUCTURE MANAGER

In April 2014, the UK Government included non domestic unmetered supplies as part of the CRC reporting footprint. The Council is now legally required to report on electricity consumption by all street lights and traffic lights.

Therefore the Council's Street Lighting and Traffic Signals Infrastructure Manager must provide:

- Supply Certificates for all related unmetered supplies;
- Annual or monthly supplier statements detailing consumption for audit trail/evidence pack;
- MPANs, for all relevant supplies;
- Evidence of validation undertaken; and
- Provide a forecast estimate of the following year's consumption to assist finance officers with budget setting

This information will be requested by the Corporate Finance Senior Manager at the end of March annually. This information must be provided to the Energy Manager in order that the Council's total CRC footprint can be collated. Any delay in receiving this information will result in either delays in finalising the Annual Report (there are significant fines if the Council does not submit its Annual Report within required timescales), or errors in the validation exercise.

It is the Street Lighting and Traffic Signals Infrastructure Manager's responsibility to ensure that:

- Street lighting and traffic light consumption data is provided timeously;
- Street lighting and traffic light consumption data is validated and that there is an explanation of the validation process accompanying the data;
- The complete Street Lighting and Traffic Light footprints are included (there are significant fines for incomplete data);
- Street Lighting and Traffic Lighting personnel liaise with Finance Officers in order that an independent audit can be conducted prior to information being included in the Annual Report.

NON METERED SUPPLIES

As part of the changes to the CRC scheme in 2014, all non-domestic supplies not covered by street lighting, housing and transport must be reported. In addition the responsibility for sourcing information and reporting on additional unmetered supplies is the responsibility of Energy Manager.

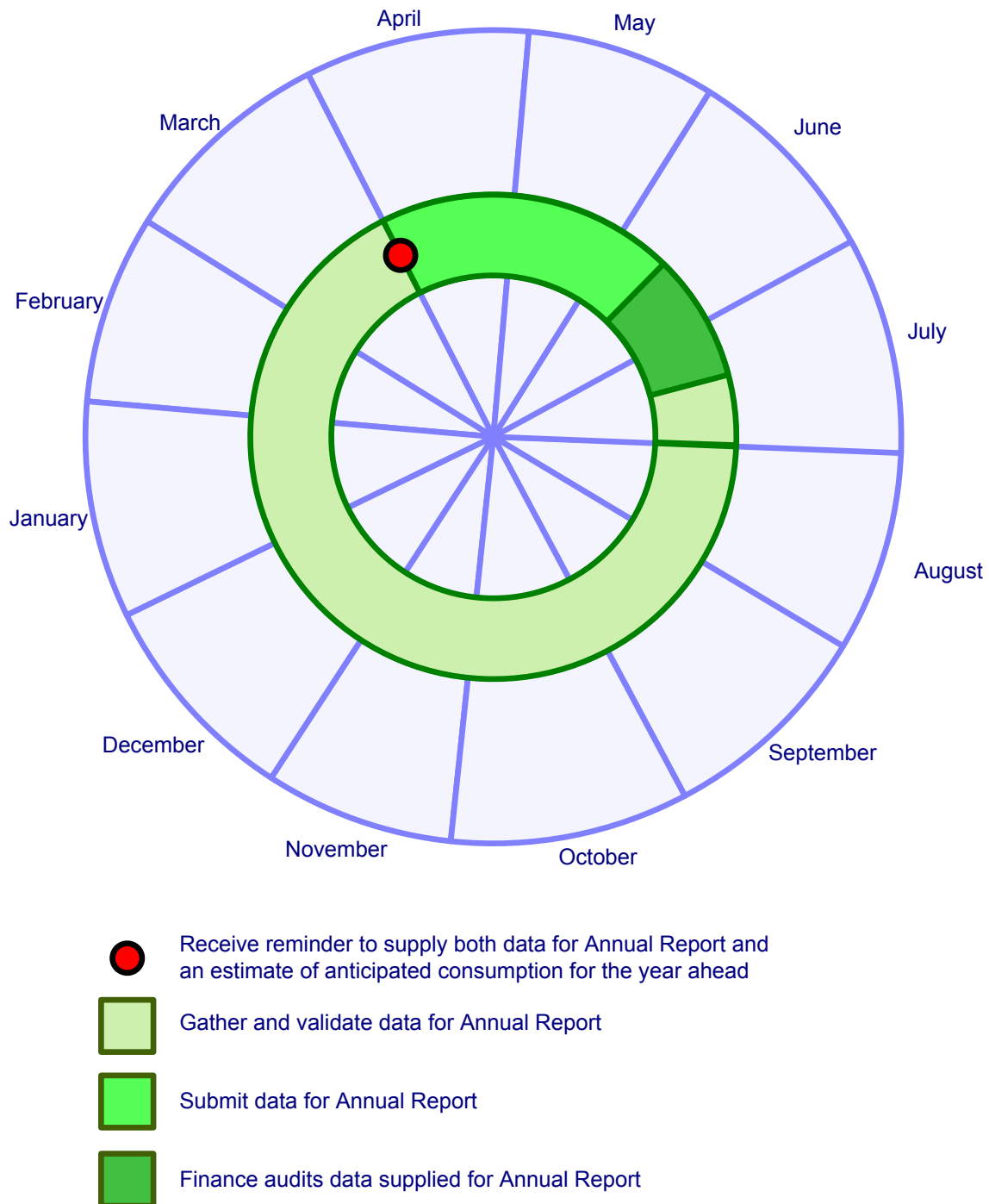
Therefore the Council's Energy Manager must record in the evidence pack:

- Supply Certificates for unmetered supplies not covered by Housing, Transport or Housing
- Annual or monthly supplier statements detailing consumption for audit trail/evidence pack;
- Consumption data will be validated using the Energy Management System.

Unmetered supplies are part of the Council's wider invoicing and included on the electronic billing files provided by the service providers. These files are imported and processed by the Council's Energy Management System (EMS).

FIGURE 1 below outlines the key tasks over any 12 month period as it relates to Council officers who provide data.

Figure 1 Data providers' key tasks



FINANCE OFFICERS

Finance officers have a key role to play with respect to the financial management associated with the scheme and ensuring that the Council meets the reporting timescales necessary to comply with the scheme.

CORPORATE FINANCE SENIOR MANAGER

The Corporate Finance Senior Manager will:

- Chair the CRC Working Group and escalate key risks and issues to the Corporate Leadership Team;
- Requesting the data required for the Annual Report in March each year;
- Oversee the financial day to day running of the Council's compliance with the CRC scheme;
- Purchase, surrender and pay for carbon allowances within required timescales;
- Submit the Council's Annual Report to the Corporate Leadership Team;
- Submit the Council's Annual Report on-line to the Environment Agency, and
- Prepare a financial annual report on CRC for CLT and Finance & Resources Committee annually.

FINANCE OFFICERS will:

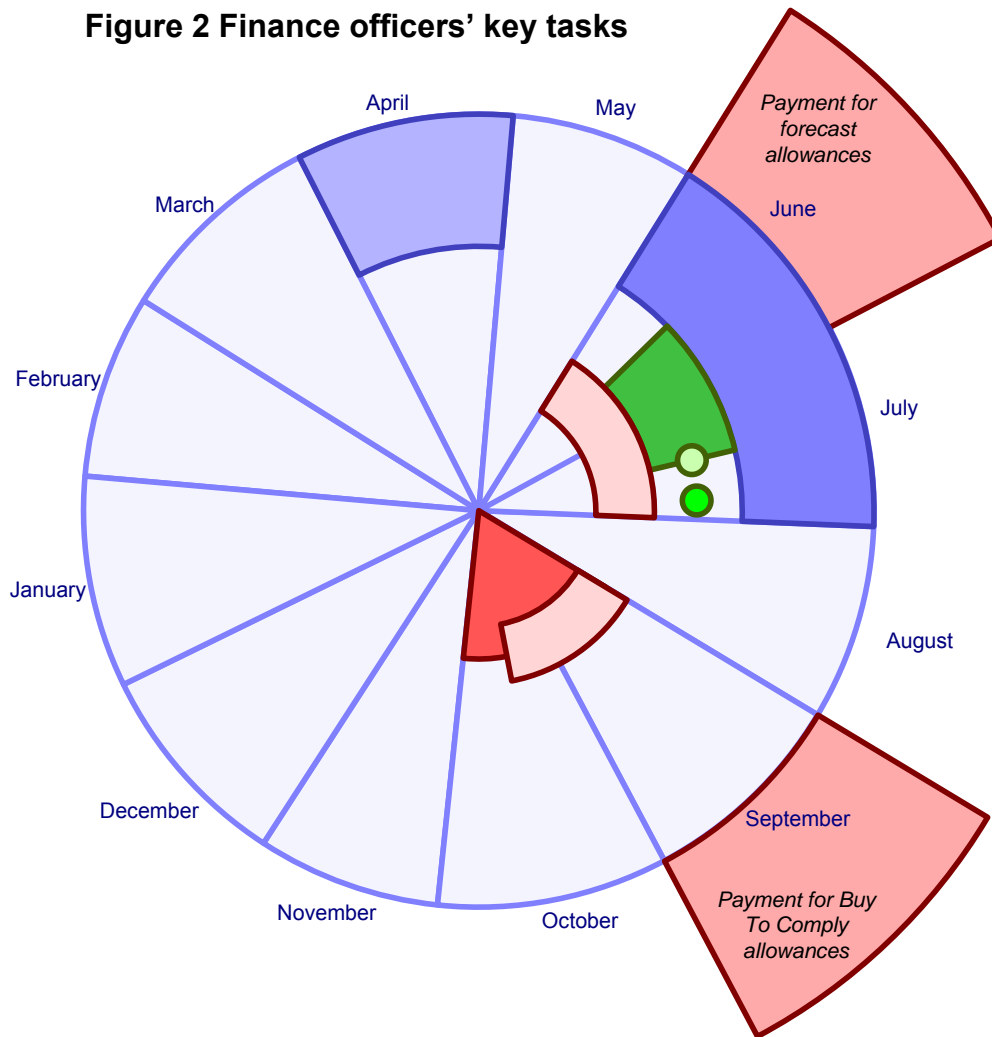
- Audit data (street lighting, housing, traffic signals, unmetered supplies) for the Annual Report prior to being submitted to the Environment Agency;
- Monitor and verify the Evidence Pack structure and content annually;
- Prepare a strategy setting out the Council's approach to the purchase of carbon allowances going forward;
- Support the Corporate Finance Senior Manager; and
- Liaise with the Carbon and Utility Officer as appropriate.









Proof that the audit has taken place must be logged in the Council's Evidence Pack annually. Finance officers have been assigned to this task. The audit will include a review of all scheme documentation, verification of a representative sample of source data (provided by the Energy Manager, Street Lighting Manager, Traffic and Engineering (Maintenance) Manager & Housing Asset Management Manager) and an independent assessment of progress in addressing recommendations if an external audit has been recently conducted. This audit must take place prior to information being submitted as part of the Annual Report and must be signed off by the Senior Officer. It should also be made available for external auditing purposes.

The carbon allowance purchasing strategy will take appropriate account of risk and incorporate, in particular, consideration of the financial savings arising from advance purchase with the opportunity cost of interest foregone and/or additional borrowing costs.

Figure 2 overleaf depicts the key tasks for Finance officers over any 12 month period.

Figure 2 Finance officers' key tasks



- | | | | |
|---|---|---|--|
|  | Order Forecast Allowances |  | Order Buy To Comply Allowances |
|  | Pay for Allowances |  | Receive Allowances |
|  | Audit the data supplied for Annual Report |  | Surrender Allowances |
|  | Submit Annual Report to Council Leadership Team |  | Submit Annual Report to Environment Agency |

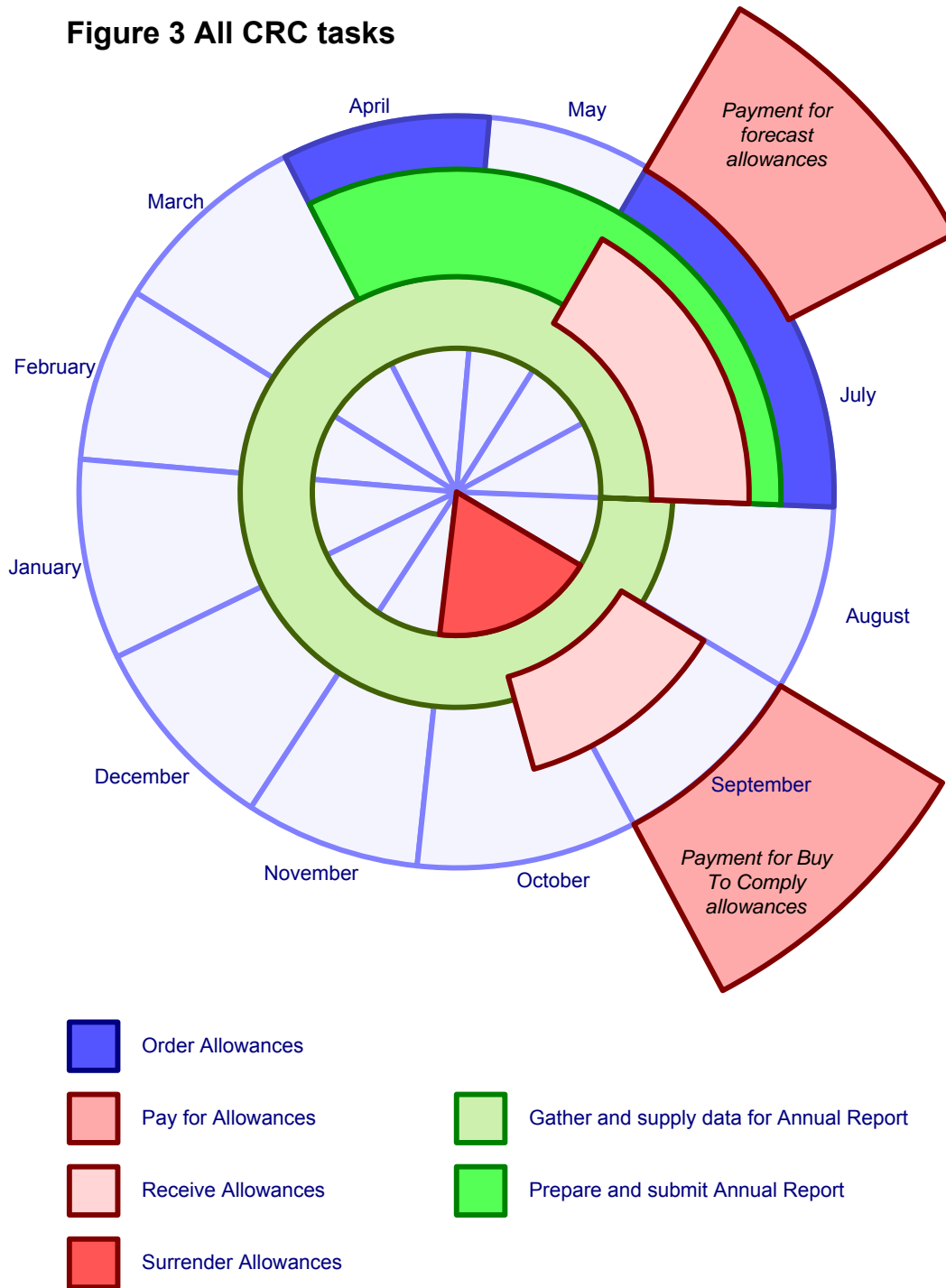
CORPORATE POLICY OFFICER

A Corporate Policy Officer will ensure that linkages are strengthened between the Council's compliance with the scheme and key Council policies, carbon management plan and the Council's mandatory reporting requirements under the Climate change (Scotland) Act 2009. The designated Corporate Policy officer will attend meetings of the CRC Working Group.

5. SCHEME REQUIREMENTS & KEY MILESTONES

Figure 3 summarises the key milestones and requirements for the scheme over any 12 month period.

Figure 3 All CRC tasks



Each year the Council must order, pay for and surrender allowances to cover its annual CRC emissions as set out in its Annual Report for that year. Table 1 sets out the deadline dates.

TABLE 1: Deadlines for the ordering, payment, allocation and surrender of CRC allowances

Action required	Annual deadline
Order forecast sale allowances	1 April to 30 April
Payment for forecast sale allowances	2 June to 20 June
Allocation of forecast sale allowances	2 June to 15 July
Order buy to comply sale allowances	2 June to 31 July
Payment for buy to comply sale allowances	1 Sept to 19 Sept
Allocation of buy to comply sale allowances	1 Sept to 15 October
Surrender of allowances	Last working day in October

Each year there will be two fixed price Government sales of **allowances** – one forecast sale at the beginning of the year, and one buy to comply sale after the end of the reporting year. The price at the forecast sale will be lower than the price at the buy to comply sale, giving participants an incentive to forecast their emissions before the start of the year and buy allowances in advance. However, participants have the choice to purchase allowances at either sale and also have the option of hedging risks by trading allowances. Forecast sale allowances are valid for all compliance years from the year in which they are sold for the rest of the phase. They are not valid to meet the surrender obligation for previous compliance years.

Buy to comply allowances are valid retrospectively for the compliance year just ended (31 March) and for any subsequent year in the phase.

Finance staff will take this into account as part of the Council’s Carbon Allowance Purchasing Strategy.

More detailed information is available on the CRC website “[Guidance to Phase 2](#)”.

ANNUAL REPORT

Every year before the 31 July, each participating organisation must submit an Annual Report. The Annual Report is completed and submitted on-line. All information relating to the organisation must be up to date on the CRC registry prior to the submission of the report.

An example of an Annual Report is appended for information (Appendix 2).

The Annual Report will be approved by the CLT prior to being submitted on-line by Corporate Finance Senior Manager.

6. EVIDENCE PACK

To meet record keeping CRC obligations an Evidence Pack must be maintained. The Evidence Pack must contain information that supports and justifies information supplied as part of the registration process and in Annual Reports.

It should also contain information to support any changes to the organisation structure and responsibilities, reporting information, changes that affect data and any excluded uses. The Energy Manager (supported by the Carbon and Utility Officer) will be responsible for ensuring that all information relating to data required as part of the scheme is recorded and filed in the Evidence Pack. Supporting evidence will be reviewed at meetings of the CRC Working Group.

There is no prescribed format that the Evidence Pack must take. The Council has an on-line based Evidence Pack on the G Drive as part of the Energy Management folder structure. The Evidence Pack structure is based on the format as suggested in the [CRC Phase 2 guidance](#) (Table K.1 Page 142).

A separate Evidence Pack folder is established for each year that the Council has been participating in the scheme. Following the surrender of allowances in October annually the Evidence Pack for the corresponding year will be placed in a secure folder and password protected. This will be the responsibility of the Carbon and Utility Officer.

7. RISKS AND ISSUES LOG

CRC is included on the Council's Risk Register. If there is a perceived risk that key milestones are not going to be met and that subsequently the Council will incur financial penalties, the risk will be raised by the Corporate Finance Senior Manager with the Departmental Risk Officer in the first instance and escalated to a quarterly Risk Committee if appropriate thereafter. Depending on the level of risk, in consultation with the Risk Officer the risk will be escalated by the Corporate Finance Officer to CLT.

8. CRC LINKAGES TO KEY COUNCIL POLICIES, PLANS AND OTHER LEGISLATION

Energy Policy for Council Buildings

This [policy](#) aims to manage energy effectively in Council buildings, stair and street lighting and in doing so reduce the Council's carbon emissions. The effective implementation of this policy will assist in reducing the financial impact of the Council's compliance with the CRC Scheme.

Council's Carbon Management Plan

The [Council's Carbon Management Plan](#) 2015/16 – 2020/21 sets out the Council's actions to reduce carbon emissions by 2020/21 and in doing so meet a 42% carbon reduction target. Reductions will be met through a range of projects including energy reduction, fleet, procurement, waste and behavioural change projects. The effective reduction of energy consumption will reduce the Council's carbon footprint as well where relevant reduce the financial impact of the Council's compliance with the CRC Scheme.

Public Bodies Climate Change Duties (Climate Change (Scotland) Act 2009

In 2015 the Scottish Government enacted powers within the Climate Change (Scotland) Act 2009 to introduce a mandatory Public Bodies Duties reporting requirement. The first mandatory report deadline is 31 October 2016. This report requests details of the Council's governance arrangements with respect to carbon management, carbon emissions reduction projects and carbon footprint year on year.

Service delivery and the impact on CRC

All Service Areas need to be aware of the impact on the Council's CRC liability of decisions taken in the process of service delivery. Awareness of CRC and its close linkage to the Energy Policy, carbon management plan and mandatory carbon reporting shall be raised through the CRC Working Group.

REFERENCES

Environment Agency September 2015 CRC Energy Efficiency Scheme; [guidance](#) for participants in Phase 2 (2014-2015 to 2018-2019).

APPENDIX 1

CRC penalties

The table below details the civil penalties that can be applied for non-compliance with the CRC Order.

Non-compliance	CRC Order	Penalties
Failure to register	Article 73	<ul style="list-style-type: none"> • Immediate fine of £5,000 for failure to register by the deadline • Further £500 per working day for each subsequent working day of delay up to a maximum of 80 working days; and <ul style="list-style-type: none"> • Publication of non-compliance
Failure to disclose information on registration	Article 73	<ul style="list-style-type: none"> • £500 per meter not reported in the registration; and <ul style="list-style-type: none"> • Publication of non-compliance
Failure to submit an Annual Report on time	Article 74	<ul style="list-style-type: none"> • Immediate fine of £5,000 for failure to report by the deadline; and <ul style="list-style-type: none"> • Publication of non-compliance <p>Where the report is provided no more than 40 working days late, also a fine of £500 per working day for each subsequent working day of delay up to a maximum of 40 working days.</p> <p>Where the report is provided after the last working day of October after the end of the applicable year or not at all:</p> <ul style="list-style-type: none"> • £45,000 fine; • CRC emissions to which the Annual Report relates are double the CRC emissions reported in the previous year's report, or where no such report exists, double the CRC emissions determined by the administrator • The participant must immediately purchase and surrender allowances equal to the CRC emissions (including the doubling) • £40 per tCO₂ penalty for each allowance not surrendered by the deadline (penalty is only applicable to the CRC emissions before the figure is doubled) and <ul style="list-style-type: none"> • Transfer of any allowances to third parties is blocked • Publication of non-compliance

		<ul style="list-style-type: none"> If the participant fails to comply with the penalty requirement to purchase and surrender allowances by 31 March after the Annual Report was due and continues in the scheme, the unsurrendered allowances will be added to the surrender requirement for the next year.
Failure to provide Accurate information or notifications (in relation to registration or designated change)	Article 75	<ul style="list-style-type: none"> £5,000 fine; and Publication of non-compliance
Inaccurate annual reports	Article 76	<ul style="list-style-type: none"> £40 per tCO₂ of so much of those supplies or emissions that were inaccurately reported; and Publication of non-compliance <p>'Inaccurate' means where any supplies or emissions differ by more than 5% to those that should have been</p>
Failure to surrender allowances	Article 77	<ul style="list-style-type: none"> Participant must immediately acquire and surrender the allowances shortfall £40 per tCO₂ of so much of the emissions represented by the allowances shortfall Transfer of any allowances to third parties is blocked; and Publication of non-compliance <p>If the participant fails to comply with the penalty requirement to surrender sufficient allowances;</p> <p>and</p> <p>continues in the scheme, the shortfall allowances will be added to the surrender requirement for next year.</p>
Later discovered failures to surrender allowances (so long as the error is identified within five years of the submission date for the report containing the error)	Article 78	<ul style="list-style-type: none"> Shortfall allowances will be added to the quantity of allowances required to be surrendered in the next reporting year; and Publication of the non-compliance <p>Where the non-compliant organisation is no longer a participant, a fine is imposed that represents the value of the shortfall allowances. 'Value' means the value of the allowances in the most recent sale of allowances before the shortfall was discovered.</p>
Failure to maintain records	Article 79	<ul style="list-style-type: none"> £40 per tCO₂ of so much of the CRC

<p>in respect of the information used to compile an Annual Report or relevant to any designated change</p>		<p>emissions of the participant in the Annual Reporting year immediately preceding the year in which the noncompliance is discovered; and</p> <ul style="list-style-type: none"> • Publication of non-compliance
--	--	---

Annual report summary

Date Created	24 July 2014
---------------------	--------------

Your details

Phase: 1
Reporting Year: 2013/2014
CRC reference number: CRC7623092
Addressee: Ms Sue Bruce City of Edinburgh Council

Total Participant Electricity and Gas Supplies* (this excludes supplies of gas to an EU ETS installation or CCA facility, and supplies of electricity to a CCA facility)

Fuel source	Actual supply	Estimated supply	Measurement unit	Calculated emissions (tonnes of CO2)
Electricity	54,508,783	4,864,158	kWh	32,383
Gas	131,691,690	4,837,603	kWh	25,155

*if you are re-submitting your 2010/11 or 2011/12 report the figures in this box should be your 'Core Electricity and Core Gas Supplies (excluding supplies of gas to an EU ETS installation or CCA facility, and supplies of electricity to a CCA facility)' as defined by the CRC Energy Efficiency Scheme Order 2010

Emissions for annual reporting year 2013/2014

Total CRC Emissions (tonnes of CO2): 57,538
--

SGU emissions

SGU name	SGU emissions (tonnes of CO2)
City of Edinburgh Council	57,538

Early action metrics

Emissions covered by carbon trust standard or equivalent

Emissions (tonnes of CO2)	Scheme

Emissions covered by voluntary AMR - percentage:

Turnover/ expenditure for report year:

Renewable energy data		
Type	Kilowatt Hours	Tonnes of CO2

Corporate responsibility responses	
Type	Answer
Discloses long term reduction targets	Yes
Discloses performance against long term reduction targets	Yes
Names director responsible for energy use	Yes
Engages employees in reduction of energy use	Yes
Report comments:	

Re-submitted 2010/11 or 2011/12 reports

Residual measurement list fuels (This box will only be populated if you are re-submitting a report for 2010/11 or 2011/12 that includes residual fuels.)				
Fuel source	Actual supply	Estimated supply	Measurement unit	Calculated emissions (tonnes of CO2)



Finance and Resources Committee

10.00am, Thursday, 17 March 2016

Charitable Trusts Reserves Policy

Item number	7.9
Report number	
Executive/routine	
Wards	

Executive summary

The purpose of this report is for Committee to approve the City of Edinburgh Charitable Trusts reserves policy and to address a significant finding from the 2014/15 Audit Scotland ISA260 Report.

Links

Coalition pledges	P31 , P42
Council outcomes	CO6 , C10
Single Outcome Agreement	SO2 , SO3

Charitable Trusts Reserves Policy

Recommendations

- 1.1 Members of the Finance and Resources Committee are asked to:
 - 1.1.1 Approve the reserves policy for the Council's Charitable Trusts.

Background

- 2.1 The Committee's remit includes the review of all matters relating to external audit of the Charitable Trusts.
- 2.2 In the 2014/15 CEC Charities ISA260 Report prepared by Audit Scotland, one area raised as an issue to address was the need for the Finance and Resources Committee to agree a reserves policy for each Charitable Trust. This was reported to Committee at the 24 September 2015 meeting.
- 2.3 The Charitable Trusts currently have no explicit reserves policy, but as a general principle the "Capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. Trustees are permitted to use "Capital" balances should they require, however this is discouraged and approval from Committee is required. The main funding sources for the Charitable Trusts consist of UK government bond and overseas bond interest, as well as dividends from equities held. There is also a small amount of UK bank interest received.
- 2.4 The purpose of this report is therefore to provide a recommended reserves policy for each of the Charitable Trusts administered by the City of Edinburgh Council.

Main report

Reserves Policy

- 3.1 The Charitable Trusts should follow the reserves policy explicitly outlined below, with the prevailing general principle being that the "Capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. If Trustees require using "Capital" balances, Finance and Resources Committee approval would be required on a case by case basis.

The purpose of the relevant Trusts and their specific reserve policy is set out in the attached appendix.

Measures of success

4.1 The Charitable Trusts manage their reserves effectively.

Financial impact

5.1 There is no direct financial impact of the report's contents but the Charitable Trusts' Unrestricted Funds were valued at £1.235 million, the Endowment Funds at £1.959 million and the Revaluation Reserve at £11.378 million as at 31 March 2015. The income in the 2014/15 financial year was £64,000. This includes income for the Surplus Fire Fund which was transferred during the 2014/15 financial year to Edinburgh Voluntary Organisations' Trust.

Risk, policy, compliance and governance impact

6.1 The Committee acts as Trustee for the Charitable Trusts.

Equalities impact

7.1 No full ERIA is required.

Sustainability impact

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

Consultation and engagement

9.1 No consultation and engagement required.

Background reading/external references

[Audit Scotland ISA 260 - 24 September 2015 Finance and Resources Committee](#)

[Boyd Anderson Funds - 14 January 2016 Finance and Resources Committee](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Catrina Montgomery, Senior Accountant

Links

Coalition pledges	P31 – Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure. P42 – Continue to support and invest in our sporting infrastructure.
Council outcomes	CO6 – Our children’s and young people’s outcomes are not undermined by poverty and inequality. C10 – Improved health and reduced inequalities.
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 - Purpose and specific reserve policy of the relevant Trusts

Jean F. Watson

The annual income for Jean F. Watson averages around £25,000. This income can be used to purchase additional artwork, preserve existing artwork or to pay for any expenses of administering the Trust. Any unused income in the year remains within the Trusts bank account.

George Boyd Anderson

No reserves policy is required for this Trust as the existing funds have been agreed to be disbursed as per the report to Finance and Resources Committee on 14 January 2016.

Nelson Halls Trust

The annual income for Nelson Halls averages around £5,000. This income should be used in full to cover costs incurred by the City of Edinburgh Council for the maintenance of the Halls.

Edinburgh Education Trust

The annual income for the Edinburgh Education Trust averages around £20,000.

This income is used for the advancement of education, academic and physical, formal and informal, to include the giving of bursaries and prizes as well as assistance for residents who find themselves in a state of financial hardship within the City of Edinburgh District or to pay for any expenses of administering the Trust. Any unused income in the year remains within the Trusts bank account.

Usher Hall Conservation Trust

The annual income for the Usher Hall Conservation Trust averages around £250. This income is used to cover costs incurred by the City of Edinburgh Council for the maintenance of the Usher Hall. However, the remaining cash at bank for the Trust, around £70,000, can also be used, following Committee approval, on fabric enhancements at the Usher Hall. The current understanding is that this is likely to be used in relation to the grand piano in 2016/17.

Lauriston Castle Trust

The annual income for the Lauriston Castle Trust averages around £1,000. This income is used in full to cover costs incurred by the City of Edinburgh Council for the maintenance of the Castle.

Royal Scots (Royal Regiment) Monument Trust

The annual income for the Royal Scots Trust averages around £800. This income is used in full to cover costs incurred by the City of Edinburgh Council for the maintenance of the Monument.

Finance and Resources Committee

10am, Thursday, 17 March 2016

Health and Social Care Integration – Update

Item number	7.10
Report number	11
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.

It provides a summary of the preparations for delegation of functions to the Edinburgh Integration Joint Board (EIJB) on 1 April 2016.

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 adult social care functions and resources will be delegated to the EIJB on 1 April 2016 subject to EIJB approval of its Strategic Plan; and
 - 1.1.2 note the EIJB governance arrangements in place for the planning, resourcing, operational oversight and performance monitoring

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. The last report was in January 2016. This is the second report in 2016.

Main report

EIJB Preparations for Delegation of Functions

Strategic Plan

- 3.1 The statutory consultation on the Draft Strategic Plan was completed and the report of the views of consultees was considered at its meeting in January 2016. The Plan has been updated accordingly.
- 3.2 Both the Council and NHS Lothian will be formally consulted on the second draft Strategic Plan. Views will be invited from the Council's Policy and Strategy Committee on 23 February 2016.
- 3.3 Work is also progressing on the development of 'directions': the formal mechanisms by which the EIJB will direct NHS Lothian and the Council to implement the Strategic Plan. There is currently no formal guidance available on the nature, format or content of directions, such that their development is iterative and every effort is being made to ensure they are practical and proportionate.

Finance

- 3.4 The Strategic Plan requires a Financial Statement in relation to the EIJB delegated resources. The EIJB budget setting process has been constrained by the budget setting timescales of both the Council and NHS Lothian.
- 3.5 The Council budget for all functions delivered through the existing Health and Social Care Directorate was set in January. Work is ongoing to establish the detail of the elements delegated to the EIJB and those which remain with the Council.
- 3.6 The budget setting process and timescale within the NHS is different to that for Councils. Whilst NHS Lothian issued its four IJBs an indicative resource allocation in January 2016, these will not be finalised until May at the earliest. This is the deadline for NHS Boards to submit balanced financial plans to the Scottish Government. The setting of the EIJB budget will need to accommodate this.
- 3.7 The EIJB is scheduled to consider and approve its Strategic Plan at its meeting in March and all financial reporting will go through the EIJB formal business meetings.

Audit and Risk

- 3.8 As noted in the January report, the EIJB has determined the remit and membership of its Audit and Risk Committee. Pricewaterhouse Coopers (PwC) have been commissioned to undertake the first phases of the EIJB risk strategy, specifically to work up the EIJB initial risk register for the Audit and Risk Committee and to support the development of the EIJB Internal Audit Plan for 2016/17. The Committee is likely to meet for the first time in April.

Professional Advice for Integrated Service Change

- 3.9 The EIJB membership includes a range of professional staff whose role it is to provide professional advice to the voting members. In addition to this, the EIJB approved in January the continued role of the Professional Advisory Group.
- 3.10 This is an integrated group of health and social care professionals who will support the Strategic Plan process and act as a wider group of professional advisors on major service change. This group meets once per quarter and contributes to the work of the Strategic Planning Group – see below.

Strategic Planning Group

- 3.11 This is the only statutory 'sub group' that the EIJB must have. Edinburgh's Strategic Planning Group was established in shadow form, prior to the creation of the EIJB in a way which reflected draft guidance at the time. Since its creation specific regulations have been released relating to membership and operation. In addition the Council and NHS Lothian have agreed to a four locality model for the operational delivery of services. A review of the shadow arrangements will take place following approval of the first Strategic Plan to confirm compliance and aligned locality input.

Performance and Quality

- 3.12 The EIJB has also established an integrated Performance and Quality Sub Group. This group will be chaired by a voting member of the EIJB and will focus on monitoring performance, quality and key financial matters in relation to the delivery of the Strategic Plan and meeting statutory requirements. Work is in hand with council and NHS colleagues to finalise the detailed remit, responsibilities and operational arrangement of this Sub Group. This will be completed by 1 April 2016.

Delegation

- 3.13 Subject to the EIJB approving its Strategic Plan in March, the functions and budgets will be delegated on 1 April 2016. The programme of change via the Strategic Plan will then be the responsibility of the EIJB. Finance & Resources Committee will receive one further report in this format confirming delegation of functions.
- 3.14 The EIJB and its supporting committee/groups will govern the planning, commissioning, resourcing, operational oversight and performance monitoring of the delegated functions.

Governance Matters for Action during 2016/17

- 3.15 The work to establish the EIJB has been substantial and the priority has been on those items which were to be newly established in advance of delegation of functions. There remain some matters identified within the Integration Scheme which will need to be worked through during the first year or so of operation, with the support of an integrated management team. Two such matters have been recognised as national issues in the National Audit of Integration by Audit Scotland. They are detailed below:

- 3.16 The EIJB has a clear role in monitoring standards and will rely, in the first instance, on existing mechanisms within NHS Lothian and the Council for clinical and care governance. It will be important for the Council and NHS Lothian to consider, during 2016/17, how matters in relation to quality and standards are shared with the EIJB. Work has started in both the Council and NHS Lothian to address this in the coming months.
- 3.17 Following the change in decision-making responsibilities and the recent recommendation of National Audit of Integration by Audit Scotland, it will also be important for the Council and NHS Lothian to consider how they wish to ensure that Councillors and non-executive members who are not directly involved in the EIJB are kept informed of progress/ impact of integration for people who use local health and care services.

Dependencies

- 3.18 The Chief Officer is continuing to develop proposals for the integrated operational management structure and is working towards a consultation on the proposals in late April / early May. Work is progressing in tandem with the Council's Transformation Programme to deliver the savings required by the Council and is aligned with NHS Lothian organisational change arrangements.
- 3.19 Plans for 2016/17 savings targets have been agreed and project outlines approved within the Health and Social Care Transformation programme. Detailed business cases are being developed. A workshop took place on 8 March to consider patients flows across secondary, primary and social care. From this a detailed action plan to tackle patient discharge from hospital will now be developed.

Interface Group

- 3.20 The preparations for the creation of the EIJB and delegation of functions have been led by a joint Leadership Group of senior NHS Lothian and Council leaders. As of 1 April 2016, this group will stand down, its role complete.
- 3.21 The effect of the legislation, creation of the EIJB and the integrated management structure means that all three parties will now share responsibility and accountability for delivering the integration functions, with each party responsible for different but interwoven aspects of funding, governing, planning, directing, delivering and monitoring/reporting on performance.
- 3.22 This is a complex and demanding arrangement, across a very wide range of services that are being brought together in this way for the first time. To ensure open channels of communications and continued dialogue about matters related

to finance, delivery of directions and risk, the Leader of the Council, Chair of EIJB and Chair of NHS Lothian have agreed the following:

- A Tripartite Agreement which sets out the working principles for behaviour/ operation across all three parties to help to continue to build trust and ensure safe and effective service delivery.
- An informal 'Interface Group' with a legitimate remit to discuss ongoing financial and operational matters which require senior leadership input, such as the impact of major demand pressures on future years' budgets, operational responses to directions and the management of risk across the three parties.

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 Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.
- 4.3 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope.
- 4.4 The EIJB has set up a Performance and Quality Sub Group with a role to monitor progress. A joint baseline has been developed and work is underway on a joint framework for the future.
- 4.5 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.

Financial impact

- 5.1 It is estimated that the Edinburgh Integration Joint Board will be 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 from 1 April 2016. The delegated resources are currently 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 identifies how the resources are to be spent and 'directions' will be given to the Council and NHS Lothian for the delivery of the functions within specified resources. 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. Price Waterhouse Coopers will deliver the first three phases of the EIJB Risk Management Strategy between February and April. This will enable the EIJB Audit and Risk Committee to commence its work and will provide a sound footing for the new integrated management structure to be clear about shared risks.

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 A number of members of the EIJB, in line with statute, bring broader perspectives such as service users, carers and the third sector.
- 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 The Strategic Plan has been developed in a collaborative ways and a detailed formal consultation took place between August to October 2015.
- 9.4 The Council and NHS Lothian are formal consultees on the second draft of the Strategic plan as noted above.
- 9.5 The Strategic Plan commits the EIJB to working in a collaborative way and it is highly likely it will issue 'directions' which require NHS Lothian and the Council to continue to develop proposals for service redesign in a collaborative way.

Background reading/external references

[Finance and Resources Committee, 14 January 2016, Health and Social Care Integration Update.](#)

[Health and Social Care Integration, Audit Scotland, 3 December 2015](#)

Governance Risk and Best Value Committee – 17 December 2015, health and Social Care Integration - Update (not yet available online)

[Finance and Resources Committee - 26 November 2015, Health and Social care Integration Update](#)

[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.

See reports above for earlier reporting.

Robert McCulloch-Graham

Chief Officer

Edinburgh Health and Social Care Partnership

Contact: Susanne Harrison, Integration Programme Manager

E-mail: Susanne.harrison@edinburgh.gov.uk | Tel: 0131 469 3982

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	None

Finance and Resources Committee

10am, Thursday, 17 March 2016

Direct Award of Contract: Blackwood Homes and Care

Item number	7.11
Report number	
Executive/routine	
Wards	

Executive summary

This report recommends the direct award of a contract to Blackwood Homes and Care as part of a wider effort to develop new ways of providing night time support to people with disabilities and/or poor mental health.

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

Direct Award of Contract: Blackwood Homes and Care

Recommendations

To agree:

- 1.1 the direct award of a contract to Blackwood Homes and Care for the period 1 April 2016 to 31 March 2017 at a cost of £144,350, with an option to extend the contract for one further year at the same cost
- 1.2 this report be referred to Health, Social Care and Housing Committee for information
- 1.3 to receive a report on the outcomes achieved via the contract at the midpoint and end of the recommended contract

Background

- 2.1 All local authority's make provision for paid carers to be available to vulnerable people and people with disabilities living in shared home settings or in their own homes who are assessed as being at potential risk during the night. Depending on the level of assessed risk, staff are deployed to either remain awake throughout the night or to work a 'sleepover' shift during which they are allowed to sleep. In both cases the role of staff is to ensure the safety, health and wellbeing of service users throughout the night.
- 2.2 While the exact number of night shifts worked will vary depending on service user needs, the Council currently spends around £7m per annum on maintaining safe night time arrangements in a variety of supported living settings across Edinburgh. While costs vary, following the implementation of National Living Wage legislation on 1 April 2016, the minimum annual cost of each sleepover provided will be £28,400 per annum.
- 2.3 A recent review of all night time support services recommended the Council should progress the use of technology enabled care (TEC) systems as a means of:
 - reducing current levels of reliance on the presence of a dedicated worker in individual home settings by providing an alternative night time contact point; and
 - developing a sustainable response to projected increases in demand for night time support.
- 2.4 This report details the first of a number of responses to the review recommendations.

- 2.5 The waiver of Council Standing Orders is permitted where the circumstances of a 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 laws and principles: for example, when for technical reasons the contract may only be awarded to a particular provider or it is in the best interests of the Council to do so. It is on these last two grounds that approval is sought to make a direct award of contract to Blackwood Homes and Care.

Main report

- 3.1 Blackwood Homes and Care have made a substantial capital investment in the purchase of a new TEC system called 'Clever Cogs.' The system is simple to navigate and delivered via a touch screen in a service user's home which brings added benefits in terms of improving digital confidence and communication skills. Indirectly, the use of 'Clever Cogs' also contributes to efforts to widen digital inclusion.
- 3.2 'Clever Cogs' allows for visual 'skype type' contact between night time support advisors based in a centrally located hub and service users in their homes. The support advisor has access to information supplied by service users about themselves, to their care plans and to detailed 'response scenarios' to particular situations likely to arise in the course of providing care to an individual service user. This allows advisors to provide a tailored and personalised response when in contact with service users. In the context of night time support services it can also be used to:
- provide reassurance to service users having a disturbed night
 - alleviate social isolation and loneliness by providing a contact point for service users during the night
 - provide an audio alert to remind people to take medication and if necessary to watch someone doing so or provide advice about how they should do so
 - undertake practical tasks remotely for people who need assistance, such as closing curtains, raising or lowering a bed and switching a radio on/off
 - make contact with a service user in the event any home automation devices such as movement sensors, front door alarm or fire/water detectors, are activated to establish if all is well or help is needed
 - seek healthcare advice on behalf of a service user and/or summon emergency help
- 3.3 'Clever Cogs' is intended to provide an alternative means of communication with a service user, to enhance their personal independence by reducing their reliance on the physical presence of staff in their home and to deliver savings on staff time and travel costs.

- 3.4 In all cases its use will always be supported by a small team of mobile night time support staff who can quickly be directed by the hub advisor to attend a service user's home and provide any immediate physical assistance needed.
- 3.5 With financial backing from the Scottish Government, Blackwood Homes and Care have successfully trialled the use of 'Clever Cogs' in Stirling and Dundee with a view to ensuring it represents a safe alternative to traditional night time support arrangements.
- 3.6 Having demonstrated it meets safety requirements, funding from the Digital Participation Challenge Fund and the Wolfson Trust has facilitated the employment of a Digital Trainer to support and train staff and service users to use 'Clever Cogs.' The purpose of the recommended pilot in Edinburgh will be to assess its usefulness in facilitating the development of a new service delivery model for night time support.
- 3.7 An allocation of £288,700 from the Integrated Care Fund allocated to the Edinburgh Integrated Joint Board has been approved to meet the cost of a two year contract with Blackwood Homes and Care to:
- establish a night time 'Clever Cogs' advisory support hub and mobile team of night time responders in the north of the city during 2016
 - focus their initial work on 30 people with disabilities and/or poor mental health who currently receive dedicated night time support, live within a ten minute drive of the hub and who have expressed an interest in achieving greater independence through the use of TEC systems
 - install and maintain the 'Clever Cogs' system in service user's homes
 - take the time needed to gain the trust of service users, their family's and existing support staff and to build their confidence in the use of 'Clever Cogs' as a means of enabling them to reduce their reliance on the physical presence of staff during the night
 - consolidate service delivery in the north of the city during 2017 and
 - expand the service during 2017 and use the learning gained from Year 1 of the contract as a basis for starting work with a second cohort of service users in the south of the city
- 3.8 Finance and Resources Committee are recommended to approve the direct award of this contract for an initial one year period, at a cost of £144,350, on the basis Blackwood Homes and Care are the only provider able to offer the service within the period and at the scale required, have the necessary licenses for the use of 'Clever Cogs' in place and have unique demonstrable experience of its practical use and usefulness in promoting service user independence and reducing staff related support costs.
- 3.9 Finance and Resources are also recommended to agree an option to extend the contract for one further year, at a cost of £144,350, subject to the outcome of

evaluation of the results of the trial towards the end of the 2016/17 financial year. In the event evaluation of the trial shows that 'Clever Cogs' is making a significant contribution to the development of alternative night time support arrangements it will be continued. If no demonstrable benefits can be identified it will be discontinued at the end of Year 1 of the trial.

Measures of success

- 4.1 The Council achieves best value in the delivery of all night time support services provided to service users.

Financial impact

- 5.1 The cost of the contract will be met in full from the Integrated Care Fund allocated to the Edinburgh Integrated Joint Board.
- 5.2 The investment from the Integrated Care Fund is being made on a 'spend to save' basis. Bearing in mind the costs set out at 2.2, the minimum target 'return' being sought for each year of the trial is £144,350. This equates to the level of annual savings released by ending 5 currently provided sleepover services each year.

Risk, policy, compliance and governance impact

- 6.1 The piloting of the proposed service in other areas of Scotland has allowed for safety and business continuity risks associated with the use of 'CleverCogs' to be addressed and for appropriate contingency plans to be put in place.
- 6.2 Subject to approval of the report recommendations the resulting contract will be compliant with Council Standing Orders.

Equalities impact

- 7.1 Technologies such as 'Clever Cogs' have the potential to transform the way people engage in and control their care, empowering them to manage it in a way that is right for them.
- 7.2 However, the Council is alive to the potential Human Rights implications arising from the use of TEC solutions. For this reason the 'Clever Cogs' service specification places a particular duty on the contractor to agree with the Council the measures it will take to protect and safeguard the human rights of service users who engage with the 'Clever Cogs' programme.

Sustainability impact

- 8.1 The contract will contribute to a reduction of the carbon footprint associated with the delivery of care and support in a variety of settings.

Consultation and engagement

9.1 Consultation and co-production activity with disability and mental health providers and service users during 2014/15 informed the recommendations of the review of night time services referred to at 2.3.

Background reading / external references

Rob McCulloch-Graham

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Chris Whelan, Contracts Manager

E-mail: chris.whelan@edinburgh.gov.uk | Tel: 0131 553 8362

Links

Coalition pledges	P12, P15, P30
Council outcomes	CO10, CO11, CO12, CO13
Single Outcome Agreement	SO2, SO4
Appendices	

Finance and Resources Committee

10.00am, Thursday 17 March 2016

External Funding Initiative and Smart City Priorities - referral from the Corporate Policy and Strategy Committee

Item number	7.12
Report number	
Wards	All

Executive summary

The Corporate Policy and Strategy Committee on 23 February 2016 considered a report on the progress of the External Funding Initiative and its alignment with ICT Solutions. The report has been referred to the Finance and Resources Committee for information.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Appendix 1 – report by the Executive Director, Place Appendix 2 - supplementary information

Terms of Referral

External Funding Initiative and Smart City Priorities

Terms of referral

- 1.1 On 23 February 2016, the Corporate Policy and Strategy Committee considered a report on progress of the External Funding Initiative and its alignment with ICT Solutions in order to pursue substantial domestic and EU funding opportunities relating to smart city initiatives.
- 1.2 The External Funding Team had contributed to the submission of proposals worth around £10m in grant funding for the Council within their first year. Since the Corporate Policy and Strategy Committee held on 23 February 2016, which reported that three bids with a value of £4.5 million had been successful, the number of successful bids had increased to five and the value had increased to £7,996,056. Further details were listed in Appendix 2.
- 1.3 The Corporate Policy and Strategy Committee agreed:
 - 1.3.1 To note the work to date of the External Funding Team, the value of bids submitted and bids awaiting outcomes and progress made.
 - 1.3.2 To re-affirm the European Smart Cities Commitment as a key channel for harnessing external funding.
 - 1.3.3 To note the alignment of external funding opportunities with the priorities of the ICT and Digital Strategy teams, and opportunities available as a result of the new ICT contract with CGI.
 - 1.3.4 To note that the ICT Solutions and External Funding teams were working together to agree priority areas for 'smart cities' bid work and to actively pursue funding opportunities
 - 1.3.5 To refer the report to the Finance and Resources Committee for information.
 - 1.3.6 To include in the report to the Finance and Resources Committee, in tabular form, a breakdown of successful projects and bids in the pipeline and their values.

For Decision/Action

- 2.1 The Committee is asked to note the report and the additional information detailed in Appendix 2.

Background reading / external references

Corporate Policy and Strategy Committee 23 February 2016

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Louise Williamson, Assistant Committee Clerk

E-mail: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4264

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Appendix 1 - report by the Executive Director, Place Appendix 2 - supplementary information

Corporate Policy and Strategy Committee

10.00am, Tuesday, 23 February 2016

External Funding Initiative and Smart City priorities

Item number	7.6
Report number	
Executive/routine	
Wards	All

Executive summary

The key objective of the External Funding Initiative is to lever in additional funding from external sources.

This report provides an update on the progress of the External Funding Initiative, and its alignment with ICT Solutions in order to pursue substantial domestic and EU funding opportunities relating to smart city initiatives. It notes the prioritisation of smart city work / funding proposals which would allow the Council to compete for more external finance.

Links

Coalition pledges	P28, P30
Council outcomes	CO7, CO8, CO9, CO25, CO26
Single Outcome Agreement	SOA1

External Funding Initiative and Smart City Priorities

Recommendations

- 1.1 The Corporate Policy and Strategy Committee is asked to:
 - a) Note the work to date of the External Funding Team, the value of bids submitted and bids awaiting outcomes and progress made.
 - b) Re-affirm the European Smart Cities Commitment as a key channel for harnessing external funding.
 - c) Note the alignment of external funding opportunities with the priorities of the ICT and Digital Strategy teams, and opportunities available as a result of the new ICT contract with CGI.
 - d) Note that the ICT Solutions and External Funding teams are working together to agree priority areas for 'smart cities' bid work and to actively pursue funding opportunities.
 - e) Refer this report to Finance and Resources Committee for information.

Background

- 2.1 The External Funding Initiative began in October 2014 as a way to provide dedicated funding expertise to Council officers, to act a coordination point around funding proposals, and to provide access to external partners wishing to work on bids with the Council. The aim of the initiative is to increase the number, quality and value of bids from or involving the Council. Two External Funding Officers were employed to carry out this work.
- 2.2 The Finance and Resources Committee agreed to invest £100,000 of 'Spend to Save' funding in the External Funding Initiative. Annual fundraising targets were set as follows: £500,000 for 2014/15; £2,000,000 for 2015/16 and £4,000,000 for 2016/17, on the basis that bids supported by the External Funding Officers must be clearly aligned with the Council's policies, commitments and objectives, and be led by or 'owned' by a Council service area.
- 2.3 Since October 2014 the External Funding Team has contributed to the submission of proposals worth around £10m in grant funding for the Council. To date, three bids with a value of £4.5 million have been successful. Bids worth another £4.5m are awaiting decisions from their respective funding bodies.
- 2.4 The External Funding team works on mainly domestic funding sources such as Regeneration Capital Grant Fund, Research Councils, UK Innovate, and Lottery funding. They support bids with a minimum value of £50,000. Their

knowledge of funds complements the existing European Commission funding knowledge which is held by the wider External Relations Team and they often work on large-scale bids together.

- 2.5 At present the team is working on a development portfolio of projects worth around £8.1 million to the Council. This is a conservative figure as it is not possible to quantify the value of ideas in the early stages of development.
- 2.6 In order to make best use of the funding opportunities and the innovative partners in the city, the External Funding Initiative has:
- a. Established strong links with university researchers and have explored 'test bed' opportunities through initiatives like the Edinburgh Living Lab.
 - b. Met with Directors in order to identify their unfunded priorities. These are listed below:
 - Health and Social Care, especially older people's services and the provision of purpose built housing for older people, and NHS integration;
 - Energy and mobility;
 - Securing competitiveness of our Festivals and cultural reputation; and
 - Open Data and ICT initiatives.
 - c. Planned a programme of themed workshops which focus on the Council's priority areas, and where funding is most difficult to obtain.
 - d. Made links with the work around City Deal, Corporate Social Responsibility activities and the Energy Services Company for Edinburgh.
 - e. Promoted opportunities for Council staff to take projects to large-scale EU funding brokerage events which support the Council's strategic outcomes.
 - f. From 2016 onwards, the External Funding and ICT teams will work together to ensure that any strategic bids they become aware of which may align with the new ICT contract with CGI, are discussed with CGI and/or raised with the Council-CGI Innovation Board.
- 2.7 Substantial funding exists nationally and through the European Commission for Smart City activity. The UK Dept for Business, Innovation and Skills defines smart city activity as "integration of technology into a strategic approach to sustainability, citizen wellbeing, and economic development". <https://www.gov.uk/government/publications/smart-cities-background-paper>
These are summarised below:
- a. a modern digital infrastructure, with open access re-useable data
 - b. citizen centric service delivery
 - c. intelligent physical infrastructure
 - d. openness to learn from others and experiment with new approaches
 - e. transparency of outcomes / performance dashboards.

- 2.8 Due to the large-scale funds available for Smart City activity, the External Funding Officers have been working closely with ICT Solutions. ICT Solutions has been delivering the ICT and Digital Strategy, developing new digital services and online transactions and procuring a new supplier, CGI.
- 2.9 The City of Edinburgh Council signed an EU Smart Cities Commitment in February 2015 (see Appendix 1), which was approved by the Economy Committee. There is an opportunity to use this Commitment as a platform from which to capture large EU and other funds.

Main report

The ICT & Digital strategy / ICT supplier CGI

- 3.1 ICT Solutions has been delivering the ICT and Digital Strategy, developing new digital services and online transactions and procuring a new supplier, CGI. A number of initiatives have been pursued to develop as a Smart City. This has included development of a [Living Lab](#) with the University of Edinburgh, representation on the [BSI/Future Cities Catapult Cities Standards Institute](#), delivering the [Edinburgh Apps](#), and involvement with [Code the City](#). There are many opportunities to focus the activity of the External Funding Team and other Council officers, alongside the innovations being explored by CGI and ICT Solutions, in order to access large-scale external funds.
- 3.2 It is noted in the [ICT & Digital Strategy](#) that ICT and digital activity should empower Edinburgh. The use of digital tools to improve quality of life, or reduce cost of services is not new, but the transformational opportunities are now identified as being significantly greater in their ability to address the often complex challenges that cities have to tackle.
- 3.3 As part of the new arrangement with CGI, which will commence from 1 April 2016, the Council will continue to operate an Innovation Forum, looking at how emerging technologies can have a positive impact on the delivery of services.

Currently several large-scale funding opportunities relate to the smart city themes of energy efficiency, sustainable transport, ICT, heritage, social innovation and health. Interest within Council service areas is increasing as the External Funding Team promotes the opportunities, yet there are challenges in applying for these funds.

Service Area Expertise

- 3.4 While the External Funding and ICT Solutions teams can offer their expertise on funding and ICT, the service area 'experts' need to co-author and have ownership of the bid content. It takes time to write high quality bids, and by being fully engaged and involved throughout bid development the Council will be able to (a) shape the bid activities so they directly support the Council's strategic ambitions/commitments, and (b) negotiate a suitable budget.

Negotiating EU Partnerships

- 3.5 EU funding bids are extremely competitive and require project proposals based on solid transnational partnerships with jointly agreed workplans and budgets. To be considered a credible prospective project partner it is important to have a visible presence 'at the table'.

Innovation

- 3.6 Innovation is essential to the success of competitive funding bids – whether that innovation comes from new processes, engagement with citizens or enabling technologies. Edinburgh benefits from a strong ecosystem of organisations and individuals with an interest in smart cities. The location of the [Edinburgh Centre of Carbon Innovation](#) in the city, the headquartering of the [Green Investment Bank](#), the emerging growth in high-tech firms and in incubators such as [Code Base](#), the largest of its type in Scotland, and the [Creative Exchange](#), all present significant opportunity for the Council to nurture and support a smart city vision that goes beyond the ongoing transformation of its own services. The City of Edinburgh Council has been a key partner/instigator involved in most of these initiatives, but the potential for including these partners in conversations and the development of bid ideas could be more fully harnessed.
- 3.7 Edinburgh's universities are involved in world-class research and innovation relating to smart cities. Work with the universities is most advanced with the University of Edinburgh, where an [Edinburgh Living Lab](#) has been developed. This has involved the Council working with the School of Informatics, drawing on the expertise of their masters programmes to provide new insight into how real problems in the city could be addressed through the innovative use of data and technologies.
- 3.8 In terms of European cities, exemplar cities - particularly in the smart cities field - include Barcelona (healthcare, energy, transport), Stockholm (ICT, life sciences, clean tech, hospitality, creative), Manchester (transport & mobility, ICT, citizen engagement, air quality), Helsinki (innovation and design) and Bristol (ICT, air quality, transport). These cities have created significant capacity to:
- a. seek out innovation which can be applied within the city, matched to funding opportunities;
 - b. dedicate time to work on bids and nurture / maintain bid partnerships. They actively participate within European networks such as EUROCITIES, thereby ensuring awareness of best practice and the opportunity to discuss their interests / potential bids with other partners;
 - c. offer the city as a test bed for new products / ideas and technologies. They also have a pipeline of large-scale projects, ready to be taken "off the shelf" when funding becomes available. This pipeline is facilitated by regular discussions with EU partners.

The Way Forward

- 3.9 Examples of large funding sources include: Interreg North West Region and Interreg North Sea Region (both EU); Horizon 2020 (EU); European Regional Development Fund (EU via the Scottish Government) and Innovate UK (UK Government funds). Each of these funds has different strands or themes, and each strand has its own deadlines and budgets available for competitive bidding. The value of bids can be up to £15m (per consortium bid) for the larger EU funds.

Further Innovation

- 3.10 The further development of partnerships with the Universities, local tech sector businesses and incubators will continue and strengthen as we identify more overlapping interests and ways to work together. The ICT Solutions team is in the process of agreeing a Memorandum of Understanding with the Edinburgh Living Lab. Such opportunities will continue to be fully explored by the ICT Solutions Team and the External Funding Officers.

Strategic Partnerships

- 3.11 The External Relations team continues to cultivate its relationships with exemplar cities, particularly in relation to joint funding bids. It also actively promotes participation within European networks, particularly EUROCITIES, to remain aware of best practice and the opportunities to discuss interests / potential bids with other partners.

Prioritisation of Bids

- 3.12 Given the range of funds, limited staff capacity and amount of work involved in large scale bids the Corporate Policy and Strategy Committee is requested to note the direction towards priority areas in relation to smart city activities where:
- a) There is a strong strategic fit with service area priorities and a need for high impact transformation in order to make the service more effective and sustainable
 - b) CGI involvement has already been discussed as a possibility and where the Council is most able to benefit from its industrial expertise and partnerships
 - c) Where funding exists, and hence where the Council's priorities align with the strategies of funders such as the European Commission, Innovate UK, Research Councils and so on.
- 3.13 Those smart city focus areas are identified as:
- Health & Social Care; health care promotion and preventative healthcare, particularly in relation to services for older and younger people

- City data/security and resilience (including community safety and open data)
- Energy and Mobility
- Securing the competitiveness of our Festivals and cultural reputation, including digital connectivity between festival venues and “greening of the Festival”.

Return on Spend to Save

- 3.14 In addition to supporting submission of funding bids the External Funding Team seeks to negotiate a recharge on a project by project basis. The approach is flexible, the intention being that staff can agree a service or success fee.
- 3.15 To date, the initiative has made a return to the Spend to Save fund of £30,348.

External Funding Group and Funding Bulletin

- 3.16 The External Funding Group meets approximately every eight weeks. Representatives from the service areas discuss their funding interests, make links between projects being worked on by the External Funding Officers and others within their teams and generally offer support to the initiative.
- 3.17 The External Funding Officers continuously disseminate information regarding funding opportunities with individual colleagues or teams in order to alert them to funds which they may wish to apply for. In addition, the ‘Funding Focus’ newsletter is distributed by the External Funding Team every six to eight weeks. This bulletin highlights funding and partnership opportunities, research to support bids, reports Council funding successes, notes opportunities to contribute to funder consultations, offers funding tips and promotes funding events. The mailing list currently stands at over 60 Council officers, all of whom have expressed the wish to receive it.

Measures of success

- 4.1 The External Funding Initiative has fundraising targets as a measure of success; £500,000 for 2014/15; £2,000,000 for 2015/16 and £4,000,000 for 2016/17. However with the approval of the recommendations proposed, more can be achieved both in terms of the value of successful bids and the coordinated approach to smart city activities.

Financial impact

- 5.1 Although external funding cannot be used to fund core statutory activities or mainstream service budgets; it can provide the resources to research, test and implement more effective methods of service delivery, thereby relieving pressure on Council budgets.

- 5.2 This initiative is funded for two years from 2014/15 with a budget of £100,000 from the 'Spend to Save' fund. To date, £30,348 is forecast to be repaid in 2015/16.
- 5.3 Since October 2014 bids worth £10m have been submitted to external funding bodies. The successful bids worked on have a value of £4.5m. Bids submitted and waiting decisions total grant value £4.5m.
- 5.4 To date, £30,348 has been returned to the Spend to Save fund in fees and service charges.

Risk, policy, compliance and governance impact

- 6.1 Strategic alignment across service areas and on innovation, as described above, will allow a pipeline of bids to be put in place.

Equalities impact

- 7.1 There are no direct equalities impacts arising from this report.
- 7.2 Positive equalities impacts may arise from new projects which target equalities outcomes.

Sustainability impact

- 8.1 Given that there are substantial funds related to sustainability and low carbon objectives, the implementation of the recommendations in this report should lead to positive impacts.

Consultation and engagement

- 9.1 The External Funding Initiative engages with the corporate External Funding Group and uses the Group as an advisory board on priorities regarding bidding for external resources. It has members from all service areas. The Funding Officers work with individual project leads across the Council as well as facilitating and attending meetings on a regular basis with external partners which include the universities and funding bodies.

Paul Lawrence

Executive Director, Place

Contact: Elaine Ballantyne, Service Manager – Investment and International Relations

Tel 0131 469 3854, Email: elaine.ballantyne@edinburgh.gov.uk

Links

Coalition pledges	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 P30 - Continue to maintain a sound financial position including long-term financial planning
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 CO25 - The Council has efficient and effective services that deliver on objectives CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	SOA1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1: The City of Edinburgh's Smart City Commitment

Appendix 1 – Edinburgh’s Smart Cities Commitment: The Enlightened Capital Commitment

1. Please provide your contact details

Name of Lead Organisation

City of Edinburgh Council

First name

Elaine

Surname

Ballantyne

Position

Head of External Relations and Investor Support

Type of Lead Organisation

Public authority - Local / city level

Existing Membership of Lead Organisation in EU Initiatives

Green Digital Charter **Contact e-mail**

address

elaine.ballantyne@edinburgh.gov.uk

Number of consortium members

Non-lead organisations in the consortium (names only)

Commitment main sector(s)

Energy, Transport & Mobility, ICT

Main commitment location

Edinburgh EH8 8BG (United Kingdom)

Additional location(s)

2. Please describe the organisations in the consortium and their core activities; please put special emphasis on the lead organisation.

Optionally, you may also provide quantitative data on your organisation such as annual turnover or number of staff.

Edinburgh is a capital city with a population of 495,360 predicted to grow to 600,000 by 2035. The City of Edinburgh Council (CEC) provides key public services including education, housing, social work, planning, environment, economic development, transport, culture and leisure. CEC is the second largest council in Scotland employing around 15,000 staff.

CEC’s ICT and digital strategy ‘Empowering Edinburgh’ is at the heart of transformational change to support Edinburgh becoming a sustainable smart city. Our ICT Solutions team is transforming the way it provides services to staff, communities, businesses, citizens and partners through the use of ICT, improving access to information, efficiency and reduced costs. CEC leads a Connected Capital Wireless Concession programme and as a member of the Open Data Institute has already tested the concept of

opening up and sharing data to find new solutions to city issues.

Sustainable Edinburgh 2020 is CEC's vision for a low carbon, resource efficient city. CEC has pledged to reduce carbon emissions by 42% by 2020 and a Sustainable Energy Action Plan (SEAP) produced by the Sustainable Economy Team provides a framework for all energy activities in the city.

CEC's 'Transport 2030 Vision' also supports the broad objectives and aspirations of the city for the environment, social inclusion, connectivity, health and economy.

CEC leads the Open Innovation (OI) programme which brings together a transnational partnership to transform the way organisations work together to create new opportunities and put innovation at the forefront. The quadruple helix University-Industry-Government-Society model used by OI is building a strong multi-sector innovation partnership including involvement by city residents. CEC is owner of each of these strategies and each are underpinned by the ICT&D strategy.

3. To which focus area do you wish to commit to contribute? Please select a primary affiliation and mark further areas that you believe to be evidently significant. Please refer to the [Strategic Implementation Plan](#) as well as the [Operational Implementation Plan](#) for details on each focus area.

Primary

Integrated Infrastructures and Processes across Energy, ICT, and Transport

Additional

Sustainable Urban Mobility, Sustainable Districts and Built Environment, Citizen Focus, Integrated Planning and Management, Knowledge Sharing, Open Data Governance, Business Models, Procurement and Funding

4. Please provide a succinct description of your proposed commitment (project/action). If relevant, please refer to the potential action(s) in the [Operational Implementation Plan](#) that your Commitment will contribute to.

Edinburgh already embraces the key dimensions of a Smart City but this lacks overall coordination. The core commitment is to devise a methodology to identify missing elements & draw everything together into a unified coherent & comprehensive strategy which is acceptable in an historic World Heritage townscape. Smart Cities is a major strategic agenda for the Council. The Enlightened Capital Commitment is to align those city initiatives and projects with the assets, resources and partners to deliver a genuinely smart World Heritage City. This is in line with the Europe2020 policies for smart, inclusive & sustainable growth. CEC recognises the EIP objectives catalysing sustainable economic development, resilience and a high quality of life. CEC will deliver smart energy, mobility & ICT actions aligned to city priorities across 4 key dimensions:

Sustainability - including a sustainable economy underpinned by Sustainable Edinburgh 2020 & CEC's SEAP, a commitment overall to meet and exceed the EU objective of a 20% reduction in CO2 emissions through increased energy efficiency & development of renewable energy sources
Resilience – CEC will enhance & develop its resilience plan as part of this commitment, making communities & systems better prepared to withstand adverse events & enhancing city competitiveness
Citizen involvement – CEC will maintain a citizen centric approach through stakeholder & community engagement improving quality of life & service delivery

Placemaking & urban design – this is paramount in a UNESCO World Heritage City as the quality environment generates considerable tourist spend as well as attracting investors. Past interventions for achieving new development to create quality townscapes & the “conservation areas of tomorrow” will be explored & green exemplar sites developed.

Edinburgh has cut its carbon emissions by 15% since 2005 while increasing jobs in line with its economy strategy. The city’s energy policies are underpinned by the SEAP where CEC is committed to reducing carbon emissions by 42% by 2020. Feasibility investigation is underway on a city Energy Service Company (ESCo) to facilitate innovative ways of attracting private finance & retrofitting existing buildings. The challenge of retrofitting acceptably into a historic World Heritage city fabric will be a particular focus

A key transport challenge is road traffic congestion which impacts on business resilience & air quality. The Transport 2030 Vision will work towards emission free public transport & an accessible & sustainable city that is smart, efficient, inclusive & integrated

CEC is committed to developing its open data approach, in partnership with the Open Data community in the UK and Europe, which has generated innovative solutions to city issues. CEC’s outcome rather than technology driven ICT/Digital programme focuses on customer & business drivers.

5. Please explain in which way your proposed commitment meets the principles and criteria of the IIP. Please refer to the 'Invitation for Commitment' for details on each criterion.

Engagement

This commitment will empower the city to be proactive in harnessing key partners, stakeholders, technology, innovation and resources in joined-up concerted action across energy, transport and ICT to make the transition to a genuinely smart world heritage city. The actions will connect smart city assets and initiatives in a city-wide system transcending sectoral and governance boundaries to deploy intelligent and resource efficient smart city solutions. It will provide a springboard to generate innovation and deliver an improvement in quality of life, environmental footprint, citizen services, economic investment, and growth and jobs. A specific challenge will be how to integrate smart city attributes into a historic city in a sensitive way without destroying the quality of the environment and cultural heritage which attracts people to the city. Implementation will use open data principles of fostering innovation, being user driven, open by default, being usable by all, transparency and sharing information with stakeholders.

Inclusiveness and Partnership

CEC will deliver smart city commitments to citizens via public/private partnerships/integrated actions in ICT, energy, and mobility. These will be tailored to find critical solutions, save costs and pool resources. Our EU funded Open Innovation OI partnership is a model for engaging in a virtuous innovation circle. CEC leads via its ‘Member Officer Working Group on Carbon Climate & Sustainability’ and consults via the ‘Edinburgh Sustainable Development Partnership and Transport Forum’. CEC’s ICT Solutions Team partners the OI Institute & the School of Informatics. The ‘Edinburgh Apps’ and ‘Connected Capital Wireless’ projects are people driven. The Sustainable Economy team champions smart/green businesses and placemaking /urban design. The Edinburgh Business Forum provides a platform for future economic competitiveness with CEC leading an initiative to unite tech companies across sectors and capture innovations. Partners include: Edinburgh World Heritage, Edinburgh Centre for Carbon Innovation, Scottish Power Energy, Universities and Festivals Edinburgh.

Is the commitment potentially open to additional partners and if so, in which priority area (please tick the relevant options)?

- Sustainable Urban Mobility
- Sustainable Districts and Built Environment
- Integrated Infrastructures and Processes across Energy, ICT, and Transport
- Citizen Focus
- Integrated Planning and Management
- Knowledge Sharing
- Open Data Governance
- Business Models, Procurement and Funding

Delivery

City-wide interlinked smart energy/mobility/ICT actions will be delivered across Sustainability, Resilience, Citizen Involvement, Placemaking and Urban Design in 2014-2016, including: Exemplar energy efficiency projects: Bioquarter district heating, local energy pilots (geothermic/wind power/solar); hydro schemes, retrofitting historic building stock and public buildings. Address fuel poverty via CHP public housing development; City ESCo, energy-from-waste plant, upgraded smart energy grid; Traffic control/travel information measures; Urban Traffic Control technologies, integrated ticketing, intelligent speed adaptation; Low carbon transport: hybrid buses, trialling hydrogen fuel-cell power, electric vehicle charging points, newly-opened tram line review. Smart low-energy street lighting and signal systems, Connected Capital connection vouchers for SMEs, incubation demonstrator, wi-fi on street, in public buildings/transport. Citizen account, Open data platform; Smart Tourist and retailer apps; digital access

6. Please provide details on how you intend to participate in possible Action Cluster(s), which could be set up for the focus area(s) of your primary and/or additional affiliation.

The City of Edinburgh is seeking to collaborate with European lighthouse and follower cities and academic, community and business partners to explore and test innovative and practical solutions to the challenges which arise when Smart City aspirations (integrating energy, transport and ITC) are overlaid on a historic city fabric. Participation will afford valuable opportunities to access know-how, expertise, tools, new ideas and technological solutions to common challenges with city peers beyond local, sectoral and national boundaries that will help to accelerate the design, development, procurement and deployment of successful transferable smart city concepts and solutions which can be beneficially replicated in other cities. CEC is keen to learn from leading Smart Cities and is willing to share our expertise in relevant fields and to contribute to pilot and demonstration actions, development of methodologies, data collection and sharing of results.

7. Do you wish to play an active role in facilitating the organisation of a possible Action Cluster(s)?

Yes.

Appendix 2 : Funding bid summary

- 1) Successes: grant value of £7,996,056 (five projects)
- 2) Submissions awaiting outcomes: grant value £1,130,480 (three projects)
- 3) Bids in development: value of at least £7,450,000 (at least nine projects)

1) Successes

Bid name	Fund	Grant amount to CEC	Service /success fee
Rogues and Auld Reekie	National Cataloguing Grant	£37,964	£1,148 (service fee paid)
Edinburgh Employability Pipeline	European Social Fund (3 years)	£3,562,328	£25,000 (service fee paid)
Edinburgh Social Inclusion Project	European Social Fund (3 years)	£950,000	
New Civic Heart for Pennywell/Muirhouse	Regeneration Capital Grant Fund	£1,520,000	£1,600 (service fee paid)
Castle Mill Works – Creative Industries Incubator	Regeneration Capital Grant Fund	£1,925,764	£1,600 (service fee paid)
Total Successes Value		£7,996,056	£29,348 paid

2) Submissions Awaiting Outcome

Bid name	Fund	CEC grant amount	Announcement expected	Service /success fee
Lifting Edinburgh out of Poverty	European Commission Employment and Social Innovation Fund	£962,480	Spring 2016	£1,000 (service fee paid)
COLTRAIN	Horizon 2020 Mobility for Growth	£68,000	Apr-2016	£2,500 (Success fee awaiting)
Scotland's 8 th City (data project)	European Regional Development Fund	£100,000	TBC	N/A
Value of Submitted projects awaiting outcome		£1,130,480		£1,000 paid

3) Bids in development / under discussion

Bids	Funds	Approx Grant amount to CEC	Deadline	Service or success fee
Edinburgh Living Landscapes	Horizon 2020 Smart Cities: Innovation through nature based solutions	TBC	8 March 2016	Success fee
West Edinburgh Cycling Corridor	Community Links plus	£2,250,000 TBC	June 2016	Service Fee
Dalry Park & Cyclepath Greenspace	ERDF SNH Green Infrastructure	£1,800,000 TBC	April or Oct 2016	Service Fee
Edinburgh Youth Exchange	Erasmus+ KA1	Under negotiation	August 2016	TBC
e-Health, care of people as they age, dementia friendly Edinburgh	H2020 Health, demographic change and well being, Big Lottery	TBC	August 2016	Success fee
Edinburgh Wayfinding Project	Funding search taking place	TBC	Mid-late 2016	TBC
CCTV, urban resilience and community safety	Horizon 2020 Secure Societies	TBC	October 2016	Success fee
Little France Park	ERDF Green Infrastructure Fund	£900,000 TBC	April or Oct 2016	TBC
Festivals Dark Fibre and LED Lighting Projects	Now being considered under City Deal	£2,500,000 TBC	2016 /2017	N/A
Known value of Projects in early development/ discussion		At least £7,450,000		

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity

Item number	7.13
Report number	
Executive/routine	
Wards	All

Executive summary

This report updates the Finance and Resources Committee on the contracts awarded between 1 October and 31 December 2015. It sets out those contracts awarded following a waiver of the Council's Contract Standing Orders (CSOs) and the contracts awarded with a value below the threshold requiring Committee approval. The table below provides a summary.

Value of contracts awarded between 1 October and 31 December 2015		£97.5m
Value of contracts let following a waiver of the CSOs	Under delegated authority	£0.7m
	With Committee approval	£30.9m
	Total	£31.6m
Value of contracts let below the threshold requiring Committee approval		£2.14m

Of the £30.9m, £28.4m relates to three care contracts as explained in this report and as procurements are underway the full value of these waivers is unlikely to be required.

Links

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	

Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity

Recommendations

- 1.1 It is recommended that the Committee notes the contents of this report and the authorisations made under delegated authority.

Background

- 2.1 The Contract Standing Orders (CSOs) are the Council's legal and operational rules for how we buy goods and services (ranging from purchases of small value to many millions of pounds).
- 2.2 The City of Edinburgh Council has awarded a total of £97.5m of contracts to a variety of supplier organisations in the period from 1 October to 31 December 2015.
- 2.3 During the specified period a number of contracts have been awarded under the delegated authority permitted by waiving the CSOs, allowable under Section 9 of the CSOs. The report for this period includes an overview of the contracts awarded by committee approval of a waiver of the CSOs during the period, to give a comprehensive overview of all waiver activity. This will be included in future reports.
- 2.4 The current report includes information on a three month period, October to December. The quarterly reports are now therefore aligned with the financial reporting periods.

Main report

- 3.1 The CSOs may be waived in certain specified circumstances as set out below.

Waiver of Standing Order Process

- 3.2 The CSOs can be waived by the relevant officer providing a written waiver report which outlines the justification of the waiver under the delegated authority limits set out in the CSOs. Copies of all waivers are held by the relevant Service and also with Commercial and Procurement Services.

- 3.3 The CSOs are reviewed annually and updated as necessary. They will be altered as appropriate to incorporate changes in the Directorates throughout the Transformation Programme and to address the changes introduced as a result of the Procurement Reform (Scotland) Act 2014. A report recommending changes to the current Contract Standing Orders in light of legislative requirements and continuous improvement will be put before full Council in June. When fully implemented, the 2014 Act will introduce a new tendering regime for contracts over the value of £50,000.
- 3.4 The waiver of CSOs to allow a contract to be awarded or extended without some form of competitive tendering may be required in certain circumstances e.g. continuity of care or a sole provider due to intellectual property rights. Each waiver is looked at on its own merits and is only approved if fully justifiable. However, these circumstances need to be tightly controlled and scrutinised. As such, justification for the waiver of CSOs is permitted but only in the two instances categorised as follows:
- 3.4.1 **Legislative exemptions**, including technical or artistic reasons, extreme unforeseen urgency, social care contracts (where there is no cross border interest) and genuinely exceptional circumstances, where the departure from CSOs is wholly justified in accordance with EU law and principles i.e. where the value of the contract does not exceed the current EU thresholds (£173,000 for services and £4.3m for works) and there is no interest from providers from member states outwith the UK.
- 3.4.2 **In the Council's best interests** where, on an individually risk-assessed basis, the departure from standing orders can be justified (e.g. to extend an existing arrangement to allow it to be combined as part of a larger procurement exercise).
- 3.5 Appendix 1 includes a breakdown by value in the relevant categorisation. Please note that while some may be categorised as 'in the Council's best interests' there may also still be a legislative exemption because of their relatively low value.
- 3.6 There will be a continuing need to use this process to allow for those exemptions that European procurement law recognises, and also to provide the flexibility required during this period of transition and improvement in compliance in relation to commercial and procurement activity. The overall objective is to provide an audit trail for when the Council legitimately departs from a requirement to tender, and to significantly reduce the need for those waivers where they are required due to poor planning, arranging for competitive procurement as required.
- 3.7 A summary of all contracts awarded under waiver arrangements for the period (both under delegated authority and through committee approval) from

1 October to 31 December 2015 is provided in Table 1 below, set alongside the total annual value of live contracts in operation over the same period. Further information on these waivers is detailed in Appendices 1 and 2.

3.8 From the Waivers with Committee approval totalling £30.9m in value in this quarterly report, £28.4m of this relates to three contracts. Details are as follows:

3.8.1 Care at Home (£21.6m): The Committee approved an extension to the current Care at Home contracts for a period of one year (up to 30 October 2016) pending completion of a procurement process.

3.8.2 Homeless Prevention (£5.1m): Approval was given to extend contractual arrangements to enable progress of the Homelessness Prevention Commissioning Plan (the Plan) through collaborative working with the voluntary sector and other stakeholders.

3.8.3 Mental Health & Wellbeing (£1.7m): Approval was given to extend the mental health and wellbeing service contracts 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. The strategy is being developed by the Integrated Joint Board for future provision of these services and procurement is scheduled for April and October 2016.

3.9 One aim of the ongoing Purchase to Pay (P2P) project is to ensure that spend with non-contracted suppliers is minimised. A decrease in non-contracted spend has largely been as a result of closer financial management in this area and where appropriate, the approval of waivers has been necessary to continue service provision until a compliant procurement plan has been agreed for these contracts.

Table 1 Contracts awarded under the Waiver of Standing Orders (1 October to 31 December 2015)

Directorate	Total Waiver Value under Delegated Authority 1 October – 31 December 2015 (£m)	Total Waiver Value by Committee Approval 1 October – 31 December 2015 (£m)
Children & Families	£0.11m	£0.6m
Corporate Operations	£0.31m	n/a
Economic Development	£0.06m	n/a
Health & Social Care	n/a	£23.3m
Services for Communities	£0.24m	£7.0m
Cross-Directorate	n/a	n/a
	£0.72m	£30.9m

Given their de minimis value, for the 'Total Waiver Value under Delegated Authority' in the table above (£0.72m), waivers under £5,000 have not been included. There are a total of 5 waivers awarded with a value of less than £5,000 which account for an additional £17,064 in total.

- 3.10 The figures shown in Table 1 and Appendix 1 reflect the total financial value requested to be waived for the contracts in question. In a number of cases the actual spend will be less than this value.
- 3.11 Commercial and Procurement Services will continue to monitor and challenge submitted waivers to ensure continuing compliance with the CSOs. The Waivers and Contract Register provide a required visibility of spend enabling Commercial and Procurement Services to highlight to Directorates where plans for procurement require to be put in place without delay.

CSO Approval Thresholds

- 3.12 The CSOs state that contracts in excess of £1m for supplies and services and £1.5m for works require approval from the Committee before award.
- 3.13 Contracts under the Committee thresholds to the value of £2.14m have been awarded in the period 1 October to 31 December 2015, and are detailed under Appendix 3. Given their de minimis value, contracts under the value of £25,000 have not been listed in the Appendix. There are a total of 8 contracts awarded with a value of less than £25,000 which account for an additional £46,205 in total.

Measures of success

- 4.1 By continuing to scrutinise and document all instances where it has been requested that the Council's CSOs be waived, this evidences strong authorisation and internal control processes within the City of Edinburgh Council.

Financial impact

- 5.1 There are no financial impacts directly arising as a result of this report. Contracts awarded or extended under delegated authority create a legally binding contract for and on behalf of the City of Edinburgh Council which is bound and liable for any conditions under such contracts.

Risk, policy, compliance and governance impact

- 6.1 A waiver denotes a departure from the Council's CSOs (which in part reflect the Council's legal obligations). There may be an increased risk if the Council has

departed from EU requirements. However, each delegated waiver is scrutinised on its own merits in this context, and is only approved if justifiable given the circumstances or permitted in accordance with EU obligations. This report outlines all waivers approved from 1 October to 31 December 2015, and all contracts awarded with a value over £25,000 and under the required committee approval thresholds in the same period, enhancing the Council's measures of transparency.

Equalities impact

7.1 There are no equalities impacts directly arising as a result of this report.

Sustainability impact

8.1 There are no sustainability impacts directly arising as a result of this report.

Consultation and engagement

- 9.1 The Council's CSOs outline the appropriate measures of consultation and approval that must be sought from officers or committee for each waiver, dependent on the expected value.
- 9.2 Following extensive consultation with service areas, revised CSOs were approved by the Council on 5 February 2015.
- 9.3 The revised waiver process and supporting documentation were launched in February 2015 to accompany the revised CSOs, and feedback received from services will be incorporated as appropriate through an annual review.

Background reading/external references

[Finance and Resources - Thursday 29 October 2015](#)

[Finance and Resources - Thursday 26 November 2015 \(item7.11\)](#)

[Finance and Resources - Thursday 26 November 2015](#)

[Finance and Resources - Thursday 26 November 2015 \(item 7.11\)](#)

[Finance and Resources - Thursday 26 November 2015 \(item 7.14\)](#)

[Finance and resources - Thursday 14 January 2016 \(item 7.19\) - Council Contracts Planning update - Review of Waivers Over £100,000](#)

[Review of Contract Standing Orders and Guidance on Consultants February 2015](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Maggie Deane, Commercial Partner

E-mail: Maggie.Deane@edinburgh.gov.uk | Tel: 0131 529 3212

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 objectives
Single Outcome Agreement	
Appendices	Appendix 1 – Contracts Awards under waiver of CSOs by Delegated Authority Appendix 2 – Contracts Awards under waiver of CSOs by Committee approval Appendix 3 - Contract Awards below Committee Thresholds

Appendix 1 – Contracts awarded under the Waiver of CSOs by Delegated Authority

The following relate to the period 1 October to 31 December 2015.

Justification

Paragraph	Description of Justification	Amount
9.1.1	Legislative exemption	10
9.1.2	In the Council's best interests	20
		30

Delegated Authority Waivers by Directorate

Directorate	Children & Families	
Supplier/product or service	Justification for waiver	Value
Outdoor Play and Learning	In the Council's best interests. To ensure continuity of outdoor play and learning programme services for supporting school improvement through play.	£7,000
Sikh Sanjog	In the Council's best interests. To ensure continuity of services to young people and adults primarily from the Sikh community to March 2016.	£23,823
National Youth Choir of Scotland	In the Council's best interests. To ensure continued service from specially trained musicians to deliver Kodaly music training for all P3 children. The external funding from Creative Scotland recognises the unique expertise.	£48,790
The Action Group	In the Council's best interests. To ensure five children's current packages of support are maintained in a consistent and stable manner until assessments for self-directed support can be completed.	£15,000
The Drama Studio	Legislative exemption. Unique services to continue to deliver weekly drama sessions in the Expressive Arts to pupils from Nursery to Primary 7 and provide continuous professional development for individual teachers. HMIE has identified the supplier's service as an example of 'excellent practice'. Costs are met through the school's devolved budget.	£10,400
		£105,013

Directorate	Corporate Operations	
Supplier/product or service	Justification for waiver	Value
Wider Plan Ltd	In the Council's best interests. To continue with existing arrangements to offer a childcare scheme to staff until the UK scheme is launched at the start of 2017.	£23,733
Dramatic Resources Limited	In the Council's best interests. To allow the Leadership & Development team to maintain consistent high quality training for the Talent Plan participants.	£10,600
JMB Technology Limited	In the Council's best interests. To refresh 'Edinburgh Outdoors', a fully responsive website, usable on any device, in line with the Council's digital direction of travel.	£7,040
Experian Mosaic	Legislative exemption. Limited market available to refresh 'Edinburgh Outdoors', a fully responsive website, usable on any device, in line with the Council's digital direction of travel. The annual provision of the dataset has been built up by Experian, therefore it would not be cost-effective for another organisation to develop this from scratch.	£9,861
The Union Advertising Agency Ltd	In the Council's best interests. To continue to develop the Council's marketing strategy 'save time, do it online' which is still in its infancy	£90,000
Hays Specialist Recruitment Ltd	In the Council's best interests. To enable continued effective management of the financial workstream of the Property Conservation Closure Programme.	£77,000
Airwave Solutions Ltd	Legislative exemption. Specialist provider of secure communication handsets for use in emergency incident management between CEC and partner Category 1 responders. Airwave terminals provided by the supplier have been proven to provide secure communications across the UK when other networks are likely to fail.	£8,406
Michael Page International Recruitment Ltd	In the Council's best interests. To enable the appointment of a temporary member of staff with specialist procurement knowledge and skills.	£40,875
Michael Page International Recruitment Ltd	In the Council's best interests. To enable the appointment of a temporary member of staff with specialist procurement knowledge and skills.	£35,000
Yakara Plc	In the Council's best interests. To enable a pilot exercise to assess effectiveness of text reminders and smart phone payments to improve Council Tax collection rates.	£9,500
		£312,015

Directorate	Economic Development	
Supplier/product or service	Justification for waiver	Value
Chase Publishing Ltd	Legislative exemption. A bespoke and specifically tailored advertising package in 'The European' magazine to target and promote 'Invest Edinburgh' key sector messaging to international campaign markets across multi-platforms. Significant discounts have been negotiated with the supplier due to existing relationship.	£7,000
Rewards Training Recruitment	In the Council's best interests. To provide Modern	£50,000

Consultancy	Apprenticeship Training fees.	
		£57,000

Directorate	Services for Communities	
Supplier/product or service	Justification for waiver	Value
Bolinda Digital Ltd	Legislative exemption. To meet the annual licence cost from a single source supplier to provide a range of proprietary online audio downloadable library services to meet the changing needs of customers. Libraries are the sole provider of this material free to users.	£13,050
W F Howes Ltd	Legislative exemption. To meet the annual licence cost from a single source supplier to provide a range of proprietary online Zinio emagazines via libraries to meet the changing needs of customers.	£14,936
Dataserve UK	In the Council's best interests. For the provision of half hourly electricity metering services including meter operator charges and associated communication charges.	£16,000
Rhinowash Ltd	In the Council's best interests. To provide steam clean equipment for vehicle preparation, maintenance and legislative compliance.	£13,615
W F Howes Ltd	Legislative exemption. To meet the annual licence cost from a single source supplier to provide One Click Digital eaudio services via libraries. Libraries are the sole provider of this material free to users.	£11,880
Allocate Software	In the Council's best interests. For configuration costs to share use of the NHS Lothian Staff Bank System for Interpretation and translation services.	£8,000
Forest Research	In the Council's best interests. To provide research into trees and forests with the Forestry Commission.	£7,657
United Kingdom Accreditation Service	In the Council's best interests. For re-assessment visits to maintain UKAS accreditation for Scientific Services.	£17,750
ADT Fire and Security PLC	In the Council's best interests. To enable a review how the Council delivers Security Services.	£16,000
LexisNexis UK	Legislative exemption. A single source supplier to provide a specialist online reference service to The Trading Standards Service. An earlier tendering exercise produced no alternative suppliers.	£17,654
Cliff Technologies Ltd	In the Council's best interests. Ongoing licence support & maintenance costs for the Transport & Planning and	£69,647

	Neighbourhood Area Road Teams.	
ESRI (UK) Ltd	Legislative exemption. Single source supplier to maintain a contract for provision of uniquely configured and bespoke software for web-based tools for web services.	£13,315
ESRI (UK) Ltd	Legislative exemption. Single source supplier to maintain software for analysts to provide desktop application services. This service is likely to transfer to CGI in April 2016.	£23,915
		£243,419

Appendix 2 – Contracts awarded under the Waiver of CSOs by Committee approval

The following relate to the period 1 October to 31 December 2015.

Directorate		Children and Families	
Date	Supplier(s)	Contract Description	Value
29/10/2015	The Big Project, The Citadel Youth Centre, Edinburgh City Youth Café, Wester Hailes Youth Agency, Whale Arts Agency, SCORE Scotland, Pilton Youth & Children's Project, Canongate Youth	In the Council's best interests. Six month extension of contracts to enable redesign of youth work services using co-production contractual arrangements.	£350,098
26/11/2015	Capability Scotland	In the Council's best interests. To continue delivery of Edinburgh Childcare 4 All for a one year period to 31 March 2017 to allow a co-production approach for redesign of the current service.	£200,169
TOTAL			£550,267

Directorate		Health and Social Care	
Date	Supplier(s)	Contract Description	Value
29/10/2015	20 suppliers listed in Appendix 1 of item 7.11 F&R Committee Papers (29/10/15)	In the Council's best interests. Further extension of Care at Home contracts to October 2016 pending completion of procurement process designed to lead the award of new contracts. (See 3.7.1)	£21,600,000
26/11/2015	13 suppliers listed in Appendix 1 of item 7.11 F&R Committee Papers (26/11/15)	In the Council's best interests. Extension of mental health and wellbeing contracts for a period of up to one year to enable further collaborative work to be carried out. (See 3.7.3)	£1,671,274
TOTAL			£23,271,274

Directorate		Services for Communities	
Date	Supplier(s)	Contract Description	Value
29/10/2015	Assist Managed Services Limited, Premier One (Land Services) Limited, Lightways	In the Council's best interests. Extension to the contingency Framework Agreement for the clearance of snow and ice from Edinburgh's pavements and public open spaces to 30 April 2016.	£900,000

	(Contractors) Limited and M&M Road Surfacing Limited		
26/11/2015	Changeworks Resources for Life	In the Council's best interests. To continue the Service Level Agreement (SLA) to provide energy related services for a further three years.	£140,000
26/11/2015	Lothian Community Transport Service, South Edinburgh Amenities Group, HcL Dial a Ride, HcL Dial a Bus, Pilton Equalities Partnership, Dove Transport and Lothian Shopmobility	In the Council's best interests. Extension to current arrangements for a further year to March 2017 to ensure provision of service is maintained while the Community Transport Public Social Partnership Business case is developed.	£835,235
26/11/2015	22 suppliers suppliers listed in Appendix 1 of item 7.14 (F&R Committee Papers 26/11/2015)	In the Council's best interests. Further extension to Homeless Prevention contracts until 31 March 2017 to prevent homelessness and allow sufficient time to complete implementation of the Homelessness Prevention Commissioning Plan. (See3.7.2)	£5,134,767
TOTAL			£7,010,002

Appendix 3 – Goods and service Contracts awarded with a value over £25,000 and below the committee approval thresholds of the CSOs

The following relate to the period 1 October to 31 December 2015.

Directorate		Corporate Operations	
Date	Supplier	Contract Description	Value
29/10/2015	Framework - Multiple Suppliers	Specialist Print Consumables and Supplies	£44,500
TOTAL			£44,500

Directorate		Health & Social Care	
Date	Supplier	Contract Description	Value
26/10/2015	Calm Training Ltd	Managing violence and aggression training	£33,350
TOTAL			£33,350

Directorate		Services for Communities	
Date	Supplier	Contract Description	Value
08/10/2015	Framework - Multiple Suppliers	Rope Access Repairs	£76,485
09/10/2015	Experian Footfall Ltd	Supply, Installation and Maintenance of Automatic Pedestrian Counters	£76,265
16/10/2015	Firm of James Lawrie	Emergency Provision for Snow Clearance	£44,290
02/11/2015	Framework - Multiple Suppliers	11 x Welfare/Accessible Buses	£844,000
10/11/2015	Framework - Multiple Suppliers	Homeless Prevention – Crisis and Complex Services	£525,647
12/11/2015	Framework - Multiple Suppliers	Supply of Defibrillators & Associated Consumables	£85,000
07/12/2015	IIC Technologies Ltd	Dropped Kerb & Guardrail Survey	£202,512
TOTAL			£1,854,199

Works contracts awarded with a value over £25,000 and below the Committee approval thresholds of the CSOs

Directorate		Services for Communities	
Date	Supplier	Contract Description	Value
02/10/2015	Limerich	Statutory Notice Works at 7-11 Comely Bank Place	£42,000
07/10/2015	Crummock (Scotland) Ltd	A71 Hatton Mains Culvert Replacement	£84,949
TOTAL			£126,949

Consultancy contracts awarded with a value over £3,000 and below the Committee approval thresholds of the CSOs

Directorate		Services for Communities	
Date	Supplier	Contract Description	Value
09/12/2015	Progressive Partnership	20mph Monitoring Speeds and Volumes	£57,140
14/12/2015	Sky High Technology Limited	20mph Monitoring Speeds and Volumes	£28,125
TOTAL			£85,265

Finance and Resources Committee

10am, Thursday, 17 March 2016

Award of Contract for Consultancy Services to Undertake Retaining Wall Investigations

Item number	7.14
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks the approval of the Finance and Resources Committee for the award of a contract for consultancy services to undertake retaining wall investigations throughout the city.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement [SO4](#)

Award of Contract for Consultancy Services to Undertake Retaining Wall Investigations

Recommendations

- 1.1 That the Finance and Resources Committee approve the appointment of Amey to undertake retaining wall investigations throughout the city for a contract sum of £45,785.42, plus expenses estimated at £14,630.00.

Background

- 2.1 The Maintenance (Bridges) Team within Planning and Transport is responsible for the inspection and maintenance of Council owned bridges and other road related structures throughout the city. Such other structures include retaining walls which either support the road, or support ground which would otherwise affect the road.
- 2.2 Information on the majority of retaining walls in the city is limited, and it is therefore necessary to undertake investigations to catalogue the walls and collate data on them. This will help to establish a register of assets with associated maintenance liabilities.
- 2.3 As there is limited information on the location, extent and condition of many retaining walls within the city, any maintenance tends to be reactive. The need for reactive maintenance typically arises once a wall has started to show signs of distress, and in some cases pose a risk to public safety, and is often only reported to the Council by members of the public.
- 2.4 The primary benefit of the proposed works is to enable a formal inspection and maintenance regime to be prepared. This would be expected to lead to more proactive, planned maintenance rather than reactive maintenance, often in the form of emergency repairs, which is currently typical.
- 2.5 There are insufficient resources available within the Maintenance (Bridges) Team to undertake the retaining wall investigations in-house. It is therefore necessary to appoint a competent consultant to undertake a city-wide survey that will identify and collect data on all retaining walls which either support public roads/footways, or support ground above the level of public roads/footways.
- 2.6 It has been estimated that this investigation will take three months to complete.

Tender Process and Evaluation

- 3.1 The 11 consultancies which are listed under Lot 1 (Roads and Structures) of the Scotland Excel Framework for Engineering and Technical Consultancy Services 01-11 (the Framework contract) were approached to establish whether or not they wished to be invited to tender for the provision of this service. Eight of the 11 confirmed that they would like to be invited to tender, namely:
- Aecom Limited;
 - Amey;
 - Atkins Limited;
 - Capita Property and Infrastructure Limited;
 - Grontmij Limited;
 - Mott MacDonald;
 - Mouchel Limited; and
 - WSP UK.
- 3.2 These eight consultancies were invited to tender through the Public Contracts Scotland portal on 17 December 2015, using a mini-competition process as set out in the Framework contract. Three tender returns were received via the Public Contracts Scotland portal by the closing date on 20 January 2016.
- 3.3 In order to identify the provider offering the best value, the tender evaluation included an emphasis on quality as well as price, with bids being assessed on the basis of the most economically advantageous tender. A ratio of 60% quality to 40% cost was used, which is dictated by the overarching Framework contract.
- 3.4 The services to be provided are relatively straightforward, well within the capabilities of any consultant on the framework and offer little scope for consultants to differentiate themselves from others in terms of how the services are delivered. On that basis, it was considered appropriate to carry forward the quality scores obtained by each consultant in tendering for the overarching framework contract rather than undertaking an additional quality assessment in this procurement exercise. The mini-competition was therefore conducted with tenders invited to submit prices only.
- 3.5 The tender returns were checked for compliance and all were deemed compliant by the evaluation panel, which comprised one officer from the Maintenance (Bridges) Team and one officer from Commercial and Procurement Services.

- 3.6 Tenders were then subject to a cost analysis based on the activity schedule prices and expenses information submitted by each consultant. Under the NEC3 Professional Services Contract (the PSC), which governs the contract, the consultant is entitled to include expenses within their tender submission but these are not included in the tendered total of the prices in accordance with the PSC. In order to take account of such expenses in the tender evaluation process, a 'Tender Evaluation Matrix' was created and included as an Appendix to the 'Instructions to Tenderers' for their information. This matrix takes account of different types of expenses in arriving at a 'notional tender total for tender evaluation purposes' for each consultant.
- 3.7 Minor clarifications were sought from two of the tenderers and satisfactory responses were received. The consultant with the lowest notional total resulting from this tender evaluation exercise was allocated the full 40% weighted cost score. All other consultants were allocated a cost score on a pro-rata basis against the lowest total.
- 3.8 Following detailed analysis of the tender returns it was deemed that the tenders received were competitive.
- 3.9 The scores from the cost analysis were added to the pre-determined quality scores to reach a combined score for each tender submission, with scores as follows:

Company	Quality Score	Price Score	Combined Score	Notional Tender Total
Amey	48.3	40	88.3	£60,415.42
Tenderer 2	44.4	28	72.4	£78,529.72
Tenderer 3	44.7	13.7	58.4	£100,091.71

- 3.10 The outcome of the tender evaluation is that Amey submitted the most economically advantageous tender with a notional tender total of £60,415.42, and have been identified as the preferred bidder. A summary of the tendering and evaluation process is included in Appendix 1.

Measures of success

- 4.1 Success will be measured against the consultant's ability to produce the necessary deliverables on programme and within budget. This will be monitored on a monthly basis for the duration of the contract.

Financial impact

- 5.1 The estimated contract value is £60,415.42 including an allowance for expenses and contingencies. These costs can be met from the bridges maintenance revenue budget (2016/17).
- 5.2 The costs associated with procuring this contract are estimated at up to £10,000.

Risk, policy, compliance and governance impact

- 6.1 By definition, there are retaining walls within the city which not only support roads, or ground above roads, but also act as boundary walls to private properties. The contract document therefore sets out a procedure whereby the consultant will be required to approach owners and provide them with a standard letter explaining the survey works before seeking permission to take measurements and photographs of such walls.
- 6.2 A risk exists that, in some circumstances, owners may be unwilling to accommodate the short duration works required to obtain meaningful wall information. In such instances the consultant will withdraw and notify the Maintenance (Bridges) Team's contract manager of the situation. Arrangements will then be made for notice to be served on the owners in question, under the Roads (Scotland) Act 1984, which will allow the consultant to make a return visit to obtain the wall information required.
- 6.3 A 5% contingency has been built into the tendered price to mitigate against the cost of such repeat visits.
- 6.4 The Maintenance (Bridges) Team will be responsible for the contract management and will monitor the performance of the consultant throughout the duration of the contract. This will include day to day contact, periodic progress meetings, assisting with public liaison, site visits, deliverable approvals and financial administration.

Equalities impact

- 7.1 There is no relationship between the public sector general equality duty and the matters described in this report and no direct equalities impact arising from this report.
- 7.2 It has, however, been identified that, in the process of providing homeowners with standard letters outlining the work being undertaken (refer to section 6.1), the consultants staff would be expected to encounter various different groups including people who may have visual impairment or whose first language may not be English. It will therefore be ensured that the standard letters produced for homeowners can be made available in Braille format and/or different languages as may be required, on request.

Sustainability impact

- 8.1 There are no sustainability implications as the recommendation in this report does not affect public bodies' duties with regards to the three elements of the Climate Change (Scotland) Act 2009.

Consultation and engagement

- 9.1 Commercial and Procurement Services has been engaged in the procurement of this consultancy contract.
- 9.2 No other specific consultation or engagement has been considered necessary or appropriate for this 'city-wide' contract.

Background reading/external references

None.

Paul Lawrence

Executive Director of Place

Contact: Tom Dougall, Maintenance Manager

E-mail: tom.dougall@edinburgh.gov.uk | Tel: 0131 469 3753

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

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

Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Retaining Walls Investigation Ref: CT0186
Contract Period	March 2016 – May 2016 (3 months)
Estimated Contract Value	£60,415.42
Standing Orders Observed	<p>2.4 EU Principles applied</p> <p>2.9 Commercial and Procurement Manager provided resource to advise on and arrange tendering</p> <p>3.1 Director has responsibility for selecting and appointing contractors</p> <p>3.2 Director has responsibility for all Contracts tendered and let by their Directorate</p> <p>4.1 Tender documents clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the services required</p> <p>5.1 Tenders were evaluated on the basis of the most economically advantageous criteria</p> <p>5.3 Tenders evaluated by a panel comprising officers having sufficient knowledge and technical ability</p> <p>8.1 Invitations to tender issued and received by electronic means</p>
Portal used to advertise	Public Contracts Scotland
EU Procedure Chosen	Mini-competition utilising Scotland Excel Framework for Engineering and Technical Consultancy Services 01-11
Invitations to Tender Issued	Eight
Tenders Returned	Three
Tenders Fully Compliant	Three
Recommended Supplier	Amey

Primary Criteria	Most economically advantageous tender to have satisfied compliance checks, with the following Price:Quality ratio. 40% Price 60% Quality
Evaluation Team	1 Maintenance (Bridges) Staff
Procurement Advisors	1 CPS Staff

Finance and Resources Committee

10am, Thursday, 17 March 2016

Waiver Report for ISO Quality Standards Contract

Item number	7.15
Report number	
Executive/routine	
Wards	

Executive Summary

This report seeks the approval of the Finance and Resources Committee for a waiver of Contract Standing Orders to allow direct award of contracts to British Standards Institute (BSI), SGS United Kingdom Ltd. (SGS) and United Kingdom Accreditation Service (UKAS) for a period of up to one year from 17 March 2016 to 16 March 2017, for continuing certification of ISO international quality standards pending procurement of a new contract covering all of the individual departments' related ISO certification requirements.

Links

Coalition Pledges	P30
Council Priorities	CP5
Single Outcome Agreement	

Waiver Report for ISO Quality Standards Contract

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 approves direct award of contracts to United Kingdom Accreditation Service (UKAS), British Standards Institute (BSI) and SGS United Kingdom Ltd. (SGS) for up to one year, from 17 March 2016 to 16 March 2017, for continuing certification of International Standards.
 - 1.1.2 notes the plan to tender for these services for commencement of contract prior to March 2017.

2. 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(s) or it is in the Council's best interests to do so.
- 2.2 The International Organisation for Standardisation (ISO) is the international body responsible for developing and publishing international standards, such as ISO 9001, ISO 18001, etc. These international standards ensure that products and services are safe, reliable and of good quality.
- 2.3 The Council currently has ISO certification for 11 of its services. These ISO certifications are issued by UKAS, the UK Accreditation Service and administered by three certification providers who have delivered these services to the Council for several years. There is no contract in place with these providers and it is proposed to continue with this arrangement until the conclusion of a tendering process by the end of 2016.
- 2.4 Aggregated spend is currently circa £70,000 per annum.
- 2.5 Direct award of contracts for ISO certification during the interim period will ensure continuity of delivery until the conclusion of the procurement.

3. Main report

- 3.1 ISO certification is a recurring need within the City of Edinburgh Council, predominantly within the Place Directorate.
- 3.2 ISO standards are internationally recognised and the Council currently has 12 certifications across 11 services:
- ISO 9001 Quality Management for:
- Bereavement Services
 - Corporate Property
 - FM Catering
 - Edinburgh Building Services
 - Fleet Services
 - Pest Control
 - Planning & Building Standards
 - Transport Services
 - Waste Services
- ISO 9001 Quality Management and ISO 18001 Health & Safety for:
- FM Cleaning
- ISO 22301 Business Continuity for:
- Council wide Business Continuity
- ISO 17020 and ISO 17025 Laboratory testing and inspection for:
- Scientific Services
- 3.3 ISO certification provides the Council with:
- delivery of efficient working practices and focuses on the business objectives of the organisation;
 - independent assessment of Council processes, giving residents and businesses confidence that Council operations are efficient and in line with international standards;
 - prevents reputational damage to the Council and its services by identifying process risks at an early stage;
- enables income generation for Council services by assuring those awarding contracts that Council processes have been independently verified.
- 3.4 Following a review, it is intended that all ISO provision will come under one single contract which will be tendered for.
- 3.5 A contract for ISO certification will ensure the Council is compliant with Contract Standing Orders (CSOs) and EU legislation.

4. Measures of success

- 4.1 That continuity of service delivery is maintained while a tender process is implemented.
- 4.2 A new Service Specification is agreed and new contracted arrangements in place by December 2016.

5. Financial impact

- 5.1 Budget provision for this contract across the Council has been made.
- 5.2 The approximate annual spend is £70,000 to meet current levels of ISO certifications.
- 5.3 Through the integration of 12 service registrations under one certification provider there should be economies of scale generated for the Council.

6. Risk, policy, compliance and governance impact

- 6.1 If the current arrangements are not continued, there is significant risk that services will lose their accreditation. This will result in:
 - increased bureaucracy in the tendering process for services such as Pest Control with the likelihood of lost income generation;
 - potential reputational damage through ending of third party audits and scrutiny of services;
 - increased future costs, including re-accreditation and staff training;
 - gradual loss of efficiency and competitiveness against comparable services in other public or private sector organisations.

7. 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.

8. Sustainability impact

- 8.1 None arise directly from this report.

9. Consultation and engagement

- 9.1 The service area is working with Commercial and Procurement Services to ensure compliance of Contract Standing Orders in future delivery. Aggregate expenditure for this service requires a competitive tender to continue with ISO certification assessed through third party organisations.

10. Background reading/external references

International Organisation for Standardisation - www.iso.org

Paul Lawrence

Director of Place

Contact: Margaret Young, Acting Performance and Quality Manager

E-mail: margaret.young@edinburgh.gov.uk | Tel: 0131 529 7319

4. Links

Coalition Pledges	P30 - Continue to maintain a sound financial position including long term financial planning
Council Priorities	CP5 - Business growth and investment
Single Outcome Agreement	

Finance and Resources Committee

10.00am, Thursday, 17th March 2016

Community Transport – Public Social Partnership Arrangements

Item number	7.16
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report seeks Committee approval to enter into a Public Social Partnership (PSP) with a number of Third Sector Community Transport organisations. The Public Social Partnership will enable Community Transport organisations and the City of Edinburgh Council to work in partnership to provide high quality transport services for people with mobility impairments and Third Sector groups in a way that delivers efficiencies and helps meet the increasing demand for accessible transport that arises from demographic changes.

The PSP aims to deliver a genuine and lasting partnership between City of Edinburgh Council and the Community Transport sector in Edinburgh to support the remodelling and development of innovative, integrated and flexible transport solutions, and build the capacity of the Community Transport sector to be able to deliver a sustainable cost effective infrastructure.

Links

Coalition pledges	P1 , P30 , P37 and P47
Council outcomes	CO3 , CO13 , CO14 , CO22 , CO26 and CO27
Single Outcome Agreement	SO1

Finance and Resources Committee

Recommendations

It is recommended that the Committee:

- 1.1 Agrees to enter in to a three year Public Social Partnership (PSP) between the City of Edinburgh Council and the Community Transport Providers (Lothian Community Transport Services, Handicabs Limited, South Edinburgh Amenities Group, Pilton Equalities Project, DOVE Transport) for the purpose of providing community and accessible transport to a range of groups and people with mobility impairments.
- 1.2 Agrees to invest £757,028 per annum in to the PSP for the period 1 April 2016 – 31 March 2019 (the equivalent to the current level of funding provided to the five Community Transport organisations).
- 1.3 Notes the collective intention to address the Compact Partnership Strategy 2015-2020 to find cooperative solutions to service and budget pressures, prevention and mitigation of poverty and inequality.
- 1.4 Notes that Lothian Shopmobility is not included within the Community Transport PSP and that funding remains in place for this service for the next 12 months.

Background

- 2.1 At its meeting on 24 September 2015, Finance and Resources Committee considered a report on developing a 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 for the next three years.
 - to note the intention to bring back a further report seeking approval to formally enter into a PSP with funding for the next three years.
- 2.2 Subsequently, on 26 November 2015, Committee agreed the extension to the existing Service Level Agreements with the five Community Transport providers for a further 12 months as follows:

Lothian Community Transport Service (LCTS)	£150,591
South Edinburgh Amenities Group (SEAG)	£98,847
HcL (formerly Handicabs) Dial a Ride	£341,435
HcL Dial a Bus	£106,555

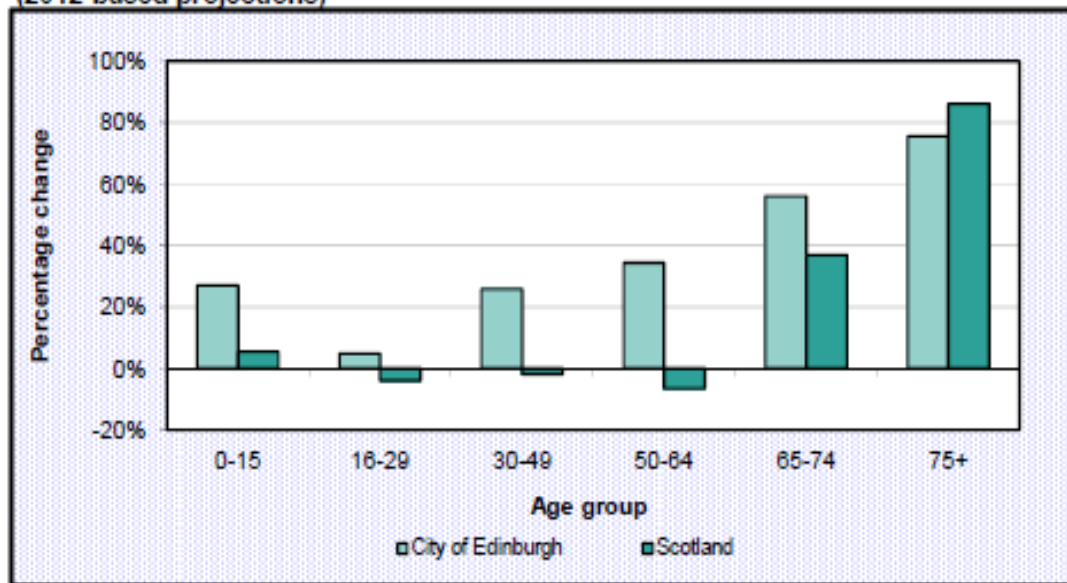
Pilton Equalities Group (PEP) £29,800

Dove Transport £29,800

Demand for Accessible Transport

2.3 The demand for community and accessible transport is expected to increase over the next 20 years as a result of significant demographic changes. As the graph below demonstrates the percentage of Edinburgh's population who are in the 65+ years age group is projected to increase significantly by nearly 60% and with an increase of nearly 80% of those who are in the 75+ years age group.

Percentage change in population in City of Edinburgh and Scotland, 2012-2037 (2012-based projections)



2.4 As well as an increase in older age groups, Edinburgh in common with other parts of Scotland is also seeing an increase in the number of children who require Additional Support for Learning (ASL). In 2014-15 21% of children in the Council's school's provision required significant additional support.

Table 1: Edinburgh population with significant Additional Support for Learning needs

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Pupils with significant ASL all needs in schools	7127	7436	7374	8506	9,383	9,754
% CEC school age population	15%	16%	17%	19%	20%	21%

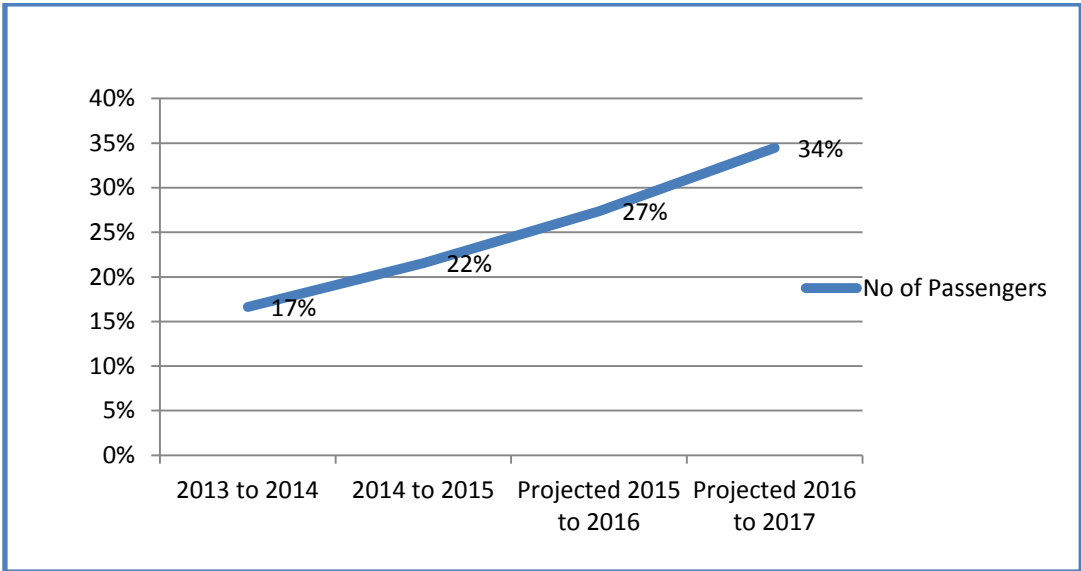
2.5 The current projected increases in the school population for the period 2016-18 indicate the prospects for further growth as the table below demonstrates. While not all children requiring ASL will necessarily require accessible transport, ASL is a further high level indicator for the level of demand for this provision.

Table 2: Projected Primary School Population Growth 2015 -18

Year	Primary School Population	Likely to require ASL at 21%
2015	28,804	6049
2016	29,846	6268
2017	30,582	6422

2.6 Over the past 3 years Passenger Operations have seen an increase from 16,000 to 38,000 individual passengers as at February 2016. By 2016-17 it is projected that there will be a 34% increase in the number of individuals being provided with transport by the Council. The rise in demand for transport provision is increasingly being met through taxis and private hires. In Children and Families the number of taxis journeys rose from 11,797 in 2011-12 to 18,574 in 2014-15 and in Health & Social Care it rose from 38,063 to 44,483 for the same period.

% increase in number of passengers being provided with transport 2013 - 2017



2.7 In addition to the increasing demand for accessible transport resulting from demographic changes there is a risk that the capacity to meet this demand will be inhibited by the diminishing pool of drivers with automatic entitlement to drive minibuses. Changes by the DVLA mean that drivers under the age of 36 years

of age will not have a (D1) entitlement on their driving licence and will need to stake a driving test to acquire a D1 license. This will have implications for training drivers to acquire or re-acquire the D1 entitlement.

- 2.8 The PSP intends to develop a strategic response to this increasing demand by working together to redesign and co-produce flexible transport solutions that will assist the Council to better manage these pressures and increase capacity while simultaneously reducing the rising cost and volume of individual taxi journeys.

Main report

- 3.1 In the context of Community and Accessible transport, the Council arranges over 600,000 passenger journeys using:

- Internal fleet of passenger buses;
- Home to School contract (primarily private bus and minis bus operators)
- Unescorted Passenger journeys contract (taxis); and
- External hire of buses.

- 3.2 Discussions have taken place with third sector community transport providers on how they can work more closely with the Council to help meet the increasing demand for transport provision for people with mobility impairments.

- 3.3 The Community Transport providers, collectively, have 150 years of experience in designing and delivering their services. It is important to recognise the work that has already been achieved by the five Community Transport providers as five separate organisations over the past 12 months:

- Delivery of Community Transport to over 470 services, voluntary organisations and charities; including services for older people, carers, children and young people, people with physical disabilities, people in recovery from mental health and distress, veterans, and those with sensory and visual impairments;
- Delivery of 280,000 passenger journeys;
- Developing plans in consultation with NHS Lothian to support patients delayed in hospital;
- Working with the Council on pilot schemes that have led to improved outcomes for people with multiple disabilities while simultaneously delivering savings for the City of Edinburgh Council; and
- Starting to put in place actions to mitigate the impact of D1 driving licence restrictions on Council services and third sector organisations.

- 3.4 Community Transport providers have confirmed their commitment to work with the Council to implement a PSP and redesign services to help meet the increasing demand for accessible transport. A Memorandum of Understanding will be put in place following Committee approval to enter into the PSP.

- 3.5 The Council and Community Transport providers have successfully secured Scottish Government funding to procure a modern, compatible Booking and Scheduling system that will assist the PSP to plan and organise passenger journeys far more efficiently. The Booking and Scheduling system will also be used to plan and arrange all the Council's passenger journeys including, Home to School, not just those delivered through the PSP.
- 3.6 In order to test the potential benefits that could be delivered by the PSP a number of Community Transport providers have been working with the Council to provide journeys to a number of customers who the Council were providing taxis to in order that they could attend day centres and other services. This has proved very successful and although a relatively small scale pilot, has realised £200,000 in savings as well as providing an improved level of service to people with multiple disabilities and their families.
- 3.7 The PSP represents the Council's and Community Transport providers strategic choice to harness existing resources and target future investment to:
- Reduce expenditure and achieve savings on taxi spend, currently projected at £7m over the next three years;
 - Mitigate the impact of D1 driving licence restrictions in order to increase resilience and capacity with the community and accessible transport sector and avoid increasing reliance on individual taxi travel;
 - Develop strategic responses to demographic pressures; and
 - Work with the Community Transport providers to provide sustainable, affordable transport services that will support Health and Social Care Integration, the transformation to the Locality Model and meet the needs of people with mobility impairments and third sector groups.
- 3.8 The PSP will be monitored and evaluated against the aims and objectives contained within the Memorandum of Understanding. Performance and progress against the objectives will be reported through the Governance Structure and to committee on an annual basis.
- 3.9 The development and implementation of the PSP will prioritise and reduce taxi journeys, bring forward further projects to increase capacity and help to meet increasing demand.
- 3.10 As previously stated the Community Transport providers have already invested considerable time and resources in developing the PSP model as a means to achieving a long term strategic partnership. This has been demonstrated in the development, implementation and evaluation of "pilot projects", repositioning of business to support the PSP and securing support from Edinburgh Voluntary Organisations' Council (EVOC).
- 3.11 EVOC and the Community Transport organisations support the Public Social Partnership model and the strategic fit with the Cooperative Capital Framework and Community Empowerment (Scotland) Act 2015.

Governance

3.12 It is essential to the success of the PSP that governance arrangements are put in place as soon as possible in order ensure:

- Services are not designed in isolation;
- Delivery of better, more efficient services which achieve key outcomes for service users;
- Greater agility to find creative solutions to service user demands and needs;
- Preventative action to keep service users living in their communities and out of hospital;
- Break down intra-organisational bureaucratic barriers and risk averse
- Cultures;
- Delivery of efficiency and quality; and
- Promoting the sharing and transfer of skills and knowledge between partners.

3.13 The roles and remit of the groups within the governance structure (see Appendix 1) are outlined below:

- **Governance Group** - representation from both the Public and Third Sector partners to maintain the PSP principle of equal partnership, and allow key decisions and approval processes to be made jointly.
- **Project Team** - Managed by the Senior Project Manager, the PSP project team assumes responsibility for progressing the project and completing tasks which have been identified in the project plan.
- **Communications Group** - Ensures progress is shared with those organisations wishing to be kept informed or consulted on progress made by the PSP but not involved in the core project work.
- **Service user consultation** - used to deliver bespoke sections of the design of engagement process e.g. interviewing other service users to assess strengths and weaknesses of the existing service and/or any gaps in provision.

Measures of success

4.1 Key measures of success for funding the PSP for the next three years will be:

- Business continuity to 450–470 third sector groups and 40,000 individuals in receipt of transport, including people with mobility problems, adults with learning disabilities, older people, and children with additional support needs;

- Addressing the impact of increasing demand from demographic changes and reducing the spend on individual taxi journeys;
- Opportunities to achieve savings in Council budgets over the three year lifecycle of the PSP;
- Prioritising resources in a structured and sustainable way;
- Addressing and mitigating the impact of D1 licence restrictions within the PSP;
- Demonstration of outcomes from the Edinburgh Compact Partnership Strategy 2015; and
- Development of a long term customer focussed Action Plan for community and accessible transport provision by the third sector, informed by customer/service user consultation and engagement.

Financial impact

- 5.1 Currently the five Community Transport providers collectively receive funding of £757,028 per annum on the basis of individual service level agreements. The Community Transport providers will continue to receive this funding but through the PSP.
- 5.2 The Council spends £2.1m on taxis and £18.7m on external contracts and in-house fleet in order to meet the needs of Edinburgh's most vulnerable citizens.
- 5.3 It is anticipated that the services provided by the PSP will help realise savings and efficiencies in transport costs for Health and Social Care and Communities and Families.

Risk, policy, compliance and governance impact

- 6.1 The PSP model which is supported by the Scottish Government has been identified as providing the most flexible and appropriate option for commissioning and developing new community and accessible transport provision with third sector partners. The Scottish Government has produced a 'Guide to Forming and Operating a Public-Social Partnership' which defines a PSP as a 'strategic partnering arrangement which involves the third sector earlier and more deeply in the design and commissioning of public services'.
- 6.2 The PSP also fits with the Council's aim of partnership working and co-design and co-production of services with partners including those in the third sector.
- 6.3 The PSP is intended to support individuals and groups to maximise independence by supporting people and organisations to access resources within neighbourhoods, achieving reliance and reducing social isolation.

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. A separate report to Corporate Policy and Strategy Committee is expected in April 2016 with a final ERIA and feedback from Public Consultation.
- 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 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 Environmental Assessment (Scotland) Act 2005, the Council requires all reports and procedural matters to comply with all aspects of Strategic Environmental Assessment. The SEA toolkit was used to define and scope this report.

Consultation and engagement

- 9.1 There has been extensive consultation with the community transport providers concerning the development of the PSP.
- 9.2 Consultation and engagement with stakeholders is ongoing and a Public Consultation is scheduled for February 2016.
- 9.3 The Review of Community and Accessible Transport has engaged with 16 organisations and 350 people who use a mix of Community Transport, concessionary travel and taxi cards.

Background reading/external references

1. [Review of Community and Accessible Transport – Phase 1 Report: Corporate Policy & Strategy Committee: 4 November 2014](#)
2. [Review of Community & Accessible Transport – Working Group Report: Corporate Policy & Strategy Committee: 20 January 2015](#)

3. [Review of Community and Accessible Transport – Stage 2 Report: Corporate Policy & Strategy Committee: 9 June 2015.](#)
4. [Edinburgh Community Transport Organisations Group Report – EVOC 2012](#)
5. [Research into Social & Economic Benefits of Community Transport in Scotland – Transport Scotland 2015](#)
6. [Edinburgh Compact Partnership Strategy 2015 to 2020 \(Draft\)](#)
7. [Community Transport – PSP Development – Finance & Resources Committee – 24 September 2015](#)
8. EVOC Report – Coproduction and Competitive Tendering – 3 December 2015
9. [Implications for Co-production & Procurement – Finance & Resources Committee 14 December 2015.](#)

Paul Lawrence

Executive Director - Place

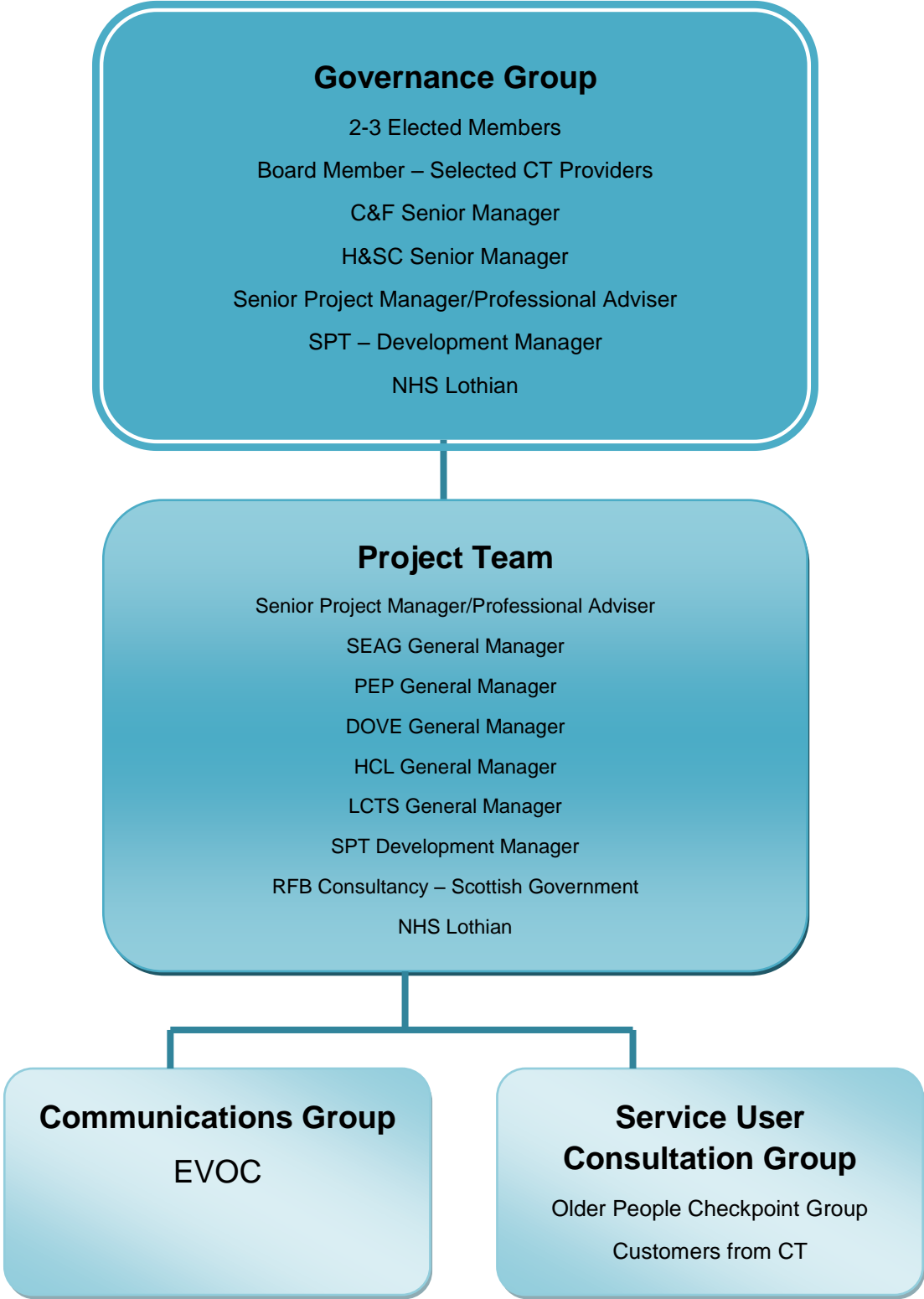
Contact: Frank Henderson, Senior Project Manager

E-mail: frank.henderson@edinburgh.gov.uk | Tel: 0131 469 6248

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>Appendix 1 – Community Transport PSP Governance Arrangements</p>

Appendix 1 – Community Transport PSP Governance



Finance and Resources Committee

10am, Thursday, 17 March 2016

Café Concessions - Museums & Galleries and Parks & Greenspace

Item number	7.17
Report number	
Executive/routine	Executive
Wards	City centre, Almond , Meadows/Morningside Sighthill/Gorgie , Leith , Leith Walk

Executive summary

The Council currently has a number of cafe concessions and leases across the city. The Council was required to carry out a tender process under public procurement rules to renew the café concession contract at The City Art Centre. In addition, sites at East Princes Street Gardens, 2 x West Princes Street Gardens, The Meadows Magnet Play Area and Cramond Foreshore had leases expiring in 2016. The opportunity was taken to consolidate the sites under one tender exercise.

Working closely with Parks & Greenspace and Museums and Galleries, the Commercial Excellence Programme identified five further locations that were suitable for cafes or catering outlets at: Lauriston Castle, Victoria Park, Inverleith Park, Leith Links and Saughton Park.

This initiative consolidated the 11 sites under one tender exercise to source high quality food and beverage suppliers from the local and national market. Through competition the tender also aimed to achieve market value for each site. The tender received significant interest and this report seeks approval of the award of the contract to the successful tenderers. The total potential income is £1,040,150 in addition to gainshare possibilities. One site has subsequently been withdrawn due to a non compliant tender – Victoria Park.

Links

Coalition pledges	P8,P48
Council outcomes	CO19
Single Outcome Agreement	S04

Café Concessions - Museums & Galleries and Parks & Greenspace

Recommendations

- 1.1 It is recommended that Committee approves the café concessions contract across the following 10 sites to the preferred suppliers listed:

Lot	Site	Supplier	Site Type
1	City Art Centre	Prestige Catering	Permanent
2	East Princes Street Gardens Kiosk	GIPA Capital Ltd	Permanent
3	West Princes Street Gardens 'Fountain Café'	Djed Developments Ltd	Semi-permanent
4	Lauriston Castle	Prestige Catering Ltd	Permanent
5	The Meadows Magnet Play Area	No bids received	Stance
6	Cramond Foreshore	Fotheringhams Ltd	Stance
7	Saughton Park	No bids received	Mobile vehicle
8	Inverleith Park	Spoonerise Ltd	Mobile vehicle
9	Leith Links	No bids received	Mobile vehicle
10	West Princes Street Gardens Cottage	Djed Developments Ltd	Stance

Background

- 2.1 Early in 2015, Museums and Galleries & Parks & Greenspace teams approached Commercial and Procurement Services (“CPS”) about procurement exercises required to renew existing café concession contracts and leases.
- 2.2 By working jointly a sourcing strategy was developed to consolidate the tender exercise into one process.
- 2.3 Five further sites across the Parks & Greenspace estate were identified as suitable for temporary food and beverage mobile units and it was agreed that these would be included in the tender exercise. One has subsequently been withdrawn due to a non compliant tender.
- 2.4 The Museums and Galleries team further agreed that this presented an opportunity to tender for a new café concept at Lauriston Castle noting that a café would add to the site, help attract further visitors and meet a current unmet demand given that there is currently no onsite catering provision.
- 2.5 The 11 sites were consolidated under this tender exercise with one being withdrawn due to a non compliant tender.
- 2.6 All tender lots were kept separate to allow a range of suppliers, from small local businesses to larger national suppliers to compete.
- 2.7 This tender exercise forms part of the Income Maximisation workstream under the Commercial Excellence Programme. Through ambitious projects and effective sourcing strategies the workstream aims to establish commercial incomes streams for the Council supporting the organisation in meeting its budget challenge.

Main report

Summary of the tender competition

- 3.1 On 5 January 2016 an OJEU contract notice for a single stage open procedure was published in the national Public Contracts Scotland Portal inviting expressions of interest from suitable suppliers. Interested parties responding to the notice were provided with the tender documentation.
- 3.2 All interested applicants submitted their response by the closing date of 2 February 2016.
- 3.3 To ensure that the tender was awarded to the suppliers offering best value, the bids were assessed using the most economically advantageous methodology. The weightings used for the selection of the suppliers was based on Quality 40% and Price 60%.
- 3.4 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 score of 50% for quality were subject to a cost analysis.

- 3.5 The cost element was assessed on the fixed rent and gain share percentage (City Art Centre and Lauriston Castle only) submitted to permit the operation of the site for the fixed term period.
- 3.6 The tenders were independently evaluated and the results for each tender opportunity are identified below:

City Art Centre

3.7

Contractor	Rental Income Score (45%)	GainShare Score (15%)	Bid Price	Quality (40%)	Overall Score	Overall Rank
Prestige Catering	45.00	3.90	£ 229,875.00	34.40	83.30	1
Bidder 2	31.60	15.00	£ 176,750.00	27.40	74.00	2
Bidder 3	26.55	14.55	£ 150,229.00	31.20	71.75	3
Bidder 4	30.53	10.00	£ 165,128.00	30.00	70.53	4
Bidder 5	20.00	5.00	£ 106,250.00	28.80	53.80	5
Bidder 6	0.00	0.00		18.20	18.20	6
Bidder 7	0.00	0.00		12.00	12.00	7

The rental income score was allocated 45% of the overall score, which was based on an annual lump sum cost over the five year period for the rental of the site. The gainshare income was allocated 15% of the overall score, with bidders submitted a percentage return to the Council for all profits exceeding £50,000 per annum. Where no bid price has been included, this is due to the bidder failing the quality threshold.

East Princes Street Gardens Kiosk

3.9

Contractor	Price (60%)	Bid Price	Quality (40%)	Overall Score	Overall Rank
GIPA Capital Ltd	58.35	£424,000	24.60	82.95	1
Bidder 2	60.00	£436,000	20.20	80.20	2
Bidder 3	0.00		28.00	28.00	3
Bidder 4	0.00		16.40	16.40	4
Bidder 5	0.00		13.00	13.00	5

The bid price reflects an annual lump sum cost over a five year period for the rental of the site. Where no bid price has been included, this is due to the bidder failing the quality threshold or submitting a bid which did not comply with the minimum lump sum payment set by the Council.

West Princes Street Gardens

3.10

Contractor	Price (60%)	Bid Price	Quality (40%)	Overall Score	Overall Rank
Djed Developments	60.00	£238,000	24.60	84.60	1
Bidder 2	57.73	£229,000	26.00	83.73	2

The bid price reflects an annual lump sum cost over a five year period for the rental of the site.

Lauriston Castle

3.11 The Council received one bid from Prestige Catering Ltd which is recommended for acceptance. Their quality submission met the threshold and their bid price was compliant achieving £43,750 in lump sum income over the seven year period.

Cramond Foreshore

3.12 The Council received one bid from Fotheringhams Ltd which is recommended for acceptance. Their quality submission met the threshold and their bid price was compliant achieving £60,000 in lump sum income over the two year period.

Victoria Park

3.13 The Council received one bid which was non compliant in meeting the minimum rental income required by the tender documents set at £24,000. To ensure fairness and transparency the Council has withdrawn this lot with further work to be carried out.

Inverleith Park

3.14

Contractor	Price (60%)	Bid Price	Quality (40%)	Overall Score	Overall Rank
Spoonerise Ltd	60.00	£13,900	29.40	89.40	1
Bidder 2	43.17	£10,000	26.00	69.17	2
Bidder 3	0.00		16.00	16.00	3

The bid price reflects an annual lump sum cost over a two year period for the rental of the site. Where no bid price has been included, this is due to the bidder failing the quality threshold.

West Princes Street Gardens Cottage Stance

3.15

Contractor	Price (60%)	Bid Price	Quality (40%)	Overall Score	Overall Rank
Djed Developments	60.00	£15,000	27.40	87.40	1
Bidder 2	52.00	£13,000	28.00	80.00	2
Bidder 3	16.00		16.00	16.00	3

The bid price reflects an annual lump sum cost over a two year period for the rental of the site. Where no bid price has been included, this is due to the bidder failing the quality threshold.

The Meadows Magnet Play Area Leith Links and Saughton Park

- 3.16 There were no bids received for the sites at the Meadows Magnet Play Area, Leith Links and Saughton Park. These opportunities will be re-advertised under Phase 2 of the Cafes Concession opportunity expected to commence in mid-late 2016.

Winning Café Concepts

- 3.17 Below is a summary of the preferred suppliers and the description of the provision for each site:

City Art Centre – Prestige Catering Ltd

Proposing to rename the Café 'Market Street Kitchen', Prestige Catering Ltd offer a range of Fair-Trade and Rainforest Alliance products alongside local produce from local suppliers and catering for a range of dietary needs. The café would trade 7 days a week. Prestige Catering Ltd proposed a strong commitment to increasing footfall through a range of marketing initiatives which will benefit the Council through income generated through the gain share model of the contract. As part of their proposal, Prestige Catering Ltd have committed to providing one full time and one part time training position in conjunction with the Edinburgh Guarantee programme. They have also committed to supporting CHAS, a hospice service for children and young people who have life-shortening conditions, holding two fundraising days per annum where the NET profit from the café and donations received through customers will be donated to the Charity.

East Princes Street Gardens Kiosk – GIPA Capital Ltd

GIPA Capital Ltd are offering an Eco-friendly, socially responsible coffee shop with locally sourced fair trade Scottish produce. Selling a range of produce including coffee, cakes and sandwiches, the kiosk will have full Wi-Fi access and a range of seating options to enhance the customers' experience. The kiosk will operate throughout the year. GIPA Capital Ltd have committed to supporting a local charity that utilises the Gardens as well as a local football team through a sponsorship opportunity. They have also offered free coffees and refreshments to veterans at selected times during Remembrance Week.

West Princes Street Gardens – Fountain Café and Cottage stance - Djed Developments Ltd

Djed Developments currently operate both cafés in West Princes Street Gardens offering a range of locally produced food including ice creams, coffee, sandwiches and soups. A refurbishment of the marquee and seating area in the Fountain Café will commence immediately following appointment to make the site more stylish and contemporary. The Cottage Stance will also be upgraded to a new purpose built static unit which can be delivered and removed from the site

seasonally. Weather permitted, the cafés will be open 7 days per week. Djed Developments Ltd have committed to supporting the Edinburgh Guarantee Programme and working with the Council to support targeted recruitment opportunities.

Lauriston Castle – Prestige Catering Ltd

A completely new opportunity to open a café within Lauriston Castle enhancing the customers experience when visiting the Castle, Prestige Catering offers a range of food products. A refurbishment of the existing space will be undertaken. The café would trade 7 days a week. Prestige Catering Ltd have also committed to the same community benefits as noted in the description of the City Art Centre Café.

Inverleith Park – Spoonerise Ltd

Refurbishment of a unique converted horse box, Spoonerise Ltd offer a range of fresh, quality, locally sourced produce with a focus on a healthy range of products. Operating 7 days a week within the park, the offering had a strong focus on sustainable options including biodegradable food containers.

Measures of success

- 4.1 Meeting the following vision statement which was included within the specification and summarised the key outcomes of the tender exercise. Cafés and catering outlets:
- Are sensitive to the historic and/or greenspace that they occupy
 - Provide an inviting environment which add to the location in which they operate
 - Offer a range of high quality food and beverages at a range of prices
 - Offer a choice of healthy food and drink options
 - Support locally sourced and Scottish produce and products
 - Are proactive in taking measures to be environmentally responsible
- 4.2 In additional new sites are expected to create both direct and indirect employment.
- 4.3 The new high quality provision is expected to support the cities thriving tourist and visitor scene, provision for the general public, support increased visitor numbers to the parks and museums and galleries they operate in and will bring investment in the city from the successful suppliers.
- 4.4 This project demonstrates the city's ongoing commitment to supporting business development in Edinburgh.
- 4.5 Through proactive market engagement and consolidation of the sites available into one tender process, the Council has generated significant competition for all sites. This optimises the market value and income potential for all sites.

Financial impact

- 5.1 Through the use of the tender exercise The Commercial Excellence Programme, aimed to achieve market value for each site through subjecting tenderers to market competition.
- 5.2 Tenderers were required to propose a fixed rental fee for each lot and for the larger two sites, City Art Centre and Lauriston Castle, tenderers we also invited to put forward a gain share percentage on all revenue made.
- 5.3 The Estates Surveyor team supported the valuation of the permeant locations at the City Art Centre and Lauriston Castle and previous fee levels across the Parks & Greenspace estate were used to provide the market with an indication of the anticipated price levels that should be proposed for each site as part of the tender exercise.
- 5.4 The forecast income across all sites across the life of these contracts totals £1,040,150 which accounts for a combined increase in rental of £318,050 over the life of all contracts.
- 5.5 Further income will be generated from the gain share mechanisms introduced at City Arts Centre and Lauriston Castle, however, these cannot be reported yet as these are dependent on the revenue achieved at each site.
- 5.6 The costs associated with procuring this contract are estimated at up to £10,000.

Risk, policy, compliance and governance impact

- 6.1 Suppliers were required to detail Health & Safety policy and procedures and required to comply with Health & Safety at work regulations.
- 6.2 Tenderers were required to put forward copies of their certifications and policy and procedures on the following areas:
 - Insurance
 - Health & Safety
 - Environment management
 - Customer compliant handling

Equalities impact

- 7.1 Suppliers are required to comply with equal opportunities legislation in the terms and conditions of contract.
- 7.2 No negative impacts arise from the award of these contracts.
- 7.3 For the larger sites, The City Art Centre and Lauriston Castle, suppliers were required to detail community benefits. The secured community benefits are detailed within the report.

Sustainability impact

- 8.1 Suppliers were required to detail environment management processes and procedures, including site and waste management, including recycling.
- 8.2 For all sites specific requirements were detailed into the specification in order to protect the environment or historic buildings in which the supplier will operate.
- 8.3 The impacts of the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties. Any adverse outcomes are considered to be minimised by the duties placed on the providers.

Consultation and engagement

- 9.1 Consultation was carried out with *Historic Scotland* on an appropriate procurement strategy and factors to consider.
- 9.2 Previous supplier enquires and previous public engagement was used to inform the new sites across the Parks & Greenspace estate.
- 9.3 CPS worked closely with the Parks & Greenspace and Museums & Galleries team to carefully capture specification requirements for each site.
- 9.4 A Prior Information Notice (PIN) was issued on 5 August 2015 requesting responses to 13 questions related to the contract including contract length, ability to work in listed buildings, ability to change food and beverage provision for each location, ability to cater to different demographics and preferred commercial arrangements. 12 supplier responses were received and information was used to inform the tender strategy.
- 9.5 A market research exercise to identify potential interested suppliers including incumbent, local and national suppliers was carried out. Email notifications were sent out to over 70 contacts/ suppliers identified who were directed to register on Public Contracts Scotland.

Background reading/external references

None.

Paul Lawrence

Executive Director of Place

Contact: David Lyon, Head of Environment

E-mail: david.lyon@edinburgh.gov.uk | Tel: 0131 529 7047

Links

Coalition pledges	P48 – Use green flag and other strategies to preserve our green spaces.
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.

Finance and Resources Committee

10am Thursday, 17 March 2016

Award of Residual Waste Treatment Contract - Delegated Authority

Item number	7.18
Report number	
Executive/routine	Executive
Wards	All

Executive Summary

The Zero Waste Residual Waste Treatment Project is scheduled to reach Financial Close by 31 March 2016. On 27 November 2014 Committee delegated authority to the Acting Director of Services for Communities to sign all necessary contract documents for the Project. As a result of changes in the Council's executive management structure, it is now necessary for the Committee to delegate authority to the Executive Director of Place to enter into and sign the contract documentation.

Links

Coalition pledges	P49, P50
Council outcomes	C07, C08
Single Outcome Agreement	S01, S04

Award of Residual Waste Treatment Contract - Delegated Authority

1. Recommendations

It is recommended that the Committee:

- 1.1 Delegate authority to the Executive Director of Place, or in his absence the Head of Environment, to enter into and sign the following documents on behalf of the City of Edinburgh Council in each case subject to such amendments as the Executive Director of Place may deem appropriate:
 - the Project Agreement with FCC;
 - the inter-authority agreement with Midlothian Council dealing with the contract management regime between the two Councils for the residual waste treatment (“Inter-Authority Agreement”); and
 - all other ancillary documentation relative to the Zero Waste Project (ZWP).

2. Background

- 2.1 On 10 December 2014 FCC Medio Ambiente SA was appointed as Preferred Bidder for the Zero Waste: Edinburgh and Midlothian Residual Waste Contract, following the decisions taken by Committee on 27 November 2014 and Midlothian Council on 2 December 2014 to make the appointment.
- 2.2 Committee delegated authority to the Acting Director of Services for Communities to enter into the required contractual documentation.
- 2.3 The procurement is now reaching the stage of Financial Close when the Project documentation requires to be entered into.

3. Main report

- 3.1 On 14 March 2013 the City of Edinburgh Council agreed:
 - 3.1.1 To offer to the bidders a Capital Contribution, to be injected when the plant was fully commissioned with a years track record of service delivery and not to exceed 30% of the cost of the asset or assets constructed at the project

site, providing said assets reverted to the Partner Councils ownership at the end of the concession.

- 3.1.2 To delegate authority to the Director of Services for Communities and the Director of Corporate Governance in consultation with the Convener and Vice-Convener of the Finance and Budget Committee to decide, in accordance with established evaluation criteria of the Zero Waste Project, at the point of selection of Detailed Tenders, if the injection of public capital represented the optimal value for money solution and to pursue said injection, including entering into a suitable legal agreement with Midlothian Council should that be the case.
- 3.2 On 27 November 2014 the Committee agreed:
 - 3.2.1 to approve the appointment of FCC Medio Ambiente SA (FCC) as Preferred Bidder and, subject to Midlothian Council approving a similar recommendation, to authorise the Acting Director of Services for Communities to award the residual waste contract to FCC once the final documentation had been completed in line with the contents of the report; and
 - 3.2.2 to authorise the Acting Director of Services for Communities to sign the required documents including those set out in the report on behalf of the City of Edinburgh Council, and designated the Acting Director of Services for Communities as the proper officer to execute the documents, in each case subject to such amendments as the proper officer deemed appropriate:
 - 3.2.2.1 the Project Agreement with FCC;
 - 3.2.2.2 the inter-authority agreement with Midlothian Council dealing with the contract management regime between the two Councils for the residual waste treatment (“Inter-Authority Agreement”); and
 - 3.2.2.3 all other ancillary documentation relative to the Zero Waste Project (ZWP).
- 3.3 The offer of a Capital Contribution was taken up by both bidders at the Detailed Tender Stage and the solution of the Preferred Bidder, FCC, is for the onsite assets at Millerhill to revert to the Partner Councils ownership at the end of the concession. The exact Capital Contribution will not be known until Financial Close due to factors including the Euro exchange rate with Sterling but it will be in line with that agreed by the Councils, ie not to exceed 30% of the cost of the asset, which at the Final Tender point the Capital Contribution was estimated to be in the order of £34.470m (shared - the City of Edinburgh Council £27.576m / Midlothian Council £6.894m.)
- 3.4 The procurement is now reaching the stage of Financial Close when the Project documentation requires to be entered into.

In order to ensure that the appropriate authority is in place prior to entering into the contract, Committee is asked to delegate authority to the Executive Director of Place to enter into and sign the required contractual documentation.

4. Measures of success

- 4.1 Compliance with legislation and accountable decision-making.

5. Financial impact

- 5.1 Following Financial Close, The Council's Capital Investment Programme will require revision to include the amount required to fund the injection, timed to occur in late 2019.
- 5.2 The magnitude of the City of Edinburgh Council's proportion, as reported to Council on 14 March 2013, was expected to be in the order of £33.6m. Based on Final Tenders the proportion is now expected to be closer to £27.576m.
- 5.3 The estimated capital contribution would be funded fully by borrowing and the overall loan charges associated with this expenditure over a 25 year period would be a principal amount of £27.576m and interest of £24.824m, resulting in a total cost of £52.4m based on a loans fund interest rate of 5.5% (projected loans fund rate at time of making the contribution). The annual loan charges would be £2.096m.
- 5.4 The revenue cost of funding this borrowing, will as reported previously, be contained within the reduction to the current landfill budget which will arise from the Annual Unitary Charge (cost per tonne) reductions that injection would realise.

6. Risk, policy, compliance and governance impact

- 6.1 The appropriate authority is in place prior to entering into the contract.

7. Equalities impact

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

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 This report has been prepared in consultation with Finance and Legal Services.

10. Background reading/external references

Finance and Resources Committee Report, 27 November 2014, Zero Waste: Edinburgh and Midlothian - Award of Residual Waste Treatment Contract.

Zero Waste: Edinburgh and Midlothian – Residual Waste Treatment Progress Report, Transport and Environment Committee, 14 January 2014

Zero Waste: Edinburgh and Midlothian – Power Purchase, City of Edinburgh Council, 30 May 2013

Zero Waste: Edinburgh and Midlothian – Capital Contributions, City of Edinburgh Council, 14 March 2013

Zero Waste: Edinburgh and Midlothian – Award of Food Waste Treatment Contract, City of Edinburgh Council, 13 December 2012

Zero Waste Project: Purchase of Land – Finance and Budget Committee, 29 November 2012

Zero Waste: Edinburgh and Midlothian – update to the Transport, Infrastructure and Environment Committee, 21 February 2012

Zero Waste: Edinburgh and Midlothian Commencement of Procurement – The City of Edinburgh Council, 14 October 2010

Zero Waste: Edinburgh and Midlothian Commencement of Procurement – Transport, Infrastructure and Environment Committee, 21 September 2010

Zero Waste Project – Progress Report – The City of Edinburgh Council, 15 October 2009

Zero Waste Project – Progress Report – Transport, Infrastructure and Environment Committee, 22 September 2009

Paul Lawrence

Executive Director - Place

Contact: David Lyon, Head of Environment

E-mail: David.Lyon@edinburgh.gov.uk | Tel: 0131 529 7047

11. Links

Coalition pledges	P49, P50
Council outcomes	C07, C08
Single Outcome Agreement	S01, S04
Appendices	

Finance and Resources Committee

10.00 am, Thursday 17 March 2016

Waivers – Homelessness Information System (HIS) and Edinburgh Common Client Outcomes (ECCO)

Item number	7.19
Report number	
Executive/routine	
Wards	

Executive summary

This report seeks members' approval for waivers allowing the extension of contracts to deliver the Homelessness Information System (HIS) and the Edinburgh Common Client Outcomes (ECCO) system. These are databases which support homelessness and temporary accommodation management, and the service delivery and contract management of homelessness prevention services.

HIS and ECCO are both stand-alone and bespoke databases supporting a number of complex and essential services, and they require to be replaced.

A project to migrate these functions onto Council supported systems has been progressed over the last year, however, implementation has been delayed.

Links

Coalition pledges	P8
Council outcomes	CO10 , CO16
Single Outcome Agreement	SO2

Waivers – Homelessness Information System (HIS) and Edinburgh Common Client Outcomes (ECCO)

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 notes the requirement for a further two year waiver for Niceworks Ltd to provide technical support for the Homelessness Information System (HIS) to April 2018, while the ICT support transitions to the new Northgate modules
- 1.2 notes the requirement for a further two year waiver for Gallery Partnership for the provision of Edinburgh Common Client Outcomes (ECCO) to April 2018, while the IT support transitions to the new Northgate modules
- 1.3 agrees to progress a two year waiver for both Niceworks Ltd in respect of the HIS database and Gallery Partnership in respect of ECCO.

Background

- 2.1 The HIS system has been in place since 2000 to manage homelessness cases. The database has been developed significantly over the last 16 years to fit the needs of homelessness and temporary accommodation services.
- 2.2 The HIS system supports the management of:
 - data from homelessness assessments, housing advice and housing options activity
 - management of all homelessness and temporary accommodation cases
 - temporary accommodation stock management and contract management, including turnaround processes for Council-run services and contract management for commissioned services
 - allocation of customers and income collection for emergency, temporary and medium-term accommodation (including B&B rooms; short-term lets in the private sector; Private Sector Leasing (PSL); supported hostels and managed units; dispersed Council-owned and Registered Social Landlords flats)
 - storage of personal belongings, removals and kennelling of pets
 - statutory homelessness and housing support statistical returns to the Scottish Government.
- 2.3 The HIS system was not designed to integrate with any Council core system. The long-term goal is to have all service critical data on a supported Council

system. In light of these drivers, a project team has been established to deliver a replacement system for HIS.

- 2.4 The HIS system is covered by a maintenance agreement, which expires on 31 March 2016. The waiver for this was agreed at Finance and Resource Committee on 19 March 2015.
- 2.5 The maintenance agreement is currently with Niceworks Ltd which owns the intellectual rights to the database coding, but the Council retains the rights to the data.
- 2.6 The monitoring of homelessness prevention services has been undertaken through Edinburgh Common Client Outcomes (ECCO) under contract with the Gallery Partnership since 2007. Like HIS, this is a stand-alone system outwith the current Council ICT contract.

Main report

- 3.1 The HIS system supports the allocation and management of the temporary accommodation estate, including Private Sector Leasing, Bed and Breakfast service, dispersed flats, hostels and managed units. The HIS system also manages the financial accounting for the service, which amounts to over £30 million per year in both expenditure and income collection. However, HIS does not integrate with other Council systems and there is a need to move to a supported Council system.
- 3.2 A project has been established to deliver a replacement for the HIS system, which also incorporates ECCO, and appropriate project governance arrangements in place.
- 3.3 Staff from across the Assessment, Homelessness and Support team and the Commissioning Team have been involved in scoping and shaping the functionality of the new system. BT carried out an analysis of the functionality required and Northgate was identified as the preferred supplier to replace HIS. Northgate is an existing provider of ICT systems supporting housing services.
- 3.4 The project plan developed by Northgate and BT proposed an initial “go live” date of 7 December 2015, with the project completing on 7 January 2016. It was identified as a significant risk that this timescale was ambitious, due to the complexity of the service, the scale of staff numbers affected and the value of income affected (requiring a prudent approach).
- 3.5 Unfortunately, several weeks of slippage occurred due to the quality of the initial design workshops led by Northgate, which led to the “go live” date being moved to 16 March 2016, taking the date very close to the BT/CGI transition.
- 3.6 Due to the complexity of the HIS/Northgate transition, this posed an unacceptable risk to the existing Northgate modules and the “go live” date required to be postponed.
- 3.7 Transition will now require to be slotted into CGI’s work schedule and this is unlikely to be possible before autumn 2016.

- 3.8 The current waiver for the maintenance and support of HIS runs until April 2016.
- 3.9 It is anticipated that HIS will have transitioned to Northgate by April 2017, but the HIS database will require to be maintained for a further year to allow for storage of historic data required for returns to the Scottish Government and for effective case management of services for vulnerable people who may present as homeless on more than one occasion.
- 3.10 The timetable for moving ECCO requirements for externally commissioned homelessness prevention services to Northgate is also delayed to autumn 2016 at the earliest. This will necessitate a further waiver for Gallery Partnership to allow the continuation of hosting and supporting ECCO for the period April 2016 to April 2018.
- 3.11 As the Northgate system will not be fully in place, tested and operating by April 2016, a further Niceworks waiver is required for April 2016 – April 2018.
- 3.12 Failure to agree to extend these contracts would result in the Council no longer having a software maintenance agreement in place for HIS or ECCO. The impact of which is that the Council would be unable to:
- record and manage effectively statutory homelessness duties
 - assist and accommodate vulnerable people in temporary accommodation efficiently
 - manage temporary accommodation and Private Sector Leasing housing stock and rent collection for temporary accommodation properties
 - manage a number of multi-million pound contracts for various forms of temporary accommodation efficiently
 - collect income efficiently
 - make statutory returns to the Scottish Government
 - manage homelessness prevention commissioned services efficiently.

Measures of success

Measures of success are set out below.

- 4.1 A system fully supported by the new ICT contractor CGI.
- 4.2 A fully integrated system, which benefits from increased data sharing across the Council.
- 4.3 Staff not having to record customer records in more than one place.

Financial impact

- 5.1 The one-off cost to purchase the additional five Northgate modules is £169,393. These costs were met within 2014/15 budget.

- 5.2 The annual charge for the HIS system is £26,744, which can be contained within existing budgets.
- 5.3 The annual cost of maintaining ECCO is £31,260 + VAT, which can be contained within existing budgets.

Risk, policy, compliance and governance impact

- 6.1 The HIS system provides essential case management support for all homelessness cases, approximately 4000 households present for homelessness services each year. Failure to extend the waiver (1 April 2016 – 1 April 2018) may put vulnerable people at risk.
- 6.2 The key risk in not approving the Niceworks Ltd wavier extension to April 2018 is that there would not be a valid maintenance agreement in place for HIS and the Council does not have access to the technical coding to put in place alternative support arrangements, which means there would be no contingency if the HIS system were to fail at a time when the service is still reliant on it.
- 6.3 If the system failed, with no maintenance agreement in place, there would be significant financial risk to the Council, as the HIS system manages the financial accounting for the temporary accommodation service, which amounts to over £30 million per year in both expenditure and income collection.
- 6.4 As Niceworks Ltd owns the codes for the HIS database, and there is a plan in place to move from the HIS system to Northgate as soon as practical, there would be a low risk of challenge from another provider.
- 6.5 If ECCO ceased to function beyond April 2016 the piloting of Payment by Outcomes as a major feature of Advice and Support services (and other work streams) would be in jeopardy.

Equalities impact

- 7.1 This report is an update on an existing provision. There is, therefore no direct equalities impact. The proposed replacement arrangements have been subject to an Equalities Impact Assessment.

Sustainability impact

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

Consultation and engagement

- 9.1 Communication has gone out to all HIS users to advise of the transition to Northgate. Key staff and 'superusers' will continue to be involved in the build, design and testing of the system as the project moves forward. A communications plan has been developed to keep all affected staff and commissioned services updated as the project progresses.

Background reading/external references

http://www.edinburgh.gov.uk/meetings/meeting/3633/finance_and_resources_committee

Michelle Miller

Head of Safer and Stronger Communities

Contact: Susan Bruce, Assessment, Homelessness and Support Manager

E-mail: susan.bruce@edinburgh.gov.uk | Tel: 0131 529 4050

Links

Coalition pledges	P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities starting with brownfield sites.
Council outcomes	CO10 – Improved health and reduced inequalities. 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 Appendices	SO2 – Edinburgh’s communities are safer and have improved physical and social fabric.

Finance and Resources Committee

10am, Thursday, 17 March 2016

Edinburgh Young Carers Contract

Item number	7.20
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for a 12 month contract extension with Edinburgh Young Carers and to waive the Council's Contract Standing Orders normal tendering requirements. This will enable the Council to undertake a review of services and a coproduction process to design a new service specification.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

Edinburgh Young Carers Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resource Committee waive the Council's Contract Standing Orders normal tendering requirements and approve the 12 month contract extension to the Edinburgh Young Carers Contract for a total value of £75,000 for ongoing services to support young carers for a 12 month period from 1 April 2016 to 31 March 2017.

2. Background

- 2.1 Edinburgh Young Carers Project (EYCP) have provided a range of support, services and activities designed to improve the lives of young carers (children and young people aged 5 to 20 years who care for someone else at home) for many years.
- 2.2 EYCP have been working on raising further awareness of young carer's through campaigning and their Schools Awareness Raising Project, which has identified more young carers than was previously known.
- 2.3 The funding for this service comes from a wide range of trusts, organisations and individuals such as City of Edinburgh Council, NHS Lothian and BBC Children in Need.

3. Main report

- 3.1 The Council wishes to secure services that will specifically support young people in a caring role. A contract with Edinburgh Young Carers has been in place for a number of years however there have been a number of policy and legislative developments that will need to be taken into account.
- 3.2 The Joint Carers Strategy for Edinburgh 2014-17 highlighted six priorities and it is intended that any commissioned service would deliver against these priorities.
- 3.3 It is not completely clear at this stage how further requirements around supporting young carers will impact the Council as a result of the [Carers \(Scotland\) Bill](#) (which has just completed Stage 3 of the legislative process in the Scottish Parliament with duties expected to be implemented from April 2017).
- 3.4 The main elements of a new specification will be identified using a coproduction approach. Key stakeholders in this will include; young carers, their families, staff

involved in identification, assessments and referrals as well as voluntary organisations delivering services to children in need.

- 3.5 There are other organisations delivering services to young carers in the city albeit at a local level. One organisation is funded through a grant arrangement, others with funding from elsewhere.
- 3.6 The Young Carers Action Group is a forum which brings these service providers together with colleagues from the Council and NHS to develop thinking and ensure a coordinated approach to implementation of the Carer's Strategy.

4. Measures of success

- 4.1 Continuity of services to support young carers until the Council has undertaken a review of services and a coproduction process to design a new service.
- 4.2 A new Service specification is agreed and new contracted arrangements in place by 1 April 2017.

5. Financial impact

- 5.1 The cost for 2016-2017 is £73,252.

6. Risk, policy, compliance and governance impact

- 6.1 The service provided under this contract is the only citywide service specifically targeting young carers. The loss of this service will impact on a group of vulnerable young people and could lead to further demand on other services.
- 6.2 There will also be a reputational risk given the positive partnership work that the department has undertaken within the Young Carers Action Group.
- 6.3 The joint inspection of Children's Services highlighted the need to promote services for young carers and not extending the contract could have a negative impact on any further inspections.
- 6.4 The risk of challenge to a further one year extension is considered to be low given the future intention to advertise this contract As this is a social care contract and therefore for the purposes of the current Procurement Regulations a 'Part B service'. The current procurement legislation for Part B services is not as onerous and permits direct awards for lower value contracts where community obligations do not apply and there is no cross border interest on balance the need for continuity is considered to outweigh any risk of challenge given the value and nature of the contract. As the value of the contract since 2009 to date is £525,000 the coproduction process to develop the future service will take account of the new Public Contract (Scotland) Regulations 2015

applicable from 18 April 2016 which requires the contract opportunity to be openly advertised.

- 6.5 CSO's normally require competition for these values, however best value would be obtained by providing time for coproduction process to be built in – impacting on the time for the tender process to be completed.

7. Equalities impact

- 7.1 The Council's approach to procurement of this service will have a direct impact on its ability to meet its single outcome agreement objective of SO3. As such final procurement of this service will be subject to an ongoing and full equality impact assessment.

8. Sustainability impact

- 8.1 There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

- 9.1 Consultation and engagement with stakeholders will be part of the coproduction process which will start in April 2016.

10. Background reading/external references

Edinburgh Young Carers Project - Evaluation Summary Report 2013

 [Edinburgh Young Carers Project - Summary Report October 2013.pdf](#)

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Andy Jeffries, Interim Head of Service, Children's Services

E-mail: andrew.jeffries@edinburgh.gov.uk | Tel: 0131 469 3017

Coalition pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care
Council priorities	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3 – Our children and young people in need, or with a disability, have improved life chances CO4 – Our children and young people are physically and emotionally healthy CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6 – Our children 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

10am, Thursday, 17 March 2016

Interpretation and Translation Service - Waiver Request

Item number	7.21
Report number	
Executive/routine	
Wards	All

Executive Summary

The Council Interpretation and Translation Service relies upon the use of external agency staff to satisfy requests for interpretation and translation which they are unable to supply from their own bank of 150 sessional staff.

This report seeks the approval of the Finance and Resources Committee to allow the continuing use of external agency interpreters and translators by the Council Interpretation and Translation Service (ITS), pending the conclusion of a procurement process to tender for all external agency interpreting and translation in December 2016.

Links

Coalition pledges	CP1 , CP27
Council priorities	CO23-CO6
Single Outcome Agreement	SO2 , SO3

Interpretation and Translation Service - Waiver Request

1. Recommendations

- 1.1 Approves the continued use of external agency interpreters and translators by the Council Interpretation and Translation Service (ITS), pending the conclusion of a procurement process to tender for all external agency interpreting and translation in December 2016.

2. Background

- 2.1 The Council provides interpretation and translation services to achieve its goal of strengthening community cohesion by supporting communities and reducing inequality. The largest user of the service is NHS Lothian (spend circa £1.2m per annum from a total ITS business turnover of £1.6m). Other users are Council services such as Health and Social Care, Communities and Families and some third sector agencies. Service demand continues to grow by approx 12% per annum.
- 2.2 The Interpretation and Translation Service (ITS) has its own recruited team of 150 sessional staff who provide interpretation and translation as required. Some of these staff are also registered for work with external interpretation and translation agencies. While ITS recruits additional interpreters on an ongoing basis, there are not enough sessional staff to meet the demand for appointments. Using agency staff for interpreting and translation is therefore inevitable. The current spend for agency work is approximately £450,000.00 per annum from a total turnover of £1.6m.
- 2.3 There is no contract in place with the agencies and historically this has been an informal business arrangement. The ITS team is working with the Procurement team to put out to competitive tender all external interpretation and translation requirements. A list of the agencies currently used by ITS is detailed in Appendix 1.
- 2.4 Pending the outcome of the tendering process, ITS and Procurement staff have investigated potential use of alternative sources for interpreting such as the NHS Shared Business Services (NHS SBS) and Crown Commercial (CCS) framework agreements. Having benchmarked the current agencies charges against these alternatives, the Procurement Team, together with ITS, have concluded that the current arrangements deliver the service at a lower cost.

- 2.5 The proposal is therefore that the service continues to make use of agencies until the conclusion of the tendering process (December 2016).

3. Main report

- 3.1 The business justification for the waiver is that this will deliver best value for the Council. Other options have been investigated such as using existing framework agreements. However when the cost of using these framework agreements is benchmarked against the cost of using the current agencies, the framework agreements costs are higher. Although all ITS costs are fully recovered in charges to customers, it would not deliver best value to the Council and its customers to increase the costs of delivering the service where a cheaper alternative exists, albeit carried out without formal contracts in place.
- 3.2 The Council's Commercial & Procurement Services, in conjunction with ITS, are undertaking a procurement process to appoint a new provider/framework agreement. They have contacted neighbouring local authorities who may want to be named in the contract.
- 3.3 The outcome of the tendering process is likely to result in a reduction of costs to ITS of approximately 3.5%. Due to the high contract value of the tender, circa £2m over four years, the tendering process will be advertised on Public Contracts Scotland (PCS) using European Journal (OJEU) route. Currently the tendering process is at the Procurement Plan approval stage.
- 3.4 If ITS cease to use the agencies there is a significant risk that they will be unable to deliver interpretation and translation services as there is insufficient capacity to meet service demand from the bank of ITS sessional interpreters.
- 3.5 The Contract Standing Orders (CSOs) state that for services in excess of £25,000 a public advertisement followed by an invitation to tender should be carried out before the award of contract. However, standing orders provide for a waiver. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption or in the Council's best interests. It is considered that in these circumstances a waiver is justified in the Council's best interests in the short term pending a tendering exercise.
- 3.6 It is recognised that using agencies without contracts in place does not comply with Council standing orders. However this seems a pragmatic and cost effective short term option, pending the conclusion of the tendering process in December 2016.

4. Measures of success

- 4.1 The measure of success for the continued use of external agency personnel is business continuity for all ITS business and the successful fulfilment of all bookings made by both Council and external organisations including NHS Lothian, the largest user of the service.

5. Financial impact

- 5.1 The current spend on external agency interpretation and translation is circa £450,000.00 per annum, based on expenditure to date in 2015-2016. This expenditure is fully recovered in charges to customers.
- 5.2 There is no contract in place with the agencies and it is proposed to continue with this arrangement until the conclusion of a tendering process (December 2016).
- 5.3 ITS and the Procurement Team have investigated alternatives to the present arrangements, such as utilising NHS Shared Business Services (NHS SBS) and Crown Commercial (CCS) Framework Agreements, but have concluded that the present use of agency is more cost effective and delivers better value.

6. Risk, policy, compliance and governance impact

- 6.1 If this waiver is not approved, there is a high risk of business failure as ITS would be unable to fulfil all appointments. This would impact adversely on customer care, resulting in reputational damage to the Council due to non fulfilment of its duties and partnership arrangements with NHS Lothian. It would impact on the Council's commitment to strategic priorities such as improving community cohesion and participation and that citizens experience improved health and well being.
- 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 aggregate value of contracts are 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.
- 6.4 The risk of challenge by an alternative provider is low given the short length of the direct contract and the intention to tender future delivery.

7. Equalities impact

- 7.1 The provision of interpretation and translation directly supports public sector equality duties, in particular the elimination of discrimination, the advancement of opportunity and the fostering of good community relations.

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 It is felt that there is no requirement for direct consultation or engagement on the current proposal to continue using external Agencies for ITS. However all agencies used by ITS will be notified of the intention to tender for external interpretation and translation. Larger ITS customers, such as NHS Lothian, will be involved in the tendering process to award a contract for all externally provided interpretation and translation.

10. Background reading/external references

External agencies currently used by the Council Interpretation and Translation Service

- Alpha Interpretation & Translation Service, 18 Haddington Place, Edinburgh EH7 4AF. Tel: 0131 558 9003
- Deaf Action, C49 Albany Street, Edinburgh EH1 3QY. Tel: 0131 556 3128
- Deaf Connections, 100 Norfolk Street, Glasgow. G5 9EJ. Tel: 0141 420 1759
- Elite Linguistics, C.I.C. East of Scotland, 10 York Place, Edinburgh EH1 3EP. Tel: 0131 516 3937
- Fife Community Interpreting Service, Fife Community Interpreting Service, 8 Mitchell Street, Kirkcaldy, KY1 1BD. Tel: 01592 261900
- Forth Valley Language Support, Forth Valley Language Support C.I.C., Community Education Centre, Park Street, Falkirk, FK1 1RE. Tel: 01324 618937
- Global Connects, Third Floor, 180 Hope Street, Glasgow, G2 2UE, Scotland, UK. Tel: 0141 332 8889 (Glasgow) or 0131 281 2735 (Edinburgh)
- Global Language Services, Belgrave Business Centre, 45 Frederick Street, Edinburgh EH2 1EP. Tel/Fax: 0131 220 0115.
- Integrated Language Services, Heriot-Watt University, Edinburgh Campus, Edinburgh EH14 4AS. Tel 0131 451 3159
- Royal Blind School, 43 Canaan Lane, Edinburgh. EH10 4SG. Tel: 0131 446 3120
- Sign Language Interactions Ltd (SLI) 112 Cornwall St S, Glasgow G41 1AA. Tel: 01324 679579

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Paul McCloskey, Development & Quality Manager, Schools and Lifelong Learning

E-mail: paul.mccloskey@edinburgh.gov.uk | Tel: 0131 529 6156

Links

Coalition pledges	CP1 - Increase support for vulnerable children, including help for families so that fewer go into care CP27 - Seek to work in full partnership with Council staff and their representatives
Council outcomes	CO23 - Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care CO25 - The Council has efficient and effective services that deliver on objectives CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	

Finance and Resources Committee

10am, Thursday, 17 March 2016

Extension of contract with Pilton Retreat

Item number	7.22
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for a 12 month extension to the contract with Pilton Retreat. This extension will allow Pilton Retreat to continue providing services and to develop a fundraising strategy with a view to securing its longer term future for the community of North Edinburgh.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

Finance and Resources Committee

Extension of contract with Pilton Retreat

1. Recommendations

- 1.1 It is recommended that the Finance and Resource Committee approve the extension of the contract with Pilton Retreat for the 12 month period from 1 April 2016 to 31 March 2017.

2. Background

- 2.1 Pilton Retreat delivers services to young people, schools and vulnerable families in North Edinburgh. It offers a safe and supportive rural residential venue for groups and individuals that is highly valued by the communities that use it.
- 2.2 Pilton Retreat provides opportunities for children and young people who may not otherwise have access to holidays or other leisure activities as a result of family circumstances. For many, this is an opportunity to experience a different environment and spend time in semi-rural settings. It provides a safe environment for play outside and to mix with peers in a non-formal setting.

3. Main report

- 3.1 Communities and Families has initiated a review of youth work contracts with the aim of developing a focus on universal, open-access youth work provision. Extensions to a number of organisations funded through youth work contracts were approved by Finance and Resources Committee on 29 October 2015. Although in receipt of one of these contracts until March 2016, this report did not include Pilton Retreat because it did not meet the revised specification for youth work. It is, however, a locally-valued service that provides opportunities for children and young people from the Pilton area, and is well used by local nursery and primary schools as well as other organisations. The organisation was therefore referred to the Children and Families Revenue Grants Programme.
- 3.2 At its meeting on 11 February 2016, the Education, Children and Families Committee approved the recommendation in the [Children and Families Revenue Grants to Third Parties 2016/19](#) report that a request be made to Finance and Resources Committee for a one year contract extension for Pilton Retreat. The value of this will be £52,979, which is 95% of the 2015/16 contract value.

4. Measures of success

- 4.1 Continuity of services by Pilton Retreat to schools, children and families in North Edinburgh.

5. Financial impact

- 5.1 The full value of the waiver from 1 April 2016 to 31 March 2017 is £52,979. This will be funded from the Communities and Families Youth Work Contracts budget.

6. Risk, policy, compliance and governance impact

- 6.1 In relation to procurement risk, the value of the extension is above the current threshold for regulated procurement; however, as a 'social care' type service there is some discretion which permits the Council to decide how transparency is addressed. The risk of challenge to the 12 month extension is considered to be low.

7. Equalities impact

- 7.1 People on low incomes are supported to take part in activities that would be otherwise unaffordable.

8. Sustainability impact

- 8.1 There are no adverse environmental outcomes arising from this report

9. Consultation and engagement

- 9.1 There was widespread consultation and engagement around the revenue grants programme and youth work services redesign. The Education, Children and Families Committee meeting on 11 February received a deputation from the North Edinburgh Young People's Forum.

10. Background reading/external references

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: David Bruce, Senior Education Manager

E-mail: David.Bruce2@edinburgh.gov.uk

Links

Coalition pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care
Council priorities	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3 – Our children and young people in need, or with a disability, have improved life chances CO4 – Our children and young people are physically and emotionally healthy CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6 – Our children 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

10am, Thursday, 17 March 2016

Extension of Contracts with Shakti and Edinburgh Women's Aid

Item number	7.23
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for a 19 month extension to the contracts with Edinburgh Women's Aid and Shakti. There is a wider review of domestic abuse services (value approximately £3 million) which will conclude in November 2017. This extension request will allow Shakti and Edinburgh Women's Aid to be included in that review leading to a redesign of services and a new procurement process.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

Extension of Edinburgh Young Carers Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resource Committee approve the extension of the contracts with Edinburgh Women's Aid and Shakti for the 19 month period from 1 April 2016 to 1 November 2017.

2. Background

- 2.1 Shakti and Edinburgh Women's Aid deliver services across the three directorates to vulnerable people who are the victim of domestic abuse and have been forced to leave their own homes.
- 2.2 The Council has initiated a wider review of domestic abuse services. The aim of the review is to develop a more coordinated community response to domestic abuse and to implement the principles outlined in the multi-agency domestic abuse policy, which was agreed by the Edinburgh Partnership and the City of Edinburgh Council in 2013.
- 2.3 The outcome of that review will provide clarity on the required specification of support services such as Shakti and Edinburgh women's Aid.

3. Main report

- 3.1 City of Edinburgh Council currently has 16 funding streams to 8 different domestic abuse service providers which total just under £1.7 million for 2015/16. These costs are expected to reduce to just under £1.4 million by 2017/18. Services are also supported by a range of funding streams; primarily the Scottish Government Violence Against Women Fund which comes to an end in April 2016.
- 3.2 City of Edinburgh Council provides a mixture of commissioned services, grant provision and statutory services which have been funded by Health and Social Care, Children and Families and Services for Communities. Current services include refuge, practical and emotional support to women and children, behaviour change programmes for perpetrators and specialist support for black minority ethnic women and women with complex needs.

- 3.3 Both statutory and specialist responses are essential, and there needs to be a choice and range of services. However, there is no clear pathway from identification of a victim of domestic abuse to provision of coordinated services, which are timely and identified by risk and need. Service redesign would provide:
- 3.3.1 Development of a clear pathway from identified need to service provision
 - 3.3.2 Proportionate support at the right time, particularly including families in crisis and those who fail to meet the threshold for child or adult protection
 - 3.3.3 Less duplication and complexity of services and professionals
 - 3.3.4 Implementation of shared principles and ethos across services
 - 3.3.5 A focus on prevention and early intervention
 - 3.3.6 Clearer funding streams and outcomes framework
 - 3.3.7 Increased partnership working and less working in silos
 - 3.3.8 Improved services and reduced costs
 - 3.3.9 Greater cooperation between services
 - 3.3.10 Greater cooperation with specialist services including service that provide support with addictions and mental health
- 3.4 There is a project board in place, with Michelle Miller, Chief Social Work Officer, as the project sponsor, with representation from all directorates. Members for a checkpoint group have also been identified including a representative from EVOG.
- 3.5 There is a long history in Edinburgh of collaboration with both Edinburgh Women's Aid and Shakti and their input into the review and redesign of domestic abuse service is invaluable. Further, they will continue to offer an ongoing response to people who experience domestic abuse throughout the whole review

4. Measures of success

- 4.1 Continuity of services to victims of domestic abuse and their children.
- 4.2 A new Service Specification is agreed through the process of the wider review of Domestic Abuse services and new contracted arrangements in place by 1 November 2017.

5. Financial impact

- 5.1 The full value of the waiver from 1 April 2016 to 1 November 2017 is £161,423. The breakdown of this across the two financial years and between the two organisations is outlined in the following table:

	16/17	17/18	Total
Edinburgh Women's Aid	63,959	37,309	101,268
Shakti	37,993	22,162	60,155
	101,951	59,471	161,423

6. Risk, policy, compliance and governance impact

- 6.1 These services form part of the council's response to incidences of domestic violence within Edinburgh communities. Not having them in place during the re-design process would place vulnerable families at significant risk. This would have reputation risks associated to it for the council.
- 6.2 In relation to procurement risk, the value of the extension is above the current threshold for regulated procurement; however as a 'social care' type service there is some discretion which permits the Council to decide how transparency is addressed. The risk of challenge to the 19 month extension is considered to be low.
- 6.3 The CSOs require that procurement of services above the value of £50,000 should be tendered; however the social care provision delivered is specialised and the development of a service specification through the wider review is critical to the identification of the future need for these services and to inform any procurement activity.

7. Equalities impact

- 7.1 The Council's approach to procurement of this service will have a direct impact on its ability to address the priority in the Community Plan, Strategic Priority 8, "reducing antisocial behaviour, violence and harm". As such final procurement of this service will be subject to an ongoing and full equality impact assessment.

8. Sustainability impact

- 8.1 There are no adverse environmental outcomes arising from this report

9. Consultation and engagement

- 9.1 The review of domestic abuse services will involve consultation and engagement with stakeholders as part of the coproduction process.

10. Background reading/external references

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Donny Scott, Service Manager, Family and Community Support

E-mail: donny.scott@edinburgh.gov.uk | Tel: 0131 469 3017

Links

Coalition pledges

P1 – Increase support for vulnerable children, including help for families so that fewer go into care

Council priorities

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities

CO3 – Our children and young people in need, or with a disability, have improved life chances

CO4 – Our children and young people are physically and emotionally healthy

CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities

CO6 – Our children 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

10am, Thursday, 17 March 2016

Direct Award of Independent Care Placement, Residential and Day School Contracts

Item number	7.24
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for direct awards to be given to 18 independent care placement, residential and day school providers delivering 52 individual placements, for the two year period from 1 April 2016 to 31 March 2018.

This request will enable the Council to maintain continuity of care and/or education for 52 children and young people with complex needs, and to develop a planned approach to the quality assurance and monitoring of the individual contracts taking into account new procurement regulations which come into effect in April 2016.

This will also allow the time to work with Scotland Excel to discuss and extend the framework activity in relation to the buying of services and making placements with suppliers on the Scotland Excel Frameworks for Care. This will incorporate discussions on the future need and demand for services not currently captured on the Scotland Excel Framework in preparation for its next review in 2018.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO3

Finance and Resources Committee

Direct Award of Independent Care Placement, Residential and Day School Contracts

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approve the direct award to 18 providers for a total estimated value of up to £4.569m per annum, subject to inflationary increases, for the two year period from 1 April 2016 to 31 March 2018.
- 1.2 These direct awards are for services to support 52 placements, in total 24 children to attend an independent day school, 26 young people to attend an independent residential school provision, and two young people to be looked after by an independent care provider, all of which are either not on the current Scotland Excel Framework, or the placement began prior to the provider joining the Scotland Excel Framework.

2. Background

- 2.1 Through the Priority Based Planning process the Council has developed a transformation programme to change the balance of care for looked after children which took effect from April 2013, and targets were set to March 2018.
- 2.2 The targets reflected the objectives of the Early Years Change Fund to shift investment from expensive care arrangements towards early intervention whilst improving the outcomes for looked after children.
- 2.3 During this period we have had some significant successes in shifting the balance of care, and reducing the rate of growth in overall numbers of looked after children. The Council has a target to reduce the rate of increase in looked after children over the period 2013-2018. In the previous six year period looked after children numbers increased at an average of 30 a year, at an incremental cost of £1.8 million a year. By contrast, in the period April 2013 to January 2016, the number of looked after children has only increased by 11 placements and is significantly ahead of target.
- 2.4 In the previous six year period overall foster placements increased at an average of 35 a year to a total of 608 whereas since April 2013 they have

remained static and are currently at 601. This achievement has avoided further anticipated increases in expenditure on looked after children.

- 2.5 The proportion of children looked after in kinship care has increased from 20% to 24%. The proportion of children looked after in City of Edinburgh foster placements (as opposed to those provided by independent agencies) has increased from 56% to 60%.
- 2.6 The City of Edinburgh is currently responsible for 31 children placed in independent or grant aided residential special schools. This report is to ask for approval of direct awards for 26 of these residential placements as the remaining five placements are already covered by the Scotland Excel Framework.
- 2.7 All of these young people have been placed following detail assessment of options and careful regard to legal regulations for care and education. There is a presumption of mainstream local education for children supported by local services. Out of Council placements are only made when managers are clear that there is no alternative placement within City of Edinburgh resources that could meet the young person's need or manage the risks they present.
- 2.8 18 young people have been placed at a residential school following an inter-agency assessment which has agreed that specialist provision is required to meet and safeguard their often complex needs.
- 2.9 Six disabled young people have been placed at a residential school due to their substantial care needs which could not currently be met within a family placement setting, and where there has been a family breakdown. These placements are either under Section 25 or Section 70 of the [Children \(Scotland\) Act 1995](#) and have been made following careful consideration of individual needs and individual planning agreed by lead professionals and the family.
- 2.10 Seven young people have been placed in residential special schools under Section 50 of the [Education \(Scotland\) Act 1980](#), which allows the Education Authority, following consultation with a parent, to take a decision that a pupil is to be educated in a residential special school. In most instances this follows a statutory placing request by the parent. These young people are not looked after and accommodated (LAAC).
- 2.11 In addition to residential placements, there are currently 25 young people who attend an independent day special school provision to meet their particular educational needs. This report is to ask for approval of direct awards for 24 of these placements as the remaining placement is covered by the Scotland Excel Framework.
- 2.12 Parents may make placing requests for any of these special schools if the school is willing to offer a place subject to the Education Authority funding the

place. These placing requests are made under education legislation affording parents the right to appeal to a statutory tribunal if the Education Authority refuses the placing request. The tribunal has regard to all the circumstances of the case and this will include care issues. This introduces a considerable degree of unpredictability to the planning process and the Council cannot restrict parents from requesting any special school in the United Kingdom where parents have a right in law. Although such appeals are rare, their occurrence and the outcome is difficult to predict and a single placement can have a considerable effect on budgets.

3. Main report

- 3.1 The Service has been working on the Balance of Care agenda in Edinburgh for some years and with increased budgetary pressures and a need to look more creatively and focus on outcomes for children, this remains one of our most important and pressing priorities.
- 3.2 The Service continues to review all internal and purchased residential placements to ensure they are still in the best interests of the child placed. Independent reviewing officers chair reviews of Looked After and Accommodated Children's placements. In the highest spend cases we have put in place a number of practice evaluation sessions which involve senior management scrutiny of ongoing placements and a new exploration of the alternatives. This is leading to some proposed alternative plans for children but in most cases these will need the agreement of a Children's Hearing as the child's place of residence is named in the conditions attached to a statutory supervision order.
- 3.3 Five of the 31 placements the Service currently has are from providers listed on the Scotland Excel Framework. The remaining 26 have either been purchased off the framework for a number of reasons, primarily due to the restricted range of schools listed by Scotland Excel at this time.
- 3.4 Placements in non listed schools are either made as a result of a parental placing request which must name a specific school or, after extensive research, it was the only provider at the time of placement, which was able to meet and safeguard the needs of the individual child.
- 3.5 Six out of the 26 placements are with providers who are on the current Scotland Excel Framework; however the placements were made before 2014 when the current framework began, therefore approval of the direct awards is required.
- 3.6 All of the schools, irrespective of being on the Scotland Excel Framework, are subject to rigorous inspections by Education Scotland and the Care Inspectorate.

- 3.7 In addition to formal inspections and published reports, each placement is subject to continuing scrutiny and periodic review by the child's parents, social worker and educational psychologist. For those children who are looked after and accommodated, there are also regular visits by the allocated social worker, six monthly multi-agency child planning and placement looked after children reviews chaired by a reviewing officer, and visits from an independent children's rights worker.
- 3.8 The Council committed £8.6 million over three years up to March 2015 through the Early Years Change Fund to accelerate the shift within the Balance of Care agenda, to address the balance from high cost late intervention to early and effective intervention.
- 3.9 Balance of Care awareness forums have been held with representatives from all of the Service areas to look at focussing on more creative, cost effective solutions for some of the most complicated children who are placed in residential schools, out of authority placements and secure accommodation.
- 3.10 A number of initiatives have been working well such as increasing the number of City of Edinburgh foster carers and kinship carers and investing in Family Solutions and Family Group Decision Making.
- 3.11 However there remains a challenge with managing crises, out of authority placements and secure placements for a significant number of children, many of whom are placed out of area, away from their families and communities and sometimes in expensive residential placements. For some, this is the best option in terms of meeting their individual needs and achieving their full potential. However it may be the case that for others, their future needs could be met effectively closer to home.
- 3.12 In order to address the financial pressures and balance of care, all placements are undergoing a re-assessment involving relevant social work and education staff to identify opportunities for returning the children to Council provision. This will include utilising the principles of the [Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#) where possible, which seeks to engage parents, carers and extended family in developing a support plan that meets their needs and enables the child to be cared for by them, where it is safe and appropriate to do so.
- 3.13 Some of this work is being undertaken in conjunction with 'In Control', an organisation with experience of self-directed support. They have been engaged by the Scottish Government and Social Work Scotland to work with three Scottish local authorities in applying self-directed support principles to cases where the child is already in high cost residential provision or at high risk of becoming so in the future. This pilot is about to start in Edinburgh, which is one of the chosen local authorities.

- 3.14 Whilst these measures will reduce the overall number and cost of residential school placements outwith Edinburgh, there is a probability that a small number of new placements will still be required over the two year period to April 2018. However, through current and future management actions, it is planned that any new placements will be less than the number and cost of placements that are terminated within the same period.

4. Measures of success

- 4.1 Continuity of services to support those young people who are currently placed in independent care placement, residential or day school provisions to ensure there is no disruption to their care or education from 1 April 2016 and to allow their future plans to be determined.
- 4.2 A review of quality assurance checks and new individual contracted arrangements to be in place by 1 July 2016 for all current and ongoing placements which are not on the Scotland Excel Framework.
- 4.3 A continued reduction in the number of independent residential and day special school and secure placements over the next two years.
- 4.4 An increase in the choice of provisions on the Scotland Excel Framework by April 2018.
- 4.5 A joint contract in place with neighbouring local authorities (West, East and Midlothian) for residential and day placements at Harmeny School by April 2018.
- 4.6 Adoption and implementation of self-directed support principles and methods when considering the support needs of children being considered for independent residential school provision.

5. Financial impact

- 5.1 The 2016/17 budget for independent residential schools and independent day special school provision is £3.402m reducing to £3.202m in 2017/18. The current forecast expenditure in 2016/17 for all current placements and taking into account estimated leaving dates is approximately £4.7m. This is based on 2015/16 prices and may rise over the two year period as a result of inflationary increases.
- 5.2 Through the work detailed in the main report, the service is working to reduce pressures so that costs in 2016/17 and 2017/18 will be contained within overall service budgets.
- 5.3 The figures shown in appendix one detail the maximum annual cost per provider, subject to inflationary increases. However, actual expenditure will

reduce as and when alternative care plans are developed for the young people concerned or they reach their school leaving date.

- 5.4 The maximum expenditure over the two year period for independent day and residential school provision will be £9,138,186 subject to inflationary increases.

6. Risk, policy, compliance and governance impact

- 6.1 The direct award of these contracts enables the Council to maintain the current education and/or care provisions for these young people and allows time for reviews and further planning to be undertaken over the next two years.
- 6.2 Should the current service provisions cease on 31 March 2016, 52 vulnerable young people will be without their current educational and/or care placement or any viable alternative.
- 6.3 The very fact that these young people have been placed in an independent care, residential or day special school provision is evidence that there are currently no alternative educational or care supports which can meet their very complex needs at this time.
- 6.4 Section 70 of the [Education \(Scotland\) Act 1980](#) allows any interested party to complain to Scottish Ministers about an alleged failure to carry out a duty in legislation relating to education. It gives a discretionary power for the Scottish Ministers to make an order to enforce a statutory duty to be carried out. In this instance if placements were withdrawn without satisfactory alternative provision being in place, the authority would be open to allegations that it was in breach of the duty to make adequate and efficient provision for its area and thus at risk of sanction by Scottish Ministers.
- 6.5 The risks associated with not agreeing to direct awards are low in comparison with removing the support services for which established relationships with vulnerable individuals are in place. There are also no current alternative providers who would be able to meet the needs of these young people from 1 April 2016.
- 6.6 The rights of parents and young people to make placing requests for special schools are founded in law. If placements were terminated the Council would be at severe risk of decisions being challenged and successfully overturned at the Additional Support Needs Tribunal.
- 6.7 A decision that would effectively terminate placements without regard to the views of the child would be at risk of contravention of the United Nation Charter on the Rights of the Child.
- 6.8 Termination of placements in these circumstances would expose the Council to substantial reputational risk over the care of children in need.

- 6.9 The sudden cessation of these service provisions on 1 April 2016 would also mean that these vulnerable young people would be without an education and those who are looked after and accommodated under Section 70 of the Children (Scotland) Act 1995 would be in breach of their condition of residence.
- 6.10 Services for children and young people who are looked after are priority statutory services subject to regulation and inspection at a range of levels.

7. Equalities impact

- 7.1 This extension will ensure continued provision of a service to 52 vulnerable children, for whom it would be untenable to secure alternative support within such short timescales. It would therefore, prevent the risk of unlawful discrimination that would arise in those circumstances.
- 7.2 There is an overall Equality Rights Impact Assessment (ERIA) which has been completed in respect of the Personalisation Programme which was established to monitor and support the implementation of the [Social Care \(Self-Directed Support\) \(Scotland\) Act 2013](#) within the Council.
- 7.3 The fundamental principles of self-directed support are choice and control, enabling people to choose how to live their life and have control over the way in which their care needs are met. This extension will allow time for the current supports to be reviewed in line with these principles.

8. 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. There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

- 9.1 There is regular and extensive consultation and engagement activity with children and young people who are looked after. This area of practice was identified by the Care Inspectorate as 'very good' in the Children's Services Inspection.
- 9.2 Regular meetings with the management of each provider to monitor and evaluate the contracts will be established. These meetings will be held a minimum of annually.
- 9.3 The provider submitting monthly returns along with their monthly invoices which detail the level of service delivered.

- 9.4 Annual quality assurance checks which involve reviewing Care Inspectorate reports, insurance and audited accounts.
- 9.5 All of the children/young people who receive support from the providers will have an allocated social worker and/or an Educational Psychologist one of whom will act as lead professional and a team around the child and will monitor and review the service by means of child planning meetings, Looked After Review meetings and regular visits and seeking the views of the children and their parents/carers on a regular basis.
- 9.6 Child planning arrangements ensure that parental views and the views of children and young people are routinely sought, their contribution supported and taken into account in decision making.
- 9.7 Over the next two years we will also undertake regular reviews under the [Social Care \(Self directed Support\) \(Scotland\) Act 2013](#).
- 9.8 The contract will be subsequently amended as each child is reviewed or when he/she reaches school leaving age, which is currently the end of the service provision, to adjust the value of the contract where necessary and as detailed in the report.

10. Background reading/external references

[Progress on the Implementation of Self-Directed Support in Children and Families, Education, Children and Families Committee 19 May 2015](#)

[Looked After Children: Transformational Programme Progress Report – Governance, Risk and Best Value Committee 23 September 2015](#)

[Early Years Change Fund Progress Update on Year Three – Education, Children and Families Committee 6 October 2015](#)

[Implementation of Children and Young People \(Scotland\) Act 2014 – Education, Children and Families Committee 6 October 2015](#)

[Annual Review of Services for Looked After and Accommodated Children- Report to Education, Children and Families Committee 8 December 2015](#)

[United Nations Convention on the Rights of the Child](#)

[Education \(Additional Support for Learning\) \(Scotland\) Act 2009](#)

[Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#)

[Children \(Scotland\) Act 1995](#)

[Education \(Scotland\) Act 1980](#)

Alistair Gaw

Interim Executive Director of Communities and Families

Contact: Scott Dunbar, Service Manager, Looked After Children

E-mail: scott.dunbar@edinburgh.gov.uk | Tel: 0131 469 3017

11. Links

Coalition pledges

P1 – Increase support for vulnerable children, including help for families so that fewer go into care

Council priorities

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities

CO3 – Our children and young people in need, or with a disability, have improved life chances

CO4 – Our children and young people are physically and emotionally healthy

CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities

CO6 – Our children 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

1. Current Independent Residential or Day School Provision outwith the Scotland Excel Framework

Appendix 1

Current Independent Residential or Day School Provision outwith the Scotland Excel Framework

Independent Care Placement	Current Annual Contract Value £
Care Visions Residential	311,740
Care Visions Foster Care	43,313
Sub Total	355,053

Independent Day Schools	Current Annual Contract Value £
Donaldson's	29,299
Dunedin (17 places)	277,865
Harmeny	49,200
Royal Blind School (5 placements)	161,978
Sub Total	518,342

Independent Residential Schools	Current Annual Contract Value £
Ballikinrain (3 placements)	641,588
Balnacraig	312,000
Camphill (2 placements)	365,945
Curo Salas	243,720
East Park	106,608
Falkland House	76,086
Harmeny (5 placements)	665,300
Hillside (2 placements)	132,796
New School, Butterstone (2 placements)	103,142
New Struan School	227,289
Ochil Towers (3 placements)	218,756
Seamab	183,996
Snowden	87,360
Sycamore Services (Fife) (2 placements)	331,112
Sub Total	3,695,698
Total Annual Cost	4,569,093
Total Two Year Cost	9,138,186

Finance and Resources Committee

10am, Thursday, 17 March 2016

Extension of Children 1st Contract

Item number	7.25
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for an 18 month extension to the Children 1st Contract. This extension request will enable the Council to undertake a review of services and a coproduction process to design a new service specification.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

Extension of Children 1st Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resource Committee approve the extension of two Children 1st contracts for a total value of £203,600 for ongoing services to families of young children for an 18 month period from 1 April 2016 to 30 September 2017.

2. Background

- 2.1 Children 1st have provided services to families under two separate contracts with the City of Edinburgh Council.
- 2.2 One of these contracts was a revision of a service level agreement relating to the provision of befriending for young people. That contract has been revised to provide systemic support to families with pre-school children in need.
- 2.3 The second contract has also been revised. Originally for support to vulnerable children and their families in the South of the City it has been reshaped as a city-wide service.
- 2.4 Both of these services are being realigned as part of the development of the authority's integrated planning and assessment framework supporting the implementation of Getting it Right for Every Child and the Additional support for Learning Act. This is critical to delivering the authority's key priorities for children and families.
- 2.5 It is proposed to monitor the operation of these contracts and review the focus of this funding in light of the overall pattern of services for vulnerable children and families in order to determine the terms for contracts for the medium to long term.

3. Main report

- 3.1 The two contracts with Children 1st require to be reviewed in light of changes in the overall pattern of services to vulnerable children with additional support needs.
- 3.2 The contract for befriending of young people has already been refocused to provision of support to families of pre-school children. This is a need which has

become more acute with the emphasis in Early Years Services on provision of Childcare and Learning.

- 3.3 The second service which was originally contracted for work within the South Edinburgh Area has already been revised as a city-wide service focused on supporting vulnerable children and families, with an emphasis on the implementation of Getting it Right for Every Child in the context of Additional Support for Learning. The purpose of this is to address the authority's key priorities for children and families:
 - 3.3.1 To improve support in early years so that all children reach appropriate developmental and social milestones.
 - 3.3.2 To reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.
 - 3.3.3 To improve and extend help and support for children and families at an early stage so that fewer children need to be looked after
 - 3.3.4 To improve outcomes for children in need, particularly those who need to be looked after and those with a disability.
- 3.4 The continuing development of Self Directed Support and the relationship with services provided by other organisations are factors which will require to be considered within a review of these contracts.
- 3.5 The services provided will be monitored over the period of contract extension to inform the review in order to determine the terms for contracts for the medium to long - term.
- 3.6 Consultation with stakeholders and a co-production will be important elements in the review which will start in April 2016.

4. Measures of success

- 4.1 Continuity of services to support vulnerable children and their families until the Council has undertaken a review of services and a coproduction process to ensure that the service design is fit for purpose within the overall pattern of service provision and priorities for vulnerable children and families.
- 4.2 A new Service Specification is agreed and new contracted arrangements in place by 30 September 2017

5. Financial impact

- 5.1 The cost for these two contracts for the financial years 2016-2017 are detailed in the following table:

Contract	16/17	(6 Months)	
		17/18	Total
Early Years Family Support	69,972	34,986	104,958
City-Wide GIRFEC/ASL support	65,761	32,881	98,642
	135,733	67,867	203,600

6. Risk, policy, compliance and governance impact

- 6.1 The services provided under these contracts are responding to the needs of particularly vulnerable children in need and their families. The loss of these services will impact on a group of vulnerable children and would be expected to lead to further demand on other services and Child Protection.
- 6.2 The service is provided as part of an integrated approach working in a complementary way with the Council's Additional Support for Learning Service. If the service was curtailed before a new contract could be implemented it would have significant impact on the effectiveness of the Council's other support services.
- 6.3 There is also a reputational risk given the positive partnership work over years with Children 1st.
- 6.4 Council Standing Orders require competition for these values, however best value would be obtained by providing time for coproduction process to be built in. This in turn impacts on the time required for the tender process to be completed. The contract extension will allow the review of this and similar services with the goal of developing a service specification which takes account of learning from collaborative working with all stakeholders.

7. Equalities impact

- 7.1 The Council's approach to procurement of this service will have a direct impact on its ability to meet its single outcome agreement objective of SO3. As such final procurement of this service will be subject to an ongoing and full equality impact assessment.

8. Sustainability impact

8.1 There are no adverse environmental outcomes arising from this report

9. Consultation and engagement

9.1 Consultation and engagement with stakeholders will be part of the coproduction process which will start in April 2016.

10. Background reading/external references

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Donny Scott, Service Manager, Family and Community Support

E-mail: donny.scott@edinburgh.gov.uk | Tel: 0131 469 3017

Links

Coalition pledges

P1 – Increase support for vulnerable children, including help for families so that fewer go into care

Council priorities

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities

CO3 – Our children and young people in need, or with a disability, have improved life chances

CO4 – Our children and young people are physically and emotionally healthy

CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities

CO6 – Our children 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

10am, Thursday, 17 March 2016

Direct Award of Pre and Post Adoption Support Services to Scottish Adoption

Item number	7.26
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for a continuation of one year for the purchase of pre and post adoption support services from Scottish Adoption. Users of these services are identified by the Council as eligible as requiring these services. A previous contract for the purchase of such services from this agency has been in place for a three year period which ends on 31 March 2016. These services relate to the provision of

Adult Adoption Counselling;

Information exchange between birth parents and adopted children;

Counselling Support to parents relinquishing their;

Provision of supervised contact between adopted children and their birth families.

The continuation of the provision of services from Scottish Adoption will enable the Council to plan to absorb aspects of this work within existing provision and to plan a new tendering process for the remaining components.

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

Direct Award of Pre and Post Adoption Support Services to Scottish Adoption

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approve the extension of the contract with Scottish Adoption at a cost of £71,920 for the period 1 April 2016 - 31 March 2017.

2. Background

- 2.1 A contract with Scottish Adoption for the provision of services was implemented on 1 April 2013. This contract was to provide services that could not be met by existing provision.
- 2.2 The existing contract provides for adult adoption counselling, information exchanges, counselling and support for parents relinquishing their babies and supervised contact between birth parents and adopted children.
- 2.3 The provisions of this contract contribute to the City of Edinburgh Council discharging its obligations under the [Adoption and Children \(Scotland\) Act 2007](#).
- 2.4 Throughout the existence of the contract with Scottish Adoption service provision exceeded the terms of the contract. The contract stipulated adult adoption counselling for 160 adopted people and birth relatives; 200 information exchanges; support for six parents relinquishing their babies and six supervised contact arrangements.
- 2.5 These services come with the following costs within the terms of the contract:
 - 2.5.1 Adoption counselling £242 per case
 - 2.5.2 Information exchange £103 per exchange
 - 2.5.3 Parents relinquishing their babies £1175 per case
 - 2.5.4 Supervised contacts £800 per case
- 2.6 Actual service usage for 2015/16 is projected as 160 adopted people and birth relatives; 383 Information exchanges; support for one parent relinquishing their baby and three supervised contact arrangements.

3. Main report

- 3.1 The [Adoption and Children \(Scotland\) Act 2007](#) places duties on local authorities to provide services to those affected by adoption.
- 3.2 Provision of resources within Family Based Care, Children's Services, Communities and Families, at this point in time, meant there was no capacity to deliver the contracted service. This led to the existing contract with Scottish Adoption.
- 3.3 Adult adoption counselling is targeted at those adults who are in some way affected by adoption. This may include adults who themselves have been adopted; or who have relatives who were adopted or are affected by adoption in some other way. This provision is provided to all those living within the City of Edinburgh Council boundary area and those adopted by the Church of Scotland/Episcopal Church (of which CEC funds 50%). The purchased service provides a records search, tracing, counselling and reunion services. [Guidance on Looked After Children \(Scotland\) Regulations 2009](#) and the [Adoption and Children \(Scotland\) Act 2007](#) identifies the need for support plans for those seeking such a service and the provision in the contract satisfies this expectation on the Council.
- 3.4 Information exchanges are an exchange of information between birth family members and an adopted child. Practice in this area has evolved over the years and this has become an expectation for the majority of adoptions. Increasingly, these are a condition of the Adoption Order issued by the Sheriff Court.
- 3.5 This normalisation of information exchanges has led to an underestimation of the numbers of exchanges involved in the arrangements with Scottish Adoption. In response to this the Council has implemented a plan to oversee eligible information exchanges between birth family members and adopted children with effect 1 April 2015. This will stem the increase in demand for this service with Scottish Adoption.
- 3.6 Should the Council agree to the one year extension the Family Based Care Managers will explore options in relation to transferring the remaining information exchange arrangements, held by Scottish Adoption, to Children's Services within the Council.
- 3.7 The existing contract has a provision for counselling and support for six parents relinquishing their babies per annum. In the life time of the contract there have been a total (to date) of seven such cases. It is proposed that this element of any renewed contract shall be discontinued. In the event of a future identified need of counselling and support for parents relinquishing their babies, it is proposed that this is managed and responded to on a case by case basis. A spot purchase arrangement may be required for such examples.

- 3.8 The fourth element of the contract is the provision of supervised contact arrangements for adopted children and their birth families. The contract allows for six per annum. There are three such arrangements in place. It is proposed that they continue for the extended contract and that options for their future management are explored during this period.

4. Measures of success

- 4.1 The service needs of those meeting the criteria for the services identified in this contract are continued.
- 4.2 Plans to identify which aspects of the contract are to be integrated into current service provision and which are identified for retendering are outlined and implemented from 1 April 2017.
- 4.3 Monthly monitoring of service usage within the extended contract will be introduced.

5. Financial impact

- 5.1 The contract has been in place since April 2013. The annual cost is £71,920.
- 5.2 The extended contract will remain at this rate for one year.
- 5.3 During this period, the Council will explore options in maintaining its responsibilities under the statute and regulations referred to above whilst seeking to outline and implement proposals targeted at reducing the costs of this contract.
- 5.4 A tendering process is proposed for those aspects of the contract which existing Council services are unable to absorb.

6. Risk, policy, compliance and governance impact

- 6.1 Should the current service provisions cease on 31 March 2016 those using the existing agreed services will have to cease doing so. There is no capacity within existing Council services to transfer all the work undertaken by Scottish Adoption in terms of this contract over to Children's Services.
- 6.2 This will put the Council in breach of any Adoption Order issued by a Sheriff Court which has an attached information exchange as a condition.
- 6.3 Continuing the contract as proposed contributes to the Council meeting its obligations under the Adoption and Children (Scotland) Act 2007 and the [Guidance on Looked After children \(Scotland\) Regulations 2009](#).
- 6.4 Termination of service provision may expose the Council to substantial reputational risk over the provision of services for those affected by Adoption.

7. Equalities impact

- 7.1 This extension will ensure continued provision of a service and prevent the risk of unlawful discrimination that may arise in such circumstances.
- 7.2 No negative impacts arise from the extension of this contract

8. 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. There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

- 9.1 Throughout the term of the existing contract there has been an annual review which monitored contract use.
- 9.2 It is proposed that these be increased to quarterly for the period of the extension.
- 9.3 The provider will be submitting monthly returns indicating demand for the service will enable closer monitoring and efficient reaction to unpredicted changes in demand.

10. Background reading/external references

[Children \(Scotland\) Act 1995](#)

[Adoption and Children \(Scotland\) Act 2007](#)

[Guidance on Looked After children \(Scotland\) Regulations 2009](#)

[Annual Review of Services for Looked After and Accommodated Children- Report to Education, Children and Families Committee 8 December 2015](#)

[Implementation of Children and Young People \(Scotland\) Act 2014 – Education, Children and Families Committee 6 October 2015](#)

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Scott Dunbar, Service Manager, Looked After Children

E-mail: scott.dunbar@edinburgh.gov.uk | Tel: 0131 469 3017

11. Links

Coalition pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care
Council priorities	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO6 – Our children and young people’s outcomes are not undermined by poverty and inequality
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	None

Finance and Resources Committee

10am, Thursday, 17 March 2016

Renewal of NHS Service Level Agreements

Item number	7.27
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for the renewal of joint funding arrangements to the value of £1.743m per annum for NHS services supporting enhanced integrated support for children and young people in need.

Within Children's Services these arrangements embody the Council's vision of "joined up services which work together effectively with our partners...(and) more efficient ways to manage service delivery while providing a more streamlined, integrated service for customers." (Council Business Plan January 2016). These services are targeted towards delivering better outcomes for children and young people in need, in particular children with a disability, Looked After Children and children with Additional Support Needs.

The strategic alignment and best value of these services will be subject to review as part of the Council's transformation programme for children's services. Performance is monitored with reference to agreed outcomes and priorities of the Edinburgh Children's Partnership, in particular:

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

To improve support in early years so that all children reach appropriate developmental and social milestones.

To reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.

To improve and extend help and support for children and families at an early stage so that fewer children need to be looked after.

To improve outcomes for children in need, particularly those who need to be looked after and those with a disability.

Renewal of NHS Service Level Agreements

1. Recommendations

- 1.1 To note the benefit of the integration of children's services between the NHS and Council to enable effective provision for children with additional support needs in line with statutory requirement, effective operations and Scottish Government guidance.
- 1.2 To agree that the relationship between the NHS and the Council as the key statutory agencies charged with responsibility for children in need, Additional Support Needs and as the Corporate Parents of Looked After Children, justifies in principle the case for single sourcing.
- 1.3 To note that the Integrated Children's Services Board aligns strategic priorities, budgeting and performance management between the Council and NHS. It provides a robust structure for shared governance and accountability in the delivery of best value in the provision of integrated services.
- 1.4 To agree to the extension of Service Level Agreement contracts for children's services with the NHS, to the value of £1.743m per annum, listed at Appendix 1, from 1 April 2016, for a period of three years subject to strategic direction and monitoring by the Integrated Children's Services Board.

2. Background

- 2.1 The Council and NHS Lothian are the key statutory agencies responsible for children's wellbeing. In order to fulfil their respective duties and provide children with effective well integrated support the two agencies are required to work closely together in a variety of ways relating to strategy, shared services effective operations and integrated child protection, care and support.
- 2.2 A number of joint arrangements are in place to support the delivery of this. These include an Integrated Children's Services Board, a strategic partnership plan for children's services, hosting of NHS services in Council provision (e.g. in special schools) and vice versa (e.g. the hospital school in the new Sick Children's Hospital), multidisciplinary teams and shared protocols for key services, notably child protection.
- 2.3 These arrangements have been established within national guidance aimed at optimising 'collaborative advantage' in children's services: "Local service level

agreements, where relevant and useful, between education and health need to be set within the children's services planning process and link into higher level strategic priorities such as reducing health inequalities and raising attainment. Genuine collaborative advantage allows good partnership working at operational or practice level to influence joint strategic developments". [Guidance on partnership working between allied health professions and education](#), page 28 The Scottish Government, 2010.

- 2.4 The expectation of interdependency between health and local authorities is reflected in the planning and performance frameworks for Children's Services including the inspection of Children's Services which takes place on an integrated basis. The inspection of [Services for Children and Young People in the City of Edinburgh in April 2013](#), included services provided by health visitors, school nurses, teachers, doctors, social workers, police officers and the voluntary sector. The inspection commended the visionary leadership and direction of the Edinburgh Children's Partnership and commitment to prevention and early intervention, which are supported via these agreements.
- 2.5 The overall NHS budgets for services for children in Edinburgh are in excess of £33m per annum (Appendix 2). In most cases, the integration of services for children is managed through the co-ordination of budgets, alignment of services structures and operational agreements. However, in some specific cases for policy, legal or operational reasons it is necessary and/or desirable to combine resources through the transfer of funds to enable strategic priorities to be met in the most efficient and effective way.
- 2.6 The services range from joint care of children with exceptional needs through to enhanced mental health support for Looked After Children (Appendix 1). The total value of the Service Level Agreements is in the order of £1.743m per annum. The largest service area is Speech and Language Therapy (£1.058m) reflects the outcome of legal rulings and government guidance regarding the status of the service as both a health and education authority responsibility (Appendix 3).
- 2.7 The arrangements for joint commissioning in Edinburgh are in line with the Scottish Government's strategic priorities for Getting it Right for Every Child which encourage the extension of Joint Strategic Commissioning within in every authority area.

3. Main report

- 3.1 Services that promote and support children's health, care and learning are often interdependent and sometimes indivisible. This has long been recognised in legal judgements (Appendix 3), specific legislation, for example, the Additional

Support for Learning Act and in policy priorities in children's services including [Getting it Right for Every Child](#) and [Curriculum for Excellence](#).

- 3.2 The [Education \(Additional Support for Learning\) \(Scotland\) Act 2004](#), as amended in 2009, places duties on education authorities to identify, make provision for the additional support needs of children and young people from its area. The Act places duties on education authorities, health, social work and Skills Development Scotland to work to plan and make joint provision for children and young people with complex or multiple additional support needs.
- 3.3 Whilst the NHS itself already provides significant support for children's learning the legal duty remains with the education authority. In light of this, the Council commissions additional services to ensure that children have timely access to health services appropriate to their additional support needs at school and early years. This also ensures that children can experience seamless support where they may require a range of health and educational support for complex needs, for example, consistent approaches to moving and handling for children who require high levels of physical support in everyday living. These services include:
 - 3.3.1 Allied Health Professional services, principally Speech and Language Therapy
 - 3.3.2 Specialist assessment, advice and staff training for children who require high levels of physical adult assistance in school
 - 3.3.3 Specialist assessment, advice and staff training to support the administration of medication and health care procedures in schools
 - 3.3.4 Integrated care and support for children with Exceptional Health Care Needs at school
 - 3.3.5 Specialist assessment, advice and staff training for children with Attention Deficit Hyperactivity Disorder (ADHD)
 - 3.3.6 Additional Child and Adolescent Mental Health Nursing support to schools
- 3.4 Of the above, the most substantial amount is for Speech and Language Therapy. This reflects the importance of language and communication in children's learning and the assessment of benefit and risk in light of court rulings and government guidance. Every authority in Scotland has provision for substantial input from Speech and Language Therapy services delivered by the NHS as sole provider.
- 3.5 The [Children and Young People \(Scotland\) Act 2014](#) places duties on the Council and the NHS to coordinate the planning, design and delivery of services for children and young people with a focus on improving wellbeing outcomes, and to report on how they are improving those outcomes.
- 3.6 The Act requires Councils and the NHS to ensure that that children's services are provided in ways which:

- 3.6.1 best safeguard, support and promote the wellbeing of children.
 - 3.6.2 ensure that any action to meet needs is taken at the earliest appropriate time.
 - 3.6.3 take appropriate action to prevent needs arising.
 - 3.6.4 are most integrated from the point of view of recipients, and constitutes the best use of available resources.
- 3.7 The Children and Young People (Scotland) Act 2014 introduced a number of specific measures to improve outcomes for Looked after Children, which came into effect in April 2015. The new Act puts corporate parenting onto a statutory basis and expands the number of public bodies who are corporate parents. The Act establishes a framework of statutory duties and responsibilities for relevant public bodies, requiring them to be systematic and proactive in their efforts to meet the needs of looked after children and care leavers.
- 3.8 In particular, the Scottish Government expects Councils and the NHS to adopt Joint Strategic Commissioning to ensure the right services are available to meet the needs of children and families in their area: "Joint Strategic Commissioning (JSC) is where these actions are undertaken by two or more agencies working together, typically health and local government, and often from a pooled or aligned budget" [Getting it Right for Looked After Children and Young People Strategy](#), page 12; Scottish Government, November 2015
- 3.9 The Government's Strategy for Looked After Children defines the duties around collaboration, which includes co-funding and more effective co-ordination between different corporate parents to maximize opportunities to promote the wellbeing of children and young people. The strategy emphasises the need to identify and prevent ineffective duplication of effort, and encourages joint working, joint funding and joint reporting. It highlights the mental health and wellbeing of looked after children and young people as a particular concern in the strategy, especially:
- 3.9.1 how looked after children and young people to access Child and Adolescent Mental Health Services (CAMHS)
 - 3.9.2 a lack of services for looked after children and young people experiencing social, emotional and behavioural difficulties, as a result of adverse childhood events and/or attachment issues, who did not meet the clinical criteria for accessing CAMHS.
- 3.10 Many of these concerns have already been identified in Edinburgh. In 2001, the government initiated a major review of the way in which children's services are delivered. It concluded that services were not pulling together in the best interests of children and that a series of reforms were required so that Children's Services would operate as a single system. Local authorities were to undertake joint strategic planning, work more flexibly and 'move beyond current service

boundaries and concerns, to make best use of all the resources available in the best interests of Scotland's children' and 'allow local authorities greater flexibility in the use of funding streams'. [For Scotland's Children](#), 2001, page 32.

- 3.11 As part of the change programme at that time the government established the '[Changing Children's Services Fund](#)' (CCSF). The CCSF was introduced to support local authorities, health boards and voluntary organisations in delivering better outcomes through more effective and integrated services. It was to help lead a process of change to:
- 3.11.1 Expand good practice and deliver well-integrated services.
 - 3.11.2 Reshape existing services to achieve better integration.
 - 3.11.3 Establish new and innovative approaches to integrated service delivery.
- 3.12 The Changing Children's Services Fund was administered through the local authority (initially as hypothecated funding) with the intent that it was to be invested in service integration and improvement jointly with the NHS and other partners. As part of this programme, there was targeted investment in CAMHS services to improve integration with the children's services in the Council. This included establishing the Edinburgh Connect to provide a targeted mental health service for Looked After Children. Edinburgh Connect provides a specialist service for Looked After Children and a bridge to the wider range of services CAMHS provides (assessment, out of hours cover, access to specialist teams such as Meadows Trauma team).
- 3.13 There has been a sustained programme to encourage and support co-operative planning, funding and service delivery between the NHS and local authorities. In 2003, Ministers agreed that a further funding be included within the local government finance settlement to support contracts made between education authorities and health boards, funded by a transfer from the health programme. This was extended further in [Scottish Government Guidance 2010](#): "In financial matters, all services need to focus on the best interests of the child and ensure that inter-service financial arrangements adhere to the principles of Getting it right for every child and best value", page 27.

4. Measures of success

- 4.1 Continuity of services to improve support in early years so that all children reach appropriate developmental and social milestones.
- 4.2 Strategic alignment of services to reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.
- 4.3 Continuity of services to improve and extend help and support for children and families at an early stage so that fewer children need to be looked after.

- 4.4 Improved outcomes for children in need, particularly those who need to be looked after and those with a disability.
- 4.5 Continued development of joined up services, working effectively with our partners delivering efficient ways to manage service delivery while providing a more streamlined, integrated service for customers.
- 4.6 Resilient delivery of statutory duties.

5. Financial impact

- 5.1 The cost for the Service Level Agreement for Speech and Language Therapy 2016/17 is £1,058,038 p.a. this represents a £27,000 increase on 2015/16 taking into account additional work to 'raising attainment and closing the gap'.
- 5.2 The cost for the Therapy Inclusion Programme is £45,690.
- 5.3 The cost for Moving and Handling Service for children requiring physical assistance is £98,800; this represents an increase of £10,000 from 2015/16 in response to demographic pressures.
- 5.4 The cost for the Additional Support for Learning Nurse is £24,913.
- 5.5 The cost of individual care packages in 2015/16 was £59,957, we anticipate in light of rising levels of children with complex needs this will increase. At this stage, we envisage this would be a maximum of £80,000.
- 5.6 The cost for CAMHS services is £435,434.

6. Risk, policy, compliance and governance impact

- 6.1 The services provided under these Service Level Agreements are responding to the need for effective integrated support and early intervention for children at school and key targeted services.
- 6.2 These NHS services are provided as part of an integrated approach working in an integrated way with the Council's services. The loss of these services will impact adversely on a group of vulnerable children and would be expected to lead to further demand on other services. This would be contrary to the duty to act in the best interest of the child and would lead to increased risk of harm.
- 6.3 If the services were curtailed it would have significant impact on other Council services would be likely to lead to increased cost and would represent a loss in efficiency and effectiveness in the use of public monies contrary to the duty to secure best value.
- 6.4 Given the progress that has been achieved in early intervention and the presumption of mainstream with close joint working with the NHS there is a risk

that the reduction in special school placements would be reversed and this would compromise savings achieved in the 2016/17 budget.

- 6.5 Disruption to the continuity of provision would be likely to lead to loss of staff with expertise, which would impact on the resilience of Council schools and services for children with additional support needs.
- 6.6 Failure to deliver services to children with additional support needs and disabilities will lead to referral to tribunal and orders to provide the necessary services.
- 6.7 There is also a reputational risk given the impact on children and families, the NHS, the achievement of the Council's vision and priorities and government strategy.
- 6.8 Council Standing Orders normally require competition for these values, however best value in this instance is achieved through maintaining collaborative working with the NHS as sole supplier within the Council's transformation programme for children's services.

7. Equalities impact

- 7.1 The Council's approach to these services provision will have a direct impact on its ability to meet its single outcome agreement objective of SO3. Changes to the collaborative working with the NHS would require being subject to a full equality impact assessment.

8. Sustainability impact

- 8.1 There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

- 9.1 Consultation and engagement with stakeholders is addressed within arrangements for the review of the Integrated Children's Services Plan.

10. Background reading/external references

[Guidance on partnership working between allied health professions and education](#)

The [Education \(Additional Support for Learning\) \(Scotland\) Act 2004](#)

The [Children and Young People \(Scotland\) Act 2014](#)

[Getting it Right for Looked After Children and Young People Strategy](#)

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Martin Vallely, Service Manager, Additional Support for Learning and Special Schools

E-mail: martin.vallely@edinburgh.gov.uk| Tel: 0131 469 3017

11. Links

Coalition pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care
Council priorities	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3 – Our children and young people in need, or with a disability, have improved life chances CO4 – Our children and young people are physically and emotionally healthy CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6 – Our children 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	1. Services Delivered via NHS Lothian Funded by the City of Edinburgh Council 2016-17 2. NHS Lothian Expenditure on Children’s Services 3. Legal Rulings underpinning Joint Funding Arrangements for Children’s Services

Appendix 1 Services Delivered via NHS Lothian Funded by the City of Edinburgh Council 2016-17

- 1.1 Speech and Language therapy and Early Intervention for Autism £1,058,038.
- 1.2 Therapy Inclusion Programme £45,690.
- 1.3 Moving and Handling Service for children requiring physical assistance £98,800.
- 1.4 Additional Support for Learning Nurse £24,913.
- 1.5 CAMHS services (Edinburgh Connect, ADHD, Mental Health School Nursing) £435,434.
- 1.6 Individual care packages £80,000.

Appendix 2 NHS Lothian Expenditure on Children's Services

Table 1: NHS spend on healthcare services for children and young people (0-17 years) 2012/13.

Spend on Under 18s	Edinburgh	East Lothian	Midlothian	West Lothian	Lothian Wide	Non-Lothian and other	Total
Inpatients	£12,564,899	£3,128,096	£2,318,175	£7,009,273	£0	£15,949,753	£40,970,197
Day Cases	£2,680,065	£643,881	£467,809	£1,342,948	£0	£1,892,494	£7,027,197
Outpatients	£8,808,712	£1,997,269	£1,838,613	£3,621,171	£0	£1,235,196	£17,500,961
Community	£9,571,093	£2,182,610	£1,866,719	£4,002,711	£13,797,364	£203,576	£31,624,074
Payments to Voluntary Organisations					£603,000		
Totals	£33,624,770	£7,951,857	£6,491,316	£15,976,103	£14,400,364	£19,281,019	£97,725,429

Appendix 3. Legal Rulings underpinning Joint Funding Arrangements for Children's Services

The principle of shared responsibility for Speech and Language Therapy between Education Authorities and the National Health Service has been established in court rulings and recognised in Government Funding and Policy over many years.

The legal precedent was establishing in court rulings:

1. B v Isle of Wight Council [1997]:

“All that anyone can do when judging whether a provision is educational or non-educational, is to recognise that there is an obvious spectrum from the clearly educational (in the ordinary ‘schools’ sense of that word) at one end to the clearly medical at the other, take all the relevant facts into account, apply common sense and do one’s best.”

and

2. R v LANCASHIRE COUNTY COUNCIL EX PARTE M [1989] 2 FLR 279

“To teach an adult who has lost his larynx because of cancer might be considered as treatment rather than education. But to teach a child who has never been able to communicate by language, whether because of some chromosomal disorder or because of social cause seems to us just as much educational provision as to teach a child to communicate in writing.”

Finance and Resources Committee

10am, Thursday 17 March 2016

Extension of Barnardo's Locality Services for Additional Support for Learning Contract

Item number	7.28
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is to request approval for an extension of 24 months to the Barnardo's contract for Locality Services for Additional Support for Learning up to the value of £881,688 per annum. This extension will enable the Council to complete the next stage of its strategy to:

Build stronger inclusive provision.

Target effective and accessible intervention in priority areas.

Enable the most effective use of resources using evidence-based collaborative approaches.

In particular extending the contract to 31 March 2018 will enable the Council to complete the final phase in the redesign of additional support needs services for social, emotional and behavioural difficulties. This will inform the design of a best value service specification for additional support for learning services in the medium term, to address the Council's key priorities for children and families:

Links

Coalition pledges	P1
Council priorities	CO1-CO6
Single Outcome Agreement	SO2, SO3

To improve support in early years so that all children reach appropriate developmental and social milestones.

To reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.

To improve and extend help and support for children and families at an early stage so that fewer children need to be looked after.

To improve outcomes for children in need, particularly those who need to be looked after and those with a disability.

Extension of Barnardo's Locality Services for Additional Support for Learning Contract

1. Recommendations

- 1.1 It is recommended that the Finance and Resource Committee approve the extension of a Barnardo's contract up to a total value of £881,688 per annum for continuing services to children, families and schools for a 24-month period from 1 April 2016 to 31 March 2018.
- 1.2 It is recommended the Finance and Resource Committee agree that, in all the circumstances, this decision is in the best interests of children in need and in the Council's best interests and is consistent with the Council's duty to secure best value.

2. Background

- 2.1 Progress on the [Council's strategy for improvement for Additional Support for Learning](#) was reported to the Education, Children and Families Committee on 8 December 2015. The report highlighted the success of a strategic approach built around three key elements:
 - 2.1.1 Strengthening inclusive provision.
 - 2.1.2 Targeting effective and accessible intervention in priority areas.
 - 2.1.3 Enabling the most effective use of resources using evidence-based collaborative approaches.
- 2.2 As part of this strategy, in 2011/12 Children and Families undertook a review of assessment and planning for Additional Support for Learning and Getting it Right for Every Child. This led to the redesign of provision for children with social, emotional and behavioural support needs in the early years and primary schools, in order to provide integrated support with schools and early intervention.
- 2.3 The contract with Barnardo's was revised at that point to take into account the priority to test the feasibility of an equitable city-wide approach to assessing need and early integrated intervention in response to needs identified by schools. The contract was framed with reference to the Council's 'Plan – Act - Do – Review – Analyse' commissioning cycle (Commissioning Strategy for Care

and Support Services, 9 August 2011). We are currently entering the conclusion of the Do-Review phase, with the conclusion of the redesign of provision for social, emotional and behaviour support needs in the period April 2016-17. This will inform the co-production and analysis phase and the specification and tendering, which will conclude by March 2018.

- 2.4 As part of the redesign process Barnardo's are contributing to the development of new approaches to a range of services in partnership with the Council. This includes:
 - 2.4.1 The testing of child planning approaches and working with schools to make provision for children with additional support needs and preparation for the implementation of Getting it Right for Every Child, and
 - 2.4.2 The redesign of provision for children Social, Emotional and Behaviour support needs.
- 2.5 Following the successful transformation of services in the early years and primary, with the closure of [Wellington School in 2014/15](#) and the planned closure of Panmure in 2016/17, the service redesign is now progressing to complete secondary aged provision in the final phase.
- 2.6 In 2015, additional monies were allocated to groups of secondary schools to support the development of an alternative pathway to special school for learners with social, emotional and behavioural support needs. Schools have been working with a wide range of partners in developing their provision. These approaches are now being evaluated to inform the redesign for full implementation in 2018/19. This process will include the specification of a service brief for the longer-term provision of integrated early intervention support services working with schools.

3. Main report

- 3.1 The provision made through the service contracted with Barnardo's is integral to the Council's strategy for Additional Support Needs to addressing key priorities for children and families:
 - 3.1.1 To improve support in early years, so that all children reach appropriate developmental and social milestones.
 - 3.1.2 To reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.
 - 3.1.3 To improve and extend help and support for children and families at an early stage so that fewer children need to be looked after.

- 3.1.4 To improve outcomes for children in need, particularly those who need to be looked after and those with a disability.
- 3.2 The work undertaken with Barnardo's and other partners since 2011/12 has been instrumental in developing early intervention and new ways of working.
- 3.3 The approach recognises the need to support children and their families in joined-up ways through *the team around the child*. It addresses circumstances where schools require support to bring about improvements in ethos, organisation or practice, to deliver wider and long-term benefits to children with additional support needs – through *the team around the school*. It also supports the organisation of dedicated teams in localities – *team around the cluster* and sharing expertise and knowledge linking schools and clusters via cross-city networks.
- 3.4 Throughout this period, Barnardo's has successfully worked with schools, the Additional Support for Learning Service, Psychological Services the NHS and other partners to develop the integrated assessment and planning framework. Within that framework, it has developed an effective approach to the delivery of systemic support as part of an integrated approach to meeting additional support needs P1 to S2. This provides a sound basis for the implementation of the implementation of the [Children and Young People \(Scotland\) Act 2104](#) including the statutory requirements for child planning which will come into force from August 2016.
- 3.5 Barnardo's has been closely involved in the development of an *integrated case management* approach, which has delivered significant shift in the balance of care.
- 3.6 Integrated case management combines in-school and family support in partnerships tailored to the needs of children, families and schools. Working in this way a collaboration (involving Rowanfield special school, the ASL service, Psychological Service and Barnardo's with other partners) has achieved a significant shift in balance of care in support for children with Social, Emotional and Behavioural support needs in early years and primary provision. This enables effective intervention in favour of meeting children's needs more in mainstream schools.
- 3.7 Through effective early intervention, the new approach has led to a very significant reduction in the number of children requiring placement at Rowanfield, the Council's primary SEBN special school.
- 3.8 In 2013/14, two years following the introduction of case management, the special school's population has been progressively reduced from a high of around 60 pupils to 38 (-33%). This was achieved through preventative measures and by increasing the number of learners who successfully progress back into a mainstream school as a result of the support provided in Rowanfield. Through sustained collaborative working this positive trend continued and has

stabilised at around 30 pupils for the last two years, with a current roll of 29 pupils.

- 3.9 In addition to early intervention support for children with additional support needs, Barnardo's has provided targeted support services for children affected by sexual abuse, social skills groups for children with autism and bespoke packages for children with complex needs. Almost all of these services are included within a locality agreement, allowing flexibility to respond to changing levels of need as they arise. The social skills provision was made in response to an emergent need to complement work in schools and with families. This has proved to be very successful and it is proposed to include this within the service agreement for the period of the extension.
- 3.10 Over the coming period the Council will be moving into the final phase of the redesign of the service model children and young people with Social, Emotional and Behaviour support needs to include secondary schools. The extension of this contract would maintain service continuity whilst we complete the service redesign. This would allow the final phase to be completed so that the specification for tendering for the longer term can fully reflect needs across primary and secondary schools.
- 3.11 The services provided will be monitored over the period of contract extension to inform the review in order to determine the terms for contracts for the medium to long-term.
- 3.12 Consultation with stakeholders and a co-production will be important elements in the review, which will start in April 2016.
- 3.13 In all of the above circumstances, there are significant benefits to children and young people in extending this contract until a full redesign is completed and the required processes of consultation and tendering for the new service can be undertaken properly.

4. Measures of success

- 4.1 Continuity of services and development of integrated approaches to enable effective implementation of the Children and Young People (Scotland) Act 2014, when it commences in August 2016.
- 4.2 Continuing progress in the implementation of the integrated case management approach combining early intervention in school and family support tailored to need.
- 4.3 Successful completion of the redesign programme extending to children and young people with Social, Emotional and Behaviour support needs in secondary schools, enabling the planned closure of Panmure School.

- 4.4 The opportunity for the redesign process to inform the specification for tendering with active involvement for key stakeholders.
- 4.5 Continued progress toward achieving the authority's key priorities for children and families:
 - 4.5.1 To improve support in early years so that all children reach appropriate developmental and social milestones.
 - 4.5.2 To reduce the gap in achievement experienced by vulnerable children and young people, particularly those living in deprived areas.
 - 4.5.3 To improve and extend help and support for children and families at an early stage so that fewer children need to be looked after.
 - 4.5.4 To improve outcomes for children in need, particularly those who need to be looked after and those with a disability.
- 4.6 A new Service Specification is agreed and new contracted arrangements in place by 31 March 2018.

5. Financial impact

- 5.1 The cost for the Locality agreement with Barnardo's for 2015-16 was £836,688 per annum and Committee is requested to approve the continuation up to this value for 2016-17 and 2017-18. In addition, it is proposed that for the period of the extension a further allocation of up to £45,000 per annum is approved to support social skills groups and additional flexibility to provide bespoke support packages for children and young people at risk of exclusion and/or to prevent residential school placements. All costs will be met from approved Communities and Families budgets.
- 5.2 Barnardo's makes an additional contribution to the provision of these services at an estimated added value of £237,584, in 2015/16. This supported a range of added value work including: befriending services, group work programmes for an additional 180 children, additional parent support and the development of 'Five to Thrive' groups (2) promoting parent-child attachment, Team around the school programmes, Domestic violence Recovery programmes, Psychology of Parenting and Play Therapy)

6. Risk, policy, compliance and governance impact

- 6.1 The services provided under this proposal are benefitting children with additional support needs and children with disability. The loss of these services would have an adverse impact on vulnerable children increasing risk of harm to their wellbeing. This would be contrary to the duty to act in the best interests of the

child and would lead to increased risk of harm and the need for higher order child protection measures.

- 6.2 Almost all of the provision made under this contract helps to fulfil statutory duties under the [Additional Support for Learning \(Scotland\) Act 2004](#). Loss of these services without an adequate alternative would expose the authority to successful appeals to the Additional Support Needs Tribunal and rulings that would require the authority to make good shortfall in provision.
- 6.3 There would be a high risk of reputational damage if these services were to be withdrawn abruptly, including the risk of adverse inspection reports and rulings from Scottish Ministers under Section 70 of the [Education \(Scotland\) Act 1980](#).
- 6.4 The service is provided as part of an integrated approach working in a complementary way with the Council's Additional Support for Learning Service. If the service was curtailed before the redesign is complete and a new contract could be implemented, it would have significant impact on the effectiveness of the Council's other support services and increase the risk of days lost at school, school exclusions and an increase in the requirement for costly residential school placements.
- 6.1 If these services were curtailed, the impact on other Council services would be likely to lead to increased costs and would represent a loss in the efficiency and effectiveness in the use of public monies contrary to the duty to secure best value. In addition, it would compromise the feasibility of proposals to close Panmure School and the delivery of substantial planned savings.
- 6.2 Given the progress that has been achieved in early intervention and the presumption of mainstream there is a risk that the reduction in special school placements at Rowanfield would be reversed and this would compromise savings achieved in the 2016/17 budget.
- 6.3 There is also a reputational risk given the positive partnership work over years with Barnardo's, its 'goodwill' contribution and its exposure to costs in the event of an unplanned cessation of this provision.
- 6.4 The new procurement regulations (Public Contracts (Scotland) Regulations 2015) require from April 18th require social care type contracts above the value of £580K to be advertised. It is acknowledged that this will not be feasible within the timescales and more fundamentally until the redesign process is completed in order to inform the specification and tendering of services. This risk will be managed by making the Council's proposals transparent and by ensuring due time is allowed to undertake full consultation and co-production with stakeholders and an objective tendering process.
- 6.5 Council Standing Orders require competition for these values, however best value would be obtained by providing time to complete the redesign. This would allow the distinctive needs for different age groups and sectors to be fully taken

into account and offer the opportunity for co-production processes to be built-in. The contract extension will allow the review of this service with the goal of developing a service specification, which takes account of learning from collaborative working with all stakeholders.

7. Equalities impact

- 7.1 The Council's approach to procurement of this service will have a direct impact on its ability to meet its single outcome agreement objective of SO3. As such, final procurement of this service will be subject to an ongoing and full equality impact assessment.

8. Sustainability impact

- 8.1 There are no adverse environmental outcomes arising from this report.

9. Consultation and engagement

- 9.1 Consultation and engagement with stakeholders will be part of the coproduction process, which will start in April 2016.

10. Background reading/external references

[Additional Support Needs Planning and Performance Update 2015](#), report to Education, Children and Families Committee, 8 December 2015

[Children and Young People \(Scotland\) Act 2104](#)

[Additional Support for Learning \(Scotland\) Act 2004](#)

[Education \(Scotland\) Act 1980](#)

Public Contracts (Scotland) Regulations 2015

Council's Commissioning Plan for Children and Families

Alistair Gaw

Acting Executive Director of Communities and Families

Contact: Martin Valley, Service Manager, Family and Community Support

E-mail: martin.valley@edinburgh.gov.uk | Tel: 0131 469 3017

11. Links

Coalition pledges

P1 – Increase support for vulnerable children, including help for families so that fewer go into care

Council priorities

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed

CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities

CO3 – Our children and young people in need, or with a disability, have improved life chances

CO4 – Our children and young people are physically and emotionally healthy

CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities

CO6 – Our children and young people's outcomes are not undermined by poverty and inequality

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

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service Update

Item number	7.29
Report number	
Executive/routine	
Wards	

Executive summary

This report provides the Finance and Resources Committee with a progress update for Programme Momentum and the Edinburgh Shared Repairs Service (ESRS).

Links

Coalition pledges	P40 , P41
Council outcomes	CO7 , CO19
Single Outcome Agreement	SO4

Report

Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service Update

Recommendations

- 1.1 The Committee is requested to:
 - 1.1.1 note the management information dashboard reports in Appendix 1;
 - 1.1.2 note the progress of debt recovery work;
 - 1.1.3 note the status of the remaining legacy projects;
 - 1.1.4 Approve the extension of delegated authority to the Acting Executive Director of Resources in relation to statutory repairs as set out in the report; and
 - 1.1.5 Note the update on the pilot progress.

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 January 2015.

Main report

Management information

- 3.1 Management Information as at 25 January 2016 is attached in Appendix 1.

Delegated Authority – Irrecoverable Sums & Settlements

- 3.2 The provision for impairment and for settlement repayments is £17.9m.
- 3.3 As at 25 January 2016, a total of £11.5m has been approved for write-off against the provision comprising irrecoverable sums of £6.9m, aged debt of £0.4m and a total value of £4.2m for settlements to date.
- 3.4 The provision remains subject to regular review by the Head of Edinburgh Shared Repairs and the Acting Executive Director of Resources.

Billing and Recovery Update

- 3.5 Billing on Deloitte reviewed projects is now complete at a total of £17.7m.
- 3.6 To 25 January 2016, £10.8m has been received in payment from individual owners. A further £1.4m has been secured in payment plans and inhibitions. Total recovery rate in debt collected and secured debt is £12.2m (69%).
- 3.7 The balance of debt of £5.5m (31%) is being actively pursued, predominantly through Morton Fraser, and is at various stages of recovery.

Debt Recovery – Morton Fraser

- 3.8 Under the extended contracted arrangements, instructions continue to be sent to Morton Fraser for statutory notice debt recovery. Since 1 April 2015, 593 instructions have been issued to Morton Fraser with a total value of £6m for debt collection.
- 3.9 From April 2015 to 25 January 2016 the overall sums recovered or in payment plans secured by Morton Fraser total £1.4m (23%) over 171 customers (29%).
- 3.10 The costs of Morton Fraser to date in return for the £1.4m recovery is £33,000. As at 25 January 2016, the percentage solicitor's fees against sums recovered is 2.3%. The solicitor's fee to debt recovery ratio is £43 recovered for every £1 spent. These figures will vary from month to month.
- 3.11 Monthly review meetings are now established between the Council and Morton Fraser with performance measures, standards and reporting in place.

Debt Recovery - Suspended Debt

- 3.12 Suspended debt relates to historic Property Conservation projects which have been billed and where a customer or legal representative has raised a dispute leading to the invoice being put on hold.
- 3.13 Between January 2015 and January 2016 the suspended debt has reduced from £6.4m to £2.5m.
- 3.14 Of the remaining £2.5m suspended debt, two projects carry a combined value of debt outstanding at £1.3m (52%). One project has been referred to Deloitte for further case review whilst the other has been referred for legal advice.
- 3.15 Following Deloitte review, settlement credit notes will be raised for £0.4m (16%) against invoices which are currently suspended. The remaining suspended debt balance of £0.8m (32%) relates primarily to old legacy invoices which are at various stages of investigation and recovery.

Delegated Authority

- 3.16 At its meeting on 5 June 2014 the Finance and Resources Committee approved the following arrangements for delegated authority powers to the Director of Corporate Governance in relation to statutory repairs to write off sums and to

approve and pay any settlement by way of compensation, refund and/or write-off sums or otherwise, subject to the following limits:-

- a) The aggregate amount written off and/or paid shall not exceed the amount of the Council's bad debt provision in respect of statutory notice work;
 - b) Any write off of unbilled sums by the Director of Corporate Governance shall not exceed £100,000 per project;
 - c) Any proposed settlement by the Director of Corporate Governance shall not exceed a value of £100,000 per owner; and
 - d) The delegated authority shall expire on 31 March 2015 unless earlier renewed by the Finance and Resources Committee.
- 3.17 At its meeting on 3 February 2015 Committee agreed to extend the above delegated authority arrangements until 31 December 2015. On 14 January 2016 Committee extended the delegation further to be reviewed on 31 March 2016
- 3.18 In order to continue with the legacy service progress, the resolution of the remaining cases and the review of any potential new complaints relating to the historic property conservation service it is recommended that Committee agrees to extend the existing delegated authority arrangements above until 31 March 2017, to be authorised by the Acting Executive Director of Resources where previously authorised by the Head of Corporate Governance.

Complaint Resolution & Settlements

- 3.19 The settlement process for complainants is complete. Closure in respect of half of all settlement cases has now been reached, with more than 96% of all complainants issued with settlement. Acceptance rates from complainants are at 58%. Settlements have been communicated to 1,647 other affected owners.
- 3.20 The Council are currently appealing a Scottish Public Services Ombudsman (SPSO) finding in relation to the provision of information about project costs. The Council are appealing on two grounds. These are firstly that the decision goes against previous decisions on the same point and secondly that the SPSO finding was incorrect.

Projects – Legacy

- 3.21 Thomson Bethune have completed their contract with the Council. One project has construction related issues which has delayed completion. CEC is working to resolve these issues.
- 3.22 Five Consultant run defect projects handed over to CEC late in 2015 are still to be completed.

New Service Update

Phased Implementation of ESRS

- 3.23 Working towards a soft launch of the new service on 1 April 2016. The customer contact area of the service has adopted a change in script to customers calling for assistance with repairs to their properties.
- 3.24 It is planned to present an outline of the service to neighbourhood offices and stakeholders following the conclusion of the corporate property organisational review. The website information will also be altered detail the service provided by ESRS.

Pilot Progress

Facilitation: 2 cases

- 3.25 This area of the service is used when 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 other Council departments to help progress matters.
- 3.26 There are two cases in facilitation at present.

The Intervention Service: Eight cases

- 3.27 The intervention service is made up of the activity undertaken following the identification of an essential repair and prior to taking a decision to enforce the repair, where the objective is to support owners to take responsibility for progressing the repair privately. Included in this area of work is diagnosis of the defect reported, tailored communication to owners, site visit and in some cases a stair meeting.
- 3.28 Case officers currently have eight cases with correspondence on-going with the lead owner and all other owners engaging at each of these properties.

Successful Intervention: Two cases

- 3.29 The Pilot service have successfully intervened in an additional case this month. Two cases are now closed on our database. A follow up will be undertaken to check work has been undertaken privately after three months has passed.

The Enforcement Service: Three projects

- 3.30 The Enforcement service is activated when all intervention services have failed to provide a platform for owners to procure the works privately. Upon internal 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.

- 3.31 This month a third project has been approved by the ESRS Panel to progress to the enforcement process.
- 3.32 This new project is a roofing/chimney works/rainwater goods project at the Pleasance. The lead owner (top floor flat) has tried to engage her fellow neighbours for over two years unsuccessfully. ESRS Intervention have tried unsuccessfully to encourage owners to undertake the work privately. Four of twelve owners returned the mandate to say they wish to progress the work themselves but cannot engage the remaining neighbours.

Measures of success

- 4.1 Conclusion of reviewing statutory notice projects.
- 4.2 Collection of outstanding debt.
- 4.3 Resolution of complaints.
- 4.4 Launch of new replacement enforcement service.

Financial impact

- 5.1 The associated revenue cost in resolution of the legacy closure programme, from April 2013 forecast to March 2016, totals £7.7m. A current assessed need of £1m has been identified for 2016/17 towards the closure of the legacy programme.
- 5.2 The financial statements include a provision of £17.9m for impairments and settlement repayments of which £11.5m has been approved as at 25 January 2016.
- 5.3 The adequacy of the impairment and settlement provision remains under regular review by the Head of Edinburgh Shared Repairs Service and the Acting Executive Director of Resources.
- 5.4 The overall 2015/16 available budget for both the legacy and new Edinburgh Shared Repairs Service is £3.8m.

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 -](#)

Hugh Dunn

Acting Executive Director of Resources

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

January 2016

Monthly progress update (for reporting purposes month end is 25 January)

LEGACY PROGRAMME			NEW SERVICE		
A number of legacy workstreams continue to draw to a close with billing now complete, settlements at the final stages and historic projects on site reaching completion. Significant volumes of work remain in customer service and debt recovery.			The phased implementation of the pilot for the new service commenced on 1 September 2015 and will run until the end of March 2017. The Edinburgh Shared Repairs Service will be managed overall within the Corporate Property Service in the new Council structure.		
TOP RISKS	MITIGATION	RAG	TOP RISKS	MITIGATION	RAG
1. Debt Recovery	Morton Fraser are leading on Debt Recovery.	Yellow	1. Project Officer Support	Project Officer Secondment due to end on 31/3/16. There will be no dedicated Project resource putting delivery of the Project at risk. Extension being sought	Yellow
2. Bad Debt Provision	The provision will continue to be monitored and reported monthly.	Yellow	2. ICT Project Manager Support	ICT Project Manager contract due to end in March 2016. There will be no dedicated ICT Project resource putting delivery of the Project at risk. Extension being sought.	Yellow
3. Settlement Process	Settlement process nearing completion.	Yellow	3. Tender returns at ITT stage	Twelve PQQs were returned. These will be reviewed with ITT to be issued in March 2016.	Yellow
4. Loss of legacy staff through service reviews	Discussion with relevant Directors to ensure service is maintained.	Red	4. People	All staff that are permanent to the Council will be undergoing review. Following review the Business Plan will be implemented.	Red
			5. Staffing Structure not established for New Service	Senior Management Team in place for Phased Implementation of the New Service. Ongoing review of Business Plan.	Yellow
OVERALL STATUS	COMMENTS	RAG	OVERALL STATUS	COMMENTS	RAG
Case Reviews and Settlements	The settlement process is nearing completion . At this time 96% of complainants have been issued with settlement with an acceptance rate of 58%.	Yellow	Governance	The Edinburgh Shared Repairs Service and Legacy Programme will be managed overall within the Corporate Property Service in the new Council structure.	Green
Debt Recovery	Debt outstanding is currently £12.5m. Of this debt £9.1m 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.	Yellow	IT	Database for Pilot Service is up and running and being tested with Pilot Projects. Data cleansing report to be submitted in early 2016. Uniform System IDOX update took place mid January with management training currently ongoing.	Yellow
Projects	From the TB projects handed over to ESRS from 1 January : <ul style="list-style-type: none"> • 2 projects have construction related issues which has delayed completion • 4 project is due to be re-programmed for completion in spring • 25 projects are in the defect period to be signed off by ESRS 	Yellow	Processes	Draft procedure are being tested during Pilot phase. Proposed changes are being tracked, interim procedures will be updated and issued to CEC by the end of January 2016. An internal audit is currently being carried out by PWC.	Yellow
Customer services	There remains a significant volume of customer contact across the legacy service.	Yellow	Procurement	ITT document being prepared. Contractors framework is programmed to be in place by July 2016.	Green
			Unable to recruit suitable technical resource	Recruitment process underway for Building Surveyors. Recruitment of suitable technical resource will continue to be reviewed.	Yellow
KEY PLANNED ACTIVITIES			INFORMATION / DECISIONS		
Completion of settlement process. Continuation of legacy projects. Interviews for Records Manager on 5 February 2016			Continuation of debt recovery programme. Continuation of ESRS pilot activity. Management of closure programme timelines		
			Service review to be undertaken 2016/17 closure programme staffing to be determined		



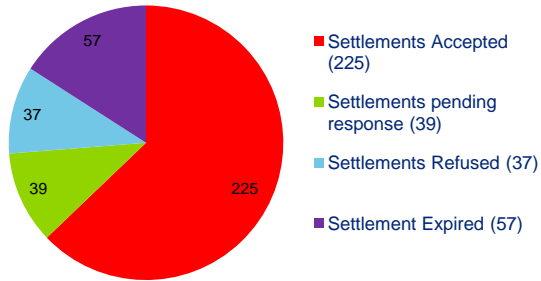
Settlements & Customer Service

Programme dashboard as at 25 January 2015

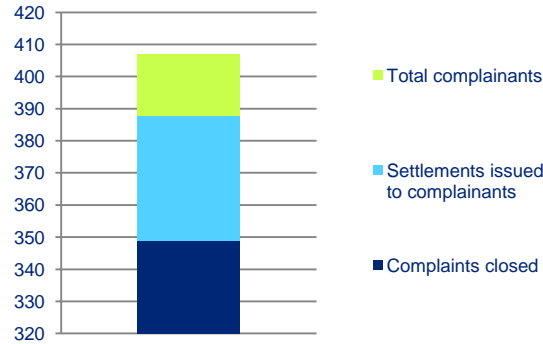
PROGRESS

Two remaining cases are going through final checking. More than 96% of all complainants have been issued with settlement. Settlements to other affected owners are progressing with letters sent to 1,647 owners. The remaining letters will be issued by the end of February 2016.

Complainant Closure Status



Settlements Issued to Complainants



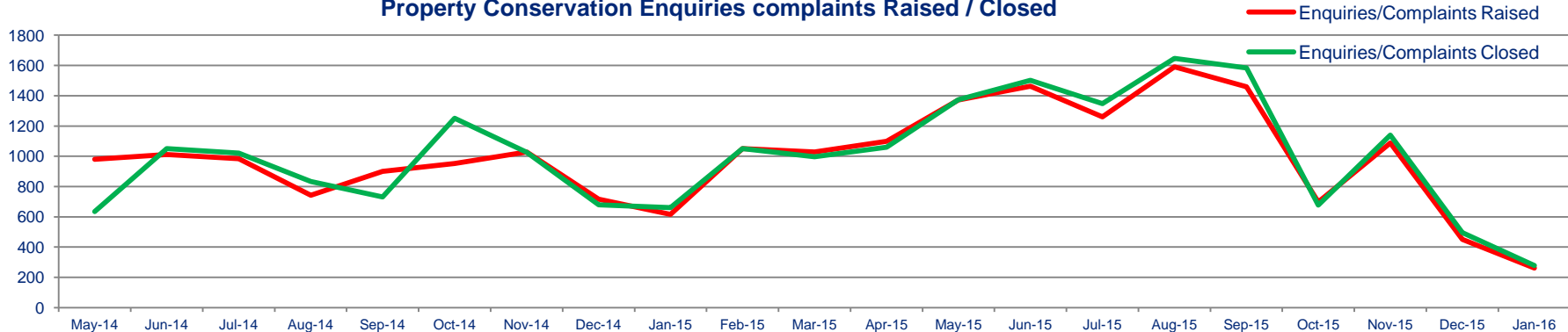
Settlement Value

Total Value of projects reviewed	£12.9m
Total settlements approved under delegated authority	£4.2m
Settlements paid/credited to date	£3.3m

PROGRESS

Customer Services has seen a continued dip in January on overall customer enquiries, complaints and FOI requests. Response rate for enquiries / complaints achieving 97% closed on time.

Property Conservation Enquiries complaints Raised / Closed





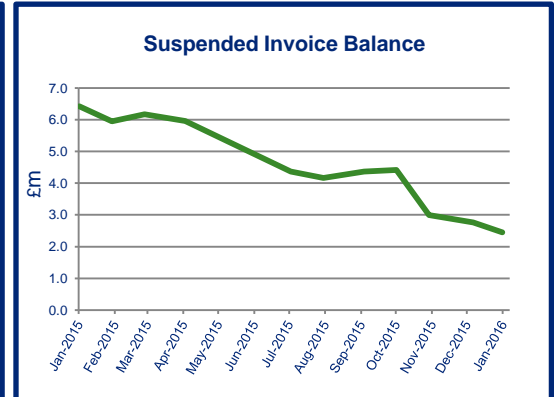
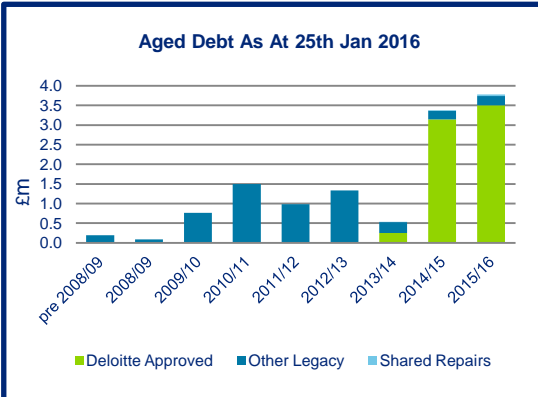
Finance and Debt Recovery Overview

Programme dashboard as at 25 January 2016

PROGRESS

The current level of debt outstanding is £12.5m of which £6.9m is Deloitte (Project Joule) reviewed debt and £5.6m of Legacy and Shared Repairs debt. A total of £9.1m is being pursued through active billing. Debt of £3.4m is either being prepared for legal action or is suspended debt. Since Jan 2015 suspended debt has reduced from £6.4m to £2.5m as disputes are resolved and settlements processed.

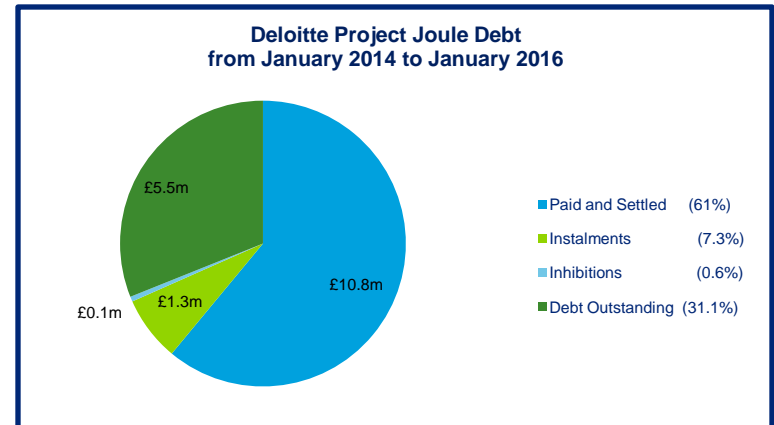
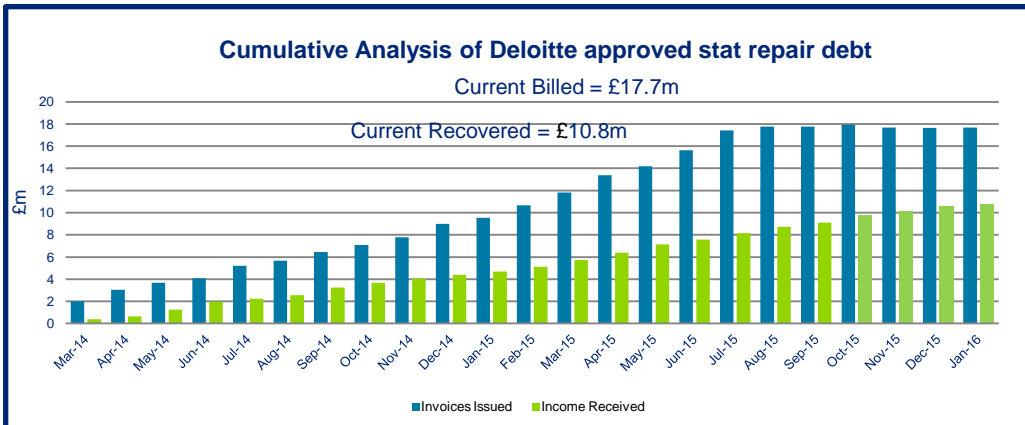
Debt Status	Deloitte Project Joule (Reviewed)	Legacy And Shared Repairs	Total
Total debt being pursued	£6.7m	£2.4m	£9.1m
Total debt scheduled for action	£0.2m	£3.2m	£3.4m
Total Debt	£6.9m	£5.6m	£12.5m
Payment plans and inhibitions agreed within debt total	£1.4m	£0.4m	£1.8m



Project Joule Billing and Recovery Progress

PROGRESS

Billing on Deloitte reviewed (Project Joule) cases is complete and totals £17.7m. £10.8m has been received in settlement and a further £1.4m of secured debt in payment plans and inhibitions giving a total of settled and secured debt of £12.2m. This represents a current collection rate of 69%. The balance of debt of £5.5m is at various stages of recovery.

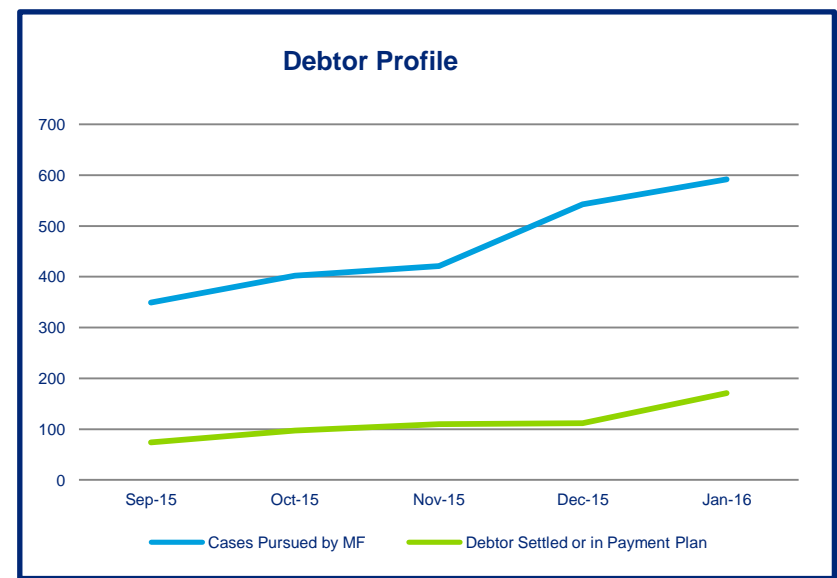
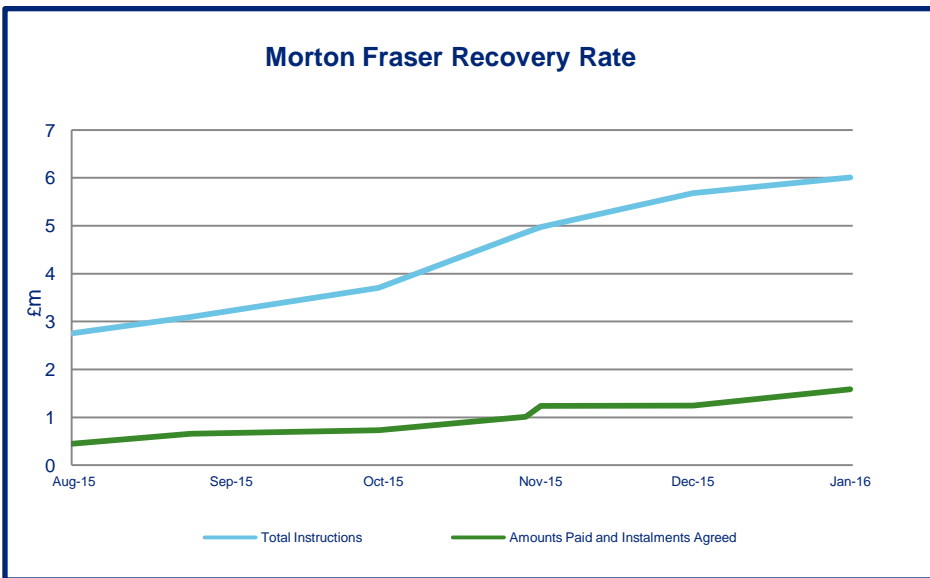
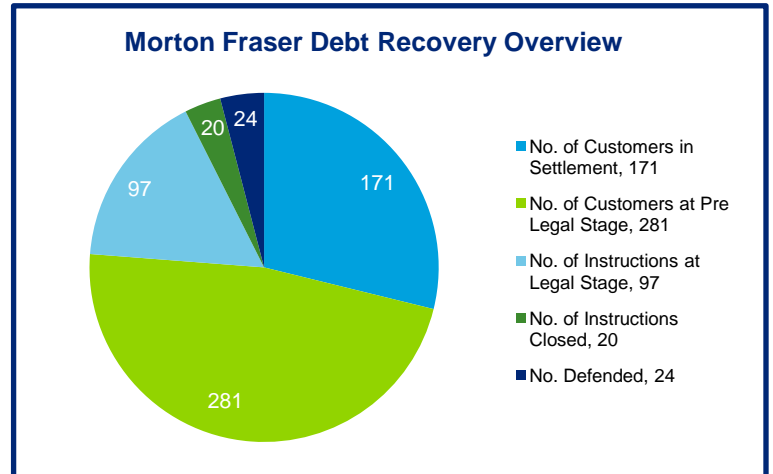




PROGRESS

Under the extended contracted arrangements, Morton Fraser took on responsibility for statutory notice debt recovery in April 2015. To date, 593 instructions have been issued to Morton Fraser with a total value of £6m for debt collection. Over the 10 month period from April 2015 to date the overall sums settled or in payment plans total £1.4m over 171 customers, 281 cases are at pre legal stage, 97 at legal stage with 20 cases closed and 24 being defended.

Morton Fraser Debt Recovery Cases pursued by the Council	October	November	December	January
Total debt recovery cases pursued by Morton Fraser	402	421	543	593
Total value of instructions issued	£4.9m	£5.0m	£5.7m	£6.0m
Total debtors settled or in payment plan	97	110	112	171
Total sum recovered or in payment plan	£1.0m	£1.1m	£1.1m	£1.4m
Total sum recovered in payment plan as % of debt recovery	20%	22%	22%	23%





Provision for Impairment and Settlements

Programme dashboard as at 25 January 2016

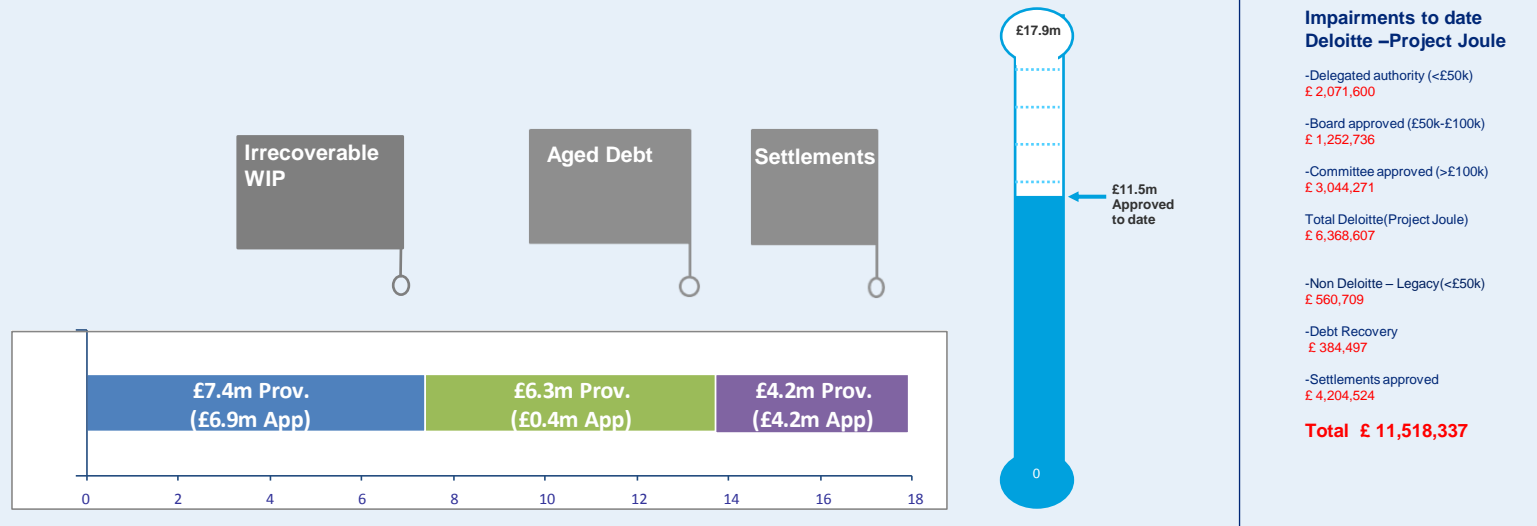


PROGRESS

The provision recommended for impairment and settlement repayments is £17.9m. The basis of the provisions are as follows:

- **Irrecoverable WIP (£7.4m)** – This is based on the actual final sum of £6.4m for the Deloitte (Project Joule) Review outcomes on Irrecoverable Work-In Progress. In addition £1.0m has been made, based on Irrecoverable WIP for Non-Deloitte old legacy work for remedial projects, old unbilled Emergency Work and door closed entry systems.
- **Aged Debt (£6.3m)** –An overall collection rate of 53% is required to ensure adequacy of provision. Current recovery rate is 61%.
- **Settlements (£4.2m)** –Work on settlements is nearing completion with an expected write off sum of £4.2m.

Provision for Impairment and Settlements





ESRS Pilot Phase and Emergency Service Dashboard

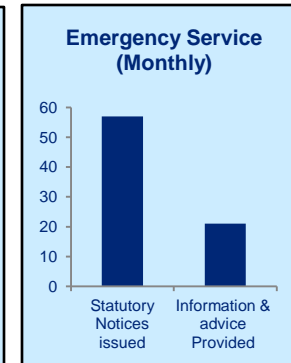
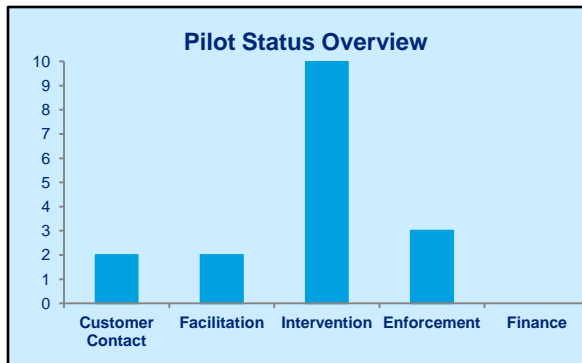
Programme dashboard as at 25 January 2015



OVERVIEW OF PROGRESS

The phased implementation of the new service started in September 2015. The Pilot Phase currently consists of fifteen open cases with successful intervention achieved on two projects. Work is progressing on the Major Works project and this has now been awarded to the successful contractor. This month one additional project has been approved by the ESRS Panel to progress to the enforcement process.

CASE WORKLOAD PROGRESS		NO.
Customer Contact:	• Customer Services Enquiry	
	• Collating Information from Lead Owner	2
Facilitation:	• Advice and Information	
	• Council Correspondence	2
Intervention:	• Case Officer	2
	• Communication 1 issued	4
	• Communication 2 issued	2
	• Panel Report pending	
	• Closed with successful intervention	2
Enforcement:	• Site Survey / S24 Notice / S26 Notice	2
	• Procurement	1
	• Projects on site	
Finance:	• Final Account issued	
	• Invoices issued to owners	



EMERGENCY SERVICE

Although the number of requests for advice and information the Service has received this period has risen by 10%, the actual numbers asking us to attend to emergency issues has reduced by 23% compared to the previous month. The service responded to 12 incidents relating to falling masonry, roof issues, a dangerous window and dangerous aerial. Two of the incidents were reported by Police Scotland and related to a vehicle crashing into a wall and a render fall.

PROJECTS WORKLOAD	MAJOR	MINOR	ESTIMATED VALUE
1. Major Stonework / Roof (Procurement)	1		£364k
2. Minor Chimney and Stonework repairs		1	Under £20k
TOTAL	1	1	£384K

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	Nov 15	Dec 15	Jan 16	Trend
No of requests for advice/ info only.	295	239	264	↑
No. of service requests	78	101	78	↓
No of emergency repair inspections resulting in statutory notices issued	45	66	57	↓
No. of Emergency service requests where information/ advice was provided	33	35	21	↓
Value of invoices issued to owners for emergency repairs (cumulative)	£753,839	£763,450	£778,848	↑
Value of income received from owners for emergency repairs (cumulative)	£658,989	£678,106	£685,778	↑
No of visits to SRS webpage (Google Analytics)	4186	4071	4153	↑
Solicitors Enquiries Received	711	459	392	↓
Solicitors Enquiries Completed	800	459	289	↓

Finance and Resources Committee

10.00a.m, Thursday, 17 March 2016

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 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

- 1.1 That Committee:-
 - 1.1.1 Notes the 40 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 40 transactions completed under delegated authority since the last quarterly report.
- 3.2 These transactions include 9 new leases, 14 new event leases, 4 lease renewals/extension, 8 rent reviews and 2 wayleaves. These transactions will result in rental income of £ 372,368 per annum.
- 3.3 In addition, 3 disposals have also been completed, totalling £6,329,271.

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

[Report to Finance & Resource Committee 26 November 2015 – Summary Report on Property Transactions concluded under Delegated Authority](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Graham Tully, Acting Estates Services Manager

E-mail: graham.tully@edinburgh.gov.uk | Tel: 0131 529 5961

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- Property Transactions

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. 17768/8 ASM	17 – Portobello / Craigmillar	Resources – General Fund	Unit 8 Pepper Business Centre	Mr Greig Sivills t/a Torus Stonecraft	Stonemasons Workshop	Old Rent: £5,200 per annum New Rent: £5,500 per annum Lease Period: 1 Nov 15 to 31 Oct 18 Payable: Monthly in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>New 3 year lease granted with 2 month rent free period. Rate per sq ft above tone rate for the estate. Vacant since August 2015 and previous rent set August 2014.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. 17768/9 ASM	17 – Portobello / Craigmillar	Resources – General Fund	Unit 9 Pepper Business Centre	Dunedin Wines Ltd	Storage Warehouse	Old Rent: £5,200 per annum New Rent: £5,500 per annum Lease Period: 2 Dec 15 to 1 Dec 18 Payable: Monthly in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>New 3 year lease granted with 2 month rent free period. Rate per sq ft above tone rate for the estate. Vacant since November 2015.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. 16317/3 ASM	9 – Fountainbridge / Craiglockhart	Resources – General Fund	7 Hutchison Place	Ms Rosemarie Sheeky	Hairdressing Salon	Old Rent: £3,400 per annum New Rent: £4,500 per annum Lease Period: 4 Nov 15 to 3 Nov 20 Payable: Quarterly in advance

ERIA received?

REMARKS: *New 5 year lease with a 3 month rent free period. Former tenants lease renounced on 03/11/15 by mutual agreement (subject to payment of historic arrears) so zero void period. Previous rent set in July 2011.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. ASM	17 – Portobello / Craigmillar	Resources – General Fund	Unit 9 Peffermill Parc	Mr Steve Glencross	Storage Warehouse	Old Rent: £11,500 per annum New Rent: £11,500 per annum Lease Period: 16 Nov 15 to 15 Nov 18 Payable: Quarterly in advance

ERIA received?

REMARKS: *New 3 year lease granted with 2 month rent free period. Rate per sq .ft in line with tone rate for the estate. Vacant since September 2015.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. 17594 ASM	7 – Sighthill / Gorgie	Resources – General Fund	Unit 12 Westside Plaza	Mr Andrew Horton	Kiosk (hot food takeaway)	Old Rent: £8,000 per annum New Rent: £7,000 per annum Lease Period: 16 Oct 15 to 15 Oct 18 Payable: Quarterly in advance

ERIA received?

REMARKS: *New 3 year lease with a 3 month rent free period. Whilst a reduction in rent the new rate per sq ft is in line with market value.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 723/6 ASM	13 – Leith	Resources – General Fund	Unit 32 Tennant Street Industrial Estate	YUM.EE Foods Ltd	Storage warehouse	Old Rent: £11,650 per annum New Rent: £12,000 per annum Lease Period: 18 Jan 16 to 17 Jan 18 Payable: Quarterly in advance

ERIA received?

REMARKS: *New 3 year lease granted with 2 month rent free period. Rate per sq ft in line with tone rate for the estate. Vacant since April 2011.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. 723/8A ASM	13 – Leith	Resources – General Fund	Unit 28 Tennant Street Industrial Estate	Filming Scotland Ltd	Storage warehouse/ studio	Old Rent: £10,750 per annum New Rent: £12,000 per annum Lease Period: 5 Jan 16 to 4 Jan 18 Payable: Quarterly in advance

ERIA received?

REMARKS: *New 3 year lease granted with 3 month rent free period. Rate per sq ft above tone rate for the estate. Vacant since September 2015 and previous rent set December 2011.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. 17324/2 AF	14 – Craightinny/ Duddingston	Resources – General Fund	19 Stanley Street, Edinburgh (Council Depot and Yard)	Diona Construction Ltd	Storage to assist with Fibre network installation into all CEC buildings	Old Rent: n/a New Rent: £300 per week Lease Period: 1 week, then to continue week to week for a period up to 12 weeks Payable: Weekly

ERIA received?

REMARKS: *Admin fee of £500*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. SC	7 -Sighthill/ Gorgie	Resources – HRA	Ground adjacent to Sighthill Roundabout	SP Energy Networks Ltd	Temporary site compound	Old Rent: n/a New Rent: £0 Lease Period: 30 Nov 2015 to 24 Dec 15, and 15 to 26 February 2016 Payable: n/a
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Work associated with proposed 21st century homes at North Sighthill</i>						

NEW LEASES - EVENTS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	iProspect	Easy Fundraising charitable event	Old Rent: n/a New Rent: nil Lease Period: 8 to 9 Dec 2014 Payable: n/a

ERIA received? **REMARKS: £200 admin fee**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Space & People	Morrisons Christmas Pud promotional event	Old Rent: n/a New Rent: £300 for the period Lease Period: 13 Dec 2014 Payable: Before event

ERIA received? **REMARKS: £200 admin fee**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Leith Agency, 37 The Shore, Leith, Edinburgh EH6 6QU	Scottish Government 'Happier Mealtimes' campaign	Old Rent: n/a New Rent: £500 for the period Lease Period: 25 Feb 2015 Payable: Before event

ERIA received? **REMARKS: £200 admin fee**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Tricker PR, 19 Victoria Street, Aberdeen AB10 1UU	Coastal destination promotion	Old Rent: n/a New Rent: £500 for the period Lease Period: 11 Apr 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Initials Marketing Ltd	Jeep promotional event	Old Rent: n/a New Rent: £1,000 for the period Lease Period: 5 to 7 Jun 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	i2i Marketing	Emmi Latte (coffee) promotional event	Old Rent: n/a New Rent: £500 for the period Lease Period: 13 Jun 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Promo UK Ltd	Starbucks Latte Discoveries promotional event	Old Rent: n/a New Rent: £500 for the period Lease Period: 22 Jul 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Edinburgh International Festival	Harmonium Project – siting of equipment and audience viewing platform	Old Rent: n/a New Rent: £4,750 for the period Lease Period: 31 Jul to 10 Aug 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
18. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Experiential Space Ltd t/a Looking Glass	Honda promotional event	Old Rent: n/a New Rent: £1,250 for the period Lease Period: 16 to 19 Sept 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	The fresh Group	Co-op Cater Pod promotional activity	Old Rent: n/a New Rent: £1,000 for the period Lease Period: 15 to 16 Oct 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	The Rock Trust	Sleepout 2015 fundraising event	Old Rent: nil New Rent: nil Lease Period: 6 to 7 Nov 2015 Payable: n/a
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
21. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Maximillion	Siting of Satellite truck for EGEUS 2015 conference	Old Rent: n/a New Rent: £500 for the period Lease Period: 11 Nov 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
22. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Tesco	Food and money collection for foodbank in collaboration with Fareshare	Old Rent: n/a New Rent: nil Lease Period: 3 to 5 Dec 2015 Payable: n/a
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
23. 8407/24 FM	11 – City Centre	Resources – General Fund	Festival Square (0.872 acres), 3 Festival Square, Edinburgh EH3 9SU	Saatchi & Saatchi	Cadbury's 'Cadvent' truck and seasonal promo event	Old Rent: n/a New Rent: £500 Lease Period: 10 Dec 2015 Payable: Before event
<input checked="" type="checkbox"/> ERIA received? REMARKS: £200 admin fee						

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
24. 8396 IL	9 – Fountainbridge / Craiglockhart	Resources – General Fund	103/105 Morrison Street Edinburgh, EH3 8BX	Ethnic Minority Law Centre	Office (Class 2) Solicitors	Old Rent: £11,150 per annum New Rent: £12,000 per annum From: 12 Nov 15 to 12 Dec 17 Payable: Quarterly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
25. 35/W380N/5 IL	9 – Fountainbridge / Craiglockhart	Resources – General Fund	Unit 5 West Gorgie Park, Edinburgh, EH14 1UT	City Crafts Limited	Manufacturing & Storage (Class 4/6) Joiner & Shopfitter	Old Rent: £6,200 per annum New Rent: £6,400 per annum From: 19 Nov 15 to 18 Nov 20 Payable: Monthly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
26. 35/W380N/1 8-20 IL	9 – Fountainbridge / Craiglockhart	Resources – General Fund	Unit 18 West Gorgie Park, Edinburgh, EH14 1UT	Get Shirty (Edinburgh) Ltd	Business Use (Class 4/6) Clothing Wholesaler	Old Rent: £6,200 per annum New Rent: £6,400 per annum From: 18 Dec 15 to 17 Dec 20 Payable: Monthly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
27. 35/W380N/30 IL	9 – Fountainbridge / Craiglockhart	Resources – General Fund	Unit 30 West Gorgie Park, Edinburgh, EH14 1UT	Kilian Husecken	Manufacturing & Storage (Class 4/6) Joiner & Shopfitter	Old Rent: £8,000 per annum New Rent: £8,250 per annum From: 15 Nov 15 to 14 Nov 20 Payable: Monthly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
28. 11602A IL	11 – City Centre	Resources – General Fund	31 Jeffrey Street Edinburgh, EH1 1DH	La Garrigue Edinburgh Ltd	Licensed Restaurant (Class 3) Hot Food	Old Rent: £17,500 per annum New Rent: £28,450 per annum From: 1 Oct 15 to 30 Sept 20 Payable: Quarterly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
29. 20041 IL	5 – Inverleith	Resources – General Fund	5 Hamilton Place, Edinburgh, EH3 5BA	Scot-Bangla Trading Limited	Licensed Restaurant (Class 3) Hot Food	Old Rent: £11,500 per annum New Rent: £16,000 per annum From: 1 Apr 15 to 31 Mar 20 Payable: Quarterly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
30. 16274/1A IL	11 – City Centre	Resources – General Fund	164 High Street Edinburgh, EH1 1QS	Mosobbir Meah	Licensed Restaurant (Class 3) Hot Food	Old Rent: £38,500 per annum New Rent: £56,000 per annum From: 1 Apr 15 to 31 Mar 20 Payable: Quarterly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
31. 16274/6A IL	11 – City Centre	Resources – General Fund	371 High Street Edinburgh, EH1 1PW	The Edinburgh Woollen Mill Limited	Retail Shop (Class 1) Scottish Themed Clothing & Gifts	Old Rent: £54,000 per annum New Rent: £97,750 per annum From: 22 Dec 13 to 21 Dec 2018 Payable: Monthly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

LEASE RENEWALS/EXTENSIONS

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
32. 12558/8 IL	10 – Meadows / Morningside	Resources – HRA	121 Lauriston Place, Edinburgh, EH3 9JN	Littlejohns Limited	Office (Class 2) Factoring & Letting Agency	Old Rent: £10,000 per annum New Rent: £10,500 per annum From: 11 Nov 15 to 10 Nov 20 Payable: Quarterly, in advance

ERIA received?

REMARKS: *Reviewed to market value*

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
33. IL	4 – Forth	Resources – General Fund	Unit 2 Long Craig Rigg, West Shore Business Centre, Edinburgh, EH5 1QT	Director of Health and Social Care	Office / Business Unit (Class 4) Skills Training	Old Rent: £14,233.25 per annum New Rent: £15,000 per annum From: 1 Aug 15 to 31 Jul 20 Payable: Monthly, in advance

ERIA received?

REMARKS: *Reviewed to market value*

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
34. 41/5705/62 (21) IL	15 – Southside / Newington	Resources – General Fund	62 (21) St Leonard's Street, Edinburgh, EH8 9SW	Tamur, Javez Adam & Jean Ghaznavi	Car Park (Class 11 – Sui Generis)	Old Rent: £31,500 per annum New Rent: £38,000 per annum From: 22 Jan 16 to 21 Jan 21 Payable: Monthly, in advance

ERIA received?

REMARKS: *Reviewed to market value*

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
35. NID01-U02 IL	17 – Portobello / Craigmillar	Resources – General Fund	90 Niddrie Mains Road, Edinburgh, EH16 4DT	Xiu Fang Tang	Hot Food Takeaway (Class 3) Chinese Takeaway	Old Rent: £6,100 per annum New Rent: £8,000 per annum From: 1 Jan 16 to 31 Dec 20 Payable: Quarterly, in advance
<input checked="" type="checkbox"/> ERIA received? REMARKS: <i>Reviewed to market value</i>						

WAYLEAVES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
36. AF	11 – City Centre	Resources – General Fund	Ground at Potterrow, Edinburgh (near Traverse Theatre)	BT	Run a new cable into Edinburgh University building	Admin Fee: £250

ERIA received?

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
37. AF	11 – City Centre	Resources – HRA	Ground at 71 Pleasance, Edinburgh	BT	Run a new cable and duct into Private residential property	Grassum: £18 Admin Fee: £225

ERIA received?

REMARKS:

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
38. MS	16 – Liberton/ Gilmerton	Resources – General Fund	Land at Liberton Gardens, Edinburgh	Cala Homes (East) Ltd	Servitude for sewer to serve residential development	Premium: £30,000 Council Legal and Surveyors fees: Tenant to meet Councils reasonable Surveyors and Solicitors fees Payable: On date of entry
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
39. 21358 MS	1 – South Queensferry	Resources – General Fund	Land adjacent to Rose Lane Car Park, South Queensferry	Bellway Homes Ltd	Servitude for upgrading of sewer to serve residential development	Premium: £1,500 Council Legal and Surveyors fees: Tenant to meet Councils reasonable Surveyors and Solicitors fees Payable: On date of entry
<input checked="" type="checkbox"/> ERIA received? REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
40. 799/11A RJOD	15 – Southside / Newington	Resources – General Fund	Lutton Court, Lutton Place, Edinburgh EH8 9PD	Crosslane Student Developments (Lutton) Ltd	Student Accommodati on	Purchase price: £6,297,771 Date of entry: 23 December 2015 Sale concluded: 23 December 2015
<input type="checkbox"/> ERIA received? REMARKS: <i>Highest offer following open market tender</i>						

Finance and Resources Committee

10.00a.m, Thursday, 17 March 2016

Proposed Lease Extension at 19 Grassmarket, Edinburgh

Item number	8.2
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive summary

The retail unit at 19 Grassmarket is let to Mary Rose Hillard and trades as Mary's Milk Bar.

The lease is due to expire on 31 May 2016 and the tenant has requested a 10 year lease extension, and for the lease to be assigned into her company name of Mary's Milk Bar Limited.

This report seeks approval to the grant of a 10 year lease extension on the terms and conditions outlined in the report.

Links

Coalition pledges	P15 , P28
Council outcomes	CO8 , CO9
Single Outcome Agreement	SO1

Proposed Lease Extension at 19 Grassmarket, Edinburgh

Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves a 10 year lease extension to Mary's Milk Bar Limited of retail premises at 19 Grassmarket, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

Background

- 2.1 The shop premises at 19 Grassmarket extends to 40.42m² (435sq ft) or thereby as shown outlined in red on the attached plan.
- 2.2 Since June 2013, Mary Rose Hillard has been the tenant at the property operating a café and takeaway business. The current rent is £10,800pa excluding VAT.

Main report

- 3.1 The existing lease expires on 31 May 2016 and Mary Rose Hillard has requested that the Council grant a 10 year lease extension from 1 June 2016 and that the lease is assigned to the name of her company, Mary's Milk Bar Limited.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
 - Subjects: Retail shop at 19 Grassmarket, Edinburgh;
 - Lease Extension: 10 years from 1 June 2016 until 31 May 2026;
 - Break Option: Tenant only break option on the fifth anniversary;
 - Rent: £10,800 per annum (current market rental value);
 - Rent Reviews: Reviewed on each fifth anniversary of the term to open market value;
 - Use: Café & Takeaway; and
 - Repairs: Full repairing and maintaining obligation.

Measures of success

- 4.1 Granting a 10 year lease extension will allow the existing tenant to continue her long term financial planning of the business and in turn sustain employment for her workers, and also help maintain the vibrant mix of retailers found in the Grassmarket.

Financial impact

- 5.1 The passing rent has been reviewed and is considered to be current market value. As such a continued rent of £10,800 per annum to the Housing Revenue Account will be maintained.

Risk, policy, compliance and governance impact

- 6.1 This is a 10 year lease extension to the existing tenant who has been trading from the property since June 2013. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

Equalities impact

- 7.1 An enhancement of rights has been identified as through a lease extension, it will ensure that the existing tenant can continue to plan both financially and in terms of developing their business. This will allow them to continue to provide a high level of service and experience to her employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.2 A possible infringement has been identified in that by offering a lease extension to the current tenant rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if a lease extension is not granted, the impact is considered to be proportionate and justifiable.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report as the property has been leased out as a retail shop for many years and this is set to continue.

Consultation and engagement

- 9.1 N/A.

Background reading/external references

N/A.

Hugh Dunn

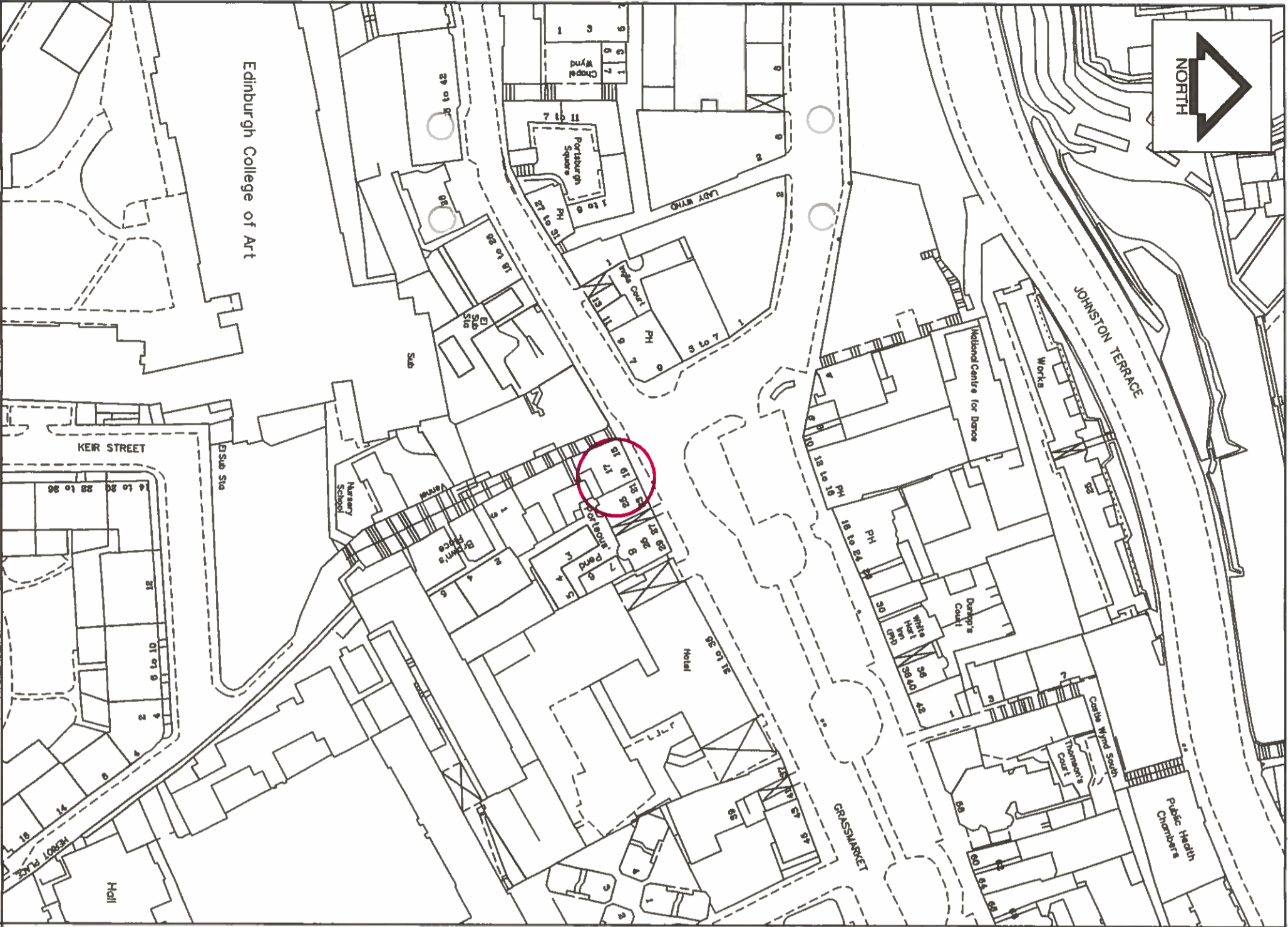
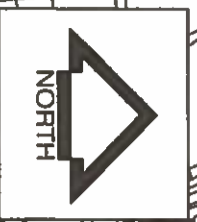
Acting Executive Director of Resources

Contact: Iain Lamont, Estates Surveyor

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

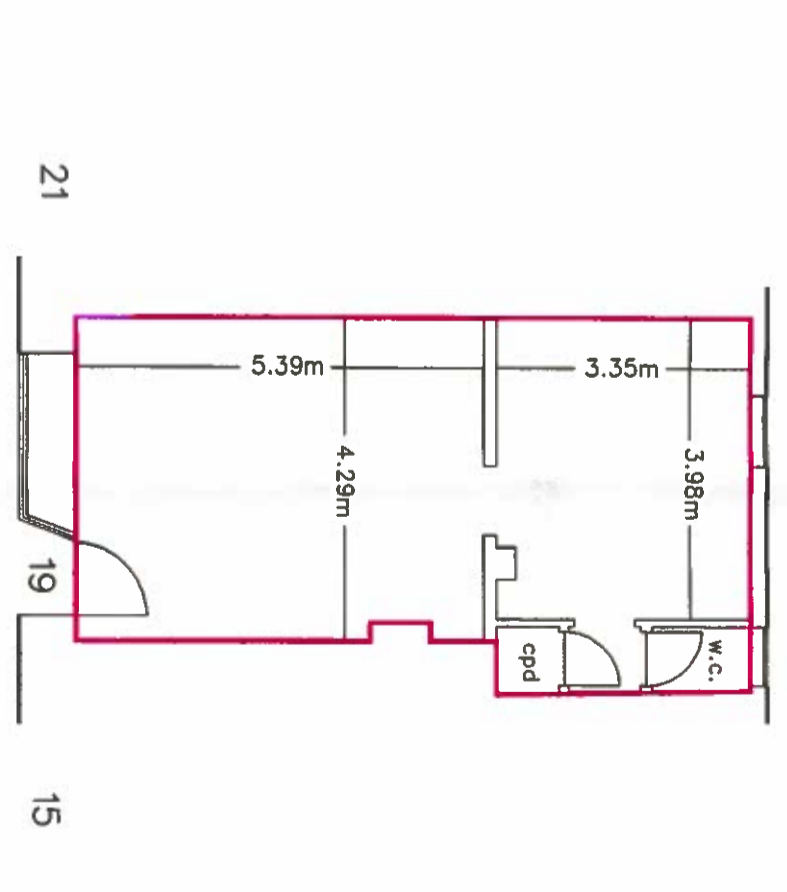
Links

Coalition pledges	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
Council outcomes	CO8 – Edinburgh’s economy creates and sustains job opportunities. CO9 – Edinburgh’s residents are able to access job opportunities.
Single Outcome Agreement	SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.
Appendices	Appendix 1: Location Plan.



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:100

EDINBURGH
 THE CITY OF EDINBURGH COUNCIL
 CITY DEVELOPMENT
 EDINBURGH

SHOP AT 19 GRASSMARKET
 EDINBURGH

DATE	14/4/06
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	19Grassmarket.dgn
NEG. NO.	

Finance and Resources Committee

10.00 a.m, Thursday, 17 March 2016

Land at Slateford Road – Proposed Disposal

Item number	8.3
Report number	
Executive/routine	Routine
Wards	9 – Fountainbridge/Craiglockhart

Executive summary

Housing Developer, AMA (Slateford) Ltd owns a development site at Slateford Road and has approached the Council to acquire approximately 96.17 sq m of adjoining Council owned land for incorporation into the wider development.

The land is a narrow strip of amenity ground situated between the development site and the cycle way constructed on the former Caledonian Railway line. 21.40 sq m is required due to an accidental encroachment and 74.77 sq m is required to form part of the landscaping of the proposed development.

This report seeks authority to sell the land to AMA on the main terms outlined in the report.

Links

Coalition pledges	P17
Council outcomes	CO7 , CO8
Single Outcome Agreement	SO1 , SO4

Land at Slateford Road – Proposed Disposal

Recommendations

That Committee:

- 1.1 Approves the disposal of the land at Slateford Road, extending to 96.17 sq m or thereby to AMA (Slateford) Ltd, on the terms and conditions outlined in this report, and on such terms and conditions to be agreed by the Acting Executive Director of Resources.

Background

- 2.1 AMA is undertaking a residential development at Slateford Road. A recent Title search by the developer has uncovered a small area of ground that AMA does not have clear Title to, due to an accidental encroachment on Council owned land. The encroachment is some 21.40 sq m, although the proposed sale is for 96.17 sq m in order to facilitate landscaping works and the construction of a retaining wall. This is shown on the plan in Appendix 1.
- 2.2 AMA has approached the Council to purchase this small area of land. Whilst part of the land encompasses the encroachment, the majority of the land will be used to undertake landscaping improvements.

Main report

- 3.1 The land consists of a sloping, and elongated strip of amenity ground extending to approximately 96.17 sq m. as shown hatched in red on the attached plan. The proposed disposal will not have any detrimental impact on the operational use of this cycle way. The land is not required for any operational purpose, and has no alternative use or value.
- 3.2 Negotiations have taken place with AMA and provisional agreement has been reached that the land be sold subject to the following main terms and conditions:
 - Purchaser: AMA (Slateford) Ltd;
 - Subjects: 96.17 sq m of land or thereby at Slateford Road;
 - Purchase price: £30,450;
 - Use: Open space/part development; and
 - Council Fees: The purchaser will meet the Council's reasonably incurred legal and property fees.

- 3.3 The purchase price reflects the use as encroachment and open space and the cost of works to improve the area including planting, drainage and maintaining a retaining wall.

Measures of success

- 4.1 A piece of ground that is unlikely to have any future economic use will be sold for a capital receipt.
- 4.2 The sale of unused Council land will allow the developer to secure clean title and assist in the delivery of much needed market and affordable housing.
- 4.3 AMA has offered at their own cost to undertake a schedule of works to the amenity land in question. These works comprise a retaining wall, drainage improvements, planting and landscaping. The value of this work is estimated at £62,000.

Financial impact

- 5.1 A net capital receipt of £30,450 will be received in the financial year 2016/17.
- 5.2 The disposal will remove a potential future maintenance liability.

Risk, policy, compliance and governance impact

- 6.1 There is a risk that the sale does not complete. This is the same for any offer of purchase.
- 6.2 The sale of the area of land will facilitate the delivery of much needed market and affordable housing. The delivery of these units is dependent on securing clean title.

Equalities impact

- 7.1 The proposed sale will facilitate clean Title for a developer and allow 11 households to move into new homes enhancing the rights to standard of living and individual, family and social life. This includes a number of affordable tenures.
- 7.2 The sale of the area of land will lead to improved landscaping in the area. This will enhance the rights to health and physical security by improving the area for nearby residents.

Sustainability impact

- 8.1 There are no sustainability issues arising from the recommendations of this report.

Consultation and engagement

- 9.1 N/A

Background reading/external references

N/A

Hugh Dunn

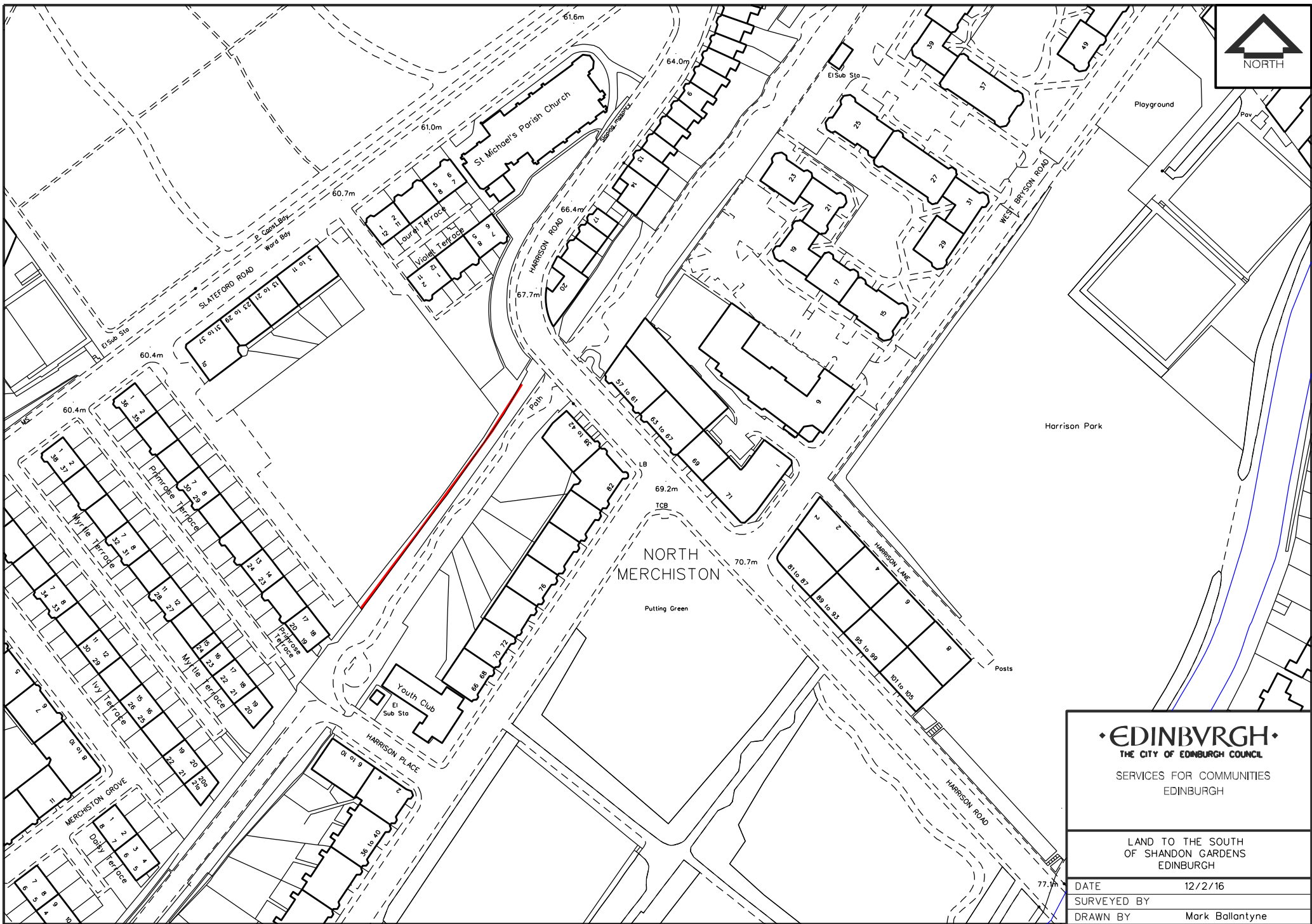
Acting Executive Director of Resources

Contact: Chris Jayne, Estates Surveyor

E-mail: chris.jayne@edinburgh.gov.uk | Tel: 0131 529 5658

Links

Coalition pledges	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
Council outcomes	CO7 – Edinburgh draws new investment in development and regeneration. CO8 – Edinburgh’s economy creates and sustains job opportunities.
Single Outcome Agreement	SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all. SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Location plan showing encroachment.



EDINBURGH
 THE CITY OF EDINBURGH COUNCIL
 SERVICES FOR COMMUNITIES
 EDINBURGH

LAND TO THE SOUTH
 OF SHANDON GARDENS
 EDINBURGH

DATE	12/2/16
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1653

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.