

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00am, Thursday 3 November 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

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## **1. Order of business**

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

## **2. Declaration of interests**

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

## **3. Deputations**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minutes of the Meeting of 29 September 2016 (circulated)

## **5. Business Bulletin**

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- 5.1 Finance and Resources Committee Business Bulletin (circulated)

## **6. Forward Planning**

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

## **7. Executive decisions**

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- 7.1 Managing Workforce Change – Workforce Dashboard – report by the Acting Executive Director of Resources (circulated)
- 7.2 Living Wage Accreditation – report by the Acting Executive Director of Resources (circulated)
- 7.3 Capital Monitoring 2016/17 - Half Year Position – report by the Acting Executive Director of Resources (circulated)
- 7.4 Revenue Monitoring 2016/17 - Half Year Position – report by the Acting Executive Director of Resources (circulated)
- 7.5 Resources Directorate - Revenue Budget Monitoring 2016/17 – month five position – report by the Acting Executive Director of Resources (circulated)

- 7.6 Chief Executive – Revenue Budget Monitoring 2016/17 – month five position – report by the Acting Executive Director of Resources (circulated)
- 7.7 Treasury Management: Mid-Term Report 2016/17 – report by the Acting Executive Director of Resources (circulated)
- 7.8 Annual Report – Debt Write-Off – report by the Acting Executive Director of Resources (circulated)
- 7.9 Motor Fleet Insurance – report by the Acting Executive Director of Resources (circulated)
- 7.10 Procurement Benefits – Reporting Framework – report by the Acting Executive Director of Resources (circulated)
- 7.11 Approval of Framework Agreement for the Provision of Interpretation, Translation and Communication support – report by the Acting Executive Director of Resources (circulated)
- 7.12 Building Capacity for Transformation Leadership – report by the Acting Executive Director of Resources (circulated)
- 7.13 Award of Contract for Consultancy Services – Corstorphine Parking Survey – report by the Executive Director of Place (circulated)
- 7.14 Receipt and Processing of Recyclable Materials Contract from Kerbside and Communal Collections – report by the Executive Director of Place (circulated)
- 7.15 Fleet Replacement Programme 2016/17 – Approval of Prudential Borrowing – report by the Executive Director of Place (circulated)
- 7.16 Systematic Support Services: Extension of Additional Support for Learning Contracts – referral report from the Education, Children and Families Committee (circulated)
- 7.17 Contract Award under Urgency Procedure – Aids for Daily Living – report by the Chief Officer, Edinburgh Health and Social Care Partnership (circulated)
- 7.18 Committee Decisions July 2015 – July 2016 – report by the Chief Executive (circulated)
- 7.19 Inch House Community Centre – Update Report – report by the Acting Executive Director of Resources (circulated)

## **8. Routine decisions**

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- 8.1 Proposed 10 Year Lease at 86/88 Niddrie Mains Road, Edinburgh - Update – report by the Acting Executive Director of Resources (circulated)
- 8.2 Portobello Toddler's Hut, 28 Beach Lane – Proposed Lease – report by the Acting Executive Director of Resources (circulated)
- 8.3 Proposed New Leases (x3) at Peffermill Industrial Estate, Kings Haugh, Edinburgh – report by the Executive Director of Resources (circulated)
- 8.4 Proposed 25 year lease of part of Market Street Undercroft – report by the Executive Director of Resources (circulated)
- 8.5 Land at Former Dumbryden Primary School, Dumbryden Drive – report by the Acting Executive Director of Resources (circulated)

## **9. Motions**

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- 9.1 If any

### **Kirsty-Louise Campbell**

Interim Head of Strategy and Insight

### **Committee Members**

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

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

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

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

### **Further information**

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If you have any questions about the agenda or meeting arrangements, please contact Veronica MacMillan or Aileen McGregor, 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 4325 or e-mail [veronica.macmillan@edinburgh.gov.uk](mailto:veronica.macmillan@edinburgh.gov.uk) / [aileen.mcgregor@edinburgh.gov.uk](mailto:aileen.mcgregor@edinburgh.gov.uk)

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to [www.edinburgh.gov.uk/meetings](http://www.edinburgh.gov.uk/meetings)

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

## **Webcasting of Council meetings**

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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.

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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 4106 or [committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk) .

# Item 4.1 - Minutes

## Finance and Resources Committee

10.00am, Thursday 29 September 2016

### Present

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

### 1(a) Deputation: Tenant Participation and Engagement Services Update – referral report from the Health, Social Care and Housing Committee

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The Committee agreed to hear a deputation from Betty Stevenson and Clare MacGillivray from the Edinburgh Tenants Federation (ETF) in relation to Item 7.11 – Tenant Participation and Engagement Services Update – referral report from the Health, Social Care and Housing Committee.

The main points raised by the deputation were:

- The Edinburgh Tenants Federation (ETF) supported a six month extension of the funding arrangements to allow the development of the best possible service for tenants in Edinburgh today.
- ETF thanked the Council for working together with them on tenant participation.
- The stakeholder event held recently on co-production provided valuable feedback on how tenants wanted to be supported to hold their landlord, the Council, to account,
- A major part of the feedback given by tenants was that the ETF should be a strong and independent voice for tenants across the city.
- ETF supported giving advice and information to tenants groups, and formal and informal learning.
- At a localities level, the ETF would like tenants to be more creative and would encourage a much more local way of working and involving tenants. ETF would also like to see adequate resources available to ensure that this happens.
- The tenant participation model that was currently used was unique in Scotland and ETF did not want to see that change.

- Members of the Finance and Resources Committee, the Health, Social Care and Housing Committee and senior officers were invited to a meeting by the ETF to be held on Monday 24 October 2016 at 7.00pm in the European Room, City Chambers, to hear the views of tenants about tenant participation and engagement services.

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.

## **1(b) Tenant Participation and Engagement Services Update – referral report from the Health, Social Care and Housing Committee**

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The Health, Social Care and Housing Committee on 13 September 2016 considered a report on tenant participation and Engagement Services. The report was referred to the Finance and Resources Committee for approval of an extension to the funding arrangements for the Edinburgh Tenants Federation and the Neighbourhood Alliance for further six months.

### **Decision**

To extend the funding arrangements for the Edinburgh Tenants Federation and the Neighbourhood Alliance for a further six months.

(References – Health, Social Care and Housing Committee, 13 September 2016 (item 1.3); report by the Executive Director of Place, submitted.)

## **2. Minutes**

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### **Decision**

To approve the minute of the Finance and Resources Committee of 8 September 2016 as a correct record.

## **3. Key Decisions Forward Plan**

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The Finance and Resources Committee Key Decisions Forward Plan from 29 September 2016 to 3 November 2016 was submitted.

### **Decision**

To note the Key Decisions Forward Plan from 29 September 2016 to 3 November 2016.

(Reference – Finance and Resources Committee Key Decisions Forward Plan, submitted.)

## **4. Rolling Actions Log**

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The Finance and Resources Committee Rolling Actions Log for 29 October 2015 to 8 September 2016 was submitted.

### **Decision**

To note that Items 1, 3, 4, 5, 7, 14 and 15 had been closed.

(Reference – Finance and Resources Committee Rolling Actions Log, submitted.)

## **5. Transformation Programme: Progress Update**

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A single, consolidated status update was provided on the Council Transformation Programme, aimed at delivering a lean and agile Council, centred on customers, services and communities.

### **Decision**

- 1) To note the progress to date with organisational reviews and the associated savings as detailed in the report, and at Appendix 1 of the report.
- 2) To note the details and timing of the Transformation Delivery Plan, as set out in paragraphs 3.14 – 3.35 of the report.
- 3) To note the progress to date with the implementation of the localities model and the locality staffing structures in Appendix 2 of the report.
- 4) To note the management information dashboards for the month to 15 September 2016 in Appendix 3 of the report.

(References – Finance and Resources Committee, 12 May 2016 (item 5); report by the Chief Executive, submitted.)

## **6. Asset Management Strategy Transformation Programme - Update**

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Details were provided on the progress of the implementation of the Asset Management Strategy (AMS) for Property and Facilities Management.

### **Decision**

- 1) To note the continued progress in each of the key Asset Management Strategy (AMS) Transformation Programme work streams.
- 2) To note the development and content of the Management Information dashboard reports provided in Appendix A of the report.

(References – Finance and Resources Committee, 17 March 2016 (item 1c); report by the Acting Executive Director of Resources, submitted)

## **7. Governance of Major Projects: Progress Report**

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An update was provided on the major projects portfolio and assurance reviews.

### **Decision**

- 1) To note the current synopsis of the dashboard reports for the major projects portfolio set out in Appendix 1 of the report.
- 2) To note the completed St James Quarter assurance review set out in paragraph 3.4 of the report.
- 3) To note a closed report had been received and Health and Social Care Integration had now been removed from the portfolio.



(References – Finance and Resources Committee 9 June 2016 (item 5), report by the Chief Executive, submitted)

## **8. Managing Workforce Change – Workforce Dashboard**

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Committee considered a report that provided monitoring information on the number of employees exiting the organisation through voluntary severance arrangements, the associated annualised cost savings, the number of staff that had accessed support from the Career Transition Service (CTS), the number of surplus staff and associated costs and a summary of the latest available information on Council wide staffing numbers, sickness absence, agency expenditure and vacancies.

### **Decision**

To note the progress made to date.

(References – Finance and Resources Committee 8 September 2016 (item 6), report by the Acting Executive Director of Resources, submitted)

## **9. The City of Edinburgh Council – Report to those Charged with Governance on the 2015/16 Audit – referral report from the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee on 26 September 2016 considered a report on those charged with Governance on the 2015/16 Audit. The report was referred to the Finance and Resources Committee for approval of the audited Annual Accounts for 2015/16.

### **Decision**

- 1) To approve the audited Annual Accounts for 2015/16.
- 2) To refer the report to the Council for noting and to revise by £0.076 million the level of in-year underspend transferred to the Council Priorities Fund.

(References – Governance, Risk and Best Value Committee, 26 September 2016 (item 9); report by the Acting Executive Director of Resources, submitted)

## **10. The City of Edinburgh Council Charitable Trusts – Report to those charged with Governance on the 2015/16 Audit**

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Committee considered a report which detailed the External Auditor's view on matters arising from their audit in compliance with International Standard on Auditing 260, in respect of the City of Edinburgh Council's Charitable Trusts.

### **Decision**

- 1) To approve the Audited Trustee's Report and Accounts for 2015/16 and note that these would be submitted to the External Auditor by 30 September 2016.
- 2) To note that any relevant commentary on the Charitable Trusts had been included in the External Auditor's Annual Report on the 2015/16 audit detailed in Appendix 1 of the report.

- 3) To note that the Charitable Trusts Investments had been invested with the COIF Charities Investment Fund managed by CCLA.

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

## **11. Revenue and Capital Budget Framework 2016/20 – mid-year review**

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Details were provided of the progress that had been made with delivering approved savings. The report advised of a number of changes to budget framework assumptions, including revisions to grant funding projections and an increase in the level of demographic provision.

### **Decision**

- 1) To note the report in the context of considering the Council's revenue and capital budget framework.
- 2) To note that, subject to management of risks and pressures and the identification of mitigating measures and/or alternative savings to offset projected shortfalls in delivery in three specific cases, the budget framework remained balanced in 2017/18 and 2018/19.
- 3) To note the intention to engage on a reduced number of key "themes" as part of a wider consultation on the Council's Transformation Programme.
- 4) To authorise Executive Directors to take forward any remaining detailed planning and development of the savings proposals contained within the budget framework including, where relevant to a savings proposal, planning, development and consultation in accordance with the Council's Organisational Review procedure.

(References – Finance and Resources Committee, 18 August 2016 (item 13); report by the Acting Executive Director of Resources, submitted)

## **12. Internal Audit Quarterly Update Report: 1 January 2016 – 31 March 2016 – referral report from the Governance, Risk and Best Value Committee**

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The Governance, Risk and Best Value Committee on 23 June 2016 considered a report which detailed the Internal Audit Progress for the period 1 January 2016 to 31 March 2016. The report was referred to the Finance and Resources Committee for information.

### **Decision**

To note the audit reports with high risk findings concerning Governance Arrangements for Arms Length Companies and Continuous Controls for One Time Payments.

(References - Governance, Risk and Best Value, 23 June 2016 (Item 7); report by the Acting Executive Director of Resources, submitted)

### **13. Provision of a Stair Cleaning Service to Domestic Properties from 2016 - 2020**

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Approval was sought for the appointment of a framework agreement for the provision of Stair Cleaning Services to Domestic properties.

#### **Decision**

- 1) To approve the appointment of a framework agreement for the provision of the city wide stair cleaning service to domestic properties, to the three named service providers listed in paragraph 3.6 of the report.
- 2) To approve the award of a contract to the first ranked supplier, ISS UK Ltd.
- 3) To note the framework and contract would operate for an initial period of two years from November 2016 to 2018, with the option to extend for up to a further 24 months.
- 4) To note that the service charge to tenants for the remainder of 2016/17 would be frozen at £2.19 per week.

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

### **14. Award of Contract for the Supply and Delivery of Aluminium Street Lighting Columns**

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Approval was sought for the award of a contract for the supply and delivery of aluminium street lighting columns to Mallatite Limited following a mini-competition utilising the Scotland Excel Street Lighting Materials Framework (Lot 5 – Aluminium Columns and Poles).

#### **Decision**

To approve the award of contract for the supply and delivery of aluminium steel lighting columns to Mallatite Limited for a duration of two years, with the option to extend for an additional 12 months.

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

### **15. Proposed Lease Extension at Unit 2, 72-78 Niddrie Mains Road, Edinburgh**

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Committee considered a report that sought approval to grant a ten year lease extension to William Hill (Scotland) Limited for premises at 72-78 Niddrie Mains Road, Edinburgh.

#### **Decision**

To approve a 10 year lease extension to William Hill (Scotland) Limited of retail premises at Unit 2, 72-78 Niddrie Mains Road, 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.)

## **16. Proposed New Lease at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh**

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Approval was sought for a new 15 year lease at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh, to Fire Prevention Works Limited to allow a running programme of upgrading works to its unit and provide long term security of tenure.

### **Decision**

To approve a new 15 year lease to Fire Prevention Works Limited of business premises at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh on the terms outlined in the report and conditions to be agreed by the Acting Executive Director of Resources.

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



# Item 5.1 - Business bulletin

## Finance and Resources Committee

**10.00am, Thursday, 3 November 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"> <li>▪ Cllr Adam McVey</li> <li>▪ Cllr David Walker</li> <li>▪ Cllr Denis Dixon</li> <li>▪ Cllr Paul Edie</li> <li>▪ Cllr Gavin Corbett</li> <li>▪ Cllr Iain Whyte</li> <li>▪ Cllr Joan Griffiths</li> <li>▪ Cllr Ricky Henderson</li> <li>▪ Cllr Paul Godzik</li> <li>▪ Cllr Allan Jackson</li> <li>▪ Cllr Bill Henderson</li> <li>▪ Cllr Andrew Burns (ex officio)</li> <li>▪ Cllr Frank Ross (ex officio)</li> </ul>	<p><a href="#">Veronica Macmillan</a> Committee Officer Tel: 0131 529 4283</p> <p><a href="#">Joanna Hamilton-Rigg</a> Departmental Adviser Tel: 0131 529 5219</p>

Recent news	Background
<p><b>Warp-It</b></p> <p>Recognising the potential to deliver both significant environmental benefits and substantial cost savings, earlier this year the Council subscribed to the <i>Warp-It</i> web portal which facilitates the re-use of surplus office furniture, equipment and other resources across the public sector.</p> <p>While the majority of existing items, including ICT equipment, classroom and library equipment have been transferred to the new premises, in early August the portal was used on a pilot basis to publicise remaining items from the former Portobello High School initially to the wider school community. Close working between Commercial and Procurement Services and members of the Accommodation Planning Team saw many of these quickly claimed by other schools looking to replace worn or broken items. Re-use of items in this way reduces spend on new equipment, decreases the volume of waste sent to landfill (and associated landfill tax) and lessens the Council’s wider carbon footprint.</p>	<p>Contact: Tammy Gillies, Acting Commercial and Procurement Services Manager, <a href="mailto:tammy.gillies@edinburgh.gov.uk">tammy.gillies@edinburgh.gov.uk</a> tel: 0131 529 4930</p>

Working with city-based charity *Chance for Africa*, 1,000 surplus chairs and 1,000 tables have been transported to Ghana where they will greatly improve pupils' learning experience. A further 1,300 items, including smart boards and projectors, have been claimed by schools across the city, with 280 more, mainly tables and chairs, distributed to local voluntary groups. Taken together, re-use of these existing items has saved the Council and other organisations over £325,000, as well as avoiding over 208 tonnes of CO<sub>2</sub> emissions associated with the manufacture and delivery of new items and diverting over 55 tonnes of waste from recycling and landfill.

Building on the success of the pilot, the portal will shortly be launched to users across the Council. It is also planned to use it to support the decommissioning of Boroughmuir High School in 2017, publicising surplus equipment to a wider range of partners across the city.

### **Forthcoming activities**

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# Item 6.1 - Key Decisions Forward Plan

## Finance and Resources Committee

[3 November 2016 – 1 December 2016]

Item	Key decisions	Expected date of decision	Wards affected	Director and Lead Officer	Coalition pledges and Council outcomes
1.	Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Tammy Gillies</a> , Delivery and Pipeline Manager	
2.	Re-employment and re-engagement of staff – (B Agenda)	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Katy Miller</a> , Head of Human Resources	
3.	Property Conservation Quarterly Update – (Business Bulletin)	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Andrew Field</a> , Head of Edinburgh Shared Repairs	
4.	St Stephen's Court Refurbishment	1 December 2016		Paul Lawrence, Executive Director of Place  Lead Officer: <a href="#">Alex Burns</a> , Edinburgh Building Services Manager	
5.	Homelessness Prevention Commissioning Plan – Extension of	1 December 2016		Michelle Miller, Chief Social Work Officer	



Item	Key decisions	Expected date of decision	Wards affected	Director and Lead Officer	Coalition pledges and Council outcomes
	contract and procurement options			Lead Officer: <a href="#">Nicky Brown</a> , Homelessness and Housing Support Manager	
6.	Proposed 30 year lease at 32 Market Street, Edinburgh	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Mark Bulloch</a> , Senior Estate Surveyor	
7.	Proposed new Lease at 173-175 Canongate	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Iain Lamont</a> , Senior Estate Surveyor	
8.	Temporary Accommodation for Homelessness	1 December 2016		Michelle Miller, Chief Social Work Officer  Lead Officer: <a href="#">Nicky Brown</a> , Homelessness and Housing Support Manager	
9.	Property Transactions concluded under Delegated Authority	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Graeme McGartland</a> , Senior Estate Surveyor	
10.	Managing Workforce Change – Workforce Dashboard	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Katy Miller</a> , Head of Human Resources	
11.	Leith Partnership Centre	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Lindsay Glasgow</a> , Asset	

Item	Key decisions	Expected date of decision	Wards affected	Director and Lead Officer	Coalition pledges and Council outcomes
				Strategy Manager	
12.	Transformation Programme Update	1 December 2016		Andrew Kerr, Chief Executive  Lead Officer: <a href="#">Kirsty-Louise Campbell</a> , Acting Head of Strategy and Insight	
13.	Breast Screening Clinic – Ardmillan Terrace Update	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Debbie Scott</a> , Senior Estate Surveyor	
14.	Lease Extension – Care Home at 23-27 Gylemuir Road	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Veronica Ross</a> , Senior Estates Surveyor	
15.	Housing Property Repairs and Maintenance Award of Framework Agreement	1 December 2016		Paul Lawrence, Executive Director of Place  Lead Officer: <a href="#">Alex Burns</a> , Edinburgh Building Service Manager	
16.	Proposed Sale of Land at 135 Redford Road, Colin	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Craig Dalgliesh</a> , Estates Surveyor	
17.	The Venchie, Niddrie Mains Terrace, New Lease	1 December 2016		Hugh Dunn, Acting Executive Director of Resources  Lead Officer: <a href="#">Peter Watton</a> , Acting Head of Corporate Property	

Item	Key decisions	Expected date of decision	Wards affected	Director and Lead Officer	Coalition pledges and Council outcomes
18.	Award of Contracts – Innovative Approaches to the Delivery of Care at Home Services	1 December 2016		Rob McCulloch Graham, Chief Officer, Health and Social Care  Lead Officer: <a href="#">Chris Whelan</a> , Contract Manager	

# Item 6.2 - Rolling Actions Log

## Finance and Resources Committee

29 October 2015 – 29 September 2016

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	RAG Status	Comments
1	29-10-15	<a href="#">Redhall House and Lawn - Progress Report</a>	To request an update report was brought to the Finance and Resources Committee at conclusion of the planning process.	Acting Executive Director of Resources	Feb 2017		A	An update report would be provided at the conclusion of the appeal process for the Redhall House planning application – ongoing.

2	18-08-16	<a href="#">Re-employment and Re-engagement of Staff</a>	To agree that a B agenda report would be brought back to Committee in November 2016 dealing with the exceptional circumstances surrounding the re-employment of staff within less than a year of leaving the Council and the policy related to this.	Acting Executive Director of Resources	3 November 2016		<b>A</b>	<b>Report would be considered by the Finance and Resources Committee on 3 November 2016 – ongoing.</b>
3	18-08-16	<a href="#">Property Repairs and Maintenance Contract Update</a>	To agree that the internal audit report would be circulated to all elected members of the Council by Committee Services.	Committee Services	As soon as possible		<b>A</b>	<b>Ongoing</b>

4	18-08-16	<a href="#">Contract Award Under Urgency procedure - Edinburgh Schools - Schools Transport</a>	<p>1) To agree that the Executive Director of Resources would investigate why local bus companies were not recruited.</p> <p>2) To agree that a report would be brought back to Committee with details of all costs required to be recovered in relation to schools.</p>	Acting Executive Director of Resources/ Acting Executive Director of Communities and Families	As soon as possible	Nov 2016	<b>A</b>	<b>A report would be brought back to the F+R Committee on 3 November 2016 – ongoing.</b>
5	18-08-16	<a href="#">Edinburgh Shared Repairs Service - Evaluation of the Pilot</a>	<p>1) To agree that a detailed list of how the legislation related to Property Conservation could be improved would be produced and fed back to the Scottish Government.</p> <p>2) To agree that issues related to Property Conservation would be considered at a future meeting of the Property Sub-Committee.</p>	Acting Executive Director of Resources	As soon as possible	Dec 2016	<b>G</b>	<b>A report was considered by the Property Sub-Committee on 3 October 2016 – closed.</b>

6	18-08-16	<a href="#">Proposed 10 year lease at 86-88 Niddrie Mains Road, Edinburgh</a>	To continue the report to the November Committee (or to bring back the report sooner, if possible) to allow community groups to be consulted on options for the lease of 86-88 Niddrie Mains Road and for the development of a business case for a possible CCTV community hub.	Acting Executive Director of Resources	3 November 2016 or sooner if possible	Nov 2016	<b>A</b>	<b>Report to be considered by the Finance and Resources Committee on 3 November 2016 – ongoing.</b>
7	18-08-16	<a href="#">Proposed sale of site Ardmillan Terrace, Edinburgh</a>	To continue the report to allow discussion between the Chief Executive of the Council and the Chief Executive of the NHS to resolve outstanding issues.	Chief Executive/ Acting Executive Director of Resources		Dec 2016	<b>A</b>	<b>Ongoing</b>
8	08-09-16	<a href="#">Managing Workforce Change - Workforce Dashboard</a>	To agree that an extract of information on reviews from the Transformation Programme Progress report should be circulated to elected members as a briefing note.	Chief Executive/ Acting Executive Director of Resources	As soon as possible		<b>A</b>	<b>Ongoing</b>

9	08-09-16	Lease at Tron Kirk, Edinburgh (B agenda item)	<ol style="list-style-type: none"> <li>1) To agree that the internal audit review referred to in paragraph 3.9 be reported back to Committee as soon as it was completed.</li> <li>2) To agree that the Acting Head of Corporate Property and the Interim Head of Legal and Risk would investigate the various breaches in relation to the lease of the Tron Kirk since November 2015 and to confirm that these has been followed through.</li> <li>3) To agree that the Interim Head of Legal and Risk would discuss improving working arrangements between Corporate Property, Legal and Regulatory departments at the Corporate Leadership Team meeting.</li> </ol>		As soon as possible		<b>A</b>	<b>Ongoing</b>
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10	29-09-16	<a href="#">The CEC - Report to those Charged with Governance on the 2015/16 Audit - referral from GRBV Committee</a>	Briefing note to be circulated providing a comparison of the real term costs associated with staff leaving.	Acting Executive Director of Resources /Head of HR	As soon as possible	19 Oct 2016	<b>G</b>	<b>Briefing note circulated to members on 19 October 2016 – closed.</b>
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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 3 November 2016

## Managing Workforce Change – Workforce Dashboard

Item number 7.1  
Report number  
Executive/routine  
Wards

### Executive summary

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The attached Workforce Dashboard provides monitoring information on:

- the number of employees exiting the organisation through voluntary severance arrangements;
- the associated annualised cost savings;
- the number of staff accessing support / Career Transition Service;
- the number of surplus staff and associated costs; and
- a summary of the latest available information on Council wide staffing numbers, sickness absence, agency expenditure and vacancies.

This information is based on the Workforce Dashboard dated 14 October 2016

### Links

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Coalition pledges [P25](#), [P26](#), [P27](#), [P29](#) & [P30](#)  
Council outcomes [CO24](#), [CO25](#), [CO26](#) & [CO27](#)  
Single Outcome Agreement

## Managing Workforce Change – Workforce Dashboard

### 1. Recommendations

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- 1.1 To note progress made to date.

### 2. Background

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- 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 Voluntary Early Release Arrangements (VERA) and Voluntary Redundancy (VR).

### 3. Main report

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- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 14 October 2016, four organisational reviews were currently underway across the Council involving 2838 staff.
- 3.2 In summary the findings detail:
- People totalling 768.2fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £29m annualised cost savings;
  - 103 people were recorded as being surplus at 14 October 2016 representing an annual salary cost of £3.97m. However, 25 of these people have been redeployed into temporary posts, 26 have a future VR leaving date leaving 52 who are currently not redeployed into a funded post;

- Of the 25 in temporary posts, nine are being re-trained as social workers, five are in externally funded posts as Active Schools Co-ordinators until 2019 and 11 have posts with the Council; and
  - The Career Transition Service has supported a total of 1058 staff. This includes 535 one to one meetings with individuals to discuss their needs, 662 who have undertaken interview skills training and 604 people who have taken advantage of the services provided by our out placement provider.
- 3.3 The latest available information on Council wide staffing numbers, sickness absence and agency expenditure is as reported at August 2016.

## **4. Measures of success**

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

## **5. Financial impact**

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- 5.1 The confirmed reductions from voluntary severance arrangements will achieve recurring annualised cost savings (including national insurance and pensions) of £29m.

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

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- 6.1 The voluntary severance 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.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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- 8.1 There is no sustainability impact of this report.

## **9. Consultation and engagement**

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

## 10. Background reading/external references

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[Managing workforce change – workforce dashboard – Report to Finance and Resources, 8 September 2016](#)

[Managing workforce change – workforce dashboard – Report to Finance and Resources, 29 September 2016](#)

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### Links

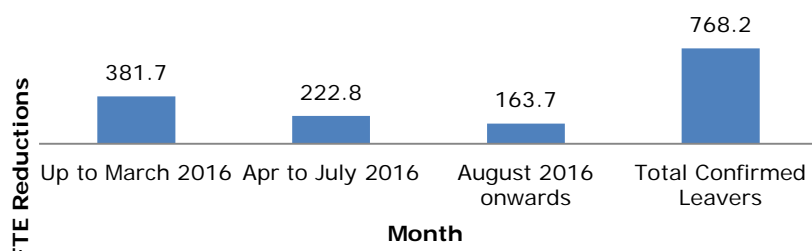
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<b>Coalition pledges</b>	<p>P2 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development</p> <p>P26 - Establish a policy of no compulsory redundancies,</p> <p>P27 - Seek to work in full partnership with Council staff and their representatives</p> <p>P29 - Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work</p> <p>P30 - Continue to maintain a sound financial position including long-term financial planning</p>
<b>Council outcomes</b>	<p>CO24 – The Council communicates effectively internally and externally and has an excellent reputation for customer care</p> <p>CO25 – The Council has efficient and effective services that deliver on objectives</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>
<b>Single Outcome Agreement</b>	
<b>Appendices</b>	<p>Appendix 1 – Workforce Dashboard - Transformation Programme Summary</p>

## Organisational review summary

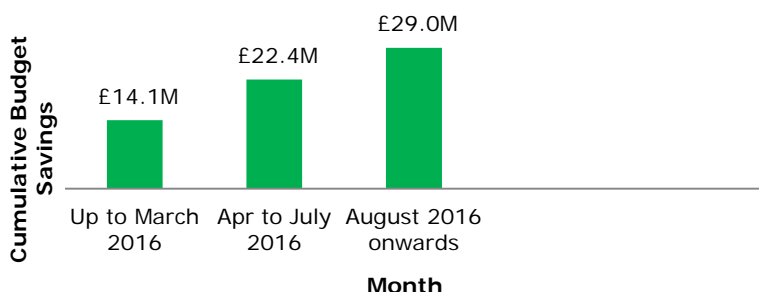
2838 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

## VERA/VR leaver reductions (FTE)



People accounting for a total of **768.2 FTE** are confirmed as leaving the Council under VERA and VR arrangements.

## Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed **768.2 FTE** reductions from VERA and VR will achieve recurring savings of £29M.

The one off VR/VERA and pension strain cost for those cases is £33.7m and the overall payback period is 13.9 months, which is in line with planning assumptions.

## Employee support / Career Transition Service

	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016
Number of people in review	4641	3681	3661	3661	2288	2838

There continues to be uptake of support through the Career Transition Service as organisational reviews progress.

Support	No to date
No of staff accessed CTS	1058
1:1's	535
Attended interview skills training	662
Requested access to online registration for Right Everywhere access	604

We continue to encourage all staff on redeployment to engage with CTS for support.

## Redeployment – number of people and cost

	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016
Number of people on register	71	63	89	100	111	103
Annual salary cost	£3.1M	£2.9M	£3.8M	3.97m	4.45m	£3.97m
Monthly Salary Cost						£331,183
Monthly Salary Cost (excluding those in funded posts)						£255,868
Monthly Salary Cost for those on register for over 3 months (not currently redeployed)						£78,726
Surplus – not currently redeployed	33	28	55	55	53	52
Temporarily redeployed into a funded post	38	35	23	22	23	25
Accepted VR with future leaving date			11	23	35	26

**103 staff** are now recorded as being surplus, representing an annual salary cost of **£3.97m**

Those not currently redeployed into a position (52) represent annual salary costs of £1.91m. This represents an decrease of £67,000 since the last dashboard.

Out of the 25 in funded posts, 9 people are Social Work Trainees and 5 are in externally funded posts until 2019.

See Appendix One for further analysis.

## Workforce Dashboard Summary

The information presented within this paper reflects the latest available information from the monthly Workforce dashboard.

### Staff Numbers

	FTE	Headcount	Pay Bill
June 15	15,330	19,249	£405.4M
April 16	14,883	18,648	£400.6M
May 16	14,765	18,577	£397.2M
June 16	14,582	18,454	£393.6M
July 16	14,334	18,152	£387.8M
August 16	14,050	18,462	£380.9M

As at end August 2016, a total of 14,050 full time equivalent staff were employed by the Council. This figure includes 13,086 permanent fte.

Headcount increased within Communities and Families while FTE decreased. This is due to supply staff which have zero fte

This represents a drop in FTE of 1487 in the period from May 2015 to August 2016.

### Sickness absence

	12 month rolling average
May 15	5.01%
June 15	5.07%
March 16	4.88%
April 16	4.93%
May 16	4.98%
June 16	5.08%
July 16	5.12%
August 16	5.13%

A total of 5.13% of working days in the 12 months to August 2016 were lost to sickness absence.

This figure continues to rise against the backdrop of transformational change.

A briefing paper was prepared and circulated wk commencing 19 September 2016.

### Agency expenditure

	Adecco Agency Expenditure
May 15	£1.13M
June 15	£900.5K
August 15	£914.3K
March 16	£988.1K
April 16	£816.9K
May 16	£1.04M
June 16	£1.06M
July 2016	£877.2K
August 16	£942.3K

Agency expenditure covers the period May 2015 to August 2016.

Data recorded here refer to agency expenditure recruited through Adecco, the Council's contracted provider of temporary agency workers.

The majority of spend is with Customer and Place and we expect these numbers to reduce as and when the reviews are complete.

### Vacancies

Number of roles	Contract Type
24	Fixed term
59	Permanent

As at 14 October 2016 we have 83 live vacancies.

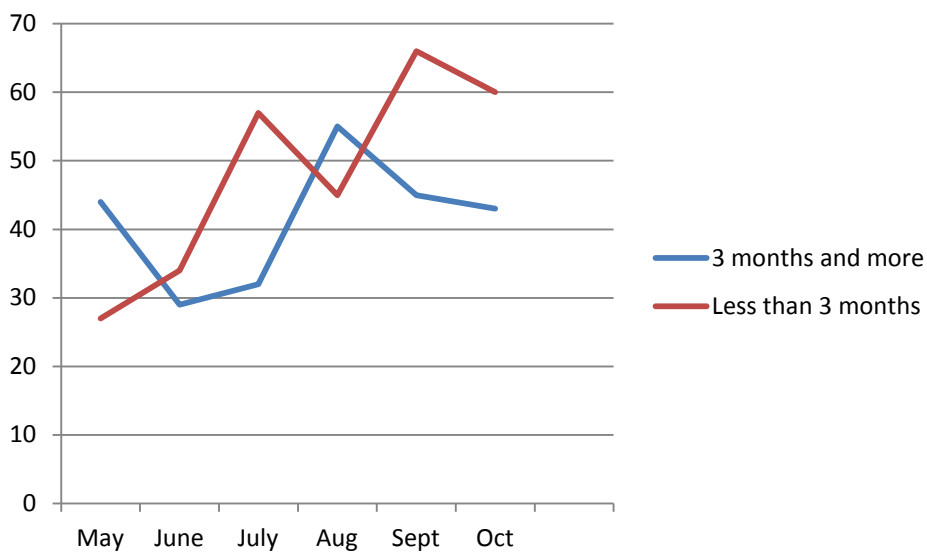


## Appendix One - Workforce Dashboard – Summary – 14 October 2016

The graph below provided details of ALL staff on the redeployment register for less than, or more than, three months during the months May to September 2016.

	May	June	July	Aug	Sept	Oct
3 months and more	44	29	32	55	45	43
Less than 3 months	27	34	57	45	66	60
Total Cases	71	63	89	100	111	103

	May	June	July	Aug	Sept	Oct
3 months and more	62.0%	46.0%	36.0%	55.0%	40.5%	41.75%
Less than 3 months	38.0%	54.0%	64.0%	45.0%	59.5%	58.25%



# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Living Wage Accreditation

Item number	7.2
Report number	
Executive/routine	
Wards	All

### Executive Summary

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On 28 September 2016, the City of Edinburgh Council received formal accreditation from the Scottish Living Wage Accreditation Initiative.

This recognises that the Council currently pays all employees at or above the current Living Wage Foundation Rate of £8.25 per hour and has made a commitment to work with its providers and contractors to ensure their employees are also paid the Living Wage Foundation Rate (Living Wage).

The Council is one of ten local authorities accredited in Scotland.

### Links

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Coalition Pledges	<a href="#">P25</a> , <a href="#">P28</a>
Council Priorities	<a href="#">CP1</a> , <a href="#">CP2</a> , <a href="#">CP3</a> , <a href="#">CP4</a> , <a href="#">CP5</a> , <a href="#">CP6</a> , <a href="#">CP7</a> , <a href="#">CP8</a>
Single Outcome Agreement	

## Living Wage Accreditation

### 1. Recommendations

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- 1.1 The Finance and Resources Committee is asked to note the contents of this report.

### 2. Background

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- 2.1 The Living Wage is set nationally, currently at £8.25 per hour in Scotland and for the whole of the UK, outside of London. The Living Wage is based on the cost of living. The Living Wage is reviewed each year and the new rate is announced late October/early November during Living Wage Week. This year the announcement will be made on 31 October. The Living Wage is a discretionary rate and should be distinguished from the statutory National Living Wage (NLW) currently set at £7.20 per hour for over 21s.
- 2.2 As part of the Capital Coalition Pledges, the Council introduced the Living Wage for all Council employees from 1 January 2013.
- 2.3 To become an accredited Living Wage employer, an organisation must consider more than its own workforce. Any regularly contracted staff working for the Council but not directly employed by it on premises owned or controlled by the Council or providing care at home, homecare or domiciliary social care services should also be paid the Living Wage. The Council has further committed to encouraging the wider adoption of the Living Wage amongst contractors.
- 2.4 Several pilots to encourage the Living Wage and other favourable workforce related conditions through the tender process were agreed at the Finance and Resources Committee in February 2015, with the results of the pilots reported in January 2016.

### 3. Main report

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- 3.1 On 28 September 2016, the City of Edinburgh Council received formal accreditation from the Scottish Living Wage Accreditation Initiative.
- 3.2 This recognises that the Council has committed to providing for Edinburgh's economic growth and prosperity. The Coalition Pledges include a commitment to: "introduce a Living Wage for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development." Living Wage accreditation means that the Council:

- 3.2.1 pays its employees over the age of 18, with the exception of apprentices and interns, the Living Wage and this will increase by the same amount as any increase to the Living Wage, within six months of the date any increase is officially announced (the new rate will have been announced shortly following the publication of this report on 31 October); and
  - 3.2.2 has agreement with its contractors which are 'in scope' i.e. "provide a service to or on the behalf of the Council involving two or more hours of work in any given day in a week, for eight or more consecutive weeks" to pay their employees a Living Wage; or
  - 3.2.3 there is a plan in place with 'in scope' contractors with agreed milestones to bring them up to the Living Wage within an agreed timescale, where those employees work on premises owned or controlled by the Council or in the provision of care and support services.
- 3.3 In Council tenders potential contractors are asked whether they pay staff a minimum of the Living Wage which prior to November 2016 was £8.25 per hour.
  - 3.4 The UK rate is set annually by the Living Wage Foundation and calculated by the Centre for Research in Social Policy (CRSP) at Loughborough University.
  - 3.5 The calculation is based on the considered minimum income standard for the UK, a product of research by CRSP, funded by the Joseph Rowntree Foundation. The research looks in detail at what households need in order to have a minimum acceptable standard of living. Decisions about what to include in this standard are made by groups comprising members of the public. The Living Wage is therefore based on a general consensus about what people need to make ends meet.
  - 3.6 Each year the uprating of the Living Wage takes account of rises in living costs and certain changes that people define as a 'minimum'. It also takes some account of what is happening to wages generally, to prevent a situation where Living Wage employers are required to give pay rises that are too far out of line with general pay trends.
  - 3.7 The Council has also been examining for the last six months those contractors in scope who may not pay their employees a Living Wage. Around 800 employees are expected to benefit initially. In applying for accreditation the Council has committed to agree milestones to address the non payment of Living Wage. These milestones are either based upon agreements with contractors or contract expiry dates.
  - 3.8 The Council has committed to encouraging the wider adoption of the Living Wage amongst contractors. In support of this commitment several pilots to encourage the Living Wage and other favourable workforce related conditions through the tender process were carried out. Since that time the benefits convinced the Council of the advantages of becoming accredited and encouraging all Council contractors to pay a minimum of a Living Wage.
  - 3.9 In order to further encourage providers to pay a Living Wage and improve working conditions for employees a Fair Work question is included in the tender process

where there is likely to be a direct relationship between the pay and conditions of employees and the quality of service delivered. The question is based on the 'Statutory Guidance on the Selection of Tender and Award of Contracts addressing fair work practices, including the Living Wage in Procurement' (released by the Scottish Government in October 2015). By giving the Fair Work component a meaningful weighting in the overall scoring of the tender allows for favourable terms and conditions including pay, holidays and training to be evaluated and influence the quality score of a potential provider's bid.

#### **4. Measures of success**

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- 4.1 All City of Edinburgh Council staff are paid the Living Wage.
- 4.2 Employees of organisations contracted to work with the City of Edinburgh Council and in scope are paid the Living Wage.
- 4.3 Evidence of improved service provision and staff retention for Council services.

#### **5. Financial impact**

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- 5.1 The projected additional cost of uplifting the Living Wage cannot be accurately predicted as it will generally be introduced at the stage of changing providers. Initial modelling based upon the pilot projects and the Scottish Government catering contract, is suggesting an additional 6-9% over and above what current providers are paid, where the majority of costs are based on employee costs and a considerable proportion of the employees are currently paid below a Living Wage. Any additional costs from adopting this approach would need to be accepted by the Council in future costs. However improvements in staff retention and delivery may in future persuade contractors to absorb these costs.
- 5.2 For adult social care contracts, an allocation has been included within the recently-introduced Health and Social Care Fund to meet the first six months' costs of Living Wage implementation across voluntary and private providers (effective from 1 October 2016). The position in respect of subsequent years will form part of negotiations around the 2017/18 Local Government Finance Settlement.

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

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- 6.1 There is a risk of a successful legal challenge if the Council were to fail to have regard to what Fair Work practices statutory guidance.
- 6.2 The Council cannot require a contractor to pay a minimum of the Living Wage as this is not a statutory requirement. However this can be evaluated as part of the quality element on fair working practices where relevant to service delivery.
- 6.3 There is a significant risk of increased financial burden for the Council if all or part of the increased costs to contractors are passed on to the Council. This may be in

part mitigated by improved service provision, improved retention and therefore consistency of staff, particularly important in the provision of care, and part of the solution in addressing poverty and inequalities.

## **7. Equalities impact**

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- 7.1 An increase to the Living Wage for the employees of Council providers positively impacts upon employees currently paid less than the Living Wage.

## **8. Sustainability impact**

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- 8.1 Following the statutory guidance and taking further steps to encourage payment of the Living Wage is likely to encourage Council providers to improve the workforce conditions of their employees.

## **9. Consultation and engagement**

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- 9.1 To date there has been a number of surveys with the Council's top providers in terms of spend. There has also been engagement with care providers in connection with the national care homes contract and care at home contracts. All recent tenders include an explanation of the Council's commitment to the Living Wage and a question as to whether providers currently pay the Living Wage.

## **10. Background reading/external references**

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- 10.1 <http://scottishlivingwage.org/>

10.2 Item 7.3 Living Wage and Workforce Related Matters in Procurement Update, Finance and Resources Committee 14 January 2016

[http://www.edinburgh.gov.uk/download/meetings/id/49394/item\\_73 -  
\\_living\\_wage\\_and\\_workforce\\_related\\_matters\\_in\\_procurement\\_update](http://www.edinburgh.gov.uk/download/meetings/id/49394/item_73_-_living_wage_and_workforce_related_matters_in_procurement_update)

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## 11. Links

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### **Coalition Pledges**

P25 - Introduce a “living wage” for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development  
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 Priorities**

CP1 – Children and young people fulfil their potential  
CP2 – Improved health and wellbeing: reduced inequalities  
CP3 – Right care, right place, right time  
CP4 – Safe and empowered communities  
CP5 – Business growth and investment  
CP6 – A creative, cultural capital  
CP7 – Access to work and learning  
CP8 – A vibrant, sustainable local economy

### **Single Outcome Agreement**

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

### **Appendices**

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Capital Monitoring 2016/17 – Half year position

Item number	7.3
Report number	
Executive/routine	
Wards	

### Executive Summary

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The month five position shows that the Council is projecting to borrow £63.698m and will be in receipt of grants and capital income amounting to £100.877m. Together this will fund projected capital investment of £164.575m. The level of borrowing is projected to be £1.235m less than budget based on both the net impact of a small deficit in capital receipts / grant income and slight slippage on gross expenditure.

### Links

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Coalition Pledges	<a href="#">P3</a> ; <a href="#">P8</a> ; <a href="#">P30</a> ; <a href="#">P31</a> ; <a href="#">P33</a> ; <a href="#">P42</a>
Council Priorities	CO1; CO16; CO20; CO23; CO25
Single Outcome Agreement	<a href="#">SO3</a> ; <a href="#">SO4</a>



## Capital Monitoring 2016/17 – Half year position

### 1. Recommendations

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- 1.1 Members of the Finance and Resources Committee are requested to:
- 1.1.1 Note the projected capital outturn positions on the General Fund and HRA at month five;
  - 1.1.2 Note the prudential indicators at month five;
  - 1.1.3 Note the proposed prudential borrowing for Mortonhall Crematorium refurbishment investment, and remit to Council for approval on 24 November 2016; and
  - 1.1.4 Refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

### 2. Background

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

### 3. Main report

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

	<b>Outturn Variance at Month Five £000</b>	<b>Outturn Variance at Month Three £000</b>	<b>Movement from Month Three £000</b>
Net (slippage)/acceleration in gross expenditure	(1,485)	0	(1,485)
Net (surplus)/deficit in capital receipts/grant income	250	0	250
<b>Net increase/(decrease) in borrowing requirement</b>	<b>(1,235)</b>	<b>0</b>	<b>(1,235)</b>

- 3.2 As presented in the table at 3.1 above, the month five position reports £1.485m of slippage in gross expenditure, compared to a balanced position at month three. At month five, capital receipt income projects a net deficit of £0.250m compared to a balanced position at month three. The net effect of the variances projected at month five is a reduction of £1.235m in the amount the Council requires to borrow corporately to support its capital programme relative to budgeted assumptions.
- 3.3 Explanations for significant slippage and accelerations projected at month five are presented in Appendix 2.

#### **Capital receipts/grant income**

- 3.4 A review of capital receipts from asset sales undertaken by Corporate Property and Finance estimates that net receipts of £18.743m will be realised in 2016/17, compared to a budget of £18.993m resulting in a receipts deficit of £0.250m. The decrease from the month three position relates to estimated fees in relation to these disposals such as associated marketing and legal costs.
- 3.5 Excluding costs of disposal and transfers to capital fund, receipts are projected to balance against budget in 2016/17. However, it should be noted that this is based on a small number of high value receipts that are due in the second half of the year. Therefore, there remains a risk that unforeseen and uncontrollable factors delay settlement of these and that this gross balanced position is not achieved. Colleagues within Corporate Property are closely monitoring the capital receipts position.

#### **Prudential Indicators**

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

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

- 3.7 The Housing Revenue Account is forecasting to balance to budget (no move from month three) as shown in Appendix 4. At month five, the forecast is gross expenditure of £44.334m (£44.334m at month three), capital receipts / grant income of £22.461m (£21.304m at month three) and prudential borrowing of £21.873m (£23.030m at month three). The 2016/17 borrowing requirement has reduced since month three due to an increase in capital receipt income based on an upsurge in sales as the Right to Buy scheme concludes.
- 3.8 Performance against budget is being closely monitored across the HRA capital programme. In order to mitigate against the potential of slippage, opportunities are currently being assessed to accelerate two contracts from the 2017/18 programme, should this be necessary.

### **Prudential borrowing**

- 3.9 Prudential borrowing of £0.3m is proposed to fund additional costs relating to the approved Mortonhall Crematorium refurbishment programme. The borrowing will directly part fund a package of two new cremators and an associated mercury abatement system improving operational resilience of the crematorium. The associated loan charges over a five year period will result in a cost of £0.071m per annum to be funded by income generated by Scientific, Bereavement and Registration Services. As such, the cost of this prudential borrowing can be contained within existing Place revenue resources.

## **4. Measures of success**

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- 4.1 Completion of capital projects as budgeted for in the 2016/17 capital programme.
- 4.2 Identifying slippage at the earliest opportunity and accelerating projects where possible to ensure best use of available resources.

## **5. Financial impact**

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- 5.1 The projected 2016/17 general fund outturn outlines capital borrowing of £63.698m. The overall loan charges associated with this borrowing over a 20 year period would be a principal amount of £63.698m, interest of £41.466m, resulting in a total cost of £105.164m based on a loans fund interest rate of 5.1%. The loan charges will be interest only in the first year, at a cost of £1.644m, followed by an annual cost of £5.176m for 20 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 5.2 The loan charge costs outlined above can be met from this year's revenue budget for loan charges.

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

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- 6.1 Significant budget virements have complied with relevant financial rules and regulations.
- 6.2 Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.
- 6.3 Monitoring of major capital projects including risk assessment is carried out by colleagues within the Strategy and Insight division.

## 7. Equalities impact

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

## 8. Sustainability impact

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- 8.1 The impacts of the projects set out within the appendices of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account.
- 8.2 The proposals in this report will help achieve a sustainable Edinburgh because they are ensuring funding for key strategic projects that will enhance facilities and infrastructure in the city. A carbon impact assessment shall be carried out on each new project to achieve the most sustainable outcome for the city in each case.
- 8.3 The proposals in this report will increase the city's resilience to climate change impacts because they are securing funding for flood prevention projects.

## 9. Consultation and engagement

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

## 10. Background reading/external references

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- 10.1 None

### **Hugh Dunn**

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## 11. Links

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<b>Coalition Pledges</b>	<p>P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P30 – Continue to maintain a sound financial position including long-term financial planning</p> <p>P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure</p> <p>P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used</p> <p>P42 – Continue to support and invest in our sporting infrastructure</p>
<b>Council Priorities</b>	<p>CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed</p> <p>CO16 – Edinburgh draws new investment in development and regeneration</p> <p>CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and future of citizens</p> <p>CO23 – Well-Engaged and Well-Informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO25 – The Council has efficient and effective services that deliver on objectives</p>
<b>Single Outcome Agreement</b>	<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>
<b>Appendices</b>	<p>1 – Capital Monitoring 2016/17 – General Fund</p> <p>2 – Slippage / Acceleration on capital projects 2016/17</p> <p>3 – Prudential Indicators 2016/17</p> <p>4 – Capital Monitoring 2016/17 - HRA</p>

## Capital Monitoring 2016/17

### General Fund Summary

#### Period 5

Expenditure	Revised Budget £000	Adjusts £000	Total Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance £000 %	
Chief Executive	15,789	-	15,789	-	15,789	-	0.00%
City Strategy and Economy	397	-	397	91	397	-	0.00%
Communities and Families	45,781	-	45,781	16,453	44,296	(1,485)	-3.24%
Edinburgh Integration Joint Board Place	4,167	-	4,167	2,622	4,167	-	0.00%
Resources - Asset Management Works	83,362	5,628	88,990	18,891	88,990	-	0.00%
	10,936	-	10,936	4,708	10,936	-	0.00%
<b>Total Gross Expenditure</b>	<b>160,432</b>	<b>5,628</b>	<b>166,060</b>	<b>42,765</b>	<b>164,575</b>	<b>(1,485)</b>	<b>-0.89%</b>

#### Resources

<i>Capital Receipts</i>							
General Services	19,634	-	19,634	5,017	19,634	-	0.00%
Less additional receipt income to capital fund	(5,559)	-	(5,559)	-	(5,559)	-	0.00%
Ring-fenced asset sales	4,895	23	4,918	23	4,918	-	0.00%
Less Fees Relating to Receipts	-	-	-	-	(250)	(250)	
<i>Total Capital Receipts from Asset Sales</i>	<i>18,970</i>	<i>23</i>	<i>18,993</i>	<i>5,040</i>	<i>18,743</i>	<i>(250)</i>	<i>-1.32%</i>
Developer and other Contributions	7,468	2,444	9,912	1,675	9,912	-	0.00%
Capital Grants Unapplied Account drawdown	808	-	808	546	808	-	0.00%
<i>Total Capital Receipts</i>	<i>27,246</i>	<i>2,467</i>	<i>29,713</i>	<i>7,261</i>	<i>29,463</i>	<i>(250)</i>	<i>-0.84%</i>
<i>Grants</i>							
Scottish Government General Capital Grant	41,626	-	41,626	17,344	41,626	-	0.00%
Cycling, Walking and Safer Streets	540	-	540	-	540	-	0.00%
Management Development Funding	29,248	-	29,248	2,885	29,248	-	0.00%
<i>Total Grants</i>	<i>71,414</i>	<i>-</i>	<i>71,414</i>	<i>20,229</i>	<i>71,414</i>	<i>-</i>	<i>0.00%</i>
<b>Total Resources</b>	<b>98,660</b>	<b>2,467</b>	<b>101,127</b>	<b>27,490</b>	<b>100,877</b>	<b>(250)</b>	<b>-0.25%</b>

<b>Balance to be funded through borrowing</b>	<b>61,772</b>	<b>3,161</b>	<b>64,933</b>		<b>63,698</b>	<b>(1,235)</b>	<b>-1.90%</b>
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**CAPITAL MONITORING 2016/2017 - Period 5****Slippage and Acceleration on Projects**

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

**Key to variance category***Type*

1. Slippage due to unforeseen delays

2. Slippage due to optimistic budget

3. Slippage due to timing of payments

4. Acceleration on a project

*Explanation*

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

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

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

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

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

	<b>Period 5</b>	<b>Period 3</b>	<b>Movement between periods</b>	<b>Explanations for Significant Slippage / Acceleration</b>	<b>Variance Category</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>		
<b><u>Communities and Families</u></b>					
Early learning and childcare estate improvements	-1,085	0	-1,085	Due to tender submission stage taking longer than originally envisaged.	2
Duncan Place improvement	-400	0	-400	Delay in contract start due to requirement for value engineering exercise to bring project in line with available budget.	1
<b>Total Communities and Families</b>	<b>-1,485</b>	<b>0</b>	<b>-1,485</b>		

	Period 5 £000	Period 3 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<b>Total for all Services</b>	<b>-1,485</b>	<b>0</b>	<b>-1,485</b>		
<b>Summary of Variance Category</b>					
			Movement between periods		
1. Slippage due to unforeseen delays	-400	0	-400		
2. Slippage due to optimistic budget	-1,085	0	-1,085		
3. Slippage due to timing of payments	0	0	0		
4. Acceleration on a project	0	0	0		
	<b>-1,485</b>	<b>0</b>	<b>-1,485</b>		



**PRUDENTIAL INDICATORS 2016/17 - Period 5****Indicator 1 - Estimate of Capital Expenditure**

	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
	Estimate	Actual	Estimate	Forecast	Estimate	Forecast	Estimate	Forecast	Estimate	Forecast	Estimate	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children & Families	46,877	48,181	0	0	0	0	0	0	0	0	0	0
Corporate Governance	2,729	7,407	0	0	0	0	0	0	0	0	0	0
Economic Development	58	42	0	0	0	0	0	0	0	0	0	0
Health & Social Care	6,328	5,680	0	0	0	0	0	0	0	0	0	0
Services for Communities	76,616	77,149	0	0	0	0	0	0	0	0	0	0
SfC - Asset Management Programme	13,224	14,516	0	0	0	0	0	0	0	0	0	0
Other Capital Projects	259	3,014	0	0	0	0	0	0	0	0	0	0
Unallocated funding - indicative 5 year plan												
2019-2023 funding	0	0	0	0	0	0	0	0	7,000	7,000	7,000	7,000
Chief Executive	0	0	17,291	15,789	1,125	1,125	0	0	0	0	0	0
City Strategy and Economy	0	0	508	397	363	1,230	0	0	0	0	0	0
Communities and Families	0	0	50,436	44,296	7,595	24,549	10,184	12,984	14,766	6,709	558	165
Edinburgh Integration Joint Board	0	0	4,229	4,167	114	152	0	0	0	0	0	0
Place	0	0	98,896	88,990	72,101	92,026	30,719	32,154	24,201	72,698	19,834	19,835
Resources - Asset Management Works	0	0	24,044	10,936	11,035	12,944	8,436	8,334	19,173	29,097	14,000	14,000
Total General Services	146,091	155,989	195,404	164,575	92,333	132,026	49,339	53,472	65,140	115,504	41,392	41,000
Housing Revenue Account	38,253	35,626	48,508	44,334	65,708	65,708	76,500	76,500	84,794	84,794	85,022	85,022
Total	184,344	191,615	243,912	208,909	158,041	197,734	125,839	129,972	149,934	200,298	126,414	126,022

The 'estimate' figures relate to those reported in the prudential indicators as part of the budget motion in January 2016. Differences between these and the 'forecast' figures relate to further realignment and rephasing that has taken place as part of the revised budget process. Note that 2015/16 is presented in the former council structure whilst 2016/17 onwards represents the most up to date structure based on Council transformation.

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

	2015/16	2015/16	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
	Estimate	Actual	Estimate	Forecast	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%	%	%
General Services	12.03	11.51	12.00	12.00	11.94	11.66	11.55	N/A
Housing Revenue Account	35.40	37.31	36.64	34.11	39.33	40.73	42.49	44.60

Figures for 2017/18 onwards are indicative as the Council has not set a General Services or HRA budget for these years. The figures for General Services are based on the current long term financial plan that ends to 2019/20. HRA figures are based on the current business plan.

### Indicator 3 - Capital Financing Requirement

	2015/16 Estimate £000	2015/16 Actual £000	2016/17 Estimate £000	2016/17 Forecast £000	2017/18 Estimate £000	2017/18 Forecast £000	2018/19 Estimate £000	2018/19 Forecast £000	2019/20 Estimate £000	2019/20 Forecast £000	2020/21 Estimate £000	2020/21 Forecast £000
General Services (including finance leases)	1,317,584	1,275,213	1,297,933	1,269,014	1,260,004	1,268,917	1,191,945	1,205,843	1,133,225	1,198,283	1,064,001	1,130,286
Housing Revenue Account	374,029	357,602	377,947	362,890	387,821	375,552	406,950	397,684	437,419	431,267	474,861	470,427
Total	1,691,613	1,632,815	1,675,880	1,631,904	1,647,825	1,644,469	1,598,895	1,603,527	1,570,644	1,629,550	1,538,862	1,600,713

Forecasts include the capital financing requirement relating to PPP assets. Note that the difference between the estimated and actual figure in 15/16 is due to the EICC Atria receipt settling in 15/16 rather than in 16/17 as envisaged, leading to repayment of the outstanding capital advance on this and a reduction in the Capital Financing Requirement.

### Indicator 4 - Authorised Limit for External Debt

	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000	2020/21 Estimate £000	2020/21 Rev Est £000
Borrowing	1,591,015	1,591,015	1,617,379	1,617,379	1,630,954	1,630,954	1,558,749	1,558,749	1,507,508	1,507,508
Credit Arrangements	226,589	226,600	215,777	215,787	205,412	205,420	195,958	195,965	187,755	187,763
Total	1,817,604	1,817,615	1,833,156	1,833,166	1,836,366	1,836,374	1,754,707	1,754,714	1,695,263	1,695,271

Credit Arrangements includes both the short and long term liabilities relating to finance leases and PFI assets.

### Indicator 5 - Operational Boundary for External Debt

	2016/17 Estimate £000	2016/17 Rev Est £000	2017/18 Estimate £000	2017/18 Rev Est £000	2018/19 Estimate £000	2018/19 Rev Est £000	2019/20 Estimate £000	2019/20 Rev Est £000	2020/21 Estimate £000	2020/21 Rev Est £000
Borrowing	1,491,015	1,491,015	1,487,329	1,487,329	1,520,904	1,520,904	1,478,699	1,478,699	1,457,458	1,457,458
Credit Arrangements	226,589	226,600	215,777	215,787	205,412	205,420	195,958	195,965	187,755	187,763
Total	1,717,604	1,717,615	1,703,106	1,703,116	1,726,316	1,726,324	1,674,657	1,674,664	1,645,213	1,645,221

Credit Arrangements includes both the short and long term liabilities relating to finance leases and PFI assets.

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

	<b>2016/17</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Forecast</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
for the band "D" Council Tax	2.46	-1.86	9.17	-0.81	13.68	13.07	18.02	24.06	N/A	N/A
for the average weekly housing rents	-0.19	-0.22	-0.68	-0.78	-0.50	-0.60	0.55	0.44	3.50	3.39

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

The changes between the forecast and the original estimate reflect the realignment of the Capital Investment Programme reported to Finance and Resources Committee in August 2016.

**CAPITAL MONITORING 2016/17****Housing Revenue Account Summary****Period 5**

	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Variance	
				£000	%
Gross Expenditure	44,334	12,032	44,334	0	0.0%
Total Gross Expenditure	44,334	12,032	44,334	0	0.0%

<b>Resources</b>					
Capital Receipts	-4,183	-983	-7,444	-3,261	78.0%
Developers and Other Contributions	-11,847	-743	-6,572	5,275	0.0%
Specific Capital Grant	-5,274	-2,485	-8,445	-3,171	0.0%
Total Resources	-21,304	-4,211	-22,461	-1,157	5.4%

<b>Borrowing</b>					
Borrowing	23,030	7,821	21,873	-1,157	-5.0%
Total	23,030	7,821	21,873	-1,157	-5.0%

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Revenue Monitoring 2016/17 – half-year position

Item number	7.4
Report number	
Executive/routine	
Wards	

### Executive summary

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The report sets out the projected half-year revenue monitoring position for the Council, based on analysis of period five data. The current forecast points to a balanced overall position for the year. Attainment of this position is, however, contingent upon undertaking further actions required to deliver a number of approved savings and active management of significant risks and pressures.

### Links

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

# Report

## Revenue Monitoring 2016/17 – half-year position

### 1. Recommendations

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- 1.1 Members of the Finance and Resources Committee are asked to:
  - 1.1.1 note the balanced position forecast for the year;
  - 1.1.2 note the on-going risks and challenges across all service areas which will require further management actions and active and regular scrutiny for the remainder of the year;
  - 1.1.3 note the balanced position projected on the Housing Revenue Account (HRA) after making a £14.2m budgeted contribution towards housing investment; and
  - 1.1.4 refer this report to the Governance, Risk and Best Value Committee as part of its work programme.

### 2. Background

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- 2.1 This report sets out the projected overall position for the Council's revenue expenditure budget for 2016/17 at month six, based on analysis of period five data.

### 3. Main report

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- 3.1 This report represents the second of the quarterly revenue monitoring reports for 2016/17. On-going analysis of the revenue position is undertaken in line with agreed, risk-based principles, with any material changes reported in the intervening periods as required. Initial budget review and challenge meetings have been held and further sessions are planned. These have helped to enhance the focus on the prompt identification of, and development of appropriate mitigating action to address, service risks and pressures.

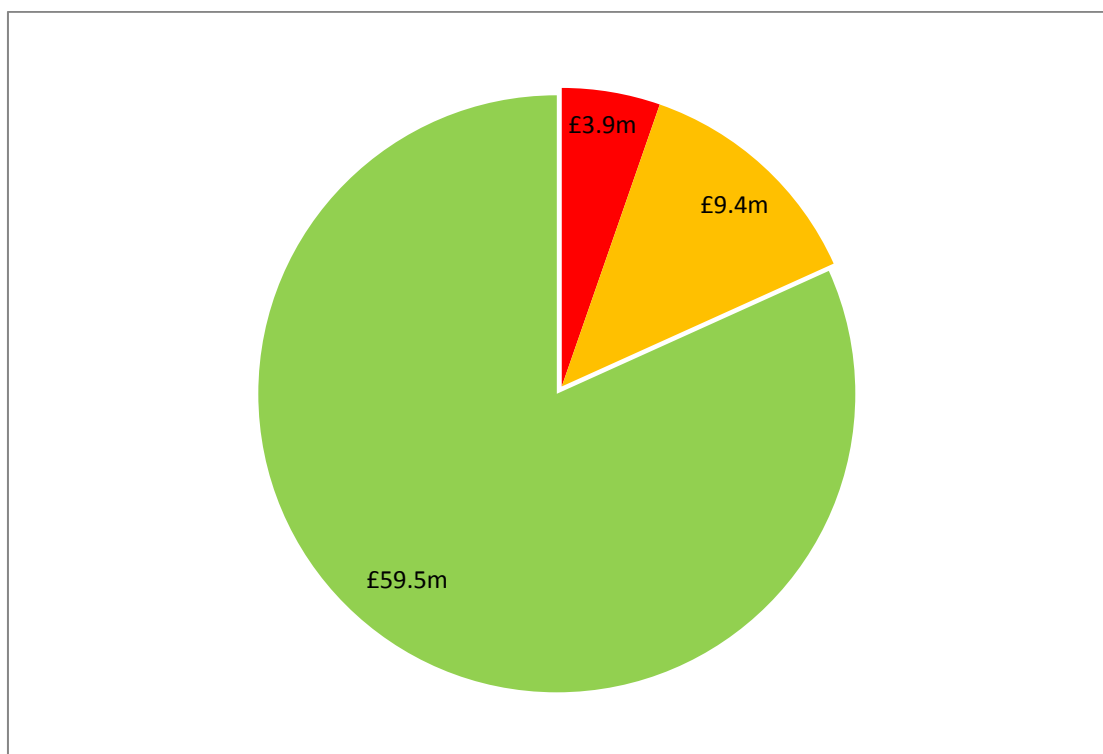
## Overall position

- 3.2 As of period six, the Council is projecting a balanced overall position, after taking account of available funding, projected delivery of approved savings, use of reserves and management of service risks and pressures. Services have identified a number of further challenges to attainment of this position, however, and delivery of savings and service pressures will therefore require sustained proactive management throughout the remainder of the year. A high-level service analysis, aligned to the Council's new structure, is included as Appendix 1.

## Savings delivery

- 3.3 Members will recall that approval of a balanced budget for 2016/17 was predicated on the delivery of around £70m of service-specific and corporate savings. As of September, the overall RAG assessment of these savings indicates that, on the basis of actions planned or already undertaken, some 95% are on target to be delivered in full as shown in the chart below.

### RAG assessment of approved budget savings, 2016/17 – September 2016



- 3.4 The red-assessed savings cover two specific approved proposals within Place and Health and Social Care respectively and these are shown in Appendix 2. Progress in the delivery of these savings, or where necessary alternative measures, will continue to be closely monitored, with regular updates shared with elected members. Where savings are being met other than by means of the approved measures, relevant details will continue to be reported to relevant Executive Committees.

- 3.5 The net effect of any risk of shortfall in delivery is reflected in the overall position as assessed by service areas in the following sections. Executive Directors also continue to manage a range of risks and pressures, the most material of which, alongside any identified mitigating actions, are included as Appendix 3.

### **Service-specific budgets - Communities and Families**

- 3.6 At period five, Communities and Families is experiencing budget pressure in many areas of the service including a number of challenges relating to the delivery of approved savings. Areas of significant budget pressure include secure care, out-of-Council residential care and fostering. The phasing and delivery of savings associated with the transformational review within Schools and Lifelong Learning will also result in temporary pressures in 2016/17 in advance of full delivery in 2017/18.
- 3.7 Many of the management actions identified are one-off in nature, meaning that while they assist greatly in addressing the immediate challenge in 2016/17, a permanent sustainable solution still needs to be identified.
- 3.8 In projecting a balanced budget position, Communities and Families is committed to identifying further mitigating management action to address the forecast pressures, including application of controls on vacancies and discretionary spend and utilisation of departmental reserves and other income.

### **Health and Social Care**

- 3.9 The period five outturn forecast indicates a projected overspend of £3.4m relating to potential slippage in delivery of approved savings under the Health and Social Care Transformation Programme.
- 3.10 An allocation of £3.5m of non-recurring funding from the Social Care Fund was previously agreed by the Edinburgh Integration Joint Board (EIJB) on 13 May 2016 to mitigate in part the delay in delivery of savings in 2016/17. On 16 September 2016, the EIJB provisionally agreed to allocate up to a further £3.4m of non-recurring funding from the Social Care Fund to offset the unachieved savings, therefore enabling delivery of a balanced position for the year. As with other demand-led services, however, going forward it is essential that the approved level of saving is delivered as an important step towards securing financial sustainability.

### **Place**

- 3.11 At period five, a balanced overall position is being forecast. The directorate is, however, delivering over £12m of savings in 2016/17 and has in addition identified new pressures totalling £7.2m. Pressures associated with waste services (£2.7m) and maintenance of North Bridge (£1.3m) can be partially mitigated through the use of reserves.
- 3.12 The service is still developing plans to contain further residual pressures resulting from loss of income associated with the crematorium refurbishment



(£1.5m), Edinburgh Road Services (£2m) and a shortfall in tram advertising income (£0.5m).

- 3.13 A further emerging risk relates to a historical contractual claim in respect of the Council's waste disposal arrangements. Members will be kept apprised of progress as this develops.
- 3.14 Given the risks outlined above, the Executive Director of Place will continue to work to identify measures with the aim of delivering a balanced position by the year-end.

### **Resources**

- 3.15 As of period five, the Resources Directorate is reporting a balanced overall position, with delivery of transformation programme savings assessed to be on track.

### **City Strategy and Economy**

- 3.16 As of period five, a balanced overall position is forecast for the service. The achievement of increased income targets for museums, galleries and venues remains a risk, however, due to its demand-led nature.

### **Chief Executive**

- 3.17 The Executive function comprises the areas of ICT, Strategy and Insight and Communications. As of period five, a balanced overall position is forecast, although risks exist around the adequacy of current-year budget provision to address all liabilities associated with the transition to the new ICT service provider.

### **Safer and Stronger Communities**

- 3.18 At month five, Safer and Stronger Communities is projecting a balanced position. While forecast pressures have been identified relating to the delivery of approved savings, at this stage it is anticipated that mitigating management action, including vacant posts and accelerated savings in some service areas, will be available to offset these on a one-off basis.

### **Corporate budgets**

- 3.19 In maximising the level of investment available for frontline priority services, significant savings have been generated in recent years' budgets through both increasing Council Tax collection levels (with 2015/16 in-year collection representing the Council's best-ever performance) and realising savings in loans charges through proactive treasury management, particularly using available cash balances in lieu of undertaking external borrowing.
- 3.20 While opportunities to identify further savings are correspondingly more limited, analysis in these and other corporate areas is on-going and may alleviate existing pressures or provide some contingency against potential risks elsewhere within the Council crystallising.

## **Housing Revenue Account**

- 3.21 A balanced position is forecast after making a required £14.2m contribution to the Housing Investment Reserve to fund future delivery of the affordable housing strategy as set out in the HRA business plan. Approved budget savings of £1.664m in relation to reductions in housing management, repairs and maintenance and ICT costs are forecast to be achieved.

## **4. Measures of success**

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- 4.1 Achieving a balanced overall budget outturn position for 2016/17 and successful delivery of approved savings and key service performance indicators.

## **5. Financial impact**

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- 5.1 The report's contents point to a balanced overall position. Attainment is, however, contingent upon undertaking further actions required to deliver a number of approved savings and active management of significant risks and pressures for the remainder of the year.
- 5.2 The Council's Financial Regulations set out Executive Directors' responsibilities in respect of financial management, including regular consideration of their service budgets such that overall expenditure is contained within approved levels.

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

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- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and savings delivery targets are regularly monitored and reviewed and management action is taken as appropriate.
- 6.2 Ongoing communications by the Council's section 95 Officer have reinforced the respective responsibilities of Executive Directors and Heads of Service to maintain expenditure within approved budgets in accordance with the Financial Regulations. Directors also have a requirement to ensure that savings identified are both achievable and delivered to maintain a sustainable budget across the Council. With this in mind, structured plans are in place for review and feedback on current and future years' savings proposals. This has contributed positively to a position where the majority of approved 2016/17 savings are also assessed as being on track to be delivered.

## 7. Equalities impact

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

## 8. Sustainability impact

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

## 9. Consultation and engagement

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

## 10. Background reading/external references

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- 10.1 Service monitoring statements for period five.

### Hugh Dunn

Acting Executive Director of Resources

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### Links

<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh's communities are safer and have improved physical and social fabric

**Appendices**

Appendix 1 – Service analysis

Appendix 2 – 2016/17 budget savings RAG assessment – savings assessed as red in part or in full

Appendix 3 – Service risks and pressures

**THE CITY OF EDINBURGH COUNCIL**

**REVENUE MONITORING 2016-17**

**PERIOD 5 REPORT**

**SERVICE ANALYSIS**

Account	Revised Budget £000	Budget to Date £000	Actual to Date £000	Variance to Date		Projected Outturn £000	Projected Variance	
				£000	%		£000	%
Communities and Families	337,776	139,384	142,602	3,218	2.3%	337,776	0	0.0%
Chief Executive	39,470	18,510	18,912	402	2.2%	39,470	0	0.0%
City Strategy and Economy	19,850	11,229	11,229	0	0.0%	19,850	0	0.0%
Safer and Stronger Communities	25,478	8,962	9,192	230	2.6%	25,478	0	0.0%
Health and Social Care	184,178	101,613	102,963	1,350	1.3%	184,178	0	0.0%
Resources	133,267	43,199	43,199	0	0.0%	133,267	0	0.0%
Place	44,848	21,535	23,887	2,352	10.9%	44,848	0	0.0%
Valuation Joint Board Requisition	3,744	1,560	1,560	0	0.0%	3,744	0	0.0%
<b>Direct Service Expenditure</b>	<b>788,611</b>	<b>345,992</b>	<b>353,544</b>	<b>7,552</b>	<b>2.2%</b>	<b>788,611</b>	<b>0</b>	<b>0.0%</b>
Council-wide - Energy Costs	250	0	0	0	n/a	250	0	0.0%
Council-wide - Living Wage	1,032	0	0	0	n/a	1,032	0	0.0%
Council-wide - Non-Domestic Rates	442	0	0	0	n/a	442	0	0.0%
<b>General Fund Services Subtotal</b>	<b>790,335</b>	<b>345,992</b>	<b>353,544</b>	<b>7,552</b>	<b>2.2%</b>	<b>790,335</b>	<b>0</b>	<b>0.0%</b>
Net Cost of Benefits	(62)	(26)	(6,703)	(6,677)	n/a	(62)	0	0.0%
Pension Auto Enrolment	507	0	0	0	n/a	507	0	0.0%
Pension Fund - Lump Sum Payment	3,064	1,277	1,277	0	0%	3,064	0	0.0%
Non Distributed Costs	5,816	2,423	2,423	0	0%	5,816	0	0.0%
Non-Domestic Rates - Discret. Relief	350	0	0	0	n/a	350	0	0.0%
Carbon Tax	1,200	1,200	1,219	19	1.6%	1,200	0	0.0%
Insurance Premiums	3,513	0	0	0	n/a	3,513	0	0.0%
Loans Charges / Interest on Rev Bals	116,488	0	0	0	n/a	116,488	0	0.0%
Council Transformation	4,050	1,688	1,357	(331)	n/a	4,050	0	0.0%
Prior Year, Other Adjustments and staff release costs	10,592	0	0	0	n/a	10,592	0	0.0%
Dividend and Investment Income	(6,500)	0	0	0	n/a	(6,500)	0	0.0%
<b>Total General Fund</b>	<b>929,353</b>	<b>352,554</b>	<b>353,117</b>	<b>564</b>	<b>n/a</b>	<b>935,853</b>	<b>0</b>	<b>0.0%</b>
Funding								
General Grant Funding	(343,039)	(142,933)	(142,933)	0	0%	(343,039)	0	0.0%
Non Domestic Rates	(374,650)	(156,104)	(156,104)	0	0%	(374,650)	0	0.0%
Council Tax	(238,631)	(99,430)	(99,430)	0	0%	(238,631)	0	0.0%
Less: Council Tax Reduction Scheme	26,252	10,938	10,938	0	0%	26,252	0	0.0%
<b>Operating Deficit / (Surplus)</b>	<b>(715)</b>	<b>(34,975)</b>	<b>(34,411)</b>	<b>564</b>	<b>n/a</b>	<b>5,785</b>	<b>0</b>	<b>0.0%</b>
<b>Contribution to / (from) Reserves</b>								
Earmarked Reserves								
- Capital Fund	(2,000)	0	0	0	n/a	(2,000)	0	0.0%
- Service Transformation	1,700	0	0	0	n/a	1,700	0	0.0%
- Dilapidations Fund	700	0	0	0	n/a	700	0	0.0%
- Various	315	0	0	0	n/a	315	0	0.0%
- Spend to Save				0	n/a		0	#DIV/0!
- Other earmarked Balances				0	n/a		0	#DIV/0!
Total Contribution to / (from) Reserves	715	0	0	0	n/a	715	0	0.0%
<b>In-year Deficit / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Housing - HRA</b>	<b>0</b>	<b>(21,623)</b>	<b>(26,621)</b>	<b>(4,998)</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>n/a</b>

Revised budget figures are subject to ongoing update as Transformation workstreams progress.

Net Cost of Benefits variance reflects the profile of sums received from the Department for Work and Pensions and is anticipated to be in line with budgeted levels by the year-end.

Savings description	Service area	Approved level of saving, 2016/17 (£000)	RAG Status (insert relevant element of saving under each heading. These amounts should be shown net of any assumed mitigating action)			Approved further level of saving, 2017/18 to 2019/20	RAG Status (insert relevant element of saving under each heading. These amounts should be shown net of any assumed mitigating action)			Categorisation	Basis of current status	Planned actions and associated timescales for delivery of savings
			Red	Amber	Green		Red	Amber	Green			
Transformation: Re-ablement; Demand Management; Telecare	Health and Social Care	4,137	3,376	761	0	4,943	0	4,943	0	Health and Social Care	These savings proposals are being revisited through the H&SC Transformation Programme. A prudent approach has been taken when assessing in-year delivery and this is reflected in the £0.761m at amber. A significant (c£4m) step-up in 2017/18 is forecast.	The next stage is to agree the business cases and develop implementation plans which take account of the preliminary work undertaken.
<b>Total Health and Social Care</b>		<b>4,137</b>	<b>3,376</b>	<b>761</b>	<b>0</b>	<b>4,943</b>	<b>0</b>	<b>4,943</b>	<b>0</b>			
Tram Advertising Income	Place	500	500	0	0	0	0	0	0	Planning and Transport	The approved budget saving is predicated on generation of additional income through the Council's existing advertising contract by selling naming rights and "wrapping" Edinburgh Trams. As of the time of writing, however, no specific plans have been agreed to contribute towards the current year's income target.	Ongoing dialogue with contractor.
<b>Total Place</b>		<b>500</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Total all areas</b>			<b>3,876</b>	<b>761</b>			<b>0</b>	<b>4,943</b>				

NB While the analysis above captures, by value, all savings assigned a red status in 2016/17, there are a number of other savings where an element is assessed as amber, hence the total shown is lower than in the equivalent figure in Parag

## SERVICE RISK AND PRESSURES

Appendix 3

Risk or pressure description	Service area	Estimated financial impact, 2016/17 (£000)	Any estimated further impact, 2017/18 to 2019/20 (£000)	Residual risk after taking account of mitigating actions, 2016/17	Residual risk status, 2016/17	Explanatory notes, including description of any recurring pressures and mitigating measures implemented or proposed to date. This analysis should include consideration of the Council's key risks as they affect the service area's activities.
Waste Service Pressure	Place	2,700	1,800	2,700		Following analysis of the 2015/16 position and the roll-out of recent service changes (recycling redesign, ceasing commercial waste at CRC sites, etc.) it is estimated that the pressure in waste services for 2016/17 will be around £2.7m, without any further savings measures. The market for recycle continues to be volatile and there is a risk that the cost of disposing recyclable waste could increase this overspend significantly.
North Bridge Maintenance	Place	1,315	1,235	465		Following routine inspection work, significant maintenance expenditure is required on North Bridge. Prior to capital funding being made available (c£9-13m is required), revenue funding is required for these preparatory works and to set up a project team to carry out initial work to develop the scope of the capital project. Some of these costs have been met from within the overall transport budget, but the service is unable to contain the full cost.
Mortonhall - Income shortfall	Place	2,000	0	1,500		The crematorium is currently closed for refurbishment work. This is resulting in a significant loss of income, which is being partially offset by additional income from Scientific Services. The service is developing a mitigation plan to help address the income shortfall, but this is unlikely to address the pressure in full.

Risk or pressure description	Service area	Estimated financial impact, 2016/17 (£000)	Any estimated further impact, 2017/18 to 2019/20 (£000)	Residual risk after taking account of mitigating actions, 2016/17	Residual risk status, 2016/17	Explanatory notes, including description of any recurring pressures and mitigating measures implemented or proposed to date. This analysis should include consideration of the Council's key risks as they affect the service area's activities.
Winter Weather	Place	Risk	Risk	Risk remains, but level reduced		The roads budget for gritting and snow-clearing is based on an average winter. A harsh winter (such as those experienced in 2010 and 2011) could create a substantial pressure. The reserve created to mitigate this pressure was initially used in 2015/16 to address the overspend in Health and Social Care but was able to be reinstated as part of year-end accounts closure and, as such, provides an element of contingency against a severe winter.
ICT Contract - potential cost changes following transition and mobilisation	Chief Executive	TBC	TBC	TBC		Following commencement of the Council's ICT contract with CGI on 1st April 2016, there are a number of change issues, which are currently being negotiated with CGI and which may give rise to a contractual price change.
Out of Council Residential Care (Pressure)	Communities and Families	1,200	1,200	1,200		The service has annual approved savings of £1.8m against Out of council residential placements by 2017/18 compared to the 2012/13 budget. This has proved very challenging to deliver at the same time as reductions of £3.5m have been made to internal residential services. The service has assessed that there will be an ongoing demand for approximately £1.2m of placements in future. This pressure has been reported to CLT and the service is in the process of identifying alternative savings for 17/18 onwards.



SERVICE RISK AND PRESSURES

Risk or pressure description	Service area	Estimated financial impact, 2016/17 (£000)	Any estimated further impact, 2017/18 to 2019/20 (£000)	Residual risk after taking account of mitigating actions, 2016/17	Residual risk status, 2016/17	Explanatory notes, including description of any recurring pressures and mitigating measures implemented or proposed to date. This analysis should include consideration of the Council's key risks as they affect the service area's activities.
Secure Care (Risk)	Communities and Families	1,200	1,200	1,200		The budget for secure places is 8. Average usage for 2015/16 was 13 and in March 2016 this number was 16. If the average usage of 13 continues then the pressure will be £1.375m. Changing this pattern of secure risk requires culture change and practice changes across a range of children's services. Further to the recent transformation process for children's services, frontline manager engagement on this issue was put in place from 8 June.

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Resources Directorate - Revenue Budget Monitoring 2016/17 - Month Five position

Item number 7.5

Report number

Executive/routine

Wards

### Executive Summary

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The report sets out the projected half-year revenue monitoring position for the Resources Directorate, based on actual expenditure and income to the end of August 2016 and expenditure and income projections for the remainder of the financial year.

The report advises of a balanced year-end projection for the Resources Directorate revenue budget for 2016/17. The attainment of this position is subject to undertaking ongoing action to deliver a number of approved savings and active management of significant risks and pressures.

### Links

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Coalition Pledges [P30](#)

Council Priorities [CP13](#)

Single Outcome Agreement [SO1](#), [SO2](#), [SO3](#), [SO4](#)

## Resources Directorate - Revenue Budget Monitoring 2016/17 - Month Five position

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes:
  - 1.1.1 Resources Directorate is currently projecting expenditure within the approved revenue budget for 2016/17; and
  - 1.1.2 the risks to the achievement of a balanced revenue budget projection.

### 2. Background

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- 2.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.
- 2.2 This report advises on the projected outturn for the Resources Directorate revenue budget for 2016/17 based on the position after five months of the financial year.

### 3. Main report

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#### Month Five Position

- 3.1 Resources Directorate revenue budget for 2016/17 is £133.267m. The increased level of budget in the Resources Directorate from that reported at month three is due to the ongoing process to re-align budgets to reflect the Council's organisation structure as the Transformation Programme is progressed. The budget is stated after inclusion of approved savings of £8.541m.
- 3.2 The period five projection is for expenditure to be within approved budget for 2016/17. Forecast savings include achievement of Transformation Programme employee cost savings from phase one of Transformation Programme Organisational reviews.
- 3.3 A forecast shortfall in internal recharges by Legal Services, arising due to a number of vacant fee-earning posts is now being mitigated by recruitment to the vacant posts, following implementation of the Legal Services Organisational Review and by offsetting savings in Human Resources service, arising through posts currently held vacant.
- 3.4 An analysis of the projection by service area is provided in Appendix 1.

## **Savings Implementation Plans**

- 3.5 The revenue budget approved by Council on 21 January 2016, requires Resources Directorate to achieve incremental savings of £8.541m in 2016/17. These are detailed in Appendix 2.
- 3.6 Savings implementation plans have been developed and revenue budget monitoring reports are considered by Resources Management Team on a regular basis.
- 3.7 With the exception of £0.293m of Asset Management Strategy savings and the forecast pressure on internal recharge recoveries by Legal Services identified at paragraph 3.3, all other savings are forecast to be fully achieved in 2016/17 and are therefore classified as 'green'.
- 3.8 The Asset Management Strategy programme is developing savings plans from organisational redesign, estate rationalisation and rental income. Alternative measures, including management of vacant posts and additional income recoveries from internal recharges, have been implemented to achieve the net savings target of £0.8m in 2016/17, pending realisation of Asset Management Strategy savings in 2017/18.
- 3.9 A shortfall in Customer savings of £0.9m from delays in the Review implementation dates is being offset by savings from vacant posts held for the period prior to Review implementation. The savings target remains on track to be achieved in both 2016/17 and 2017/18.

## **Risks**

- 3.10 There remain a number of risks in the Resources Directorate revenue budget. Key risks are:
- Demand for payment of Discretionary Housing Payment (DHP) exceeding available resources. At this stage in the financial year, there is sufficient evidence to indicate this risk is minimised. To mitigate this risk, payment thresholds will continue to be monitored and will be reviewed, if required;
  - Risk of under-recovery of Council Tax and Non-Domestic Rates intervention income. Income will continue to be monitored for the remainder of the year. It should be noted that the level of income achievable is not fully known with certainty until the year end; and
  - Risk of savings not being fully achieved. While there is evidence of significant progress towards the achievement of all savings targets, full realisation of targets will continue to be tracked and reported to service management teams. Alternative savings measures will be developed, where a risk emerges as to the achievement of existing savings proposals.

## **Contingency Planning**

- 3.11 A service contingency of £0.160m will be used to mitigate any residual service financial risks in 2016/17.

#### **4. Measures of success**

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- 4.1 Resources Directorate final outturn for 2016/17 is within budgeted levels and the service meets performance targets.

#### **5. Financial impact**

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- 5.1 The report projects Resources Directorate expenditure and income will be within approved budget. Attainment of this position is subject to active management of financial risks and, where appropriate, the taking of timely remedial action.

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

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- 6.1 The delivery of expenditure within the approved revenue budget for 2016/17 is the key target. The risk of budget pressures arising throughout the course of the financial year will continue to be regularly monitored and reviewed and management action taken as appropriate.

#### **7. Equalities impact**

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- 7.1 There are no direct equalities impact implications arising from this report. All budget proposals are subject to an initial relevance and proportionality assessment and, where appropriate, a formal Equalities and Rights Impact Assessment is then undertaken. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

#### **8. Sustainability impact**

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- 8.1 There is no direct relevance of the report's contents to impacts on carbon, adaptation to climate change and sustainable development. The Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

#### **9. Consultation and engagement**

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- 9.1 There is no direct relevance to the report's contents. The Council undertook a budget engagement exercise when developing the 2016/17 revenue budget.

## 10. Background reading/external references

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- 10.1 Resources Directorate - Revenue Budget Monitoring 2016/17 - month three position report to Finance and Resources Committee 18 August 2016.
- 10.2 Resources Directorate service monitoring statement for period five.

### Hugh Dunn

Acting Executive Director of Resources

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## 11. Links

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<b>Coalition Pledges</b>	P30 – Continue to maintain a sound financial position including long term financial planning
<b>Council Priorities</b>	CP13 - Transformation, workforce, citizen and partner engagement, budget
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 – Resources Directorate Revenue Budget Monitoring 2016/17 - Month Five position Appendix 2 - Resources Directorate - Approved Revenue Budget Savings 2016/17.

# Appendix 1

## Resources Directorate

### Revenue Budget Monitoring 2016/17

#### Month Five position

#### Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Customer	28,095	28,095	0	-
Finance	6,608	6,608	0	-
Human Resources	4,221	3,991	(230)	Fav
Legal and Risk	1,411	1,776	365	Adv
Property	91,744	91,744	0	-
Directorate and service-wide costs	1,028	1,028	0	-
Service contingency	160	25	(135)	Fav
<b>Total Net Expenditure</b>	<b>133,267</b>	<b>133,267</b>	<b>0</b>	<b>-</b>

# Appendix 2

## Resources Directorate: Approved Revenue Budget Savings 2016/17

Service	Saving Description	2016/17 £'000	Red/Amber/Green assessment
Customer	Transformation : Organisational Review	4,577	
Customer	Priority Based Planning : Revenues and Benefits, Contact Centre, HR and Payroll Service Centre	484	
Customer	Budget Framework 2014-18 : Increase Council Tax Collection	311	
Customer	Budget Framework 2014-18 : Workforce saving	114	
Customer	Transformation: agency staff	276	
Customer	Transformation : reduce overtime	48	
Finance	Transformation : Organisational Review	340	
Finance	Priority Based Planning : Rationalise service accounting teams	350	
Finance	Budget Framework 2014-18 : Workforce saving	26	
Finance	Transformation : agency staff	38	
Human Resources	Transformation : Organisational Review	301	
Human Resources	Transformation : agency staff	2	
Human Resources	Transformation : reduce overtime	4	
Human Resources	Budget Framework 2014-18 : Workforce saving	26	
Legal and Risk	Transformation : Organisational Review	322	Mitigated by other savings (para 3.3)
Legal and Risk	Budget Framework 2014-18 : Workforce saving	11	
Property	Asset Management Strategy (net saving)	800	£0.293m pressure mitigated by other savings (paragraphs 3.7 and 3.8)
Property	Property Conservation Service	500	
Service-wide	Increase in discretionary income	11	
	<b>TOTAL</b>	<b>8,541</b>	



# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Chief Executive - Revenue Budget Monitoring 2016/17 - Month Five position

Item number	7.6
Report number	
Executive/routine	
Wards	

### Executive Summary

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The report sets out the projected half-year revenue monitoring position for services reporting directly to the Chief Executive, based on actual expenditure and income to the end of August 2016 and expenditure and income projections for the remainder of the financial year.

The report advises of a balanced year-end projection for the revenue budget for 2016/17 for services reporting directly to the Chief Executive. The attainment of this position is subject to undertaking ongoing action to deliver approved savings and active management of significant risks and pressures.

### Links

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Coalition Pledges	<a href="#">P30</a>
Council Priorities	<a href="#">CP13</a>
Single Outcome Agreement	<a href="#">SO1</a> , <a href="#">SO2</a> , <a href="#">SO3</a> , <a href="#">SO4</a>

## Chief Executive - Revenue Budget Monitoring 2016/17 - Month Five position

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes:
  - 1.1.1 services reporting directly to the Chief Executive are currently projecting expenditure within the approved revenue budget for 2016/17; and
  - 1.1.2 the risks to the achievement of a balanced revenue budget projection.

### 2. Background

---

- 2.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.
- 2.2 This report advises of the projected outturn for the revenue budget for 2016/17 for services reporting directly to the Chief Executive, after five months of the financial year.

### 3. Main report

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#### Month Five Position

- 3.1 The revenue budget for 2016/17 for services reporting directly to the Chief Executive is £64.947m. The budget is stated after inclusion of approved savings of £10.786m.
- 3.2 The period five projection reflects expenditure within approved budget. Forecast savings include achievement of Transformation Programme employee cost savings from organisational reviews and ICT contract procurement savings arising through award of the ICT contract in August 2015. An analysis of the projection by service area is provided in Appendix 1.
- 3.3 Service pressures are forecast in Safer and Stronger Communities, arising through savings targets from rationalisation of existing CCTV Monitoring services (£0.350m) and a reduction in the cost of commissioned services for housing support (£0.5m). Vacancy management and acceleration of approved savings in other areas of the service enables a forecast of a balanced position for 2016/17. Identification of

sustainable budget solutions to address these savings targets is being progressed as part of development of the 2017/18 revenue budget.

### **Savings Implementation Plans**

- 3.4 The revenue budget approved by Council on 21 January 2016 requires achievement of incremental savings of £10.786m in 2016/17 for services reporting directly to the Chief Executive. These are detailed in Appendix 2.
- 3.5 Savings implementation plans have been developed and revenue budget monitoring reports are considered by service management teams on a regular basis.
- 3.6 Savings are forecast to be fully achieved in 2016/17 and are classified as 'green', with the exception of savings targets referred to at paragraphs 3.3 and 3.7. These savings targets are classified as 'amber', due to the requirement to identify alternative measures for the savings targets (rationalisation of existing CCTV Monitoring services and reduction in cost of commissioned services for housing support) and the risk of additional costs being identified (ICT contract).

### **Risks**

- 3.7 A risk exists around the adequacy of budget provision to address all liabilities associated with the transition to the new ICT service provider. Work is being undertaken by the ICT Contract Management team to establish the current cost liability. An update will be included as part of the month nine position to be reported to Finance and Resources Committee.
- 3.8 A key risk is of savings not being fully achieved. While there is evidence of significant progress towards the achievement of savings targets, full realisation of targets will continue to be tracked and reported to service management teams. Alternative savings measures will be developed, where a risk emerges as to the achievement of existing savings proposals.

## **4. Measures of success**

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- 4.1 Service final outturn for 2016/17 is within budgeted levels and the service meets performance targets.

## **5. Financial impact**

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- 5.1 The report projects expenditure and income will be within approved budget. Attainment of this position is subject to active management of financial risks and, where appropriate, the taking of timely remedial action.

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

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- 6.1 The delivery of expenditure within the approved revenue budget for 2016/17 is the key target. The risk of budget pressures arising throughout the course of the financial year will continue to be regularly monitored and reviewed and management action taken, as appropriate.

## **7. Equalities impact**

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- 7.1 There are no direct equalities impact implications arising from this report. All budget proposals are subject to an initial relevance and proportionality assessment and, where appropriate, a formal Equalities and Rights Impact Assessment is then undertaken. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

## **8. Sustainability impact**

---

- 8.1 There is no direct relevance of the report's contents to impacts on carbon, adaptation to climate change and sustainable development. The Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

## **9. Consultation and engagement**

---

- 9.1 There is no direct relevance to the report's contents. The Council undertook a budget engagement exercise when developing the 2016/17 revenue budget.

## **10. Background reading/external references**

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- 10.1 Chief Executive - Revenue Budget Monitoring 2016/17 - month three position report to Finance and Resources Committee, 18 August 2016.

### **Andrew Kerr**

Chief Executive

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## 11. Links

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<b>Coalition Pledges</b>	P30 – Continue to maintain a sound financial position including long term financial planning
<b>Council Priorities</b>	CP13 - Transformation, workforce, citizen and partner engagement, budget
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 – Chief Executive Revenue Budget Monitoring 2016/17 - Month Five position Appendix 2 - Chief Executive - Approved Revenue Budget Savings 2016/17

# Appendix 1

## Chief Executive

### Revenue Budget Monitoring 2016/17

#### Month Five position

#### Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Chief Executive	237	237	0	-
Communications	999	999	0	-
ICT	29,700	29,700	0	-
Safer and Stronger Communities	25,478	25,478	0	-
Strategy and Insight	8,533	8,533	0	-
<b>Total Net Expenditure</b>	<b>64,947</b>	<b>64,947</b>	<b>0</b>	<b>-</b>

# Appendix 2

## Chief Executive: Approved Revenue Budget Savings 2016/17

Service	Saving Description	2016/17 £'000	Red/Amber/Green assessment
Communications	Transformation : Organisational Review	432	
Communications	Transformation: agency staff	4	
Communications	Budget Framework 2014-18 : Workforce saving	10	
Communications	Budget Framework 2014-18 : Contract Reviews - News Management/Media Monitoring	3	
ICT	Contract savings	5,530	Contractual commitments review progressed
ICT	Transformation : Organisational Review	348	
ICT	Transformation : agency staff	55	
ICT	Transformation : reduce overtime	1	
Safer and Stronger Communities	Community Safety Management	318	
Safer and Stronger Communities	Homelessness Management	300	
Safer and Stronger Communities	Redesign in-house Housing Support Service	500	
Safer and Stronger Communities	Redesign of Advice Services	60	
Safer and Stronger Communities	Redesign of Safer and Stronger Communities	422	
Safer and Stronger Communities	Redesign of Homelessness Service	229	
Safer and Stronger Communities	Safer Families Management	62	
Safer and Stronger Communities	Reduce commissioned services - Housing Support (sheltered housing/temporary	500	Mitigated by other savings (para 3.3)

	accommodation)		
Safer and Stronger Communities	Transformation Programme : reduce overtime, agency employees and other savings	96	
Safer and Stronger Communities	CCTV Monitoring Rationalisation	350	Mitigated by other savings (para 3.3)
Strategy and Insight	Transformation : Organisational Review	1,541	
Strategy and Insight	Transformation : agency staff	13	
Strategy and Insight	Budget Framework 2014-18 : Workforce saving	12	
	<b>TOTAL</b>	<b>10,786</b>	



# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Treasury Management: Mid-Term Report 2016/17

<b>Item number</b>	7.7
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive summary

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The purpose of this report is to give an update on Treasury Management activity in 2016/17.

In accordance with the Strategy set in March 2016 the Council completed no borrowing during the first half of the financial year and continued to fund capital expenditure temporarily from cash deposits. This approach generates significant short-term savings in Loans Charges for the Council. In following this Strategy, account is also being taken of the likely movement in interest rates in the medium and longer term and the Council's future estimated borrowing requirement.

The investment return for 2016/17 continues to show out-performance against the Fund's benchmark, although very low in absolute terms, while maintaining the security of the investments as a priority.

### Links

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<b>Coalition pledges</b>	<a href="#">P30</a>
<b>Council priorities</b>	<a href="#">CP13</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>

## Treasury Management: Mid-Term Report 2016/17

### 1. Recommendations

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- 1.1 It is recommended that the Committee:
- 1.1.1 notes the mid-term report on Treasury Management for 2016/17; and
  - 1.1.2 refers the report to City of Edinburgh Council for approval and subsequent referral by City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

### 2. Background

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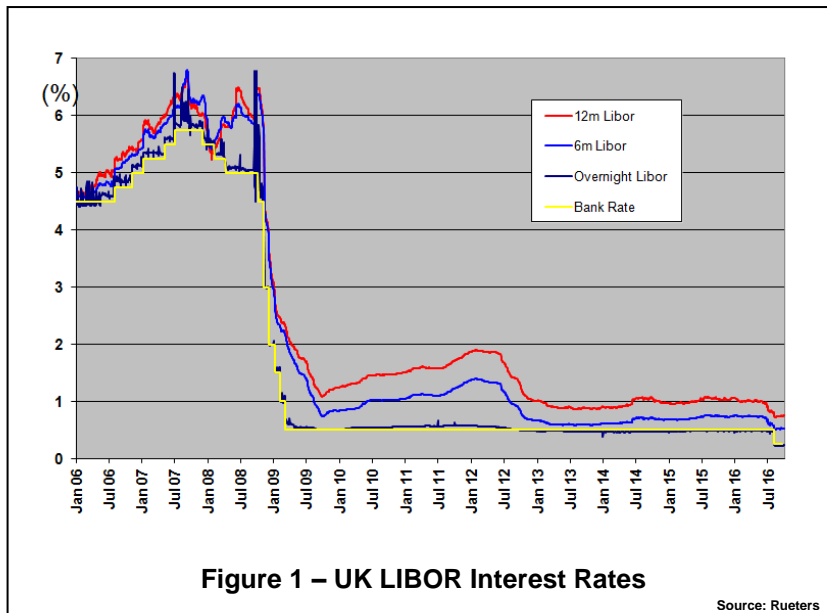
- 2.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the mid-term report has been prepared setting out activity undertaken.

### 3. Main report

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#### 3.1 Interest Rate Background

- 3.1.1 During the six months, the Bank of England's Monetary Policy Committee (MPC) reduced UK Bank Rate and increased Quantitative Easing (QE) as part of a package to stimulate the economy after the result of the EU referendum. At the MPC's meeting of the 4 August 2016, UK Bank Rate was reduced for the first time since March 2009 to 0.25% and QE increased by £60bn to £435bn. The Bank of England also announced at its 4 August 2016 meeting, that it would be buying up to £10bn of Corporate Bonds and has introduced a scheme, 'The Term Funding Scheme', which will encourage banks to pass on cuts in Bank Rate to customers by providing funding for banks at interest rates close to Bank Rate.



3.1.2 Figure 1 details Inter-Bank Lending Rates since the start of 2006 and shows that the overnight rate continues to follow the Bank Rate. All interest rates dropped in line with the reduction in Bank Rate to 0.25% at the beginning of August.

### 3.2 Interest Rate Forecast

3.2.1 Table 1 gives a Reuters poll of up to 56 economists, taken 15 September, showing their forecasts for UK Bank Rate until Quarter 4, 2017. This shows most economists polled believe that the UK Bank Rate will be at 0.1% from Quarter 4, 2016.

	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Median	0.25	0.1	0.1	0.1	0.1	0.1
Mean	0.25	0.13	0.11	0.11	0.12	0.12
Mode	0.25	0.1	0.1	0.1	0.1	0.1
Min	0.25	0	0	0	0	0
Max	0.25	0.25	0.25	0.25	0.5	0.5
Count	56	56	53	53	53	52

Table 1 – Economists’ Forecasts for UK Bank Rate

3.2.2 This reflects the MPC’s August minutes which said that “*If the incoming data prove broadly consistent with the August Inflation Report forecast, a majority of members expect to support a further cut in Bank Rate to its effective lower bound at one of the MPC’s forthcoming meetings during the course of the year. The MPC currently judges this bound to be close to, but a little above, zero*”. There is therefore a danger that the MPC have talked themselves into a further reduction in Bank Rate in November, although it is not seen that this is as likely as the market expectations would suggest.

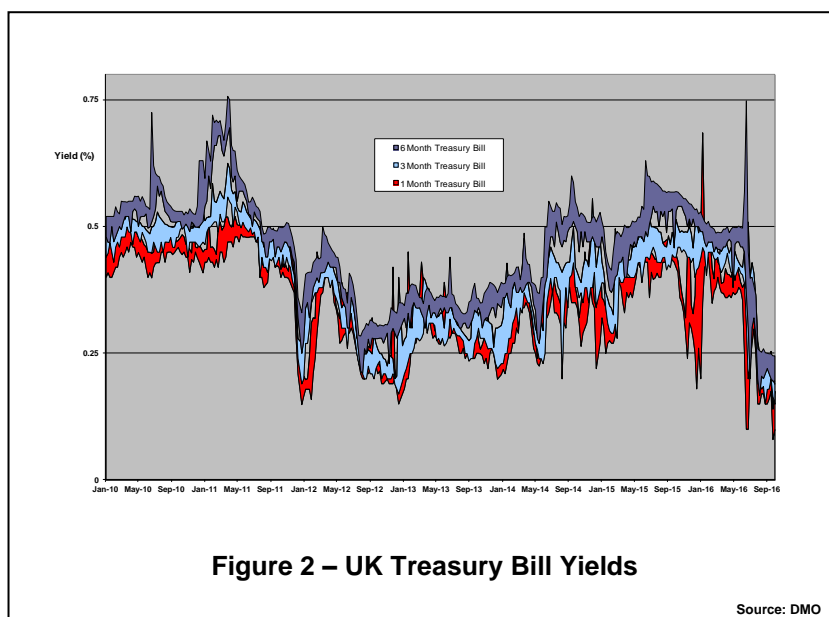
3.2.3 The annual rate of inflation (CPI) remains well below the Bank of England’s lower limit. The minutes of the Bank of England’s September

meeting noted that inflation was expected to pick up further over the remainder of 2016. This is mainly due to the waning influence of past falls in energy and food prices and the sharp depreciation in Sterling beginning to drive up imported material costs. According to the minutes CPI is expected to rise to around its 2% target in the first half of 2017.

### 3.3 Investment Out-turn

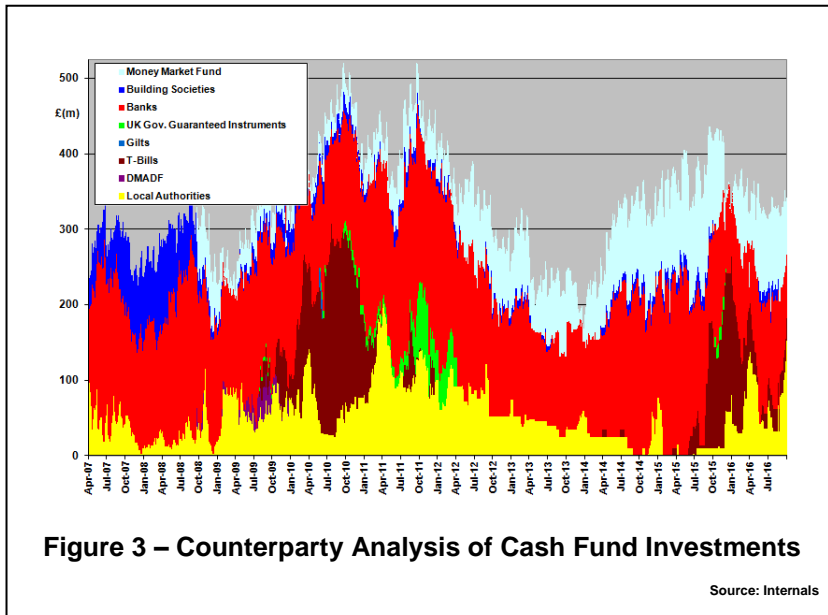
3.3.1 The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks. The Cash Fund's Investment Strategy continues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

3.3.2 The rates on the Council's call accounts with Banks fell following the reduction in UK Bank Rate in August. Some of the rates were linked to UK Bank Rate and fell immediately whereas others had a notice period before the reduction took effect. As an example, the Council's transactional banker has intimated that the interest rate on the Council's overnight deposits will reduce from 0.25% to 0.01% in December. The interest rate which can be achieved by investing in UK Treasury Bills has also reduced significantly. Figure 2 below shows the rates achieved in the Friday auctions of UK Treasury Bills.

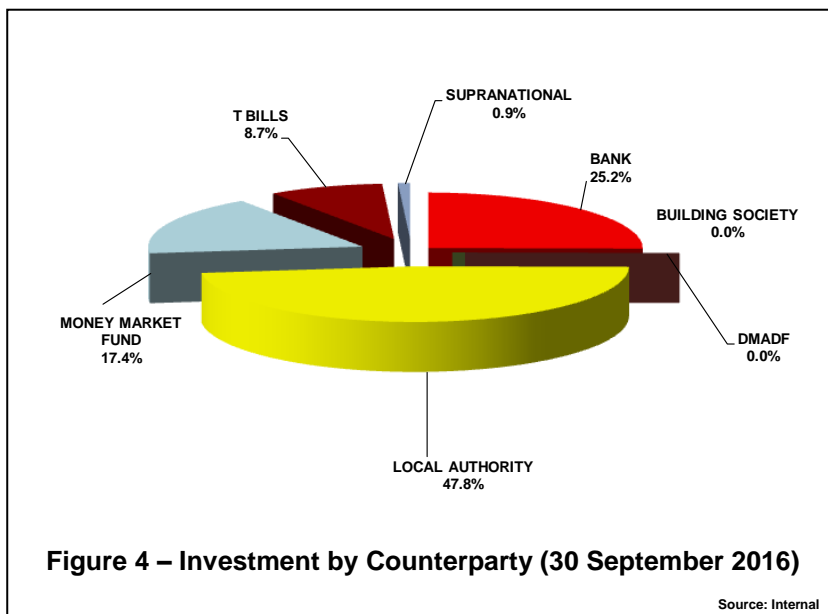


3.3.3 A sign of how low rates have fallen was that the lowest accepted yield for a one month UK Treasury Bill at the auction on the 30 September was only 0.08%.

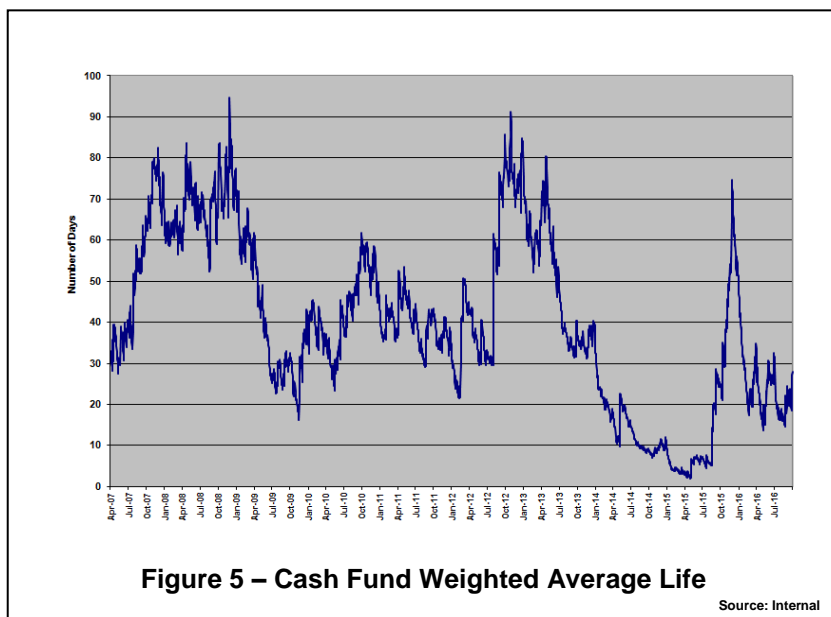
3.3.4 Figure 3 below shows the distribution of Cash Fund deposits since inception. Appendix 2 shows the detail of cash fund investments as at 30 September 2016.



3.3.5 Earlier in the year slightly longer Treasury Bills were purchased and local authority deposits was placed as a small risk mitigation against the EU Referendum result. Most of the local authority deposits matured in September but there was a shortage of cash in the inter Local Authority market in September. Treasury were able to agree fixed deposits at an increased yield to Bank Rate, although at significantly lower rates than those maturing. It remains a challenging environment for cash investment in striking the balance between high levels of security and achieving an adequate return. Figure 4 below shows the investments by counterparty at the end of the half year.



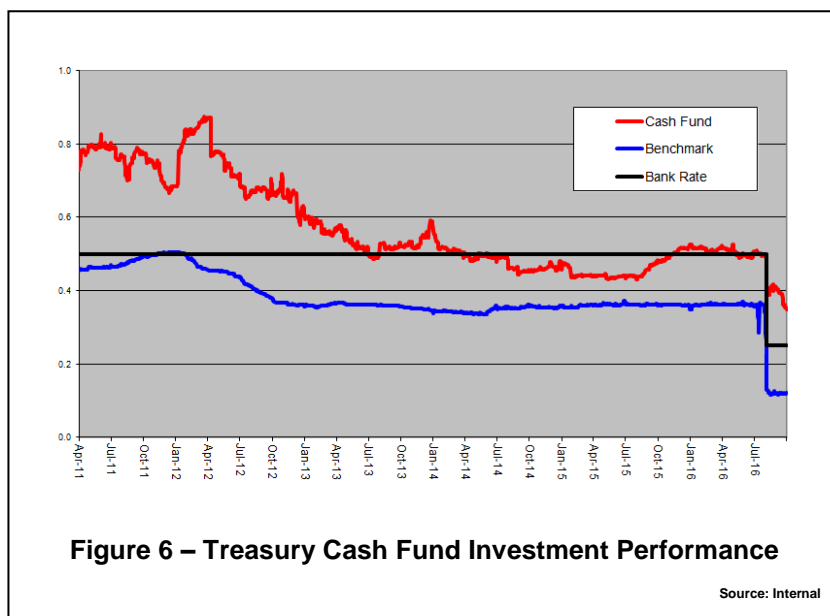
- 3.3.6 Over half of the cash fund is invested in Local Authority deposits and UK Treasury Bills. A further quarter is invested with Banks, including higher rated institutions such as HSBC and Svenska Handelsbanken. At the end of the six months, all Bank deposits were held in instant access call accounts. The Treasury team has remained in dialogue with these institutions to attempt to reduce the impact of the reduction in Bank Rate and maintain the best interest rates.
- 3.3.7 Figure 5 below shows the Weighted Average Life (WAL) – i.e. the average time to maturity of the Cash Fund investments since inception.



- 3.3.8 The WAL (weighted average time to the final maturity of investments) was 31 days at the start of the financial year. This was mainly due to some six month fixed deposits with a Local Authority at an attractive rate locked in before the Euro referendum to mitigate interest rate risk. UK Treasury bills with six month maturities and a six month deposit with a Local Authority kept the WAL close to 30 days at points during May and June. The WAL then reduced before increasing to 27 days towards the end of the six months due to three month Local Authority deposits.

### 3.4 Cash Fund Performance

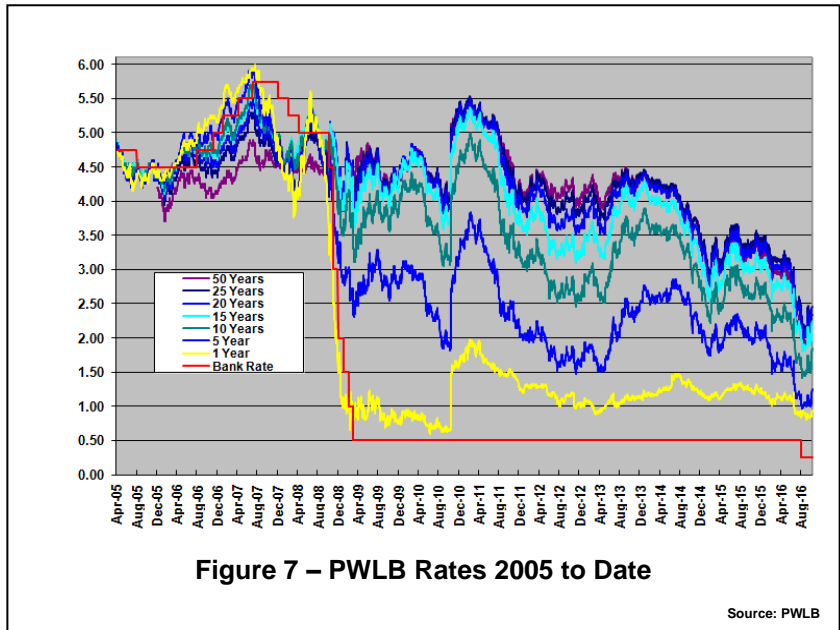
3.4.1 The annualised rate of return for the Cash Fund for the six months to September 2016 was 0.47% against the benchmark of 0.28%. The rate of return on the cash fund will reduce due to the effect of the reduction in Bank Rate and the cash fund rate as at the 30 September was 0.35% against the seven day Libid benchmark of 0.12%. Figure 6 below shows the daily investment performance of the Cash Fund against its benchmark since April 2011.



### 3.5 Debt Management Activity

3.5.1 The Debt Management strategy for 2016/17 is to continue to use the Council’s investment balances to fund capital expenditure. The Council has undertaken no PWLB borrowing since December 2012, despite £131m in PWLB debt maturing over this period. Appendix 1 shows the current debt portfolio.

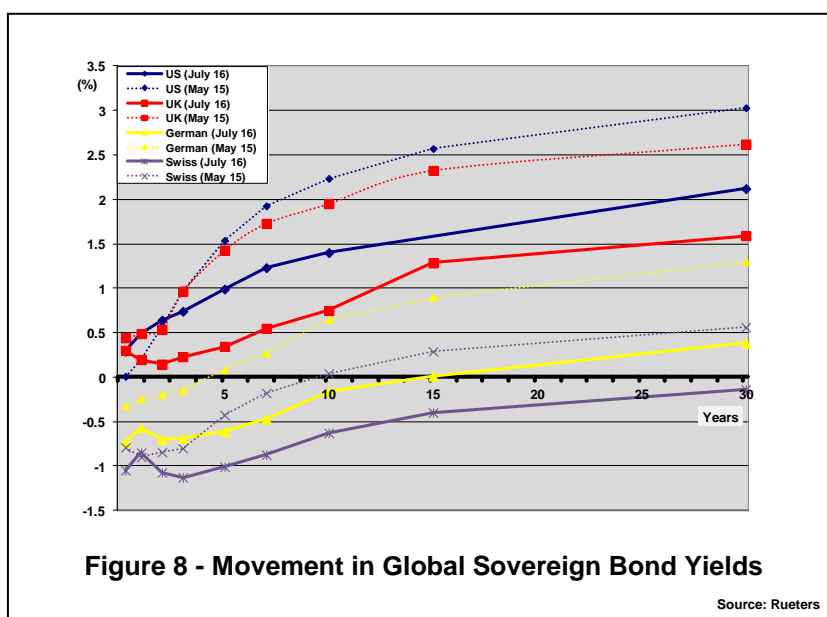
3.5.2 Figure 7 below shows the PWLB borrowing interest rates since the start of the 2005/06 financial year.



3.5.3 Following the referendum result, Gilt yields fell sharply across all maturities on the view that the Bank Rate would remain extremely low for the foreseeable future. The yield on the 10 year Gilt fell from 1.37% on 23 June to a low of 0.52% in August; a quarter of what it was at the start of 2016. The 10 year Gilt yield has subsequently risen to 0.69% at the end of September and up to 1% in early October. The yield on the two and three year Gilts briefly dipped into negative territory intra-day on 10 August as prices were driven higher by the Bank of England's bond repurchase programme. The programme had failed to meet its targets on 9 August when pension funds and insurance companies failed to sell enough Gilts to the central bank to meet its target. The next reverse auction was back on track when the Bank of England successfully bought £1.17bn of UK Gilts. The fall in Gilt yields was reflected in the fall in PWLB borrowing rates as can be seen in figure 7 above.

3.5.4 The result of the UK's EU Referendum has created significant uncertainties for the UK economy. Although the fall in Sterling will boost the UK in the short term, it is likely that UK GDP will falter in the medium term and inflation will be higher than it otherwise would have been. Bond yields have fallen significantly, and the magnitude of the movement in sovereign bond yields between May 2015 and July 2016 is shown in Figure 8 below.





3.5.5 The following table shows the revised comparison of cumulative capital expenditure funded by borrowing (the Council's underlying need to borrow) and the actual external debt which the Council has.

**SUMMARY OF CAPITAL FUNDING V EXTERNAL DEBT**

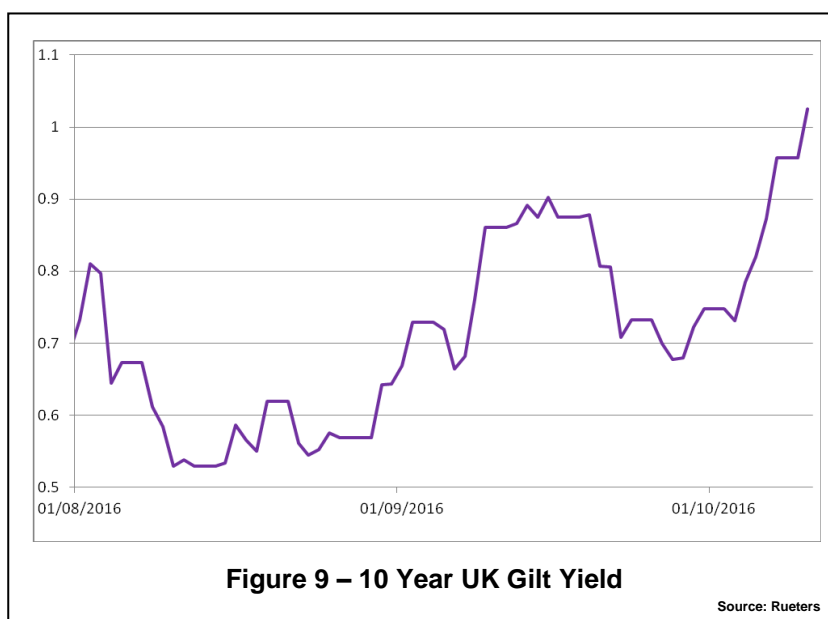
Capital Funding v. External Debt	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Debt b/fd	1,412,998	1,369,745	1,317,761	1,293,406	1,268,446	1,294,865
Cumulative capital expenditure b/fd	1,510,154	1,424,417	1,430,588	1,449,554	1,416,492	1,450,200
Over / under borrowed b/fd	-97,156	-54,672	-112,827	-156,148	-148,046	-155,335
GF capital financed by borrowing	-14,151	63,272	69,853	5,934	58,837	1,500
HRA capital financed by borrowing	16,705	23,030	30,929	42,477	56,491	65,226
less scheduled repayments by GF	-57,883	-60,584	-61,068	-59,553	-58,195	-61,059
less scheduled repayments by HRA	-27,156	-16,585	-18,267	-20,345	-22,908	-26,066
less scheduled repayments by Former Joint Boards	-3,252	-2,962	-2,481	-1,575	-517	-544
<b>Underlying Need to Borrow</b>	<b>-85,737</b>	<b>6,171</b>	<b>18,966</b>	<b>-33,062</b>	<b>33,708</b>	<b>-20,943</b>
Plus total maturing debt	43,605	51,984	54,355	54,960	53,581	55,567
Total borrowing requirement	-42,132	58,155	73,321	21,898	87,289	34,624
Planned PWLB or short borrowing for year	352	0	30,000	30,000	80,000	30,000
Debt at end of the year	1,369,745	1,317,761	1,293,406	1,268,446	1,294,865	1,269,298
Cumulative capital expenditure	1,424,417	1,430,588	1,449,554	1,416,492	1,450,200	1,429,257
Cumulative over / under borrowed	-54,672	-112,827	-156,148	-148,046	-155,335	-159,959

3.5.6 The main difference from the Treasury Management Strategy approved in March is that the cumulative capital expenditure funded by borrowing at the end of the 2015/16 financial year was significantly lower than forecast. This was a result of the reduction in capital advances due to the receipt of the monies for Atria One at the end of the financial year and additional repayment of HRA advances. Although the receipt for Atria One was unbudgeted for in 2015/16 due to uncertainty over the timing of the receipt, it had been allowed for in the longer term Treasury Management and Capital planning. More detail including updated prudential indicators are included in the month five capital monitoring report also included on the agenda.

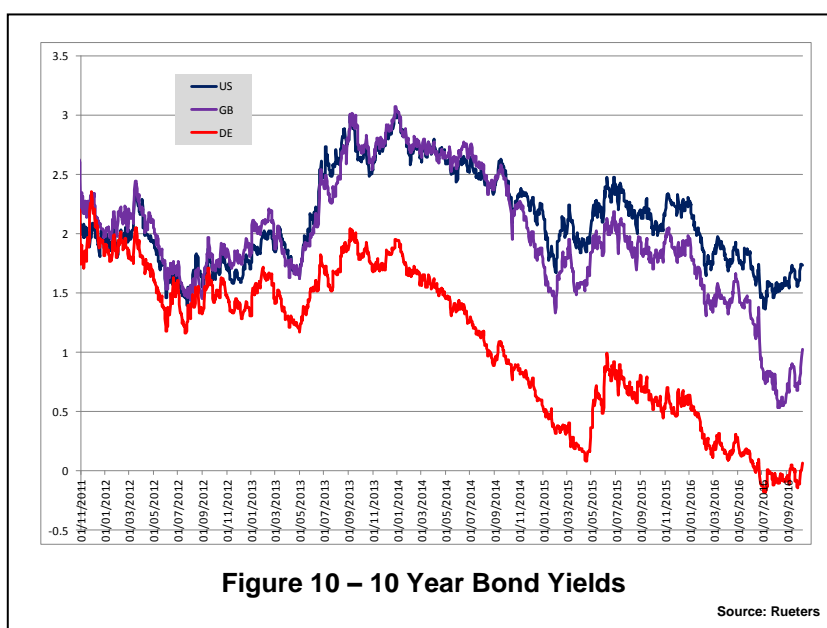
3.5.7 The table above shows no need to undertake borrowing this financial year, and at present, it is intended to continue the current strategy of reducing investments to temporarily fund capital expenditure. However, there are a number of major projects which may result in an increase in the Council's borrowing requirement, including:

- negotiations on the City Deal are on-going but may result in a substantial borrowing requirement for the Council;
- the Edinburgh Homes project may result in a significantly increase in the borrowing requirement for housing; and
- the business case for extensions of the Trams line is still being developed.

3.5.8 As noted above, when an extension of the QE programme was announced by the MPC at the start of August, Gilt yields fell to historic lows. However, since then they have edged back up as shown in Figure 9 below.



3.5.9 Some consideration was given pre-EU Referendum and again in August to locking in the historically low borrowing rates. However, there is no certainty on the quantum and timing of the borrowing required for the major projects above if they go ahead. Given the uncertainty and the additional cost of carry of borrowing it was decided to continue the current strategy rather than undertake what might be considered somewhat speculative pre-borrowing. Figure 10 below puts the movement since August into a slightly longer perspective, and shows the equivalent US and German 10 year yields. Consideration will also continue to be given to alternative funding sources to the PWLB.



3.5.10 Since the start of the financial year £34.3m of debt has matured at an average rate of 7.25% and has not been re-financed. For the financial year 2016/17 £52.0m of debt is due to mature in total at an average rate of 7.53%.

3.5.11 In June Barclays Bank informed the Council of its decision to permanently waive its rights under the lender's option of the LOBO feature of the Loans to change the applicable interest rate in the future. This effectively converts the Authority's Barclays LOBO loans to fixed rate loans removing uncertainty on both interest cost and maturity date. Barclays stated they had been exploring ways to create more certainty in respect of the interest rate arrangements they have with clients. This will help reduce the sensitivity of unpredictable market conditions to Barclays and improve core capital which is a publicly stated strategic objective of theirs.

#### **4. Measures of success**

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

#### **5. Financial impact**

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

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

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- 6.1 The Council complies with the relevant CIPFA code of practice whilst undertaking Treasury Management activities. The significant financial risks associated with Treasury Management activities have been successfully managed during the first half of 2016/17.

#### **7. Equalities impact**

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

#### **8. Sustainability impact**

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

#### **9. Consultation and engagement**

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- 9.1 None.

#### **10. Background reading / external references**

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- 10.1 None.

## Hugh Dunn

Acting Executive Director of Resources

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## Links

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<b>Coalition pledges</b>	P30 - Continue to Maintain a sound financial position including long-term financial planning
<b>Council priorities</b>	CP13 – Deliver lean and agile Council services
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	1: Outstanding Debt at 30 September 2016 2: Outstanding Investments at 30 September 2016

## Appendix 1

### Outstanding Debt at 30 September 2016

#### Market Debt (non LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)
Maturity	30/03/1992	30/03/2017	1,000,000	10.25
Maturity	21/08/1992	21/08/2017	500,000	9.75
Maturity	21/08/1992	21/08/2017	500,000	9.75
Maturity	30/06/2005	30/06/2065	5,000,000	4.4
Maturity	07/07/2005	07/07/2065	5,000,000	4.4
Maturity	21/12/2005	21/12/2065	5,000,000	4.99
Maturity	28/12/2005	24/12/2065	12,500,000	4.99
Maturity	14/03/2006	15/03/2066	15,000,000	5
Maturity	18/08/2006	18/08/2066	10,000,000	5.25
Maturity	01/02/2008	01/02/2078	10,000,000	3.95
			<b>64,500,000</b>	

#### Market Debt (LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)
Maturity	12/11/1998	13/11/2028	3,000,000	4.75
Maturity	15/12/2003	15/12/2053	10,000,000	5.25
Maturity	18/02/2004	18/02/2054	10,000,000	4.54
Maturity	28/04/2005	28/04/2055	12,900,000	4.75
Maturity	01/07/2005	01/07/2065	10,000,000	3.86
Maturity	24/08/2005	24/08/2065	5,000,000	4.4
Maturity	07/09/2005	07/09/2065	10,000,000	4.99
Maturity	13/09/2005	14/09/2065	5,000,000	3.95
Maturity	03/10/2005	05/10/2065	5,000,000	4.375
Maturity	23/12/2005	23/12/2065	10,000,000	4.75
Maturity	06/03/2006	04/03/2066	5,000,000	4.625
Maturity	17/03/2006	17/03/2066	10,000,000	5.25
Maturity	03/04/2006	01/04/2066	10,000,000	4.875
Maturity	03/04/2006	01/04/2066	10,000,000	4.875
Maturity	03/04/2006	01/04/2066	10,000,000	4.875
Maturity	07/04/2006	07/04/2066	10,000,000	4.75
Maturity	05/06/2006	07/06/2066	20,000,000	5.25
Maturity	05/06/2006	07/06/2066	16,500,000	5.25
Maturity	26/02/2010	26/02/2060	5,000,000	8.2
Maturity	26/02/2010	26/02/2060	10,000,000	8.2
Maturity	25/02/2011	25/02/2060	15,000,000	8.245
Maturity	25/02/2011	25/02/2060	10,000,000	8.245
			<b>212,400,000</b>	

## PWLB

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)
Maturity	15/08/1991	15/11/2016	10,000,000.00	10.875
Maturity	10/12/2008	10/12/2016	5,000,000.00	3.61
Maturity	02/12/2011	02/06/2017	5,000,000.00	2.28
Maturity	27/03/1992	25/09/2017	10,000,000.00	10.625
Maturity	09/10/2008	09/10/2017	5,000,000.00	4.39
Maturity	03/04/1992	25/03/2018	30,000,000.00	10.875
Maturity	23/04/2009	23/04/2018	15,000,000.00	3.24
Maturity	17/09/1992	15/05/2018	8,496,500.00	9.75
Maturity	09/06/2009	09/06/2018	5,000,000.00	3.75
Maturity	17/09/1993	15/11/2018	5,000,000.00	7.875
Maturity	23/03/1994	15/11/2018	5,000,000.00	8
Maturity	14/03/1994	11/03/2019	2,997,451.21	7.625
Maturity	18/10/1993	25/03/2019	5,000,000.00	7.875
Maturity	30/03/2009	30/03/2019	5,000,000.00	3.46
Maturity	21/04/2009	21/04/2019	10,000,000.00	3.4
Maturity	23/04/2009	23/04/2019	5,000,000.00	3.38
Annuity	12/11/2008	12/11/2019	1,830,151.84	3.96
Maturity	23/03/1994	15/11/2019	5,000,000.00	8
Maturity	07/12/1994	15/11/2019	10,000,000.00	8.625
Annuity	01/12/2008	01/12/2019	1,811,267.42	3.65
Maturity	01/12/2009	01/12/2019	5,000,000.00	3.77
Maturity	14/12/2009	14/12/2019	10,000,000.00	3.91
Maturity	15/02/1995	25/03/2020	5,000,000.00	8.625
Maturity	21/04/2009	21/04/2020	10,000,000.00	3.54
Maturity	12/05/2009	12/05/2020	10,000,000.00	3.96
Maturity	21/10/1994	15/05/2020	5,000,000.00	8.625
Maturity	07/12/1994	15/05/2020	5,000,000.00	8.625
Maturity	21/11/2011	21/05/2020	15,000,000.00	2.94
Maturity	16/08/1995	03/08/2020	2,997,451.21	8.375
Maturity	09/12/1994	15/11/2020	5,000,000.00	8.625
Annuity	10/05/2010	10/05/2021	2,482,373.05	3.09
Maturity	21/10/1994	15/05/2021	10,000,000.00	8.625
Maturity	10/03/1995	15/05/2021	11,900,000.00	8.75
Maturity	12/06/1995	15/05/2021	10,000,000.00	8
Maturity	02/06/2010	02/06/2021	5,000,000.00	3.89
Maturity	16/08/1994	03/08/2021	2,997,451.21	8.5
Maturity	28/04/1994	25/09/2021	5,000,000.00	8.125
Maturity	23/04/2009	23/04/2022	5,000,000.00	3.76
Maturity	12/06/1995	15/05/2022	10,200,000.00	8
Maturity	14/06/2010	14/06/2022	10,000,000.00	3.95
Maturity	31/03/1995	25/09/2022	6,206,000.00	8.625
Maturity	16/02/1995	03/02/2023	2,997,451.21	8.625
Maturity	24/04/1995	25/03/2023	10,000,000.00	8.5

<b>Loan Type</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Principal Outstanding</b> (£)	<b>Interest Rate</b> (%)
Maturity	05/12/1995	15/05/2023	5,200,000.00	8
Maturity	20/09/1993	14/09/2023	2,997,451.21	7.875
Maturity	20/09/1993	14/09/2023	584,502.98	7.875
Maturity	08/05/1996	25/09/2023	10,000,000.00	8.375
Maturity	13/10/2009	13/10/2023	5,000,000.00	3.87
Maturity	05/12/1995	15/11/2023	10,000,000.00	8
Maturity	10/05/2010	10/05/2024	10,000,000.00	4.32
Maturity	28/09/1995	28/09/2024	2,895,506.10	8.25
Maturity	14/05/2012	14/11/2024	10,000,000.00	3.36
Annuity	14/12/2009	14/12/2024	6,322,600.62	3.66
Maturity	17/10/1996	25/03/2025	10,000,000.00	7.875
Maturity	10/05/2010	10/05/2025	5,000,000.00	4.37
Maturity	16/11/2012	16/05/2025	20,000,000.00	2.88
Maturity	13/02/1997	18/05/2025	10,000,000.00	7.375
Maturity	20/02/1997	15/11/2025	20,000,000.00	7.375
Annuity	01/12/2009	01/12/2025	9,924,798.06	3.64
Maturity	21/12/1995	21/12/2025	2,397,960.97	7.875
Maturity	21/05/1997	15/05/2026	10,000,000.00	7.125
Maturity	28/05/1997	15/05/2026	10,000,000.00	7.25
Maturity	29/08/1997	15/11/2026	5,000,000.00	7
Maturity	24/06/1997	15/11/2026	5,328,077.00	7.125
Maturity	07/08/1997	15/11/2026	15,000,000.00	6.875
Maturity	13/10/1997	25/03/2027	10,000,000.00	6.375
Maturity	22/10/1997	25/03/2027	5,000,000.00	6.5
Maturity	13/11/1997	15/05/2027	3,649,966.00	6.5
Maturity	17/11/1997	15/05/2027	5,000,000.00	6.5
Maturity	13/12/2012	13/06/2027	20,000,000.00	3.18
Maturity	12/03/1998	15/11/2027	8,677,693.00	5.875
Maturity	06/09/2010	06/09/2028	10,000,000.00	3.85
Maturity	14/07/2011	14/07/2029	10,000,000.00	4.9
EIP	14/07/1950	03/03/2030	3,412.54	3
Maturity	14/07/2011	14/07/2030	10,000,000.00	4.93
EIP	15/06/1951	15/05/2031	3,515.40	3
Maturity	06/09/2010	06/09/2031	20,000,000.00	3.95
Maturity	15/12/2011	15/06/2032	10,000,000.00	3.98
Maturity	15/09/2011	15/09/2036	10,000,000.00	4.47
Maturity	22/09/2011	22/09/2036	10,000,000.00	4.49
Maturity	10/12/2007	10/12/2037	10,000,000.00	4.49
Maturity	08/09/2011	08/09/2038	10,000,000.00	4.67
Maturity	15/09/2011	15/09/2039	10,000,000.00	4.52
Maturity	06/10/2011	06/10/2043	20,000,000.00	4.35
Maturity	09/08/2011	09/02/2046	20,000,000.00	4.8
Maturity	23/01/2006	23/07/2046	10,000,000.00	3.7
Maturity	23/01/2006	23/07/2046	10,000,000.00	3.7



<b>Loan Type</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Principal Outstanding</b> (£)	<b>Interest Rate</b> (%)
Maturity	19/05/2006	19/11/2046	10,000,000.00	4.25
Maturity	07/01/2008	07/01/2048	5,000,000.00	4.4
Maturity	27/01/2006	27/07/2051	1,250,000.00	3.7
Maturity	16/01/2007	16/07/2052	40,000,000.00	4.25
Maturity	30/01/2007	30/07/2052	10,000,000.00	4.35
Maturity	13/02/2007	13/08/2052	20,000,000.00	4.35
Maturity	20/02/2007	20/08/2052	70,000,000.00	4.35
Maturity	22/02/2007	22/08/2052	50,000,000.00	4.35
Maturity	08/03/2007	08/09/2052	5,000,000.00	4.25
Maturity	30/05/2007	30/11/2052	10,000,000.00	4.6
Maturity	11/06/2007	11/12/2052	15,000,000.00	4.7
Maturity	12/06/2007	12/12/2052	25,000,000.00	4.75
Maturity	05/07/2007	05/01/2053	12,000,000.00	4.8
Maturity	25/07/2007	25/01/2053	5,000,000.00	4.65
Maturity	10/08/2007	10/02/2053	5,000,000.00	4.55
Maturity	24/08/2007	24/02/2053	7,500,000.00	4.5
Maturity	13/09/2007	13/03/2053	5,000,000.00	4.5
Maturity	12/10/2007	12/04/2053	5,000,000.00	4.6
Maturity	05/11/2007	05/05/2057	5,000,000.00	4.6
Maturity	15/08/2008	15/02/2058	5,000,000.00	4.39
Maturity	02/12/2011	02/12/2061	5,000,000.00	3.98
			<b>1,038,651,581.03</b>	

## **SALIX**

<b>Loan Type</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Principal Outstanding</b> (£)	<b>Interest Rate</b> (%)
EIP	07/01/2015	01/09/2021	394,785.70	0
EIP	31/03/2015	01/04/2023	1,262,028.18	0
EIP	22/09/2015	01/10/2023	329,699.55	0
			1,986,513.43	

## Appendix 2

### Outstanding Deposits at 30 September 2016

<u>COUNTERPARTY</u>	<u>START DATE</u>	<u>MATURITY</u>	<u>OUTSTANDING</u>	<u>INTEREST</u>
			(£)	(%)
Bank of Scotland	27/09/2007	/ /	31,712,699.09	0.3
Royal Bank Of Scotland	23/05/2008	/ /	4,565,616.96	0.25
Santander UK Business Reserve	16/09/2008	/ /	65,581.11	0.4
Barclays Bank	26/11/2010	/ /	94,272.02	0.25
Deutsche Bank AG, London	01/06/2011	/ /	50,448,370.62	0.377264
Svenska Handelsbanken	13/01/2012	/ /	50,378,055.29	0.35
Goldman Sachs Sterling Liquid Reserve	08/05/2012	/ /	9,478,240.14	0.271232
HSBC Bank Plc	01/07/2013	/ /	18,273.27	0.15
Lancashire County Council	05/05/2016	07/11/2016	10,000,000.00	0.575
Spelthorne Borough Council	12/09/2016	14/11/2016	16,000,000.00	0.3
Rotherham Metropolitan Borough Council	26/08/2016	26/10/2016	10,000,000.00	0.27
Glasgow City Council	25/08/2016	17/10/2016	17,540,000.00	0.27
Glasgow City Council	02/09/2016	02/12/2016	14,812,000.00	0.3
Leeds City Council	26/09/2016	1 month notice	25,000,000.00	0.3
London Borough of Barking and Dagenham	14/09/2016	16/01/2017	5,000,000.00	0.3
London Borough of Newham	20/09/2016	20/12/2016	10,000,000.00	0.3
Suffolk County Council	20/09/2016	21/11/2016	5,000,000.00	0.32
West Berkshire Council	21/09/2016	05/10/2016	2,000,000.00	0.34
Medway Council	22/09/2016	24/10/2016	5,000,000.00	0.34
Dudley Metropolitan BC	26/09/2016	03/01/2017	6,500,000.00	0.35
London Borough of Newham	28/09/2016	05/10/2016	3,000,000.00	0.34
Buckinghamshire County Council	29/09/2016	31/10/2016	5,000,000.00	0.34
Buckinghamshire County Council	29/09/2016	29/12/2016	10,000,000.00	0.34
London Borough of Newham	29/09/2016	13/10/2016	3,000,000.00	0.34
West Berkshire Council	30/09/2016	14/10/2016	7,500,000.00	0.34
Buckinghamshire County Council	30/09/2016	31/10/2016	10,000,000.00	0.36
European Investment Bank	16/08/2016	07/12/2016	3,094,442.75	0.32
H M Treasury	23/05/2016	21/11/2016	9,975,874.78	0.485
H M Treasury	31/05/2016	28/11/2016	9,976,007.02	0.485
H M Treasury	27/06/2016	28/12/2016	9,971,348.08	0.57
			<b><u>345,130,781.13</u></b>	

The £345m on deposit is represented by:

- £103m Lothian Pension Fund
- £234m City of Edinburgh Council
- £3.3m CEC Council Companies
- £4.8m Other

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Annual Report – Debt Write-off

<b>Item number</b>	7.8
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive Summary

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The Council's Corporate Debt Policy requires an annual summary of in-year write-offs to be reported to Finance and Resources Committee. This report provides Members with a summary of debt income streams deemed uncollectable and written-off during 2015/16.

Debts are only written-off when all possible methods of recovery have been exhausted and/or no formal litigation would be appropriate due to the nature and level of debt.

The Council is required to write-off debt where there is little likelihood of debts being recovered. This is good accounting practice and is carried out at the end of each financial year. Where debts are written-off, the Council will still pursue recovery action if there is a material change of circumstance, such as debtor can be traced or becomes solvent, with a demonstrated ability to pay.

## Annual Report – Debt Write-Off

### 1. Recommendations

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- 1.1. It is recommended that Committee notes:
  - 1.1.1. the sums due to the Council that have been written-off during 2015/16 and the low value (0.9%) this represents compared to the overall level of income collected;
  - 1.1.2. the Write-Off value is consistent with 2015/16; and
  - 1.1.3. while a debt is declared written-off for accounting purposes, cases can be re-opened at any stage to pursue payment should the debtor be traced or become solvent.

### 2. Background

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- 2.1 The Council's Corporate Debt Policy approved on 3 September 2013, and reviewed and updated by the Corporate Policy and Strategy Committee on 9 June 2015, requires an annual summary of in-year write-offs to be reported for scrutiny by the Finance and Resources Committee.

### 3. Main report

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- 3.1 Customers, citizens and businesses within Edinburgh have a responsibility to pay for the services they receive and the charges and rents they are liable for. It is essential that all monies due are pursued by the Council.
- 3.2 The Council adopted a Corporate Debt Policy in September 2013. This policy was developed around the principles of proportionality, consistency and transparency, and was subject to consultation and engagement with elected members, equalities and anti-poverty groups.
- 3.3 The Corporate Debt Policy allows a measured response to debt recovery, while recognising that a small proportion of the Council's overall income may not be collectable due to matters outside its control. Where a debt is assessed to be irrecoverable it is subject to a write-off process that is consistent with recognised accounting best practice. The Council has sought to minimise the cost of write-offs by taking all appropriate action to recover what is due, with write-offs a last resort after exhausting all other avenues.

- 3.4 As a result of the time elapsing between invoice issue and any decision to write-off amounts due, the sums written-off do not directly relate to the amounts billed during the year. This applies particularly in the case of parking charges, where the level of in-year write-offs in 2015/16 reflected amounts due in respect of prior years.
- 3.5 The summary write-offs reported in Appendix 1 comprise those debts written-off in accordance with the Corporate Debt Policy.
- 3.6 Appendix 2 provides typical considerations leading to debt being written-off.
- 3.7 An analysis of the reasons for miscellaneous/sundry, Council Tax and Non Domestic Rates debt write-offs is detailed in Appendix 3.
- 3.8 Parking/Bus Lane Charges written-off are substantially higher in terms of the percentage of total debt collected. The nature of this debt makes it more difficult to collect and Appendix 4 gives a detailed breakdown to demonstrate the reasons for write-off.

## 4. Measures of success

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- 4.1 The percentage of the total debt written-off is comparatively low and demonstrates that every action is taken to recover debt owed to the Council prior to any decision to write-off debt.
- 4.2 Debt recovery projections are realistic and write-offs are fully provided for each financial year.

## 5. Financial impact

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- 5.1 This report details a total of written-off debt which should be viewed in the context of overall value of income collected and, in terms of Housing Benefit, paid out i.e. the percentage of debt written-off, at 0.9%, is low in comparison to the sums concerned. This proportion is furthermore in line with the level of write-offs in recent years.
- 5.2 Parking and traffic enforcement has a higher percentage than other work streams. The reasons for this are detailed in Appendix 4.
- 5.3 The write-off process is part of the Council's recognised accounting practices. This action ensures that debt recovery projections are realistic and that write-offs are fully provided for within each service's projected financial outturn.
- 5.4 A number of the debts written off are secured through inhibitions and/or charging orders. The Committee receives a regular update on inhibitions, as part of its consideration of sundry debt write-offs. As detailed on Appendix 3, 15% of the write-off value identified under miscellaneous/sundry debt is underpinned by inhibitions. As a result any free proceeds from the future sale of the identified assets are used to settle the appropriate debt. The Council will also continue to seek settlement through relevant liquidation, administration and sequestration procedures.

## 6. Risk, policy, compliance and governance impact

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- 6.1 All write-offs are carried out in accordance with the relevant provisions contained within the Council's Corporate Debt Policy.

## 7. Equalities impact

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- 7.1 There is no direct equalities impact arising from this report.

## 8. Sustainability impact

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- 8.1 There is no adverse environmental impact arising from this report.

## 9. Consultation and engagement

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- 9.1 Not applicable.

## 10. Background reading/external references

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- 10.1 [Review of Corporate Debt Policy](#), Corporate Policy and Strategy Committee, Tuesday 23 February 2016
- 10.2 Miscellaneous Debts – Write-Off, Finance and Resources Committee, Thursday 8 September 2016 (B Agenda Item)
- 10.3 [Annual Report – debt write-off](#), Finance and Resources Committee, Thursday 28 August 2014
- 10.4 [Operational Governance Framework – Review of Scheme of Delegation](#), City of Edinburgh Council, 12 December 2013
- 10.5 [Compliance and Governance: Corporate Debt Policy](#), Corporate Policy and Strategy Committee, Tuesday, 3 September 2013

### **Hugh Dunn**

Director of Resources

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## 10. Links

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<b>Coalition Pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council Priorities</b>	CO25 – The Council has efficient and effective services that deliver on agreed objectives
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 - Summary of written-off debt in 2015/16 Appendix 2 - Reasons for recommending write-off of debt (excl Parking) Appendix 3 - Sundry debt analysis Appendix 4 - Parking and Bus Lane Charges

### Summary of written-off debt in

Debt Type	Total Collected/Paid	Total Write-Off	% of Overall Collected/Paid	Comparison 2014/15 % of Overall Collected/Paid
Miscellaneous*	£109,681,000	£941,971	0.8%	1.0%
Parking**	£5,930,992	£767,594	12.9%	18.9%
Council Tax	£310,999,626	£1,935,647	0.6%	0.7%
Non Domestic Rates	£374,453,673	£5,324,991	1.4%	1.0%
Housing Benefit Overpayment*	£196,116,000	£715,182	0.4%	0.4%
<b>Total</b>	<b>£997,181,291</b>	<b>£9,685,385</b>	<b>0.9%</b>	<b>0.9%</b>

\*Of £941K amount written off under delegated authority was £335K, with the remainder receiving Committee approval as part of the agreed write-off limits detailed in the Council's Finance Rules.

Miscellaneous debt comprises a variety of debt types not included within any of the specific categories identified above, including sums due in respect of non-HRA rental properties, Health and Social Care accommodation and other related charges and trade waste. Sundry debt also includes amounts relating to billing undertaken on behalf of the Business Improvement Districts and Lothian Pension Fund. Further details of the amounts written off, and the reason for these Write-Offs are shown at Appendix 3.

\*\* The total level of parking-related write-offs in 2015/16 Penalty Charge Notices/Bus Lane relate to charges issued in 2015/16. Further details of the amount written off and the reason for these write-offs are shown in appendix 4.

The trial agreement with European Parking Collections with the aim of reducing the number of notices written-off resulting from vehicles being registered outside the United Kingdom is complete and will be included in the Parking Enforcement Contract year 3 commencing October 2016. £71,665 was collected in 2015/16 as a result of this agreement.

*NB Write-offs relating Housing Rents are reported under separate cover to the appropriate Committee.*



**Reasons for recommending write-off of debt (not including Parking Services)**

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

### Analysis of sundry debt written off

The table below shows an analysis of debt types included within Sundry Debt and the reasons for these amounts being written-off.

Debt Type	Company dissolved / in liquidation / sequestration / bankruptcy / trust deed	Inhibition registered	No available funds	Recovery exhausted	Service Manager Request	Whereabouts unknown	Total Written Off	Write Off Recoveries	Net Amount Written Off
Accommodation Charges			£149.14	£57,541.66	£16,190.20	£3,724.00	£77,605.00	(£1,789.26)	£75,815.74
Care at Home / Home Care		£5,625.36	£1,627.92	£47,798.32	£2,774.80	£6,330.68	£64,157.08	(£75.90)	£64,081.18
Children and Families services		£296.23		£29,181.71		£4,685.36	£34,163.30	(£112.84)	£34,050.46
Court Fees				£85,494.27		£1,960.98	£87,455.25	(£110.00)	£87,345.25
Other Services	£35,508.78	£34,561.05		£47,951.86		£6,290.50	£124,312.19	(£2,217.82)	£122,094.37
Overpaid Housing Benefit	£6,410.82			£60,943.02		£1,207.72	£68,561.56	(£4,945.52)	£63,616.04
Rents (commercial property)	£41,035.06	£17,664.88		£30,105.42		£455.71	£89,261.07	(£5,175.46)	£84,085.61
Repairs	£875.73			£11,523.58			£12,399.31	(£1,053.57)	£11,345.74
Social Work Services	£10,726.38		£5,690.75	£33,108.00	£38,123.40	£1,186.92	£88,835.45	(£430.00)	£88,405.45
Statutory Repairs	£42,520.06	£84,089.04		£88,373.88	£55,745.25	£845.66	£271,573.89	(£46,948.93)	£224,624.96
Supporting People Charges			£411.60	£27,828.37		£4,114.62	£32,354.59	(£61.36)	£32,293.23
Theatres and Halls	£1,238.89			£537.10			£1,775.99	£0.00	£1,775.99
Trade Waste	£10,150.05	£1,068.17		£32,723.47		£8,699.94	£52,641.63	(£204.04)	£52,437.59
<b>Total Written Off</b>	<b>£148,465.77</b>	<b>£143,304.73</b>	<b>£7,879.41</b>	<b>£553,110.66</b>	<b>£112,833.65</b>	<b>£39,502.09</b>	<b>£1,005,096.31</b>	<b>(£63,124.70)</b>	<b>£941,971.61</b>

Finance and Resources Committee – 8 September 2016

## Analysis of Council Tax, Non Domestic Rates debt and Housing Benefit Overpayment written-off

The table below shows an analysis of debt types and the reasons for these amounts being written-off.

Debt Type	Recovery Exhausted	No Available Funds	Service Manager Request	Whereabouts unknown	Liquidation / Administration / Trust Deed, etc	Legal Advice/ Appeal Decisions	System Adj/ Anomalies	Transfers btw Claims/Properties	Total Written- Off
<b>Council Tax</b>	£40,777.04	£456,137.51	£32,652.76	£1,866.13	£1,379,950.75	£17,198.38	£7,064.86	£0.00	<b>£1,935,647.43</b>
<b>NNDR</b>	£5,893.22	£3,344,242.74	£82,169.01	£198,217.94	£1,694,407.25	£0.00	£61.12	£0.00	<b>£5,324,991.28</b>
<b>Housing Benefit Overpayments</b>	£0.00	£102,172.52	£16,973.57	£33,286.99	£101,513.82	£30,573.30	£430,661.39	£0.00	<b>£715,181.59</b>

### Notes

#### Council Tax

Total written-off was £1,949,760.60 and £14,113.17 was written back on, leaving net of £1,935,647.43

#### NNDR

Total written-off was £5,439,807.87 and £114,816.59 was written back on, leaving net of £5,324,991.28. This occurs when there is a change of circumstances and the Council recommences recovery action.

#### Housing Benefits

Transfers between properties - these are mainly write-offs done as manual adjustments to enable O/Ps to be transferred and manually created in another btw claims i.e. written-off in one claim

Finance and Resources Committee – 8 September 2016

## Parking and Bus Lane Charges

Description	Total	Write-Off Amount
<b>PENALTY CHARGE NOTICES</b>		
W01-AAF - Write-Off SO - All Actions Failed	875	£78,163.80
W01-DD - Write-Off Deceased	48	£3,908.10
W01-FD - Write-Off Foreign driver	914	£33,180.00
W01-FV - Write-Off WOFF Foreign Vehicle	746	£44,310.00
W01-MM - Write-Off Make mismatch no photos	10	£600.00
W01-NP - Write-Off No pindable effects	1642	£147,305.25
W01-NT - Write-Off No trace at DVLA	1456	£88,770.00
W01-OJ - Write-Off SO Outwit jurisdiction	108	£9,720.00
W01-OV - Write-Off Overseas Hirer	17	£900.00
W01-SEL/LIQ/REC - Write-Off SEL/LIQ/REC	70	£6,218.10
W01-SO - Write-Off SO Unable to trace	2327	£209,210.00
W01-UK - Write-Off Unable to trace Keeper/Owner	1168	£81,120.00
W01-UP - Write-Off Unable to process	2	£120.00
W01-EU - Write-Off EPC Uncollectable	136	£8,250.00
<b>Total Penalty Charges Written -Off</b>	<b>9519</b>	<b>£711,775.25</b>
<b>BUS LANE NOTICES</b>		
W01-AAF - Write-Off SO - All Actions Failed	91	£8,090.90
W01-BLAAF - Write-Off Bus Lane - SO All Actions Failed	1	£87.85
W01-BLDD - Write-Off Bus Lane - Deceased	3	£240.00
W01-BLFD - Write-Off Bus Lane - Foreign Driver	12	£630.00
W01-BLFP - Write-Off Bus Lane - Payment Made On Time	1	£30.00
W01-BLFV - Write-Off Bus Lane - WOFF Foreign Vehicle	35	£1,110.00
W01-BLMM - Write-Off Bus Lane - Make Mismatch	1	£30.00
W01-BLNP - Write-Off Bus Lane - No Pindable Effects	4	£360.00
W01-BLNT - Write-Off Bus Lane - No Trace At DVLA	690	£22,050.00
W01-BLUK - Write-Off Bus Lane - Unable To Trace Keeper/Owner	436	£23,190.00
<b>Total Bus Lane Charges Written-Off</b>	<b>1274</b>	<b>£55,818.75</b>
<b>Combined total</b>	<b>10793</b>	<b>£767,594</b>

# Finance and Resources Committee

10.00am, Thursday 3 November 2016

## Motor Fleet Insurance

Item number	7.9
Report number	
Executive/routine	
Wards	

### Executive Summary

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In addition to normal tender processes at relevant intervals, the Council's insurance programme is reviewed each year in advance of the renewal date of 1 October to establish that arrangements are still appropriate and if any alterations require to be made.

Despite supplying insurers with information well in advance of the renewal date, they provided terms for a change to the motor fleet all sections policy excess from £5,000 to £25,000 somewhat late in the renewal process this year.

Insurer's proposals were subjected to analysis and the outcome showed that there was a financial advantage to the Council. In consultation with the Finance and Resources Convener, it was agreed that the offer would be taken up.

This report requests that Committee approves the change of excess retrospectively.

### Links

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Coalition Pledges	<a href="#">P30</a>
Council Priorities	<a href="#">CP8</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Motor Fleet Insurance

### 1. Recommendations

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- 1.1 That Committee notes the report and retrospectively approves the change in the Council's motor fleet policy excess from £5,000 all sections to £25,000 all sections.

### 2. Background

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- 2.1 The Council tendered the motor fleet insurance policy in 2013. At that point the most attractive option was a £5,000 all sections excess. An all sections excess is an excess which applies to third party claims as well as accidental damage claims for the insured's own vehicles.
- 2.2 During this year's renewal discussions, insurers offered to provide terms for an increased excess of £25,000 (all sections). This report details the analysis carried out prior to moving to a £25,000 all sections excess and seeks retrospective approval for this decision.

### 3. Main report

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- 3.1 The Council tendered the motor fleet insurance policy in 2013. At that point the most attractive option was a £5,000 all sections excess. An all sections excess applies to third party claims as well as accidental damage claims for the insured's own vehicles.
- 3.2 During this year's renewal discussions, insurers pointed out that the Council differed from other large councils in that the level of its excess was very low in comparison. They offered to provide terms for an increased excess of £25,000 (all sections).
- 3.3 An analysis of the figures was undertaken using the Council's historical claims information for the most recent four year period. The results showed the additional cost of claims to the Council if a £25,000 all sections excess had been in force during that period and the premium was adjusted to reflect a similar reduction to that presently offered creating the most direct comparison possible. This produced a comparison indicating savings in all years. The results are shown at Appendix 1.
- 3.4 The great majority of claims fall within the current £5000 all sections excess and while Services will need to meet the additional cost of claims between £5,000 and

£25,000 for any claims which fall within this band, they will receive the benefit of the reduced premium which is charged to them.

- 3.5 Services who are more careful will also benefit since they will receive the benefit of the reduced premium and will not have to pay increased excess if they are not involved in accidents.
- 3.6 Insurance premium tax has increase from 6% to 10% this year. Unlike VAT, it is not recoverable so that paying higher premiums results in paying additional tax.
- 3.7 As the financial advantages appear significant, the excess was increased to £25,000 all sections.

#### **4. Measures of success**

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- 4.1 The new excess applied from 1 October 2016 and the Council should realise the financial benefits immediately.

#### **5. Financial impact**

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- 5.1 An annual saving of c£100,000 to the Council is anticipated.

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

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- 6.1 The risk to the Council has been considered.

#### **7. Equalities impact**

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- 7.1 None.

#### **8. Sustainability impact**

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- 8.1 None.

#### **9. Consultation and engagement**

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- 9.1 Not applicable.

## 10. Background reading/external references

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10.1 None.

### **Hugh Dunn**

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## 11. Links

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<b>Coalition Pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council Priorities</b>	CP8 - A vibrant, sustainable local economy
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all SO1
<b>Appendices</b>	Appendix 1 – Premium and Claims comparison



## Premium and Claims comparison

Year	Total Premium and Cost of Claims to the Council at £5K	Total Premium and Cost of Claims to the Council at £25K	Savings
2013/14	£703,812	£667,137	£36,675
2014/15	£704,356	£626,493	£77,863
2015/16	£722,680	£650,748	£71,932
2016/17 *	£725,804	£616,729	£109,075

\* Claims figures based on an extrapolation of the previous five year's statistics

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Procurement Benefits – Reporting Framework

<b>Item number</b>	7.10
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive Summary

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At the City of Edinburgh Council's meeting on 2 June 2016 the Council (in agreeing the revisions to the Councils Contract Standing Orders and Guidance on the Appointment of Consultants) agreed to the following addendum:

“To agree to develop a reporting framework for Finance and Resources Committee by October 2016 which sought to provide an overview of the aggregate impact of procurement decisions in relation to co-production, SMEs and social enterprises, sustainability, fair working conditions and other such matters which were consistent with Council policy ambitions.”.

This report outlines progress in developing the reporting framework for procurement benefits with further detail at Appendix 1.

### Links

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**Coalition Pledges**  
**Council Priorities**  
**Single Outcome Agreement**

## Procurement Benefits - Reporting Framework

### 1. Recommendations

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- 1.1 Note the progress outlined in the report.
- 1.2 Note that an update report will be provided to the Finance and Resources Committee in six months and then annually thereafter.

### 2. Background

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- 2.1 At the City of Edinburgh Council's meeting on 2 June 2016, the Council (in agreeing the revisions to the Councils Contract Standing Orders and Guidance on the Appointment of Consultants) agreed to the following addendum:

“To agree to develop a reporting framework for Finance and Resources Committee by October 2016 which sought to provide an overview of the aggregate impact of procurement decisions in relation to co-production, SMEs and social enterprises, sustainability, fair working conditions and other such matters which were consistent with Council policy ambitions.”.
- 2.2 Procurement benefits range from the more immediately realisable financial savings to the less tangible but equally important benefits from our contracts. These include benefits to the local economy through contracts with local businesses and the third sector and community benefits such as added social value, environmental benefits or the delivery of employability opportunities.
- 2.3 Changes to the procurement legislation are now driving many of these benefits, with the Scottish Government's procurement model putting procurement at the heart of economic recovery and sustainable growth. Specific procurement duties have been introduced to consider how each procurement exercise can:
  - 1) improve the economic, social and environmental wellbeing i.e. reduce inequality in the City of Edinburgh;
  - 2) facilitate the involvement of SMEs (less than 250 employees), third sector bodies and supported business in the Council's procurement processes;
  - 3) promote innovation; and

- 4) include community benefits such as targeted recruitment and training, small business and social enterprise development and community engagement.

### 3. Main report

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- 3.1 It is proposed to create a framework to report on the following procurement benefits:
  - Co-production;
  - Community benefits and social added value;
  - SMEs and social enterprises;
  - Sustainability;
  - Fair Working Conditions; and
  - Edible Edinburgh.
- 3.2 Appendix 1 outlines progress and aspirations with regard to these benefits.
- 3.3 The Procurement Reform (Scotland) Act 2014 now requires annual reporting on how the Council will meet its procurement strategy and how it will achieve procurement related policies including community benefits and supported businesses used. The first annual report is due in 2018, to cover the previous 15 months i.e. from January 2017. The Climate Change (Scotland) Act 2009 requires reporting on how procurement policies have influenced carbon reduction commitments and best practice. A report will be considered by Corporate Policy and Strategy Committee on 8 November 2016.
- 3.4 Initial engagement suggests that some of these benefits have significant overlap with existing service strategies and reporting networks. Commercial and Procurement Services (CPS) will work closely with Strategy and Insight, Sustainability and City Strategy and Economy and other relevant services to identify synergies and minimise duplication. The reporting framework will evolve as we understand what can meaningfully be measured and reported upon, the development and changes to policies and the development of tools particularly in terms of sustainability.
- 3.5 Good procurement acts as a vehicle for wider benefits. However, realisation of those benefits is dependent on strong contract management practices. Ongoing contract management is the responsibility of the commissioning services. CPS is currently developing proposals to support services in their contract management activities.
- 3.6 It is proposed that the reporting framework will initially report on procurement benefits delivered at contract award stage. As an electronic benefits tracking system is developed to allow electronic monitoring across the Council the benefits delivered during contract delivery stage will also be reported upon.

## **4. Measures of success**

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- 4.1 The measure of success of benefits tracking of procurements will improve consideration of sustainability, co-production, community benefits, fair working practices and the Edible Edinburgh Sustainable Food City Plan increase compliance, aid the delivery of better value contracts and improve access for SMEs, supported businesses and social enterprises.

## **5. Financial impact**

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- 5.1 Maximising the delivery of procurement benefits will bring improved financial return to the Council and the City's wider economy. Certain benefits have a monetary value attached and these will be monitored on a project by project basis by the service areas.

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

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- 6.1 The proposed tracking of benefits will improve controls, increase compliance and improve the governance of contracts.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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- 8.1 The requirement to consider how procurement can improve social, environmental and economic wellbeing and make entry for SMEs, third sector and supported businesses easier and promote innovation will have significant benefits for the City of Edinburgh and enable the Council to meet its Climate Change (Scotland) Act 2009 Public Bodies Duties.

## **9. Consultation and engagement**

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- 9.1 Consultation will be undertaken with the relevant partner organisations on improving and maximising procurement benefits throughout the year and prior to each annual report.

## **10. Background reading/external references**

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- 10.1 [http://www.edinburgh.gov.uk/download/meetings/id/50876/item\\_85\\_-\\_operational\\_governance\\_-](http://www.edinburgh.gov.uk/download/meetings/id/50876/item_85_-_operational_governance_-)

[\\_review of contract standing orders and guidance on the appointment of consultants](#)

## **Hugh Dunn**

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## **11. Links**

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**Coalition Pledges**

**Council Priorities**

**Single Outcome**

**Agreement**

**Appendices**

## Appendix 1

Benefit	Summary	Measurement	Next Steps
<b>Co-production</b>	<p>The Council has set out a clear commitment to co-production as a means of service redesign and development. Co-production is defined in the Council's Contract Standing Orders (CSOs) as "the real and meaningful involvement of the citizens of Edinburgh including future recipients of the services and key stakeholders in how and what goods, works or services are delivered with regard to the National Standards for Community Engagement." The CSOs require that the relevant officer or commissioner has planned co-production with key stakeholders prior to commencing any procurement. Health, social care and community services in particular are required to be procured in accordance with the principles of Co-production. The CSOs also now include a requirement that throughout the life of a contract the contract Manager should deliver continuous improvement in accordance with co-production principles.</p>	<p>Due to the qualitative nature of co-production, it is difficult to produce a meaningful baseline to measure impact for each project. Service outcomes may be measured but it will rarely be possible to relate these to co-production alone.</p> <p>What can be measured and is proposed to be reported on is</p> <ul style="list-style-type: none"> <li>• When co-production has taken place</li> <li>• Feedback from those taking part</li> <li>• Changes and improvements made as a direct result of co-production.</li> </ul>	<p>A Second Thinkspace event on co-production and the 'light touch' procurement regime for health and social care services was held on 28 June 2016 . Following on from that event the development of the light touch regime &amp; co-production best practice guidance and a toolkit of examples is currently being worked up with third sector colleagues. This guidance will form part of the Council's Procurement Handbook.</p>
<b>Community benefits and social added value</b>	<p>The Council aims to maximise the social, economic and environmental benefits from its procurement (known as 'Community Benefits') by incorporating Community Benefit Clauses within its contracts. These benefits are delivered by providers in addition to meeting the core requirements of the contract. An example of this is the agreement to take on apprentices, deliver training or deliver improvements to an Edinburgh locality such as the offer to deliver a mountain bike route around Liberton High School for no additional contractual costs.</p> <p>The menu of community benefits that providers have been asked to deliver from include:</p> <p>Employability benefits</p>	<p>Outline and track delivery on an individual basis through contract management.</p> <p>Number of contracts with supported businesses.</p>	<p>The menu of community benefits is constantly being reviewed and refined. It is proposed that additional benefits promised under each procurement is recorded and the benefits delivered reported upon by services areas supported by CPS and Strategy and Insight.</p>

	<p>Environmental benefits</p> <p>Benefits for Looked after Children</p> <p>A detailed Employability menu has been developed which has been used to great success delivering many modern apprenticeships and school leaver programme.</p> <p>The Council may also reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 30% of the workers are disabled or disadvantaged persons in accordance with the 2015 Regulations. The Council has the following contracts with supported businesses :-</p> <p>Furniture for Care Homes</p> <p>Re-upholstery of seating for Care Homes</p> <p>Laundry services</p>		
<p><b>SMEs and social enterprises</b></p>	<p>The Council currently has over 800 contracted SME providers. To support and encourage SMEs as Council providers. Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of £50,000 or less that at least one Small or Medium Enterprise (SME) from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.</p> <p>In accordance with the sustainable procurement duty the Council must consider how its procurement processes can facilitate the involvement of SMEs. This is taken into account in the procurement planning stage for each procurement.</p>	<p>Number of SMEs involved in the procurement process.</p> <p>Number of SMEs contracted with.</p>	<p>Further interrogation of data on SME providers required to produce stable baseline information and ensure data is robust.</p>



<p><b>Sustainability</b></p>	<p>The Council has had a comprehensive Sustainable Procurement Policy in place since 2012. The sustainable procurement policy and objectives are addressed within every procurement plan and Policy informs the Council's terms and conditions of contract.</p> <p>In this way the policies build awareness and are discussed with stakeholders. There is also a mandatory sustainability risk assessment of procurement projects as part of the individual procurement plan is a practical tool to ensure compliance with climate change duties.</p> <p>CPS also uses sustainability as selection and award criteria and seek to constantly evaluate processes that minimise the impact of the procurement for example in construction off-site fabrication, use of electric vehicles and use of local suppliers to reduce transport emissions are encouraged and scored accordingly</p> <p>One recent success in this area is Warp It an online digital platform enabling organisations to legally and securely redistribute surplus or redundant items within the Council estate and partners. This has permitted the emptying of Portobello High School which is on target to have almost all moveables reused and or recycled by the time the school requires to be emptied prior to demolition.</p>	<p>It is proposed that the Council measure against the Scottish Governments Flexible Framework which sets out the sustainability objectives and target levels set by the Scottish Government.</p> <p>The Warp It tool allows information to be collated on various savings and costs:</p> <ul style="list-style-type: none"> <li>• Item purchase and delivery savings</li> <li>• Carbon emission savings</li> <li>• Procurement purchase to pay cost</li> <li>• Waste disposal and landfill cost.</li> </ul>	<p>The Council's Sustainable Procurement Policy requires updating in line with recent legislation changes. A revised policy is planned for approval at the Corporate Policy and Strategy Committee early 2017.</p> <p>Warp It will be used to empty Boroughmuir High school</p>
<p><b>Fair Working Conditions</b></p>	<p>See accompanying committee report on Living Wage accreditation. The Council has committed to providing for Edinburgh's economic growth and prosperity. The Coalition Pledges include a commitment to: "introduce a Living Wage for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development."</p> <p>In Council tenders providers are asked whether they pay staff a minimum of the Foundation Living Wage rate of £8.25 per hour (to increase on 31<sup>st</sup> October 2016). The Council has also been examining for the last six months those contractors in scope who</p>	<p>% of Council contractors (in scope) paying their staff the Living Wage.</p>	<p>In applying for accreditation the Council has committed to agree milestones to address the non payment of Living Wage.</p> <p>Collate information on Council contractors and their work practices such as those using negative zero hours contracts.</p>

	may not pay their employees as Living Wage and putting in place milestones to address these.		
<b>Edible Edinburgh</b>	<p>Edible Edinburgh is a cross sector group which has developed the Edible Edinburgh Sustainable Food City Plan following city wide consultation. The plan is a tool to help Edinburgh develop as a sustainable food city. it recognises a need for a cultural shift to deliver more healthy, fresh and sustainable food is produced, that fewer people live in poverty and our natural environment is protected.</p> <p>Procurement is one strand in the plan with the following aims:-</p> <p>To develop a thriving local food economy based on public and private sector businesses procuring more sustainable food.</p> <p>Improve the amount &amp; quality of sustainable food procured</p> <p>Establish better communication and links between producers, processors, retailers and customers.</p> <p>Support ongoing delivery of the Edinburgh Food for Life Partnership project.</p> <p>Expanding Catering Mark in settings beyond schools and care homes.</p>	<p>Achievement of the Sustainable Food Cities Network Bronze award.</p> <p>Work towards attaining Food for Life Silver Catering Mark for schools and expand Catering Mark in settings beyond schools and care homes.</p>	<p>Commit to explore obtaining the Silver/Gold Catering Mark and a cost/benefit analysis of the award at higher levels with help from Soil Association Scotland in the Council's in-house catering services which provide for schools and care homes.</p> <p>Development of campaign to develop 'sustainable food tourism'</p> <p>Raise standards in the Council for procurement of sustainable food including roll-out of the bronze standard in all Council catering operations and continuation of pilot of silver Catering Mark at selected Edinburgh schools.</p> <p>Supporting the aims of the Edible Edinburgh</p> <p>Develop a system of food measures and indicators for sustainable food in the city</p> <p>Develop a performance framework for the Edible Edinburgh partnership which</p>

			would include statistics on land use and food growing
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# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Approval of Framework Agreement for the Provision of Interpretation, Translation and Communication support

Item number	7.11
Report number	
Executive/routine	
Wards	

### Executive Summary

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This report seeks the approval of the Committee to appoint a framework agreement of suppliers for the provision of the overflow of interpretation and translation services not currently met directly by the Interpretation and Translation Service (ITS).

The framework agreement will run for a period of three years with an option to extend for an additional twelve month period and will deliver an estimated saving of £42k per annum (£168k for the full contract period including extensions).

Recommendations relating to the wider management of the ITS are detailed in a separate report on the Committee agenda.

### Links

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Coalition Pledges	<a href="#">P30</a>
Council Priorities	<a href="#">CP11</a> <a href="#">CP13</a>
Single Outcome Agreement	<a href="#">SO4</a>

# Report

## Approval of Framework Agreement for the Provision of Interpretation, Translation and Communication support

### 1. Recommendations

1.1 It is recommended that the Finance and Resources Committee approve the appointment of the following suppliers to the framework agreement for each respective Lot.

Lot 1 - Interpretation Face to Face	Lot 2 - Interpretation – Telephone	Lot 3 - Translation	Lot 4 - British Sign Language (BSL), lip reading, deaf blind communication etc.	Lot 5 - Braille and other formats such as audio, large print etc.
DA Languages Ltd	DA Languages Ltd	DA Languages Ltd	Sign Language Interactions Ltd	DA Languages Ltd
Prestige Network Ltd	AA Global Language Services Ltd	The Language Room	DA Languages Ltd	
Global Language Services Ltd	Supreme Linguistic Services Ltd	AA Global Language Services Ltd	Prestige Network Ltd	
Elite Linguists C.I.C.	Prestige Network			
Supreme Linguistic Services Ltd	Global Language Services Ltd			

1.2 It is intended that the framework agreement will be in place for a period of three years with an option to extend for an additional twelve month period from 1 December 2016, with a total estimated value of £1,824,000 for the full contract period including extensions.

### 2. Background

2.1 The Council manages and operates an interpretation and translation service to support its community and equalities goals. The following services are delivered by the ITS:

- Interpretation – face to face;
- Interpretation – telephone;

- Translation;
  - British Sign Language; and
  - Braille and other formats such as audio, large print etc.
- 2.2 At present interpretation and translation is carried out in 116 languages, with Polish being the most frequently accessed language. This service is used by various stakeholders with the main users being NHS Lothian and Council services.
- 2.3 Service demand is managed through a small administration team, and interpretation and translation activities are undertaken by approximately 120 sessional interpreters/translators.
- 2.4 Due to demand for interpreting, translation and communication support services, ITS historically used several agencies to support approximately 3,000 cases per year at a cost of approximately £498k per annum.
- 2.5 The ITS in conjunction with Commercial and Procurement Service, has now undertaken a procurement exercise in order to appoint a framework agreement of suppliers to service this overflow requirement going forward.
- 2.6 The framework agreement features the flexibility required to allow for changes to the service delivery model that may come about as a result of the wider review of the services that is underway.

### 3. Main report

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- 3.1 The contract opportunity was advertised on Public Contracts Scotland portal for a period of 45 days in accordance with procurement regulations.
- 3.2 The requirement was divided into Lots (as detailed below) in order to facilitate potential participation in the procurement process by small and medium sized enterprises, voluntary and community groups, social enterprises, charities and local businesses:
- Lot 1 – Interpreting – face to face (top 5 scoring suppliers to be appointed);
  - Lot 2 – Interpreting - telephone (top 5 scoring suppliers to be appointed);
  - Lot 3 – Translations (top 3 scoring suppliers to be appointed);
  - Lot 4 – British Sign Language (top 3 scoring suppliers to be appointed); and
  - Lot 5 – Braille and other formats, e.g. audio-tape, audio-CD, large print, etc (top scoring supplier to be appointed).
- 3.3 The evaluation of tenders included an emphasis on quality, as well as price, with 60% of the overall evaluation score allocated to quality and 40% of the overall evaluation score allocated to price. This cost: quality ratio was assigned to ensure that those tendering were able to deliver the key tasks and produce the study as required within the programme.

- 3.4 Following completion of the quality analysis, tenders were subject to a cost analysis. The cost analysis established the full price of tenders, considering responses to the Pricing Schedule. The lowest priced bid was allocated the 40% weighting. All other bids were scored on a pro-rated basis against the lowest priced bid. Scores from the quality analysis were then combined with the scores for the cost analysis to reach a combined score for each tender submission.
- 3.5 Tenderers individual scores are detailed in Appendix 2.
- 3.6 When the framework agreement is operational pieces of work will be allocated to the highest ranked Supplier (based on quality and price) on the appropriate Lot. If the Supplier declines or cannot meet the requirements, the next highest scoring Supplier will be allocated the work and so on.

#### **4. Measures of success**

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- 4.1 Currently the fill rate of appointments is 98%+. This aim of this framework agreement is to achieve a 99%+ fill rate.

#### **5. Financial impact**

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- 5.1 Prior to this procurement exercise the total value of the provision of overflow services was estimated at £498k annually. By putting this framework agreement in place a saving of 8.5% will be achieved which totals an estimated £42k per annum (£168k for the full contract period including extensions).
- 5.2 The costs associated with procuring this framework agreement are estimated at up to £10,000.

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

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- 6.1 To ensure the ongoing availability and quality of this essential service a robust service agreement will be put in place to ensure that service standards are maintained and cost transparency achieved.

#### **7. Equalities impact**

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- 7.1 The provision of interpretation, translation and communication services directly support public sector equality duties, in particular the elimination of discrimination, the advancement of opportunity and the fostering of good community relations.

#### **8. Sustainability impact**

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- 8.1 Under the Climate Change (Scotland) Act 2009, the Council must ensure that its policies, plans and strategies take account of carbon impacts, adaptation to climate change, and sustainable development.

8.2 It is not anticipated that the activity of providing ITS will have significant carbon impact however the pricing model has required costs inclusive of expenses to be submitted by Tenderers. This has the effect of incentivising the use of local interpreters and therefore reducing travel impacts.

## 9. Consultation and engagement

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9.1 NHS Lothian, the Council's largest user partner were consulted with and engaged as part of the procurement process with one manager from NHS Lothian being involved in the evaluation of the tenders submitted.

## 10. Background reading/external references

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10.1 The future management of the wider ITS is detailed in a separate report on the Committee agenda.

### Hugh Dunn

Acting Executive Director of Resources

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## 11. Links

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<b>Coalition Pledges</b>	P30 Continue to maintain a sound financial position
<b>Council Priorities</b>	CP11 An accessible connected city CP13 Deliver lean and agile services
<b>Single Outcome Agreement</b>	SO4 Edinburgh's communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 - Summary of Tendering and Tender Evaluation Processes Appendix 2 – Tenderer's Scores Appendix 3 - Languages



Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Framework Agreement for the Provision of Interpretation, Translation and Communication support	
Contract period	3 years with the option to extend for further 12 months from 1 December 2016 to 30 November 2019 (or 30 November 2020)	
Estimated contract value	£1,824,000 over four years	
Savings to be tracked	£42,000 annually	
Standing Orders observed	3.1 - Director responsible for selecting and appointing suppliers with guidance as appropriate from the Chief Procurement Officer  5.1 - Tenders evaluated on the basis of most economically advantageous and the best price-quality ratio.	
Portal used to advertise	Public Contracts Scotland	
EU Procedure chosen	Open	
Tenders returned	Lot 1 – 6 Lot 2 – 5 Lot 3 - 11	Lot 4 - 5 Lot 5 - 1
Tenders fully compliant	Lot 1 – 6 Lot 2 – 5 Lot 3 - 11	Lot 4 - 5 Lot 5 - 1
Recommended suppliers	Detailed at Section 1 - Recommendations	
The scores obtained by each tenderer	Detailed in Appendix 2 - Tenderer's Scores	
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department.	
Evaluation criteria and weightings and reasons	<b>Question</b>	<b>Weighting</b>
	Service Delivery	25%

for this approach	Staff and Resources	25%
	Performance management and Continuous Improve	10%
	Collaboration, Quality Assurance and Business	10%
	Implementation Plan	5%
	Exit Management Plan	10%
	Fair Work Practices	5%
	Data Protection	5%
	Community Benefits	5%
Evaluation Team	<ul style="list-style-type: none"> <li>• Jennifer Wilson - Customer service Manager</li> <li>• Van Dundas - Interpretation &amp; Translation Services Manager</li> <li>• Delphine Jaouen - Interpretation and Translation Manager, NHS Lothian</li> </ul>	
Consideration as to procurement methodology and processes to ensure SME friendly	The requirement was split into five lots with the option to include more than one supplier per lot. This was to encourage supplier participation which will be crucial to the success of the Framework in a fragmented marketplace composed largely of SMEs.	

## Appendix 2 – Tenderer’s Scores

### Lot 1 – Interpreting – face to face

Supplier Name	Price Score	Quality Score	Combined Score	Rank
DA Languages Ltd	38.50	45.00	83.50	1
Prestige Network Ltd	40.00	41.25	81.25	2
Global Language Services Ltd	29.04	42.75	71.79	3
Elite Linguists C.I.C.	23.90	45.75	69.65	4
Supreme Linguistic Services Ltd	28.35	29.25	57.60	5
Tenderer 6	28.38	21.00	49.38	6

### Lot 2 – Interpreting - telephone

Supplier Name	Price Score	Quality Score	Combined Score	Rank
DA Languages Ltd	35.89	52.50	88.39	1
AA Global Language Services Ltd	34.69	42.00	76.69	2
Supreme Linguistic Services Ltd	40.00	25.50	65.50	3
Prestige Network	29.40	33.75	63.15	4
Global Language Services Ltd	19.27	42.75	62.02	5

### Lot 3 – Translations

Supplier Name	Price Score	Quality Score	Combined Score	Rank
DA Languages Ltd	35.01	52.50	87.51	1
The Language Room	40.00	45.75	85.75	2
AA Global Language Services Ltd	39.29	45.75	85.04	3
Tenderer 4	29.01	45.75	74.76	4
Tenderer 5	32.12	39.00	71.12	5
Tenderer 6	21.64	45.75	67.39	6
Tenderer 7	28.60	33.75	62.35	7
Tenderer 8	28.54	33.75	62.29	8
Tenderer 9	38.85	21.75	60.60	9
Tenderer 10	17.00	33.75	50.75	10
Tenderer 11	15.06	33.75	48.81	11

Lot 4 – British Sign Language

<b>Supplier Name</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Combined Score</b>	<b>Rank</b>
Sign Language Interactions Ltd	28.13	53.25	81.38	1
DA Languages Ltd	29.90	48.00	77.90	2
Prestige Network Ltd	40.00	37.50	77.50	3
Tenderer 4	39.60	35.25	74.85	4
Tenderer 5	33.64	30.75	64.39	5

Lot 5 – Braille and other formats, e.g. audio-tape, audio-CD, large print, etc.

<b>Supplier Name</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Combined Score</b>	<b>Rank</b>
DA Languages Ltd	40.00	51.75	91.75	1

### Appendix 3 - Languages

<b>No</b>	<b>Language</b>	<b>No</b>	<b>Language</b>
1	Akan	44	Kurdish Kurmanji
2	Albanian	45	Kurdish Sorani
3	Amharic	46	Latvian
4	Arabic	47	Lithuanian
5	Armenian	48	Macedonian
6	Bengali	49	Malay
7	Bosnian	50	Malayalam
8	Bulgarian	51	Mandarin
9	Burmese	52	Mandinka
10	Cantonese	53	Manjago
11	Catalan	54	Nepali
12	Chewa/Chichewa	55	Norwegian
13	Croatian	56	Polish
14	Czech	57	Portuguese
15	Danish	58	Punjabi
16	Dari	59	Pushtu
17	Dinka	60	Rohingya
18	Dutch	61	Romanian
19	Edo	62	Russian
20	Estonian	63	Samoan
21	Farsi	64	Serbian
22	Finnish	65	Shona
23	Flemish	66	Sindhi
24	French	67	Sinhalese
25	Gaelic	68	Slovak
26	German	69	Somali
27	Greek	70	Spanish
28	Gujarati	71	Swahili
29	Hakka	72	Sylheti
30	Hausa	73	Tagalog/Filipino
31	Hebrew	74	Tamil
32	Hindi	75	Telugu
33	Hungarian	76	Thai
34	Igbo	77	Tigrinya
35	Indonesian	78	Turkish
36	Italian	79	Twi
37	Japanese	80	Ukrainian
38	Kannada	81	Urdu
39	Kazakh	82	Uzbek
40	Konkani	83	Vietnamese
41	Korean	84	Wolof
42	Krio	85	Yoruba
43	Kurdish Badhini	86	Zulu

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Building capacity for transformation leadership

<b>Item number</b>	7.12
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive Summary

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The organisation is under pressure to transform itself and become fit for purpose to operate effectively in a much altered financial climate. The organisation's executive team have a clear and aspirational vision of the type of culture that needs to be established to ensure the organisation is at its most effective in delivering for the city.

Leadership plays a crucial role in any organisational transformation and culture change and, without investment in leadership, expected change (and associated benefits) is rarely delivered in practice. Because of this, an investment has been made in the organisation's senior leadership in 2015/16 in partnership with Steve Radcliffe Associates.

The work to date has had a strong positive impact, leading to the beginnings of a 'One Council' approach and new ways of working. It is recognised, however, that further work is now needed to extend the progress made and a subsequent phase of leadership development work is now planned.

A procurement waiver is sought so we can keep continuity with the existing partner as this consistency is a crucial factor in the success of the transformational agenda.

### Links

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**Coalition pledges**

**Council priorities**

**Single Outcome Agreement**

## Building capacity for transformation leadership

### 1. Recommendations

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- 1.1 Agree to 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.

### 2. Background

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- 2.1 Work has been undertaken since spring 2015 to support the organisation's senior leadership in successfully and cohesively leading the Council's transformational agenda to ensure the delivery of key benefits (cost savings, efficiencies and improved outcomes from partnership working). Putting in place this support was in response to it being recognised, in January 2015, that collective leadership for the transformation was one of our significant areas of risk.
- 2.2 In April 2015, a one-off event was run in partnership with Steve Radcliffe Associates to begin to create shared goals for the transformation leadership agenda and an agreement about leading together cohesively with a 'One Council' spirit.
- 2.3 Due to the exceptionally positive reception and high level of adoption of the approach taken by Steve Radcliffe Associates ('Future-Engage-Deliver'), a procurement waiver was secured (and reported to Finance and Resources Committee in September 2015) to enable us to undertake further work in partnership with Steve Radcliffe Associates. This was to enable us to have continuity in using the Future-Engage-Deliver approach in undertaking a series of 'leadership learning sets' with this group to determine effective strategies for leading the change agenda and build relationships to do so cohesively.
- 2.4 The success of the work in 2015 was seen in the beginnings of a move away from functional 'silos' to a more aligned and 'One Council' approach to leading the organisation's transformation. Under the new Chief Executive Officer's leadership, the leadership development support provided enabled the beginnings of a more powerful leadership for change.
- 2.5 Reflecting on the early indications of positive change, the Corporate Leadership Team wanted to extend this approach to include the entirety of the Wider

Leadership Team (broadly speaking, the organisation's top 100). So in February 2016, a further waiver was agreed at Finance and Resources Committee to enable us to undertake further Future-Engage-Deliver leadership learning set work with the wider group.

- 2.6 This phase of the work has recently been completed. The result appears to be that, in addition to the Corporate Leadership Team being united about the cultural transformation they will lead to build an effective organisation, we now have the full 100 leaders at the top of the organisation behind the vision for change, and motivated to use a consistent approach in leading it.
- 2.7 Steve Radcliffe is one of Europe's top leadership experts and has provided leadership coaching to over 50 chief executives and heads of the Civil Service, the NHS and other government departments. He was the choice of partner for the initial event that led to the decision to invest in leadership development work because it was recognised that the level of impetus for change needed at that time was significant and it was only somebody of his calibre that could have the level of impact needed.

### 3. Main report

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- 3.1 It is recognised that, while the work to build the Wider Leadership Team's capacity for transformation leadership has made a powerful impact, further work is now needed to extend the coalition for change to be able to have a real impact on the organisation's performance across this large and diverse organisation.
- 3.2 Accordingly, a subsequent phase of the work is proposed to engage a broader pool of managers in adopting the leadership approach to drive the change and improvement agenda.
- 3.3 This next phase will see us extend the leadership work down to the next level of management within the organisation (approximately 350-400 managers). It will also see us extend out into our partnerships in the city, to support the leadership team development of the newly forming Locality Leadership Teams, by running team workshops to help them form as the sort of teams that will inspire collaborative practices in the locality.
- 3.4 Including further work with the Corporate Leadership Team, some embedding work with the Wider Leadership Team, some planned work with members, the work with locality leadership teams and the large scale work with the next tier of management, it is estimated that the value of the work between now and March 2017 is up to £85,000.
- 3.5 It is deemed to be crucial that this work continues with Steve Radcliffe Associates as, having embedded the Future-Engage-Deliver leading change focus and ethos, losing continuity at this stage would significantly reduce the impact, success and return on investment of the work.



- 3.6 Beyond this phase of work, however, the intention is to move to a more self-sustaining model, reducing the reliance on Steve Radcliffe Associates. In order to transfer capability from Steve Radcliffe Associates to our internal team, we will need to procure further low level background support from Steve Radcliffe Associates - for example, some leadership facilitation skills development support and potentially the procurement of supporting resources (e.g. in the form of elearning materials and books). The value of this later support phase is initially estimated at an additional £25,000.

#### **4. Measures of success**

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- 4.1 Success will be tracked using participant feedback and by tracking impact on staff survey indicators and organisational change effectiveness and performance.

#### **5. Financial impact**

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- 5.1 The value of the work is estimated at up to £85,000 between now and March 2017 with the potential of a further investment of £25,000 thereafter, to support the transition from dependence on Steve Radcliffe Associates to a more self-sustaining approach. The organisation's transformation fund is being used for this work.
- 5.2 The costs associated with procuring this contract are estimated at less than £10,000.
- 5.3 The outcomes from the work undertaken should have a positive effect on the Council's financial position, making it more likely that cost-savings are enduring (due to the reliance of the cost-savings on an aligned 'One Council' approach and a partnership approach within localities).

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

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- 6.1 The grounds for direct award without competition are not met with regards to procurement regulation. Further legal advice has been sought regarding this requirement and it is considered that the risk of challenge from the market is low, due to both the nature of the work and the value of the requirement.
- 6.2 The risk of not agreeing a direct award to the current provider is that business continuity of the programme would not be achieved, leading to a negative impact on organisational change, effectiveness and performance.

## 7. Equalities impact

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7.1 There are no direct equalities impacts arising from this report.

## 8. Sustainability impact

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8.1 There are no adverse environmental outcomes arising from the report.

## 9. Consultation and engagement

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9.1 Not applicable.

## 10. Background reading/external references

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10.1 None.

### **Hugh Dunn**

Acting Executive Director of Resources

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## 11. Links

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**Coalition pledges**

**Council priorities**

**Single Outcome**

**Agreement**

**Appendices**

# Finance and Resources Committee

10:00am, Thursday, 3 November 2016

## Award of Contract for Consultancy Services - Corstorphine Parking Survey

Item number	7.13
Report number	
Executive/routine	
Wards	6 - Corstorphine/Murrayfield

### Executive Summary

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This report seeks the approval of the Finance and Resources Committee for the award, on the basis of a non-competitive action, of a contract for consultancy services to carry out a detailed parking survey within the Corstorphine area.

This follows a procurement exercise, involving a competitive tender following the mini-competition process set down under the Scotland Excel Framework, to find a suitable consultant to undertake the required work.

### Links

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Coalition Pledges	<a href="#">P28</a> , <a href="#">P33</a>
Council Priorities	<a href="#">CP6</a> , <a href="#">CP8</a>
Single Outcome Agreement	<a href="#">SO2</a>

## Award of Contract for Consultancy Services - Corstorphine Parking Survey

### 1. Recommendations

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- 1.1 It is recommended that the Committee approves, on the basis of a non-competitive action, the following contract awards:
  - 1.1.1 the appointment of AECOM to undertake a parking survey in the Corstorphine area for a contract sum of £29,450, to commence on 14 November 2016 and end 31 January 2017.

### 2. Background

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- 2.1 In response to increasing concern from residents about parking pressures in the Corstorphine area, officers agreed to conduct a parking survey that will assist in quantifying the extent of the parking problems, as well as determining parking patterns and usage.
- 2.2 Analysis of this information will then be used to determine whether measures are required to address the parking issues highlighted.

### 3. Main report

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- 3.1 In the last 12 to 18 months, an increasing number of Corstorphine residents have been in contact with elected members and Council officers with regard to parking pressures in their area. As a busy urban village in its own right, and being situated on one of the main bus corridors into the city centre, Corstorphine is not only a generator of local parking, but the residential nature of its' streets makes it a convenient parking area for city centre commuters.
- 3.2 As a result of the rising level of concern with regard to the impact of non-residential parking, Council officers agreed to investigate parking pressures within Corstorphine. To understand the full extent of these pressures officers identified an area where a detailed parking survey should be carried out. That survey would be designed to identify parking patterns and allow an assessment of the likely nature of each vehicle (such as resident, commuter or visitor) to be made.

- 3.3 Such surveys require a significant resource, not only to gather the data on-street, but also in terms of the analysis of that data and its transfer into a form that can be easily understood and from which conclusions can be drawn.
- 3.4 For these reasons this work is typically carried out on behalf of the Council by Consultants specialising in transportation and traffic studies. Their expertise in handling and analysing large amounts of data allows the results of such studies to be made available quickly and efficiently, which in turn provides the most effective means of expediting parking-related projects.
- 3.5 In accordance with the Council's Standing Orders on procurement, it was determined that appointing a consultant to carry out the necessary survey and analysis would require the work to be put out to competitive tender.
- 3.6 It was also considered that the most economically viable means of sourcing the required services would be through an existing framework. By using the Scotland Excel Framework, the Council would benefit from nationally agreed rates, and source work from a pre-existing list of experienced and suitable consultants offering the required range of services. The route for procuring the desired services required bids to be sought from a minimum of three providers.
- 3.7 Using the Scotland Excel Framework, four consultants were chosen from the list of available providers on the basis that they provided the required services. Tender documents were issued to the chosen consultants.
- 3.8 AECOM submitted the only tender bid for the offered work, with a contract sum of £29,450.
- 3.9 The tender documents specified that the analysis of the bids received would be conducted on the basis of both a financial assessment (40%) and a qualitative assessment (60%) based on the proposed methodology, project management proposals and the experience of the company, the Project Director and the Project Team.
- 3.10 In terms of the qualitative assessment, AECOM's bid scores highly, with demonstrable experience across its project team and methodology which indicates full understanding of the aims of the survey that will provide the Council with the required data.
- 3.11 With only one bid received it is not possible to compare that methodology or experience to other consultants, nor is it possible to score the bid on the basis of the tender amount or on value for money.
- 3.12 Although comparison with other bids was not possible, the original framework was tested for Best Value and only consultants demonstrating this were successful. Were the Council to re-run this tender exercise then additional procurement costs would be incurred, with no guarantee that a better value bid would be received.

- 3.13 It is therefore recommended that AECOM be appointed as the successful contractor on the basis of a non-competitive action.

#### **4. Measures of success**

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- 4.1 The contract enables the Council to buy in specialist technical advice to support Council staff.
- 4.2 Success will be measured against the consultant's ability to produce the necessary deliverables on programme and within budget. This will be monitored throughout the duration of the contract.

#### **5. Financial impact**

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- 5.1 The contract sum is £29,450.
- 5.2 The cost of conducting the proposed parking survey will be met from within the existing Parking Operations budget in the year 2016/17.
- 5.3 The costs associated with procuring this contract are estimated at up to £10,000.

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

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- 6.1 It is considered that there are no risk, policy, compliance or governance impacts as a result of this report.

#### **7. Equalities impact**

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- 7.1 It is considered that there is no equalities impact as a result of this report.

#### **8. Sustainability impact**

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- 8.1 The Council has considered its obligations under the Climate Change (Scotland) Act 2009. Neither the content of this report nor its recommendations are anticipated to have any negative impact on sustainability.

#### **9. Consultation and engagement**

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- 9.1 The Council's Procurement team have been consulted during the preparation of this report to ensure compliance with the Council's Procurement rules and Standing Orders.

## 10. Background reading/external references

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10.1 None.

### Paul Lawrence

Executive Director of Place

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## 11. Links

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<b>Coalition Pledges</b>	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 P33 - Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used.
<b>Council Priorities</b>	CP6 - A creative, cultural capital CP8 - A vibrant, sustainable local economy
<b>Single Outcome Agreement</b>	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	1 - Summary of Tendering and Tender Evaluation Processes

## Appendix 1:

### Summary of Tendering and Tender Evaluation Processes

#### Procurement of Consultancy Services - Corstorphine Parking Survey

Contract period	14 November 2016 to 31 January 2017
Estimated contract value	£29,450
Standing Orders observed	2.12, 2.13, 4, 5, 6,
Governing UK Regulation	Public Contracts (Scotland) regulations 2015
Invitations to tender issued	4
Tenders returned	1
Tenders fully compliant	1
Recommended suppliers	AECOM
Primary criterion	40% Price 60% Quality



# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Receipt and Processing of Recyclable Materials from Kerbside and Communal Collections - Award of Contract

Item number	7.14
Report number	
Executive/routine	Executive
Wards:	All wards

### Executive summary

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This report outlines the result of a competitive tender process for a Contract for the Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal recycling collections.

The report seeks the approval of the Finance and Resources Committee to award a Contract for the Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Recycling Collections from 28 November 2016 to 27 November 2018 with the option to extend for up to two x 12 month periods.

### Links

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Coalition pledges	P49, P44
Council Priorities	CP8, CP9
Single Outcome Agreement	SO1, SO4

## Receipt and Processing of Recyclable Materials from Kerbside and Communal Collections – Award of Contract

### Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee approve the appointment of Biffa Waste Services Ltd as Contractor for the Receipt and Processing of Dry Recyclable Materials (DMR) from Kerbside and Communal Collections for a period of two years with the option to extend by two x 12 month periods.

### Background

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- 2.1 The Council requires the sorting and processing of mixed recyclates collected by City of Edinburgh Council Waste Services from wheelie bins at the kerbside from approximately 140,000 households. This is a continuing requirement.
- 2.2 The receipt and processing service is presently provided under a Direct Award to Wm Tracey Ltd from the Scotland Excel Framework Agreement for Dry Mixed Recyclates SE1413. Following competition the purpose of the contract proposal is to align rebates and processing charges by:
  - Being indexed linked to published market indices for each material stream.
  - Being consistent with the contamination levels relevant to the Council's Mixed Recyclate waste.
  - Being discounted for the Material Recyclate tonnage delivered for processing.
- 2.3 Up to October 2014 the Council operated a twin-box kerbside recyclable collection service collecting approximately 14,000 tonnes of DMR per year. A new twin stream service model was then introduced in six phases between September 2014 and December 2015 involving 140,000 households where the properties were provided with two containers, one a standardised size bin and the other a box already provided. Crucially both containers are collected on the same day on a fortnightly basis with less separation of materials than previously required by the householder, thus simplifying the service for residents and therefore making participation easier. The benefit, borne out by results indicating

tonnage increases of up to 50% is that more residents participate and the amount of waste presented for landfill disposal is reduced.

- 2.4 Approximately 7,000 tonnes per annum of recyclable materials are currently collected from communal recycling banks. It is anticipated that materials collected from communal recycling banks will be brought within the scope of the Contract during the first two years of the contract period..
- 2.5 Midlothian Council will participate in the Contract from 1 April 2017. Midlothian Council currently collects approximately 6,000 tonnes per annum of DMR.

## Main report

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- 3.1 The City of Edinburgh Council requires to procure a Contract for the recycling of DMR.

Materials collected through the kerbside DMR bin are:

- Paper (news and PAMS, directories, other white paper, shredded paper)
- envelopes
- Cardboard (both Old Corrugated Cardboard (OCC) and mixed boards such as cereal boxes, kitchen, toilet roll tubes, washing powder boxes etc.)
- Steel and aluminium cans and tins(including empty aerosols)
- Clean foil
- Drink and food cartons(tetra packs and similar)
- Mixed plastic bottles and lids
- Plastic tubs, pots and food trays

- 3.2 Waste Services and Commercial and Procurement Services (CPS) engaged with Scotland Excel with a view to utilising the Scotland Excel Framework Agreement for Recyclable and Residual Waste.
- 3.3 Following discussion, Scotland Excel confirmed that proposed amendments to the original Framework pricing mechanisms regarding contamination bandings and to the materials rebate structure were within the scope of Lot 4 of the Framework.
- 3.4 The potential to collaborate with other Local Authorities was identified. Midlothian Council expressed an interest in participating in the contract from April 2017, when their current contract expires.
- 3.5 CPS advertised the contract opportunity as a mini-competition to the 11 members of Lot 4 of the Framework through the Public Contracts Scotland Quick Quote facility on the 29 July 2016, with a closing date for submission of Tenders of 26 August 2016.

- 3.6 Bidders were asked to complete a Pricing Schedule using a pre-determined pricing structure using June 2016 market indices and fixed nominal tonnages, to ensure that all commercial offers were built upon a like-for-like basis using identical base data.
- 3.7 The development of this approach was guided by a number of discussions with other Councils to incorporate their lessons learned from procurement exercises for similar materials. A number of Councils have requested further information on our approach to this contract.
- 3.8 The pre-determined pricing structure is based on a gate fee set against a rebate for each material relative to market prices as published in independent monthly indices. The rebate will be adjusted monthly to reflect movement in the market prices of the relevant materials. In addition a quarterly analysis of waste will be undertaken to improve both parties understanding of the levels of contamination within the recycle.
- 3.9 It is emphasised that since prices submitted were based on theoretical volumes and proportions of DMR materials and June 2016 market prices, actual prices at the time of the contract start on 28 November 2016 will differ due to monthly indexation.
- 3.10 Prices for the receipt and processing of broadly similar categories range from £45 to £140 per tonne excluding transport.
- 3.11 In order to minimise the cost of transportation of materials, the Tender Award Criteria included a scored question representing 14% of the marks available for Quality for proposals to support the Council's operational requirements including the double-shift collection system and travel times.
- 3.12 Six suppliers confirmed receipt of the invitation; two organisations submitted Bids.
- 3.13 Both Bidders submitted Bids compliant with the advertised Terms and Conditions of Contract.
- 3.14 All Tenders met the Mandatory Criteria.
- 3.15 Tenders were evaluated using 70% Price and 30% Quality with the Technical (Quality) aspect being assessed by officers from Waste Services being guided by CPS representation. The Commercial (Price) aspect was assessed by officers within Finance and CPS.
- 3.16 Following the Quality Evaluation of Tenders against the published Award Criteria, submissions were scored as follows:

<b>Bidder</b>	<b>Quality Score</b>	<b>Price Score</b>	<b>Ranking</b>
Biffa Waste Services Ltd	22.5	70	1

Bidder 2	17.93	56.90	2
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3.17 Finance Officers assessed the pricing offers submitted, representing 70% of the overall evaluation marking with the most financially advantageous offer for the Gate Fee being awarded 70% of the pricing score and 30% of the pricing score being accorded to the most advantageous market/price rebate. Scores from the Price Assessment were added to the Quality Evaluation scores. Final rankings from the combined scores were as follows:

<b>Bidder</b>	<b>Score</b>	<b>Ranking</b>
Biffa Waste Services Ltd	92.5	1
Bidder 2	74.83	2

3.18 The cost of Dry Recyclables Processing represented by the first ranked offer compared to the current cost to the Council of both kerbside and communal recycling centre processing is forecast to yield the following savings based on projected throughput:

Total Contract Value over 4 years		£3,006,432
Total Savings over 4 years		<b>£1,717,568</b>

\*Based on the assumption that Communal Recycling Banks move to this contract at the end of year 2. This may be achieved sooner.

3.19 It is emphasised that the projected savings are based on June 2016 market rates at the point of tender issue and current composition of the material stream and are therefore subject to market movements and any compositional variation.

3.20 Officers from Waste and Cleansing Services will be responsible for contract management and will monitor the performance of the contract.

## Measures of success

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4.1 Entering into a Contract for the Receipt and Processing of Dry Recyclates will provide an outlet for the increased tonnage of recyclable materials derived from the introduction of the new Kerbside Recycling Service and Modernising Waste Collection projects. This will contribute to meeting the Council's current recycling target of 50% and 2020 target of 60% and to meeting the provisions of the

Climate Change (Scotland) Act 2009 by means of the provision of an enhanced recycling service to divert additional waste from landfill which will reduce the carbon impact of managing this waste. By diverting additional waste materials from landfill to recycling the enhanced service will deliver wider environmental and economical benefits and so contribute to sustainable development.

- 4.2 Entering into a Contract for the Receipt and Processing of Dry Recyclates to comply with the Scottish Government Zero Waste Plan and the Waste (Scotland) Regulations 2012 which ban any metal, plastics, glass, paper card and food waste collected separately for recycling from going to incineration or landfill. The 2012 Regulations require Local Authorities to collect recyclables in a way that ensures they are of quality high enough to prioritised closed loop recycling meaning that materials are recycled back into the same product.
- 4.3 Entering into a Contract for the Receipt and Processing of Dry Recyclates will address the recent volatility in materials markets with a view to maximising income potential from and minimising costs of treatment of recyclable materials, thus reducing commercial risk.
- 4.4 The Contract will promote collaboration with other Councils to achieve benefits of consolidation (Midlothian Council).

## **Financial impact**

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- 5.1 The potential value of the Contract, including extension, is £3,006,432.
- 5.2 The Contract represents a saving of £1,717,568 over the cost of continuing the current recyclables processing arrangements during the Contract period.
- 5.3 The value and savings described above are dependent on maintaining the current volumes collected and providing material that is not excessively contaminated. The pricing structure linked to the recyclable materials market has the potential to realise a net income to the Council should markets improve.
- 5.4 The costs associated with procuring this contract are estimated to be from £10,001 to £20,000.

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

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- 6.1 Entering into the Contract will provide a guaranteed outlet for materials collected.
- 6.2 In the event of a major market failure, the Terms and Conditions of the Scotland Excel Framework will apply.
- 6.3 In the event of supplier failure short-term arrangements could be put in place through the Scotland Excel Recycling and Residual Waste framework, although this would potentially require the use of multiple outlets with consequent

negative effects on the collection service because of re-routing requirements. The financial impact would be dependent on the reprocessing capacity available within the industry at such a time.

- 6.4 Entering into the Contract will ensure compliance with the Public Contracts (Scotland) Regulations 2012 and with the Council's Contract Standing Orders.

## Equalities impact

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- 7.1 An Equalities and Rights Impact Assessment was carried out. No potential impacts on vulnerable groups were identified.

## Sustainability impact

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- 8.1 The contract will contribute to the Council's ongoing commitments to:
- Increase the volume of material recycled and decrease the amount of waste consigned to landfill;
  - Meet the Council's greenhouse gas targets including the national target of 42% by 2020.
- 8.2 Community benefit provided under the terms of the contract will include provision of two modern apprenticeship posts each year of the contract.
- 8.3 Contract award will result in an additional 30 employment opportunities across Biffa's depots in Granton and Broxburn.
- 8.4 Donations will be made to named local charities.
- 8.5 Mentoring of local suppliers in Waste Management.
- 8.6 Outreach and education within the community.
- 8.7 The following requirements are included in the specification for this contract:
- All materials must be managed in accordance with all relevant EU and UK legislation in line with industry best practice.
  - The contractor must guarantee that all reasonable effort will be made to divert material from landfill. Final outlets for materials are to be agreed with the Council.
  - The contractor must use suitably licensed facilities to deliver the contract.
  - Where the contractors export material for recycling this must comply with all relevant legislation, including the Transfrontier Shipment of Waste Regulations, and must guarantee that exported materials are recovered for

recycling and are managed in both an environmentally friendly and ethical manner.

- The contractor must guarantee that all the extracted materials will be re-used or recycled, and that this will be maintained for the duration of the contract.
- The contractor must have a robust and relevant Environmental Management Policy and demonstrate ongoing commitment to environmental management.

## Consultation and engagement

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- 9.1 Refuse Collection, other local authorities and Scotland Excel were consulted on technical aspects of the requirement.
- 9.2 As part of the Modernising Waste and Redesign of Recycling Projects, extensive consultations were held with community groups, residents' associations and Zero Waste Scotland.

Background reading/external references

[Modernising Waste Collection in the World Heritage Area, Transport Infrastructure and Environment Committee - 29 November 2011](#)

[Redesign of Recycling Services – Outline Business Case, Transport and Environment Committee - 27 August 2013](#)

## Paul Lawrence

Executive Director, Place

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## Links

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### Coalition pledges

**P44- Prioritise keeping our streets clean and attractive.**

P49 –Continue to increase recycling levels across the city and reduce the proportion of waste going to landfill.



P50-Meet greenhouse gas targets including the national target of 42% by 2020.

**Council Priorities CP8** – A vibrant, sustainable local economy.

**CP9-An attractive City.**

**Single Outcome**

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

**Appendices** Appendix A – Summary of Tendering and Tender Evaluation Processes

## Appendix A - Summary of Tendering and Tender Evaluation Processes

Contract	CT9710 Receipt and Processing of Dry Recyclable Materials from Kerbside and Communal Collections
Contract period (including any extensions)	Four years
Estimated contract value	£751,608 (Annual) £3,006,432 (Total)
Standing Orders observed	2.4, 3.2, 4.1, 4.2, 5.1, 5.3, 6.1, 8.1
Portal used to advertise	Public Contracts Scotland Website Quick Quote Mini-competition
EU Procedure chosen	Not applicable
Notes of interest received	Six
Tenders returned	Two
Compliant tenders	Two
Recommended supplier/s	Biffa Waste Services Ltd
Primary criterion	Most Economically Advantageous Offer
Evaluation criteria and weightings	Commercial (Price) 70%, Technical (Quality) 30%. <u>Technical Breakdown</u> Contract Implementation 10% Availability of Resources 10% Acceptance of Materials 10% Logistical Considerations 14%

	Recovery and Treatment 20% Management Information 5% Quality Assurance 5% Business Continuity 10% Environment 3% Continuous Improvement 3% Fair Working Practices 5% Community Benefits 5%
Evaluation Team	Andy Williams, Angus Murdoch, Robert Brown, Lesley Sugden, Donald Gillies.

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Fleet Replacement Programme 2016/17 - Approval of Prudential Borrowing

Item number	7.15
Report number	
Executive/routine	Executive
Wards	All Wards

### Executive Summary

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As part of the on-going Fleet Review a number of vehicles have been identified and prioritised for replacement or renewal. There are two options for vehicle finance; these are capital purchase financed by prudential borrowing, or operating lease. The decision on how to fund the vehicle is taken after the vehicle is purchased based on an options appraisal carried out by Treasury.

This report seeks approval in principle that the required expenditure is funded through prudential borrowing supported by Place, should Treasury assessment deem this to be the financing method representing best value for money to the Council.

### Links

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Coalition Pledges	<a href="#">P44 and P49</a>
Council Priorities	<a href="#">CP08 and CP09</a>
Single Outcome Agreement	<a href="#">SO4</a>

## Fleet Replacement Programme 2016/17 - Approval of Prudential Borrowing

### 1. Recommendations

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- 1.1 To note the contents of this report and remit to Council for approval, the principle that the expenditure outlined below be funded through prudential borrowing supported by Place, should Treasury assessment deem this to be the financing method representing best value; and
- 1.2 To agree in principle, for these acquisitions to be made without additional reporting to the Council, however to still be controlled under the rules set out in the Council's Contract Standing Orders.

### 2. Background

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- 2.1 Fleet and Workshop Services are working in partnership with the Commercial Excellence programme to carry out a Fleet Review. The review has three main work-streams:
  - 2.1.1 Fleet cost modelling - developing a fleet cost model that simplifies charges and enables the setting of budgets for transparency, accountability and ownership. This will require all fleet costs to be brought above the line and for charging and budgets to accurately reflect whole life costs, including residual values, through a fixed price for the life of the vehicle.
  - 2.1.2 Demand management – reducing the overall demand for existing and new vehicles through evidence based ‘challenge meetings’ with service managers. The challenge meetings will also identify future vehicles replacement needs which will then be costed and allocated to financial years for purchasing, in line with a procurement plan (see below) and budget allocations. Surplus vehicles will be either ‘off-hired’ or sold and the associated spend redirected to support investment in new fleet or taken as savings.
  - 2.1.3 Effective supply side management – this will involve batching the required vehicles into generic vehicle types in order to maximise buying power and consolidate suppliers (this will also deliver benefits in terms of managing the supply of spares and parts for on-going maintenance). Based on firmed up demand contracts or frameworks will be evaluated to identify those which

deliver the best value for money. Consideration will also be given to alternatives to direct ownership such as lease or hire where appropriate. Procurement of new vehicles will be overseen by a Fleet Procurement Board to ensure that a consistent, 'one Council approach' is being applied that and that other strategic objectives such as reduction in tail pipe emissions are also addressed.

- 2.2 One of the outputs from this review is a revised fully costed five year vehicle replacement programme and associated procurement plan. This work should be completed before the end of the current financial year
- 2.3 There are two options for vehicle finance; these are capital purchase financed by prudential borrowing, or operating lease. The decision on how to fund the vehicle is taken after the vehicle is purchased based on an options appraisal carried out by Treasury.
- 2.4 This report is to seek approval in principle that the expenditure outlined below be funded through prudential borrowing supported by Place, should Treasury assessment deem this to be the financing method representing best value for money to the Council.

### **3. Main report**

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- 3.1 When the scope of the proposed vehicle replacement programme has been completed, Fleet Services will present a report to Council on the capital spend required for the vehicle programme, and an estimate of each vehicle lot, cost and estimated delivery. This will be revised and updated each year, and presented to Council to report progress, including seeking approval for the following year's spending plans.
- 3.2 The accurate planning of procurement is very difficult as a number of factors can influence the eventual point of delivery and payment of a vehicle. The biggest effect is from delivery lead times on the specialist types of vehicles and equipment that the Council purchases.
- 3.3 As an interim measure, a small number of discrete vehicle groups are identified as required now to replace vehicles that are no longer fit for purpose or on hire to help realise service efficiencies and improvements. These are: - Food Waste Vehicles, Passenger Transport Buses, Community Recycling Centre (CRC) vehicles, tractors and Litter Presses.
- 3.4 Tractors - The three tractors used for beach cleaning activity, as well as other duties, have suffered excessive corrosion due to the operation near and in salt water while of the two compact tractors used by grounds maintenance one has been de-fleeted and while the other has become uneconomic to repair due a transmission failure. As a result of this procurement the number of tractors will reduce from 5 to 3.

- 3.5 Food Waste Vehicles - The current vehicles are not able to cope with the increasing tonnage of food waste that is being collected and are also "spot" hired. To meet the requirement Waste and Cleansing Services have specified a vehicle with larger capacity that will improve the service and allow them to reduce the fleet by one vehicle.
- 3.6 Passenger Transport Buses - Many of the passenger transport buses are past their optimal life cycle age and do not comply with the standards required for carrying wheelchair passengers and this is now affecting service delivery. The lead times of these vehicles is such that they cannot be left until the end of the review to begin the procurement process. In this case Passenger Operations management have chosen to only replace half of the required number, and are confident that these vehicles will be needed as part of the future requirement of the service.
- 3.7 CRC Site equipment - The equipment at the Community Recycling Centres (CRC) sites requires to be replaced. Aging fleet items and expensive "spot" hires are meeting the requirement presently, with the correct choice of vehicle a significant improvement in the service can be made, while saving the Council money.
- 3.8 Litter Presses - These vehicles operate mainly around the city centre, and the current operation is made up of 3 old fleet units, and 3 "spot" hires. The fleet units are 11 years old and are presenting challenges in that they are not wholly suitable for the service, and they are expensive to maintain, as well as difficult to source parts for. Purchase of new fleet units would allow the service to reduce its fleet to 5 vehicles, and would also allow this service to operate in partnership with waste collections thereby realising an efficiency in collection routes.
- 3.9 These procurements will be completed independently of each other, and will have different timelines.
- 3.10 The prices quoted within this document are estimates as the final purchase price cannot be verified until the final specification has been exposed to competition and the preferred bidder of the procurement exercise determined.
- 3.11 The table below shows the estimated cost of each of these proposed vehicle purchases. The expected delivery is the most likely date, based on current experience of lead times, however until an order is placed these cannot be confirmed.

Project Name	No Vehicles	Estimated Total Cost	Expected Delivery
Tractors	3	£92,000	July 2016
Food Waste Vehicles	8	£778,000	March 2017
Passenger Buses	12	£960,000	March 2017

CRC Site equipment	3	£345,000	February 2017
Litter Presses	5	£460,000	March 2017
Total	31	2,635,000	

#### 4. Measures of success

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- 4.1 Council is able to replace vehicles as required, and that the Council is aware of planned expenditure.
- 4.2 Each of these procurements will have their own individual measures of success, but, in general terms front line council services will benefit from reduced vehicle failure and reliance on external hires, and better utilisation.

#### 5. Financial impact

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- 5.1 A revenue budget is available and the final method of financing the vehicles will be decided after the vehicles have been purchased. Treasury will carry out a financial options appraisal to identify the method of financing that will deliver best value for the Council
- 5.2 When the vehicles are purchased, options that will be considered include (i) Operating Lease through sale and lease back mechanism and (ii) Public Works Loan Board (Prudential)
- 5.3 This report outlines expenditure of £2.635m that, following Treasury assessment, could potentially be funded through capital expenditure. If this became the case and it were to be funded fully by borrowing, the overall loan charges associated with this expenditure over an average asset life of 6 years would be a principal amount of £2.635m and interest of £0.221m, resulting in a total cost of £2.856m based on a projected Prudential Works Loan Board rate of 2% The annual loan charges would be £0.476m.
- 5.4 It should be noted that the Council's Capital Investment Programme is funded through a combination of General Capital Grant from the Scottish Government, developers and third party contributions, capital receipts and borrowing. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy and is provided for on an overall programme basis rather than for individual capital projects. Following instruction from Members, notional loan charge estimates have been provided above, which it should be noted are based on the assumption of borrowing in full for this capital project.
- 5.5 Should the expenditure outlined in this report be funded through capital, provision for funding the associated loan charges will be met from an identified revenue budget within the Place directorate.



## 6. Risk, policy, compliance and governance impact

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6.1 The following risks have been identified as potential issues to the Council::

Risk	Mitigating Action
Savings targets not made due to late delivery of vehicles	Fleet Service, with Commercial and Procurement Services are able manage procurement process, and minimise delays.
Service delivery affected by failed fleet units.	Fleet maintenance will endeavour to keep these vehicles operational, however should a vehicle become uneconomic to repair, a spot hire may be sourced as a short term solution. This will mean extra expense to the Council.

6.2 The expenditure of these procurements will be managed in accordance with procurement rules, and final sign off will be at Director level, and a separate report produced.

6.3 To fully comply with both Finance Rules / Regulations and Contract Standing Orders all vehicle expenditure must be subject to Council scrutiny. As a result Fleet Services plan to present the Council with a report at the start of each financial year with the planned expenditure for that year, and the expenditure incurred to date.

## 7. Equalities impact

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7.1 The procurement of 12 new passenger transport buses will improve wheelchair accessibility, provide greater flexibility in meeting the differing needs of passenger transport customers and provide improved passenger comfort.

7.2 There are no other direct equalities impacts arising from this report.

## 8. Sustainability impact

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8.1 The new vehicles will be compliant with a higher environmental standard and contribute to improved air quality as a consequence of reduced emissions particularly of Nitrogen Oxides (NOX) and particulate matter (PM's).

## 9. Consultation and engagement

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Fleet and Workshop Services have engaged with service areas to identify their fleet replacement requirements. Finance and Commercial and Procurement Services have also been consulted.

## 10. Background reading/ external references

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None

### **Paul Lawrence**

Director of Place

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## 11. Links

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Coalition pledges	P44 – Prioritise keeping our streets clean and attractive P49 – Continue to increase recycling levels across the City and reducing the proportion of waste going to landfill
Council priorities	CP8 - A vibrant, sustainable economy CP9 - An attractive city
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.

# Finance and Resources Committee

10am, Thursday, 3 November 2016

## Systemic Support Services: Extension of Additional Support for Learning Contracts – referral from the Education, Children and Families Committee

Item number 7.16

Executive/routine

Wards

### Executive summary

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The Finance and Resources Committee on 18 August 2016 agreed that detailed contract planning reports should be considered by the relevant executive committee before being referred to the Finance and Resources Committee for approval.

The Education, Children and Families Committee considered a report setting out proposals to waive Contract Standing Orders (CSO) to re-align a number of smaller existing Additional Support for Learning contracts within a single strategic procurement framework.

The Committee noted the report and referred it to the Finance and Resources Committee for approval of the proposed contract extensions.

### Links

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

# Terms of Referral

## Systemic Support Services: Extension of Additional Support for Learning Contracts

### Terms of referral

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- 1.1 The Education, Children and Families Committee on 11 October 2016 considered proposals for a waiver of Contract Standing Orders (CSO) to align a number of smaller existing contacts to enable a single strategic procurement framework to be put into operation. Progress was also outlined against the strategic priorities for Additional Support for Learning (ASL) and the actions necessary to progress the ASL procurement plan.
- 1.2 The Education, Children and Families Committee agreed:
  - 1.2.1. To note the contents of the report by the Acting Executive Director of Communities and Families.
  - 1.2.2. To refer the report to the Finance and Resources Committee for:
    - 1.2.2.1. approval of the extension of both Children 1<sup>st</sup> contracts to the value of £67,866 for continuing services to children, families and schools for a six month period from 1 October 2017 to 31 March 2018.
    - 1.2.2.2. approval of the extension of Canongate Youth Project Contract to the value of £40,000 per annum for continuing services to children, families and schools for a 12 month period from 1 April 2017 to 31 March 2018.
    - 1.2.2.3. approval of the extension of the My Adventure Contract to the value of £128,089 for the period 1 January 2017 to 31 March 2018 and to support the delivery of curricular activities to vulnerable learners at secondary schools in East Edinburgh.

## For Decision/Action

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- 2.1 The Finance and Resources Committee is asked to approve the Additional Support for Learning contract extensions detailed in paragraphs 1.2.2.1 to 1.2.2.3 of this report.

## Background reading / external references

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[Minute of the Finance and Resources Committee – 18 August 2016](#)

Minute of Education, Children and Families Committee – 11 October 2016

### **Kirsty-Louise Campbell**

Interim Head of Strategy and Insight

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## Links

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**Coalition pledges**

**Council outcomes**

**Single Outcome Agreement**

**Appendices** Report by the Acting Executive Director of Communities and Families

# Education, Children and Families Committee

10:00 am, Tuesday, 11 October 2016

## Systemic Support Services: Extension of Additional Support for Learning Contracts

Item number  
Report number  
Executive/routine  
Wards

### Executive Summary

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The Finance and Resources Committee on 18 August 2016 agreed that detailed contract planning reports are first sent to the relevant Executive Committee before referral to the Finance and Resources Committee seeking approval.

The purpose of this report is to outline progress in the strategic priorities for Additional Support for Learning (ASL) and to update Committee on the actions necessary to progress the ASL procurement plan.

This report includes proposals for a waiver of Contract Standing Orders (CSO) to align a number of smaller existing contracts to enable a single strategic procurement framework to be put into operation. Specifically, it is recommended that extensions be approved by the Finance and Resources Committee, up to 31 March 2018, for the Additional Support for Learning contracts that are currently in place with Children 1st, My Adventure and the Canongate Youth Project.

### Links

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Coalition Pledges	<a href="#">P1</a>
Council Priorities	<a href="#">CP1, CP2, CP3</a>
Single Outcome Agreement	<a href="#">SO3</a>

## Systemic Support Services: Extension of Additional Support for Learning Contracts

### 1. Recommendations

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It is recommended that the Education, Children and Families Committee:

- 1.1 Notes the contents of the report;
- 1.2 Refers this report to the Finance and Resources Committee for:
  - 1.2.1 Approval of the extension of both Children 1st contracts to the value of £67,866 for continuing services to children, families and schools for a six month period from 1 October 2017 to 31 March 2018;
  - 1.2.2 Approval of the extension of Canongate Youth Project Contract to the value of £40,000 per annum for continuing services to children, families and schools for a 12 month period from 1 April 2017 to 31 March 2018;
  - 1.2.3 Approval of the extension of the My Adventure Contract to the value of £128,089 for the period 1 January 2017 to 31 March 2018. To support the delivery of curricular activities to vulnerable learners at secondary schools in East Edinburgh.

### 2. Background

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- 2.1 The Council's Vision for Schools was approved by the Education, Children and Families Committee on 8 October 2013 and updated in March 2015.
- 2.2 The vision for schools reflects a commitment to schools that are effective in meeting the diverse needs of their communities. The vision recognises that where additional support is required it is most effective when it is built on a strong foundation of universal provision. The report set out a three phase process.
- 2.3 Phase 1 commenced in 2010/11 with a focus upon strengthening universal provision in our schools, which remains a key element of our improvement strategy as we move forward.
- 2.4 Phase 2 was directed to integrating our approach to Additional Support Needs within a wider approach to supporting children in need, as part of our approach to Getting It Right for Every Child. This included the introduction of a single child's plan. In parallel with this, we are streamlining access to services to enable timely and progressive support, high quality and equitable approaches and best use of resources. Very good progress has been achieved and as reported to Education, Children and Families Committee in December 2015.

- 2.5 In Phase 3, this is continuing with the strengthening of collaborative networks of support within and around schools and school clusters. From August 2015, ASL cluster teams have been established. These changes will enable a new collaborative approach to respond to need in a local context closely linked to school improvement processes.
- 2.6 As previously reported to the Education, Children and Families Committee in 2013 and 2015, the redesign of support for social, emotional and behaviour support has been a key focus in each phase of the strategy.
- 2.7 As reported to the Finance and Resources Committee on 17 March 2016 partnership working with Barnardo's and Children 1st has been instrumental in the successful redesign of provision which has greatly strengthened support for learners in early years and primary schools. More recently the focus has progressed to secondary schools and the support services provided by the Canongate Youth Project and My Adventure.
- 2.8 Approval has already been granted for a waiver to extend the contract with Barnardo's which was approved on 17 March 2016 by Finance and Resources Committee and will cease 31 March 2018. This brought the review of the Barnardo's contract into line with the timescale for the redesign of provision for social, emotional and behaviour support needs and to enable a co-production process to be completed.
- 2.9 Commercial and Procurement Services (CPS) have advised that since the introduction of the Public Contracts (Scotland) Regulations 2015, procurement of health and social care contracts require to be openly and transparently advertised when the current contracts expire. In order to allow the various contract end dates to align, contract extensions are required. At the Finance and Resources Committee on 18 August 2016, a report was presented by CPS on the Contract and Waiver Management. CPS confirmed that the use of the waiver process should be only used where absolutely necessary to ensure continued service delivery until the new services can be procured.
- 2.10 Accordingly, we propose as we conclude the redesign process to establish a single strategic procurement framework to incorporate all of the support provision required for children and young people with additional support needs aged 0-18 years. This requires all of the relevant contracts to be aligned with the timetable for co-production and procurement to be completed by March 2018, as approved by the Finance and Resources Committee.
- 2.11 Bringing all the contracts in line will enable the Council to move to the next stage of its strategy 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.



### 3. Main report

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#### **Children 1st Contracts**

- 3.1 The current total value for these contracts is £135,733 per annum for ongoing services to families of vulnerable children with additional support needs. The contract consists of 2 elements which have been revised to ensure the Council meets the key priorities for children and families.
- 3.2 The original befriending element of the contract was revised to provide systemic support to families with pre-school children in need.
- 3.3 The other element of the contract originally provided support to vulnerable children in the South of the City has been revised to provide this support Citywide.
- 3.4 Both these services will be realigned and will be delivered via the future Additional Support for Learning Framework.
- 3.5 This contract requires an extension of £67,866 to cover the period 1 October 2017 to 31 March 2018 if waiver approved.

#### **Canongate Youth Project Contract**

- 3.6 Canongate Youth Project provides in-school and community based support and learning opportunities for young people at risk of school exclusion and poor attendance in South Edinburgh. This contract is due to end on 31 March 2017 and would require an extension of £40,000 until 31 March 2018.

#### **My Adventure**

- 3.7 My Adventure provides a range of educational programmes and qualifications for young people at risk of school exclusion and poor attendance. My Adventure is the trading subsidiary of the Muirhouse Youth Development Group which provides a range of educational programmes and qualifications for young people at risk of school exclusion and poor attendance. It provides a locality based service in collaboration with Leith Academy, Drummond Community High School, Holyrood High School, Portobello High School and Castlebrae Community High School.

The current value of this contract is £82,959 per annum. The current contract is approved to 31 December 2016 for £37,859 in this financial year. To extend the contract to 31 March 2018 requires approval of a further £45,100 in 2016/17 and £82,959 in 2017/18, a total of £128,059.

### 4.

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#### **Redesign of Provision**

- 4.1 Through collaborative working with a range of providers we have established a more effective approach to supporting learners in mainstream schools. This has led to a sustainable reduction in the demand for special school placements for learners with social, emotional and behavioural support needs in both primary and secondary schools.

- 4.2 It is proposed that collaborative working to support inclusion, improved attainment and better outcomes for vulnerable young people will be a key element of our strategy. Currently all the contracts have different finishing dates. In order to enable the best value outcome, it is proposed to include all of the above within a single programme, allowing a comprehensive review, consultation with all stakeholders and service specification development to be undertaken.
- 4.3 Bringing all the contracts in line will enable the Council to move to the next stage of its strategy 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.
- 4.4 The planning process will consider all relevant statutory requirements including recent changes in procurement legislation. The services provided by the four individual contracts will be monitored over the period of contract extension to determine the terms which will inform the new contract requirements within the Additional Support for Learning Framework.

## 5. Measures of success

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- 5.1 Continuity of services to support vulnerable children and their families until the Council has undertaken a review of services and a co-production process to ensure that the service design is fit for purpose within the overall service provision and priorities for vulnerable children and families.
- 5.2 A new service specification is agreed and new contracted arrangements are in place by 1 April 2018.

## 6. Financial impact

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- 6.1 The costs for the extension of these 3 contracts are set out in the table below:

	2016/17	2017/18	Total
Children 1st		£67,866	£67,866
Canongate Youth Project		£40,000	£40,000
My Adventure	£45,100	£82,959	£128,059
	£45,100	£190,825	£235,925

## 7. Risk, policy, compliance and governance impact

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- 7.1 The services provided under these contracts are responding to the needs to particularly vulnerable children in need and their families. The loss of these services

will impact on vulnerable children and young people and would lead to further demand on other services.

- 7.2 Council Standing Orders require competition for values; however, best value would be obtained by providing time for a complete redesign and the coproduction process to be established. Extension of these contracts will allow adequate time for the tender process of the new Additional Support for Learning Framework to be concluded.

## **8. Equalities impact**

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- 8.1 The procurement of these services will have a positive impact on Equalities and Human Rights and will support the Council to meet its duty of care and advance equality of opportunity. The final procurement of the Additional Support for Learning Framework will be subject to an ongoing and full equality impact assessment

## **9. Sustainability impact**

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- 9.1 There are no adverse environmental outcomes arising from this report.

## **10. Consultation and engagement**

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- 10.1 Consultation and engagement with stakeholders as part of the coproduction process commenced in July 2016 and will continue up to the end of this year.
- 10.2 Surveys will be issued to key stakeholders and engagement will take place with existing service providers to inform future service provision.

## **11. Background reading/external references**

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- 11.1 [Additional Support Needs Planning and Performance Update 2015, report to Education, Children and Families Committee, 8 December 2016](#)
- 11.2 [Edinburgh Young Carers Contract, report to Finance and Resources Committee, 17 March 2016](#)
- 11.3 [Extension of Children's 1st Contract, report to Finance and Resources Committee, 17 March 2016](#)
- 11.4 [Contract and Waiver Management: Update, report to Finance and Resources Committee, 18 August 2016](#)

### **Alistair Gaw**

Acting Executive Director of Communities and Families

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## 12. Links

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<b>Coalition Pledges</b>	P1 Increase support for vulnerable children, including help for families so that fewer go into care
<b>Council Priorities</b>	CP1 Children and young people fulfil their potential CP2 Improved health and wellbeing: reduced inequalities CP3 Right care, right place, right time
<b>Single Outcome Agreement</b>	SO3. Edinburgh's children and young people enjoy their childhood and fulfil their potential
<b>Appendices</b>	None

# Finance and Resources Committee

10.00am, Thursday 3 November 2016

## Contract Awards under Urgency Procedure – Aids for Daily Living

Item number	7.17
Report number	
Executive/routine	
Wards	All

### Executive summary

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The Council advertised and sought bids for a Prime Contract approach for the Council's Community Equipment Store and Statutory Compliance Team. This was a collaborative project involving West Lothian, Midlothian, East Lothian and NHS; with Edinburgh as lead Authority. A Prime Contract approach would provide the supply, servicing and repairs for all daily living aids such as handrails, hoists and bathing equipment (Aids for Daily Living Equipment) installed as a statutory duty by the Council throughout the City and historically covered by a series of contracts.

Following the evaluation of tenders for a Prime Contract the decision was taken not to award the contract to the first placed tenderer on the basis of affordability. While an alternative procurement is developed the continuity of the existing arrangements was required to be put in place urgently to safeguard support to vulnerable custodians of Aids for Daily Living equipment.

This report is to advise Committee of the action taken to extend existing contracts to existing suppliers for the provision of supply, servicing and repairs of Aids for Daily Living Equipment under urgency powers.

### Links

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Coalition pledges	<a href="#">P1</a>
Council Priorities	<a href="#">CP1, CP2, CP3</a>
Single Outcome Agreement	<a href="#">SO2, SO3</a>

## Contract Awards under Urgency Procedure – Aids for Daily Living

### Recommendations

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- 1.1 It is recommended that Committee notes the action taken to award temporary contracts until 3 November 2016 for the provision of supply, servicing and repairs to Aids for Daily Living equipment across the City of Edinburgh Council's estate under the Urgency Procedure paragraph 4.1 of the Committee Terms of Reference and Delegated Functions.
- 1.2 That Committee waive Contract Standing Orders and approves extending the award of contracts to the providers noted in paragraph 3.6 for the period of 3 November 2016 until 31 August 2017 to allow for an alternative procurement strategy to be developed and tender process to be undertaken.

### Background

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- 2.1 Prior to the Prime Contract opportunity both Community Equipment Store and Statutory Compliant Team were using a series of individual contracts for different aspects of the scope; often leading to more than one contract with the same supplier for supply, servicing and repairs. There was also overlap in the areas being managed by both departments. In order to streamline services and remove duplication of contract cover, it was assessed that a Prime Contract approach would yield efficiencies, economies of scale and single-point contact for the entire service provision and exploitation of the Prime Contractor's buying power and position within the market. The Prime Contract approach is already in place in at least 17 Local Authorities across England and Wales where the service in entirety has been outsourced.
- 2.2 Accordingly, a fully Open OJEU procurement competition was undertaken which resulted in two bids being received for the Prime Contract (not a fully outsourced model) in June 2016. Following evaluation these bids were deemed unaffordable under the Prime Contract opportunity as they were estimated to exceed budgetary affordability by values in excess of £1,300,000 to £1,800,000 over the life of the contract. Consequently, the Chief Officer of the Edinburgh Health & Social Care Partnership approved the decision to decline to award either offer received on 6 September 2016.

- 3.1 As a result of the bids received for the proposed Prime Contract opportunity being deemed unaffordable, it was necessary to waive Contract Standing Orders and extend the existing contractual arrangements in order to ensure continuity of support to users of Aids for Daily Living equipment, often our most vulnerable and infirm citizens. These arrangements support and sustain approximately 13,000 pieces of equipment across the Council's estate.
- 3.2 An Options Study is required to be undertaken by the Council. The options will be reported to the Edinburgh Integrated Joint Board (EIJB) to analyse and make a direction on alternative arrangements and recommended delivery support solutions.
- 3.3 Arrangements with current suppliers will require to be continued in order to sustainably support the vulnerable and infirm users of the Council's extensive Aids for Daily Living equipment inventory. The table in paragraph 3.6 below sets out the supplier details.
- 3.4 Council Director's may approve spend on the provision of services up to a value of £1million. Committee approval is required for spend in excess of £1million. In estimation of Aids for Daily Living costs clearly exceeding £1million cumulatively, the invocation of Urgency Procedure to authorise this expenditure was sought and granted by the Convenor and Vice Convenor of this Committee on 3 October 2016. The urgency procedure under 4.1 of the Committee Terms of Reference and Delegated Functions states that: 'If a decision which would normally be made by a Committee requires to be made urgently between meetings of the Committee, the Chief Executive or appropriate Director, in consultation with the Convener or Vice-Convener, may take action, subject to the matter being reported to the next Committee.
- 3.5 The scope of supplier support on Aids for Daily Living supply, servicing and repairs covers:
- Adult Seating including rise/recline and postural management seating.
  - Chemical Toilets.
  - Daily Living Aids including mobility, bathing, toileting and grab rails including medical devices.
  - Moving and handling including beds, pressure care, hoists, slings and glide sheets.
  - Specialist Supportive Shower/commode seating - Freeway shower chairs
  - Beds, hoists and Dynamic mattresses
  - Shower trolleys/changing benches, stand frames and K walkers.
  - Powered seating for adults and children including reclining shower chairs
  - Solo toilet seats and parts for repair of Neptune bath seats
  - Bidet Toilets
  - Ceiling Track hoists
  - Stair climbers and powered baths

- Stairlifts and through-floor lifts and step lifts
- Children's seating, bathing, standing frames and walkers
- Upholstery services
- Deaf Action equipment
- All hoisting and lifting equipment within a property including beds and baths.

3.6 Details of the estimated Aids for Daily Living support costs as a result of the requirement to continue on a temporary basis with existing arrangements are as follows:

Start Date	End Date	Actual Contract Value (ex VAT)	Suppliers
01/09/2016	31/08/2017	£570,000	Evolution Health Care
01/09/2016	31/08/2017	£20,000	Bartrams
01/09/2016	31/08/2017	£833,000	Nottingham Rehab
01/09/2016	31/08/2017	£831,000	Fast Aid
01/09/2016	31/08/2017	£740,000	Munro Rehab
01/09/2016	31/08/2017	£260,000	Park house
01/09/2016	31/08/2017	£40,000	Total Hygiene
01/09/2016	31/08/2017	£90,000	Advanced Stairlifts
01/09/2016	31/08/2017	£106,000	JCM Ltd
01/09/2016	31/08/2017	£84,000	James Leckey Ltd
01/09/2016	31/08/2017	£95,000	G&S Smirthwaite
01/09/2016	31/08/2017	£25,000	Quest 88
01/09/2016	31/08/2017	£50,000	Matrix Fife
01/09/2016	31/08/2017	£65,086	Arjo Huntleigh
01/09/2016	31/08/2017	£15,369	Hill-Rom



01/09/2016	31/08/2017	£15,642	Spearhead
		<b>Total</b>	<b>£3,840,097</b>

- 3.7 The above table provides the anticipated spend for the provision of supply, servicing and repairs for the required period.

## Measures of success

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- 4.1 The Council successfully sustains uninterrupted equipment support to users and custodians of the 13,000 Aids for Daily Living inventory equipment items across Edinburgh supported by the suppliers cited under paragraph 3.6 above.
- 4.2 By doing so the Council continues to fulfil its statutory duty to compliance-check all Aids for Daily Living equipment in accordance with the Lifting Operations and Lifting Equipment Regulations (LOLER) 1998 and the Provision and Use of Work Regulations (PUWER) 1998.

## Financial impact

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- 5.1 The estimated expenditure forecast arising from the temporary continuation of current supplier arrangements is £3,840,097 ex VAT.
- 5.2 There was a £10,000 procurement cost associated with running the Prime Contract opportunity and procuring the necessary contract extensions.

## Risk, policy, compliance and governance impact

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- 6.1 The risks of disruption to use, access and functionality of Aids for Daily Living equipments by vulnerable and infirm users will be mitigated through the temporary continuance of current supplier arrangements.

## Equalities impact

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- 7.1 There are no direct equalities impacts arising from this report.

## Sustainability impact

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

## Consultation and engagement

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- 9.1 Commercial & Procurement Services, Community Equipment Store & Statutory Compliance Team personnel fully consulted one another throughout the establishment of continuation of existing supplier arrangements. Suppliers have also been kept informed by Community Equipment Store, Statutory Compliance Team and CPS.

## Background reading/external references

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None.

### Rob McCulloch-Graham

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## Links

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<b>Coalition pledges</b>	P1- Increase support for vulnerable children, including help for families so that fewer go into care
<b>Council Priorities</b>	CP1 - Children and young people fulfil their potential CP2 - Improved health and wellbeing: reduced inequalities. CP3 - Right care, right place, right time
<b>Single Outcome Agreement</b>	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy childhood and fulfil their potential
<b>Appendices</b>	None

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# Finance and Resources Committee

10am, Thursday, 3 November 2016

## Committee Decisions – July 2015 - July 2016

Item number	7.18
Report number	
Executive/routine	
Wards	All

### Executive summary

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Following the decision of the Governance, Risk and Best Value Committee on 19 June 2014, to strengthen existing arrangements and provide greater assurance with regard to the dissemination of Committee decisions, a review of actions has been undertaken by directorates to ensure that all decisions taken by the Corporate Policy and Strategy Committee, the executive committees and the Governance, Risk and Best Value Committee are progressing as expected and to highlight any exceptions. This report outlines the assurance work undertaken and details the implementation of Finance and Resources Committee decisions covering the period from July 2015 to July 2016.

### Links

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[Coalition Pledges](#)

[Council Priorities](#)

[Single Outcome Agreement](#)

## Committee Decisions – July 2015 – July 2016

### Recommendations

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- 1.1 To note the position on the implementation of Finance and Resources Committee decisions as detailed in the appendix to this report.
- 1.2 To note that the next summary report would be presented to Committee in March 2017.

### Background

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- 2.1 The Governance, Risk and Best Value Committee on 19 June 2014 agreed increased monitoring for the dissemination and implementation of committee decisions by directorates.
- 2.2 It was agreed that an annual report outlining all decisions taken in the previous year and an update on the implementation of decisions and recommendations to discharge actions be presented to the Corporate Policy and Strategy Committee, Executive Committees and the Governance, Risk and Best Value Committee.
- 2.3 A report to this effect was submitted to the Finance and Resources Committee on 29 October 2015 outlining the status of actions for the initial November 2014 to June 2015 period. At this period there were no concerns reported to Committee and all recorded actions have since been completed.

### Main report

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

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

### **Finance and Resources Committee**

- 3.8 A review of actions has been undertaken by directorates to ensure that all decisions not required to be reported back to Committee are progressing as expected and to highlight any exceptions. A summary of decisions for the period July 2015 to July 2016, including status, is detailed in the appendix to this report.
- 3.9 At the Finance and Resources Committee there have been 200 decisions made which were recorded through the committee decisions spreadsheet.
- 3.10 All 10 actions that remain open are being progressed and there are no concerns to highlight to Committee.

### **Measures of success**

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

### **Financial impact**

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

## Risk, policy, compliance and governance impact

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

## Equalities impact

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

## Sustainability impact

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

## Consultation and engagement

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

## Background reading/external references

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

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

## Kirsty-Louise Campbell

Interim Head of Strategy and Insight

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## Links

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### Coalition pledges

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

### Single Outcome Agreement

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

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

<b>Finance and Resources Committee Decisions Overview</b>			
<b>Date</b>	<b>Number of Decisions</b>	<b>Open</b>	<b>Closed</b>
27/08/15	38	2	36
24/09/15	25	2	23
29/10/15	18	6	12
26/11/15	18	0	18
14/12/15	1	0	1
14/01/16	11	0	11
02/02/16	32	0	32
17/03/16	27	0	27
12/05/16	6	0	6
09/06/16	24	0	24
<b>Total</b>	<b>200</b>	<b>10</b>	<b>190</b>

<b>Breakdown of tasks by directorate</b>			
<b>Directorate</b>	<b>Number of Decisions</b>	<b>Open</b>	<b>Closed</b>
Chief Executive's Office	16	0	16
City Strategy and Economy	3	0	3
Communities and Families	17	0	17
Health & Social Care	15	0	15
Resources	75	2	73
Place	74	8	66

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

## Outstanding Tasks in full

Item no.	Date	Directorate	Item	Decision	Status	Comments
1	27/08/2015	Corporate Governance	CEC Transformation Programme: Progress Update	To approve the revised governance arrangements as set out in paragraph 3.18 and that future bi-monthly reporting would be through the Finance and Resources Committee.	Closed	ongoing reports bimonthly from October 2015
2	27/08/2015	Corporate Governance	Capital Monitoring 2014/15 - Outturn and Receipts	To approve the revised Capital Programme for 2015-2020.	Closed	
3	27/08/2015	Corporate Governance	Budget and Transformation 2016 - 2019: Approach to Engagement	To approve the objectives and planned engagement tools outlined in paragraphs 3.8 and 3.9 of the report.	Closed	
4	27/08/2015	Corporate Governance	Scottish Government Consultation on the draft Cyber Resilience Strategy for Scotland - Response	To approve the consultation responses, as set out in Appendix one of the report, be submitted to the Scottish Government.	Closed	response submitted
5	27/08/2015	Corporate Governance	Review of Whistleblowing Arrangements	1) To agree the action plan outlined in Appendix 2 of the report subject to the deletion of recommendation 5 in the Whistleblowing Review Action Plan.	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
6	27/08/2015	Corporate Governance		2) To approve the extension of the pilot contract arrangements with the current external provider until 11 May 2016.	Closed	
7	27/08/2015	Corporate Governance		3) To agree to retain the independence of the external provider in terms of how investigations would be carried out, contrary to paragraph 3.3 of the report.	Closed	
8	27/08/2015	Corporate Governance	Specialist Marketing and PR for Assembly Rooms and Church Hill Theatre - Award of Contract	1) To approve the award of a contract for Specialist Marketing and PR for the Assembly Rooms and Church Hill Theatre to 3x1 Public Relations for the contract sum of £108,000 over the full four-year contract term. The contract was for an initial two years (from 1 September 2015 to 31 August 2017) at a cost of £54,000 with an option to extend if for a further two years as one year extension (2+1+1) at a cost of £27,000 per annum.	Closed	
9	27/08/2015	Corporate		2) To request that business cases were	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Governance		clearer in future reports.		
10	27/08/2015	Services for Communities	Extension of Contract for Telecare Technology (Installation, Maintenance and Responsive Repair)	To approve the waiver of the Contract Standing Orders to award a contract extension to SPIE Scotshield for the installation, maintenance and responsive repair of telecare technology until 31 March 2016, at a value of approximately £90,000.	Closed	Housing & Regeneration
11	27/08/2015	Services for Communities	Contract Award for Homeless Prevention - Domestic Abuse Services	1)To approve the award of three contracts to provide visiting housing support to women who had suffered domestic abuse for the pilot (with an option to extend for a further 6 months to allow services to be re-procured). The organisations to be awarded contracts were: Edinburgh's Women's Aid, Shakti Women's Aid and Saheliya. The total annual value of the contracts from November 2015 was £240, 168 up to a £480,336 for 18 months plus extension.	Closed	Housing & Regeneration
12	27/08/2015	Services for		2) To approve the award of four	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Communities		contracts to provide temporary accommodation in the form of three refuges and one hostel for the duration of an 18 month pilot (with an option to extend for a further six months to allow services to be re-procured). The organisations awarded contracts were Edinburgh Women's Aid (2 contracts), Keymoves Cranston Street Women's Hostel and Shakti Women's Aid Refuge. The total annual value of the contracts from November 2015 was £739,440 up to a £1,478,880 for 18 months plus extension.		
<b>13</b>	27/08/2015	Services for Communities	Former Tenants Rent Arrears 2014/15	To approve the write-off of £530,187 rent arrears of 221 former Council tenants who had a balance greater than £1,000 outstanding in 2014/15.	Closed	Housing & Regeneration
<b>14</b>	27/08/2015	Services for Communities	Homeless Prevention - Advice and Support: Additional Contracts	To approve the award of contracts to four providers (Blackwood Care, Health in Mind, Link Living and Penumbra) for the period 13 October 2014 to 31 March	Closed	Housing & Regeneration

Item no.	Date	Directorate	Item	Decision	Status	Comments
				2016, to provide housing support to identified individuals, to a total value of £686,442.		
15	27/08/2015	Services for Communities	Our Power: Tackling Fuel Poverty for Council Tenants - referral report from the Health, Social Care and Housing Committee	To approve the proposal for the Council, as a social housing provider, to join Our Power and enter into agreement with the company as the preferred supplier for its empty homes.	Closed	Housing & Regeneration
16	27/08/2015	Services for Communities	Invest to Improve, Invest to Grow - Edinburgh Housing Revenue Account Business Plan	To agree to review the options for increasing the HRA's contingency and future investment fund over the next five years.	Open	An update will be presented to Committee in January 2017.
17	27/08/2015	Chief Social Work Officer	Waiver Report for Servicing and Repairs Contract	To approve the waiver reports attached in Appendix 1 of the report.	Closed	
18	27/08/2015	Services for Communities	Approval for Appointment of Workplace Travel Planning Consultant for Smarter Choices, Smarter Places	To approve award of the workplace travel planning contract to Grontmij Limited for a value of £122,532.	Closed	Transport

Item no.	Date	Directorate	Item	Decision	Status	Comments
19	27/08/2015	Services for Communities	Bustracker Operation and Maintenance	To approve continued quarterly maintenance payments to Cofely Ineo and associated payments to radio infrastructure and first line maintenance providers for a period of 12 months at a value of approximately £450,000, with an option to extend for a further 6 months. This would allow the Bustracker system to continue operating until an options appraisal for longer-term maintenance, development and appropriate procurement strategy are confirmed.	Closed	Transport
20	27/08/2015	Services for Communities	Supply of Non-Wheeled Waste and Recycling Containers and Spare Parts	To approve the appointment of Spider UK Ltd, as a single supplier framework agreement for the Supply and Delivery of Non-Wheeled Waste and Recycling Containers and Spare Parts, for a period of two years with the option to extend by two 12 month periods.	Closed	Contract award letter sent 02/09/15
21	27/08/2015	Services for Communities	Approval to Grant a Licence to Edinburgh Community	To approve the grant of a 21 year licence to Edinburgh Community Solar Co-	Closed	Corporate Property

Item no.	Date	Directorate	Item	Decision	Status	Comments
			Solar Co-operative to Install Solar PV Panels on Council Owned Buildings	operative for the installation of Solar PV Panels on Council owned buildings.		
22	27/08/2015	Economic Development	Edinburgh Technology Transfer Centre Limited	1) To agree to renounce the Council's shareholding in Edinburgh Technology Transfer Centre Limited.	Closed	
23	27/08/2015	Economic Development		2) To approve the termination of the lease of the 3rd and 4th Floors of the Alrick Building to Edinburgh Technology Transfer Centre.	Closed	
24	27/08/2015	Economic Development		3) To approve the termination of the lease of the 3rd and 4th floors of the Alrick Building to the Council from the University of Edinburgh.	Closed	
25	27/08/2015	Services for Communities	Sale of Housing Revenue Account Land - 16 Cleric's Hill, Gateside, Kirkliston	1) To approve the sale of the site to the applicant under the terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.	Closed	Housing & Regeneration

Item no.	Date	Directorate	Item	Decision	Status	Comments
26	27/08/2015	Services for Communities		2) To grant authority to the Director of Services for Communities to negotiate a sale price with the applicant which reflected best value to the HRA.	Closed	
27	27/08/2015	Services for Communities	Proposed Short-term lease extension of Victorian Market at Tron Kirk, 122 High Street, Edinburgh	To approve a 12 month lease extension to Edinburgh 2014, on the terms outlined in the report, and on the other terms and conditions to be agreed by the Director of Services for Communities.	Closed	Corporate Property
28	27/08/2015	Services for Communities	Proposed 25 year lease of the Engine Shed, 19 St Leonard's Lane, Edinburgh	To approve the grant of a 25 year lease to Newmake Limited, on the terms outlined in the report and on the other terms and conditions to be agreed by the Director of Services for Communities.	Closed	Corporate Property
29	27/08/2015	Services for Communities	Proposed lease of rooftops for the citywide Smart Meter project	To approve the lease of part of the rooftops of Kirkgate House, Greendykes House and Trinity Academy for the installation of Smart Meter radio transmitting equipment, on the terms	Closed	Corporate Property

Item no.	Date	Directorate	Item	Decision	Status	Comments
				outlined in the report, and on other terms and conditions to be agreed by the Director of Services for Communities.		
30	27/08/2015	Services for Communities	Proposed Sale of Baird House, 12 Newtoft Street, Edinburgh	To approve the sale of Baird House, on the terms and conditions highlighted in the report and on the other terms and conditions to be agreed by the Director of Services for Communities.	Closed	Corporate Property
31	27/08/2015	Services for Communities	Proposed New Lease to Daniel Kubiak at 10 West Harbour Road, Granton, Edinburgh	To approve the lease of workshops at 10 West Harbour Road To Daniel Kubiak, from 1 September 2015 to 31 August 2025, on the terms outlined in the report and on other terms and conditions to be agreed by the Director of Services for Communities.	Closed	Corporate Property
32	27/08/2015	Services for Communities	Grant of Servitude - Gogar Gateway Interchange Station - Gas Main Diversion	To approve the grant of servitude to Scottish Gas Networks on the terms outlined in the report and on such other terms and conditions to be agreed by the Director of Services for	Closed	Corporate Property



Item no.	Date	Directorate	Item	Decision	Status	Comments
				Communities.		
33	27/08/2105	Corporate Governance	Property Conservation - Claims Recovery (B agenda)	To accept the recommendation to carry out a detailed review of limited preselected projects in accordance with the terms set out herein.	Closed	
34	27/08/2015	Services for Communities	Sale of Site at 18-28 Dewar Place/44-50 Torphichen Street, Edinburgh (B agenda)	To approve the sale of the site at 18-28 Dewar Place/44-50 Torphichen Street, to Croydon Hotels Ltd, on the main terms outlined in paragraph 3.10 and on other terms and conditions to be agreed by the Director of Services for Communities.	Closed - approved	Corporate Property
35	27/08/2015	Services for Communities	Homelessness Prevention: Risk Management	1) To agree that Cost Group A was offset against the under-provision from the Streetwork Services Contract to a value of £109,346.	Closed	Housing & Regeneration
36	27/08/15	Services for Communities		2) To agree that Cost Group B is also to offset against the under-provision from the Streetwork Services Contract to a value of £116,212.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
37	27/08/15	Services for Communities		3) To agree that £38,484 was recovered from Streetwork for the Tenancy Support Services Contract and £49,521 was recovered from the Multiple Needs Service Contract. The total of this under-provision to be reclaimed was £88,005 and might be recovered through 'in-kind' service provision.	Open	Proposals are now being considered
38	27/08/15	Services for Communities		4) To agree that officers, at the appropriate time, assessed under-provision and unplanned costs for 2015/16 in line with the principles and decisions of the report.	Closed	
39	24/09/2015	Services for Communities	Bridgend Farmhouse and Steadings: Disposal Update	1)To instruct the transfer of the property to BIG at nil value subject to full development finding being approved by the BIG Lottery Fund - Investing in Communities.	Open	BIG are waiting on sign off from the Lottery to complete the purchase.
40	24/09/2015	Services for Communities		2) To instruct the Acting Director of Services for Communities, in order to protect the Council's financial	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				commitment, to impose Economic Development Burdens on the transfer that would restrict the use of the property for the purposes of a Learning, Eating and Exercise Centre and relevant ancillary uses.		
41	24/09/2015	Services for Communities		3) To request that the Chief Executive worked with BIG to ensure that optimum social capital could be derived, for the local and wider community, through association with the project and Bridgend Farmhouse.	Closed	
42	24/09/2015	Corporate Governance	Transformation Programme: Property and Asset Management Strategy	1) To speed up consolidation of property related budgets and associated resources into Corporate Property in line with the assumptions underpinning the business case and to strengthen the property management control function by no later than 31 December 2015.	Closed	All actions are either complete or underway being reported every two cycles to the F+R Committee.
43	24/09/2015	Corporate Governance		2) To continue to incorporate changes to the financial baseline through the	Closed	All actions are either complete or underway

Item no.	Date	Directorate	Item	Decision	Status	Comments
				change control process and to re-profile the current revenue savings from iPFM to the new Asset Management Strategy (AMS).		being reported every two cycles to the F+R Committee.
44	24/09/2015	Corporate Governance		3) To proceed with the planned investment strategy outlined in Section 4 of the business case, including consolidation of the investment portfolio and reinvesting the sale proceeds into the acquisition of income generating assets.	Closed	All actions are either complete or underway being reported every two cycles to the F+R Committee.
45	24/09/2015	Corporate Governance		4) To recognise the requirement to remediate the revenue backlog maintenance. The prioritisation of addressing the backlog should be based on a proper risk assessment, which could result in a requirement for additional capital expenditure in maintenance projects.	Closed	All actions are either complete or underway being reported every two cycles to the F+R Committee.
46	24/09/2015	Corporate Governance		5) To develop a revised Service Level Agreement (SLA) for FM services with	Closed	All actions are either complete or underway

Item no.	Date	Directorate	Item	Decision	Status	Comments
				estate users that reflected the proposed service delivery model.		being reported every two cycles to the F+R Committee.
47	24/09/2015	Corporate Governance		6) To proceed with all the Estate Rationalisation opportunities outlined in Section 3 of the business case through engagement with users of the estate and allocate resources to develop detailed implementation plans for these opportunities.	Closed	All actions are either complete or underway being reported every two cycles to the F+R Committee.
48	24/09/2015	Corporate Governance		7) To allocate resources to reassess the core portfolio of operational assets (including libraries, museums and community centres) to ensure stakeholder engagement and exit planning where appropriate.	Closed	All actions are either complete or underway being reported every two cycles to the F+R Committee.
49	24/09/2015	Corporate Governance		8) To immediately review the current arrangement of transferring assets to EDI as the preferred option. 10) To approve the alternative proposal	Closed	All actions are either complete or underway being reported every two cycles

Item no.	Date	Directorate	Item	Decision	Status	Comments
				for delivery of facilities management (Plan B).		to the F+R Committee.
50	24/09/2015	Corporate Governance	The City of Edinburgh Council Charitable Trusts - Report to Those Charged with Governance on the 2014/15 Audit	To approve the Annual Report and Accounts for 2014/15 by 30 September 2015.	Closed	
51	24/09/2015	Corporate Governance	Provision of External Offsite Revenues and Benefits Processing - Award of Contract	To approve the award of a Framework Agreement for the provision of an external offsite revenues and benefits processing service to Civica Ltd, Capita Group Plc and Liberata UK Ltd under a ranked Framework Agreement for a period of 2 years with the option to extend annually for a further two years. The contract would be utilised on an ad-hoc basis with an estimated value of up to £265,000 per annum.	Closed	
52	24/09/2015	Corporate Governance	Miscellaneous Debts - Write-Off (B agenda)	To agree the write-off of miscellaneous debt of £122,395.08	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
53	24/09/2015	Services for Communities	Liberton High School Extension - Award of Contract	To approve the award of the contract for the construction of the extension to Liberton High School sports hall to Ashwood Scotland Limited for the contract sum of £2,157,068.58.	Closed	
54	24/09/2015	Services for Communities	Construction Professional Services Framework Agreement - Award of Contract	1) To approve the award of Lot 1 Project Management Services to Doig and Smith Ltd, Sweett (UK) Ltd and Thomas Admanson Ltd at an estimated contract value of £1,000,000 per annum.	Closed	
55	24/09/2015	Services for Communities		2) To approve the award of Lot 2 Building and Surveying Services to Faithful and Gould, Hardies and Summers Inman at an estimated contract value of £1,000,000 per annum.	Closed	
56	24/09/2015	Services for Communities		3) To approve the award of Lot 3 Quantity Surveying Services to Doig and Smith Ltd, Gardner and Theobald Ltd and Sweett (UK) Ltd at an estimated contract value of £1,000,000 per annum.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
57	24/09/2015	Services for Communities		4) To approve the award of Lot 4 Architectural Services to Anderson Bell Christie Ltd, Collective Architecture and Holmes Miller Ltd at an estimated contract value of £1,000,000 per annum.	Closed	
58	24/09/2015	Services for Communities		5) To approve the award of Lot 5 Structural Engineering Services to Aecom Ltd, David Narro Associates and Will Rudd Davidson Ltd at an estimated contract value of £1,250,000 per annum.	Closed	
59	24/09/2015	Services for Communities		6) To approve the award of Lot 6 Mechanical and Electrical Engineering Services to Blackwood Partnership Ltd, Cundall Johnston and RSP Consulting at an estimated contract value of £750,000.	Closed	
60	24/09/2015	Services for Communities		7) To approve the award of Lot 7 Fire Engineering Services to Aecom Ltd and Ramboll Ltd at an estimated contract value of £300,000 per annum.	Closed	
61	24/09/2015	Services for		8)To approve the award of Lot 8 Interior	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
		Communities		Design, Space Planning and Move Management Services to Holmes Miller Limited, Smith Scott Mullan Architects Ltd and Space Solutions Ltd at an estimated contract value of £300,000 per annum.		
62	24/09/2015	Services for Communities		9) To approve the award of Lot 9 Multi-discipline Design Team Services to AHR Architects, Capita Property and Infrastructure Ltd and Gardiner and Theobald at an estimated contract value of £1,500,000 per annum.	Closed	
63	24/09/2015	Corporate Governance	Zero Contract Hours - External Contractors	To agree that the Council would adopt a policy statement in all future tender documentation that stated the Council's position concerning the use of zero hours contracts.	ongoing	The Commercial & Procurement Services are progressing this with a view to adopt a policy statement in all future tender documentation

Item no.	Date	Directorate	Item	Decision	Status	Comments
						regarding the Council's position on use of zero hours contracts
64	29.10.15	Corporate Governance	Managing Workforce Change	1) To approve a revision of interim VERA terms to better incentivise early voluntary release and adjusts Appendix 1, paragraph 1.1, 2nd bullet point to read: "the number of weeks' pay will be multiplied by a factor of 2.7", and Appendix 1, paragraph 1.2, 2nd bullet point to read: "The number of weeks' pay will be multiplied by a factor of 1.7"..	Closed	
65	29.10.15	Corporate Governance		2) To approve the revised voluntary severance and redundancy terms to minimise the need to use compulsory redundancy and now adjusts Appendix 2, paragraph 2.1, 3rd bullet point, to read: "The number of weeks' pay will be multiplied by a factor of 2.7", and Appendix 2, paragraph 2.2, 3rd bullet	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				point to read: The number of weeks' pay will be multiplied by a factor of 1.7"		
66	29.10.15	Corporate Governance		3) To agree to formally determine the extent to which compulsory redundancies would be implemented - following the vigorous promotion of the recommendations at 1.3 (as adjusted) above when the formal service review was completed and the staff reduction target was not meet or no other financial mechanism for balancing the budget was found.	Ongoing	
67	29.10.15	Services for Communities	Local Development Plan Action Programme: Financial Assessment and Next Steps	1) To approve the conclusions of the LDP Action Programme Financial Assessment detailed in Appendix 2 of the report.	Open	report expected to be considered by F+R Cttee on 1 Dec 2016
68	29.10.15	Services for Communities		2) To agree that updates would be provided as these became available and that consideration would be given to any funding pressure that arose from the LDP infrastructure requirements as part	Open	report expected to be considered by F+R Cttee on 1 Dec 2016

Item no.	Date	Directorate	Item	Decision	Status	Comments
				of the on-going budget process.		
69	29.10.15	Services for Communities		3) To agree the possible funding solutions that might be considered to deliver the infrastructure identified with the Action Programme.	Open	report expected to be considered by F+R Cttee on 1 Dec 2016
70	29.10.15	Services for Communities		4) To agree that the Council would engage with the Scottish Government in moving forward with alternative funding sources.	Open	report expected to be considered by F+R Cttee on 1 Dec 2016
71	29.10.15	Services for Communities		5) To agree the next steps.	Open	report expected to be considered by F+R Cttee on 1 Dec 2016
72	29.10.15	Corporate Governance	Council Tax Empty Properties - Procedure Review	1) To approve the proposal to reduce the discount applied to empty properties that were actively being marketed for sale or let from 50% to 10% with the 200% charge still being applied after 24 months. This would be introduced from	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				1 April 2016.		
73	29.10.15	Corporate Governance		2) To approve the ring fencing of £75,000 from the additional Council Tax collected to support the Council Tax administration process.	Closed	
74	29.10.15	Corporate Governance	Civic Hospitality Policy	To approve the Civic Hospitality Policy set out in Appendix 1 of the report.	Closed	
75	29.10.15	Health and Social Care	Re-tender of Care at Home Contracts	To agree a further extension of Care at Home contracts with providers listed in Appendix 1 of the report from 30th October 2015 for a period of up to 1 year, pending completion of a procurement process designed to lead to the award of new Care at Home contracts during 2016.	Closed	
76	29.10.15	Services for Communities	Extension of Contingency Framework Agreement for Snow and Ice Maintenance	To approve an extension to the contingency Framework Agreement with Assist Managed Services Limited, Premier One (Land Services) Limited, Lightways (Contractors) Limited and	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				M&M Road Surfacing Limited for the clearance of snow and ice from Edinburgh's pavements and public open spaces to 30 April 2016, up to a value of £900,000.		
77	29.10.15	Communities and Families	Youth Work Services Design	To agree the award of extensions of contracts for up to 8 providers based on the negotiated specifications that reflected a renewed focus on open youth work provision.	Closed	
78	29.10.15	Communities and Families	Framework Agreement for Fostering Placements	To approve the appointment of the following providers for two years, with the option to extend up to one or two years: Lot 1 - Core Placements - Core Assets Fostering and Fostering Relations Lot 2 - Specialist Placements: Aberlour Childcare, Action for Children, Barnardos, Core Assets Fostering, Fostering Relations, FosterPlus Limited, SWIIS Foster Care Scotland Ltd, The National Fostering Agency (Scotland)	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Ltd.		
<b>79</b>	29.10.15	Services for Communities	Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh	To approve the 10 year lease extension to Macan Limited, of retail premises at 96 Niddrie Mains Road, Edinburgh, on the terms and conditions outlined in the report and on other terms and conditions to be agreed by the Director of Services for Communities.	Closed	
<b>80</b>	29.10.15	Corporate Governance	Property Conservation - Irrecoverable Sums; Debt Recovery and Settlements Process (B agenda)	To approve the recommended approach detailed in Appendix 3 of the report to be adopted in the billing of projects carried out by the new shared repairs service and in the case of any projects involving a change in the number of properties where bills had not yet been issued.	Closed	
<b>81</b>	29.10.15	Services for Communities	Water of Leith Flood Prevention Scheme Phase 2 Project Update and Award of Contract (B agenda)	To approve the award of the contract for the design and build of Phase 2 scheme to McLaughlin and Harvey for the contract sum of £14,031,023.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
82	26.11.15	Chief Officer – Edinburgh Health and Social Care Partnership	Health and Social Care Integration Update	To refer the report to Governance, Risk and Best Value Committee.	Closed	
83	26.11.15	Chief Social Work Officer	Edinburgh Alcohol and Drug Partnership (EADP) Counselling and Psychological Therapies Service Contract	To approve the award of a three year contract to a consortium led by the Edinburgh and Lothian Council on Alcohol (ELCA) for provision of a Counselling and Psychological Therapies Service, with the option to extend the contract for up to a further twenty four months.	Closed	
84	26.11.15	Health and Social Care	Extension of Mental Health and Wellbeing Preventative Services Contract	To agree the extension of the contracts listed at Appendix 1 of the report for a period of up to one year from 1 April 2016.	Closed	
85	26.11.15	Services for Communities	Framework Agreement for Multi-Trade Contractor for Council Properties – Award	To approve the award of the Framework Agreement for Multi-Trade Contractors for Council Properties to Saltire Roofing & Building Ltd, Clark Contracts Ltd and	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
			of Contract	Firstcall Trade Services Ltd for the period 11 January 2016 to 10 January 2020 (including an optional 1 year extension), for the contract sum of £2.5million.		
86	26.11.15	Corporate Governance	Legal Services Framework Agreement - Award of Contract	1) To approve the award of Lot 1 (Commercial) to Brodies LLP, Harper Macleod LLP, MacRoberts LLP, Morton Fraser LLP and Shepherd & Wedderburn LLP.	Closed	
87	26.11.15	Corporate Governance		2) To approve the award of Lot 2 (Property & Planning) to Anderson Strathern LLP, Brodies LLP, Burness Paul LLP and Morton Fraser LLP.	Closed	
88	26.11.15	Corporate Governance		3) To approve the award of Lot 3 (Litigation) to Morton Fraser LLP, Anderson Strathern LLP and TC Young Solicitors.	Closed	
89	26.11.15	Corporate Governance		4) To approve the award of Lot 4 (Employment) to Simpson & Marwick trading as Clyde & Co, Harper Macleod LLP, Morton Fraser LLP, Anderson	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Strathern LLP, MacRoberts LLP and BTO Solicitors.		
90	26.11.15	Corporate Governance		5) To approve the award of Lot 5 (Major Projects) to CMS Cameron McKenna LLP, Shepherd & Wedderburn LLP and Pinsent Masons LLP.	Closed	
91	26.11.15	Corporate Governance	Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts	To approve the extension of 22 contracts, with a maximum value of £5,134,767, until 31 March 2017.	Closed	
92	26.11.15	Services for Communities	Energy Advice and Support for Housing Services – Referral from the Health, Social Care and Housing Committee	To waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.	Closed	
93	26.11.15	Services for Communities	Adoption of Scottish Procurement Fixed Term Water and Waste Water Services Framework	To delegate authority to the Acting Director of Services for Communities to adopt and implement the Water and Waste Services Contract, procured on behalf of the Scottish public sector, by	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				the Scottish Government for an initial period of 3 years with the option to extend for an additional year.		
94	26.11.15	Services for Communities	Community Transport – Interim Funding Arrangements	To approve the continuation of funding for a further 12 months from 1 April 2016, as an interim arrangement, with Lothian Community Transport Service, South Edinburgh Amenities Group, HCL, Pilton Equalities Partnership, Dove Transport and Lothian Shopmobility.	Closed	
95	26.11.15	Communities and Families	Award of Contract for Additional Support for Childcare Providers	To approve the award of contract to Capability Scotland to continue delivery of Edinburgh Childcare 4 All (EC4All) for a one year period to 31 March 2017.	Closed	
96	26.11.15	Health and Social Care	Re-tender of Care at Home Contracts	1) To approve the commissioning, procurement, pricing and budget strategy outlined in the report for a new Care at Home Framework Agreement with third party providers	Closed	
97	26.11.15	Health and		2) To approve the publication of the contract rate cost model on the	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Social Care		Council's website		
98	26.11.15	Health and Social Care		3) To refer this report to Health, Social Care and Housing Committee for information	Closed	
99	26.11.15	Corporate Governance	Voluntary Early Release Arrangement (VERA) Application – Corporate Operations	To confirm that pensions may be accessed from 50 years of age.	Closed	
100	14/12/2015	Chief Social Work Officer	Edinburgh Alcohol and Drug Partnership (EADP) Adult Community Treatment Services - Contract	To approve the award of three year contracts to the Lifeline Project and Turning Point Scotland for provision of Adult Community Treatment Services, with the option to extend the contracts for up to a further 24 months.	Closed	
101	14.01.16	Acting Executive Director of Resources	Capital Investment Programme/Plan 2016/17 to 2023/24	To instruct the Council Leadership Team (CLT) to put in place measures to ensure that capital projects considered undertook an Equality and Rights Impact Assessment (ERIA) (using the Council ERIA template and related guidance) and	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				used the Sustainability, Adaptation, Mitigation tool iteratively in all project initiation, development and management processes.		
<b>102</b>	14.01.16	Executive Director of Place	Housing Revenue Account - Budget Strategy 2016/17	To prioritise investment in measures and services that reduced the cost of living for tenants and expanded the Council led house building programme to 8,000.	Closed	
<b>103</b>	14.01.16	Acting Executive Director of Resources	Common Good Planned Maintenance Programme and Common Good Reporting	To approve the use of the Common Good Fund for the activities planned for the Common Good Maintenance programme outlined in the report.	Closed	
<b>104</b>	14.01.16	Chief Executive	Transformation Programme: Progress Update	To approve the revised programme plan attached at Appendix 1 of the report, which set out the proposed phasing of organisational reviews over the coming months.	Closed	
<b>105</b>	14.01.16	Acting Executive Director of Resources	Living Wage and Workforce Related Matters in Procurement Update	To approve the proposed approach to adopting the Scottish Government's Statutory Guidance on Fair Work Practices including the Living Wage in	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Procurement as standard in future tender evaluations.		
106	14.01.16	Chief Executive	ICT Governance	To approve the interim and future governance arrangements for ICT.	Closed	
107	14.01.16	Chief Officer - Edinburgh Health and Social Care Partnership	Award the Extension of Existing Employability Contracts	1) To agree to waive the contract standing orders in respect of employability contracts, commissioned by Edinburgh's criminal justice services and the Edinburgh Drug and Alcohol Partnership.	Closed	
108	14.01.16	Chief Officer - Edinburgh Health and Social Care Partnership		2) To approve the award of contract to Forth Sector for the period 1 April 2016 to 31 March 2017 at the value of £66,000.	Closed	
109	14.01.16	Chief Officer - Edinburgh Health and Social Care Partnership		3) To approve the extension of contract to Access to Industry for a period of one year to 31 March 2017 with the extension value of £104,000.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
110	14.01.16	Acting Executive Director of Resources	Council Contracts Planning Update - Review of Waivers over 100,000	To discharge the remit of 30 July 2014 report on 'Clothing Voucher Scheme' which requested that a report was brought to the next meeting of the Finance and Resources Committee that detailed the management process for dealing with contracts.	Closed	
111	14.01.16	Acting Executive Director of Resources	Award of Contract for Consultancy in relation to the Transition to the new ICT Provider	To approve the award of a contract to Progress Business Solutions Ltd (PBS) from 14 January 2016 to 30 June 2016 to provide technical and commercial advice to assist with the transition of the Council's ICT services to the new partner, CGI.	Closed	
112	02/02/2016	Resources	Building Capacity for Transformation Leadership	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 to ensure a successful City of Edinburgh Council Transformation.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
113	02/02/2016	Resources	Annual Treasury Strategy 2016/17	To approve the Treasury Management Strategy for 2016/17.	Closed	
114	02/02/2016	Chief Officer, Edinburgh Health and Social Care Partnership	Award, Extension and Transfer of Health and Social Care Contracts	1) To approve the direct award of contracts to the providers for total contract values and period listed in Appendix 1 of the report.	Closed	
115	02/02/2016	Chief Officer, Edinburgh Health and Social Care Partnership		2) To approve the extension of contracts with the providers for the annual values and periods listed in Appendix 2 of the report.	Closed	
116	02/02/2016	Chief Officer, Edinburgh Health and Social Care Partnership		3) To approve the budgets for contracts with the providers listed in Appendix 3 of the report and that they 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 grant application to that Committee.	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
117	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger Communities	Review of Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts	1) To approve the extension of the Advice and Support Pilot for a further nine months to 31 December 2016.	Closed	
118	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger Communities		2) To agree to 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 specification and time for the procurement of new services.	Closed	
119	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger Communities		3) 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.	Closed	
120	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger		4) To approve the extension of the contract for Rowan Alba's Thorntree Street Service for a further year to 31 March 2017.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Communities				
121	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger Communities		5) To authorise the Contract Standing Orders to be waived, deemed to be in the Council's best interests to ensure continuity of support services.	Closed	
122	02/02/2016	Chief Executive/ Head of Service, Safer and Stronger Communities	Award of Contract - Furnishing and Furniture	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.	Closed	
123	02/02/2016	Communities and Families	Support for Families where Children and Young People are Affected by Parental Substance Use - Award of Contract	To approve the appointment of Circle (lead organisation) in partnership with CrossReach/Sunflower Garden for 3 years with the option to extend for a maximum of two years to deliver a single coherent service focussed on minimising	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				harm and mitigating risks to children and young people by reducing the impact of parental substance use.		
<b>124</b>	02/02/2016	Communities and Families	Extension of Short Residential Breaks at Barnardo's Caern Contract	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 for short breaks for the two year period from 1 April 2016 to 31 March 2018.	Closed	
<b>125</b>	02/02/2016	Place	21st Century Homes Small Sites Programme Delivery	1) To approve a project order with Willmott Dixon Construction Limited for the development of seven sites for affordable housing using the Scape framework.	Closed	
<b>126</b>	02/02/2016	Place		2) To approve a project budget of up to £29.7 million for the small sites programme.	Closed	
<b>127</b>	02/02/2016	Place		3) To designate the Executive Director of Place to enter into Delivery Agreements for sites through Scape on conditions that total costs for the programme did	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				not exceed the project budget.		
<b>128</b>	02/02/2016	Place		4)To agree to apply for Scottish Government grant funding to support the delivery of around 165 homes for social rent across the sites.	Closed	
<b>129</b>	02/02/2016	Place	Redevelopment at Coatfield Lane	To approve the purchase of five properties and to end leases for 25 Council owned garages at 17 Coatfield Lane.	Closed	
<b>130</b>	02/02/2016	Resources	Review of Council Depots Estate - Investment Strategy	1) 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 £5.8 million.	Closed	
<b>131</b>	02/02/2016	Resources		2) To approve the commencement of design work for the remaining facilities.	Closed	
<b>132</b>	02/02/2016	Resources	Temporary Lease at 31 Bath Road - Waste Management	To approve a seven month lease of premises at 31 Bath Road, Leith,	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
			Services	Edinburgh from 1 April 2016 as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.		
133	02/02/2016	Place	Approval for the Appointment of Consultants to Design Cycling and Walking Schemes	To approve the award of Cycle design Schemes Work Package to AECOM for a value of £317,357.	Closed	
134	02/02/2016	Place	Taxicard Services	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.	Closed	
135	02/02/2016	Resources	Lease, 63 Niddrie Mains Terrace - Amended Area of Let	1) To approve the proposed amendment to the area of let, on the terms outlined in the report, and on other terms and conditions to be agreed by the Acting	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Executive Director of Resources.		
136	02/02/2016	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.	Closed	
137	02/02/2016	Resources	Extension to Scottish Procurement Postal Services Framework	To approve the contact 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.	Closed	
138	02/02/2016	Resources	Sale of Cammo Home Farm, 37 Cammo Road, Edinburgh	To approve the sale of Cammo Home Farm, 37 Cammo Road, Edinburgh to Michael and Emily Shimwell on the main	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.		
<b>139</b>	02/02/2016	Resources	Proposed New Lease at 297 Canongate, Edinburgh	To approve a new 15 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.	Closed	
<b>140</b>	02/02/2016	Resources	Proposed New Lease at 299 Canongate, Edinburgh	To approve a new 10 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.	Closed	
<b>141</b>	02/02/2016	Resources	Riddles Court and 4-6 Victoria Terrace	To approve the placing of a conservation burden on the Council's Title at Riddles Court and 4-6 Victoria Terrace in favour	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				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.		
142	02/02/2016	Resources	Further and Higher Education Training Framework	To approve the establishment of the framework and award nine providers onto the framework, as detailed in the report.	Closed	
143	02/02/2016	Place	Pennywell/Muirhouse Civic Centre Feasibility Study Award of Contract	To approve the recommendations in the report.	Closed	
144	17/03/2016	Chief Executive	Transformation Programme - Progress Report	To approve 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.	Closed	
145	17/03/2016	Acting Executive Director of Resources	Re-employment and Re-engagement of Staff	To approve the proposed time bar of one year (from date of leaving) before re-engagement or re-deployment of former employees who had left	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
				employment with the City of Edinburgh Council via the Voluntary Early Release Arrangement (VERA) or Voluntary Redundancy (VR).		
<b>146</b>	17/03/2016	Acting Executive Director of Resources	Proposed Corporate Health and Safety Plan	To approve the proposed Corporate Health and Safety Plan for 2016/17.	Closed	
<b>147</b>	17/03/2016	Acting Executive Director of Resources	Carbon Reduction Handbook	To approve the Carbon Reduction Commitment Handbook.	Closed	
<b>148</b>	17/03/2016	Acting Executive Director of Resources	Charitable Trusts Reserves Policy	To approve the reserves policy for the Council's Charitable Trusts.	Closed	
<b>149</b>	17/03/2016	Chief Officer, Edinburgh Health and Social Care Partnership	Direct Award of Contract: Blackwood Homes and Care	To approve 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.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
150	17/03/2016	Executive Director of Place	Award of Contract for Consultancy Services to undertake Retaining Wall Investigations	To 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.	Closed	
151	17/03/2016	Executive Director of Place	Waiver Report for ISO Quality Standards Contract	To approve direct awards 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.	Closed	
152	17/03/2016	Executive Director of Place	Community Transport - Public Social Partnership Arrangements	1) To approve to enter into a three year Public Social Partnership (PSP) between City of Edinburgh Council and the Community Transport Providers (Lothian Community Transport Services, Handicabs Limited, Soth Edinburgh Amenities Group, Pilton Equalities Project, DOVE Transport) for the purpose of providing community and accessible transport to a range of groups	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				and people with mobility impairments.		
153	17/03/2016	Place		2) To approve the investment of £757,028 per annum in to the PSP for the period 1 April 2016 to 31 March 2019 (the equivalent to the current level of funding provided to the five Community Transport organisations.)	Closed	
154	17/03/2016	Executive Director of Place	Cafe Concessions - Museums and Galleries and Parks and Greenspace	To approve the cafe concessions contract across 9 sites to the preferred suppliers listed in the report, apart from Lot 2.	Closed	
155	17/03/2016	Executive Director of Place	Award of Residual Waste Treatment Contract - Delegated Authority	To approve the delegation of 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 may deem appropriate: the project agreement with FCC, the inter-authority agreement with Midlothian	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Council dealing with the contract management regime between two Councils for the residual waste treatment ("Inter-Authority Agreement"), all other ancillary documentation relative to the Zero Waste Project (ZWP).		
156	17/03/2016	Head of Safer and Stronger Communities	Waivers - Homelessness Information System (HIS) and Edinburgh Common Client Outcomes (ECCO)	To approve the progression of a two year waiver for both Niceworks Ltd in respect of the HIS database and Gallery Partnership in respect of ECCO.	Closed	
157	17/03/2016	Acting Executive Director of Communities and Families	Edinburgh Young Carers Contract	To waive the Council's Contract Standing Orders normal tendering requirements and approve a 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.	Closed	
158	17/03/2016	Acting Executive Director of	Interpretation and Translation Service - Waiver	To approve the continued use of external agency interpreters and	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Communities and Families	Request	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.		
159	17/03/2016	Acting Executive Director of Communities and Families	Extension of Contract with Pilton Retreat	To approve the extension of the contract with Pilton Retreat for the 12 month period from 1 April 2016 to 31 March 2017.	Closed	
160	17/03/2016	Acting Executive Director of Communities and Families	Extension of Contract with Shakti and Edinburgh Women's Aid	To 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.	Closed	
161	17/03/2016	Acting Executive Director of Communities and Families	Direct Award of Independent Care Placement, Residential and Day School Contracts	To approve the direct award to 18 providers for a total estimated value of up to £4.569 million per annum, subject to inflationary increases, for the two year period from 1 April 2016 to 31 March 2018.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
162	17/03/2016	Acting Executive Director of Communities and Families	Extension of Children 1st Contract	To 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.	Closed	
163	17/03/2016	Acting Executive Director of Communities and Families	Direct Award of Pre and Post Adoption Services to Scottish Adoption	To approve the extension of the contract with Scottish Adoption at a cost of £71,920 for the period 1 April 2016 to 31 March 2017.	Closed	
164	17/03/2016	Acting Executive Director of Communities and Families	Renewal of NHS Service Level Agreements	1) 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, justified in principle the case for single sourcing.	Closed	
165	17/03/2016	Acting Executive Director of Communities		2) To approve the extension of Service Level Agreement contracts for children's services with the NHS, to the value of	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		and Families		£1.743 million per annum, listed at Appendix 1 of the report, from April 2016, for a period of 3 years subject to strategic direction and monitoring by the Integrated Children's Services Board.		
166	17/03/2016	Acting Executive Director of Resources	Property Conservation - Programme Momentum Progress Report and Edinburgh Shared Repairs Service	To approve the extension of delegated authority to the Acting Executive Director of Resources	Closed	
167	17/03/2016	Acting Executive Director of Resources	Proposed Lease Extension at 19 Grassmarket, Edinburgh	To approve the 10 year lease extension to Mary's Milk Bar Limited of retail premises at 19 Grassmarket, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.	Closed	
168	17/03/2016	Acting Executive Director of Resources	Land at Slateford Road - Proposed Disposal	To approve 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 to be agreed	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				by the Acting Executive Director of Resources.		
<b>169</b>	17/03/2016	Acting Executive Director of Resources	Miscellaneous Debts - Write Off	To approve the write-off of miscellaneous debt of £166,884.25.	Closed	
<b>170</b>	17/03/2016	Chief Executive	Unincorporated Associations and Liability	To delegate authority for up to six months to the Chief Executive and the Acting Executive Director of Resources to take such action as may be required to minimise any risks to the Council and to deal with any potential claims that arose as a result of elected members having been appointed to any unincorporated association by the Council.	Closed	
<b>171</b>	12/05/2016	Chief Officer, Edinburgh, Health and Social Care Partnership	Care at Home Contract	To approve the award of contracts for the provision of care at home services in the individual neighbourhoods listed in the report, subject to receipt of directions and confirmation of funding by the Edinburgh Integration Joint Board	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
				(EIJB).		
172	12/05/2016	Chief Officer, Edinburgh Health and Social Care Partnership	Disabilities Complex Care Contract	To approve the award of a contract to Living Ambitions Ltd for the provision of a Disabilities Complex Care Housing and Support Services.	Closed	
173	12/05/2016	Executive Director of Place	Scotland's Energy Efficiency Programme	To approve Edinburgh's application to Scotland's Energy Efficiency Programme.	Closed	
174	12/05/2016	Executive Director of Place	Provision of a City Wide Car Sharing Scheme	To approve the appointment of City Car Club Ltd, to provide a city wide car sharing scheme for City of Edinburgh Council which would commence on 1 July 2016 for a period of 4 years, with an optional extension of up to a further three periods of 12 months, each undertaken at the sole discretion of the Council.	Closed	
175	12/05/2016	Acting Executive Director of Resources	Proposed New Lease at 56 High Street, Edinburgh	To approve the grant of a new 10 year lease to Palenque (Edinburgh) Limited of retail premises at 56 High Street,	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
				Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.		
<b>176</b>	12/05/2016	Acting Executive Director of Resources	Disposal of Land adjacent to 257a Colinton Road, Edinburgh	To approve the disposal of approximately 26.81 sq metres of land adjacent to the cottage at 257a Colinton Road to Jenny and David Terris, on the terms and conditions outlined in the report and on other terms to be agreed by the Acting Executive Director of Resources.	Closed	
<b>177</b>	09/06/2016	Head of Safer and Stronger Communities	Waiver Report for CCTV Infrastructure: BT Redcare	To approve the direct award of the contract to BT Redcare for the continued lease and maintenance of fibre optic networks used for the Closed Circuit Television (CCTV) network in Edinburgh for the period from 1 July 2016 to 30 June 2017 with the option to extend for a further year to 30 June 2018.	Closed	
<b>178</b>	09/06/2016	Acting Executive	Supply of Temporary	1) To approve the waiver of Contract	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Director of Resources	Security Alarm Systems from 1 July 2016 - 31 March 2017	Standing Orders to allow the incumbent contractor, PID Systems Ltd to continue to supply and maintain temporary security alarm systems for the period 1 July 2016 until 31 March 2017 to allow a tender exercise to be carried out and a contract awarded in March 2017. legislation.		
179	09/06/2016	Acting Executive Director of Resources		2) To approve a direct award to PID Systems Ltd if no suitable providers noted interest in the contract opportunity to be advertised on Public Contract Scotland subject to Commercial and Procurement Services advising that this was compliant with procurement	Closed	
180	09/06/2016	Acting Executive Director of Communities and Families	Contract Award for the Supply of Stationery from 1 August 2016 until 31 May 2020	To approve the award of a contract to Lyreco for the supply of stationery from 1 August 2016 until 31 May 2020.	Closed	
181	09/06/2016	Acting Executive Director of	Contract Award for the Supply and Distribution of	1) To approve the award of a contract to Blake Bros Ltd for the supply and	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Resources	Groceries and Provisions from 1 July 2016	distribution of groceries and provisions from 1 July 2016 until 20 April 2020.		
182	09/06/2016	Acting Executive Director of Resources		2) To agree that the contract should be managed in such a way as to maximise compliance with the Edible Edinburgh Strategy, the Council's Food for Life commitments and to capture the potential sustainability benefits identified.	Closed	
183	09/06/2016	Executive Director of Place	Award of Contract for Consultancy Services to provide the Water of Leith Siltation Study	To approve the appointment of AECOM to undertake a study and provide a report on siltation on the Water of Leith Basin for a contract sum of £35,561.95	Closed	
184	09/06/2016	Executive Director of Place	Approval for the Appointment of Consultants to Design Cycling and Walking Schemes	1) To approve the contract award for the design of the cycle schemes work package 1 to AECOM for a value of £377,722 (£359,722 including the cost of £18,000) for additional options.	Closed	
185	09/06/2016	Executive		2) To approve the contract award for the design of the walking schemes work	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Director of Place		package 2 to Grontmij for a value of £120,118.66 (£92,118.66 with contingency/surveys costs of £28,000 to cover allowable expenses and additional options).		
<b>186</b>	09/06/2016	Executive Director of Place	Approval for 'Smarter Choices, Smarter Places' 2016/17 - Travel Planning Consultants	To approve the appointment of consultants to continue building on the outcomes of the SCSP project in 2015.16, to deliver a city-wide travel planning programme with external organisations across Edinburgh, which would contribute towards a key commitment in the Local Transport Strategy. The anticipated value of the contract was up to £95,000.	Closed	
<b>187</b>	09/06/2016	Executive Director of Place	Adoption of the Scottish Government Liquid Fuels Framework	To approve the adoption and implementation of the Liquid Fuels Contract, procured on behalf of the Scottish Public Sector by the Scottish Government via a mini competition, for an initial period of two years with an option to extend up to 24 months.	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
188	09/06/2016	Executive Director of Place	21st Century Homes - Procurement of a Developer for North Sighthill	1) To approve the appointment of Keepmoat Regeneration Ltd as preferred bidder for the North Sighthill project.	Closed	
189	09/06/2016	Executive Director of Place		2) To authorise the Executive Director of Place, on behalf of the Council, to enter into the Developer Agreement and all other ancillary documents (which would comprise of the 'Contract') relative to the North Sighthill project.	Closed	
190	09/06/2016	Executive Director of Place	Refurbishment and Redevelopment at the City Observatory Calton Hill Complex - Delegated Authority for Award of Contract	To delegate authority to the Executive Director of Place, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee, to appoint the contractor with the most economically advantageous bid to deliver the refurbishment works and development of the City Observatory, Calton Hill Complex.	Closed	
191	09/06/2016	Acting Executive Director of Communities	Tynecastle Nursery - referral from the Education, Children and Families	To approve the terms and conditions for the delivery of a replacement Tynecastle Nursery as outlined in paragraph 3.5 of	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		and Families	Committee	the report.		
<b>192</b>	09/06/2016	Chief Executive	Appointments to Sub-Committees and Working Groups - 2016/17	1) To appoint the membership of the Sub-Committees and Working Groups for 2016/17 as detailed in Appendix 1 of the report.	Closed	
<b>193</b>	09/06/2016	Chief Executive		2) To agree that Councillor Main would replace Councillor Chapman as the elected member for the Green Group on the Joint Consultative Board.	Closed	
<b>194</b>	09/06/2016	Acting Executive Director of Resources	Edinburgh Shared Repairs Service - Missing Shares	1) To approve the payment of missing shares to enable essential common repairs to proceed in accordance with Section 50 of the Housing (Scotland) Act 2006.	Closed	
<b>195</b>	09/06/2016	Acting Executive Director of Resources		2) To agree that the Council would recover payments made in relation to missing shares including associated administrative expenses and interest.	Closed	
<b>196</b>	09/06/2016	Acting Executive		3) To agree to pilot the missing share	Closed	

Item no.	Date	Directorate	Item	Decision	Status	Comments
		Director of Resources		scheme over the 2016/17 financial year. This would be limited to 3 projects and cost benefit would be assessed at the year end as to its efficiency.		
197	09/06/2016	Acting Executive Director of Resources	Proposed Disposal of 0.22Ha at Edinburgh Capital Hotel, 187 Clermiston Road	To approve the disposal of HRA land at 187 Clermiston Road, extending to 0.22 Ha (0.54 acres) or thereby, to the adjacent proprietor, Hotel Property Fund (Syndicate 1) Limited, trading as Edinburgh Capital Hotel, on the terms and conditions to be agreed by the Acting Executive Director of Resources.	Closed	
198	09/06/2016	Acting Executive Director of Resources	Disposal of Land in Princes Street Gardens - National Galleries of Scotland Proposed Extension	To approve the disposal of the strip of land (shown outlined in red in the appended diagram to the report) to National Galleries Scotland (NGS) on the terms and conditions outlined in the report and on other terms to be agreed by the Acting Executive Director of Resources.	Closed	
199	09/06/2016	Acting Executive	Port Edgar Marina -	To approve the grant of a 10 year	Closed	



Item no.	Date	Directorate	Item	Decision	Status	Comments
		Director of Resources	Proposed Lease Extension	extension of Port Edgar Marina, from April 2044 until April 20154, and the grant of irritancy protection on the terms and conditions set out in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.		
200	09/06/2016	Acting Executive Director of Resources	Site at Newcraighall Road, Edinburgh - Proposed Disposal	To approve the disposal of the land at Newcraighall Road, extending to 0.14 hectares (0.37 acre) or thereby, on the terms and conditions outlined in the report and on such terms and conditions to be agreed by the Acting Executive Director of Resources.	Closed	

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Inch House Community Centre – Update report

<b>Item number</b>	7.19
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	16 - Liberton/Gilmerton

### Executive summary

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This report provides an update on progress on the future of Inch House since the Finance and Resources Committee considered a previous report on 9 June 2016.

In order to address immediate health and safety and wind and watertight concerns, a package of essential works to the roof and stonework has been instructed at a provisional cost of approximately £200k plus fees.

In addition, officers have engaged with two potential restoring purchasers and will now advertise the restoration opportunity to ensure all interested parties are able to explore opportunities, in line with the Community Empowerment Act 2015.

### Links

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<b>Coalition pledges</b>	<a href="#">P30</a>
<b>Council priorities</b>	<a href="#">CP4</a>
<b>Single Outcome Agreement</b>	<a href="#">SO4</a>

## Inch House Community Centre – Update report

### Recommendations

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#### 1.1 That Committee:

- 1.1.1 Notes the progression of works to secure the immediate health and safety and wind and watertight issues associated with the building;
- 1.1.2 Notes the intention to explore the restoring purchaser opportunities through the process set out in the Community Empowerment Act 2015; and
- 1.1.3 Notes that a further progress will report will be brought forward once submissions on the future use of the property have been received and evaluated.

### Background

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#### 2.1 On 9 June 2016, the Finance and Resources Committee agreed the following:

- 1) To note that Inch House Community Centre was now in a position where major expenditure would be required if the building was to be made fit for purpose for future use.
- 2) To note that a further report would be brought to Committee once opportunities for the potential of a restorative purchaser and grant funding availability had been explored.
- 3) To provide details on the approaches taken to secure funding for historic buildings by other local authorities across Scotland in the further report to Committee.

#### 2.2 This report provides an update on progress to date.

### Main report

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#### **Further works**

- 3.1 As detailed in the previous report to Committee, some temporary works have already been carried out to remove loose masonry.
- 3.2 To address the most pressing issues, while a sustainable solution for the property is pursued, a further package of essential works has now been instructed. The anticipated start date is December 2016.

3.3 While the full extent of the works will not be known until safe access is provided to the roof, it will include:

- repair and stabilisation of pediments/gables and various chimney stacks;
- repair and replacement of defective stonework to the various elevations;
- repair of render coatings to various elevations and chimney stacks;
- overhaul and repair of roof slating;
- inspection and repair of roof coverings and claddings;
- minor remedial work to timber sash and case windows;
- inspection and repair/replacement of rain water gutters and pipes; and
- eradication of rot affecting the roof structure.

3.4 The final cost of the works will not be confirmed until the roof is accessible however the current tender price is £202,922 excluding VAT and fees. This work will make the building wind and water tight in the short term and, in turn, will mitigate a major risk while the future of the building is determined.

#### **Funding**

3.5 Following an initial meeting with Historic Environment Scotland (HES), they have indicated that they could provide a grant of approximately £500k, largely due to the category A listed status of the property. However, HES have also made it clear that a sustainable business case for the future for the building is required prior to, and as part of, applying for grant funding.

3.6 As requested by Committee, initial research into the approaches of other local authorities has revealed examples such as:

3.6.1 West Dumbarton Council secured a £500,000 grant from Historic Environment Scotland to help pay for restoration of the former Dumbarton Academy building. The money was to repair the “A” Listed facade as part of the Council’s plans to relocate 500 staff to new offices in the town;

3.6.2 An options appraisal report for Shambellie House, New Abbey, Dumfries and Galloway from March 2014 listed several potential sources of funding, including The Vivat Trust, Landmark Trust, Heritage Lottery Heritage Enterprise funding and Big Lottery Fund. This property has similar characteristics to Inch House although it is in better condition. The Prince’s Regeneration Trust prepared the report and their brief was to “.. maximise the building’s potential and contribution to the life of the local community including cultural use in its widest sense, for example, educational use, social enterprise, heritage, local community use etc..”

The Shambellie House Trust has now been established and tasked with preparing a sustainable plan for its future which is to incorporate a local group managing the property.

3.6.3 The Scottish Historic Building Trust (SHBT) describe themselves as “..a charity that secures the future of under-used historic buildings across

Scotland by expertly restoring them for the nation and finding new uses that can regenerate local communities and the historic environment...”  
The City of Edinburgh Council has already worked with SHBT at Custom House, Leith and Riddle’s Court on the Royal Mile.

### **Restoring Purchasers**

- 3.7 To date, officers have met with two potential restoring purchasers as detailed below:
- 3.7.1 Edinburgh Palette – This Scottish charity provides studio artists, entrepreneurs and community organisations with low cost studio space and unique, organic opportunities for collaboration. They currently operate out of temporary accommodation at London Road but would like to establish a permanent base.
- 3.7.2 Live It Dance Studios – This dance school is currently using the facilities at Liberton High School and is looking for a property into which to expand the business. It is run by a local businesswoman who has built up a successful business providing affordable dance lessons to young people, many of whom are local.
- 3.8 Both parties understand that their proposals for the property should include continuing community use and believe that their proposed use is compatible with that. They have been given a package of information on the property, including its condition, so they can develop their proposals further.
- 3.9 In addition, to ensure that all interested parties are considered, the opportunity to lease and restore the property will be advertised in line with the processes set out in the Community Empowerment Act 2015, with a deadline for receipt of submissions. Appendix 1 sets out the process approved as part of the Council’s interim Community Asset Transfer Policy.
- 3.10 Once the submissions have been received and evaluated, a further report will be brought to Committee.

### **Measures of success**

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- 4.1 The outcome addresses the current and expected future needs of the local community.
- 4.2 The outcome demonstrates value for money on a whole-life basis in addressing needs of the local community; and
- 4.3 The heritage building of Inch House will remain available for appropriate use in the future.

## Financial impact

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- 5.1 The cost of the works package of approximately £200,000 and fees will be met from the Asset Management Works budget in the financial year 2016/17.
- 5.2 If a successful solution of grant funding and securing a restoring purchaser, the majority of the £1.1m costs required to restore the property, identified in the previous committee report, would be avoided.

## Risk, policy, compliance and governance impact

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- 6.1 While current health and safety risks with the external fabric of the building have been temporarily mitigated with the installation of scaffolding to provide a protective decking, this position cannot be sustained indefinitely and the building is expected to be subject to further deterioration, particularly in the winter. The further package of works which has now been instructed will help mitigate this risk.
- 6.2 There is a considerable ongoing financial risk for the Council in that this building brings significant unbudgeted pressure to limited resources needed to keep other elements of the Council's estate in operational condition.

## Equalities impact

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- 7.1 By authorising a further package of essential works, the Council is helping to protect the continued use of the building for the community while a long term solution is pursued.
- 7.2 Seeking and engaging with a restoring purchaser to secure the restoration of the property should result in a sustainable future for this community asset.
- 7.3 Both of these will enhance the rights to physical security, health, education and learning, productive and valued activities and individual, family and social life.
- 7.4 The opportunity to lease the property will be advertised, ensuring a fair process where all interested parties being treated equally.
- 7.5 By seeking to continue the community use within the building, there is a positive impact on the duty to foster good relations, including with groups who use the property for the benefit of people with protected characteristics such as age and disability.

## Sustainability impact

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- 8.1 The life expectancy of the building would be extended by substantial capital investment by a restorative user prepared to permit continued use as a community facility. However the age and configuration of the building means it

is unlikely to be able to fully meet modern day standards expected of public buildings.

## Consultation and engagement

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- 9.1 Officers met with the Management Committee of Inch House on Tuesday 16 August 2016 to discuss the process of finding a restoring purchaser. This was followed on Thursday 18 August by a public meeting which had been arranged by the Management Committee and attended by, local members, the Acting Head of Property and Facilities Management and CLD representatives

## Background reading/external references

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[Inch House Community Centre](#) – Report to Finance and Resources 9 June 2016 (item 7.12)

### Hugh Dunn

Acting Executive Director of Resources

Contact: Lesley Turner, Senior Estates Surveyor

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## Links

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<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning.
<b>Council priorities</b>	CP4 – Safe and Empowered Communities
<b>Single Outcome Agreement</b>	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Appendix 1 – Community Asset Transfer Policy

Appendix 1: Section 1 – Flowchart for considering requests for transferring a Council building or land

Steps	Elements	Assessors/Decision makers	Timescales
<p>Stage 1: Expression of interest received.</p> <p><i>(The group does not need to be a legal entity.)</i></p>	<p>Presentation of information which:</p> <ul style="list-style-type: none"> <li>• clearly identifies the legal status the applicant – only at stage 1 can applications be received from unconstituted interest groups</li> <li>• assesses strategic fit with the asset and the bidding organisation</li> <li>• says why the asset is needed and what partnership arrangements are needed;</li> <li>• examines the capabilities, skills and objectives of the bidder;</li> <li>• demonstrates potential and realising sound management of the asset.</li> </ul>	<p>This stage focuses upon an informal discussion.</p> <p>Together Council officials and organisational representatives come together to discuss the business prospects and feasibility. (item 6.2)</p> <p>Identify legal hurdles e.g. Common Good, State Aid and/or better long-term leasing opportunities – if leasing the process below should apply.</p> <p>Financial implications for the Council including consideration of capital receipt/ rent requirements</p>	<p>Minimum of 6 weeks</p>
<p>Stage 2:</p> <p>If successful at Stage 1, the lead organisation submits a detailed business and sustainability plan.</p>	<p>Provides evidence of:</p> <ul style="list-style-type: none"> <li>• a legal entity with clear governance and operational arrangements;</li> <li>• interface with the Disposal Of Land by Local Authorities (Scotland) 2010</li> <li>• benefits – community, health, social well-being, environmental well-being, economic development or regeneration, sustainability, E&amp;R impact, social or environmental.</li> <li>• product/service delivery;</li> <li>• partnership working, needs analysis</li> <li>• experience, capacity. risk analysis</li> <li>• projected income/expenditure and cash flow forecasts</li> </ul>	<p>Assessment of evidence by a panel – drawn from a range of city interests (items 6.2 and 6.3)</p>	<p>Assessment by panel should be between eight and sixteen weeks</p> <p><i>(However may take longer of complex)</i></p>



<p>Stage 3:</p> <p>If approved at Stage 2 a full assessment and testing of the business case and delivery model is undertaken.</p>	<p>Evaluation of:</p> <ul style="list-style-type: none"> <li>• benefits to the wider community and Council;</li> <li>• comparisons with existing service providers/facilities;</li> <li>• test against local policies/priorities – e.g. Localised approaches, Neighbourhood Partnership Plan;</li> <li>• commencement with National policies/priorities and legislation – such as the Community Empowerment (Scotland) Act 2015, Local Government (Scotland) Act 2003, etc.</li> </ul>	<p>Consultation with Neighbourhood Partnerships.</p> <p>Consultation with localised services and service area managers.</p> <p>Investigate legal advice</p> <p>Formal decision by Finance and Resource Committee</p> <p>Written notification of the Council decision</p>	<p>Minimum of 8 weeks</p>
<p>Stage 4</p>	<ol style="list-style-type: none"> <li>1. If agreed by the Finance and Resources Committee: <ul style="list-style-type: none"> <li>• Agree support plan and finalise legal contracts</li> <li>• Completion of documents</li> </ul> <p style="margin-left: 40px;">1.1</p> </li> <li>2. If not agreed by the Finance and resources Committee: <ul style="list-style-type: none"> <li>• Notification is made to the applicant organisations stating the reasons for the decision;</li> <li>• Further work is undertaken to address the Committee's concerns and the Council is notified of any further intent by the applicant organisation.</li> </ul> </li> </ol>	<p>Council staff and successful organisation (including legal teams) work closely together to avoid delays</p> <p>Council staff issue the decision of the Committee and are available to further assist if required.</p>	

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Proposed 10 year lease at 86/88 Niddrie Mains Road, Edinburgh – Update

Item number	8.1
Report number	
Executive/routine	Routine
Wards	17 – Portobello / Craigmillar

### Executive summary

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The Finance and Resources Committee, on 18 August 2016, was requested to approve the grant of a new 10 year lease to Co-operative Funeral Services Limited of 86/88 Niddrie Mains Road.

Committee continued the report to allow community groups to be consulted on options for the lease of 86/88 Niddrie Mains Road, and for the development of a business case for a possible CCTV community hub.

This report seeks to provide committee with an update.

### Links

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Coalition pledges	<a href="#">P17</a>
Council priorities	<a href="#">CP5</a> , <a href="#">CP8</a> , <a href="#">CP9</a> , <a href="#">CP12</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed 10 year lease at 86/88 Niddrie Mains Road, Edinburgh - Update

### Recommendations

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#### 1.1 That Committee:

- 1.1.1 Notes that the proposed tenant, the Co-operative Funeral Services Limited, has found alternative accommodation within the Council estate; and
- 1.1.2 Notes that the property will remain under a short term let until a decision is taken on a future CCTV community hub.

### Background

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- 2.1 The premises at 86/88 Niddrie Mains Road extends to 660.63sq m (7,111sq ft) or thereby and is shown outlined red on the attached plan.
- 2.2 Following construction of the new east neighbourhood office and library hub the property became vacant and was placed on the open market for lease in May 2013. There has been very little genuine interest in the building due to its large size and location.
- 2.3 On 18 August 2016, Finance and Resources Committee was asked to approve a 10 year lease of the building to Co-operative Funeral Services Limited at an annual rental of £45,000.
- 2.4 Committee continued the report to allow community groups to be consulted on options for the lease and for the development of a business case for a possible CCTV community hub.
- 2.5 In the meantime, in order to mitigate the vacant property costs that the Council is liable for whilst negotiations were ongoing with Co-operative Funeral Services Limited, a local charity, Remade in Edinburgh, has been occupying the property for use as storage from 29 June 2016 to 28 October 2016 and the month to month thereafter.

### Main report

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- 3.1 A separate report to be considered by this Committee is recommending approval of two commercial leases to the Co-operative Funeral Services Limited at industrial premises at Peffermill. If this is approved, Co-operative Funeral

Services Limited will have no operational need for 86/88 Niddrie Mains Road and will withdraw their interest.

- 3.2 Community engagement is continuing through the Neighbourhood Alliance who had previously showed interest in the property for a community led use. These discussions will continue, but in the short term it is proposed to continue with the short term let, to relieve the Council of vacant rates costs.
- 3.3 The CCTV community hub project is currently unfunded and will be considered as part of 2017/18 budget setting exercise.

## **Measures of success**

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- 4.1 Any new lease of the building will bring an underused property into commercial and beneficial use, generating a rental income for the Council.

## **Financial impact**

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- 5.1 The occupation of the property by a charity saves the Council approximately £25,000 per annum on vacant property costs.

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

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- 6.1 It is considered that this is little or no impact on Risk, Policy, Compliance or Governance issues.

## **Equalities impact**

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- 7.1 An equality and Rights Impact Assessment is not required at this stage.

## **Sustainability impact**

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- 8.1 There are no sustainability issues arising from this report.

## **Consultation and engagement**

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- 9.1 Community engagement is ongoing.

## **Background reading/external references**

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N/A

## Hugh Dunn

Acting Executive Director of Resources

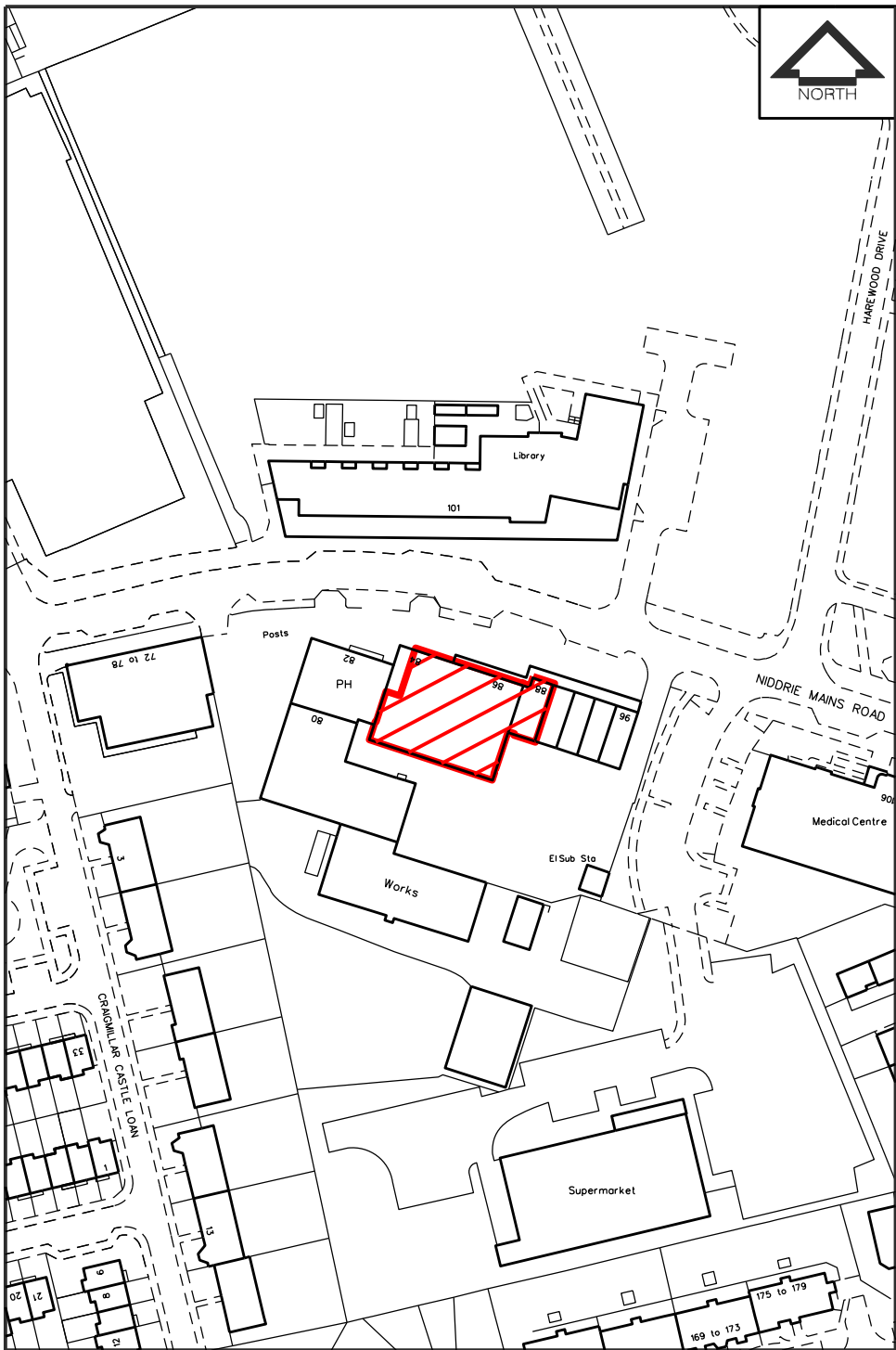
Contact: Mark Bulloch, Portfolio Manager

E-mail: [mark.bulloch@edinburgh.gov.uk](mailto:mark.bulloch@edinburgh.gov.uk) | Tel: 0131 529 5991

## Links

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<b>Coalition pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
<b>Council priorities</b>	CP5 – Business growth and investment. CP8 – A vibrant, sustainable local economy. CP9 – An attractive city. CP12 – A built environment to match our ambition.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 - Location Plan



<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SERVICES FOR COMMUNITIES EDINBURGH	
86 to 88 NIDDRIE MAINS ROAD EDINBURGH	
DATE	17/6/15
SURVEYED BY	MB
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1367

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2006 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Portobello Toddler's Hut, 28 Beach Lane – Proposed Lease

Item number	8.2
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar

### Executive Summary

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On 6 June 2013, the Finance and Resources Committee approved an 80 year lease of 28 Beach Lane to Portobello Toddler's Hut (PTH), at a peppercorn rent, on condition that the tenant secured funding for new build premises.

The Toddler's Hut have been unable to secure funding to build new premises and have now requested that their lease remains on the previously approved terms and conditions but with the term reduced to 25 years to enable them to apply for funding in order to carry out significant upgrades to property, as opposed to the full replacement as previously envisaged.

### Links

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Coalition Pledges	<a href="#">P1</a> , <a href="#">P6</a>
Council Priorities	<a href="#">CP1</a> , <a href="#">CP4</a>
Single Outcome Agreement	<a href="#">SO3</a> , <a href="#">SO4</a>

## Portobello Toddler's Hut, 28 Beach Lane – Proposed Lease

### 1. Recommendations

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- 1.1 That Committee:
  - 1.1.1 notes the funding challenges which the Toddler's Hut has encountered; and
  - 1.1.2 approves the reduction in terms of the proposed lease from 80 to 25 years and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

---

- 2.1 Portobello Toddler's Hut (PTH) is a registered charity which runs a pre-school playgroup. They currently lease premises from the Council at 28 Beach Lane, which extends to 320sq.m or thereby, as shown outlined in red in the attached plan. The current lease is based on an annual tenancy which was originally granted in 1995 at a nominal rent of £50 per annum.
- 2.2 The premises date back to the 1929 and consist of a single storey wooden building and adjoining playground.
- 2.3 On 6 June 2013, the Finance and Resources Committee approved a new 80 year lease on a peppercorn rent. This approval was predicated on PTH's aspirations to completely rebuild the property which was subject to fund raising, the main requirement of which is that the occupier had security of tenure for the building.

### 3. Main report

---

- 3.1 PTH has been unable to secure the funds necessary to completely rebuild the building. As a result, their strategy is now to concentrate on the upgrade and refurbishment of the existing facility. To achieve this a 25 lease is required as, at the moment, PTH are excluded from applying to some of the biggest funders in Scotland because of their annual lease situation. These include the Big Lottery Awards for All, the Robertson Trust and the Postcode Lottery. If PTH secured a lease of 25 years, this would enhance PTH's ability to apply for funding to secure a long term future for the charity.
- 3.2 PTH has successfully managed to raise a small amount of funds and have completed Phase 1 of their planned upgrade to the building, which included



replacement of the external and internal glazing with double glazing and safety glass.

3.3 In addition, earlier this year, approximately £30,000 of funding was received from the Morrison's Foundation and the Wessex Youth Trust which facilitated Phase 2 of the upgrade plans. These involved the original structure being reclad in treated cedar wood. All external walls and the roof have also been insulated and the building's roof replaced. This phase was completed during the summer period of 2016.

3.4 Phase 3 would be the final phase of the upgrade and would consist of internal works as follows:

- Changing the layout of the office and toilet areas;
- Providing full height toilet cubicles with hand washing facilities;
- Improving existing hygiene arrangements for the children by providing a changing area; and
- In these areas, the upgrade electrics and lighting upgraded.

3.5 PTH has fulfilled all the legal and financial obligations in terms of the existing lease and has therefore requested that the Council honours the terms and conditions previously approved with the exception of reducing the proposed term from 80 to 25 years. As previous reported to Committee, the following main terms have been provisionally agreed for a new lease:

Subjects: 28 Beach Lane, Portobello;

Lease term: 25 years from 1 December 2016 until 30 November 2041;

Rent: £1 per annum if asked;

Use: Pre-school playgroup;

Repairs: Full repairing and maintaining obligation; and

Costs: Each party will meet their own costs.

#### **4. Measures of success**

---

4.1 The new lease will assist the PTH to secure adequate grant funding in order to undertake its proposed upgrades of the site and secure the long term future of the Toddler's Hut.

4.1 Improvement to the building will provide enhanced facilities for children and families and providing a programme of activities for carers and younger children.

#### **5. Financial impact**

---

5.1 The land is held on the General Property Account. Granting a 25 year lease at a nominal rent of £1 per annum will continue to have a minimal impact on the General Property Account.

- 5.2 Development potential of the land is considered to be limited, given the restricted size of the site, its location next to a children's play park and the long established use of the land by PTH. It is believed that their first use of the site dates back to the 1929.
- 5.3 The market value subject to vacant possession is £250,000.

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

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- 6.1 This is a revised lease extension. The PTH have been in occupation at this property since 1929. It is considered there is little or no impact on risk, policy, compliance or governance impact.

## **7. Equalities impact**

---

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified by granting the 25 year lease to PTH. This would increase security of tenure for the charity and allow them to obtain grant funding to achieve their objectives of planned improvements to the building. This would allow them to continue to provide a pre-school playgroup to children and families within the area. This directly links to an enhancement of the following rights namely (i) Health, (ii) Legal Security, (iii) Education and Learning and (iv) Individual, Family and Social Life.
- 7.3 Leasing the building to PTH rather than letting on the open market could potentially infringe the rights of others who may want to lease the building. Given the positive impact detailed above, this approach is proportionate and justified.
- 7.4 By agreeing this lease, PTH and the Council are continuing to enable and promote good links with the children and families in the local communities.

## **8. Sustainability impact**

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- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below:
- The proposals in this report will reduce carbon emissions because there will be less need for heating and lighting due to the planned internal upgrades of the building;
  - The proposals in this report will help achieve a sustainable Edinburgh because they will provide opportunities for the improved health and well being, and access to education and for users. They will secure the long term future of existing jobs and improve training opportunities; and

- The need to build resilience to climate change impacts is not relevant to the proposals in this report because the proposals will not impact on resilience.

## 9. Consultation and engagement

---

- 9.1 Consultation on the upgraded building has been carried out with amongst others:
- Parents of children using PTH;
  - Disability Practice Team;
  - The Scottish Pre-School Playgroup Association;
  - Local Councillors; and
  - All feedback has been supportive.

## 10. Background reading/external references

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- 10.1 Sustainable Edinburgh 2020 (SE2020)
- 10.2 Sustainable Energy Action Plan (SEAP)
- 10.3 Resilient Edinburgh: Climate Change Framework 2014-2020
- 10.4 Finance and Resources Committee - 6/6/2013 - Portobello Toddler's Hut, 28 Beach Lane

### Hugh Dunn

Acting Executive Director of Resources

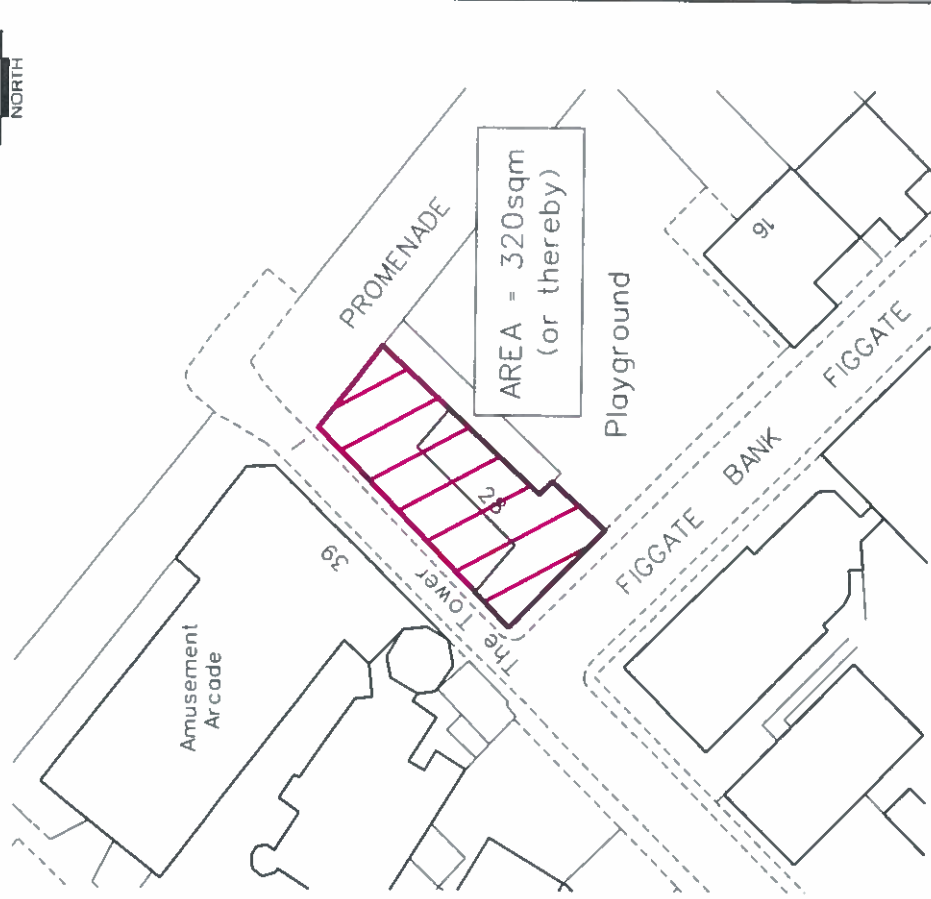
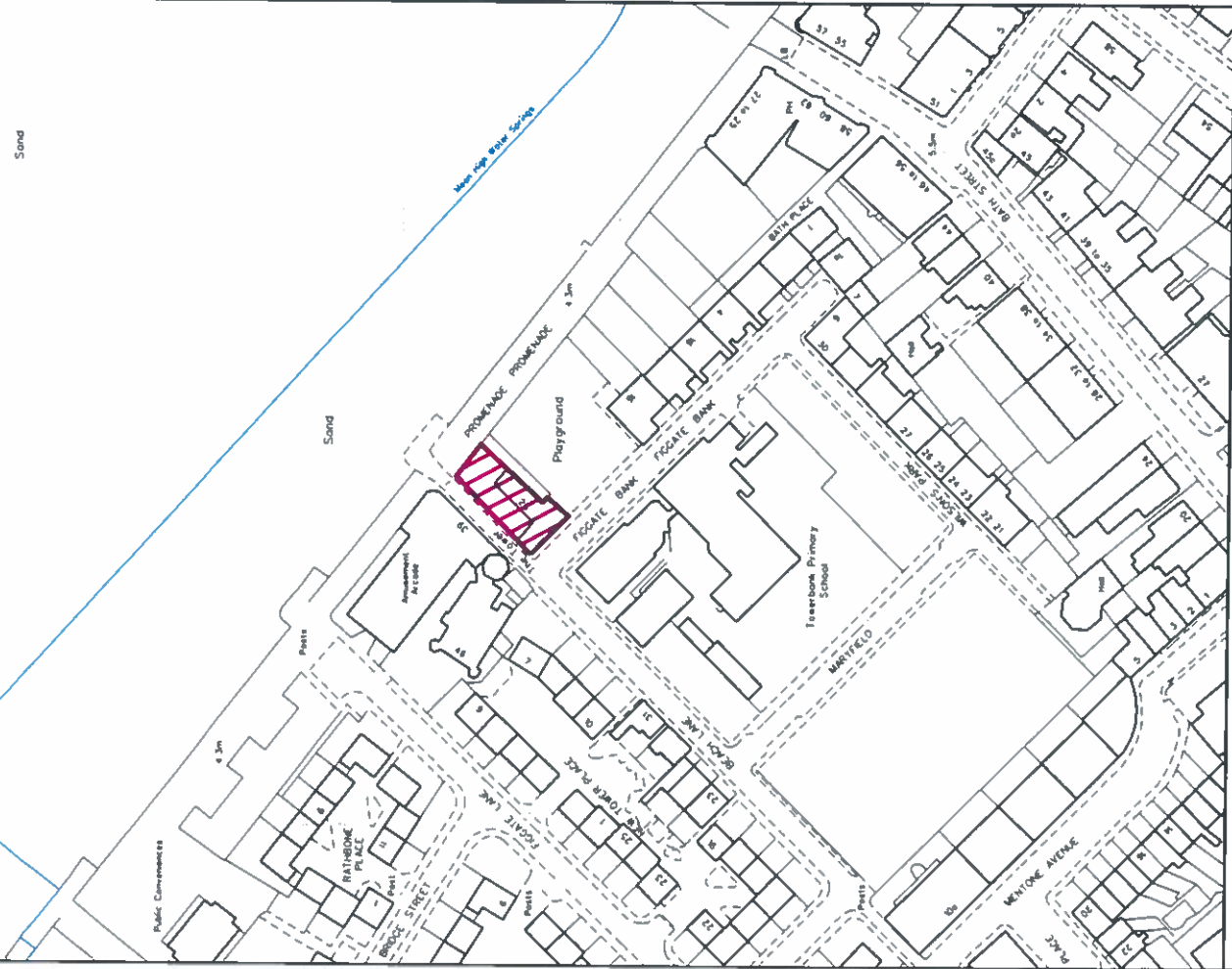
Contact: Deborah Bruce, Estates Surveyor

E-mail: [deborah.bruce@edinburgh.gov.uk](mailto:deborah.bruce@edinburgh.gov.uk) | Tel: 0131 469 3931

## 11. Links

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<b>Coalition Pledges</b>	P1 – Increase support for vulnerable children, including help for families so that fewer go into care. P6 – Establish city-wide co-operatives for affordable childcare for working parents.
<b>Council Priorities</b>	CP1 – Children and young people fulfil their potential. CP4 – Safe and empowered communities.
<b>Single Outcome Agreement</b>	SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential. SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
<b>Appendices</b>	Appendix 1 - Location Plan



<b>EDINBURGH</b> THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
PORTOBELLO TODDLER HUT 28 BEACH LANE EDINBURGH	
DATE	22/9/16
SURVEYED BY	Mark Gallantyne
DRAWN BY	Mark Gallantyne
FILE NO.	A3/1307
NEG. NO.	

LOCATION PLAN PHOTOGRAPHICALLY REDUCED NOT TO SCALE SITE PLAN

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# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Proposed new leases (x3) at Peffermill Industrial Estate, King's Haugh, Edinburgh

Item number	8.3
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar

### Executive Summary

---

Peffermill Industrial Estate is one of the largest industrial estates within central Edinburgh and has 34 units, ranging from 139.4 sq m (1,500 sq ft) to circa 1,858 sq m (20,000 sq ft). The Estate has a wide variety of occupiers, ranging from small local businesses to international corporations.

This report seeks approval to grant three new leases to the Co-op Funeralcare Group (x2) and Laurence Mackintosh Ltd (x1) on the terms and conditions outlined in the report.

These proposed new lettings are interconnected and have therefore been summarised within this single report.

### Links

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Coalition Pledges	<a href="#">P15</a> , <a href="#">P28</a>
Council Priorities	<a href="#">CP5</a> , <a href="#">CP8</a> , <a href="#">CP9</a> , <a href="#">CP12</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed new leases (x3) at Peffermill Industrial Estate, King's Haugh, Edinburgh

### 1. Recommendations

---

#### 1.1 That Committee:

- 1.1.1 approves a 15 year lease to Laurence Mackintosh Ltd of the industrial premises at Block 10b, Peffermill Industrial Estate, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources;
- 1.1.2 approves a 20 year lease to Co-op Funeralcare of the industrial premises at Block 1, Peffermill Industrial Estate, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources; and
- 1.1.3 approves a 20 year lease to Co-op Funeralcare of the industrial premises at Block 9, Peffermill Industrial Estate, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

---

- 2.1 Block 1, Peffermill Industrial Estate extends to 924 sq m (9,946 sq ft), and is currently let to Laurence Mackintosh Ltd at a rental of £38,000 pa. The lease is due to expire in May 2020, although it could be terminated by the occupier at any time (on serving six months written notice). Laurence Mackintosh Ltd are a local firm of joiners and have outgrown their current premises. They are seeking to relocate into the larger, vacant premises at Block 10b, Peffermill Industrial Estate.
- 2.2 Block 10b extends to 1,779 sq m (19,149 sq ft) and has been vacant since May 2015. It has been subject to fire damage and vandalism and an insurance claim was settled to make good all damage.
- 2.3 Block 9 extends to 950 sq m (10,226 sq ft) and is currently let to Spotless Office Cleaning Ltd at a rental of £48,000 pa. The lease is due to expire in December 2023, although it can be terminated by the tenant in December 2018 (on serving six months written notice). The existing occupiers are seeking to downsize and have

been actively marketing their lease interest. Provisional terms were agreed between Spotless Office Cleaning Ltd and Co-op Funeralcare.

- 2.4 However, as Co-op are seeking to extend the remaining lease term as additional security prior to investing in the property, the Council have been requested that a new lease be granted.
- 2.5 Terms and conditions have also been provisionally agreed for the Co-op to take the lease of Block 1, following the relocation of Lawrence Mackintosh Ltd to Block 10b. Their intention is to use the unit as a mortuary, which will require planning consent.
- 2.6 Co-op Funeralcare Ltd applied to take over a lease at 86-88 Niddrie Mains Road, and the report was continued by committee in August and is the subject of an additional report on the agenda. Co-op would withdraw their interest in Niddrie Mains Road if successful with the proposed Peffermill lettings. This would enable 86-88 Niddrie Mains Road to be used for alternative purposes.

### 3. Main report

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- 3.1 It is proposed to renounce the existing lease to Laurence Mackintosh Ltd of Block 1, subject to both; new lease terms being agreed on Block 10b, and terms also being agreed with Co-op Funeralcare to take a new lease on Block 1, thus ensuring no void period.
- 3.2 This proposed transaction will allow the rental of Block 1 to be increased by £19,000 pa to £57,000 pa. The existing lease does not allow for the rental level to be reviewed until May 2020, thus generating an immediate increase in rental income.
- 3.3 In respect of Block 9, the proposed transaction and method of documentation will allow the rental to be increased by £10,500 pa to £58,500 pa. The existing lease does not allow for the rental level to be reviewed until December 2018, again generating an immediate increase in rental income.
- 3.4 In addition, Spotless Office Cleaning Ltd will be granted a new lease at Block 4, Peffermill Industrial Estate. This element of the transaction falls within delegated authority limits but will result in a vacant unit being re-let, at a rental of £25,500 pa, for a five year lease term.
- 3.5 To summarise, the following lease terms have been provisionally agreed:
  - 3.5.1 Block 10b, Peffermill Industrial Estate
    - Tenant: Laurence Mackintosh Ltd;
    - Lease term: 15 years from date of entry with tenant break option on 10<sup>th</sup> anniversary on six months notice;
    - Rent: £89,600 pa; (previously vacant);
    - Rent Reviews: Reviewed on fifth and 10<sup>th</sup> anniversary of the term to open market value;

- Use: Manufacturing of bespoke joinery and hand-made furniture, with ancillary office accommodation;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease; and
- Note: As part of this new letting, the tenant will be allowed to renounce their lease interest in Block 1, Peffermill Industrial Estate (subject to terms being agreed with Co-op Funeralcare).

### 3.5.2 Block 1, Peffermill Industrial Estate

- Tenant: Co-op Funeralcare Ltd;
- Lease term: 20 years from date of entry with tenant break option on fifth, 10<sup>th</sup> and 15<sup>th</sup> anniversary on six months notice;
- Rent: £57,000 pa; (existing rental is £38,000 p.a);
- Rent Reviews: Reviewed on fifth and 10<sup>th</sup> anniversary of the term to open market value;
- Use: Mortuary and ancillary uses;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease; and
- Note: This lease is conditional on the letting of 10b King's Haugh to Laurence Mackintosh Ltd as noted above and planning consent from change of use from Class 4 to a mortuary.

### 3.5.3 Block 9, Peffermill Industrial Estate

- Tenant: Co-op Funeralcare Ltd;
- Lease term: 20 years from date of entry with tenant break option on fifth, 10<sup>th</sup> and 15<sup>th</sup> anniversary on six months notice;
- Rent: £58,500 pa; (existing rental is £48,000 pa);
- Rent Reviews: Reviewed on fifth and 10<sup>th</sup> anniversary of the term to open market value;
- Use: Office accommodation and storage of materials/company vehicles;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease; and
- Note: As part of this new letting, the existing tenant will be allowed to renounce their lease interest in Block 9 Peffermill Ind. Estate (subject to terms being agreed under Delegated Authority for the property at Block 4 Peffermill Industrial Estate).

## 4. Measures of success

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- 4.1 Granting these new leases will retain local services, generate additional jobs in the local area (and apprenticeships with Laurence Mackintosh Ltd), generate an increased rental income and avoid vacant property costs.

## **5. Financial impact**

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- 5.1 These transactions will result in a net additional rental income of £144,600 pa to the General Property Account. If these properties were all vacant, the Council could potentially be liable for vacant property costs of in the region of £70,000 pa, together with lost rental income.

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

---

- 6.1 Although two of the subject properties are currently occupied under commercial leases, both have upcoming tenant break options. The remaining property (10b King's Haugh) is currently vacant. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.
- 6.2 As part of these transactions, two existing occupiers will be relocated to alternative premises within Peffermill Industrial Estate. Although these properties have not been actively marketed by the Council, Block 9 has been openly marketed by the existing tenant, and has demonstrated little interest and difficulties in re-letting properties of this size in the local area. Alternative properties are currently available within Peffermill Industrial Estate and are being actively marketed.
- 6.3 The proposed use of Block 1 as a mortuary is subject to Change of Use. This is therefore dependant on planning consent being granted.

## **7. Equalities impact**

---

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 It is considered that the main enhancement of rights is through physical security with a vacant unit that could be seen as a target for vandalism and anti social behaviour being leased out and occupied. Furthermore, the new lease at this property would continue to provide a service to the local community and enhancing the right of productive and valued activities.
- 7.3 In a commercial property letting the main infringement of rights can often be claims by parties who were not given the opportunity to lease or make an offer for the property. It is not considered to be the case in this instance as alternative properties are currently available within Peffermill Industrial Estate and prospective occupiers of industrial units of this size are limited. We are not aware of any industrial requirements for large properties of this nature at this time.

## 8. Sustainability impact

---

8.1 There are no sustainability issues arising from this report.

## 9. Consultation and engagement

---

9.1 N/A

## 10. Background reading/external references

---

10.1 N/A

### Hugh Dunn

Acting Executive Director of Resources

Contact: Andrew S. McCurrach, Estates Surveyor

E-mail: [andrew.mccurrach@edinburgh.gov.uk](mailto:andrew.mccurrach@edinburgh.gov.uk) | Tel: 0131 529 4682

## 11. Links

---

<b>Coalition Pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
<b>Council Priorities</b>	CP5 – Business growth and investment. CP8 – A vibrant, sustainable local economy. CP9 – An attractive city. CP12 – A built environment to match our ambition.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Location Plan



**• EDINBURGH •**  
 THE CITY OF EDINBURGH COUNCIL  
 SERVICES FOR COMMUNITIES  
 EDINBURGH

BLOCK 1, 9 and 10b PEFFERMILL INDUSTRIAL ESTATE PEFFERMILL ROAD EDINBURGH	
DATE	4/10/16
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A4/142a

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

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# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Proposed 25 year lease of part of Market Street Undercroft

Item number	8.4
Report number	
Executive/routine	Routine
Wards	11 – City Centre

### Executive summary

---

The Council owns the area of land shown outlined in red on the attached plan, situated at the west end of the New Street/Waverley Station car park.

Discussions have taken place between the Council and Network Rail to lease a small part of the land, shown shaded blue on the plan, to allow Network Rail to provide a taxi rank facility to stations users.

This report seeks approval to the grant of a new 25 year lease to Network Rail on the terms and conditions outlined in the report.

### Links

---

Coalition pledges	<a href="#">P17</a>
Council priorities	<a href="#">CP5</a> , <a href="#">CP8</a> , <a href="#">CP9</a> , <a href="#">CP12</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed 25 year lease of part of Market Street Undercroft

### 1. Recommendations

---

#### 1.1 That Committee:

- 1.1.1 Approves a 25 year lease to Network Rail of part of the Market Street Undercroft site, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### 2. Background

---

- 2.1 The Council owned site at Market Street Undercroft extends to 0.173 hectares or thereby as outlined red on the attached plan.
- 2.2 Network Rail approached the Council, in early 2015, with a request to lease part of the Market Street Undercroft site with a view to providing a taxi rank for station users.
- 2.3 Taxi rank provision in and around Waverley Station and on Market Street in particular, has been an ongoing problem and it is hoped that this proposal will alleviate some of the issues.

### 3. Main report

---

- 3.1 Following negotiations between the Council and Network Rail, the following terms have been provisionally agreed:
  - Subjects: Part of Market Street Undercroft shown shaded blue on the attached plan;
  - Lease term: 25 year lease from date of entry with mutual break options at 10<sup>th</sup>, 15 and 20<sup>th</sup> anniversary on six month notice;
  - Rent: £32,500 per annum;
  - Incentives: Network Rail to be granted six month rent free period from date of entry to reflect substantial capital expenditure required to make site fit for purpose;
  - Rent Reviews: Reviewed on each fifth anniversary to open market value;

- Use: Taxi rank;
- Costs: Network Rail to meet all legal costs; and
- Other terms: Network Rail will be required to deliver access from the site to the car park entrance/exit at New Street and ensuring the site is suitable for the proposed use.

#### **4. Measures of success**

---

- 4.1 Granting a new 25 year lease of the site will bring an underused site into commercial and beneficial use, generating a rental income for the Council.

#### **5. Financial impact**

---

- 5.1 Rental income of £32,500 per annum payable to the General Property Account.

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

---

- 6.1 It is considered that this is little or no impact on Risk, Policy, Compliance or Governance issues.

#### **7.1 Equalities impact**

---

- 7.1 An equality and Rights Impact Assessment has been carried out.
- 7.2 It is considered that the main enhancement of rights is through the rights impact of health and in particular the equality impact of disability, as this proposal will improve the accessibility of taxi provision to disabled station users.
- 7.3 In a commercial property letting the main infringement of rights can often be claims by parties who were not given the opportunity to lease or make an offer for the property or site. This site has never been openly marketed, however, given the cost that would need to be incurred by the Council to improve the site and the proposed use by Network Rail, the impact on others is considered to be proportionate and justifiable.

#### **8. Sustainability impact**

---

- 8.1 There are no sustainability issues arising from this report.

#### **9. Consultation and engagement**

---

- 9.1 N/A

## 10. Background reading/external references

---

10.1 N/A

### Hugh Dunn

Acting Executive Director of Resources

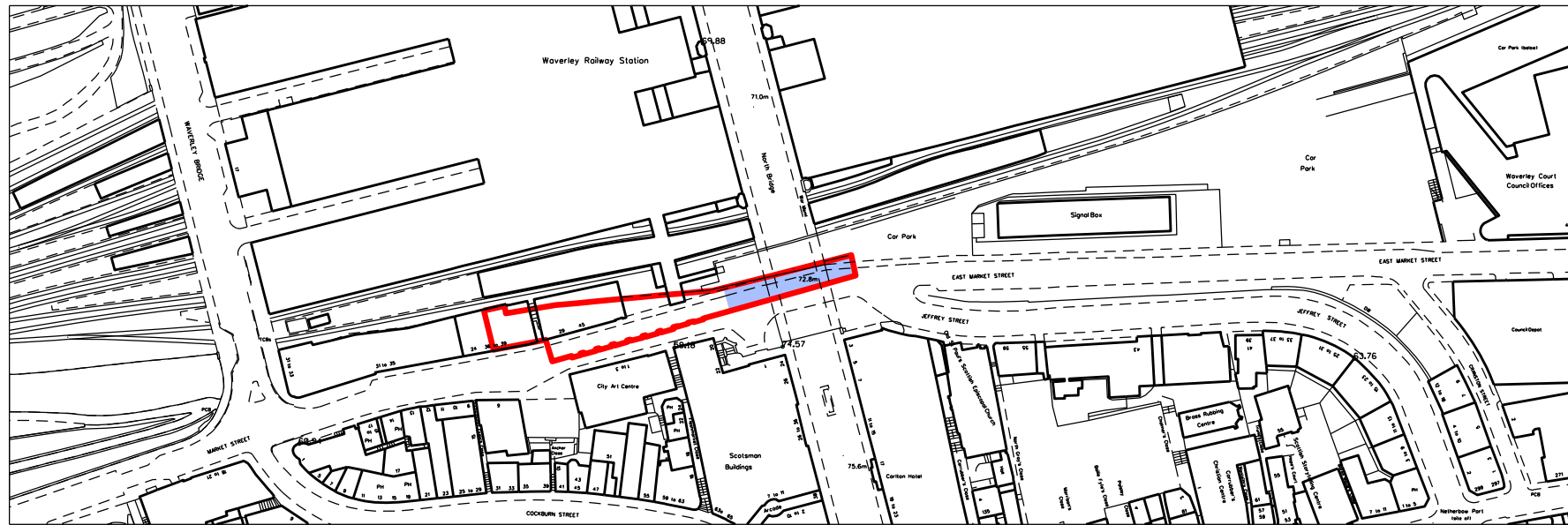
Contact: Mark Bulloch, Portfolio Manager

E-mail: mark.bulloch@edinburgh.gov.uk | Tel: 0131 529 5991

### Links

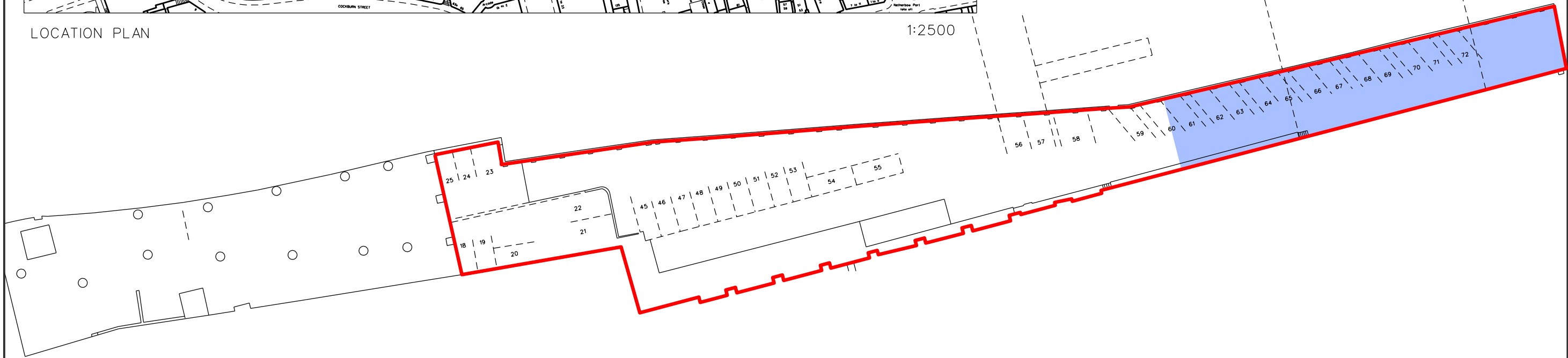
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<b>Coalition pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
<b>Council priorities</b>	CP5 – Business growth and investment. CP8 – A vibrant, sustainable local economy. CP9 – An attractive city. CP12 – A built environment to match our ambition.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 – Location / Site Plan



LOCATION PLAN

1:2500



AREA OUTLINED RED = 0.173 Ha (or thereby)

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

CITY DEVELOPMENT  
EDINBURGH

FRUITMARKET UNDERCROFT CAR PARK  
MARKET STREET  
EDINBURGH

DATE 22/9/16

SURVEYED BY

DRAWN BY Mark Ballantyne

FILE NO.

NEG. NO. A3/1235

SITE PLAN

SCALE 1:500



# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Land at former Dumbryden Primary School, Dumbryden Drive

<b>Item number</b>	8.5
<b>Report number</b>	
<b>Executive/routine</b>	routine
<b>Wards</b>	2 – Pentland Hills

### Executive Summary

---

This report seeks approval for the transfer of land held on the General Fund to the Housing Revenue Account (HRA).

In 2015, part of the former Dumbryden Primary School site was transferred from the General Fund to the HRA as part of a programme to develop 246 affordable homes across the city through the Council's 21<sup>st</sup> Century Homes house building programme.

Following discussions between Health and Social Care and the Housing Service, it is requested that a further part of the site be transferred to the HRA. This would allow delivery of a larger number of affordable homes whilst leaving sufficient space for a redesigned care home.

The benefits of the proposed transfer include delivery of 15 additional affordable homes and meeting health and social care outcomes.

### Links

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<b>Coalition Pledges</b>	<a href="#">P17</a> , <a href="#">P42</a>
<b>Council Priorities</b>	<a href="#">CP2</a> , <a href="#">CP4</a> , <a href="#">CP10</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a> , <a href="#">SO2</a>

## Land at former Dumbryden Primary School, Dumbryden Drive

### 1. Recommendations

---

- 1.1 That Committee:
  - 1.1.1 approves the transfer of 0.170 hectares (0.40 acres) of the former Dumbryden Primary School site to the Housing Revenue Account by way of debt transfer; and
  - 1.1.2 notes that Section 203 consent will be required from Scottish Ministers to transfer the sites to the HRA, which will be submitted following Committee approval to transfer the site.

### 2. Background

---

- 2.1 On 13 February 2015, the Economy Committee approved the transfer of five sites from the General Fund to the Housing Revenue Account (HRA) by way of debt transfer. This included part (0.40 hectares as shown outlined in red in Appendix 1) of the Dumbryden Primary School Site, which was assessed as having capacity for 34 affordable homes. The remainder of the site was to be developed by Health and Social Care for a care home. This decision was ratified by Finance and Resources Committee on 19 March 2015.
- 2.2 On 2 February 2016, the Finance and Resources Committee agreed a project budget for the development of housing on the transferred sites, including the Dumbryden site.

### 3. Main report

---

- 3.1 Following the transfer of part of the Dumbryden site, further work undertaken by Health and Social Care, in collaboration with 21<sup>st</sup> Century Homes, has identified that by redesigning the care home to be more efficient in terms of foot print, surplus land can be created. This land can be used to develop an additional 15 affordable homes and reduce the cost to the care home business case, due to the smaller land footprint.
- 3.2 Health and Social Care have obtained planning permission for a 60 bed care facility on the remaining area of the Dumbryden Primary School site. However, there remains a funding shortfall to be addressed before the development can proceed. Funding is available from the Housing Revenue Account for affordable housing development.

- 3.3 Increasing the area of the land to be developed for affordable housing, means a total of 49 units could be accommodated on the site, resulting in an additional 15 affordable homes with an improved layout.
- 3.4 This would require the transfer of a further 0.170 hectares (0.42 acres) as shown hatched blue on the plan attached as Appendix 1.
- 3.5 Housing has held discussions with Health and Social Care and it has been confirmed that the additional land transfer to the HRA will still permit the care home to be developed on the remainder of the site.
- 3.6 Based on the price for the original transfer, the value for the additional element of land is £182,000.
- 3.7 On 2 February 2016, Committee agreed that housing on seven sites could be developed through the Scape framework with approval granted to the Director of Place to enter into Delivery Agreements on condition that total costs for the programme do not exceed the project budget.
- 3.8 Following transfer of the additional 0.170 hectares (0.40 acres) designs will be further developed for housing at Dumbryden to enable planning consent to be sought for the project.

#### **4. Measures of success**

---

- 4.1 The transfer of the additional land to the HRA will allow an increase in the number of affordable units that can be developed.
- 4.2 Disposal by way of internal transfer provides the opportunity to deliver affordable housing through the 21<sup>st</sup> Century Homes Programme and enhances a site for which budget approval has already been granted.
- 4.3 Development of energy efficient, sustainable homes that will meet a range of housing needs and demands.
- 4.4 Development of accessible homes that could be let to older people or others with care and support needs.
- 4.5 Development of community benefits, including support for jobs and training.

#### **5. Financial impact**

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- 5.1 Transferring the additional land to the HRA would result in a transfer of up to £182,000 to the General Fund in the financial year 2016/17. This will also assist the business case for the care home by reducing the land value of the care home site pro rata.
- 5.2 A debt transfer from the General Fund to HRA will occur following the transfer of the site. The revenue costs can be contained within the HRA budget.
- 5.3 The HRA will be responsible for the property and legal costs of the transaction.

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

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- 6.1 Planning permission for the development has not been applied for or granted at this time. The Planning service has been consulted and provided advice and feedback as part of the site review and subsequent capacity study.
- 6.2 Section 203 consent will be required from Scottish Ministers to transfer the sites to the HRA.

## **7. Equalities impact**

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- 7.1 Development of affordable housing on the Dumbryden site will have a positive impact on equalities. New housing will be accessible and energy efficient with 10% of social rented housing suitable for wheelchair users.
- 7.2 These new affordable homes will be available to people on low to middle incomes.

## **8. Sustainability impact**

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- 8.1 Development of housing on brownfield sites will help reduce pressure on Edinburgh's greenbelt.
- 8.2 New homes are built to high standards in terms of energy efficiency and sustainability.

## **9. Consultation and engagement**

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- 9.1 Consultation took place in 2015 with community councils regarding development of affordable housing on the transferred sites. Edinburgh Tenants Federation and ward Councillors were also consulted and there was a high level of support for the development of the sites.
- 9.2 Further consultation will take place with the local community and ward councillors as proposals are developed for the Dumbryden site and prior to submission of the planning application.

## **10. Background reading/external references**

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- 10.1 [Transfer of General Fund Sites to HRA, Report to Finance and Resources Committee, 19 March 2015](#)
- 10.2 [21st Century Homes Small Sites Programme - Delivery, Report to Finance and Resources Committee, 2 February 2016](#)

## Hugh Dunn

Acting Executive Director of Resources

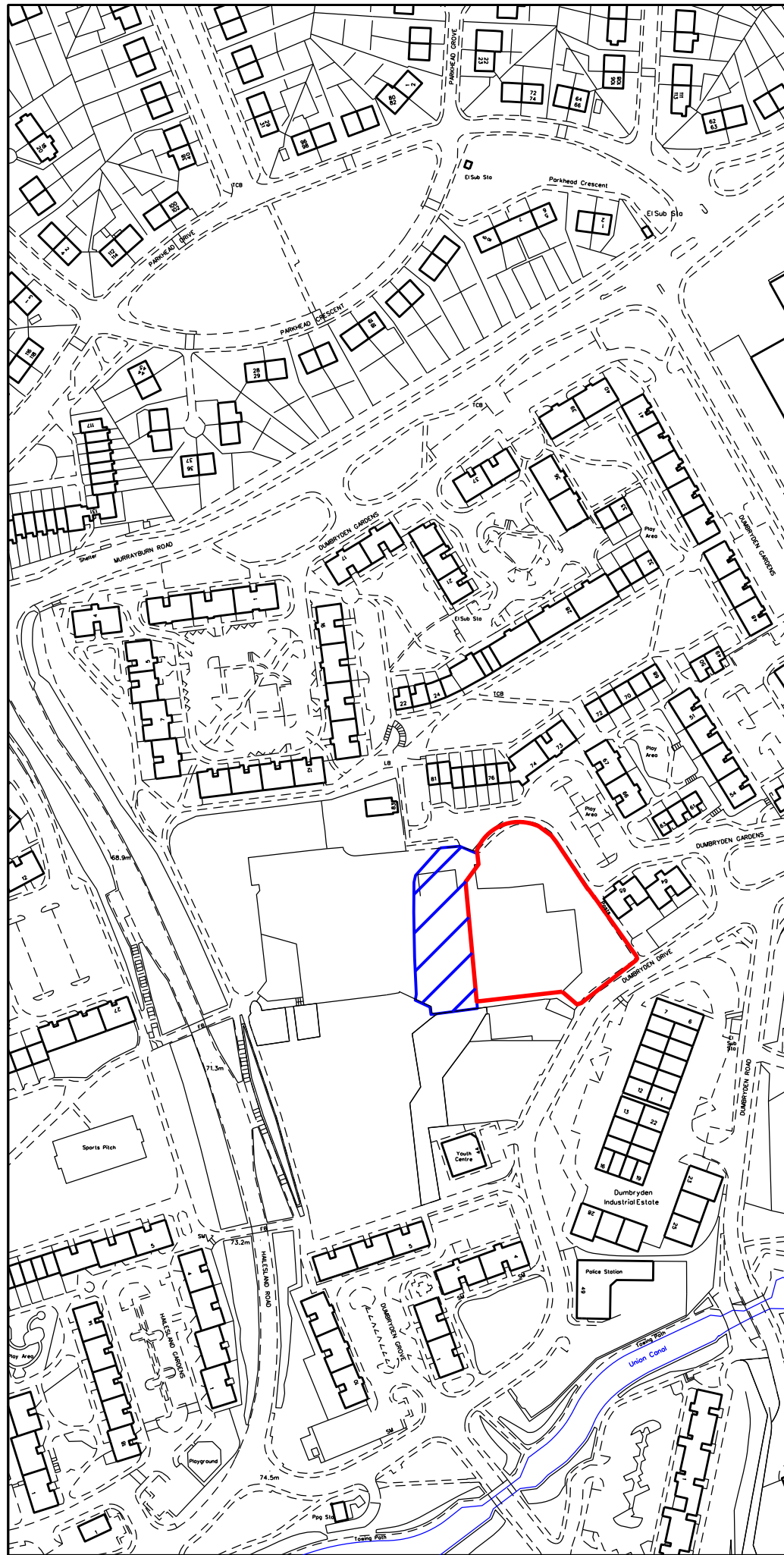
Contact: Graeme McGartland, Investments Senior Manager

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) Tel: 0131 529 5956

## 11. Links

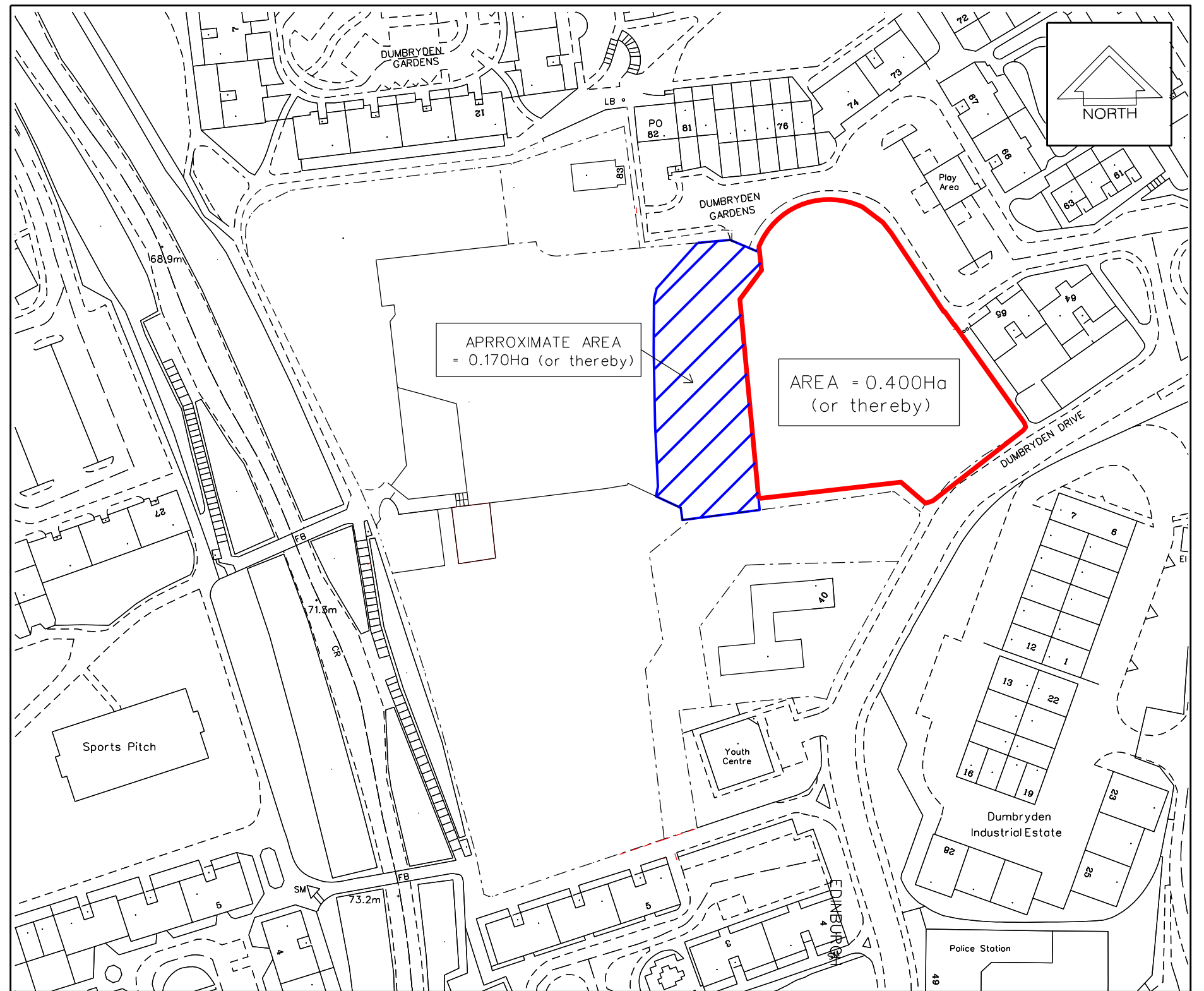
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<b>Coalition Pledges</b>	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration. P42 – Continue to support and invest in our sporting infrastructure.
<b>Council Priorities</b>	CP2 - Improved health and wellbeing: reduced inequalities. CP4 - Safe and empowered communities. CP10 - A range of quality housing options.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all. SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.
<b>Appendices</b>	Site Plan – Appendix 1



LOCATION PLAN

NOT TO SCALE



SITE PLAN

SCALE 1:1250

APPROXIMATE AREA  
= 0.170Ha (or thereby)

AREA = 0.400Ha  
(or thereby)

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

CITY DEVELOPMENT  
EDINBURGH

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LAND AT  
DUMBRYDEN PRIMARY SCHOOL  
DUMBRYDEN DRIVE  
EDINBURGH

DATE	5/9/16
SURVEYED BY	Mark Ballantyne
DRAWN BY	MB
FILE NO.	
NEG. NO.	A3/1070a