

# Item 4.1 - Minutes

## Finance and Resources Committee

10.00am, Thursday 1 December 2016

### Present

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

### 1(a) Deputation: EVOC - Item 7.8 - Approval of Lot 4 British Sign Language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication Support

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The Committee agreed to hear a deputation from Maria Arnold, Senior Development Officer from EVOC in relation to Item 7.8 - Approval of Lot 4 British Sign Language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication Support.

British Sign Language Interpreters were in attendance for this deputation.

The main points raised by the deputation were:

- EVOC felt that they had not been involved in the process to date, but they had been made aware of the situation following the debate at Committee on 3 November 2016.
- Concerns were raised about the fundamental parts of the procurement process and questioned whether the interests of an extremely vulnerable group of people had been best served. EVOC requested that the contract only be awarded if members could be fully confident that the process had been carried out in line with the Council's duty of care for those requiring these services.
- EVOC had developed very positive partnerships in terms of contributing to more inclusive commissioning and procurement processes. They had identified that the procurement process for British Sign Language Services seemed to have been impacted from staff fluctuations as well as being commissioned outside of the robust framework applied to health and social care services.

- Concerns were raised that there had been inadequate consultation based on expert guidance from the British Deaf Association (BDA) on tendering processes for British Sign Language (BSL) and English Interpreting Services.
- Equalities and Rights Impact Assessments (ERIAs) were particularly important when they related to services for those with a protected characteristic under the Equalities Act. It was important that deaf people could fully access appropriate services. There was inadequate detail in relation to the ERIA. The ERIA team appeared not to include any experts on BSL, nor did the procurement panel.
- Despite some confusion, confirmation was provided that the omission of duty sessions in the service specification was an oversight. There was a proposal to add this element retrospectively, and the specification was deemed broad enough to enable this. Duty sessions were a different way of providing support and EVOC questioned whether changing the specification in this way constituted a fair, equal and transparent treatment of all providers.

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) Deputation: Deaf Action – Item 7.8 - Approval of Lot 4 British Sign Language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication Support**

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The Committee agreed to hear a deputation from Rosie Rutherford, Commercial Manager and Shona Dixon, Communications, Support and Training Manager from Deaf Action in relation to Item 7.8 - Approval of Lot 4 British Sign Language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication Support.

British Sign Language Interpreters were in attendance for this deputation.

The main points raised by the deputation were:

- Deaf Action thanked procurement for their open dialogue since the last Finance and Resources Committee meeting on 3 November. Thanks were also given to the Councillors for their time and attention to the materials and information shared.
- Deaf Action maintained that there had been no effective consultation undertaken on the procurement with the deaf community, no involvement with deaf British Sign Language (BSL) users in relation to the Equalities and Rights Impact Assessment (ERIA), no involvement or input of relevant research about procuring and commissioning BSL and English interpreting services in a health setting as laid out in the British Deaf Association's (BDAs) report by the Scottish Government in 2012.
- The evaluation panel had no involvement from deaf BSL users and no input from any specialists. It had been a process designed by hearing people who decided

what BSL users needed. This was problematic as it had unintended consequences. Although intentions had been good in the end it was still hearing people who had decided what was best for deaf BSL users.

- There was a sense that the placing of a specialist agency on the framework was sufficient to meet the Council's equality duty. The Council had been put in a good position as they had been made aware of issues prior to awarding a contract. An open letter to the City of Edinburgh Council, Procurement Department was referred to, which highlighted the challenges that other health authorities in England had already experienced by adopting this approach. In addition the views of twenty-four interpreters who would be affected by the Regional Framework Agreement had added their name to the document and endorsed the points raised.
- It was highlighted that the services themselves and the practitioners would suffer negative effects, but ultimately the service users would suffer most. This group of people had not had the opportunity to influence what would happen to them. If effective consultation and co-production had been undertaken by procurement all the relevant issues being raised now would have been apparent.
- It was the opinion of Deaf Action that the recommendation by procurement was setting up the contract to fail, and in doing so, it was setting up deaf BSL users to experience a diminished service and the consequential loss of trust in public services at a time when there was a requirement in legislation, for the Council to engage and consult with deaf people in the design and delivery of services and promoting BSL.
- The hearing world was the dominant world and it is understandable that some of the challenges for deaf people were not understood fully, however it was often at times of change or urgent need that issues and impacts of change were highlighted. The value of the service being local was unquantifiable and often difficult to demonstrate, but was crucial and paramount to deaf people.
- Deaf Action advised that they had challenged the proposal at the tender stage and had asked ten questions, each time things were changed, it was a reactive process, and very difficult to progress. There was no mention of BSL special requirements contained within the very detailed questions within Lot 4.

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(c) Approval of Lot 4 British Sign Language Services on the Framework Agreement for the Provision of Interpretation, Translation and Communication Support**

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Approval was sought to appoint three suppliers to Lot 4 British Sign Language Services on the Framework agreement for the Provision of Interpretation, Translation and Communication support.

The framework agreement would run for a period of three years with an option to extend for an additional twelve month period.

British Sign Language Interpreters were in attendance for this item.

### **Decision**

- 1) To note the hard work carried out by staff in seeking to put the provision of British Sign Language (BSL) Services on a firmer contractual footing.
- 2) To also note that the process over the last eighteen months had been difficult with the departure of key staff with service knowledge, leaving weaknesses in the transfer of information in the run up to the tendering process.
- 3) To further note that the dialogue with the service user group had been unsatisfactory, and had only involved six service users for a purpose other than the tendering exercise undertaken.
- 4) To note that the service user group – the deaf community – had faced, and still faced, significant barriers in accessing and engaging with public services; and therefore recognised the expectation that the Council should meet the highest possible standards in setting out new ways of delivering services.
- 5) To agree, after taking all of the factors into account, that Committee felt that it had no other option but to re-tender lot 4, following in-depth consultation with service users and other stakeholders such as BSL interpreters.

(References - Finance and Resources Committee 3 November 2016 (item 1(b)); report by the Acting Executive Director of Resources, submitted)

## **2. Minutes**

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### **Decision**

To approve the minute of the Finance and Resources Committee of 3 November 2016 as a correct record.

## **3. Business Bulletin**

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### **Decision**

To note the Finance and Resources Committee Business Bulletin.

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

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The Finance and Resources Committee Key Decisions Forward Plan from 1 December 2016 to 19 January 2017 was submitted.

### **Decision**

To note the Key Decisions Forward Plan from 1 December 2016 to 19 January 2017.

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

## 5. Rolling Actions Log

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The Finance and Resources Committee Rolling Actions Log for 29 October 2015 to 3 November 2016 was submitted.

### Decision

To note that items 2,4,5,9 and 12 were closed.

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

## 6. Transformation Programme: Progress Update

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An update report was provided which highlighted progress with organisational reviews and provided updates on the key programme workstreams, the implementation of the localities model and the development of the Council's internal transformation team capability and capacity.

### Decision

- 1) To note the progress to date with organisational reviews as set out in paragraphs 3.1 and 3.4 of the report.
- 2) To note the workstream updates outlined in the report.
- 3) To note the progress to date with development of the localities model.
- 4) To note the progress with development of the internal Transformation Team.
- 5) To note the management information dashboards attached at Appendix 1 of the report.

(References – Finance and Resources Committee, 29 September 2016 (item 5); report by the Chief Executive, submitted)

## 7. Asset Management Strategy Transformation Programme - Update

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A progress report on the implementation of the Asset Management Strategy (AMS) for Property and Facilities Management was provided.

### Decision

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

(References – Finance and Resources Committee, 29 September 2016 (item 6); report by the Acting Executive Director of Resources, 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 accessing support, the number

of surplus staff 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, 3 November 2016 (item 7); report by the Acting Executive Director of Resources, submitted)

## **9. Commercial and Procurement Strategy**

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Details were provided of a revised Commercial Procurement Strategy for 2016-20 which set out for the next three years how the Council would direct its external expenditure on goods, services and works, over £500m a year, and the objectives it sought to deliver. The Procurement Strategy incorporated and developed the changes required by the Procurement Reform (Scotland) Act 2014 and the EU Procurement Directives.

### **Decision**

- 1) To note the report.
- 2) To approve the Procurement Strategy provided at Appendix 1 to the report.

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

## **10. Internal Audit Co-Sourced Services**

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Approval was sought to award a contract for the delivery of co-sourced Internal Audit Services, with options for additional interim provision as required. The contract would be active for a period of two years between April 2017 and March 2019, with options to extend for a further two 12 month periods.

### **Decision**

- 1) To approve the award of contract to PricewaterhouseCoopers LLP (PwC) for a period of up to four years between April 2017 and March 2021.
- 2) To note that a report by the Head of Legal and Risk would be provided within one year of the implementation of the contract, to include the impact of co-sourcing on the service.

(References – Governance, Risk and Best Value Committee, 21 April 2016 (item 8); report by the Acting Executive Director of Resources, submitted)

## **11. The City of Edinburgh Council – 2015/16 Annual Audit Report to Members and the Controller of Audit**

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Details were provided on the principle findings that arose from the Council's 2015/16 external audit. The audit's scope included the wider consideration of the Council's financial position, governance structures, use of resources and arrangements for securing best value.

## **Decision**

- 1) To note that following the audit process, an unqualified audit opinion had been issued on the Council's Annual Accounts for 2015/16.
- 2) To note the continuing progress made in addressing the improvement actions contained within the Council's Best Value report issued in December 2014 and that delivery of the remaining actions set out in the action plan in Appendix IV to the report would be reported to the Governance, Risk and Best Value Committee during the year.

(References – Finance and Resources Committee, 29 September 2016 (item 9); joint report by the Chief Executive and the Acting Executive Director of Resources, submitted)

## **12. Contracts Awarded Under Delegated Authority (Waiver Reports) and Contract Waiver Management Update**

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An update report was provided on the contracts awarded following a waiver of the Council's Standing Orders, those awards exempt from waiver and the contracts awarded with a value below the threshold requiring Committee approval between 1 July 2016 and 30 September 2016.

## **Decision**

To note the report and the authorisations made under delegated authority.

(References – Finance and Resources Committee, 18 August 2016 (item 20); report by the Acting Executive Director of Resources, submitted)

## **13. Award of Contracts – Innovative Approaches to the Delivery of Care at Home Services**

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Approval was sought to award contracts to six providers for the provision of 10% of Care Home Services in one or more of eleven neighbourhood areas in innovative ways. The contract duration would be for three years with a total estimated value of £6.9m (£2.3m per annum).

## **Decision**

- 1) To delegate authority to the Chief Officer of the Edinburgh Integration Joint board (EIJB) to award contracts to the providers listed below for the provision of 10% of Care at Home Services in one or more of eleven neighbourhoods in innovative ways for a period of three years commencing on dates to be agreed with each provider between 1 January 2017 and 31 March 2017.

### **Providers**

- Blackwood Homes and Care
- Trust Housing Association
- Joint Contract between: Viewpoint Housing Association, Castle Rock Edinvar (CRE) Partnership and Places for People Scotland Care and Support (PfPSC&S)



- Edinburgh 3<sup>rd</sup> Sector Collaborative
  - Support for Ordinary Living
  - McSence Communications Limited
- 2) To note that the EIJB had confirmed funding and issued relevant directions to the Council in respect of the report recommendations.
  - 3) To note the date of award of each contract would be reported through Commercial and Procurement Services quarterly update.
  - 4) To note that further awards of contracts for Innovative Approaches to the Delivery of Care at Home Services may be recommended at a future date.

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

#### **14. Waiver – Mental Health Wellbeing Services**

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Approval was sought to waive the Council's Contract Standing Orders to allow the extension of contracts for mental health wellbeing services to enable further collaborative work to be carried out between the Council and NHS Lothian, service users, carers, localities and other interested partners.

##### **Decision**

To agree to waive the application of the Council's Contract Standing Orders and allow an extension of the current mental health wellbeing service contracts listed in appendix 1 to the report from April 2017 to 31 October 2017 at a cost of £901,558 in order to build on the collaborative work to date and to fit within the proposed health and social care structure and locality working.

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

#### **15. Approval to Award Contracts for the Unmet Taxi Demand Full and Interim Surveys**

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Approval was sought for the award of contracts for the delivery of both a full taxi demand and interim surveys.

##### **Decision**

- 1) To approve the award of a contract for delivery of one full taxi demand survey in 2017 to CH2M Ltd.
- 2) To approve the award of a contract for delivery of interim taxi demand surveys during 2017 to 2018 with an option to extend for up to 24 months to Vector Transport Ltd.

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



## **16. Festival Theatre – Proposed Acquisition of Solum of Former Shop at 13-17 Nicolson Street**

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A report was provided seeking authorisation to acquire the solum of the former shop at 13-17 Nicolson Street, which forms part of the entrance foyer of the Festival Theatre.

### **Decision**

- 1) To note the purchase of the solum of the former shop for £1m through prudential borrowing.
- 2) To refer the report to Full Council on 15 December 2016 to approve the £1m of prudential borrowing.

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

## **17. New Build Nursery and Gym Facility at Leith Primary School – Delegated Authority for Award of Contract**

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Approval was sought to delegate authority to the Acting Executive Director of Communities and Families, in consultation with the Convener and Vice Convener of the Finance and Resources Committee, to appoint a contractor that submitted the most economically advantageous tender for the construction of a new nursery building and gym hall facilities at Leith Primary School.

### **Decision**

- 1) To delegate authority to the Acting Executive Director of Communities and Families 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 new build nursery and gym hall facility at Leith Primary School, Edinburgh.
- 2) To note that tenders had been received from 5 short listed building contractors. The Council had completed the quality assessment of the bids and was currently in the process of evaluating the commercial bids.

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

## **18. Award of Contract for the Provision of Residential Care for Young People**

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Approval was sought to award a contract for the provision of Residential Care for Young People. The contract would be for four years with an option to extend for up to a further two periods of 18 months each, and the total estimated value of the contract was between £6,445,873 and £6,845,778 depending on index linked price adjustments.

### **Decision**

To approve the award of contract to Dean and Cauvin Trust for the provision of residential care for young people. The contract would start on 1 April 2017 and would operate for a period of four years, with the option to extend for a further period of 2 x 18 month extensions.

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

## **19. Summary Report on Property Transactions Concluded Under Delegated Authority**

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Details were provided of all lease agreements etc, concluded in terms of the Council's Scheme of Delegation to Officers.

### **Decision**

To note that the 21 transactions detailed in the Appendix to the report had been concluded in terms of the Council's Scheme of Delegation to Officers.

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

## **20. Proposed 30 Year Lease at 32 Market Street, Edinburgh**

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Approval was sought to grant a new 30 year lease of 32 Market Street, Edinburgh to General Dynamic Fun Limited, subject to terms and conditions outlined in the report.

### **Decision**

To approve a new 30 year lease to General Dynamic Fun Limited of 32 Market Street 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.)

## **21. Proposed New 15 Year Lease of 173-175 Canongate, Edinburgh**

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Committee considered a report that sought approval to grant a new 15 year lease of the retail shop at 173-175 Canongate, Edinburgh to the Firm of Hamilton and Young with effect from 1 April 2017 at a revised rental of £26,320 per annum exclusive of VAT.

### **Decision**

To approve a new 15 year lease to the Firm of Hamilton and Young of retail premises at 173-175 Canongate, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

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

## **22. Lease Extension – Care Home at 23-27 Gylemuir Road**

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On 27 November 2014, the Finance and Resources Committee granted a lease for a Care Home at 23-27 Gylemuir Road for a period of 18 months. Approval was sought to extend the lease for two years on the same main terms and conditions as the existing lease.

### **Decision**

To approve a two year lease extension of the 120 bed care home at 23-27 Gylemuir Road, Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

(References – Finance and Resources Committee, 27 November 2014 (item 6); joint report by the Acting Executive Director of Resources and the Chief Officer, Edinburgh Health and Social Care Partnership, submitted)

### **23. Proposed Sale of Land at 135 Redford Road, Colinton, Edinburgh**

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Details were provided of a report which sought approval for the disposal of 0.126ha (0.312 Acres) of land at 135 Redford Road to an adjacent proprietor, Mr and Mrs Linton.

#### **Decision**

To approve the sale of land to Mr and Mrs Linton under the terms and conditions 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)

### **24. The Venchie, Niddre Mains Terrace – New Lease**

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Approval was sought to grant a new lease at 61 Niddrie Mains Terrace, Edinburgh to the Venchie Children and Young People's Project Limited. The Venchie was a company limited by guarantee by charitable status.

The Venchie's previous ground lease had expired on 5 May 2011 and had been allowed to continue on a yearly rolling basis. The replacement lease would provide the Venchie with the necessary security of tenure it required to obtain new sources of funding.

#### **Decision**

To continue consideration of the matter to the meeting of the Finance and Resources Committee on 19 January 2017 to allow further discussion with elected members and the project.

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

### **25. Proposed Assignment and Lease Restructure – 36/39 and 45 Market Street, Edinburgh**

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Committee considered a report which sought approval in principle, to assign the existing leases on 36-39 Market Street to Fruitmarket Gallery and thereafter vary the lease to provide the Gallery with a single lease, to allow the proposed development of a £10.5m premier cultural space.

#### **Decision**

To approve the principle of the assignment and variation of the existing leases at 36-39 and 45 Market Street on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

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

## **26. Proposed Sale of Site at Ardmillan Terrace, Edinburgh**

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Approval was sought to dispose of the Breast Screening Clinic site at Ardmillan Terrace to NHS Lothian (NHSL) on terms and conditions to be agreed by the Acting Executive Director of Resources.

### **Decision**

To approve the disposal of the Breast Screening Clinic site, Ardmillan Terrace, to NHS Lothian on the main terms outlined in the report and on other terms to be agreed by the Acting Executive Director of Resources.

(References – Finance and Resources Committee 18 August 2016 (item 34); report by the Acting Executive Director of Resources, submitted)

## **27. Resolution to Consider in Private**

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The Sub-Committee, agreed under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs 1, 6, 8 and 9 of Part 1 of Schedule 7(A) of the Act.

## **28. Award of Contract for Provision of Managed Services for Temporary Agency Resources and Recruitment of Permanent, Fixed Term Contracts and Short Term Supply Resources**

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Approval was sought to award a contract for the provision of managed services for temporary agency resources and recruitment of permanent, fixed term contract and short term supply resources. The contract term would be three years with an option to extend for a further twelve month period.

### **Decision**

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

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

## **29. Monitoring Officer Investigation – Tron Kirk**

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Details were provided of an investigation undertaken by the Monitoring Officer in respect of the Tron Kirk.

### **Decision**

- 1) To note the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.
- 3) To agree that a report would be brought back to the Finance and Resources Committee setting out a mechanism, to include any necessary training identified for procedures to be adopted, to ensure that collaborative working was implemented.

(Reference – report by the Monitoring Officer, submitted)

### **30. Temporary Accommodation for Homelessness Contract**

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Approval was sought to award a contract to provide and manage temporary accommodation for homeless people.

#### **Decision**

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

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

#### **Declaration of Interest**

Councillor Corbett declared a financial interest in the above item as an employee of Shelter Scotland.